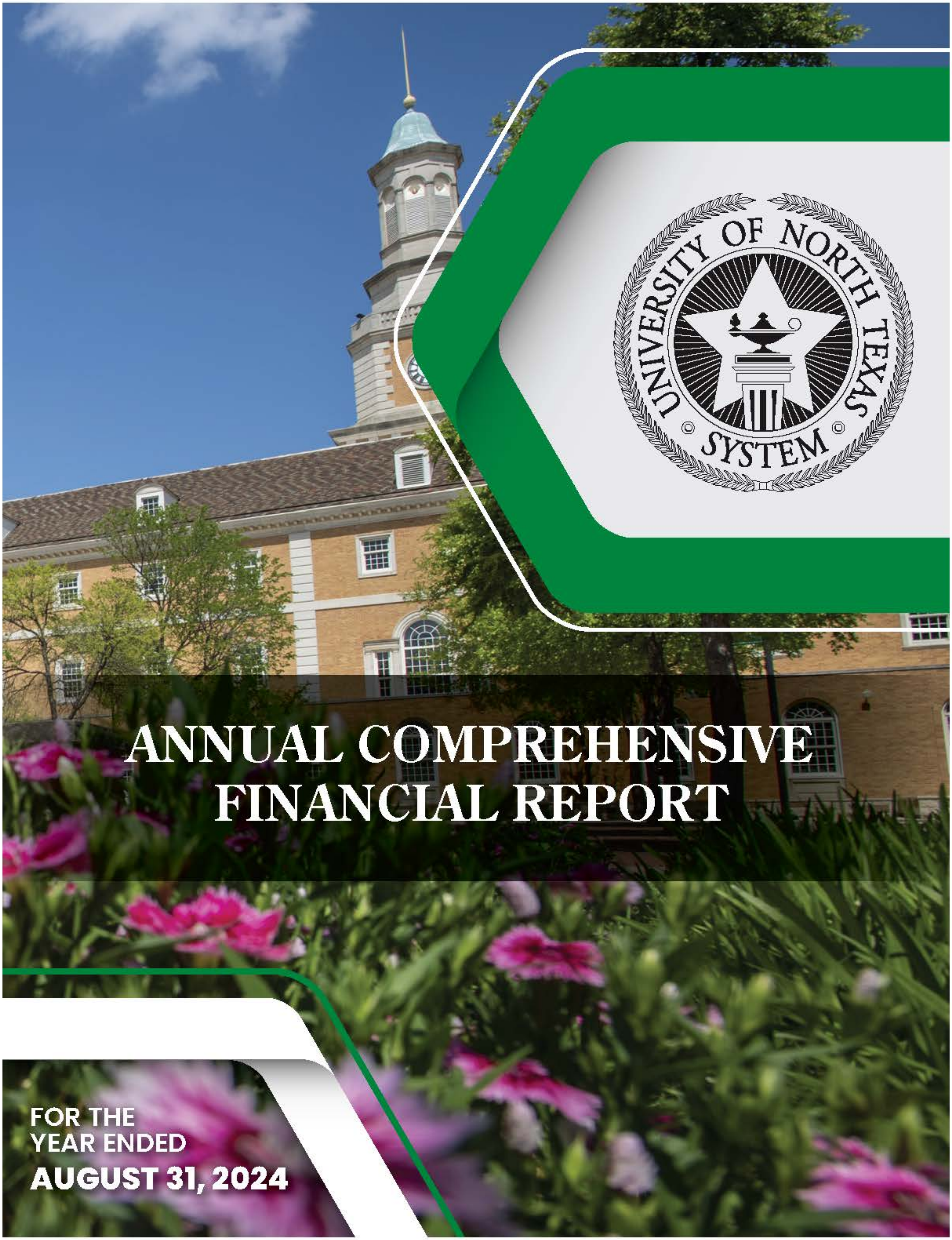

UNIVERSITY OF NORTH TEXAS SYSTEM

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED

AUGUST 31, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

UNIVERSITY OF NORTH TEXAS
SYSTEM

DALLAS, TEXAS

Dr. Michael R. Williams, Chancellor

For the Fiscal Year Ended August 31, 2024

UNT SYSTEM™

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UNT SYSTEM™

November 20, 2024

The Honorable Greg Abbott
Office of the Governor
P.O. Box 12428
Austin, TX 78711-2428

Mr. Jerry McGinty
Director, Legislative Budget Board
P.O. Box 12666, Capitol Station
Austin, TX 78711

The Honorable Glenn Hegar
Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528

Ms. Lisa Collier, CPA
Texas State Auditors' Office
P.O. Box 12067
Austin, TX 78711-2067

Dear Sirs and Madam:

We are pleased to submit the annual financial report of the University of North Texas System for the year ended August 31, 2024, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR); 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 Brittany Wisdom at (940) 369-5524. Paula Welch may be contacted at (940) 369-5500 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Michael R. Williams

Dr. Michael R. Williams
UNT System Chancellor

UNIVERSITY OF NORTH TEXAS SYSTEM

ORGANIZATIONAL DATA

August 31, 2024

BOARD OF REGENTS

Melisa Denis	*(Term expires May 2025)*	Southlake
Daniel Feehan	*(Term expires May 2025)*	Fort Worth
John Scott, Jr., D.O.	*(Term expires May 2025)*	Keller
Ashok (A.K.) Mago	*(Term expires May 2027)*	Dallas
Lindy Rydman	*(Term expires May 2027)*	Houston
Laura Wright	*(Term expires May 2027)*	Dallas
Cathy Bryce	*(Term expires May 2029)*	Argyle
Carlos Munguia	*(Term expires May 2029)*	University Park
Terry West	*(Term expires May 2029)*	Lucas

STUDENT REGENT

Ethan Gillis	*(Term expires May 2025)*	Denton

OFFICERS OF THE BOARD

Laura Wright	Chair
Carlos Munguia	Vice Chair

ADMINISTRATIVE OFFICERS

Michael R. Williams	Chancellor
Susan Alanis	Deputy Chancellor

MANAGEMENT'S DISCUSSION AND ANALYSIS

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DALLAS, TEXAS

For the Fiscal Year Ended August 31, 2024

Introduction

The University of North Texas System (the "System") was established by the 76th Legislature with legislative funding provided for the fiscal year beginning September 1, 1999. The System is an agency of the State of Texas and is currently comprised of the University of North Texas System Administration ("System Administration"), established 1999, and three academic institutions funded by the Legislature: the University of North Texas ("UNT"), established 1890; the University of North Texas Health Science Center at Fort Worth ("HSC"), established 1970; and the University of North Texas at Dallas ("UNTD"), established 2010.

The System has a $1.5 billion annual consolidated budget and employs roughly 20,000 people at its various locations within the robust North Texas Region. In Fall 2023, over 52,000 students enrolled in undergraduate, graduate, and professional programs at System institutions. The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas State Senate. Three members are appointed every odd-numbered year for six-year terms. In addition, the Governor annually appoints a non-voting Student Regent for a one-year term.

Financial Highlights and Overview of Financial Statements

The objective of Management's Discussion and Analysis (the "MD&A") is to provide an overview of the financial position and activities of the System as of and for the year ended August 31, 2024, with selected comparative information as of and for the year ended August 31, 2023. The MD&A is prepared by management and should be read in conjunction with the accompanying financial statements and notes. The emphasis of discussion about these financial statements will focus on current year data. Unless otherwise indicated, years in the MD&A refer to the fiscal years ended August 31.

The System Annual Comprehensive Financial Report ("ACFR") includes three primary financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements of the System have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

In addition, the System ACFR contains the Statement of Financial Position and the Statement of Activities for the following discretely presented component units: the University of North Texas Foundation, Inc. ("UNT Foundation"); and the University of North Texas Health Science Center Foundation ("UNTHSC Foundation"). Each foundation is a separate nonprofit organization. The foundations are essential components of the UNT and HSC programs for university advancement and development of private sources of funding for capital acquisition, operations, endowments, and other purposes relating to the mission of each university. The financial statements of the foundations have been prepared in accordance with GAAP as prescribed by the Financial Accounting Standards Board ("FASB").

Financial Highlights

- Total assets and deferred outflows of resources of the System exceeded its total liabilities and deferred inflows of resources in 2024, resulting in a net position of $923.0 million. Unrestricted net position, which may be used to meet the System's future obligations, was $33.5 million, or 3.6% of total net position as of August 31, 2024.
- The System concluded the 2024 fiscal year with an increase in net position of $141.9 million, compared to an increase of $54.0 million in 2023. In 2024, there was a restatement of $12.9 million related to prior year adjustments for payroll transactions, capital assets, and an endowment. Per the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*, the restatement has been retroactively applied to 2023 within the MD&A. Operating revenues increased $14.3 million, or 1.6%, due primarily to an increase in research related grants and contracts of $10.1 million. Funds received for Pell grants increased $16.1 million. Investment income and gains in the fair market value of investments increased $55.1 million. UNT received its first $21.3 million distribution from the Texas University Fund ("TUF") to provide sustainable funding to support research, faculty, and students. In addition, $32.6 million of land was donated for the UNT Frisco campus.
- The System continues to make significant investments in capital additions, $179.5 million in 2024, consisting of numerous capital projects across all institutions to strategically benefit students, faculty, and staff. The System has committed $344.9 million to fund, with assistance from State supported debt financing and Higher Education Fund ("HEF") capital appropriations, future capital asset additions and improvements over the next several years. These

projects are currently in various stages of completion. The "Capital Asset and Debt Administration" section of the MD&A provides more details pertaining to these strategic investments.

Overview of Financial Statements

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 nonoperating. Revenues from state appropriations, gifts, and investment income are reported as nonoperating 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 the financial position of the System as of the end of the fiscal year. From the data presented, readers of this statement can determine the assets available to continue the operations of the System, and what the System owes to vendors, investors, and lending institutions. The Statement of Net Position provides a point-in-time view of the net position and availability of resources to cover the expenses of the System. The change in net position is one indicator of whether the financial condition has improved or worsened during the fiscal year when considered with other nonfinancial indicators, such as the enrollment levels and the condition of the facilities.

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the System as of the end of the fiscal year. The net position section of the statement is reported by three major categories:

- *Net Investment in Capital Assets* represents the System's equity in property, plant, equipment, leases, and subscription assets, net of accumulated depreciation and amortization, capital asset related bonds and other debt items.
- *Restricted Net Position* represents the amounts subject to constraints that are either externally imposed or imposed by law, with amounts that are permanently held for investment divided into two categories: Nonexpendable and Expendable.
- *Unrestricted Net Position* represents the amounts available for any other lawful purpose of the System.

The following table reflects the Condensed Comparative Statement of Net Position for the System as of August 31, 2024 and 2023:

Statement of Net Position
Table MDA 1
August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023
Assets and Deferred Outflows of Resources		
Current Assets	$ 740,778	$ 731,477
Capital Assets, Net	1,493,591	1,436,114
Other Noncurrent Assets	718,887	618,946
Total Assets	$ 2,953,256	$ 2,786,537
Deferred Outflows of Resources	161,396	223,549
Total Assets and Deferred Outflows of Resources	**$ 3,114,652**	**$ 3,010,086**
Liabilities and Deferred Inflows of Resources		
Current Liabilities	$ 621,564	$ 608,008
Noncurrent Liabilities	1,378,957	1,404,753
Total Liabilities	$ 2,000,521	$ 2,012,761
Deferred Inflows of Resources	191,167	216,231
Total Liabilities and Deferred Inflows of Resources	**$ 2,191,688**	**$ 2,228,992**
Net Position		
Net Investment in Capital Assets	$ 674,631	$ 588,697
Restricted for:		
Funds Held as Permanent Investments:		
Nonexpendable	65,957	67,504
Expendable	56,759	44,147
Other Restricted	92,125	82,146
Total Restricted	$ 214,841	$ 193,797
Unrestricted	33,492	(1,400)
Total Net Position	**$ 922,964**	**$ 781,094**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 3,114,652**	**$ 3,010,086**

Total Assets and Deferred Outflows of Revenues

Current Assets

Current assets increased $9.3 million, or 1.3%, in 2024. The increase in current assets is primarily attributable to an increase in cash in state treasury and cash in transit/reimburse from treasury of $14.5 million due to TUF funds, increased statutory tuition revenue, and timing of reimbursements. There was also an increase in legislative appropriations of $5.2 million as a result of increased accruals on state funds for August payroll, offset by a decrease in accounts receivable of $9.6 million as a result of a change in the timing of fall 2024 tuition recorded in fiscal year 2025.

Noncurrent Assets

Noncurrent assets consist primarily of investments and capital assets, net of accumulated depreciation and amortization. In total, noncurrent assets increased $157.4 million, or 7.7%. The increase in noncurrent assets is primarily attributable to investment gains and capital assets. Investments increased $102.9 million, comprised of increase of $88.4 million in unrestricted investments and $14.4 million in restricted investments. For the fiscal year, the U.S. economy faced persistent inflation pressures and a cautious Federal Reserve, which held the federal funds rate between 5.25% and 5.5% to curb inflation despite slowing growth. This high-rate environment created volatility across asset classes, with equity markets adjusting valuations and bond yields remaining elevated, particularly for short-term treasuries. Economic growth slowed, impacted by restrained consumer spending and lower business investment, while the labor market maintained moderate job gains. Investors navigated these conditions carefully, balancing the risks of sustained high rates with signs of an eventual economic cooldown.

Capital assets increased $57.5 million due to an increase in non-depreciable capital and intangible assets of $84.4 million, offset by a decrease of $26.9 million in depreciable or amortizable assets net of accumulated depreciation. Major capital improvements included $22.0 million for the Dallas Science, Technology, Engineering, and Math ("STEM") Building, $5.1 million for the UNT Science and Research Building, $4.8 million for the UNT Integrated Student Services Center renovation, and $2.5 million for the HSC Everett Building second floor renovation. Other capital expenses include $27.9 million in equipment, vehicle, and library purchases. In addition, $51.5 million of non-depreciable construction in progress was placed into service in depreciable asset categories.

Deferred Outflows of Resources
Deferred outflows of resources decreased $62.2 million, or 27.8%, primarily attributable to a $74.2 million reduction related to other postemployment benefits ("OPEB"), offset by a $12.5 million increase related to pensions.

Total Liabilities and Deferred Inflows of Resources
Current Liabilities
Current liabilities increased $13.6 million, or 2.2%. The increase in current liabilities is primarily attributable to a $24.0 million increase in notes and loans payable as a result of issuing additional commercial paper in 2024. Payroll payable increased $7.3 million reflecting increased staffing required to meet rising enrollment. These increases were offset by a $12.0 million decrease in unearned revenue due to a change in tuition billing and a $4.6 million decrease in accounts payable due to decreased construction accruals.

Noncurrent Liabilities
Noncurrent liabilities consist primarily of the noncurrent portion of revenue bonds payable, net pension and OPEB liabilities, and employees' compensable leave liability. In total, noncurrent liabilities decreased $25.8 million, or 1.8%. The decrease in noncurrent liabilities is primarily attributable to $51.5 million reduction in Bonds Payable from scheduled 2024 debt service payments and premium amortization. Noncurrent OPEB liability decreased $18.9 million due to changes in actuarial assumptions. These decreases were offset by a $42.7 million increase in net pension liability due to negative performance of actuarial investment returns as compared to the expected rate of return for the measurement period ending August 31, 2023.

Deferred Inflows of Resources
Deferred inflows of resources decreased $25.1 million, or 11.6%. The decrease in deferred inflows of resources is primarily attributable to a $3.6 million decrease for lessor leases and a $21.6 million decrease related to the pension and OPEB plans, due to changes in proportionate share and contributions and changes in actuarial assumptions.

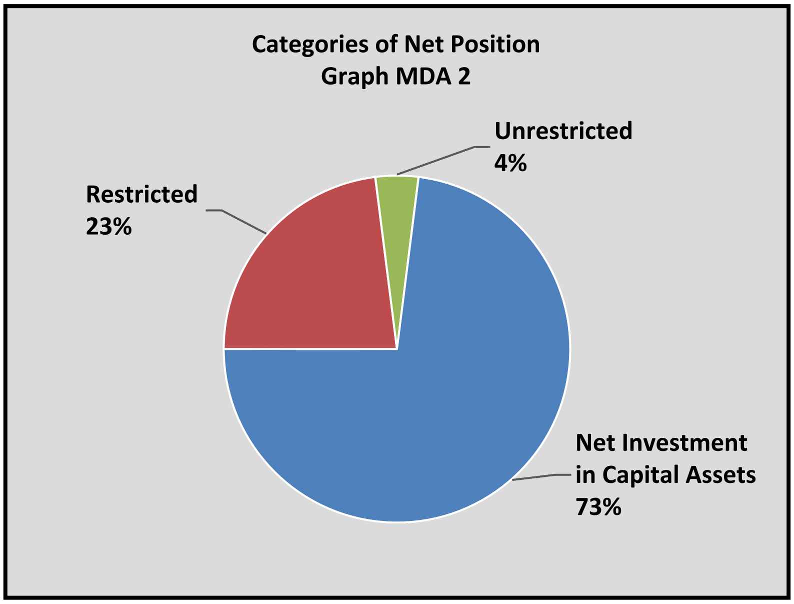
Total Net Position
Net Investment in Capital Assets
Net investment in capital assets increased $85.9 million, or 14.6%. The increase in net investment in capital assets is primarily attributable to the $51.5 million reduction in notes and bonds payable offset by a $32.6 million increase from land donated for the UNT Frisco campus. Net investment in capital assets consists of the System's capital assets, net of accumulated depreciation or amortization, and unspent bond proceeds reduced by outstanding balances for bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position
Restricted net position increased by $21.0 million, or 10.9%. The increase in restricted net position is primarily attributable to endowment activities. Restricted net position primarily consists of the System's permanent investments subject to restrictions externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position
Unrestricted net position increased by $34.9 million, or 2491.3%. The increase in unrestricted net position is primarily attributable to activities not reported in net investment in capital assets or restricted net position.

Total net position represents the residual interest in the System's total assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Total net position increased $141.9 million, or 18.2% (excluding restatement) in 2024.

The following chart reflects the total net position by major categories as of August 31, 2024:



Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the System's revenues earned and the expenses incurred during 2024, regardless of when cash is received or paid, and provides a period-of-time view of the activities that are reported as either operating or nonoperating. Generally, operating revenues are earned in exchange for providing goods and services. Operating expenses are incurred in the normal operations of the System, including a provision for depreciation and amortization on capital assets. Certain revenue sources the System relies on for operations include state appropriations, gifts, grants, and investment income which are required by GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended, to be classified as nonoperating revenues. Revenues are reported by major source, and expenses are reported on the face of the statement by functional (programmatic) categories as defined by the National Association of College and University Business Officers ("NACUBO").

The following table reflects the Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended August 31, 2024 and 2023:

Statement of Revenues, Expenses and Changes in Net Position
Table MDA 3
For the Fiscal Years Ended August 31, 2024 and 2023 (Amounts in Thousands)

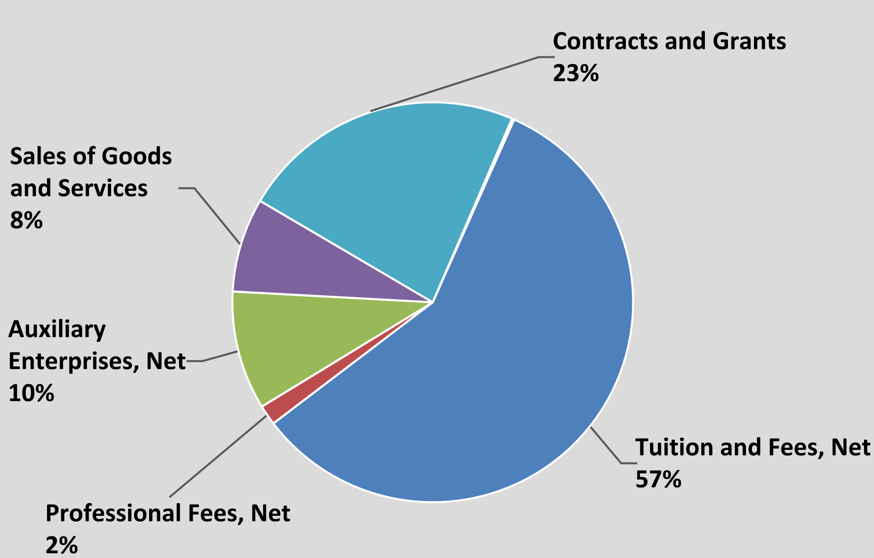
	2024	2023
Operating Revenues		
Tuition and Fees, Net	$ 511,865	$ 509,757
Contracts and Grants	203,206	193,115
Other Operating Revenues	176,646	174,560
Total Operating Revenues	**$ 891,717**	**$ 877,432**
Operating Expenses	**$ 1,454,994**	**$ 1,374,160**
Operating Loss	**$ (563,277)**	**$ (496,728)**
Nonoperating Revenues (Expenses)		
Investment Income	$ 113,931	$ 58,875
Interest on Capital Asset Related Debt	(29,121)	(29,017)
Noncapital Grants and Contracts	101,005	87,251
Other Nonoperating Revenues and Expenses, net	387,411	357,196
Total Nonoperating Revenues (Expenses)	**$ 573,226**	**$ 474,305**
Capital Contributions, Endowments and Transfers		
Capital Contributions	$ 36,002	$ 11,317
Capital Appropriations	57,511	55,827
Contributions to Permanent and Term Endowments	2,153	3,129
Transfers	36,255	6,337
Other	-	(142)
Total Capital Contributions, Endowments and Transfers	**$ 131,921**	**$ 76,468**
Change in Net Position	**$ 141,870**	**$ 54,045**
Net Position, Beginning Balance	$ 781,094	$ 737,436
Restatements	-	(10,387)
Net Position, Beginning Balance, as Restated	$ 781,094	$ 727,049
Net Position, Ending Balance	**$ 922,964**	**$ 781,094**

Operating Revenues

Operating revenues totaled $891.7 million in 2024, an increase of $14.3 million, or 1.6%, over 2023. The System's primary sources of operating revenues are tuition and fees, and federal, state, local, and private grants. Net tuition and fees, representing 57.4% of operating revenues, are reflected in the financial statements with associated discounts and allowances shown separately. Net tuition and fees increased $2.1 million as a result of increased enrollment throughout the System. Federal, state, local, and private grants and contract revenues, represents 22.8% of operating revenues, and are primarily from governmental and private sources and are related to research programs that normally provide for the recovery of direct and indirect costs. Grant and contract related revenues increased by $10.1 million primarily as a result of increased research activities on all campuses. Auxiliary enterprise revenue increased $2.1 million from an increase in campus operations including housing, meal plans, and parking, spurred by enrollment growth.

The following chart reflects the operating revenues by major source for the fiscal year ended August 31, 2024:

Major Sources of Operating Revenues
Graph MDA 4



Operating Expenses

Operating expenses totaled $1.5 billion in 2024, an increase of $80.8 million, or 5.9%, over 2023. The increase in operating expenses is primarily attributable to increased salaries and wages of $46.2 million and payroll related costs increased $5.3 million due to record enrollment and expanded campus operations. Professional fees and services increased $22.3 million primarily due to increased research services and foreign student recruitment. Scholarships increased $6.0 million as a result of increased federal Pell Grant awards in 2024. Repairs and maintenance decreased $8.1 million as a result of fewer maintenance projects in 2024.

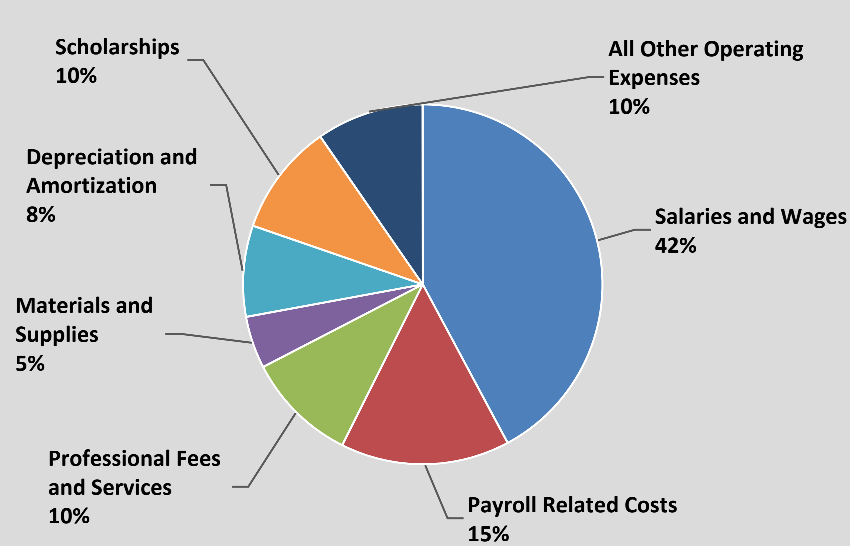
The following table reflects the operating expenses based on natural classification for the fiscal years ended August 31, 2024 and 2023:

Operating Expenses by Natural Classification
Table MDA 5
For the Fiscal Years Ended August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023
Operating Expenses		
Cost of Goods Sold	$ 12,787	$ 12,220
Salaries and Wages	613,571	567,359
Payroll Related Costs	221,585	216,307
Professional Fees and Services	145,770	123,479
Federal Pass-Through Expenses	6,311	2,822
State Pass-Through Expenses	31	27
Travel	17,758	16,404
Materials and Supplies	68,360	70,460
Communications and Utilities	25,361	24,000
Repairs and Maintenance	28,666	36,750
Rentals and Leases	11,572	10,762
Printing and Reproduction	4,054	5,669
Depreciation and Amortization	118,960	111,141
Scholarships	146,371	140,404
Asset Retirement Obligation	128	124
Claims and Losses	545	597
Other Operating Expenses	33,164	35,635
Total Operating Expenses	**$ 1,454,994**	**$ 1,374,160**

The following chart reflects the percentage of operating expenses based on natural classification for the fiscal year ended August 31, 2024:

Operating Expenses by Natural Classification
Graph MDA 6



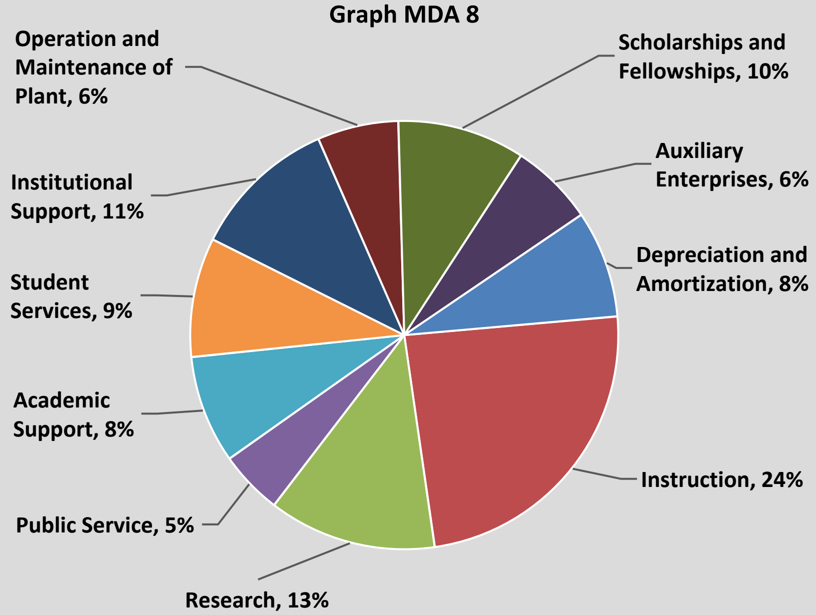
The following table reflects the operating expenses based on NACUBO functional (programmatic) classification for the fiscal years ended August 31, 2024 and 2023:

Operating Expenses by NACUBO Function
Table MDA 7
For the Fiscal Years Ended August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023
Operating Expenses		
Instruction	$ 354,339	$ 346,616
Research	186,505	162,952
Public Service	70,642	66,409
Academic Support	119,759	109,924
Student Services	132,356	128,355
Institutional Support	162,401	156,487
Operation and Maintenance of Plant	90,102	77,950
Scholarships and Fellowships	141,648	136,004
Auxiliary Enterprises	78,282	78,322
Depreciation and Amortization	118,960	111,141
Total Operating Expenses	**$ 1,454,994**	**$ 1,374,160**

The following chart reflects the percentage of total operating expenses based on NACUBO functional (programmatic) classification for the fiscal year ended August 31, 2024:

Operating Expenses by NACUBO Function
Graph MDA 8



Nonoperating Revenues and Expenses

Certain significant recurring revenues and expenses are considered nonoperating. The System's primary nonoperating revenues come from state appropriations, federal Pell Grant revenue, gifts, and net increase in fair market value of investments. The System's primary nonoperating expenses are interest expense and fiscal charges, and other nonoperating expenses. Total nonoperating revenues and expenses increased $98.9 million, or 20.9%, over the prior year. The increase in nonoperating revenue and expenses is primarily attributable to a $55.1 million increase in investment income and change in fair value of investments due to market performance. Appropriations increased $62.0 million due to Capital Construction Assistance Project ("CCAP") funds appropriated for capital construction projects on all campuses, healthcare workforce readiness and optometry and nursing programs. Federal Pell Grant funding increased $16.1 million as a result of increased enrollment. These increases were offset by a decrease in other nonoperating revenue of $34.3 million primarily because CCAP funding was reported as appropriations in 2024 rather than nonoperating revenue in 2023.

