

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

ANNUAL FINANCIAL REPORT

UNAUDITED

FISCAL YEAR ENDED AUGUST 31, 2019



The University of Texas at Arlington ® The University of Texas at Austin ® The University of Texas at Dallas
® The University of Texas at El Paso ® The University of Texas of the Permian Basin ® The University of Texas
Rio Grande Valley ® The University of Texas at San Antonio ® The University of Texas at Tyler ® The University
of Texas Southwestern Medical Center ® The University of Texas Medical Branch at Galveston ® The University
of Texas Health Science Center at Houston ® The University of Texas Health Science Center at San Antonio
® The University of Texas M. D. Anderson Cancer Center ® The University of Texas Health Science Center at
Tyler ® The University of Texas System Administration

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

FINANCIAL STATEMENTS

Presented herein are the financial statements with detailed supportive schedules for The University of Texas Rio Grande Valley for the year ended August 31, 2019. These Statements and detailed supportive schedules have been prepared in compliance with applicable State statutes, Governmental Accounting Standards Board pronouncements, and the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements.

This "detailed internal report" supplements the consolidated published Annual Financial Report of The University of Texas System and is intended to be for limited distribution primarily to financial and academic officers of the University who need access to the details included herein. It also provides an historical record of transactions relating to this particular institution.

The Annual Financial Report for public distribution for The University of Texas System includes primary statements on a consolidated System-wide basis, including footnotes and Managements' Discussion and Analysis.

The University of Texas System Board of Regents

Senior Administrative Officials, The University of Texas System

Principal Administrative Officers and the Business & Financial Staff,
The University of Texas Rio Grande Valley

At August 31, 2019

Officers

Kevin P. Eltife, Chairman

Janiece Longoria, Vice Chairman

James Conrad "Rad" Weaver, Vice Chairman

Francie A. Frederick, General Counsel to the Board of Regents

Members

	Term Expiration *	
David J. Beck	February 1, 2021	Houston
R. Steven "Steve" Hicks	February 1, 2021	Austin
Nolan E. Perez	February 1, 2021	Harlingen
Kevin P. Eltife	February 1, 2023	Tyler
Janiece Longoria	February 1, 2023	Houston
James Conrad "Rad" Weaver	February 1, 2023	San Antonio
Christina Melton Crain	February 1, 2025	Dallas
Jodie Lee Jiles	February 1, 2025	Houston
Kelcy L. Warren	February 1, 2025	Dallas
Daniel R. Dominguez (Student Regent)	May 31, 2020	El Paso

* Each Regent's term expires when a successor has been appointed, qualified, and taken the oath of office.

The Student Regent serves a one-year term.

System Administration

James B. Milliken	Chancellor
Scott C. Kelley	Executive Vice Chancellor for Business Affairs
Steven W. Leslie	Executive Vice Chancellor for Academic Affairs
Amy Shaw Thomas	Executive Vice Chancellor for Health Affairs, <i>ad interim</i>
Stephanie A. Bond Huie	Vice Chancellor for Institutional Research and Analysis
David L. Lakey	Vice Chancellor for Health Affairs and Chief Medical Officer
Stacey Napier	Vice Chancellor for Governmental Relations
Randa S. Safady	Vice Chancellor for External Relations, Communications, and Advancement Services
Daniel H. Sharporn	Vice Chancellor and General Counsel
Thomas Britton "Britt" Harris IV	President, CEO and Chief Investment Officer-UTIMCO

The University of Texas Rio Grande Valley

Guy Bailey	President
Janna Arney	Deputy President
Patricia Alvarez McHatton	Executive Vice President for Academic Affairs, Student Success and P-16 Integration
Rick Anderson	Executive Vice President for Finance and Administration
John H. Krouse	Executive Vice President for Health Affairs and Dean, School of Medicine
Parwinder Grewal	Executive Vice President for Research, Graduate Studies & New Program Development
Kelly Scrivner	Executive Vice President for Institutional Advancement
Maggie Hinojosa	Vice President for Strategic Enrollment
Veronica Gonzales	Vice President for Governmental and Community Relations
Chasse Conque	Vice President and Director of Athletics

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The University of Texas Rio Grande Valley
Exhibit A Statement of Net Position
As of August 31, 2019

