

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

ANNUAL FINANCIAL REPORT

UNAUDITED

FISCAL YEAR ENDED AUGUST 31, 2021



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 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 System Administration

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

FINANCIAL STATEMENTS

Presented herein are the primary financial statements for The University of Texas Rio Grande Valley for the year ended August 31, 2021. These Statements 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 "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 a 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, 2021

Officers

Kevin P. Eltife, Chairman

Janiece Longoria, Vice Chairman

James C. "Rad" Weaver, Vice Chairman

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

Members

	Term Expiration *	
R. Steven Hicks	February 1, 2023	Austin
Janiece Longoria	February 1, 2023	Houston
James C. "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
Kevin P. Eltife	February 1, 2027	Tyler
Nolan Perez	February 1, 2027	Harlingen
Stuart W. Stedman	February 1, 2027	Houston
Thuy Dan "Mimi" Nguyen (Student Regent)	May 31, 2022	Austin

* 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
Archie L. Holmes, Jr.	Executive Vice Chancellor for Academic Affairs
John M. Zerwas	Executive Vice Chancellor for Health Affairs
Amy Shaw Thomas	Senior Vice Chancellor for Health Affairs
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	Executive Vice President and Provost
Rick Anderson	Executive Vice President for Finance and Administration
Michael Mueller	Vice President for Finance and Planning
Michael Hocker	Dean, School of Medicine
Parwinder Grewal	Executive Vice President for Research, Graduate Studies & New Program Development
Kelly Nassour	Executive Vice President for Institutional Advancement
Maggie Hinojosa	Senior Vice President for Strategic Enrollment and Student Affairs
Veronica Gonzales	Senior Vice President for Governmental and Community Relations
Chasse Conque	Vice President and Director of Athletics

TABLE OF CONTENTS
THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

PRIMARY STATEMENTS

Exhibit A -- Statement of Net Position
Exhibit B -- Statement of Revenues, Expenses, and Changes in Net Position
Exhibit C -- Statement of Cash Flows

The University of Texas Rio Grande Valley
Exhibit A Statement of Net Position
As of August 31, 2021