Capital Contributions, Endowments and Transfers

Capital contributions, endowments and transfers, comprised of capital and endowment related additions and transfers, increased $55.5 million, or 72.5%, in 2024. The increase is due to a $24.7 million increase in capital contributions comprised primarily of $32.6 million in land deeded to UNT for phase two of the UNT Frisco campus. Legislative transfers increased $29.9 million as a result of the initial distribution of $21.3 million from the TUF and the remaining increase primarily comprised of additional Hazelwood funding.

Statement of Cash Flows

The Statement of Cash Flows presents the System's financial results by reporting the major sources and uses of cash and cash equivalents during 2024. The statement assists in evaluating the System's ability to generate net cash flows to meet its financial obligations as they come due and to determine its need for external financing.

The Statement of Cash Flows consists of the following four major activities:

- Cash flows from operating activities show the net cash used by the operating activities of the System.
- Cash flows from noncapital financing activities include proceeds from state appropriations, gifts, endowments, and those activities not covered in other sections.
- Cash flows from capital and related financing activities include capital assets and related debt activities.
- Cash flows from investing activities include purchasing investments, selling investments, and earning income on those investments.

In 2024, cash and cash equivalents increased $14.3 million. The increase in cash and cash equivalents is primarily attributable to an increase of $483.8 million provided by noncapital financing activities, which included cash inflows related to state appropriations and grant receipts offset by payments for legislative transfers and other uses. The System also had a $15.1 million increase in investing activities, which included cash inflows related to proceeds from the sale of investments offset by payments to acquire investments. The increase was offset by a $343.6 million decrease in operating activities, which included cash inflows from proceeds from tuition and fees and research grants and contracts, offset by payments to suppliers for goods and services, employees, and other expenses. In addition, there was a $141.0 million decrease in capital and related financing activities, which included cash inflows from state appropriations and debt issuance, offset by payments for additions to capital assets and principal on debt issuance.

The following table reflects the Condensed Statement of Cash Flows for the fiscal years ended August 31, 2024 and 2023:

Statement of Cash Flows
Table MDA 9
For the Fiscal Years Ended August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023
Cash Flows from:		
Operating Activities	$ (343,621)	$ (266,787)
Noncapital Financing Activities	483,807	418,484
Capital and Related Financing Activities	(141,002)	(93,321)
Investing Activities	15,137	(45,636)
Net Increase in Cash and Cash Equivalents	**$ 14,321**	**$ 12,740**
Cash and Cash Equivalents, Beginning of Year	$ 323,587	$ 315,468
Restatements	-	(4,621)
Cash and Cash Equivalents, Beginning of Year, as Restated	$ 323,587	$ 310,847
Cash and Cash Equivalents, End of Year	**$ 337,908**	**$ 323,587**

Capital Asset and Debt Administration

Capital Asset

Investments in capital asset additions were $179.5 million in 2024. Major capital project activity included:

- Building Improvements (System Administration) – Dallas STEM Building
- Building Improvements (System Administration) – UNT Science and Research Building
- Building Improvements (HSC) – Everett Building Second Floor Renovation
- Building Improvements (UNT) – Integrated Student Service Center Renovation

The System has committed $344.9 million to capital asset additions and improvements that are currently in various stages of completion. These additions and improvements primarily consist of new buildings or renovations to existing buildings, including the UNT Science and Research building, the STEM building at UNT Dallas, campus space optimization at HSC, and the Integrated Student Service Center renovation at UNT. More detailed information regarding the System's capital additions and commitments is provided in Note 2, *Capital Assets*, and Note 12, *Contingencies and Commitments*, in the Notes to the Comprehensive Financial Statements.

Debt Administration

Revenue bonds payable represents the largest portion of the System's liabilities. Current and noncurrent revenue bonds payable decreased $53.7 million to a balance of $740.9 million in 2024. All bonds related to financing of current and prior years' construction needs reflect "Aa2" and "AA" credit ratings from two major bond rating agencies, Moody's and Fitch, respectively. More detailed information regarding the System's bonded indebtedness is provided in Note 5, *Long-Term Liabilities*, and Note 6, *Bonded Indebtedness*, in the accompanying Notes to the Comprehensive Financial Statements.

Economic Outlook

The System's primary sources of revenue are tuition and fees, legislative appropriations, and grants and contracts. Enrollment growth and program expansion contributed to a positive outlook for the System in 2024.

For fiscal year 2025, net tuition and fees revenues are budgeted at an increase of $3.4 million, or 0.7%, compared to 2024. This revenue increase represents the continued enrollment growth. Between Fall 2020 and Fall 2024, enrollment increased 11.2% system-wide.

UNT System institutions recently completed submissions of the Legislative Appropriations Requests in advance of the 89th Texas legislative session. The 88th Texas legislative session passed a budget that included a 21.5% increase for UNT System institutions compared to the previous biennium. This is in large part due to the creation of the TUF. TUF is a $3.9 billion endowment established by the Texas Legislature intended to support research activities at Texas universities. The increase also includes continued funding for specialized initiatives and unique programs recognized as deserving state support. These areas of excellence include the following non-formula support items; HSC Healthcare and Workforce Readiness Initiative ($10.0 million), HSC College of Nursing and Optometry ($12.5 million), and the UNTD Classroom to Career Initiative ($6.0 million). These programs have been supported with State funds to continue growth, educational excellence, and research capacity at System institutions. The System continues to maintain a 'stable' outlook from Moody's and Fitch for debt financing.

UNT is the third-largest university in Texas and the most comprehensive institution in the north Texas region. UNT enrolled 46,309 students in Fall 2024, an increase of 13.9% from Fall 2020. UNT is an Emerging Research University and the highest-ranked Carnegie-classified Tier One research institution in the north Texas region. Construction is underway on the Science and Technology Research building. It will meet critical space needs and allow UNT to meaningfully grow the research and teaching capabilities in areas including applied biosciences, biomedical engineering, physics, and chemistry. The Center for Agile and Adaptive Additive Manufacturing is helping UNT become a state and national leader in advanced manufacturing research, and is attracting important federal and industry funding. Capitalizing on this success, UNT recently launched a new interdisciplinary research initiative around autonomous mobility systems and logistics, which will play an important role in advancing and improving the future of our State's supply chain.

HSC had enrollment in Fall 2024 of 2,334, a 2.7% increase from 2023. HSC has continuously endeavored to strengthen and grow its prominent academic reputation. HSC continues to expand its most recent initiatives, including the new College of Nursing and Optometry, and Healthcare and Workforce Readiness Initiative. The College of Nursing was established in 2023 to help address the statewide nursing shortage across the nation. HSC is expanding pipelines of critical frontline health professions, deploying alternative micro-credentials to strengthen the existing health workforce and partner to innovative entrepreneurial care models through the Healthcare and Workforce Readiness Initiative.

UNTD had enrollment in Fall 2024 of 3,774 students. UNTD is the only public four-year university in Dallas, with a mission to empower students, transform lives, and strengthen communities. The Classroom to Career Initiative is allowing UNTD to address learning loss and creating college ready students through an academic bridge program and increase competitive credential programs that prepare students to enter the workforce into successful careers. The STEM building construction is underway, expected to open in Spring 2026. This facility will train students and help meet the region's healthcare workforce requirements.

COMPREHENSIVE

FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DALLAS, TEXAS

For the Fiscal Year Ended August 31, 2024

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Net Position

August 31, 2024

		August 31, 2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash on Hand	$	122,640.09
Cash in Bank		12,476,993.06
Cash in Transit/Reimburse from Treasury		4,970,781.43
Cash in State Treasury		45,551,994.44
Cash Equivalents		236,678,791.72
Restricted Cash and Cash Equivalents:		
Cash in Bank		380,249.96
Cash Equivalents		37,726,637.10
Legislative Appropriations		154,742,311.70
Receivables From:		
Accounts		107,599,712.71
Federal		36,703,361.60
Other Intergovernmental		2,011,643.46
Clinical Practice		3,627,172.98
Gifts, Pledges and Donations		1,065,795.13
Interest and Dividends		4,563,655.11
Leases		2,837,621.44
Public-Private Partnerships		299,367.82
Other		3,595,879.12
Due from Other Agencies		2,963,324.73
Consumable Inventories		1,037,673.14
Merchandise Inventories		1,989,673.06
Prepaid Items		74,635,907.36
Loans and Contracts		5,113,941.37
Other Current Assets		83,310.69
Total Current Assets	**$**	**740,778,439.22**
Noncurrent Assets:		
Restricted Investments	$	115,122,534.48
Loans and Contracts		1,432,400.46
Investments		586,969,729.32
Gifts, Pledges and Donations		4,113,140.32
Leases Receivable		11,249,254.91
Capital Assets:		
Non-Depreciable or Non-Amortizable		296,588,777.45
Depreciable or Amortizable, Net		1,197,002,063.10
Total Noncurrent Assets	**$**	**2,212,477,900.04**
Total Assets	**$**	**2,953,256,339.26**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	$	161,395,217.32
Total Deferred Outflows of Resources	**$**	**161,395,217.32**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$**	**3,114,651,556.58**

Concluded on the following page

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Net Position (concluded)

August 31, 2024

		August 31, 2024
LIABILITIES		
Current Liabilities:		
Payables From:		
Accounts	$	54,135,293.57
Payroll		61,359,733.46
Other		4,994,890.10
Interest		12,075,954.68
Due to Other Agencies		2,411,976.18
Unearned Revenue		314,843,337.23
Notes and Loans Payable		83,968,000.00
Revenue Bonds Payable		51,522,104.95
Claims and Judgments		390,751.00
Employees' Compensable Leave		4,734,396.84
Lease Obligations		1,784,913.40
Subscription Obligations		6,892,287.87
Net OPEB Liability		17,988,138.00
Funds Held for Others		4,462,681.60
Total Current Liabilities	**$**	**621,564,458.88**
Noncurrent Liabilities:		
Revenue Bonds Payable	$	689,397,218.77
Claims and Judgments		1,312,616.00
Employees' Compensable Leave		26,203,523.97
Lease Obligations		3,534,478.57
Subscription Obligations		8,562,439.74
Asset Retirement Obligation		3,009,375.00
Net Pension Liability		236,226,885.00
Net OPEB Liability		408,939,851.00
Other Noncurrent Liabilities		1,770,456.71
Total Noncurrent Liabilities	**$**	**1,378,956,844.76**
Total Liabilities	**$**	**2,000,521,303.64**
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	$	191,166,700.44
Total Deferred Inflows of Resources	**$**	**191,166,700.44**
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$**	**2,191,688,004.08**
NET POSITION		
Net Investment in Capital Assets	$	674,631,386.63
Restricted For:		
Funds Held as Permanent Investments:		
Nonexpendable		65,957,271.32
Expendable		56,758,515.71
Other Restricted		92,124,537.48
Unrestricted		33,491,841.36
Total Net Position	**$**	**922,963,552.50**

See Accompanying Notes to the Annual Comprehensive Financial Statements.

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

Statement of Financial Position

August 31, 2024

		August 31, 2024
ASSETS		
Cash and Cash Equivalents	$	21,095,296
Investments		336,089,241
Contributions and Other Receivables, Net		6,365,008
Real Property		12,860
Other Assets		698
Cash Value of Life Insurance Policies		898,002
Assets Held Under Split-Interest Agreements		5,672,601
Total ASSETS	**$**	**370,133,706**
LIABILITIES		
Accounts Payable and Accrued Expenses	$	153,611
Agency Funds		406,976
Liabilities Under Split-Interest Agreements		2,956,359
Assets Held for Others		90,772,260
Total LIABILITIES	**$**	**94,289,206**
NET ASSETS		
Without Donor Restrictions:		
Undesignated	$	2,396,196
Board Designated Endowments		1,234,001
Board Designated for Reserves		6,559,995
Total Without Donor Restrictions	**$**	**10,190,192**
With Donor Restrictions:		
Purpose Restrictions	$	6,660,289
Perpetual in Nature		258,994,019
Total With Donor Restrictions	**$**	**265,654,308**
Total NET ASSETS	**$**	**275,844,500**
Total LIABILITIES & NET ASSETS	**$**	**370,133,706**

See Accompanying Notes to the Financial Statements.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER FOUNDATION

Statement of Financial Position

August 31, 2024

		August 31, 2024
ASSETS		
Cash	$	1,092,005
Investments, including $122,802,056 held on behalf of others		156,488,311
Pledges Receivable, Net		275,248
Other Receivables		138,724
Prepaid Expenses		196,919
Total ASSETS	**$**	**158,191,207**
LIABILITIES		
Accrued Expenses	$	168,236
Due to Related Party		122,802,056
Deferred Revenue		15,000
Total LIABILITIES	**$**	**122,985,292**
NET ASSETS		
Net Assets without Donor Restrictions	$	2,376,818
Net Assets with Donor Restrictions		32,829,097
Total NET ASSETS	**$**	**35,205,915**
Total LIABILITIES & NET ASSETS	**$**	**158,191,207**

See Accompanying Notes to the Financial Statements.

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended August 31, 2024

		August 31, 2024
OPERATING REVENUES		
Tuition and Fees	$	670,202,695.34
Discounts and Allowances		(158,337,750.97)
Professional Fees		29,073,197.15
Discounts and Allowances		(14,739,662.59)
Auxiliary Enterprises		93,796,429.81
Discounts and Allowances		(124,765.39)
Sales of Goods and Services		67,120,067.15
Federal Grant Revenue		143,365,342.68
Federal Pass-Through Revenue		7,481,436.85
State Grant Revenue		3,315,837.15
State Grant Pass-Through Revenue		37,878,145.27
Other Contracts and Grants		11,165,092.87
Other Operating Revenues		1,520,993.99
Total Operating Revenues	**$**	**891,717,059.31**
OPERATING EXPENSES [(1)]		
Instruction	$	354,339,071.55
Research		186,505,034.54
Public Service		70,641,668.78
Academic Support		119,759,176.72
Student Services		132,355,927.85
Institutional Support		162,400,736.46
Operation and Maintenance of Plant		90,101,559.82
Scholarships and Fellowships		141,647,853.82
Auxiliary Enterprises		78,282,496.09
Depreciation and Amortization		118,960,131.98
Total Operating Expenses	**$**	**1,454,993,657.61**
Operating Loss	**$**	**(563,276,598.30)**
NONOPERATING REVENUES (EXPENSES)		
Legislative Appropriations (GR)	$	305,304,822.00
Additional Appropriations (GR)		60,188,304.77
Federal Revenue		101,005,221.52
Gifts		21,422,169.71
Investment Income		25,807,769.57
Interest Expense and Fiscal Charges		(29,120,933.24)
Gain on Sale of Capital Assets		1,140,213.54
Gain on Other Financial Activity		16,803.75
Net Increase in Fair Value of Investments		88,122,849.61
Other Nonoperating Revenues		1,690,040.72
Other Nonoperating Expenses		(2,351,751.81)
Total Nonoperating Revenues (Expenses)	**$**	**573,225,510.14**
Gain Before Capital Contributions, Endowments and Transfers	**$**	**9,948,911.84**

Concluded on the following page

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Revenues, Expenses and Changes in Net Position (concluded)

For the Fiscal Year Ended August 31, 2024

		August 31, 2024
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS		
Capital Contributions	$	36,001,848.73
Capital Appropriations (HEF)		57,510,785.00
Contributions To Permanent and Term Endowments		2,153,327.11
Interagency Transfers of Capital Assets (Decrease)		(8,490.47)
Transfers From Other State Agencies		707,440.81
Transfers To Other State Agencies		(644.54)
Legislative Transfers In		35,556,639.15
Total Capital Contributions, Endowments and Transfers	**$**	**131,920,905.79**
CHANGE IN NET POSITION	**$**	**141,869,817.63**
Net Position, September 1, 2023	$	794,036,464.42
Restatements		(12,942,729.55)
Net Position, September 1, 2023, as Restated	**$**	**781,093,734.87**
NET POSITION, AUGUST 31, 2024	**$**	**922,963,552.50**

[(1)] *See Matrix of Operating Expenses Reported by Function.*

See Accompanying Notes to the Annual Comprehensive Financial Statements.

UNIVERSITY OF NORTH TEXAS SYSTEM

Matrix of Operating Expenses Reported by Function

For the Fiscal Year Ended August 31, 2024

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	$ 555.77	$ -	$ 22,573.00	$ 15,191.70	$ 186,199.30
Salaries and Wages	228,212,390.86	83,846,812.29	21,799,625.29	64,683,545.49	72,975,442.45
Payroll Related Costs	95,081,942.22	18,587,614.26	7,792,792.95	20,745,595.17	23,213,706.49
Professional Fees and Services	9,420,700.27	50,918,244.20	32,798,697.00	8,220,827.89	10,020,141.61
Federal Pass-Through Expenses	10,555.76	6,139,817.71	160,148.89	-	-
State Pass-Through Expenses	-	30,829.04	-	-	-
Travel	3,138,125.77	2,879,196.27	701,389.98	3,307,167.01	6,605,522.31
Materials and Supplies	8,788,335.88	13,532,089.18	4,373,803.39	14,856,978.64	5,659,110.65
Communications and Utilities	1,293,844.06	22,581.55	3,246.23	192,836.35	833,534.11
Repairs and Maintenance	760,003.07	1,500,654.83	630,029.02	1,309,269.31	2,139,834.73
Rentals and Leases	781,662.94	380,287.78	424,497.09	2,502,846.79	2,442,908.09
Printing and Reproduction	508,768.29	371,842.20	106,351.90	742,715.67	1,598,649.77
Depreciation and Amortization	-	-	-	-	-
Scholarships	856,953.67	3,877,773.27	397,846.38	-	-
Asset Retirement Obligation	-	-	-	-	-
Claims and Losses	501,592.00	-	-	-	-
Other Operating Expenses	4,983,640.99	4,417,291.96	1,430,667.66	3,182,202.70	6,680,878.34
Total Operating Expenses	**$ 354,339,071.55**	**$ 186,505,034.54**	**$ 70,641,668.78**	**$ 119,759,176.72**	**$ 132,355,927.85**

Concluded on the following page

UNIVERSITY OF NORTH TEXAS SYSTEM

Matrix of Operating Expenses Reported by Function (concluded)

For the Fiscal Year Ended August 31, 2024

Operating Expenses	Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenditures
Cost of Goods Sold	$ 1,679,834.19	$ 30,094.87	$ -	$ 10,852,548.83	$ -	$ 12,786,997.66
Salaries and Wages	82,689,440.03	27,541,463.03	402,598.27	31,420,095.40	-	613,571,413.11
Payroll Related Costs	33,484,599.75	10,754,885.90	5,053.67	11,918,288.22	-	221,584,478.63
Professional Fees and Services	22,509,783.21	9,062,865.38	1,750.00	2,817,444.02	-	145,770,453.58
Federal Pass-Through Expenses	-	-	-	-	-	6,310,522.36
State Pass-Through Expenses	-	-	-	-	-	30,829.04
Travel	671,578.30	92,614.18	-	362,600.06	-	17,758,193.88
Materials and Supplies	3,226,694.93	11,741,438.37	-	6,181,074.07	-	68,359,525.11
Communications and Utilities	2,101,429.32	17,345,084.21	-	3,567,951.37	-	25,360,507.20
Repairs and Maintenance	4,961,077.92	11,756,891.90	-	5,608,658.60	-	28,666,419.38
Rentals and Leases	3,757,842.14	338,068.47	-	943,967.08	-	11,572,080.38
Printing and Reproduction	336,626.80	62,961.26	-	326,212.09	-	4,054,127.98
Depreciation and Amortization	-	-	-	-	118,960,131.98	118,960,131.98
Scholarships	-	-	141,238,451.88	-	-	146,371,025.20
Asset Retirement Obligation	-	127,699.62	-	-	-	127,699.62
Claims and Losses	30,230.00	13,333.34	-	-	-	545,155.34
Other Operating Expenses	6,951,599.87	1,234,159.29	-	4,283,656.35	-	33,164,097.16
Total Operating Expenses	**$ 162,400,736.46**	**$ 90,101,559.82**	**$ 141,647,853.82**	**$ 78,282,496.09**	**$ 118,960,131.98**	**$1,454,993,657.61**

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

Statement Of Activities

For the Fiscal Year Ended August 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Gifts	$ 55,922	$ 12,366,781	$ 12,422,703
Grant Revenue	-	1,526,528	1,526,528
Net Investment Return	492,117	32,445,494	32,937,611
Other Income	-	1,308	1,308
Change in Value of Split-Interest Agreements	-	589,700	589,700
Gains/Income From Life Insurance Policies	-	21,039	21,039
Asset Management Fee Income	2,998,670	-	2,998,670
Release of Donor Restrictions	12,590,161	(12,590,161)	-
Transfers/Changes in Donor Restrictions	(21,100)	21,100	-
Total REVENUES, GAINS AND OTHER SUPPORT	**$ 16,115,770**	**$ 34,381,789**	**$ 50,497,559**
EXPENSES:			
PROGRAM SERVICES:			
Support of UNT:			
Distributions to UNT	$ 3,919,983	$ -	$ 3,919,983
Scholarships and Awards	3,665,977	-	3,665,977
Grant Support to UNT	1,526,528	-	1,526,528
Board Designated Grants to University	208,982	-	208,982
Services/Expenses for Programs	1,310,001	-	1,310,001
Internal Management Fees	2,182,890	-	2,182,890
Other Support Provided	10,430	-	10,430
Distributions to Other Institutions	16,000	-	16,000
Total PROGRAM SERVICES	**$ 12,840,791**	**$ -**	**$ 12,840,791**
MANAGEMENT AND GENERAL EXPENSES:			
Salaries and Benefits	$ 1,249,701	$ -	$ 1,249,701
Administrative Expenses	32,185	-	32,185
Professional Development and Travel	48,679	-	48,679
Consulting Services	28,715	-	28,715
Professional Fees	34,350	-	34,350
Office, Computer Equipment and Software	26,078	-	26,078
Bank Charges and Credit Card Discount	23,506	-	23,506
Insurance	29,517	-	29,517
Strategic Planning	22,500	-	22,500
Total MANAGEMENT AND GENERAL EXPENSES	**$ 1,495,231**	**$ -**	**$ 1,495,231**
Total EXPENSES	**$ 14,336,022**	**$ -**	**$ 14,336,022**
CHANGE IN NET ASSETS	**$ 1,779,748**	**$ 34,381,789**	**$ 36,161,537**
Net Assets, Beginning of Year	$ 8,410,444	$ 231,272,519	$ 239,682,963
NET ASSETS, END OF YEAR	**$ 10,190,192**	**$ 265,654,308**	**$ 275,844,500**

See Accompanying Notes to the Financial Statements.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER FOUNDATION

Statement of Activities

For the Fiscal Year Ended August 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ -	$ 1,293,306	$ 1,293,306
Contributions of Nonfinancial Assets	-	12,160	12,160
Special Events	-	112,980	112,980
Management Fees	248,481	-	248,481
Realized Gain on Investments	-	462,065	462,065
Unrealized Gain on Investments	-	3,829,068	3,829,068
Investment Income (Loss), Net of Direct Expenses	(74,944)	667,689	592,745
Other Income	12,161	-	12,161
Releases from Restriction	1,676,963	(1,676,963)	-
Total SUPPORT AND REVENUE	**$ 1,862,661**	**$ 4,700,305**	**$ 6,562,966**
EXPENSES			
Program Expenses			
Gifts and Scholarships	$ 1,609,296	$ -	$ 1,609,296
Supporting Services			
Management and General			
Professional Fees	573,598	-	573,598
Meals and Entertainment	23,353	-	23,353
Other Expenses	3,590	-	3,590
Bad Debt Expenses	10,720	-	10,720
Fundraising Expenses	114,680	-	114,680
Total EXPENSES	**$ 2,335,237**	**$ -**	**$ 2,335,237**
CHANGE IN NET ASSETS	**$ (472,576)**	**$ 4,700,305**	**$ 4,227,729**
Net Assets, Beginning of Year	$ 2,849,394	$ 28,128,792	$ 30,978,186
NET ASSETS, END OF YEAR	**$ 2,376,818**	**$ 32,829,097**	**$ 35,205,915**

See Accompanying Notes to the Financial Statements.