	Current YearTotals	Prior YearTotals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 81,095,198.60	87,182,472.45
Restricted Cash & Cash Equivalents	(429,190.45)	(15,398,727.51)
Balance in State Appropriations	13,456,730.58	12,560,493.44
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2019 & \$0.00 in 2018)	31,764,924.65	27,932,313.89
Other Intergov. (allow. \$0.00 in 2019 & \$0.00 in 2018)	4,266,843.85	5,269,432.73
Student (allow. \$4,703,807.50 in 2019 & \$3,255,594.60 in 2018)	11,376,737.22	15,021,979.28
Patient & Healthcare(allow. \$34,749,297.23 in 2019 & \$24,862,773.57 in 2018)	5,180,479.42	5,528,075.73
Interest and Dividend Receivables	309,406.55	288,428.82
Contributions (allow. \$31,065.62 in 2019 & \$32,857.75 in 2018)	6,030,383.45	6,588,384.38
Other (allow. \$153,420.71 in 2019 & \$0.00 in 2018)	18,540,074.60	18,792,812.66
Due From System Administration	17,709,411.55	19,468,316.64
Due From Other Institutions	368,858.56	373,884.03
Due From Other Agencies	797,447.31	806,304.03
Inventories	357,887.96	227,531.99
Loans & Contracts (allow. \$9,600,588.40 in 2019 & \$7,233,937.75 in 2018)	12,117,959.18	18,088,730.71
Other Current Assets	523,615.83	396,089.21
Total Current Assets	203,466,768.86	203,126,522.48
Noncurrent Assets:		
Restricted Investments	3,129,213.21	2,973,056.28
Loans & Contracts (allow. \$1,050,184.02 in 2019 & \$1,030,992.84 in 2018)	118,934.41	287,905.95
Funds Held by System Administration (Restricted)	43,153,808.03	62,253,725.41
Contributions Rec. (allow. \$157,557.61 in 2019 & \$158,413.32 in 2018)	7,020,269.26	7,746,413.29
Unrestricted Investments	116,111,783.77	110,295,466.96
Funds Held by System Administration (Unrestricted)	21,115,825.98	
Other Noncurrent Assets	470,026.00	1.00
Gross Capital/Intangible Assets	1,161,553,060.73	1,104,160,995.09
Accumulated Depreciation/Amortization	(512,362,497.36)	(464,108,458.76)
Total Noncurrent Assets	840,310,424.03	823,609,105.22
Total Assets	1,043,777,192.89	1,026,735,627.70
Total Assets and Deferred Outflows	1,043,777,192.89	1,026,735,627.70
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	34,884,658.78	42,310,794.45
Salaries Payable	17,903,243.34	20,100,531.53
Federal Payables		1,126,982.25
Other Intergovernmental Payables	15,982.89	
Due To System Administration	3,921,765.93	3,575,480.82
Due To Other Institutions	94,224.72	159,960.85
Due To Other State Agencies	2,431,406.41	2,086,214.24
Unearned Revenue	87,542,937.03	66,092,728.83
Employees' Compensable Leave - Current Portion	3,637,232.42	3,193,100.37
Notes, Loans, and Leases Payable		
Other Current Liabilities	1,967,561.95	690,967.81
Total Current Liabilities	152,399,013.47	139,336,761.15
Noncurrent Liabilities:		
Employees' Compensable Leave	6,970,199.47	5,865,228.48
Assets Held for Others		3,508,546.98
Liability to Beneficiaries	147,728.79	148,889.70
Notes, Loans, and Leases Payable		
Total Noncurrent Liabilities	7,117,928.26	9,522,665.16
Total Liabilities	159,516,941.73	148,859,426.31
Total Deferred Inflows of Resources	649,217.61	169,061.00
Total Liabilities and Deferred Inflows	160,166,159.34	149,028,487.31
NET POSITION		
Net Investment in Capital Assets	649,190,563.37	640,052,536.33
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	29,024,890.50	26,648,778.11
Expendable		
Capital Projects	3,275,273.08	(4,544,697.33)
Funds Functioning as Endowment (Restricted)	1,769,303.25	1,714,792.48
Other Expendable	44,912,581.82	51,727,026.68
Unrestricted	155,438,421.53	162,108,704.12
Total Net Position	\$ 883,611,033.55	877,707,140.39

The University of Texas Rio Grande Valley
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2019