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2024

		August 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from Customers	$	81,083,358.83
Proceeds from Tuition and Fees		513,069,585.10
Proceeds from Research Grants and Contracts		200,200,375.50
Proceeds from Loan Programs		525,590.26
Proceeds from Auxiliaries		93,671,664.42
Proceeds from Other Operating Revenues		868,514.21
Payments to Suppliers for Goods and Services		(329,273,432.05)
Payments to Employees		(721,836,612.15)
Payments for Loans Provided		(5,798.52)
Payments for Other Operating Expenses		(181,924,365.14)
Net Cash Used by Operating Activities	$	(343,621,119.54)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from State Appropriations	$	321,015,226.19
Proceeds from Gifts		21,922,398.58
Proceeds from Endowments		2,153,327.11
Proceeds from Transfers from Other Agencies		707,440.81
Proceeds from Legislative Transfers		35,556,639.15
Proceeds from Grant Receipts		101,005,221.52
Proceeds from Other Noncapital Financing Activities		1,665,267.72
Payments for Transfers to Other Agencies		(644.54)
Payments for Other Noncapital Financing Uses		(218,000.39)
Net Cash Provided by Noncapital Financing Activities	$	483,806,876.15
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Sale of Capital Assets	$	147,370.60
Proceeds from State Appropriations		57,510,785.00
Proceeds from Debt Issuance		49,886,000.00
Payments for Additions to Capital Assets		(128,303,098.85)
Payments for Right to Use Leases/SBITA		(11,568,203.97)
Payments of Principal on Debt Issuance		(73,588,000.00)
Payments of Other Costs on Debt Issuance		(13,277.57)
Payments of Interest on Debt Issuance		(35,073,605.13)
Net Cash Used by Capital and Related Financing Activities	$	(141,002,029.92)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	$	1,472,410,061.84
Proceeds from Interest and Investment Income		24,845,633.96
Payments to Acquire Investments		(1,482,118,575.43)
Net Cash Provided by Investing Activities	$	15,137,120.37
Net Increase in Cash and Cash Equivalents	$	14,320,847.06
Cash and Cash Equivalents, September 1, 2023	$	328,208,209.42
Restatements		(4,620,968.68)
Cash and Cash Equivalents, September 1, 2023, as Restated	$	323,587,240.74
Cash and Cash Equivalents, August 31, 2024	$	337,908,087.80
Cash and Cash Equivalents	$	299,801,200.74
Restricted Cash and Cash Equivalents		38,106,887.06
Cash and Cash Equivalents, August 31, 2024	$	337,908,087.80

Concluded on the following page

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Cash Flows (concluded)

For the Fiscal Year Ended August 31, 2024

		August 31, 2024
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$	(563,276,598.30)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	$	118,960,131.98
Pension Expense		41,296,821.00
OPEB Expense		46,496,818.00
Asset Retirement Obligation Expense		127,699.62
Cash Flow Classification Differences from GASB Statement No. 87		306,915.93
Employee Benefits Paid by State		39,321,517.45
Changes in Assets and Liabilities:		
Decrease in Receivables		8,909,459.79
Increase in Inventories		(19,190.50)
Increase in Prepaid Expenses		(3,055,787.41)
Decrease in Loans and Contracts		519,791.74
Decrease in Other Assets		44,477.56
Increase in Deferred Outflows of Resources - Pension		(12,535,456.00)
Decrease in Deferred Outflows of Resources - OPEB		74,228,296.00
Increase in Payables		840,179.65
Decrease in Unearned Revenue		(12,039,936.97)
Increase in Employees' Compensable Leave		1,777,781.06
Increase in Liabilities to Employees for Defined Benefit Pensions		1,415,831.00
Decrease in Liabilities to Employees for Defined Benefit OPEB		(64,367,849.00)
Decrease in Other Liabilities		(931,982.14)
Decrease in Deferred Inflows of Resources - Pension		(7,026,459.00)
Decrease in Deferred Inflows of Resources - OPEB		(14,613,581.00)
Total Adjustments	$	219,655,478.76
Net Cash Used by Operating Activities	$	(343,621,119.54)
NONCASH TRANSACTIONS		
Net Change in Fair Value of Investments	$	88,122,849.61
Donation of Capital Assets		36,001,848.73
Borrowing Under Lease Purchase		11,802,744.50
Gain on Sale of Capital Assets		1,140,213.54
Amortization of Bond Premiums		6,043,600.70
Amortization of Deferred Inflows/Outflows from Refunding Bonds		(303,002.59)
Capital Assets Acquired with Payables		1,956,714.05
Interagency Transfer of Capital Assets		(8,490.47)
Deferred Inflows of Resources (ARO, Leases, SBITA, P3)		(3,267,099.47)

See Accompanying Notes to the Comprehensive Financial Statements

NOTES TO THE

COMPREHENSIVE FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DALLAS, TEXAS

For the Fiscal Year Ended August 31, 2024

Note 1: Summary of Significant Accounting Policies

Introduction

The University of North Texas System (the "System") is an agency of the State of Texas (the "State") and its 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").

The comprehensive financial statements include the University of North Texas System Administration ("System Administration") and all institutions of the System. Amounts due between and among institutions, amounts held for institutions by the System Administration and other duplications in reporting are eliminated in consolidating the financial statements.

The System is composed of the System Administration and three academic institutions as follows: The University of North Texas ("UNT"), the University of North Texas Health Science Center at Fort Worth ("HSC"), and the University of North Texas at Dallas ("UNTD"). The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas State Senate. Three members are appointed every odd-numbered year for six-year terms. In addition, the Governor appoints a nonvoting student Regent for a one-year term. The System has two discrete component units. Information on the component units can be found in Note 15, *Financial Reporting Entity*.

Basis of Accounting

The comprehensive financial statements of the System have been prepared using the economic resources measurement focus and the full accrual basis of accounting. The System reports as a business-type activity, as defined by the GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Under the full accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* as amended. The Statement of Revenues, Expenses and Changes in Net Position is segregated into operating and nonoperating sections. Operating activities consist of transactions that are the direct result of providing goods and services to customers or directly related to the System's principal ongoing operations.

The System follows the requirements and guidelines provided in GASB pronouncements. Standards newly effective for fiscal year 2024 are listed below:

GASB Statement No. 99, *Omnibus 2022* (partial implementation), provides updates to financial guarantees and derivative classification and reporting.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement addresses display of accounting changes and error corrections in the financial statements, disclosures in the notes to the financial statements, and presentation in required supplementary information and supplementary information.

GASB Statement No. 99 and GASB Statement No. 100 have minimal impact to the System Annual Comprehensive Financial Report ("ACFR").

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

Assets

Assets relate to cash and cash equivalents, legislative appropriations, accounts and other receivables, prepaid items, loans and contracts, investments and capital and intangible assets.

Cash and Cash Equivalents

Short-term highly liquid investments that are both readily convertible to known amounts of cash and having an original maturity of three months or less are considered cash equivalents. It is the System's policy to exclude items that meet this definition if they are part of an investment pool, which has an investment horizon of one year or greater. Therefore, highly liquid investments that are part of the long-term investment pool are not considered cash and cash equivalents. Additionally, endowments invested in money market accounts are also excluded from cash and cash equivalents, as the intent is to invest these funds for more than one year. Cash held in the State Treasury is considered cash and cash equivalents. Restricted cash and cash equivalents include restricted sources of funds used for construction of capital assets as well as funds held for debt service. The System holds bond proceeds in restricted investment accounts to be disbursed to its institutions to support capital projects.

Legislative Appropriations

The appropriation of revenues by the Texas Legislature (the "Legislature") is in the form of general revenue held in the state treasury until spent. When the Legislature meets during the odd-numbered years, they approve a two-year (biennial) budget for all State agencies. The general revenue appropriation to the System supports the instruction, research and operation of the System. Appropriations also include payments made by the State on behalf of the System for benefits related to salaries funded by state appropriations. There is no assurance that the Legislature will continue its state appropriations to the System in future years; however, the System expects that the Legislature will continue to do so. Higher Education Funds ("HEF") are general revenue appropriations received from the State designated for the acquisition of certain capital assets and capital projects. The unexpended HEF balance was approximately $115.7 million at August 31, 2024.

Accounts and Other Receivables

Accounts receivable mainly consists of tuition and fee charges to students. Accounts receivable is shown net of an allowance for doubtful accounts. The allowance for doubtful accounts on student receivables was approximately $63.5 million at August 31, 2024. The allowance for doubtful accounts on other receivables was approximately $5.3 million at August 31, 2024. The System has a policy of reserving for account receivables based on collections history over the previous five years. Any amount outstanding after five years is reserved at 100% per state requirements.

Federal receivables include federal grants and education scholarships. The allowance for doubtful accounts on federal receivables was approximately $0.3 million at August 31, 2024.

Intergovernmental receivables include amounts due from state government or private sources in connection with reimbursement of allowable expenditures made pursuant to the System's grants and contracts.

Clinical Practice receivables are presented net of allowances for contractual discounts and bad debts. The contractual and bad debt allowances on clinical receivables were approximately $2.4 million and $0.2 million, respectively, as of August 31, 2024. Clinical account receivables are subject to concentrations of patient accounts receivable credit risk. The mix of receivables from patients and third parties as of August 31, 2024 was as follows:

Clinical Practice Receivables
Table 1A
August 31, 2024

	Net	**Gross**
Medicaid	12%	22%
Medicare	51%	44%
Commercial	27%	23%
Self-pay	7%	8%
County Hospital	2%	2%
Other	1%	1%
Total	**100%**	**100%**

Gift receivables include amounts pledged to the System by donors, net of allowances. The allowance for gift pledges was approximately $3.0 million at August 31, 2024. Multiyear gift pledges are reported at the discounted present value. At the beginning of each fiscal year, the System re-establishes the scale of discount rates applicable for present valuing multiyear gift pledges that are received during the new fiscal year.

Lease receivable is calculated as the present value of the lease receipts expected during the lease term. The lessor records a lease receivable and a deferred inflow of resources on its financial statements.

Prepaid Items

Prepaid items include prepaid scholarship expenses that pertain to the fall term of the following fiscal year and other various prepaid expenses.

Loans and Contracts

Current and noncurrent loans and contracts receivables, related to student loans, are shown net of allowances. The net allowance on loans and contracts was approximately $5.3 million at August 31, 2024.

Investments

The System accounts for its investments at fair value in accordance with GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* No. 72, *Fair Value Measurement and Application*, and No. 79, *Certain External Investment Pools and Pool Participants,* as amended. Changes in realized gain or loss on the carrying value of investments are reported as a component of investment income. Restricted investments include investments restricted by legal or contractual requirements, including those related to donors and constitutional restrictions.

Capital and Intangible Assets

The System follows the State's capitalization policy, which requires capitalization of assets with an initial individual cost of more than $5,000 for equipment items, $100,000 for buildings, building improvements and improvements other than buildings, and $500,000 for infrastructure items, and an estimated useful life of greater than one year. These assets are capitalized at cost or, if not purchased, at fair value as of the date of acquisition. For leased assets, the System capitalizes in accordance with GASB Statement No. 87, *Leases*, for all lease agreements with a net present value of future lease payment per unit exceeding $100,000. For SBITAs, the System capitalizes in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for all SBITA agreements with a net present value of future subscription payments per contract exceeding $200,000.

Purchases of library books are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Outlays for construction in progress are capitalized as incurred. Interest expense related to construction is expensed in accordance with the requirements of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Depreciation is reported on all exhaustible assets. Inexhaustible assets such as land, works of art and historical treasures are not depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally, 10 to 30 years for buildings and improvements, 10 to 45 years for infrastructure, 4 to 15 years for equipment, and 15 years for library books.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, as amended, requires all intangible assets not specifically excluded by scope provisions to be classified as capital assets. The System has computer software that meets the criteria. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets is applied to computer software, as applicable.

GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, established accounting and financial reporting standards for right to use assets. Right to use assets, and the related accumulated amortization, are disclosed separately from other capital assets.

Deferred Outflows of Resources

Deferred outflows of resources relate to unamortized losses on the refunding of debt, and certain amounts related to asset retirement obligations, pensions, and other postemployment benefits ("OPEB").

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 Asset Retirement Obligations

When an asset retirement obligation ("ARO") is recognized, the System must also recognize a corresponding deferred outflow of resources. At initial measurement of an ARO, the deferred outflows associated with an ARO is recorded at the amount of the corresponding liability. For subsequent measurement and recognition, the reduction of deferred outflows is recognized and expensed over the useful life of the asset.

Deferred Outflows of Resources Related to Pensions

Certain changes in the collective net pension liability of the Teacher Retirement System of Texas ("TRS") Plan (the "TRS Plan") are reported as deferred outflows or as deferred inflows of resources related to pensions, depending on the type of change. The types of deferred outflows of resources related to pensions and their respective accounting treatments are discussed below.

- System contributions subsequent to the measurement date of the collective net pension liability are recognized as a reduction in the net pension liability in the following year.
- The effect on the System's proportionate share of the total pension liability of changes of economic and demographic assumptions or of other inputs that increase the total pension liability is amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- The effect on the System's proportionate share of the total pension liability of differences between expected and actual experience that increase the total pension liability is amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- Increases in the System's proportion of the collective net pension liability are amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- System contributions during the measurement period that are greater than its proportionate share of total contributions are amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- The effect on the System's proportionate share of the collective net pension liability of the difference between expected and actual earnings on investments is amortized as a component of pension expense using the straight-line method over a period of five years.

Deferred Outflows of Resources Related to OPEB

Certain changes in the net OPEB liability of the Employees Retirement System of Texas ("ERS") Plan (the "ERS Plan") are reported as deferred outflows or as deferred inflows of resources related to OPEB, depending on the type of change. The types of deferred outflows of resources related to OPEB and their respective accounting treatments are discussed below.

- System contributions for retirees subsequent to the measurement date of the net OPEB liability are recognized as a reduction in the OPEB liability in the following year.
- The effect on the System's proportionate share of the total OPEB liability of changes of economic and demographic assumptions or of other inputs that increase the total OPEB liability is amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- Increases in the System's proportion of the collective net OPEB liability are amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- System contributions during the measurement period that are greater than its proportionate share of total contributions are amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.

- The effect on the System's proportionate share of the net OPEB liability of the difference between expected and actual earnings on investments is amortized as a component of OPEB expense using the straight-line method over a period of five years.

Liabilities
Liabilities relate to accounts and other payables, unearned revenue, revenue bonds payable, claims and judgments, employees' compensable leave, lease liabilities, funds held for others, asset retirement obligation, net pension liability, and net OPEB liability.

Accounts and Other Payables
Accounts and other payables represent the liability for the value of assets or services received at the Statement of Net Position date for which payment is pending.

Unearned Revenue
Unearned revenue represents assets received in advance of an exchange taking place in an exchange transaction or assets received prior to eligibility requirements (other than time requirements) being met in a nonexchange transaction. Unearned revenue includes $296.5 million of tuition revenue related to the semesters that have not been completed as of August 31, 2024. Tuition revenue is recognized based on the number of class days as a percentage of total class days that fall within the fiscal year.

Revenue Bonds Payable
Revenue bonds payable are reported at par value. Bond discounts and premiums are amortized over the life of the bonds using the effective interest method. Revenue bonds payable is reported separately as either current or non-current in the Statement of Net Position.

Claims and Judgments
Claims and judgments are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that were incurred but not reported. See Note 12, *Contingencies and Commitments*, and Note 14, *Risk Management*, for information on risk management, claims and judgments.

Employees' Compensable Leave
Employees' compensable leave represents the liability that becomes due upon the occurrence of relevant events such as resignations, retirements and uses of leave balances by covered employees, in conformance with State policy and practice. Liabilities are reported separately as either current or non-current in the Statement of Net Position. These obligations generally are paid from the same funding source from which each employee's salary or wage compensation is paid.

Lease Obligations
Lease obligations represent the amount recognized by a lessee on its financial statements regarding its leases. It is initially measured at the present value of lease payments and is remeasured whenever there is a change in lease payments or lease modification. Lease liabilities are reported separately as either current or noncurrent.

Subscription Obligations
Subscription obligations represent the amount recognized by the System on its financial statements regarding its right to use another party's (a SBITA vendor's) information technology software as specified in a contract per a period of time in an exchange or exchange-like transaction. It is initially measured at the present value of subscription payments and is remeasured whenever there is a change in payments or a contract modification. Subscription obligations are reported separately as either current or noncurrent.

Funds Held for Others
Funds held for others represent funds held by the System as custodial or fiscal agent for students, faculty members, foundations and others.

Asset Retirement Obligation

An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. An ARO must be recognized when the liability is incurred and reasonably estimable. Incurrence of a liability is manifested by the occurrence of both an external obligating event and an internal obligating event resulting from normal operations.

Net Pension Liability

The fiduciary net position of the TRS Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the TRS Plan, and additions to/deductions from the TRS Plan's fiduciary net position have been determined on the same basis as they are reported by TRS. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the terms of the plan. 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.

Net OPEB Liability

The fiduciary net position of the ERS Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments of the Other Employee Benefit Trust Fund are reported at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings.

Deferred Inflows of Resources

Deferred inflows of resources relate to unamortized gains on refunding of debt and certain amounts related to leases, pensions, and OPEB.

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 Leases

The System recognizes a deferred inflow of resources for lessor leases, equal to the lease receivable's initial measurement, plus lease payments received from the lessee at or before lease commencement that relate to future periods. The deferred inflow is systematically reduced over the lease term, corresponding with the recognition of lease revenue.

Deferred Inflows of Resources Related to Pensions

Certain changes in the collective net pension liability of the TRS Plan 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. The types of deferred inflows of resources related to pensions and their respective accounting treatments are discussed below.

- The effect on the System's proportionate share of the total pension liability of changes of economic and demographic assumptions or of other inputs that decrease the total pension liability is amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- The effect on the System's proportionate share of the total pension liability of differences between expected and actual experience that decrease the total pension liability is amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- Decreases in the System's proportion of the collective net pension liability are amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- System contributions during the measurement period that are less than its proportionate share of total contributions are amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.

Deferred Inflows of Resources Related to OPEB
Certain changes in the net OPEB liability of the ERS Plan are reported as deferred outflows of resources related to OPEB or as deferred inflows of resources related to OPEB, depending on the type of change. The types of deferred inflows of resources related to OPEB and their respective accounting treatments are discussed below.

- The effect on the System's proportionate share of the total OPEB liability of changes of economic and demographic assumptions or of other inputs that decrease the total OPEB liability is amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- The effect on the System's proportionate share of the total OPEB liability of differences between expected and actual experience that decrease the total OPEB liability is amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- Decreases in the System's proportion of the total OPEB liability are amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- System contributions during the measurement period that are less than its proportionate share of total contributions are amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.

Deferred Inflows of Resources Related to PPP
The System establishes a deferred inflow of resources related to PPP transactions as the sum of the amount of the initial measurement of the receivable for installment payments, plus PPP payments received from the operator at or before the commencement of the PPP term, plus the amounts for all of the initial measurements of the underlying PPP asset, improvements to the underlying PPP asset, and receivable for the underlying PPP asset.

Net Position
Net Position relates to net investment in capital assets, restricted net position, and unrestricted net position.

Net Investment in Capital Assets
Net investment in capital assets consists of capital, leased, and right to use assets, net of accumulated depreciation or amortization, and unspent bond proceeds reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Restricted Net Position
Restricted net position primarily consists of permanent investments subject to restrictions externally imposed by creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Restricted nonexpendable net position is subject to externally imposed stipulations that require the amounts be maintained in perpetuity by the System. Such assets include the System's permanent endowment funds.

Restricted expendable net position is subject to externally imposed stipulations that can be fulfilled by actions of the System pursuant to those stipulations or that expire with the passage of time.

Unrestricted Net Position
Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified. Because the System is an agency of the State, constraints on the use of resources imposed by the State are not considered external restrictions. When an expense is incurred that can be paid using either restricted or unrestricted resources, the System addresses each situation on a case-by-case basis prior to determining the resources to be used to satisfy the obligation. Generally, the System's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Revenues and Expenses

Revenues and expenses relate to operating revenues and expenses, professional fees revenue, scholarship allowances and student aid, and nonoperating revenues and expenses.

Operating Revenues and Expenses

Operating revenues include activities such as net student tuition and fees, net professional fees for hospital clinical services, net sales and services by auxiliary enterprises, and most federal, state and local grants and contracts. Operating expenses include cost of goods sold, salaries and wages, payroll related costs, professional fees and services, federal and state pass-through expense, travel, materials and supplies, communications and utilities, repairs and maintenance, rentals and leases, printing and reproduction, depreciation and amortization, scholarships and fellowships, and asset retirement obligation. Operating expenses also includes the expenses related to scholarships, exemptions, and expenses paid with the Higher Education Emergency Relief Fund ("HEERF"). In addition, all changes to incurred but not reported liabilities related to insurance programs are reflected as operating expenses.

Professional Fees Revenue

HSC has agreements with third parties that provide for reimbursement to HSC at amounts different from its established rates. Contractual adjustments under third party reimbursement programs represent the difference between HSC's established rates for services and the amounts reimbursed by third parties. HSC's more significant third parties are the Medicare and Medicaid programs. Medicare outpatient services are reimbursed on a prospective basis through ambulatory payment classifications, which are based on clinical resources used in performing the procedure. Medicaid outpatient services are paid based on a fee schedule or blended rates.

Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements as prescribed by the National Association of College and University Business Officers ("NACUBO"). Certain aid (student loans, funds provided to students as awarded by third parties, and Federal Direct Lending) is accounted for as third-party payments (credited to the student's account and reported as revenue as if the student made the payment). All other aid is reflected in the financial statements either as operating expense or as scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. The allowance is computed on an institution-wide basis by allocating cash payments to students, excluding payments for services, using the ratio of total aid to the aid not considered to be third party aid.

Nonoperating Revenues and Expenses

Nonoperating revenues include activities such as gifts and contributions, insurance recoveries received in years subsequent to the associated loss, state appropriations, investment income, federal HEERF grants, and other revenue sources that are defined as nonoperating revenues by GASB. The System's institutions are the named beneficiaries in certain lawsuits, wills, trusts, and insurance policies; however, the System does not recognize these potential refunds, gifts, and contributions until realized. Nonoperating expenses include activities such as interest expense on capital asset financings, and other expenses that are defined as nonoperating expenses by GASB.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the comprehensive financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, aligns recognition and measurement guidance for all types of compensated absences under a unified model and eliminates certain previously required disclosures. This statement will be implemented in fiscal year 2025.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a governmental entity to assess, report and disclose when an event associated with concentration or constraint causes vulnerability of risk with a substantial impact potentially resulting in revenue debt. The governmental entity is also required in its disclosures to state the actions taken to mitigate the risk prior to the issuance of the financial statements impacted. This statement will be implemented in fiscal year 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, clarifies key components of the financial reporting model to enhance effectiveness and accountability of governmental entities. The Management's Discussion and Analysis ("MD&A") is limited to topics in five sections: overview of the financial statements, financial summary, detailed analyses, significant capital asset and long term financing activity, and currently known facts, decisions, or conditions. The statement also requires inflows and outflows related to unusual or infrequent items. In addition, the statement requires updated presentation of: (1) The Statement of Revenues, Expenses and Changes in Net Position to include a subtotal for *operating income (loss) and noncapital subsidies*, (2) each major component unit separately in the reporting entity's financial statements or as combining statements presented after the fund financial statements, and (3) budgetary comparison information using a single method of communication to present variances between original and final budget amounts and variances between final budget and actual amounts with an explanation of significant variances. This statement will be implemented in fiscal year 2026.

The System is in process of assessing the impact to the ACFR for GASB Statement No. 101. Additionally, the System anticipates minimal impact for GASB Statement No. 102, while GASB Statement No. 103 will have a moderate impact on financial statement presentation.

Note 2: Capital Assets

A summary of changes in capital assets for the fiscal year ended August 31, 2024 is presented below:

Capital Asset Activity
Table 2A
August 31, 2024

	Balance September 1, 2023	Adjustments	Reclassification of Completed Construction In Progress	Decrease Interagency Transfers	Additions	Deletions	Balance August 31, 2024
Non-Depreciable or Non-Amortizable Assets:							
Land and Land Improvements	$ 98,198,901.77	$ -	$ -	$ -	$ 34,296,846.45	$ -	$ 132,495,748.22
Construction in Progress	87,082,242.54	(3,381,738.14)	(51,484,099.95)	-	102,756,732.25	-	134,973,136.70
Other Tangible Capital Assets	28,915,279.93	-	3,110.00	-	201,502.60	-	29,119,892.53
Total Non-Depreciable or Non-Amortizable Assets:	**$ 214,196,424.24**	**$ (3,381,738.14)**	**$(51,480,989.95)**	**$ -**	**$ 137,255,081.30**	**$ -**	**$ 296,588,777.45**
Depreciable Assets:							
Buildings and Building Improvements	$ 1,838,918,621.84	$ -	$ 48,407,748.97	$ -	$ 218,912.81	$ (260,279.29)	$ 1,887,285,004.33
Infrastructure	72,679,185.81	-	-	-	-	-	72,679,185.81
Facilities and Other Improvements	153,086,738.53	-	2,208,757.76	-	1,305,894.00	-	156,601,390.29
Furniture and Equipment	209,105,739.25	-	863,977.39	(503,983.16)	21,086,353.08	(8,252,088.66)	222,299,997.90
Vehicles, Boats and Aircraft	11,832,529.48	-	-	-	1,257,448.35	(427,340.32)	12,662,637.51
Other Capital Assets	132,078,668.51	-	505.83	-	5,524,520.20	(63,216.89)	137,540,477.65
Total Depreciable Assets:	**$ 2,417,701,483.42**	**$ -**	**$ 51,480,989.95**	**$ (503,983.16)**	**$ 29,393,128.44**	**$ (9,002,925.16)**	**$ 2,489,068,693.49**
Less Accumulated Depreciation for:							
Buildings and Building Improvements	$ (875,688,634.08)	$ -	$ -	$ -	$ (78,342,793.79)	$ 232,279.54	$ (953,799,148.33)
Infrastructure	(36,072,221.89)	-	-	-	(2,635,966.34)	-	(38,708,188.23)
Facilities and Other Improvements	(57,206,956.07)	-	-	-	(5,106,646.81)	-	(62,313,602.88)
Furniture and Equipment	(147,650,817.08)	-	-	495,492.69	(16,297,417.04)	7,646,497.40	(155,806,244.03)
Vehicles, Boats and Aircraft	(9,771,259.27)	-	-	-	(620,832.11)	419,167.34	(9,972,924.04)
Other Capital Assets	(88,973,439.78)	-	-	-	(5,791,730.58)	42,857.16	(94,722,313.20)
Total Accumulated Depreciation	**$ (1,215,363,328.17)**	**$ -**	**$ -**	**$ 495,492.69**	**$ (108,795,386.67)**	**$ 8,340,801.44**	**$(1,315,322,420.71)**
Total Depreciable Assets, Net	**$ 1,202,338,155.25**	**$ -**	**$ 51,480,989.95**	**$ (8,490.47)**	**$ (79,402,258.23)**	**$ (662,123.72)**	**$ 1,173,746,272.78**
Amortizable Assets - Intangibles:							
Computer Software	$ 20,457,323.04	$ -	$ -	$ -	$ 474,232.00	$ (518,327.46)	$ 20,413,227.58
Total Amortizable Assets - Intangibles	**$ 20,457,323.04**	**$ -**	**$ -**	**$ -**	**$ 474,232.00**	**$ (518,327.46)**	**$ 20,413,227.58**
Less Accumulated Amortization for:							
Computer Software	$ (19,985,791.58)	$ -	$ -	$ -	$ (344,062.94)	$ 492,775.49	$ (19,837,079.03)
Total Accumulated Amortization	**$ (19,985,791.58)**	**$ -**	**$ -**	**$ -**	**$ (344,062.94)**	**$ 492,775.49**	**$ (19,837,079.03)**
Amortizable Assets - Intangibles, Net	**$ 471,531.46**	**$ -**	**$ -**	**$ -**	**$ 130,169.06**	**$ (25,551.97)**	**$ 576,148.55**
Total Capital Assets, Net	**$ 1,417,006,110.95**	**$ (3,381,738.14)**	**$ -**	**$ (8,490.47)**	**$ 57,982,992.13**	**$ (687,675.69)**	**$ 1,470,911,198.78**

A summary of changes in leased capital assets for the fiscal year ended August 31, 2024 is presented below:

Leased and Subscription Capital Asset Activity
Table 2B
August 31, 2024

	Balance September 1, 2023	Adjustments	Additions	Deletions	Balance August 31, 2024
Amortizable Assets - Intangible Right to Use:					
Building and Building Improvements	$ 7,067,375.86	$ -	$ 56,345.90	$ -	$ 7,123,721.76
Land and Other Improvements	2,996,581.86	-	-	-	2,996,581.86
Equipment	3,203,035.39	-	153,895.61	-	3,356,931.00
Subscriptions	20,352,783.74	235,887.27	12,189,077.40	(1,411,965.60)	31,365,782.81
Total Amortizable Assets - Intangible Right to Use	**$ 33,619,776.85**	**$ 235,887.27**	**$ 12,399,318.91**	**$ (1,411,965.60)**	**$ 44,843,017.43**
Less Accumulated Amortization for:					
Building and Building Improvements	$ (3,258,528.43)	$ -	$ (1,600,924.72)	$ -	$ (4,859,453.15)
Land and Other Improvements	(160,429.86)	-	(80,214.93)	-	(240,644.79)
Equipment	(3,074,497.18)	-	(165,025.17)	-	(3,239,522.35)
Subscriptions	(6,197,488.47)	(47,177.45)	(7,974,517.55)	395,428.10	(13,823,755.37)
Total Accumulated Amortization - Intangible Right to Use	**$ (12,690,943.94)**	**$ (47,177.45)**	**$ (9,820,682.37)**	**$ 395,428.10**	**$ (22,163,375.66)**
Total Amortizable Assets - Intangible Right to Use, Net	**$ 20,928,832.91**	**$ 188,709.82**	**$ 2,578,636.54**	**$ (1,016,537.50)**	**$ 22,679,641.77**

Note 3: Cash, Cash Equivalents and Investments

Deposits of Cash in Bank

As of August 31, 2024, the carrying amount of deposits was $12,857,243.02 as presented below:

Cash in Bank
Table 3A
August 31, 2024

Cash in Bank Carrying Value	$ 12,857,243.02
Cash in Bank per Statement of Net Position	**$ 12,857,243.02**
Proprietary Funds Current Assets Cash in Bank	$ 12,476,993.06
Proprietary Funds Current Assets Restricted Cash in Bank	380,249.96
Cash in Bank per Statement of Net Position	**$ 12,857,243.02**

The carrying amount consists of all cash in local banks and is included on the Statement of Net Position as a portion of cash and cash equivalents. The cash and cash equivalents balance also includes $274,405,428.82 that is invested in cash equivalents and $50,645,415.96, comprised of cash on hand, cash in transit or reimbursement from the Treasury, and cash in the State Treasury. As of August 31, 2024, the total bank balance was $1,821,063.11.

The carrying amount of deposits for the System's discretely presented component unit, UNT Foundation, reported on the UNT Foundation Statement of Net Position as of August 31, 2024 was $21,095,296.00. As of August 31, 2024, the total UNT Foundation bank balance was $517,368.84.

The carrying amount of deposits for the System's discretely presented component unit, UNTHSC Foundation, reported on the UNTHSC Foundation Statement of Net Position as of August 31, 2024 was $1,092,005.00. As of August 31, 2024, the total UNTHSC Foundation bank balance was $1,092,005.00.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The System's policy is that all deposits are governed by a bank depository agreement between the System and the respective banking institution. This agreement provides that the System's deposits, to the extent such deposits exceed the maximum insured limit under deposit insurance provided by the Federal Deposit Insurance Corporation (the "FDIC"), shall at all times be collateralized with government securities. As of August 31, 2024, the System had no bank balances that were exposed to custodial credit risk.

Investments

The System's operating funds management objective is to retain appropriate liquidity to meet daily operating demands while seeking higher yield on cash reserves through an appropriately diversified long-term investment portfolio. The System investment funds under its control are held and managed by the System under Texas Education Code, Section 51.0031(c) which authorizes the System's Board of Regents, subject to procedures and restrictions it establishes, to invest System funds in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent person standard described in the Texas Constitution, Article VII, Section 11b. This standard provides that the System's Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill and caution, would acquire or retain in light of the purposes, terms, distribution requirements and other circumstances of the fund then prevailing, taking into consideration the investment of all of the assets of the fund rather than a single investment. All System funds subject to Board of Regents control, System endowment funds, and HSC medical professional liability self-insurance plan funds shall be invested pursuant to a prudent person standard. Each institution of the System adopts an endowment investment policy. The policy authorizes the following types of investments: U.S. Government obligations, U.S. Government Agency obligations, other government obligations, corporate obligations, corporate asset-backed and mortgage-backed securities, equity, international obligations, international equity, certificates of deposit, banker's acceptances, money market mutual funds, mutual funds, repurchase agreements, private equity, hedge funds, Real Estate Investment Trusts ("REITs"), derivatives, energy and real estate.

As of August 31, 2024, the System's investments are presented below. Included in this amount is $274,405,428.82 classified as cash equivalents.

Investments and Cash Equivalents
Table 3B
August 31, 2024

Investments and Cash Equivalents	**August 31, 2024**
U.S. Government U.S. Treasury Securities	$ 48,962,911.72
U.S. Government Agency Obligations	32,656,566.17
Corporate Obligations	64,257,269.17
Equity	70,003,403.68
International Equity	25,388,426.73
Repurchase Accounts	1,258,757.33
Hedge Funds	20,940,971.81
Domestic Mutual Funds	243,349,827.71
International Mutual Funds	69,003,626.24
Fixed Income Money Market and Mutual Funds	285,579,154.05
Other Commingled Funds	65,591,549.63
Alternative Investments	3,321,142.86
Miscellaneous	46,184,085.52
Total Investments and Cash Equivalents	**$ 976,497,692.62**

Credit Risk – Investments

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The System utilizes ratings assigned by Standard & Poor's for this purpose. The System's investment policy does not provide specific requirements and limitations regarding investment ratings. According to the authoritative literature from the GASB, unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

As of August 31, 2024, the System's credit quality distribution for securities with credit risk exposure was as follows:

Investments Exposed to Credit Risk
Table 3C
August 31, 2024

	Standard and Poor's					
Investment Type	**AAA**	**AA**	**A**	**BBB**	**Unrated**	**Total**
U.S. Government U.S. Treasury Securities	$ -	$ 48,962,911.72	$ -	$ -	$ -	$ 48,962,911.72
U.S. Government Agency Obligations	-	32,656,566.17	-	-	-	32,656,566.17
Corporate Obligations	721,542.34	250,156.80	33,622,487.08	28,821,816.59	841,266.36	64,257,269.17
Equity	-	-	-	-	70,003,403.68	70,003,403.68
International Equity	-	-	-	-	25,388,426.73	25,388,426.73
Repurchase Accounts	-	-	-	-	1,258,757.33	1,258,757.33
Hedge Funds	-	-	-	-	20,940,971.81	20,940,971.81
Domestic Mutual Funds	-	-	-	-	243,349,827.71	243,349,827.71
International Mutual Funds	-	-	-	-	69,003,626.24	69,003,626.24
Fixed Income Money Market and Bond Mutual Fund	235,590,562.25	-	-	-	49,988,591.80	285,579,154.05
Other Commingled Funds	58,873,245.33	-	-	-	6,718,304.30	65,591,549.63
Alternative Investments	-	-	-	-	3,321,142.86	3,321,142.86
Miscellaneous	-	-	-	-	46,184,085.52	46,184,085.52
Total	**$295,185,349.92**	**$ 81,869,634.69**	**$ 33,622,487.08**	**$ 28,821,816.59**	**$536,998,404.34**	**$976,497,692.62**

Concentration of Credit Risk

Concentration of credit risk is the risk that, in the event of the failure of one issuer, the System will not be able to recover the value of its investment. The System's investment regulation does not provide specific requirements and limitations regarding concentration of credit. As of August 31, 2024, the System did not hold any direct investments in any one issuer of corporate or municipal bonds that were five percent or more of the market value of the System's fixed income investments.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party. State statutes and the System's investment regulation does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. As of August 31, 2024, the System did not have investments that are exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of August 31, 2024, the System investments subject to interest rate risk – commingled funds, certificates of deposit, repurchase agreements and fixed income money market – have an average maturity of less than one year. The System's investments in U.S. Government Agency Obligations have an average maturity of approximately three years and corporate obligations have an average maturity of approximately four years. Fixed income investments held would be subject to credit risk, price risk, and interest rate risk; moreover, pools may invest in securities whose fair values would be sensitive to changes in interest rates.

Foreign Currency Risk

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. The System's investment policy does not provide specific requirements and limitations regarding investments in foreign currency. As of August 31, 2024, the System's investments were all denominated in U.S. dollars.

Internal Investment Pools

UNT Foundation Internal Investment Pool

The UNT Foundation holds and invests certain funds in trust on behalf of UNT and UNTD. For UNT, pursuant to an investment management agreement dated August 24, 2012, certain UNT endowment assets have been placed with the UNT Foundation and invested in the UNT Foundation's Consolidated Investment Pool ("UNT Foundation Pool"). The initial term of the agreement ended August 31, 2013, with a provision to automatically renew annually thereafter. On September 11, 2019, the agreement was re-written with an effective date of September 1, 2019 and the initial term ending date of August 31, 2027, with a provision to automatically renew and extend for additional five-year terms. Effective December 1, 2020, the UNT Foundation entered into an investment management agreement with the UNTD to manage certain of its endowment assets in the UNT Foundation Pool. The initial term of the agreement ends August 31, 2030, with a provision to automatically renew and extend for additional five-year terms. UNTD may terminate the agreement with 90 days' notice if it determines that its own foundation is operationally capable of performing the investment and management of the UNTD endowments prior to expiration of the agreement.

The UNT Foundation Pool is invested with external investment managers who invest in equity, fixed income, and alternative investment funds, both domestic and international. The UNT Foundation's investment policy allows for the asset allocation to be maintained within the following tactical ranges: 55-75% growth assets (U.S. and international equities), 15-35% risk reduction assets (U.S. and global fixed income funds and cash), and 5-15% inflation protection assets (real assets) prior to April 2024. In April 2024, the policy was recharacterized by combining categories: 65-85% growth assets (U.S. and international equities as well as inflation protection assets including real assets) and 15-35% income-oriented assets (U.S. and global fixed income funds and cash). The UNT Foundation's investment committee is responsible for monitoring and rebalancing to the strategic target allocation ranges, and within the tactical ranges, has discretionary authority for setting, monitoring, and making reallocations to the portfolio's specific underlying assets. Complete audited financial statements of the UNT Foundation can be obtained from https://endow.unt.edu/.

As of August 31, 2024, total investments held by the UNT Foundation, including the System portion of $90,772,260.26, consisted of the following investment types:

Investments and Cash Equivalents
Table 3D: UNT Foundation
August 31, 2024

Investment		**Fair Value**
Equity	$	4,048,627.15
Domestic Mutual Funds		123,969,519.57
International Other Commingled Funds		45,505,603.35
International Mutual Funds		53,098,127.32
Fixed Income Money Market and Bond Mutual Funds		65,378,367.61
Alternative Investments:		
Hedge Funds		5,488,114.00
Private Debt/Equity		28,262,911.00
Miscellaneous		10,337,971.00
Total Investments	**$**	**336,089,241.00**

The UNT Foundation Pool's investments are not rated by Standard & Poor's. As of August 31, 2024, the UNT Foundation Pool did not hold any direct investments in any one issuer of corporate or municipal bonds that were five percent or more of the market value of the UNT Foundation Pool's investments. The UNT Foundation Pool did not have investments exposed to custodial credit risk. The UNT Foundation Pool's investments subject to interest rate risk – fixed income money market and bond mutual funds – have a weighted average maturity of less than one year and approximately six years, respectively.

As of August 31, 2024, the System's investments in the UNT Foundation Pool consisted of the following investment types:

Equity
Equity consists of direct ownership of equity securities in publicly-held corporations. Equity securities are typically managed by an external investment advisor.

Domestic Mutual Funds
Domestic mutual funds are mutual funds that, by policy, invest primarily in U.S. equity or debt securities of publicly-held corporations.

International Other Commingled Funds
International other commingled funds include ownership of unit interests in commingled pools which invest primarily in international equity securities of publicly held corporations.

International Mutual Funds
International mutual funds are mutual funds that, by policy, invest primarily in international equity securities of publicly-held corporations.

Fixed Income Money Market & Bond Mutual Funds
Money market mutual funds ("MMF") are open-end mutual funds registered with the U.S Securities and Exchange Commission ("SEC") under SEC's "Rule 2a-7," which enforces specific restrictions to enhance liquidity and credit quality. MMFs may have either a stable net asset value ("NAV"), typically maintaining a $1.00 per share value or a floating NAV that fluctuates based on the market value of underlying assets. SEC's "Rule 2a-7" imposes limits on the maximum maturity of individual securities, as well as weighted-average maturity and life for the fund's portfolio. Bond mutual funds, also publicly traded and open-end, primarily invest in fixed income securities from U.S. Government entities, corporations and international issuers.

Alternative Investments
Alternative investments consist of hedge funds, real estate, private debt, and other pooled funds that employ various investment strategies that are typically less correlated to the publicly traded investment markets. Investments may be held through a combination of unit interests in limited partnerships, publicly-traded open-end mutual fund vehicles, or unit ownership in other commingled pooled funds.

UNTHSC Foundation Internal Investment Pool
Certain investments of the System are managed by the UNTHSC Foundation in its internal long-term investment pool ("UNTHSC Foundation Pool"). The UNTHSC Foundation Pool is invested with external investment managers who invest in equity, mutual funds, and alternative investment funds, both domestic and international. The primary investment objective of the UNTHSC Foundation is long-term growth of capital. It is recognized that short-term fluctuations in the capital markets may result in the loss of capital on occasion (i.e., negative rates of return). However, the total asset value of the UNTHSC Foundation Pool, exclusive of contributions or withdrawals, should grow in the long-run. It should earn, through a combination of investment income and capital appreciation, a rate of return in excess of a balanced market index while incurring less risk than such index. The Board and/or the Investment Committee of the UNTHSC Foundation intends to maximize the portfolio's total return comprising income and net realized and unrealized gains and losses. This objective is to be accomplished by assuming a prudent level of risk in the investment of the UNTHSC Foundation assets. Complete audited financial statements of the UNTHSC Foundation can be obtained by writing to UNTHSC Foundation at 3500 Camp Bowie Boulevard Suite 802, Fort Worth, Texas, 76107.

As of August 31, 2024, total investments held by the UNTHSC Foundation, including the System portion of $122,788,607.43, consisted of the following investment types:

Investments and Cash Equivalents
Table 3E: UNTHSC Foundation
August 31, 2024

Investment		**Fair Value**
Equity	$	83,684,949.00
International Equity		32,356,357.00
Domestic Mutual Funds		28,952,561.00
Alternative Investments:		
Miscellaneous		11,494,444.00
Total Investments	**$**	**156,488,311.00**

The UNTHSC Foundation Pool's investments are not rated by Standard & Poor's. As of August 31, 2024, the UNTHSC Foundation Pool did not hold any direct investments in any one issuer of corporate or municipal bonds that were five percent or more of the market value of the UNTHSC Foundation Pool's investments. The UNTHSC Foundation Pool did not have investments exposed to custodial credit risk. The UNTHSC Foundation Pool's investments subject to interest rate risk – fixed income money market and bond mutual funds – have a weighted average maturity of less than one year and approximately eight years, respectively.

As of August 31, 2024, the System's investments in the UNTHSC Foundation Pool consisted of the following investment types:

Equity
Equity consists of direct ownership of equity securities in publicly-held corporations. Equity securities are typically managed by an external investment advisor.

International Equity
International equity consists of direct ownership of international equity securities in publicly-held corporations. Equity securities are typically managed by an external investment advisor.

Domestic Mutual Funds
Domestic mutual funds are mutual funds that, by policy, invest primarily in U.S. equity securities of publicly-held corporations.

Alternative Investments
Alternative investments consist of hedge funds, real estate, and other pooled funds that employ various investment strategies that are typically less correlated to the publicly traded investment markets. Investments may be held through a combination of unit interests in limited partnerships, publicly-traded open-end mutual fund vehicles, or unit ownership in other commingled pooled funds.

Fair Value Measurements

The System's investments are recorded at fair value as of August 31, 2024, and have been categorized based upon a fair value hierarchy in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The System categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure fair value of the assets. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following describes the hierarchy of inputs used to measure fair value on a recurring basis:

Level 1	Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
Level 2	Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information)
Level 3	Unobservable inputs for an asset or liability

The System has the following recurring fair value measurements as of August 31, 2024:

Investments Fair Value
Table 3F
August 31, 2024

		Fair Value Measurements Using		
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
U.S. Treasury Securities	$ 48,962,911.72	$ 48,962,911.72	$ -	$ -
U.S. Government Agency Obligations	32,656,566.17	32,656,566.17	-	-
Corporate Obligations	64,257,269.17	64,257,269.17	-	-
Equity	4,339,979.46	4,339,979.46	-	-
Domestic Mutual Funds	185,749,199.37	185,749,199.37	-	-
International Mutual Funds	48,870,507.71	48,870,507.71	-	-
Fixed Income Money Market and Bond Mutual Funds	258,895,125.88	258,895,125.88	-	-
Other Commingled Funds	21,317,136.09	-	21,317,136.09	-
Hedge Funds	20,940,971.81	-	20,940,971.81	-
Miscellaneous	28,479,947.84	-	-	28,479,947.84
Total Investments at Fair Value	**$ 714,469,615.22**	**$ 643,731,559.48**	**$ 42,258,107.90**	**$ 28,479,947.84**
Investments and Cash Equivalents Measured at NAV				
Externally Managed Investments - Foundation Managed Pools	$ 213,560,867.69			
Fixed Income Money Market and Bond Mutual Funds (Cash Deposits)	9,652,343.14			
Total Investments at NAV	**$ 223,213,210.83**			
Total Investments at Fair Value	**$ 937,682,826.05**			
Investments and Cash Equivalents not Measured at Fair Value				
Repurchase Accounts	$ 1,258,757.33			
Other Commingled Funds (TexasCLASS)	37,556,109.24			
Total Investments not Measured at Fair Value	**$ 38,814,866.57**			
Total Investments	**$ 976,497,692.62**			

Investments classified in Level 1 of the fair value hierarchy, totaling $643,731,559.48 for the fiscal year ended August 31, 2024, are valued using quoted prices in active markets. Fair values for hedge funds using level 2 inputs are based on daily valuations of assets and reported to investors on a monthly basis. Investments may include less liquid securities, direct loans or debt securities, and distressed debt combined with the use of derivatives and leverage. Valuations not directly observable may be determined by pricing and performance models. Fair values for private equity funds using level 3 inputs are often not directly observable. Fair valuations published by general partners for the use of limited partner investors are often determined by the best information available and audited by outside third-party auditors. Investments are typically valued on a quarterly basis.

The UNT Foundation Pool has the following recurring fair value measurements as of August 31, 2024, which includes $90,772,260.26 of the System's externally managed investments:

Investments Fair Value
Table 3G: UNT Foundation
August 31, 2024

		Fair Value Measurements Using		
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
Equity	$ 4,048,627.15	$ 4,048,627.15	$ -	$ -
Domestic Mutual Funds	123,969,519.57	123,969,519.57	-	-
International Other Commingled Funds	20,834,662.35	20,834,662.35	-	-
International Mutual Funds	53,098,127.32	53,098,127.32	-	-
Fixed Income Money Market and Bond Mutual Funds	65,378,367.61	63,268,268.96	2,110,098.65	-
Total Investments at Fair Value	**$ 267,329,304.00**	**$ 265,219,205.35**	**$ 2,110,098.65**	**$ -**
Investments Measured at NAV				
International Other Commingled Funds	$ 24,670,941.00			
Hedge Funds	5,488,114.00			
Private Debt/Equity	28,262,911.00			
Miscellaneous	10,337,971.00			
Total Investments at NAV	**$ 68,759,937.00**			
Total Investments	**$ 336,089,241.00**			

The UNTHSC Foundation Pool has the following recurring fair value measurements as of August 31, 2024, which includes $122,788,607.43 of the System's externally managed investments:

Investments Fair Value
Table 3H: UNTHSC Foundation
August 31, 2024

		Fair Value Measurements Using		
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
Equity - US Large Cap	$ 69,548,423.00	$ 69,548,423.00	$ -	$ -
Equity - US Mid/Small Cap	3,410,139.00	3,410,139.00	-	-
Equity - Global	13,754,192.00	13,754,192.00	-	-
Equity - Foreign	18,602,165.00	18,602,165.00	-	-
Emerging Markets	10,726,387.00	10,726,387.00	-	-
Mutual Funds - Bonds	28,952,561.00	28,952,561.00	-	-
Total Investments at Fair Value	**$ 144,993,867.00**	**$ 144,993,867.00**	**$ -**	**$ -**
Investments and Cash Equivalents Measured at NAV				
Cash Equivalents	$ 2,327,460.00			
Alternative Investments	9,166,984.00			
Total Investments at NAV	**$ 11,494,444.00**			
Total Investments	**$ 156,488,311.00**			

Within the pools, financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Fair values for mutual funds valued using Level 2 inputs are based on published daily valuations. Fair values for the Hedge Funds and REITs are determined by third-party valuations.

Other Commingled Funds consists of funds invested with TexasCLASS. These commingled funds were established in conformity with the Texas Government Code, Interlocal Cooperation Act, Chapter 791, and the Texas Government Code, Public Funds Investment Act, Chapter 2256. They are structured somewhat like money market mutual funds and allow shareholders the ability to deposit or withdraw funds on a daily basis. In addition, interest rates are also adjusted on a daily basis and the funds seek to maintain a constant net asset value of $1.00, although this cannot be fully guaranteed. The System reports its investment with TexasCLASS of $37,556,109.24 at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Please refer to the Investments Reported at Net Asset Value section below for further information regarding commingled funds reported at fair value. For commingled funds reported at amortized cost, there are no limitations or restrictions on withdrawals and maximum transaction amounts.

Investments Reported at Net Asset Value

Externally Managed Investments – UNT Foundation and UNTHSC Foundation managed endowments

The System records its unitized portion of investments held with the UNT Foundation and the UNTHSC Foundation using NAV. As of August 31, 2024, $213,560,867.69 of the System's externally managed investments are managed by the UNT Foundation and the UNTHSC Foundation, as follows:

Externally Managed Investments at Net Asset Value
Table 3I
August 31, 2024

Fair Value	Fair Value	Frequency Range - Low	Frequency Range - High	Notice Range - Low	Notice Range - High	Unfunded Commitment
Hedge Funds	$ 1,494,504.00	Quarterly	Annually	30 Days	90 Days	$ -
Equity Funds	91,051,850.95	Daily	N/A	1 Day	N/A	-
Mutual Funds	94,765,431.90	Daily	Daily	1 Day	1 Day	-
Commingled Funds	6,718,304.30	Daily	Quarterly	1 Day	30 Days	-
Private Debt	7,696,457.00	N/A	N/A	N/A	N/A	9,942,484.01
Miscellaneous	11,834,319.54	N/A	N/A	N/A	N/A	8,378,013.84
Total	**$ 213,560,867.69**					**$ 18,320,497.85**

Fixed Income Money Market and Bond Mutual Funds (Cash Deposits)

The System maintains excess working capital in Goldman Sachs as cash deposits to maintain sufficient liquidity and for reinvestment purposes. There are no unfunded commitments. No limitations or restrictions on redemptions exist. Redemptions can occur at any time.

Texas University Fund

The Texas University Fund ("TUF") was created by the 88th Texas Legislature, Regular Session, and became effective January 1, 2024, after voter approval of the constitutional amendments establishing the TUF and certain constitutionally dedicated appropriations from the state's Economic Stabilization Fund. The TUF was created to enable qualifying general academic teaching institutions, including UNT, to achieve national prominence as major research universities. The TUF is administered by the Texas Treasury Safekeeping Trust Company and is not reflected in the basic financial statements of the System. The net position of TUF as of August 31, 2024 was $4,216,437,242.31. For fiscal year 2024, the System's share of the TUF distribution was $21,328,931.00.

Note 4: Short-Term Debt

Commercial Paper

The University of North Texas Board of Regents approved resolutions limiting the principal amount of Series A Commercial Paper Notes that may be outstanding at any one time to $75,000,000.00. Similarly, the issuance of Series B Commercial Paper Notes may not exceed, in aggregate, the principal amount of $75,000,000.00 at any one time. Outstanding commercial paper proceeds may be used for the purpose of financing project costs of eligible projects and to refinance, renew, or refund commercial paper notes, prior encumbered obligations, and parity obligations, including interest. Commercial paper notes may not be issued to refinance or refund prior encumbered obligations or parity bonds without the approval of the System Board of Regents. Commercial paper activity for the System for the fiscal year ended August 31, 2024 is as follows:

Commercial Paper
Table 4A
August 31, 2024

	September 1, 2023	Additions	Reductions	August 31, 2024
Series A Commercial Paper	$ 50,000,000.00	$ -	$ 2,515,000.00	$ 47,485,000.00
Series B Commercial Paper	10,000,000.00	49,886,000.00	23,403,000.00	36,483,000.00
Total Commercial Paper	**$ 60,000,000.00**	**$ 49,886,000.00**	**$ 25,918,000.00**	**$ 83,968,000.00**

The outstanding balance of commercial paper at August 31, 2024 was $83,968,000.00 at an average interest rate of 3.69%. Average commercial paper maturity during the fiscal year ended August 31, 2024 was approximately 67 days. The System will provide liquidity support for $75,000,000.00 in Series A Commercial Paper Notes by utilizing available funds of the System in lieu of or in addition to bank liquidity support. The maximum maturity for commercial paper is 270 days. In practice, the System rolls, pays off, and/or issues new commercial paper at each maturity. Commercial paper will continue to be used as interim funding until long-term bonds are approved and issued or gifts or institutional funds are received to retire the commercial paper debt. The commercial paper programs do not have (1) unused lines of credits, (2) assets pledged as collateral, or (3) terms specified in debt agreements related to significant (i) events of default with finance-related consequences, (ii) termination events with finance-related consequences, and (iii) subjective acceleration clauses.

The System adheres to the requirements of the Federal Securities Act of 1933, which precludes proceeds from commercial paper issues to be used for financing fixed assets, such as plant and equipment, on a permanent basis. The System, working with bond counsel and its financial advisor, routinely determines alternative long-term funding to ensure that commercial paper is used as interim financing only and will be paid off after completion of construction or equipment acquisition.