	Current YearTotals	Prior YearTotals
Operating Revenues:		
Student Tuition and Fees	\$ 220,509,262.93	208,711,662.98
Discounts and Allowances	(115,292,048.66)	(114,960,061.01)
Federal Sponsored Programs	41,110,393.94	39,504,804.25
Federal Sponsored Programs Pass-Through from State Agencies	2,050,875.99	2,128,300.43
State Sponsored Programs Pass-Through from State Agencies	42,154,061.10	43,874,022.72
Local Sponsored Programs	26,469,754.37	27,123,031.77
Private Sponsored Programs	8,754,078.73	6,116,357.10
Sales and Services of Educational Activities	7,736,328.44	6,751,251.15
Professional Fees (Patient Charges)	17,819,013.52	14,435,048.56
Discounts and Allowances Professional Fees (Patient Charges)	(12,602,275.15)	(9,970,724.21)
Auxiliary Enterprises	9,425,690.20	9,680,546.68
Other Operating Revenues	13,411,107.46	14,752,357.23
Total Operating Revenues	261,546,242.87	248,146,597.65
Operating Expenses:		
Instruction	153,791,028.41	156,907,599.17
Research	44,386,004.15	21,701,258.17
Public Service	19,015,671.86	19,192,994.05
Hospitals / Clinics	29,320,229.18	26,329,255.96
Academic Support	53,187,981.91	49,496,430.06
Student Services	30,497,238.16	32,623,673.28
Institutional Support	37,830,799.59	36,612,328.52
Operations and Maintenance of Plant	36,575,818.87	33,481,190.91
Scholarships and Fellowships	53,491,586.16	38,771,697.92
Auxiliary Enterprises	28,221,315.45	27,447,537.97
Depreciation and Amortization	48,650,301.97	41,228,680.33
Total Operating Expenses	534,967,975.71	483,792,646.34
Operating Income (Loss)	(273,421,732.84)	(235,646,048.69)
Nonoperating Revenues (Expenses):		
State Appropriations	141,965,152.03	143,176,044.61
Federal Nonexchange Sponsored Programs	89,883,953.60	78,328,085.08
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Gift Contributions for Operations	4,644,752.66	2,668,953.79
Investment Income	9,695,568.19	8,668,636.33
Net Increase (Decrease) in Fair Value of Investments	2,076,315.19	2,404,221.36
Gain (Loss) on Sale of Capital Assets	(7,796.01)	(15,008.05)
Other Nonoperating (Expenses)	(80,000.00)	(806,472.12)
Net Nonoperating Revenues (Expenses)	248,177,945.66	234,424,461.00
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(25,243,787.18)	(1,221,587.69)
Gifts and Sponsored Programs for Capital Acquisitions	1,263,922.00	2,543,529.33
Additions to Permanent Endowments	2,375,149.29	1,436,112.20
Reclass from/(to) Other Institutions	38,529,479.73	46,584,236.49
Capital Asset Purchases		
Transfers Between Institutions & System, Debt Service - Mandatory	(25,529,026.11)	(25,521,481.96)
Transfers Between Institutions & System Admin. - Non mandatory	14,100,093.43	32,761,565.21
Transfers From Other State Agencies	410,532.00	475,325.00
Legislative Appropriations Lapsed	(2,470.00)	(748,494.00)
Transfers Between Funds		
Change in Net Position	5,903,893.16	56,309,204.58
Beginning Net Position	877,707,140.39	821,397,935.81
Ending Net Position	\$ 883,611,033.55	877,707,140.39

The University of Texas Rio Grande Valley
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2019

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	110,095,577.59	95,504,737.31
Proceeds from Patients and Customers	5,564,334.68	3,067,262.99
Proceeds from Sponsored Programs	141,661,024.53	111,749,049.54
Proceeds from Auxiliaries	9,390,826.66	11,311,011.46
Proceeds from Other Revenues	20,695,101.20	22,482,224.87
Payments to Suppliers	(164,537,599.85)	(134,641,758.06)
Payments to Employees	(329,892,411.43)	(300,110,560.00)
Payments for Loans Provided	(10,875,671.35)	(17,183,380.06)
Proceeds from Loan Programs	17,097,476.62	13,362,873.29
Net Cash Provided (Used) by Operating Activities	<u>(200,801,341.35)</u>	<u>(194,458,538.66)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	141,066,444.89	154,891,679.95
Proceeds from Operating Gifts	5,928,897.62	5,728,998.77
Proceeds from Private Gifts for Endowment Purposes	2,375,149.29	1,436,112.20
Proceeds from Other Noncapital Financing Activities	(49,601.36)	49,601.36
Receipts for Transfers from System or Other Agencies	784,000.88	2,715,417.43
Payments for Transfers to System or Other Agencies	-	(1,215,470.84)
Payments for Other Uses	(80,000.00)	(806,472.12)
Proceeds from Nonexchange Sponsored Programs	88,108,238.29	102,687,678.33
Net Cash Provided by Noncapital Financing Activities	<u>238,133,129.61</u>	<u>265,487,545.08</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	54,018,898.55	84,460,162.03
Proceeds from Capital Appropriations, Grants, and Gifts	-	2,500,000.00
Proceeds from Sale of Capital Assets	9,653.83	14,943.75
Payments for Additions to Capital Assets	(60,716,655.15)	(100,042,694.49)
Mandatory Transfers to System for Capital Related Debt	(25,529,026.11)	(25,521,481.96)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(32,217,128.88)</u>	<u>(38,589,070.67)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	1,754,207.84	1,108,307.26
Proceeds from Interest and Investment Income Invested by System	7,916,493.44	7,547,613.78
Payments to Acquire Investments Invested by System	(5,903,097.45)	(8,353,965.72)
Net Cash Provided (Used) by Investing Activities	<u>3,767,603.83</u>	<u>301,955.32</u>
Net Increase (Decrease) in Cash	8,882,263.21	32,741,891.07
Cash and Cash Equivalents (Beginning of the Year)	71,783,744.94	39,041,853.87
Cash and Cash Equivalents (End of the Year)	<u>\$ 80,666,008.15</u>	<u>\$ 71,783,744.94</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(273,421,732.84)	(235,646,048.69)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	48,650,301.97	41,228,680.33
Bad Debt Expense	(82,062.20)	2,858,080.55
Changes in Assets and Liabilities:		
Accounts Receivable	3,205,152.05	(8,376,944.37)
Inventories	(130,355.97)	(34,108.28)
Loans and Contracts	6,221,805.27	(3,820,506.77)
Other Current and Noncurrent Assets	(127,525.62)	155,438.19
Accounts Payable	(6,230,567.52)	2,308,960.66
Due to System	346,285.11	265,770.79
Unearned Revenue	21,450,208.20	3,685,082.70
Assets Held for Others	(3,508,546.98)	2,365,786.90
Employees' Compensable Leave	1,549,103.04	952,426.12
Other Current and Noncurrent Liabilities	1,276,594.14	(401,156.79)
Total Adjustments	<u>72,620,391.49</u>	<u>41,187,510.03</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (200,801,341.35)</u>	<u>\$ (194,458,538.66)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	2,076,315.19	2,404,221.36
Donated Capital Assets	1,263,922.00	43,529.33
Miscellaneous Noncash Transactions	(7,796.01)	(15,008.05)