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

The following changes occurred in long-term liabilities during the fiscal year ended August 31, 2024:

Long-Term Liabilities Activity
Table 5A
August 31, 2024

	September 1, 2023	Restatement	Additions	Reductions	August 31, 2024	Amounts Due Within One Year	Amounts Due Thereafter
Bonds Payable:							
Revenue Bonds Payable	$ 729,340,000.00	$ -	$ -	$ 45,020,000.00	$ 684,320,000.00	$ 43,250,000.00	$ 641,070,000.00
Unamortized Net Premiums	55,302,924.42	-	-	6,043,600.70	49,259,323.72	5,562,104.95	43,697,218.77
Direct Placement Revenue Bonds Payable	9,990,000.00	-	-	2,650,000.00	7,340,000.00	2,710,000.00	4,630,000.00
Total Revenue Bonds Payable	$ 794,632,924.42	$ -	$ -	$ 53,713,600.70	$ 740,919,323.72	$ 51,522,104.95	$ 689,397,218.77
Claims and Judgments	$ 1,221,775.00	$ -	$ 581,592.00	$ 100,000.00	$ 1,703,367.00	$ 390,751.00	$ 1,312,616.00
Employees' Compensable Leave	29,160,139.75	-	5,010,266.29	3,232,485.23	30,937,920.81	4,734,396.84	26,203,523.97
Lease Obligations	6,915,750.90	-	210,241.52	1,806,600.45	5,319,391.97	1,784,913.40	3,534,478.57
Subscription Obligations	13,437,940.88	185,887.27	11,592,502.98	9,761,603.52	15,454,727.61	6,892,287.87	8,562,439.74
Asset Retirement Obligation	2,930,625.00	-	78,750.00	-	3,009,375.00	-	3,009,375.00
Net Pension Liability	193,514,233.00	-	60,389,990.00	17,677,338.00	236,226,885.00	-	236,226,885.00
Net OPEB Liability	444,823,293.00	-	41,649,186.00	59,544,490.00	426,927,989.00	17,988,138.00	408,939,851.00
Other Noncurrent Liabilities	3,335,748.58	-	-	1,565,291.87	1,770,456.71	-	1,770,456.71
Total Long-Term Liabilities	**$ 1,489,972,430.53**	**$ 185,887.27**	**$ 119,512,528.79**	**$ 147,401,409.77**	**$1,462,269,436.82**	**$ 83,312,592.06**	**$1,378,956,844.76**

Revenue Bonds Payable

Scheduled principal and interest payments for revenue bonds issued and outstanding as of August 31, 2024 are as follows:

Revenue Bonds Payable
Table 5B
August 31, 2024

Year	Principal	Interest	Total
2025	$ 43,250,000.00	$ 30,522,291.68	$ 73,772,291.68
2026	42,110,000.00	28,772,273.90	70,882,273.90
2027	43,600,000.00	27,044,123.08	70,644,123.08
2028	45,195,000.00	25,211,039.40	70,406,039.40
2029	46,730,000.00	23,269,601.96	69,999,601.96
2030-2034	185,665,000.00	87,063,433.40	272,728,433.40
2035-2039	112,430,000.00	54,175,195.16	166,605,195.16
2040-2044	81,755,000.00	29,136,316.30	110,891,316.30
2045-2049	64,680,000.00	11,516,080.40	76,196,080.40
2050-2052	18,905,000.00	1,366,863.10	20,271,863.10
Total	**$ 684,320,000.00**	**$ 318,077,218.38**	**$ 1,002,397,218.38**

Direct Placement Revenue Bonds Payable

Scheduled principal and interest payments for direct placement revenue bonds issued and outstanding as of August 31, 2024 are as follows:

Direct Placement Revenue Bonds Payable
Table 5C
August 31, 2024

Year	Principal	Interest	Total
2025	$ 2,710,000.00	$ 176,160.00	$ 2,886,160.00
2026	2,775,000.00	111,120.00	2,886,120.00
2027	1,855,000.00	44,520.00	1,899,520.00
Total	**$ 7,340,000.00**	**$ 331,800.00**	**$ 7,671,800.00**

At August 31, 2024, the System had outstanding revenue bonds payable from direct placements of $7,340,000.00. The direct placement revenue bonds do not have existing provisions related to early terminations or payment accelerations. As of August 31, 2024, the System has no unused lines of credit. The Series 2018 Bond includes the following provision: For so long as this bond is outstanding, if the issuer defaults in the timely payment of principal or interest on this bond when due, this bond shall bear interest at the rate of 8.00% per annum, until such time as the payment default is cured.

Total interest paid during 2024 for revenue bonds and direct placement revenue bonds amounted to $32,436,071.02. Total interest and fiscal charges incurred for the fiscal year ended August 31, 2024 was $34,861,531.35. In addition, the System recorded ($6,043,600.70) and $303,002.59 to interest expense relating to the amortization of premiums and deferred inflows and outflows of resources from bond refundings, respectively. The resulting amount of $29,120,933.24 was reported as interest expense and fiscal charges for the fiscal year ended August 31, 2024.

Funds Available for Debt Service

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,* as amended, makes a basic distinction between the sales of receivables and future revenues, versus the pledging of receivables or future revenues to repay a borrowing (a collateralized borrowing).

Total pledged revenues consist of available pledged revenues, which include the gross revenues of the Revenue Financing System ("RFS"), the Student Union Fee, pledged general tuition (which includes general use fees), investment income, and funds held for payment of debt service. 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 debt service. System HEF reserves cannot be included in total pledged revenues. The following table provides the pledged revenue information for the System's revenue bonds:

Pledged Future Revenue
Table 5D
August 31, 2024

	Revenue Bonds	Direct Placement Revenue Bonds
Pledged Revenue Required for Future Principal and Interest on Existing Debt	$ 1,002,397,218.38	$ 7,671,800.00
Term of Commitment Year Ending 8/31	2052	2027
Percentage of Pledged Revenue	100.0%	100.0%
Current Year Pledged Revenue	$ 1,417,882,593.79	$ 1,417,882,593.79
Current Year Principal and Interest Paid	$ 77,216,311.02	$ 2,889,760.00

Claims and Judgments

As of August 31, 2024, the Claims and Judgments liability accrual is comprised of incurred but not reported ("IBNR") activity associated with HSC and a legal settlement accrual. According to authoritative GASB guidance, liabilities should be recognized when the possibility of loss is probable and the amount of loss is reasonably estimable. See Note 12, *Contingencies and Commitments*, and Note 14, *Risk Management*, for more information on the claims and judgments against the System.

Employees' Compensable Leave

According to the Texas Human Resources Management Statutes Inventory provided by the State Auditor's Office, state agency employees who have accrued six months of continuous state employment are entitled to be paid for the accrued balance of the employee's vacation leave as of the date of separation, if the employee is not reemployed by a state agency or institution of higher education with no break in state service to a position which accrues vacation leave. Substantially all full-time System employees earn between eight and twenty-one hours of annual leave per month depending upon the respective employee's years of state employment. State law permits employees to carry accrued leave forward from one fiscal year to another, up to a maximum of 532 hours for those employees with 35 or more years of state service. Eligible part-time employees' annual leave accrual rate and maximum carryover are proportional to the number of hours appointed to work. Employees with at least six months of continuous state service who terminate their employment are entitled to payment for all accumulated vacation leave. 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 personal or family illness or to the estate of an employee in the event of their death. The maximum sick leave that may be paid to an employee's estate is one-half of the employee's accumulated sick leave or 336 hours, whichever is less. Eligible part-time employees' sick leave accrual rate is proportional to the number of hours they are appointed to work. This obligation is generally paid from the same funding source as the employee's salary or wage compensation is paid. An expense and a liability are recorded as the benefits accrue to employees, and the liability is reduced as the accrued leave is taken. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Lease Obligations and Subscription Obligations

See Note 7, *Leases and SBITAs,* for more information on right to use obligations.

Asset Retirement Obligation

As of August 31, 2024, the System held two radioactive material licenses associated with facilities at UNT and HSC. The estimated remaining useful life of the associated tangible capital assets is 202 months and 118 months, respectively. Licensing of Radioactive Materials is regulated by the State of Texas via Texas Administrative Code Title 25 Health Services, Part 289 Radiation Control, Subpart 252 Licensing of Radioactive Materials. The System estimated the obligation amount using best-estimate current value based on settlement amount and recorded the initial measurement as a deferred outflow of resources and a noncurrent liability. The System will assess the ARO account balances annually for any significant changes in current value and make all necessary adjustments. ARO balances are reduced annually by the amount of actual expenditures to retire the asset. In accordance with Texas Administrative Code, Title 25, Part 1, Chapter 289, Subchapter D, Rule 289.201(c), the System is exempted from posting the financial instruments specifically based upon being a state funded academic facility actively working to reduce the amount of radioactive material authorized on its licenses.

Net Pension Liability

See Note 1, *Summary of Significant Accounting Policies*, and Note 8, *Defined Benefit Pension Plan and Defined Contribution Plan,* for more information on the Net Pension Liability.

Net OPEB Liability

See Note 1, *Summary of Significant Accounting Policies*, and Note 9, *Postemployment Benefits Other Than Pensions,* for more information on the Net OPEB Liability.

Other Noncurrent Liabilities

The System reported balances in Other Noncurrent Liabilities in fiscal year 2024 related to other liabilities, including the wind down of the Perkins Loan Program. Specifically, the federal share to be returned in proportion to the total excess liquid capital of the Perkins Loan Program was recorded as an other noncurrent liability in 2024.

Note 6: Bonded Indebtedness

At August 31, 2024, the System had revenue bonds principal outstanding of $691,660,000.00. RFS debt is secured by and payable from pledged revenues as defined in the Master Resolution establishing the RFS. Pledged revenues consist of all lawfully available revenues, funds and balances, with certain exceptions, pledged to secure revenue-supported indebtedness issued under the Master Resolution as set forth by the State. General information related to revenue bonds outstanding as of August 31, 2024 is summarized in the table below:

Bonded Indebtedness
Table 6A
August 31, 2024

Bond	Purpose	Issue Date	Interest Rates	Amount Issued	Total Principal Outstanding
Public Offerings					
RFS Refunding Bonds, Series 2015A	To provide funds for the purposes of refunding Revenue Financing System Bonds Series 2014 Private Placement Arrangement, for refunding a portion of the commercial paper notes and provide funding for constructing and equipping buildings, and paying certain costs of issuing the bonds	10/21/2015	2.0000% - 5.0000%	$ 105,130,000.00	$ 96,535,000.00
RFS Refunding Bonds, Series 2015B	To provide funds for the purposes of refunding Revenue Financing System Bonds Series 2014 Private Placement Arrangement, for refunding a portion of the commercial paper notes, provide funding for constructing and equipping buildings, and paying certain costs of issuing the bonds	10/21/2015	0.3000% - 4.8380%	73,035,000.00	32,825,000.00
RFS Refunding Bonds, Series 2017A	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2009A; a portion of the outstanding commercial paper notes; for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	1/31/2017	1.0000% - 5.0000%	196,165,000.00	131,135,000.00
RFS Refunding Bonds, Series 2017B	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2009A; a portion of the outstanding commercial paper notes; for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	1/31/2017	0.9000% - 4.1220%	164,305,000.00	100,580,000.00
RFS Refunding Bonds, Series 2018A	To provide funds for the purposes of constructing, improving, renovating, and equipping property; refunding a portion of the outstanding commercial paper notes; and paying certain costs of issuing the bonds	9/11/2018	3.0000% - 5.0000%	149,425,000.00	145,815,000.00
RFS Refunding Bonds, Series 2018B	To provide funds for the purposes of constructing, improving, renovating, and equipping property; refunding a portion of the outstanding commercial paper notes; and paying certain costs of issuing the bonds	9/11/2018	2.3000% - 3.5500%	22,685,000.00	4,515,000.00
RFS Refunding Bonds, Series 2020A	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2010, 2015, and 2015C for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	7/2/2020	2.0000% - 5.0000%	59,475,000.00	25,895,000.00
RFS Refunding Bonds, Series 2020B	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2012A and 2012B; a portion of the outstanding commercial paper notes; for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	7/2/2020	0.6450% - 3.0020%	55,240,000.00	47,785,000.00
RFS Refunding Bonds, Series 2022	To provide funds for the purposes of refunding a portion of the outstanding commercial paper notes; for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	3/29/2022	4.0000% - 5.0000%	101,555,000.00	99,235,000.00
			Total Public Offerings	$ 927,015,000.00	$ 684,320,000.00
Direct Borrowings					
RFS Refunding Bonds, Series 2018	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2009; and paying certain costs of issuing the bonds	3/14/2018	2.4000% - 2.4000%	$ 22,845,000.00	$ 7,340,000.00
			Total Direct Placements	$ 22,845,000.00	$ 7,340,000.00
			Total Bonded Indebtedness	$ 949,860,000.00	$ 691,660,000.00

Note 7: Leases and SBITAs

The System has entered into agreements to lease (as lessee) certain buildings and building improvements, land and other improvements, and equipment. The agreements to lease qualify as other than short-term leases under GASB Statement No. 87, Leases, and, therefore, have been recorded at the present value of the future minimum lease payment as of the date of their inception.

The agreements to lease terms will expire in various years through 2093. In 2024, the total lease payment was $1,926,171.02, comprised of $1,846,164.86 principal and $80,006.16 interest expense. The lease liability was measured based upon the incremental borrowing rate as of the contract start date. The incremental borrowing rate is calculated using the quarterly average of Treasury Constant Maturities as reported by the Federal Reserve. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance. For the fiscal year ended August 31, 2024, there were no variable payments. There were no residual value guarantees as part of the lease agreements. At August 31, 2024, as a result of the agreements to lease, the System recorded lease assets with a gross asset balance of $13.5 million and $8.3 million in accumulated amortization, ending in a net book value of $5.2 million. More detailed information regarding the System's lease assets is provided in Note 2, Capital Assets.

The future minimum lease payments under non-cancelable leases having an initial term in excess of one year as of August 31, 2024 are as follows:

Right to Use Lease Future Obligations
Table 7A
August 31, 2024

Fiscal Year	Principal	Interest	Total Future Min. Lease Payments
2025	$ 1,784,913.40	$ 72,055.73	$ 1,856,969.13
2026	849,653.14	61,528.97	911,182.11
2027	59,394.49	58,081.46	117,475.95
2028	60,618.46	56,857.50	117,475.96
2029	61,946.85	55,529.12	117,475.97
2030 - 2034	330,971.23	256,408.58	587,379.81
2035 – 2039	368,885.82	218,493.98	587,379.80
2040 - 2044	411,125.82	176,253.98	587,379.80
2045 - 2049	340,973.58	131,406.26	472,379.84
2050 - 2054	75,381.97	111,998.02	187,379.99
2055 - 2059	84,016.07	103,363.93	187,380.00
2060 - 2064	93,639.30	93,740.70	187,380.00
2065 - 2069	104,321.62	83,058.38	187,380.00
2070 - 2074	116,324.13	71,055.87	187,380.00
2075 - 2079	129,648.91	57,731.09	187,380.00
2080 - 2084	144,500.24	42,879.75	187,379.99
2085 - 2089	161,042.37	26,337.63	187,380.00
2090 - 2093	142,034.57	7,869.44	149,904.01
Total	**$ 5,319,391.97**	**$ 1,684,650.39**	**$ 7,004,042.36**

In addition, the System has entered into agreements to lease (as lessor) certain buildings and other capital assets to outside parties. The agreements to lease terms will expire in various years through 2039. In 2024, the total right to use lease income was $3,885,053.08, comprised of $3,638,145.99 principal and $246,907.09 interest income.

The payments to be received under non-cancelable leases having an initial term in excess of one year as of August 31, 2024 are as follows:

Right to Use Lease Future Income
Table 7B
August 31, 2024

Fiscal Year	Principal	Interest	Total Future Min. Lease Income
2025	$ 2,837,621.44	$ 208,787.88	$ 3,046,409.32
2026	2,110,244.89	173,791.96	2,284,036.85
2027	1,711,380.58	143,246.31	1,854,626.89
2028	1,441,694.95	117,296.36	1,558,991.31
2029	1,462,990.85	93,165.43	1,556,156.28
2030 - 2034	3,644,257.92	211,224.63	3,855,482.55
2035 – 2039	878,685.72	35,486.08	914,171.80
Total	**$ 14,086,876.35**	**$ 982,998.65**	**$ 15,069,875.00**

The System has entered into SBITAs for the right to use external party's information technology software, platform, and/or infrastructure. These agreements qualify as other than short-term subscriptions or agreements under GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and, therefore a right to use subscription asset and corresponding subscription liability have been recorded at the commencement of the subscription terms.

These agreements will expire in various years through 2030. In 2024, the total subscription payment was $8,520,401.90, comprised of $7,974,517.59 principal and $545,884.31 interest expense. The subscription liability was measured based upon the incremental borrowing rate as of the contract start date. The incremental borrowing rate is calculated using the quarterly average of Treasury Constant Maturities as reported by the Federal Reserve. Variable payments that are not fixed in substance are not included in the measurement of the subscription liability. For the fiscal year ended August 31, 2024, there were no variable payments. There were no changes in the manner or duration of use of the right-to-use SBITA assets for the fiscal year ended August 31, 2024 and thus no impairment loss to disclose.

At August 31, 2024, as a result of these agreements, the System recorded right-to-use subscription assets with a gross asset balance of $31.4 million and $13.8 million in accumulated amortization, ending in a net book value of $17.6 million. More detailed information regarding the System's right-to-use subscription assets is provided in Note 2, Capital Assets.

The future minimum lease payments remaining under non-cancelable lease terms with an initial term in excess of one year as of August 31, 2024 are as follows:

Right to Use Subscription Future Obligations
Table 7C
August 31, 2024

Fiscal Year	Principal	Interest	Total Future Min. Payments
2025	$ 6,892,287.87	$ 582,981.77	$ 7,475,269.64
2026	5,015,830.80	357,689.24	5,373,520.04
2027	1,813,486.28	138,567.28	1,952,053.56
2028	1,003,337.04	69,030.04	1,072,367.08
2029	348,072.71	30,727.29	378,800.00
2030	381,712.91	16,027.09	397,740.00
Total	**$ 15,454,727.61**	**$ 1,195,022.71**	**$ 16,649,750.32**

Note 8: Defined Benefit Pension Plan and Defined Contribution Plan

Teacher Retirement System

Plan Description

The State has joint contributory retirement plans for the majority of its employees. One of the primary plans in which the System participates is the TRS Plan. The TRS Plan is a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation administered by TRS. The TRS Plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The TRS Plan is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Legislature has the authority to establish and amend benefits and contribution rates within the guidelines of the Texas Constitution. The TRS Plan's Board of Trustees does not have the authority to establish or amend benefit terms.

The employers in 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 TRS Plan. Employees of TRS and state of Texas colleges, universities and medical schools are members of the TRS Plan.

Detailed information about the TRS Plan's fiduciary net position is available in a separately issued ACFR that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

The TRS Plan provides retirement, disability annuities and death and survivor benefits. The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3% 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 post-employment benefit changes, including automatic cost of living adjustments ("COLAs"). Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Legislature.

All System personnel working on a half time or greater basis that is projected to last for 4.5 months or more are eligible for membership in the TRS Plan. However, students employed in positions that require student status as a condition of employment do not participate. Members with at least five years of service have a vested right to unreduced retirement benefits at age 65 or provided they have a combination of age plus years of service totaling 80 or more. However, members who began participation in the TRS Plan on or after September 1, 2007 must be age 60 to retire and members who were not vested in the TRS Plan on August 31, 2014, must be age 62 to retire under the second option. Members are fully vested after five years of service and are entitled to any reduced benefits for which the eligibility requirements have been met prior to meeting the eligibility requirements for unreduced benefits. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule.

Contributions

Contribution requirements are established or amended pursuant to the Texas Constitution, Article XVI, Section 67, which requires the Legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation paid to members of the System during the year. Texas Government Code Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

During the measurement period of 2023 for fiscal 2024 reporting, the amount of the System's contributions recognized by the plan was $17,677,338.00. The contribution rates are based on a percentage of the monthly gross compensation for each member. Contributions by employees were 8.0% of gross earnings during the measurement period of 2023. Depending upon the source of funding for the employee's compensation, the State or the System contributes a percentage of participant salaries totaling 8.0% of annual compensation for during the measurement period of 2023.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

The pension plan's fiduciary net position is determined using economic resources measurement focus and the 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. 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 2023 Annual Comprehensive Financial Report.

At August 31, 2024, the System reported a liability of $236,226,885.00 for its proportionate share of the collective net pension liability of the TRS Plan. The collective net pension liability was measured as of August 31, 2023 (the "measurement date"), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportion of the collective net pension liability at the measurement date was 0.3439011167%, which was an increase of 0.0179408388% from the 0.3259602779% measured at the prior measurement date. The System's proportionate share was based on its contributions to the pension plan, excluding State on-behalf contributions, relative to the contributions of all employers and non-employer contributing entities to the TRS Plan for the period September 1, 2022 through August 31, 2023 (the "measurement period"). During the measurement period, the amount of the System's contributions reported by the State was $6,794,441.88. The State's proportionate share for those contributions was 0.1321814506%. The amount of net pension liability related to the System reported by the State was $90,795,902.29. The amount reported by the state is related to on-behalf contributions, which are recognized as State appropriation general revenue on the System's financial statements in the fiscal year that the State contributed the amounts to TRS on the System's behalf.

For the fiscal year ended August 31, 2024, the System recognized pension expense of $41,296,821.00. At August 31, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows of Resources
Table 8A: TRS Plan
August 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 18,003,453.00	$ -
Changes of assumptions	22,342,435.00	5,467,703.00
Difference between expected and actual experience	8,416,844.00	2,860,449.00
Change in proportion and contribution difference	14,204,804.00	13,603,016.00
Net difference between projected and actual investment return	34,376,746.00	-
Total	**$ 97,344,282.00**	**$ 21,931,168.00**

The $18,003,453.00 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 fiscal year ending August 31, 2025.

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

Amortization Impact of Deferred Outflows/ Inflows of Resources on Pension Expense
Table 8B: TRS Plan
August 31, 2024

Year	Expense
2025	$ 12,036,803.00
2026	6,868,194.00
2027	28,061,053.00
2028	8,601,568.00
2029	1,842,043.00
Total	**$ 57,409,661.00**

Actuarial Assumptions

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, 2023 measurement date:

Actuarial Methods and Assumptions
Table 8C: TRS Plan
For the Fiscal Year Ended August 31, 2024

Actuarial Methods and Assumptions	TRS Plan
Actuarial Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Discount Rate	7.00%
Investment Rate of Return	7.00%
Long-term Expected Rate of Return	7.00%
Municipal Bond Rate as of August 2023	4.13%
Inflation	2.30%
Salary Increase	2.95% to 8.95% including inflation
Mortality	
Active	PUB(2010) Mortality Tables for Teachers, below median, with full generational mortality
Post-Retirement	2021 TRS Healthy Pensioner Mortality Tables with full generational projection using Scale U-MP
Ad Hoc Post-Employment Benefit Changes	None

The source for the municipal bond rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023. The actuarial assumptions used in the valuation were primarily based on the result of an actuarial experience study for the four year period ended August 31, 2021 and adopted in July 2022. The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the Net Pension Liability of TRS. In addition, the Legislature also provided for a COLA to retirees which was approved during the November 2023 election which was paid January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023. Otherwise, there have been no changes to the benefit provisions of the plan since the prior measurement date. The discount rate of 7.00% was applied to measure the total net pension liability. The discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projected cash flows into and out of the TRS Plan assumed that active members, employers, and the non-employer contributing entity make their contributions at the statutorily required rates. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 gradually increasing to 9.56% over the next several years. This includes a factor for all employer and state contributions for active and rehired retirees. Based on these assumptions, the TRS Plan's fiduciary net position and future contributions were sufficient to finance the benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

The long-term expected rate of return on plan investments was developed using a building-block method in which best estimate ranges of expected future real rates of return (net of pension plan 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. The target allocation and best estimates of geometric real rates of return for each major asset class for the TRS Plan's investment portfolio are presented below:

Target Allocations

Table 8D: TRS Plan

August 31, 2024

Asset Class	Target Allocation[2]	Long-Term Expected Geometric Real Rate of Return[3]
Global Equity		
USA	18.00%	4.00%
Non-U.S. Developed	13.00%	4.50%
Emerging Markets	9.00%	4.80%
Private Equity[1]	14.00%	7.00%
Stable Value		
Government Bonds	16.00%	2.50%
Absolute Return[1]	0.00%	3.60%
Stable Value Hedge Funds	5.00%	4.10%
Real Return		
Real Estate	15.00%	4.90%
Energy, Natural Resources & Infrastructure	6.00%	4.80%
Commodities	0.00%	4.40%
Risk Parity	8.00%	4.50%
Asset Allocation Leverage		
Cash	2.00%	3.70%
Asset Allocation Leverage	(6.00)%	4.40%
Total	100.00%	

[1] Absolute Return includes Credit Sensitive Investments.
[2] Target allocations are based on a fiscal year 2023 policy model.
[3] Capital Market assumptions come from Aon Hewitt (as of 6/30/2023).

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of the System's net pension liability. The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

Sensitivity of Net Pension Liability to Changes in Discount Rate
Table 8E: TRS Plan
August 31, 2024

1.0% Decrease 6.00%	Current Discount Rate 7.00%	1.0% Increase 8.00%
$ 353,172,274.00	$ 236,226,885.00	$ 138,986,730.00

Optional Retirement Program

The State has also established the Optional Retirement Program (the "ORP"), a defined contribution plan, for institutions of higher education. Participation in the ORP is in lieu of participation in the TRS Plan and is available to certain eligible employees who hold faculty positions and other professional positions including but not limited to director-level and above, librarians, and coaches. The ORP provides for the purchase of annuity contracts and mutual funds and is administered by a variety of investment firms. Employees are immediately vested in their own contributions and earnings on those contributions and become vested in the employer contributions after one year and one day of participation.

The employee and employer contribution rates are established by the Legislature each biennium. Depending upon the source of funding for the employee's compensation, the System may be required to make the employer contributions in lieu of the State. Since these are individual annuity contracts, the State and the System have no additional or unfunded liability for this program. The State provides an option for a local supplement in addition to the state base rate. Each institution within the System can decide to adopt and fund a local supplement each year to provide each ORP employee the maximum employer rate. The chancellor then approves the employer rates each fiscal year. The contributions made by participants (6.65% of annual compensation) and the employer (6.60% state base rate for 2024 plus any local supplement for a maximum 8.50% of annual compensation) for the fiscal year ended August 31, 2024, is provided in the following table:

Participant Contributions
Table 8F: ORP
For the Fiscal Year Ended August 31, 2024

ORP Participation	
Member Contributions	$ 9,250,493.94
Employer Contributions	9,601,677.34
Total	**$ 18,852,171.28**

Note 9: Postemployment Benefits Other Than Pensions

Employees Retirement System

Plan Description

The state of Texas currently participates in two types of defined benefit OPEB plans. The System participates in the ERS Plan. The ERS Plan is a cost-sharing, multiple-employer defined benefit OPEB plan with a special funding situation administered by ERS. The Legislature has the authority to establish and amend benefits and contribution rates within the guidelines of the Texas Constitution. The ERS Plan's Board of Trustees does not have the authority to establish or amend benefit terms. Benefits are provided to retirees through the Texas Employees Group Benefits Program as authorized by Texas Insurance Code, Chapter 1551. The employers in the ERS Plan include the state of Texas agencies and universities, community and junior colleges, and other entities specified by the Legislature. Employees of state of Texas agencies, colleges, universities and medical schools are members of the ERS Plan. Detailed information about the ERS Plan's fiduciary net position is available in a separately issued ACFR that includes financial statements and required supplementary information. That report may be obtained by writing to ERS at 200 E. 18th Street, Austin, TX, 78701-1400.

Benefits Provided

The ERS Plan provides postemployment health care, life, vision and dental insurance benefits to eligible retirees. The benefit and contribution provisions of the ERS Plan are authorized by state law and may be amended by the Legislature. All System employees that work at least 20 hours but less than 30 hours per week for an expected period of 4.5 months or more are eligible for partial health benefits under ERS. System employees that work 30 or more hours for an expected period of 4.5 months or more are eligible for full health benefits under ERS. Employees may retire at age 65 with 10 years of service with an employer who participated in the ERS Plan or any combination of age plus 10 years of service with an employer who participated in the ERS Plan that is equal to or greater than 80. The premium provisions are determined by the Texas Legislature and require monthly contributions by the State, System, and System employees. Surviving spouses and dependents of retirees are also covered by the plan. The plan does not provide automatic cost of living adjustments.

Contributions

During the measurement period of 2023 for fiscal 2024 reporting, the amount of the System's contributions recognized by the plan for retirees was $13,474,867.00. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. Contributions to ERS for the fiscal year ended August 31, 2024 for active and retired employees were as follows:

Participant Contributions
Table 9A: ERS Plan
For the Fiscal Year Ended August 31, 2024

ERS Participation		
Member Contributions	$	18,262,151.94
State On-Behalf Contributions		26,206,342.34
Employer Contributions		48,381,333.82
Total	**$**	**92,849,828.10**

The contribution requirements for the state and the members in the measurement period are presented below:

Required Contribution Rates
Table 9B: ERS Plan
For the Fiscal Year Ended August 31, 2024

Retiree Only	$	624.82
Retiree & Spouse	$	1,340.82
Retiree & Children	$	1,104.22
Retiree & Family	$	1,820.22

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The OPEB plan's fiduciary net position is determined using the economic resources measurement focus and the accrual basis of accounting, which is the same basis used by ERS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments of the Other Employee Benefit Trust Fund are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings. More detailed information on the plan's investment valuation, investment policy, assets, and fiduciary net position may be obtained from ERS' fiscal 2023 ACFR.

At August 31, 2024, the System reported a liability of $426,927,989.00 for its proportionate share of the collective net OPEB liability of the ERS Plan. The non-current portion of the liability was $408,939,851.00 and the current portion was $17,988,138.00. The collective net OPEB liability was measured as of August 31, 2023 (the "measurement date"), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The System's proportion of the collective net OPEB liability at the measurement date was 1.59793213%, which was an increase of 0.03643450% from the 1.56149763% measured at the prior measurement date. The System's proportionate share was based on its contributions to the OPEB plan, excluding State on-behalf contributions, relative to the contributions of all employers and non-employer contributing entity to the ERS Plan for the period September 1, 2022 through August 31, 2023 (the "measurement period"). For the fiscal year ended August 31, 2024, the System recognized OPEB expense of $46,496,818.00. At August 31, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources and Deferred Inflows of Resources
Table 9C: ERS Plan
August 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 4,753,134.00	$ -
Changes of assumptions	14,241,854.00	133,335,299.00
Difference between expected and actual experience	-	11,292,474.00
Change in proportion and contribution difference	39,663,040.00	9,726,607.00
Net difference between projected and actual investment return	34,491.00	-
Total	**$ 58,692,519.00**	**$ 154,354,380.00**

The $4,753,134.00 reported as deferred outflows of resources from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability for the fiscal year ending August 31, 2025. Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Impact of Deferred Outflows/ Inflows of Resources on OPEB Expense
Table 9D: ERS Plan
August 31, 2024

Year	Expense
2025	$ (23,933,536.00)
2026	(26,623,899.00)
2027	(27,775,926.00)
2028	(18,637,237.00)
2029	(3,444,397.00)
Total	**$ (100,414,995.00)**

Actuarial Assumptions

The total OPEB liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the August 31, 2023 measurement date:

Actuarial Methods and Assumptions

Table 9E: ERS Plan

For the Fiscal Year Ended August 31, 2024

Actuarial Methods and Assumptions	**ERS Plan**
Actuarial Valuation Date	August 31, 2023
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount Rate	3.81%
Inflation	2.30%
Salary Increase	2.30% to 8.95% including inflation
Healthcare Cost and Trend Rate	
HealthSelect	5.60% for FY 2025, 5.30% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years
HealthSelect Medicare Advantage	16.40% for FY 2025, 8.40% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years
Pharmacy	10.00% for FY 2025 and FY 2026, decreasing 100 basis points per year to 5.00% for FY 2031, and 4.30% for FY 2032 and later years
Aggregate Payroll Growth	2.70%
Retirement Age	Experience-based tables of rates that are specific to the class of employee
Mortality	
State Agency Members	
Service Retirees, Survivors and Other Inactive Members	2020 State Retirees of Texas Mortality table with a 1 year set forward for male Certified Peace Officers/Custodial Officers ("CPO/CO") members and Ultimate MP-2019 Projection Scale projected from the year 2020
Disabled Retirees	2020 State Retirees of Texas Mortality table with a 3 year set forward for males and females with minimum rates at all ages of 3.0% for males and 2.5% for females, respectively, and Ultimate MP-2019 Projection Scale projected from the year 2020
Active Members	Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP-2019 Projection Scale from the year 2010
Higher Education Members	
Service Retirees, Survivors and Other Inactive Members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021
Disabled Retirees	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP Projection Scale from the year 2010
Ad Hoc Post-Employment Benefit Changes	None

The source of the municipal bond rate is the Bond Buyer Index of general obligations bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The actuarial assumptions used in the valuation were primarily based on the result of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2014 to August 31, 2019 for state agency members and for the period September 1, 2010 to August 31, 2017 for higher education members. The mortality rates were based on the tables identified in the above table titled Actuarial Methods and Assumptions.

The following assumptions have been changed since the previous OPEB valuation:

a. The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence;
b. The proportion of future retirees assumed to cover dependent children;
c. The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement;
d. Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
e. The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect the most recent plan experience and expected trends; and,
f. The discount rate was changed from 3.59% as of Aug. 31, 2022 to 3.81% as of Aug. 31, 2023 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit revisions have been adopted since the prior valuation. These changes are not expected to have a significant impact on plan costs for fiscal year 2024 and are provided for in the 2024 Assumed Per Capita Health Benefit Costs.

The discount rate used to measure the total net OPEB liability is the municipal bond rate of 3.81%, an increase of 0.22% from the 3.59% used in the prior year. Projected cash flows into the plan are equal to projected benefit payments out of the plan. As the plan operates on a pay-as-you-go basis and is not intended to accumulate funds in advance of retirement, there is no long-term expected rate of return. ERS' board of trustees amended the investment policy statement in August 2022 to require that all funds in this plan be invested in cash and equivalent securities. The investment rate of return used to calculate the projected earnings on OPEB plan investments was 3.59%.

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of the System's net OPEB liability. The following presents the System's proportionate share of the net OPEB liability calculated using the discount rate of 3.81%, as well as what the System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.81%) or one percentage point higher (4.81%) than the current rate:

Sensitivity of Net OPEB Liability to Changes in Discount Rate
Table 9F: ERS Plan
August 31, 2024

1.0% Decrease 2.81%	**Current Discount Rate 3.81%**	**1.0% Increase 4.81%**
$ 495,388,594.00	$ 426,927,989.00	$ 371,863,366.00

Sensitivity analysis was performed on the impact of changes in the healthcare cost trend rates on the proportionate share of the System's net OPEB liability. The following presents the System's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, as well as what the System's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates one percentage point lower or one percentage point higher than the current rates:

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates
Table 9G: ERS Plan
August 31, 2024

1.0% Decrease HS/HSMA/Pharmacy 4.60/15.40/9.00% decreasing to 3.30%	Current Healthcare Cost Trend Rates HS/HSMA/Pharmacy 5.60/16.40/10.00% decreasing to 4.30%	1.0% Increase HS/HSMA/Pharmacy 6.60/17.40/11.00% decreasing to 5.30%
$ 367,217,409.00	$ 426,927,989.00	$ 502,760,727.00

Note 10: Interagency Activity and Transactions

The System experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interagency balances will occur within one year from the date of the financial statements. There were no balances in interfund receivables and payables at August 31, 2024.

Note 11: Adjustments to Beginning Net Position

During fiscal year 2024, error corrections resulted in adjustments to and restatements of beginning net position as follows:

Adjustments to Beginning Net Position
Table 11A
August 31, 2024

	August 31, 2023 Net Position as Previously Reported	Error Corrections	August 31, 2023 Net Position as Restated
Business-Type Activities	$ 794,036,464.42	(12,942,729.55)	$ 781,093,734.87

The following table presents detail of the types of Adjustments to Beginning Net Position:

Detail of Adjustments to Beginning Net Position
Table 11B
August 31, 2024

	Total
August 31, 2023 Net Position as Previously Reported	**$ 794,036,464.42**
Correction of Error: Payroll Liabilities and Related Cash Accounts	(7,123,498.50)
Correction of Error: UNTHSC Foundation Endowments	(3,669,781.55)
Correction of Error: Capital Asset CIP and RTU	(2,012,881.03)
Correction of Error: Accounts Payable	(136,568.47)
Total Adjustments and Restatements	**$ (12,942,729.55)**
August 31, 2023 Net Position as Restated	**$ 781,093,734.87**

Note 12: Contingencies and Commitments

The System is involved in several pending and threatened legal actions. Unless otherwise disclosed in this note, the range of potential loss from all such claims and actions, as estimated by the System's legal counsel and management, should not materially affect the System's financial position.

Amounts received or receivable from grantor agencies are subject to audit and adjustments by such agencies, principally the U.S. government. Any disallowed claims may constitute a liability of the System. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the System expects any such amounts to be immaterial.

Contingencies

Timothy Jackson v. UNT System, et al. Case No. 4:21-cv-00033, US District Court, Eastern District of Texas. First Amendment, retaliation, and defamation claims. Plaintiff seeks injunctive relief on the federal claims and damages for the state law claims against 18 individual defendants, which are limited to $100,000 per defendant. The likelihood of an unfavorable outcome is reasonably possible. A range of loss cannot be determined at this time.

Eminent Domain Matters. Probate Court, Denton County, Texas. In February 2019, the Board of Regents authorized eminent domain action for four parcels of land generally described as the UNT Gateway properties. As the last step prior to initiating eminent domain litigation, final offer letters were sent to the owners in late June 2019 offering the following amounts: (1) 1000 Avenue C, $500,000; (2) 906 Avenue C, $700,000; (3) 902 Avenue C, $800,000; and (4) 903 Kendolph Street, $500,000. The purchase of 906 Avenue C was concluded for a negotiated purchase price of $1,400,000 in April 2020. The purchase of 902 Avenue C was concluded for a negotiated purchase price of $1,600,000 in December 2023. Negotiations with the two remaining property owners have not been successful.

Commitments

The System continues to implement capital improvements to upgrade facilities. Approximately $344.9 million in capital commitments have been entered into for the construction and renovation of various facilities across all of its campuses. These projects are in various stages of completion. The estimated breakdown of funding sources available for this commitment is as follows: 77% Capital Construction Assistance Project bonds, 11% HEF, 5% auxiliary reserves, 3% Revenue Financing System bonds, 3% student fees, and 1% from the annual operating budget. Approximately $83.5 million of the commitment, or roughly 24.2%, is expected to be spent in 2025.

Private investments are invested in limited partnerships with external investment managers or general partners who invest primarily in private equity transactions. These investments, both domestic and international, are illiquid and may not be realized for a period of several years after the investments are made. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk and investment manager risk. As of August 31, 2024, the System has committed $88,938,000.00 to various private investments, including $24,128,000.00 committed to hedge funds. Of this total commitment, $43,254,280.94 is unfunded.

Note 13: Subsequent Events

Custodian Bank and Investment Manager

Effective September 2024, UNT System selects US Bank as short-term investment pool custodian bank and Payden and Rygel as an active investment manager.

Note 14: Risk Management

The System is exposed to a variety of civil claims resulting from the performance of its duties. It is System policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The System assumes substantially all risks associated with torts, theft, damage or destruction of assets, business interruption, errors or omissions, and job-related illness or injuries to employees arising out of the performance of the System's mission. Financial risks are transferred through contracts, or financed through commercial insurance or self-insurance plans. Financial exposure from lawsuits for damages and injunctive relief arising from torts and contracts is mitigated by the function of sovereign, Eleventh Amendment and individual immunities and statutory limits on the amount of recovery. In addition, state law limits financial exposure for state law claims made against individual employees and officials. Currently the System does not carry System-wide commercial general liability insurance for any of the institutions; commercial general liability policies are purchased on an as needed basis to address unique exposures. The System is not involved in any risk pools with other government entities. Liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The System has various insurance and self-insurance arrangements to manage risks of loss that are within the scope of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended. There are no claims pending or significant non-accrued liabilities, except as stated in Note 12, *Contingencies and Commitments*. The System did not have any losses or settlements that exceeded insurance policy limits within the last three years.

Self-Insurance Arrangements

Health Care Professional Malpractice Self-Insurance Plan

HSC manages a health care malpractice self-insurance plan for its licensed or certified health care professionals. As of August 31, 2024, HSC had sufficient self-insurance reserves for known claims against its health care professionals. The policy limits for this plan are $500,000/$1,500,000. Health care professional liability coverage is purchased for health care students with entity coverage, which provides a maximum per incident of $1,000,000 and an aggregate limit of $3,000,000 with no deductible for legal expenses but a $5,000 deductible per claim for professional liability coverage damages only.

The following claims, judgments, and Incurred But Not Reported ("IBNR") activity was determined for the fiscal year ended August 31, 2024 and August 31, 2023, respectively:

Changes in Claims and Judgments and IBNR Liability Balances
Table 14A
August 31, 2024 and August 31, 2023

	September 1, 2023	Additions	Reductions	August 31, 2024
Incurred But Not Reported Self-Insurance Claims (HSC) [1]	$ 1,121,775.00	$ 501,592.00	$ -	$ 1,623,367.00
Claims and Judgments	$ 100,000.00	$ 143,563.34	$ 163,563.34	$ 80,000.00

	September 1, 2022	Additions	Reductions	August 31, 2023
Incurred But Not Reported Self-Insurance Claims (HSC) [1]	$ 1,135,481.00	$ -	$ 13,706.00	$ 1,121,775.00
Claims and Judgments	$ 506,000.00	$ 711,081.39	$ 1,117,081.39	$ 100,000.00

[1] The estimated claims payable for medical malpractice IBNR includes estimates of allocated loss adjustment expenses.

Student-Athlete Accident Medical Self-Insurance Plan

The National Collegiate Athletic Association (the "NCAA") requires its member institutions to certify coverage for medical expenses resulting from injuries sustained by student-athletes and certain prospective student-athletes while participating in qualifying NCAA-sanctioned activities. UNT finances this plan to an actuarially determined attachment point and purchases commercial insurance for claims in excess of the attachment point. The attachment point for 2024 was $650,000. For the fiscal year ended August 31, 2024, claims paid out were not material.

Incurred But Not Reported Self-Insurance Claims
The System self-insures some physical injury and property damage claims that are not financed through commercial insurance, or are below the retention amounts for claims covered by commercial insurance. The System, as an agency of the State, is protected from risk of loss arising from these tort claims by sovereign immunity, except as such claims are permitted under the Texas Tort Claims Act. In addition to limiting the type of personal injury and damage claims that can be brought against the System, the Texas Tort Claims Act limits the loss that can result from claims that can be made to $250,000 for each person, $500,000 for each single occurrence of bodily injury or death, and $100,000 for each single occurrence of damage or destruction of property. For the fiscal year ended August 31, 2024, claims against the System were below the liability limits established by the Texas Tort Claims Act, and thus immaterial.

Commercial Insurance Arrangements

Educators Legal Liability
Educators Legal Liability coverage insures all institutions in the System as well as all officers, employees and volunteers. The policy provides for a maximum limit of $10,000,000 with a zero deductible per insured individual and $500,000 deductible per insured entity.

Automobile
The Texas Motor Vehicle Safety Responsibility Act requires that vehicles operated on a state highway be insured for minimum limits of liability in the amount of $250,000/$500,000 for bodily injury and $100,000 for property damage. The System carries liability insurance on its licensed vehicles in the amount of $1,000,000 combined single limit for bodily injury and property damage.

Medical Professional Liability
UNT has medical professional liability insurance coverage for professionals at the Student Health and Wellness Center, the Kristin Farmer Autism Center, and the Audiology & Speech-Language Pathology department. Under the coverage, professionals are defined as physicians, nurses, nurse practitioners, physician assistants, pharmacists, and athletic trainers. This coverage also extends to HSC medical students, UNT Dallas students in the counseling program; and UNT students enrolled in various programs, such as social work, counseling, rehabilitation assistants/rehabilitation counseling, health education, audiology, and speech language pathology. There is a maximum per incident limit of $1,000,000 and an aggregate of $3,000,000 with a $5,000 deductible.

Property
The System carries property insurance to finance losses arising from damage to or destruction of capital assets. The insurance also covers business interruption, which protects against losses resulting from disruption to revenue streams. At the close of the fiscal year, all premium payments had been made and an insurance policy was in effect that carried a $500,000,000 shared limit through the State's state-wide property insurance program.

Workers' Compensation
The System is required by state law to participate in the State's workers' compensation insurance program administered through the State Office of Risk Management. This program covers risks of loss resulting from job- related illness or injuries to employees while in the course and scope of their work responsibilities. Following a work-related illness or injury, employees enter into a return-to-work program, if necessary, thus reducing indemnity payments for lost compensation. Separate workers' compensation policies are purchased to cover out-of-state employees as required by the laws of the state in which an employee works. As of August 31, 2024, the System does maintain policies for out-of-state employees who reside in other states outside of Texas.

Unemployment Compensation
The State provides coverage for unemployment benefits from appropriations made to other state agencies for System employees. The current General Appropriations Act provides that the System must reimburse the General Revenue Fund one-half of the unemployment benefits for former and current employees from System appropriations. The Texas Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The System has only one appropriated fund type. The System must reimburse the General Revenue Fund 100% of the cost

for unemployment compensation for any employees paid from funds held in local bank accounts and local funds held in the State Treasury.

Unemployment compensation is on a pay-as-you-go basis through the State, with the exception of locally funded enterprises that have fund expenses and set-aside amounts based on a percentage of payroll amounts. No material outstanding claims were pending at August 31, 2024. The System maintains reserves for unemployment compensation payments made for all claims and settlements not eligible for state funding. Health benefits are provided through the various state contracts administered by ERS.

Miscellaneous
Other lines of insurance purchased include: camp accident/medical, commercial crime, fine arts, inland marine, foreign liability, global travel accident, crisis response, and professional liability for North Texas Regional Institutional Review Board.

Note 15: Financial Reporting Entity

The System is composed of the University of North Texas System Administration and three academic institutions as follows: the University of North Texas, the University of North Texas Health Science Center at Fort Worth, and the University of North Texas at Dallas. The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas State Senate. Three members are appointed every odd-numbered year for six-year terms. In addition, the Governor appoints a nonvoting student Regent for a one-year term.

Assets Held By Affiliated Organizations

GASB authoritative guidance provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship to the primary government, the System.

This guidance states that a legally separate tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The System has defined significance as 3% of its net position. As of August 31, 2024, the University of North Texas Foundation and the University of North Texas Health Sciences Center Foundation met the criteria for inclusion in the System's financial statements.

Discretely Presented Component Units

University of North Texas Foundation
The UNT Foundation is reported as a discrete component unit. The UNT Foundation's fiscal year end is August 31, consistent with the System. The UNT Foundation is a separate nonprofit organization that is organized for various purposes, including transferring or using all or any part of the corpus or income from endowments for the benefit of UNT. Such uses are made in accordance with the general or specific purposes stipulated by the donors, grantors or testators, or in the absence of such stipulations, for such uses as may be determined by the Board of Directors of the UNT Foundation; furthermore, the UNT Foundation promptly distributes all net income in excess of operating requirements to promote the educational advancement of UNT. The governing board is self-perpetuating, comprised of elected members separate from the System's Board of Regents. The direction and management of the affairs of the UNT Foundation and the control and disposition of its assets are vested in the Board of Directors of the UNT Foundation. The System has no liability with regard to the UNT Foundation, its operations or liabilities. The majority of endowments supporting university scholarships and other System programs are owned by the UNT Foundation; therefore, including the UNT Foundation's financial reports is important to obtain a full understanding of the System's financial position and resources.

The UNT Foundation is an essential component of UNT's program for university advancement and for the development of private sources of funding for capital acquisitions, operations, endowments, and other purposes relating to the mission of UNT.

In August 2003, UNT entered into an agreement with the UNT Foundation to better define the relationship between the two entities and to comply with the statutory requirements of the Texas Government Code, Chapters 2255 and 2260. The 2003 agreement provided that the development leadership for UNT would be provided by the UNT Foundation's Chief Executive Officer. An amended agreement was approved by the UNT Foundation's Board of Directors in their June 2009 meeting, and subsequently approved by the System Board of Regents in August 2009. Under the amended agreement, UNT's Vice President for Advancement serves as the UNT Foundation's Director of Development and oversees, coordinates and exercises decision-making authority over the fundraising activities of both UNT and the UNT Foundation. In this dual position, the Vice President for Advancement/Foundation's Director of Development (the "VPA/FDD") shall have no decision-making authority in regard to governance of the UNT Foundation or expenditure of funds by the UNT Foundation. The VPA/FDD is an employee of UNT, and compensation for the position is the sole obligation of UNT. In consideration of this amended agreement, UNT has consistently reported the UNT Foundation as a discrete component unit in the System's financial statements.

University of North Texas Health Science Center Foundation
The UNTHSC Foundation is reported as a discrete component unit. The UNTHSC Foundation's fiscal year end is August 31, consistent with the System. The UNTHSC Foundation is a separate nonprofit organization that is organized for various purposes, including transferring or using all or any part of the corpus or income from endowments for the benefit of HSC. Such uses are made in accordance with the general or specific purposes stipulated by the donors, grantors or testators, or in the absence of such stipulations, for such uses as may be determined by the Board of Directors of the UNTHSC Foundation. The governing board is self-perpetuating, comprised of elected members separate from the System's Board of Regents. The direction and management of the affairs of the UNTHSC Foundation and the control and disposition of its assets are vested in the Board of Directors of the UNTHSC Foundation. The System has no liability with regard to the UNTHSC Foundation, its operations or liabilities. A portion of the endowments supporting scholarships or programs/operations of HSC is owned by the UNTHSC Foundation, while another portion of the endowments is owned by HSC and placed with the UNTHSC Foundation for investment under terms of Management Agreements. Therefore, including the UNTHSC Foundation's financial reports is important to obtain a full understanding of the System's financial position and resources.

The UNTHSC Foundation is an essential component of HSC's program for institutional advancement and for the development of private sources of funding for capital acquisitions, operations, endowments, and other purposes relating to the mission of HSC.

Related Parties
Through the normal course of operations, the System both receives funds from and provides funds to other state agencies in support of sponsored research programs. Funds received and provided during the fiscal year ended August 31, 2024 related to state pass-through grants were $37,878,145.27 and $30,829.04 respectively.

Other related-party transactions identified in the financial statements include Due From/To Other Agencies, Legislative Appropriations, Capital Appropriations, Legislative Transfers In/Out and Transfers From/To Other State Agencies.

Note 16: Donor Restricted Endowments

The System's spending policy for unitized endowments reflects an objective to distribute as much total return as is consistent with overall investment objectives while protecting the real value of the endowment principal. An endowment is excluded from target distribution until the endowment has been established for one complete quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3% and 6% of the moving average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the Finance Committee of the Board of Regents, the target annual distribution rate shall be 3.75% of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May and August. This distribution amount shall be recalculated each quarter based on a 12-quarter rolling average. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment, the real value of the endowment principal will be protected.

The distribution is made in accordance with the Texas Uniform Prudent Management of Institutional Funds Act. The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the System.

Donor Restricted Endowments
Table 16A
August 31, 2024

Endowment Type	Amount of Cumulative Net Appreciation [1]	Reported in Net Position
True Endowments	$ 29,942,500.56	Restricted Expendable

[1] There was a positive fair value adjustment totaling $10,430,079.75 for fiscal year 2024 related to true endowments. As of August 31, 2024, the System did not have any term endowments to report.

Discretely Presented Component Units

University of North Texas Foundation

The UNT Foundation's spending policy for unitized endowments reflects an objective to distribute as much total return as is consistent with overall investment objectives and intergenerational equity, while protecting the real value of the endowment principal. An endowment is excluded from target distribution until the endowment has been established for one quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3% and 5% of the moving average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the UNT Foundation's Board of Directors, the target annual distribution rate shall be 4% of the average unit market value: for fiscal year 2024 the distribution rate was 3.75%. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May and August. This distribution amount shall be recalculated each quarter based on a 12-quarter rolling average. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment, the distributions shall be determined on a sliding scale basis.

The distribution is made in accordance with the Texas Uniform Prudent Management of Institutional Funds Act. The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the UNT Foundation, a discrete component unit of the System.

Donor Restricted Endowments
Table 16B: UNT Foundation
August 31, 2024

Endowment Type	Amount of Cumulative Net Appreciation [1]	Reported in Net Assets
True Endowments	$ 46,666,246.78	Net Assets with Donor Restrictions

[1] There was a positive fair value adjustment totaling $23,138,359.68 for fiscal year 2024 related to true endowments. As of August 31, 2024, the UNT Foundation did not have any term endowments to report.

University of North Texas Health Science Center Foundation

The UNTHSC Foundation's spending policy for endowments reflects an objective to distribute as much total return as is consistent with overall investment objectives and intergenerational equity, while protecting the real value of the endowment principal. An endowment is excluded from target distribution until the endowment has been established for one year.

The target distribution of spendable income to each unit of the endowment fund will be 4% of the moving average market value of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the UNTHSC Foundation's Board of Directors, the target annual distribution rate shall be 4% of the average unit market value. For fiscal year 2024, the distribution rate was 4%. Distribution shall be made annually. This distribution amount shall be recalculated each year based on a 12-quarter rolling average. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment, the distributions shall be determined on a sliding scale basis.

The distribution is made in accordance with the Texas Uniform Prudent Management of Institutional Funds Act. The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the UNTHSC Foundation, a discrete component unit of the System.

Donor Restricted Endowments
Table 16C: UNTHSC Foundation
August 31, 2024

Endowment Type	Amount of Cumulative Net Appreciation [1]	Reported in Net Assets
True Endowments	$ 7,334,567.00	Net Assets with Donor Restrictions

[1] There was a positive fair value adjustment totaling $4,622,128.00 for fiscal year 2024 related to true endowments. As of August 31, 2024, the UNTHSC Foundation did not have any term endowments to report.