The University of Texas Rio Grande Valley

Exhibit D Comparison of Budget to Actual Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended August 31, 2019

	Operating Budget	Actual
OPERATING REVENUES:		
Net Student Tuition and Fees	\$ 115,250,834.00	105,217,214.27
Federal Sponsored Programs	35,274,604.00	43,161,269.93
State Sponsored Programs	43,893,994.00	42,154,061.10
Local and Private Sponsored Programs	34,600,128.00	35,223,833.10
Net Sales and Services of Educational Activities	6,620,834.00	7,736,328.44
Net Professional Fees	10,105,675.00	5,216,738.37
Net Auxiliary Enterprises	9,799,435.00	9,425,690.20
Other Operating Revenues	9,018,872.00	13,411,107.46
Total Operating Revenues	<u>264,564,376.00</u>	<u>261,546,242.87</u>
OPERATING EXPENSES:		
Instruction	136,920,949.00	153,791,028.41
Research	38,940,686.00	44,386,004.15
Public Service	12,874,370.00	19,015,671.86
Hospitals / Clinics	40,768,232.00	29,320,229.18
Academic Support	46,839,240.00	53,187,981.91
Student Services	27,827,972.00	30,497,238.16
Institutional Support	41,865,046.00	37,830,799.59
Operations and Maintenance of Plant	35,108,225.00	36,575,818.87
Scholarships and Fellowships	66,137,985.00	53,491,586.16
Auxiliary Enterprises	27,426,334.00	28,221,315.45
Depreciation and Amortization	53,855,869.00	48,650,301.97
Total Operating Expenses	<u>528,564,908.00</u>	<u>534,967,975.71</u>
Operating Income (Loss)	<u>(264,000,532.00)</u>	<u>(273,421,732.84)</u>
NONOPERATING REVENUES (EXPENSES):		
State Appropriations	148,548,273.00	141,965,152.03
Federal Nonexchange Sponsored Programs	85,000,000.00	89,883,953.60
Gift Contributions for Operations	5,854,117.00	4,644,752.66
Investment Income	7,117,494.00	9,695,568.19
Net Increase (Decrease) in Fair Value of Investments		2,076,315.19
Other Nonoperating Revenues (Expenses)		(87,796.01)
Net Nonoperating Revenues (Expenses)	<u>246,519,884.00</u>	<u>248,177,945.66</u>
TRANSFERS AND OTHERS:		
Capital Appropriations, Gifts, and Sponsored Programs	170,000.00	1,263,922.00
Additions to Permanent Endowments	897,600.00	2,375,149.29
Transfers for Debt Service	(25,532,131.00)	(25,529,026.11)
Transfers and Other	21,210,596.00	53,037,635.16
Total Transfers and Other	<u>(3,253,935.00)</u>	<u>31,147,680.34</u>
Change in Net Position	<u>\$ (20,734,583.00)</u>	<u>5,903,893.16</u>