Note 17: Termination Benefits

Health Care Related Termination Benefits

If a benefits eligible employee is enrolled in the ERS health plan, he or she is eligible for Consolidated Omnibus Budget Reconciliation Act ("COBRA") upon termination of employment. The System does not administer the COBRA plan as it is managed through ERS.

Note 18: Public-Private Partnership

The System has entered into a bookstore services agreement with Barnes & Noble College Booksellers, LLC ("B&N") in 2013. This agreement is valid until June 30, 2028. B&N operates a full-service bookstore on the UNT campus located in Denton. In this agreement, the System is the transferor, granting B&N the right to operate in the UNT Student Union, and the agreement is classified as a Service Concession Arrangement per GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The nature and extent of the rights retained by the System as a transferor under this arrangement include, but are not limited to, maintaining residual interest in the utility of the assets, setting prices and hours of operations and purchasing inventory on hand at termination. Rights granted to operators in this agreement may include the ability to make improvements to the space with written permission from the System.

The contract payment terms require B&N to pay the System a percentage of gross sales of 12.5% up to the first $8,000,000 in sales and then 14.5% thereafter annually or an annual guaranteed minimum of $1,100,000. This is considered a variable payment per GASB Statement No. 94. During the fiscal year, the contract was extended from June 30, 2025 to June 30, 2028 triggering a remeasurement. In this remeasurement, the deferred inflows of resources increased and an installment receivable was created to collect variable amounts earned based on the proportion of sales described above with a discount rate of 4.64%. As of August 31, 2024, the balance of installment receivable and deferred inflows of resources from the agreement totaled $299,367.82 and $597,308.98, respectively. At the conclusion of this agreement, the System will retain the rights to the UNT Student Union space.

In 2024, the total Public-Private Partnership ("PPP") installment payments received totaled $61,154.24, comprised of $59,883.37 principal and $1,270.87 interest. The future PPP installment payments as of August 31, 2024 are as follows:

Public-Private Partnership Agreement Future Income
Table 18A
August 31, 2024

Fiscal Year	Principal	Interest	Total Future PPP Income
2025	$ 299,367.82	$ 1,157.56	$ 300,525.38
Total	**$ 299,367.82**	**$ 1,157.56**	**$ 300,525.38**

Note 19: Deferred Outflows of Resources and Deferred Inflows of Resources

A summary of the System's deferred outflows of resources and deferred inflows of resources as of August 31, 2024 is presented below:

Deferred Outflows of Resources and Deferred Inflows of Resources
Table 19A
August 31, 2024

	Total
Deferred Outflows of Resources	
Unamortized Losses on Refunding of Debt	$ 3,335,010.99
Unamortized Losses on Refunding of Direct Placement Debt	181,510.60
Deferred Outflows of Resources Related to Asset Retirement Obligation	1,841,894.73
Deferred Outflows of Resources Related to Pensions	97,344,282.00
Deferred Outflows of Resources Related to OPEB	58,692,519.00
Total Deferred Outflows of Resources	**$ 161,395,217.32**
Deferred Inflows of Resources	
Unamortized Gains on Refunding of Debt	$ 727,740.35
Deferred Inflows of Resources Related to Leases	13,556,103.11
Deferred Inflows of Resources Related to Pensions	21,931,168.00
Deferred Inflows of Resources Related to OPEB	154,354,380.00
Deferred Inflows of Resources Related to PPP	597,308.98
Total Deferred Inflows of Resources	**$ 191,166,700.44**

See Note 1, *Summary of Significant Accounting Policies*, Note 5, *Long-Term Liabilities*, Note 7, *Leases and SBITAs*, Note 8, *Defined Benefit Pension Plan and Defined Contribution Plan*, Note 9, *Postemployment Benefits Other Than Pensions*, and Note 18, *Public-Private Partnership*, for more information regarding deferred outflows of resources and deferred inflows of resources related to debt refunding, asset retirement obligations, lease obligations, pensions, OPEB, and PPP.

NOTES TO THE

FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS
FOUNDATION, INC.

DENTON, TEXAS

For the Fiscal Year Ended August 31, 2024

Note 1: Principal Activity and Significant Accounting Policies

Organization

The University of North Texas Foundation, Inc. ("UNT Foundation") is a nonprofit organization established to provide financial support to the University of North Texas. This purpose is accomplished by the UNT Foundation receiving and managing donations (cash and non-cash) from individuals and organizations.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting.

Contributions

Contributions are generally restricted by the donor to support specific programs within the University of North Texas. Unconditional promises to give are recorded as received. Contributions receivable due in the next year are recorded at their estimated net realizable value. Contributions receivable due in subsequent years are recorded at the present value of their estimated net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises to give has been provided based on management's evaluation of contributions receivable at year end.

Contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Endowment contributions are permanently restricted by the donor. Investment income available for distribution is recorded as donor restricted net assets because of program restrictions. The portion of the fair value of endowment funds which is below the endowment fund's historical cost is recorded as a reduction in net assets with donor restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves and board-designated endowments.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses

The costs of program and supporting services activities have been reported on a functional basis in the statements of activities in order to present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity at the time of purchase of three months or less. At August 31, 2024 and 2023, there was $11,248,791 and $10,332,380, respectively, of cash and cash equivalents in the UNT Foundation's investment accounts awaiting investment.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Real Property

Real property consists of property that has been donated to the UNT Foundation. The property is stated at estimated fair value.

Other Assets

Other assets consists of photographs donated to the UNT Foundation and held for sale. The photographs are recorded at their fair value as of the date of the donation.

Agency Funds

Agency funds consist of resources held by the UNT Foundation as an agent for resource providers and will be transferred to third-party recipients specified by the resource provider.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Subsequent Events

Subsequent events were evaluated through November 14, 2024, the date the financial statements were available to be issued.

Assets Held and Liabilities Under Split-Interest Agreements

Charitable Trusts

The UNT Foundation acts as trustee for various irrevocable trusts. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash or other assets to us, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. If a trust is revocable, or if the maker of the trust reserves the right to replace us as the beneficiary of the trust, we record the assets placed in trust at fair value, with an equal and offsetting liability until such time that we receive distributions from the trust in accordance with its terms. If the trust is irrevocable, the trust assets are recorded at fair value, and a related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques. The excess of contributed assets over the trust liability is recorded as a contribution with donor restrictions until such amount is received via trust distribution or is expended in satisfaction of the donor-restricted purpose stipulated by the trust agreement, or both, if any. At that time, net assets with donor-imposed time or purpose restrictions are released to net assets without restrictions, and net assets with donor restrictions that are perpetual in nature are transferred to the endowment. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the trust, the remaining liability is removed and recognized as income.

Charitable Gift Annuities

Under charitable gift annuity contracts, we receive immediate title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques. The excess of contributed assets over the annuity liability is recorded as a contribution with donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Note 2: Liquidity and Availability

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Liquidity and Availability
Table UNTF 2A
August 31, 2024

		August 31, 2024
Cash and cash equivalents	$	21,095,296
Less cash and cash equivalents included in the investment pool		(11,248,791)
Operating investments		2,110,099
Cash and cash equivalents included in donor restricted funds		(5,092,814)
Board designated reserves		(6,559,995)
	$	**303,795**

UNT Foundation endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

Our board-designated endowments of $1,234,001 provide for annual distributions to the University of North Texas. Although we do not intend to spend from these board-designated endowments for general expenditures, these amounts could be made available if necessary.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments and money market funds.

Note 3: Fair Value Measurements and Disclosures

UNT Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
Level 3	Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of our investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. We invest in CDs traded in the financial markets. Those CDs are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

The fair value of the private company stock is based on the fair value determined by the company based on a specific valuation methodology and formula. This is considered to be a Level 3 measurement.

We use net asset value ("NAV") per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity/debt funds and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents investments measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at August 31, 2024.

Investments Fair Value

Table UNTF 3A

August 31, 2024

		Fair Value Measurements Using			
Investments	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Investments Measured at NAV**
U.S. and International Equities					
Mutual Funds and ETFs	$181,116,274	$ 181,116,274	$ -	$ -	$ -
Commingled funds	24,670,941	-	-	-	24,670,941
	$205,787,215	$ 181,116,274	$ -	$ -	$ 24,670,941
U.S. and International Fixed Income					
Mutual Funds	$ 63,268,269	$ 63,268,269	$ -	$ -	$ -
Certificates of deposit	2,110,099	-	2,110,099	-	-
	$ 65,378,368	$ 63,268,269	$ 2,110,099	$ -	$ -
Global Real Assets and Infrastructure Mutual Funds	$ 20,834,662	$ 20,834,662	$ -	$ -	$ -
Private Real Assets	$ 10,337,971	$ -	$ -	$ -	$ 10,337,971
Hedge Funds	$ 5,488,114	$ -	$ -	$ -	$ 5,488,114
Private Equity/Debt Funds	$ 28,262,911	$ -	$ -	$ -	$ 28,262,911
Total Investments	**$336,089,241**	**$ 265,219,205**	**$ 2,110,099**	**$ -**	**$ 68,759,937**

The following table presents investments measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at August 31, 2023.

Investments Fair Value
Table UNTF 3B
August 31, 2023

		Fair Value Measurements Using			
Investments	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Investments Measured at NAV**
U.S. and International Equities					
Mutual Funds and ETFs	$163,709,937	$ 163,709,937	$ -	$ -	$ -
Commingled funds	18,379,742	-	-	-	18,379,742
	$182,089,679	$ 163,709,937	$ -	$ -	$ 18,379,742
U.S. and International Fixed Income					
Mutual Funds	$ 41,598,693	$ 41,598,693	$ -	$ -	$ -
Certificates of deposit	1,697,970	-	1,697,970	-	-
	$ 43,296,663	$ 41,598,693	$ 1,697,970	$ -	$ -
Global Real Assets and Infrastructure Mutual Funds	$ 17,656,848	$ 17,656,848	$ -	$ -	$ -
Private Real Assets	$ 7,559,322	$ -	$ -	$ -	$ 7,559,322
Hedge Funds	$ 18,202,535	$ -	$ -	$ -	$ 18,202,535
Private Equity/Debt Funds	$ 24,349,912	$ -	$ -	$ -	$ 24,349,912
Total Investments	**$293,154,959**	**$ 222,965,478**	**$ 1,697,970**	**$ -**	**$ 68,491,511**

In addition, the UNT Foundation has entered into investment agreements with several private equity, private debt, and private real estate funds that provide for capital calls in the future. The total amount of future capital committed to these investments by the UNT Foundation is $36.5 million and $22.8 million as of August 31, 2024 and August 31, 2023, respectively.

Note 4: Fair Value of Financial Instruments

Generally accepted accounting principles requires disclosure of an estimate of fair value of certain financial instruments. The UNT Foundation's significant financial instruments other than investments are cash and cash equivalents, contributions receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Note 5: Contributions Receivables

Contributions and other receivables as of August 31, 2024 and August 31, 2023 are as follows:

Contributions and Other Receivables
Table UNTF 5A
August 31, 2024

		Unaudited August 31, 2024		Audited August 31, 2023
Contributions receivable in less than one year	$	2,872,734	$	2,142,543
Contributions receivable in one to five years		4,462,707		5,687,139
Contributions receivable in six to ten years		707,500		373,000
Total Contributions Receivable	$	8,042,941	$	8,202,682
Less allowance for uncollectible pledges	$	(707,056)		(707,760)
Less discounts to net present value		(972,377)		(1,125,083)
Net Contributions Receivable	$	6,363,508	$	6,369,839
Other accounts receivable	$	1,500	$	1,500
Total Contributions and Other Receivable, Net	**$**	**6,365,008**	**$**	**6,371,339**

Contributions receivable in more than one year have been discounted to net present value using an interest rate of eight percent.

Note 6: Net Assets without Donor Restrictions

The UNT Foundation’s Board of Directors has designated $1,234,001 and $974,300 of net assets without donor restrictions as of August 31, 2024 and 2023 respectively, to fund 19 board-designated endowment funds. The funds will be used for scholarships in the degree-granting institutions within the University of North Texas and other purposes within the University.

Although the Board retains the right to re-designate these funds for another purpose, the intent is to offer multigenerational scholarship support to UNT students. Pursuant to FASB requirements, these endowments are included in Net Assets Without Donor Restrictions, however, these funds are not available for operating expenses.

Net assets without donor restrictions at August 31, 2024 and 2023 also include $6,559,995 and $6,023,667 respectively, which has been designated by the UNT Foundation's Board of Directors as a reserve for future operations.

Note 7: Net Assets with Donor Restrictions

Net assets were restricted for the following:

Net Assets with Donor Restrictions
Table UNTF 7A
August 31, 2024

	Unaudited August 31, 2024	Audited August 31, 2023
UNT department gift & fundraising accounts	$ 6,672,745	$ 6,819,459
True endowments according to donor agreement		
Endowments under board distribution policy	230,570,241	199,375,517
Endowments with donor defined distribution	3,369,001	3,063,294
Quasi endowments according to donor agreement	21,830,246	19,394,645
Split-interest agreements net of liabilities	2,716,242	2,119,758
Cash value of live insurance policies, net of agency funds liability	495,833	499,846
Total Net Assets with Donor Restrictions	**$ 265,654,308**	**$ 231,272,519**

Note 8: Underwater Endowments

Of the 1,160 total endowments at August 31, 2024, 26 have a market value that has fallen below historical cost. The amount that the market value is below historical cost of these 26 endowments is $57,958 collectively. This compares to 122 endowments below historical cost by an amount of $963,167 collectively at August 31, 2023.

Note 9: Life Insurance Policies

Several endowments have been established which are to be funded or partially funded by life insurance policies for which the UNT Foundation has been named owner and beneficiary. Premium payments made by the UNT Foundation are reimbursed by the donors of the policies. As of August 31, 2024 and 2023, there were a total of 21 and 19 such policies, respectively, with death benefits totaling $2,464,437 and $1,579,579 respectively, and cash values totaling $898,002 and $499,846 respectively.

Note 10: Income Taxes

The UNT Foundation is organized as a Texas nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The UNT Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. We have determined that the UNT Foundation is not subject to unrelated business income tax and has not filed an Exempt Organization Business Tax Return (Form 990-T) with the IRS.

Note 11: Retirement Plan

The UNT Foundation sponsors a defined contribution 403(b) retirement plan covering all full time employees of the UNT Foundation. Under the terms of the plan, the UNT Foundation contributes a full matching contribution of up to 6.0% of compensation for employees who make an elective contribution. An additional discretionary non-elective contribution may be allocated on the basis of compensation, as budgeted and approved by the Board in advance of the fiscal year. Employees may make voluntary contributions up to the limits prescribed by the Internal Revenue Code. The UNT Foundation contributions to the plan were $106,279 and $127,162 for the years ended August 31, 2024 and 2023, respectively.

Note 12: Assets Held For Others

The UNT Foundation holds and invests certain funds in trust on behalf of the University of North Texas ("UNT"). Pursuant to an investment management agreement dated August 24, 2012, certain UNT endowment assets have been placed with the UNT Foundation and invested in the UNT Foundation's Consolidated Investment Pool or the UNT Foundation's DFA Short-Term Government fund. The UNT endowment funds residing in the UNT Foundation's Consolidated Investment Pool are subject to the same investment management and distribution policies as the UNT Foundation's investments. The initial term of the agreement ended August 31, 2013, with a provision to automatically renew annually thereafter. On September 11, 2019 the agreement was re-written with an effective date of September 1, 2019, with the initial term ending on August 31, 2027 and a provision to automatically renew and extend for additional five-year terms.

Effective December 1, 2020, the UNT Foundation entered into a substantially similar investment management agreement with the University of North Texas at Dallas ("UNTD") to manage certain of its endowment assets in the UNT Foundation's Consolidated Investment Pool. The UNTD endowment funds are subject to the same investment management and distribution policies as the UNT Foundation's investments. The initial term of the agreement ends August 31, 2030, with a provision to automatically renew and extend for additional five-year terms. Additionally, if at some point, UNTD determines that its own foundation is operationally capable of performing the investment and management of the UNTD endowments prior to expiration of the agreement, it may terminate the agreement with 90 days' notice to the UNT Foundation.

UNT and UNTD are independent of the UNT Foundation in all respects. Neither is a subsidiary or affiliate of the UNT Foundation and are not directly or indirectly controlled by the UNT Foundation. The UNT System Board of Regents makes all decisions regarding the business and affairs of UNT and UNTD, respectively. Since the UNT Foundation does not have ownership of any of the UNT or UNTD assets, neither the principal or income generated by these assets, except for management fees paid from these assets, are included in the amount of net assets of the UNT Foundation.

Assets held under these arrangements are included in the Statement of Financial Position at fair value, and the UNT Foundation realized net management fee income of $804,104 and $757,862, respectively, during the years ended August 31, 2024 and 2023 for its services.

A summary of the assets held for others is as follows:

Assets Held for Others
Table UNTF 12A
August 31, 2024

	Unaudited August 31, 2024	Audited August 31, 2023
UNT endowment assets managed by UNT Foundation	$ 77,334,776	$ 69,254,575
UNT Dallas endowment assets managed by UNT Foundation	13,437,484	12,181,540
Total Assets Held for Others	**$ 90,772,260**	**$ 81,436,115**

Note 13: Finance Instruments and Credit Risk

The UNT Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

NOTES TO THE

FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS
HEALTH SCIENCE CENTER FOUNDATION

FORT WORTH, TEXAS

For the Fiscal Year Ended August 31, 2024

Note 1: Summary of Significant Accounting Policies

The University of North Texas Health Science Center Foundation ("UNTHSC Foundation") was organized for charitable, educational, and scientific purposes, and to advance the mission and vision of the University of North Texas Health Science Center ("UNTHSC") through financial support of its education, discovery and health care priorities. All income received by the UNTHSC Foundation is to be used for the future benefit of the UNT Health Science Center at the discretion of the Board of Directors.

Nature of Activities

The management of the UNTHSC Foundation is vested in the Board of Directors ("the Board") who have discretionary authority to determine the amount, manner and times for payment of any distributions from the UNTHSC Foundation. The UNTHSC Foundation is subject to a pay-out policy which dictates scholarships and other payments made in current year. During the year ended August 31, 2024, the UNTHSC Foundation paid $1,609,296 in scholarships, grants and other expenses to UNTHSC and other not-for-profit organizations.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, which recognizes support and revenue when earned, and expenses when incurred.

Financial Statement Presentation

The financial statements of the UNTHSC Foundation are presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations. Financial position and activities are reported according to two classes of net assets: (i) net assets without donor restrictions, and (ii) net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, but are not limited to, the fair value of investments and the discounts applied to unconditional promises to give. It is at least reasonably possible that these estimates will change in the near term.

Cash

For the purpose of the statement of cash flows, the UNTHSC Foundation considers cash available in the demand deposit accounts and all highly liquid short-term investments with original maturities of three months or less to be cash equivalents.

The UNTHSC Foundation maintains its cash in bank deposit accounts which, at times may exceed federally insured limits. The UNTHSC Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

Investments

Investments are carried at fair value or net asset value. Appreciation or depreciation in fair value is reported in support and revenue.

Contributions

Conditional promises to give received by the UNTHSC Foundation, which stipulate the occurrence of some specified event before payment will be made, are recognized when the specified future event takes place and the promise to give becomes unconditional. As of August 31, 2024, the UNTHSC Foundation had received conditional promises to give of $264,376, all of which were due within one year. The pledges have not met the criteria for recognition in the financial statements as established by GAAP.

Unconditional promises to give are recorded as contributions when received and classified as net assets without donor restrictions, or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Management Fee

Management fees are recognized as revenue when earned by the UNTHSC Foundation, and are charged to investments held on behalf of others based on a percentage of total investments as specified in the management agreement. All management fee receivables are expected to be collectible, and will be collected in the first quarter of the year ended August 31, 2025.

Fundraising

Fundraising revenues are recognized as revenue when all conditions are met, and the specified event has occurred.

Donor Restrictions

The UNTHSC Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The UNTHSC Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the UNTHSC Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Uncertain Tax Positions

The UNTHSC Foundation recognizes in its financial statements the financial effect of a tax position, if that position is more likely than not to be sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the position.

Tax positions taken related to the UNTHSC Foundation’s tax exempt status for federal tax purposes and state filing requirements have been reviewed, and management is of the opinion that material positions taken by the UNTHSC Foundation would more likely than not be sustained by examination. Accordingly, the UNTHSC Foundation has not recorded an income tax liability for uncertain tax benefits.

Functional Allocation of Expenses

The costs of providing the programs and supporting services of the UNTHSC Foundation have been summarized on a functional basis in the statements of activities. Functional expenses have been categorized as program expenses and supporting services based on the nature of the activity performed, and, as such, no costs have been allocated across the functional expense categories.

Reclassifications

Certain amounts presented for August 31, 2023 have been reclassified to conform to the presentation at August 31, 2024. These reclassifications did not change total net assets or change in net assets.

Subsequent Events

The UNTHSC Foundation has evaluated subsequent events that occurred after August 31, 2024, through November 20, 2024, the date which the financial statements were available to be issued. During this period, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 2: Fair Value Measurements

A fair value hierarchy that prioritizes the inputs to valuation techniques is used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value of hierarchy are described below:

Level 1 inputs:	Unadjusted, quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2 inputs:	Inputs (other than quoted market prices included within level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and fair value is determined through the use of models or other valuation techniques.
Level 3 inputs:	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Fair value for these investments are determined using valuation methodologies that consider a range of factors including but not limited to the nature of the investment, market conditions, current and projected operating performance and changes in operating characteristics of the investment.

Following is a description of the valuation methodologies used for assets measured at fair value. The valuation techniques used to determine fair value have been consistently applied during the year ended August 31, 2024.

Equity securities and mutual funds traded on active markets are carried at a value consistent with traded prices on the valuation date, representing level 1 inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the UNTHSC Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level, within the fair value hierarchy, the UNTHSC Foundation's investments at fair value as of August 31, 2024:

Investments Fair Values
Table UNTHSCF 2A
For the Fiscal Year Ended August 31, 2024

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Securities				
US Large Cap	$ 69,548,424	$ -	$ -	$ 69,548,424
US Mid and Small Cap	3,410,139	-	-	3,410,139
Global Equity	13,754,191	-	-	13,754,191
Foreign Equity	18,602,165	-	-	18,602,165
Emerging Markets	10,726,387	-	-	10,726,387
Mutual Funds - bonds	28,952,563	-	-	28,952,563
Total Investments in the Fair Value Hierarchy	**$ 144,993,869**	**$ -**	**$ -**	**$ 144,993,869**

The UNTHSC Foundation also invests in investment companies that are reported at net asset value. Investments reported at net asset value are excluded from the fair value hierarchy. The following table reconciles investments reported in fair value hierarchy to investments reported on the statement of financial position as of August 31, 2024:

Investments Reported at Net Asset Value
Table UNTHSCF 2B
August 31, 2024

		Total
Total investments in the fair value hierarchy	$	144,993,869
Cash equivalents		2,327,458
Investment in investment companies		9,166,984
Total Investments at Fair Value	**$**	**156,488,311**

Investments in investment companies consisting of off-shore investments are subject to the following redemption frequency and capital commitment at August 31, 2024:

Offshore Investments Redemption Frequency and Capital Commitments
Table UNTHSCF 2C
August 31, 2024

Investment Strategy	Redemption Frequency		Remaining Capital Commitment
Off-shore investments	Monthly, quarterly, or semi-annually	$	142,817
Off-shore investments	Monthly, quarterly, or semi-annually	$	172,408
Off-shore investments	Monthly, quarterly, or semi-annually	$	189,891
Off-shore investments	Monthly, quarterly, or semi-annually	$	191,228
Off-shore investments	Monthly, quarterly, or semi-annually	$	564,485
Off-shore investments	Monthly, quarterly, or semi-annually	$	1,225,697
Off-shore investments	Monthly, quarterly, or semi-annually	$	2,800,820
Off-shore investments	Monthly, quarterly, or semi-annually	$	5,390,039

No redemption restrictions or redemption notice period noted.

Note 3: Net Assets with Donor Restrictions

Net assets with donor restrictions are made up of the following as of August 31, 2024:

Net Assets with Donor Restrictions
Table UNTHSCF 3A
August 31, 2024

		Total
Net assets with donor restrictions – time and purpose	$	9,861,542
Net assets with donor restrictions – held in perpetuity		22,967,555
Total Net Assets	**$**	**32,829,097**

Net assets with donor restrictions – time and purpose are restricted for the following as of August 31, 2024:

Net Assets with Donor Restrictions by Purpose
Table UNTHSCF 3B
August 31, 2024

		Total
Departmental programs	$	4,067,294
Research		730,447
Education		1,184,405
Scholarships		3,403,181
Time		274,688
Professorship		179,053
Other		22,474
Total	**$**	**9,861,542**

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes during the year ended August 31, 2024:

Net Assets with Donor Restriction Expenditures
Table UNTHSCF 3C
August 31, 2024

		Total
Distributions and scholarships	$	598,374
Gifts and other related expenses		1,078,589
Total	**$**	**1,676,963**

Note 4: Due to Related Party

At August 31, 2024, the UNTHSC Foundation held investments of $122,802,056, on behalf of UNTHSC. The investment account, in the name of the UNTHSC Foundation, was established prior to the formation of the UNTHSC Foundation. In order to maximize the benefits received from pooling investments and for simplicity, UNTHSC's portion is being held by the UNTHSC Foundation. These investments are included in investments and due to related party on the Statement of Financial Position.

Note 5: Promises to Give

Unconditional promises to give to be received by the UNTHSC Foundation for each of the years subsequent to August 31 is as follows:

Unconditional Promises
Table UNTHSCF 5A
August 31, 2024

		Total
Due in less than 1 year	$	90,719
Due within 1 to 5 years		200,000
Less discount		(15,471)
Total	**$**	**275,248**

Unconditional promises to give that are expected to be collected after one year are discounted and are reported net of the discount rate in pledges receivable on the statement of financial position. Amortization of the discount on long-term pledges receivable is included with contributions revenue in the statement of activities. Pledges receivable are also reported net of any anticipated losses due to uncollectible accounts. The UNTHSC Foundation's policy for determining when pledges receivable are past due or delinquent is when all efforts to collect a pledged amount have been exhausted. An allowance for doubtful accounts is estimated by management based on information received by pledged donors and pledge receivable aging schedules. No allowance was considered necessary as of August 31, 2024.

Note 6: Uniform Prudent Management of Institutional Funds Act

Net assets with donor restrictions held in perpetuity were $22,967,555 as of August 31, 2024. The UNTHSC Foundation's endowment funds consist of equity securities, cash and cash equivalents and investments in investment companies. These funds consist of contributions made to establish an endowment, the earnings from which are to be used to support different restricted purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

The investment policy is issued by the Board of the UNTHSC Foundation. It articulates the principles by which the UNTHSC Foundation governs the management of its investment assets. The Board is responsible for adopting investment objectives and policies, hiring and evaluating investment managers, establishing a controlled environment, and monitoring policy implementation and investment performance. The Board exercises its responsibility according to applicable fiduciary standards and in the exclusive interest of the UNTHSC Foundation.

A reconciliation of the endowment funds' beginning and ending balances for the year ended August 31, 2024 is as follows. There was no cumulative effect of any amounts by which net assets with donor restrictions – held in perpetuity have been reduced, or increased that were not specified by the donor, or in the absence of a donor stipulation, approved by the Board.

Reconciliation of Endowment Fund
Table UNTHSCF 6A
For the Fiscal Year Ended August 31, 2024

	Endowment Net Assets with Donor Restrictions Purpose	Endowment Net Assets with Donor Restrictions Held in Perpetuity	Total Endowment Net Assets
Endowment net assets, September 1, 2023	$ 3,612,432	$ 22,439,670	$ 26,052,102
Net appreciation (realized and unrealized)	4,622,128	30,320	4,652,448
	$ 8,234,560	$ 22,469,990	$ 30,704,550
Contributions	$ -	$ 497,565	$ 497,565
Appropriation of endowment assets for expenditure	(899,993)	-	(899,993)
Endowment net assets, August 31, 2024	**$ 7,334,567**	**$ 22,967,555**	**$ 30,302,122**

Endowment net asset composition by type of fund as of August 31, 2024 was as follows:

Endowment Net Asset Composition by Type
Table UNTHSCF 6B
August 31, 2024

	Endowment Net Assets with Donor Restrictions Purpose	Endowment Net Assets with Donor Restrictions Held in Perpetuity	Total Endowment Net Assets
Donor-restricted	$ 7,334,567	$ 22,967,555	$ 30,302,122
Total funds	**$ 7,334,567**	**$ 22,967,555**	**$ 30,302,122**

Investment Objectives

The UNTHSC Foundation assets are to be invested in a balanced portfolio composed of equity, fixed-income and cash equivalent securities. As such, it is intended to be more aggressive than fixed-income-oriented portfolios and less aggressive than equity-only-oriented portfolios. In this context, "aggressive" relates to such issues as expected long-term rates of return and return volatility, investment vehicles, diversification among economic and industry sectors and individual securities. Within this framework, the principal investment objectives are stated below. These objectives recognize the nature of the UNTHSC Foundation, its purpose and its beneficiaries. The basic investment objective is long-term growth of capital and preservation of capital. In pursuing the investment objective, the UNTHSC Foundation endeavors, over time, to outperform the investment return objectives. Returns must be sufficient to meet or exceed the minimum required investment rate of return for the UNTHSC Foundation as established in the spending policy plus fee of 1% of the invested accounts for services in direct connection to the UNTHSC Foundation. Returns must meet or exceed the inflation rate plus 2%, meet or exceed the rate of return of a balanced market index, and meet or exceed the Sharpe Ratio of the market index while limiting portfolio risk.

Investment Philosophy

The primary investment objective of the UNTHSC Foundation is long-term growth of capital. It is recognized that short-term fluctuations in the capital markets may result in the loss of capital on occasion (i.e., negative rates of return). However, the total asset value of the UNTHSC Foundation, exclusive of contributions or withdrawals, should grow in the long-run. It should earn, through a combination of investment income and capital appreciation, a rate of return in excess of a balanced market index while incurring less risk than such index. The long-term growth of capital should also be greater than the spending policy plus the fee for services in direct connection to the UNTHSC Foundation.

The Board and/or the Investment Committee intends to maximize the portfolio's total return comprising income and net realized and unrealized gains and losses. This objective is to be accomplished by assuming a prudent level of risk in the investment of the UNTHSC Foundation assets.

The UNTHSC Foundation will engage well-qualified investment managers registered under the Investment Advisors Act of 1940. The investment manager will perform duties with the care, skill, prudence and diligence under the prevailing circumstance that a prudent expert acting in a like capacity and familiar with such matter would use in the conduct of an enterprise of a like character and of like aims.

Underwater Endowments

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the UNTHSC Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in one endowment fund with donor restrictions, which together have an original gift value of $44,150, a current value of $43,386, and a deficiency of $764 as of August 31, 2024. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

The UNTHSC Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

Note 7: Liquidity

As a not-for-profit entity, UNTHSC Foundation receives significant funding in the form of contributions each year from donors, which are restricted to be used in a particular manner. UNTHSC Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of managing the financial assets, UNTHSC Foundation ensures these become available when obligations come due.

The following reflects UNTHSC Foundation's financial assets as of the balance sheet date, including amounts not available within one year of the balance sheet date. Amounts not available include donor-imposed restricted contributions.

Financial Assets by Liquidity
Table UNTHSCF 7A
August 31, 2024

		Total
Cash	$	1,092,005
Investments, excluding amounts held on behalf of others		33,686,255
Pledges receivable, net		275,248
Other receivables		138,724
Total financial assets	**$**	**35,192,232**
Less donor restrictions		
Net assets with donor restrictions – time and purpose	$	(9,861,542)
Net assets with donor restrictions – held in perpetuity		(22,967,555)
Total financial assets not available to be used within one year	**$**	**(32,829,097)**
Total financial assets available to meet general expenditures within one year	**$**	**2,363,135**

Note 8: Contributed Nonfinancial Assets

Contributed nonfinancial assets for the year ended August 31, 2024 consisted of the following:

Contributed Nonfinancial Assets
Table UNTHSCF 8A
For the Fiscal Year Ended August 31, 2024

		Revenue Recognized	**Utilization in Programs/ Activities**	**Donor Restrictions**	**Valuation Techniques and Inputs**
Donated goods	$	10,505	Special events and programs	Restricted for special events and programs	Estimated fair value based on sales of similar items in Fort Worth, Texas.
Donated food and beverage		1,655	Special events	Restricted for special events	Estimated fair value based on sales of similar food and beverage items in Fort Worth, Texas.
	$	**12,160**			

REQUIRED SUPPLEMENTARY INFORMATION & SCHEDULES FOR THE

COMPREHENSIVE FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DALLAS, TEXAS

For the Fiscal Year Ended August 31, 2024

Required Supplementary Information (RSI)

Schedule of the System's Proportionate Share of the Net Pension Liability

Schedule of Proportionate Share of Net Pension Liability

Table RSI 1: TRS Plan

For the Fiscal Year Ended August 31, 2024

	2024	2023	2022	2021	2020
System's proportion of the net pension liability	0.3439011167%	0.3259602779%	0.3475256756%	0.3532394693%	0.3471858160%
System's proportionate share of the net pension liability	$ 236,226,885.00	$ 193,514,233.00	$ 88,502,491.00	$ 189,187,853.00	$ 180,478,041.00
State's proportionate share of the net pension liability related to System	90,795,902.29	75,812,895.18	28,078,475.01	62,518,691.27	75,864,069.56
Total net pension liability related to System	$ 327,022,787.29	$ 269,327,128.18	$ 116,580,966.01	$ 251,706,544.27	$ 256,342,110.56
System's covered payroll (1)	$ 346,688,381.67	$ 316,426,267.11	$ 298,594,048.48	$ 297,401,404.17	$ 282,536,645.37
System's proportionate share of the net pension liability as a percentage of its covered payroll	68.14%	61.16%	29.64%	63.61%	63.88%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.24%	75.24%

Concluded Below

Schedule of Proportionate Share of Net Pension Liability

Table RSI 1: TRS Plan (Concluded)

For the Fiscal Year Ended August 31, 2024

	2019	2018	2017	2016	2015
System's proportion of the net pension liability	0.3482704688%	0.3350903754%	0.3167884475%	0.3348771000%	0.3870437000%
System's proportionate share of the net pension liability	$ 191,696,519.00	$ 107,143,850.00	$ 119,709,644.00	$ 118,374,598.00	$ 103,405,818.19
State's proportionate share of the net pension liability related to System	52,821,707.83	36,183,350.73	34,118,016.24	33,917,826.43	40,082,328.32
Total net pension liability related to System	$ 244,518,226.83	$ 143,327,200.73	$ 153,827,660.24	$ 152,292,424.43	$ 143,488,146.51
System's covered payroll (1)	$ 266,991,392.49	$ 252,852,119.73	$ 248,934,340.22	$ 235,537,989.10	$ 222,501,101.49
System's proportionate share of the net pension liability as a percentage of its covered payroll	71.80%	42.37%	48.09%	50.26%	46.47%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

(1) Covered-employee payroll is for the year prior, because the System's net pension liability as of August 31 current year is based on a measurement date of August 31 of the previous year.

Schedule of the System's Pension Contributions

Schedule of Employer Contributions

Table RSI 2: TRS Plan

For the Fiscal Year Ended August 31, 2024

	2024	2023	2022	2021	2020
Statutorily required contributions	$18,003,453.00	$17,534,707.00	$15,210,270.00	$14,830,572.00	$14,574,757.00
Contributions in relation to the statutorily required contributions	18,003,453.00	17,534,707.00	15,210,270.00	14,830,572.00	14,574,757.00
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
System's covered payroll	$382,060,454.90	$346,688,381.67	$316,426,267.11	$298,594,048.48	$297,401,404.17
Contributions as a percentage of covered payroll	4.71%	5.06%	4.81%	4.97%	4.90%

Concluded Below

Schedule of Employer Contributions

Table RSI 2: TRS Plan (Concluded)

For the Fiscal Year Ended August 31, 2024

	2019	2018	2017	2016	2015
Statutorily required contributions	$12,151,922.00	$11,732,351.00	$10,961,110.00	$10,085,190.00	$ 9,916,773.00
Contributions in relation to the statutorily required contributions	12,151,922.00	11,732,351.00	10,961,110.00	10,085,190.00	9,916,773.00
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
System's covered payroll	$282,536,645.37	$266,991,392.49	$252,852,119.73	$248,934,340.22	$235,537,989.10
Contributions as a percentage of covered payroll	4.30%	4.39%	4.33%	4.05%	4.21%

Schedule of the System's Proportionate Share of the Net OPEB Liability

Schedule of Proportionate Share of Net OPEB Liability

Table RSI 3: ERS Plan

For the Fiscal Year Ended August 31, 2024

	2024[9]	2023[8]	2022[7]	2021[6]	2020[5]
System's proportion of the net OPEB liability	1.59793213%	1.56149763%	1.46176037%	1.48049403%	1.30685578%
System's proportionate share of the net OPEB liability	$ 426,927,989.00	$ 444,823,293.00	$ 524,413,950.00	$ 489,223,801.00	$ 451,684,314.00
System's covered-employee payroll(1)	$ 219,957,771.29	$ 198,843,136.71	$ 183,982,862.98	$ 187,360,172.19	$ 161,005,000.16
System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	194.10%	223.71%	285.03%	261.11%	280.54%
Plan fiduciary net position as a percentage of the total OPEB liability	0.63%	0.57%	0.38%	0.32%	0.17%

Concluded Below

Schedule of Proportionate Share of Net OPEB Liability

Table RSI 3: ERS Plan (Concluded)

For the Fiscal Year Ended August 31, 2024

	2019[2],[4]	2018[3]
System's proportion of the net OPEB liability	1.36273369%	0.25354973%
System's proportionate share of the net OPEB liability	$ 403,883,502.00	$ 86,392,029.00
System's covered-employee payroll(1)	$ 164,170,798.74	$ 29,780,201.94
System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	246.01%	290.10%
Plan fiduciary net position as a percentage of the total OPEB liability	1.27%	2.04%

(1) Covered-employee payroll is for the year prior, because the System's net OPEB liability as of August 31 current year is based on a measurement date of August 31 of the previous year.

(2) For fiscal year 2019 reporting, ERS had a change in accounting methodology to include both active and retiree employee contributions in the calculation of proportionate share.

(3) Changes in assumptions for measurement year ended Aug. 31, 2017 include (a) assumed aggregate payroll increases and rate of general inflation, (b) discount rate increased from 2.84% to 3.51%, (c) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (d) proportion of future retirees covering dependent children, (e) percentage of members assumed to be married and electing coverage for their spouse, and (f) assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost Retiree Contribution, and Expense trends.

(4) Changes in assumptions for measurement year ended Aug. 31, 2018 include (a) demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members, (b) discount rate increased from 3.51% to 3.96%, (c) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (d) percentage of members assumed to be married and electing coverage for their spouse, and (e) assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost Retiree Contribution, and Expense trends.

(5) Changes in assumptions for measurement year ended Aug. 31, 2019 include (a) discount rate decreased from 3.96% to 2.97%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) percentage of male members assumed to be married and electing coverage for their spouse, (d) percentage of future retirees and future retiree spouses assumed to use tobacco, and (e) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

(6) Changes in assumptions for measurement year ended Aug. 31, 2020 include (a) assumed aggregate payroll increases and rate of general inflation, (b) discount rate decreased from 2.97% to 2.20%, (c) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (d) percentage of female members assumed to be married and electing coverage for their spouse, (e) proportion of future retirees assumed to cover dependent children, (f) assumed PCORI fees and (h) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

(7) Changes in assumptions for measurement year ended Aug. 31, 2021 include (a) discount rate decreased from 2.20% to 2.14%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) percentage of members assumed to be married and electing coverage for their spouse, (d) proportion of future retirees

assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (e) the percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date, (f) the annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and (g) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends. In addition, the assumption for expenses directly related to the payment of GBP HealthSelect medical benefits has been updated to reflect recent contract revisions.

(8) Changes in assumptions for measurement year ended Aug. 31, 2022 include (a) discount rate increased from 2.14% to 3.59%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (d) demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members, (e) proportion of future retirees assumed to cover dependent children, (f) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and (g) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

(9) Changes in assumptions and other inputs for measurement year ended August 31, 2023 include (a) discount rate increased from 3.59% to 3.81%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (d) proportion of future retirees assumed to cover dependent children , (e) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee and (f) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends. Changes in benefit terms for measurement year ended August 31, 2023 represent the elimination of liability attributable to members from Stephen F. Austin State University.

Schedule of the System's OPEB Contributions

Schedule of Employer Contributions
Table RSI 4: ERS Plan

For the Fiscal Year Ended August 31, 2024

	2024	2023	2022	2021	2020
Statutorily required contributions	$ 4,753,134.00	$ 4,491,771.00	$ 3,689,016.00	$ 3,617,598.00	$ 3,578,563.00
Contributions in relation to the statutorily required contributions	4,753,134.00	4,491,771.00	3,689,016.00	3,617,598.00	3,578,563.00
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
System's covered-employee payroll	$232,918,118.71	$219,957,771.29	$198,843,136.71	$183,982,862.98	$187,360,172.19
Contributions as a percentage of covered-employee payroll	2.04%	2.04%	1.86%	1.97%	1.91%

Concluded Below

Schedule of Employer Contributions
Table RSI 4: ERS Plan (Concluded)

For the Fiscal Year Ended August 31, 2024

	2019	2018
Statutorily required contributions	$ 1,315,809.00	$ 1,464,282.00
Contributions in relation to the statutorily required contributions	1,315,809.00	1,464,282.00
Contribution deficiency (excess)	$ -	$ -
System's covered-employee payroll	$161,005,000.16	$164,170,798.74
Contributions as a percentage of covered-employee payroll	0.82%	0.89%

UNIVERSITY OF NORTH TEXAS SYSTEM
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2024

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Terms of Variable Interest Rate	Scheduled Maturities First Year	Scheduled Maturities Last Year	First Call Date
Public Offering Revenue Bonds						
RFS Refunding Bonds, Series 2015A	$ 105,130,000.00	2.0000% - 5.0000%	N/A	2016	2045	4/15/2025
RFS Refunding Bonds, Series 2015B	73,035,000.00	0.3000% - 4.8380%	N/A	2016	2045	4/15/2025
RFS Refunding Bonds, Series 2017A	196,165,000.00	1.0000% - 5.0000%	N/A	2017	2040	4/15/2027
RFS Refunding Bonds, Series 2017B	164,305,000.00	0.9000% - 4.1220%	N/A	2017	2040	4/15/2027
RFS Refunding Bonds, Series 2018A	149,425,000.00	3.0000% - 5.0000%	N/A	2020	2050	4/15/2028
RFS Refunding Bonds, Series 2018B	22,685,000.00	2.3000% - 3.5500%	N/A	2019	2027	N/A
RFS Refunding Bonds, Series 2020A	59,475,000.00	2.0000% - 5.0000%	N/A	2021	2033	4/15/2030
RFS Refunding Bonds, Series 2020B	55,240,000.00	0.6450% - 3.0020%	N/A	2021	2050	4/15/2030
RFS Refunding Bonds, Series 2022	101,555,000.00	4.0000% - 5.0000%	N/A	2023	2052	4/15/2028
Total Public Offering Revenue Bonds	**$ 927,015,000.00**					
Direct Placement Revenue Bonds						
RFS Refunding Bonds, Series 2018	$ 22,845,000.00	2.4000% - 2.4000%	N/A	2018	2027	N/A
Total Direct Placement Revenue Bonds	**$ 22,845,000.00**					
Total Revenue Bonds	**$ 949,860,000.00**					

UNIVERSITY OF NORTH TEXAS SYSTEM

Schedule 2B - Changes in Bonded Indebtedness

For the Fiscal Year Ended August 31, 2024

Description of Issue	Bonds Outstanding 09/01/23	Bonds Matured or Retired	Bonds Outstanding 08/31/24	Unamortized Premium	Net Bonds Outstanding 08/31/24	Amounts Due Within One Year
Public Offering Revenue Bonds						
RFS Refunding Bonds, Series 2015A	$ 98,145,000.00	$ 1,610,000.00	$ 96,535,000.00	$ 7,992,261.05	$ 104,527,261.05	$ 6,956,814.77
RFS Refunding Bonds, Series 2015B	37,425,000.00	4,600,000.00	32,825,000.00	-	32,825,000.00	-
RFS Refunding Bonds, Series 2017A	142,050,000.00	10,915,000.00	131,135,000.00	11,266,505.84	142,401,505.84	13,397,298.33
RFS Refunding Bonds, Series 2017B	111,005,000.00	10,425,000.00	100,580,000.00		100,580,000.00	10,730,000.00
RFS Refunding Bonds, Series 2018A	148,065,000.00	2,250,000.00	145,815,000.00	11,483,856.16	157,298,856.16	3,763,282.43
RFS Refunding Bonds, Series 2018B	6,795,000.00	2,280,000.00	4,515,000.00	-	4,515,000.00	1,935,000.00
RFS Refunding Bonds, Series 2020A	33,025,000.00	7,130,000.00	25,895,000.00	4,218,873.10	30,113,873.10	5,304,027.31
RFS Refunding Bonds, Series 2020B	52,210,000.00	4,425,000.00	47,785,000.00	-	47,785,000.00	4,470,000.00
RFS Refunding Bonds, Series 2022	100,620,000.00	1,385,000.00	99,235,000.00	14,297,827.57	113,532,827.57	2,255,682.11
Total Public Offering Revenue Bonds	**$ 729,340,000.00**	**$ 45,020,000.00**	**$ 684,320,000.00**	**$ 49,259,323.72**	**$ 733,579,323.72**	**$ 48,812,104.95**
Direct Placement Revenue Bonds						
RFS Refunding Bonds, Series 2018	$ 9,990,000.00	$ 2,650,000.00	$ 7,340,000.00	$ -	$ 7,340,000.00	$ 2,710,000.00
Total Direct Placement Revenue Bonds	**$ 9,990,000.00**	**$ 2,650,000.00**	**$ 7,340,000.00**	**$ -**	**$ 7,340,000.00**	**$ 2,710,000.00**
Total Revenue Bonds	**$ 739,330,000.00**	**$ 47,670,000.00**	**$ 691,660,000.00**	**$ 49,259,323.72**	**$ 740,919,323.72**	**$ 51,522,104.95**

UNIVERSITY OF NORTH TEXAS SYSTEM

Schedule 2C - Debt Service Requirements

For the Fiscal Year Ended August 31, 2024

Description of Issue	Year	Principal	Interest[1]
Public Offering Revenue Bonds			
RFS Bonds, Series 2015A	2025	$ 5,985,000.00	$ 4,826,750.00
	2026	6,050,000.00	4,527,500.00
	2027	6,120,000.00	4,225,000.00
	2028	6,195,000.00	3,919,000.00
	2029	6,280,000.00	3,609,250.00
	2030-2034	32,725,000.00	13,251,000.00
	2035-2039	22,600,000.00	5,337,750.00
	2040-2044	8,595,000.00	1,827,250.00
	2045	1,985,000.00	99,250.00
		$ 96,535,000.00	$ 41,622,750.00
RFS Bonds, Series 2015B	2025	$ -	$ 1,588,073.50
	2026	-	1,588,073.50
	2027	-	1,588,073.50
	2028	-	1,588,073.50
	2029	-	1,588,073.50
	2030-2034	-	7,940,367.50
	2035-2039	9,240,000.00	7,692,661.90
	2040-2044	19,870,000.00	3,657,286.10
	2045	3,715,000.00	179,731.70
		$ 32,825,000.00	$ 27,410,414.70
RFS Bonds, Series 2017A	2025	$ 11,445,000.00	$ 6,556,750.00
	2026	12,000,000.00	5,984,500.00
	2027	12,600,000.00	5,384,500.00
	2028	13,205,000.00	4,754,500.00
	2029	13,865,000.00	4,094,250.00
	2030-2034	47,410,000.00	10,568,500.00
	2035-2039	16,815,000.00	3,522,250.00
	2040	3,795,000.00	189,750.00
		$ 131,135,000.00	$ 41,055,000.00

Continued on Next Page

UNIVERSITY OF NORTH TEXAS SYSTEM

Schedule 2C - Debt Service Requirements (continued)

For the Fiscal Year Ended August 31, 2024

Description of Issue	Year	Principal	Interest[1]
RFS Bonds, Series 2017B	2025	$ 10,730,000.00	$ 3,605,118.64
	2026	11,065,000.00	3,276,029.56
	2027	11,410,000.00	2,921,174.98
	2028	11,795,000.00	2,538,141.30
	2029	12,190,000.00	2,124,490.64
	2030-2034	34,345,000.00	5,325,187.40
	2035-2039	7,535,000.00	1,208,039.60
	2040	1,510,000.00	62,242.20
		$ 100,580,000.00	$ 21,060,424.32
RFS Bonds, Series 2018A	2025	$ 2,795,000.00	$ 6,840,850.00
	2026	3,170,000.00	6,701,100.00
	2027	4,315,000.00	6,542,600.00
	2028	5,400,000.00	6,326,850.00
	2029	5,510,000.00	6,056,850.00
	2030-2034	31,970,000.00	25,864,750.00
	2035-2039	39,045,000.00	17,736,050.00
	2040-2044	22,970,000.00	9,606,250.00
	2045-2049	27,430,000.00	3,990,600.00
	2050	3,210,000.00	128,400.00
		$ 145,815,000.00	$ 89,794,300.00
RFS Bonds, Series 2018B	2025	$ 1,935,000.00	$ 154,502.70
	2026	1,755,000.00	89,835.00
	2027	825,000.00	29,287.50
		$ 4,515,000.00	$ 273,625.20

Continued on Next Page

UNIVERSITY OF NORTH TEXAS SYSTEM

Schedule 2C - Debt Service Requirements (continued)

For the Fiscal Year Ended August 31, 2024

Description of Issue	Year	Principal	Interest[1]
RFS Bonds, Series 2020A	2025	$ 4,435,000.00	$ 1,294,750.00
	2026	2,245,000.00	1,073,000.00
	2027	2,360,000.00	960,750.00
	2028	2,480,000.00	842,750.00
	2029	2,600,000.00	718,750.00
	2030-2033	11,775,000.00	1,507,250.00
		$ 25,895,000.00	$ 6,397,250.00
RFS Bonds, Series 2020B	2025	$ 4,470,000.00	$ 966,446.84
	2026	4,305,000.00	915,935.84
	2027	4,370,000.00	852,437.10
	2028	4,440,000.00	781,424.60
	2029	4,520,000.00	701,637.82
	2030-2034	17,210,000.00	2,139,128.50
	2035-2039	2,240,000.00	1,129,193.66
	2040-2044	2,580,000.00	784,538.00
	2045-2049	2,995,000.00	373,298.70
	2050	655,000.00	19,663.10
		$ 47,785,000.00	$ 8,663,704.16

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UNIVERSITY OF NORTH TEXAS SYSTEM

Schedule 2C - Debt Service Requirements (concluded)

For the Fiscal Year Ended August 31, 2024

Description of Issue	Year	Principal	Interest[1]
RFS Bonds, Series 2022	2025	$ 1,455,000.00	$ 4,689,050.00
	2026	1,520,000.00	4,616,300.00
	2027	1,600,000.00	4,540,300.00
	2028	1,680,000.00	4,460,300.00
	2029	1,765,000.00	4,376,300.00
	2030-2034	10,230,000.00	20,467,250.00
	2035-2039	14,955,000.00	17,549,250.00
	2040-2044	22,435,000.00	13,009,000.00
	2045-2049	28,555,000.00	6,873,200.00
	2050-2052	15,040,000.00	1,218,800.00
		$ 99,235,000.00	$ 81,799,750.00
Total Public Offering Revenue Bonds		**$ 684,320,000.00**	**$ 318,077,218.38**
Direct Placement Revenue Bonds			
RFS Bonds, Series 2018	2025	$ 2,710,000.00	$ 176,160.00
	2026	2,775,000.00	111,120.00
	2027	1,855,000.00	44,520.00
		$ 7,340,000.00	$ 331,800.00
Total Direct Placement Revenue Bonds		**$ 7,340,000.00**	**$ 331,800.00**
Total Revenue Bonds		**$ 691,660,000.00**	**$ 318,409,018.38**

[1] In accordance with the State Comptroller's reporting requirements, the interest amounts on this schedule represent interest expense per the bond amortization schedules rather than interest on a full accrual basis.

UNIVERSITY OF NORTH TEXAS SYSTEM

Schedule 2D - Analysis of Funds Available for Debt Service

For the Fiscal Year Ended August 31, 2024

	Pledged and Other Sources and Related Expenditures			
			Debt Service	
Description of Issue	Total Pledged and Other Sources	Operating Expenses/ Expenditures & Capital Outlay	Principal	Interest [B]
RFS Bonds Series 15A, '15B, '17A, '17B, '18, '18A, 18B, '20A, '20B, & '22	$ 1,417,882,593.79		$ 47,670,000.00	$ 32,436,071.02
Total	**$ 1,417,882,593.79**	**(A)**	**$ 47,670,000.00**	**$ 32,436,071.02**

[A] Expenditures associated with pledged sources were approximately $584,490,586.94.

[B] In accordance with State Comptroller reporting requirements, the interest amounts on this schedule represent interest expense per the bond amortization schedules rather than interest on a full accrual basis.

UNIVERSITY OF NORTH TEXAS SYSTEM

Schedule 3 - Reconciliation of Cash in State Treasury

For the Fiscal Year Ended August 31, 2024

Cash in State Treasury	Unrestricted	Current Year Total
Local Revenue Fund 0258	$ 30,644,648.94	$ 30,644,648.94
Local Revenue Fund 0280	7,815,446.68	7,815,446.68
Local Revenue Fund 0292	6,340,770.15	6,340,770.15
Local Revenue Fund 0325	405,301.11	405,301.11
Local Revenue Fund 0819	345,827.56	345,827.56
Total Cash in State Treasury	**$ 45,551,994.44**	**$ 45,551,994.44**