	Current YearTotals	Prior YearTotals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 191,175,023.97	107,309,537.74
Restricted Cash & Cash Equivalents	5,849,189.04	22,918,773.37
Balance in State Appropriations	18,093,431.99	11,220,292.60
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2021 & \$0.00 in 2020)	36,392,607.62	31,002,491.14
Other Intergov. (allow. \$0.00 in 2021 & \$0.00 in 2020)	6,723,838.17	4,224,272.75
Student (allow. \$4,291,218.69 in 2021 & \$4,991,373.93 in 2020)	12,134,919.87	13,644,786.82
Patient & Healthcare(allow. \$2,258,424.98 in 2021 & \$1,846,466.93 in 2020)	8,032,506.60	7,091,072.57
Interest and Dividend Receivables	382,130.72	331,254.32
Contributions (allow. \$33,935.89 in 2021 & \$34,008.87 in 2020)	3,940,486.12	4,321,930.86
Other (allow. \$153,420.71 in 2021 & \$153,420.71 in 2020)	21,314,693.40	21,399,928.30
Due From System Administration	19,639,439.38	14,248,462.27
Due From Other Institutions	296,259.08	199,443.95
Due From Other Agencies	596,276.13	2,870,073.58
Inventories	783,008.21	809,448.75
Loans & Contracts (allow. \$8,472,599.12 in 2021 & \$10,161,273.64 in 2020)	9,043,142.39	13,316,409.91
Other Current Assets	998,718.77	788,407.11
Total Current Assets	335,395,671.46	255,696,586.04
Noncurrent Assets:		
Restricted Investments	3,861,577.88	3,405,298.69
Loans & Contracts (allow. \$561,543.44 in 2021 & \$711,022.90 in 2020)	139,612.16	176,982.03
Funds Held by System Administration (Restricted)	64,930,577.35	47,147,934.94
Contributions Rec. (allow. \$161,899.00 in 2021 & \$162,671.10 in 2020)	5,299,389.82	6,681,456.65
Unrestricted Investments	143,389,883.43	126,395,031.33
Funds Held by System Administration (Unrestricted)	69,496,054.40	21,943,629.43
Other Noncurrent Assets	497,247.00	359,113.00
Gross Capital/Intangible Assets	1,252,970,560.05	1,193,419,906.10
Accumulated Depreciation/Amortization	(611,318,679.20)	(562,357,938.27)
Total Noncurrent Assets	929,266,222.89	837,171,413.90
Total Assets	1,264,661,894.35	1,092,867,999.94
Total Assets and Deferred Outflows	1,264,661,894.35	1,092,867,999.94
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	50,604,520.15	35,795,540.56
Salaries Payable	23,111,914.48	22,747,202.20
Federal Payables		
Other Intergovernmental Payables	85,854.32	11,354.32
Due To System Administration	4,596,199.20	4,441,670.53
Due To Other Institutions	293,761.51	177,874.07
Due To Other State Agencies	484,483.70	1,583,968.54
Unearned Revenue	114,849,680.49	118,893,631.85
Employees' Compensable Leave - Current Portion	4,700,552.30	4,176,388.72
Notes, Loans, and Leases Payable	15,760.98	16,494.82
Other Current Liabilities	3,200,149.02	2,329,564.90
Total Current Liabilities	201,942,876.15	190,173,690.51
Noncurrent Liabilities:		
Employees' Compensable Leave	8,530,020.07	8,711,290.45
Liability to Beneficiaries	155,866.74	168,941.17
Notes, Loans, and Leases Payable	15,760.98	15,760.98
Total Noncurrent Liabilities	8,685,886.81	8,895,992.60
Total Liabilities	210,628,762.96	199,069,683.11
Total Deferred Inflows of Resources	715,457.44	538,304.61
Total Liabilities and Deferred Inflows	211,344,220.40	199,607,987.72
NET POSITION		
Net Investment in Capital Assets	641,636,119.87	631,029,712.03
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	36,553,861.94	31,204,321.54
Expendable		
Capital Projects	7,621,931.34	9,499,120.61
Funds Functioning as Endowment (Restricted)	2,354,424.48	1,838,872.64
Other Expendable	58,099,411.43	44,788,283.86
Unrestricted	307,051,924.89	174,899,701.54
Total Net Position	\$ 1,053,317,673.95	893,260,012.22

The University of Texas Rio Grande Valley
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2021

	Current YearTotals	Prior YearTotals
Operating Revenues:		
Student Tuition and Fees	\$ 282,218,756.82	249,967,850.18
Discounts and Allowances	(137,495,626.10)	(137,541,524.59)
Federal Sponsored Programs	39,942,060.95	38,389,200.16
Federal Sponsored Programs Pass-Through from State Agencies	5,874,680.71	1,878,036.20
State Sponsored Programs Pass-Through from State Agencies	47,247,887.44	48,657,569.92
Local Sponsored Programs	31,122,745.80	25,801,176.14
Private Sponsored Programs	13,778,677.45	13,219,513.79
Sales and Services of Educational Activities	7,375,716.32	6,302,957.19
Professional Fees (Patient Charges)	55,925,261.06	41,029,707.88
Discounts and Allowances Professional Fees (Patient Charges)	(35,606,626.80)	(25,194,371.81)
Auxiliary Enterprises	4,255,843.24	7,068,847.17
Discounts and Allowances Auxiliary Enterprises	(219,605.37)	(692,660.66)
Other Operating Revenues	21,901,296.71	21,746,700.18
Total Operating Revenues	<u>336,321,068.23</u>	<u>290,633,001.75</u>
Operating Expenses:		
Instruction	177,873,376.22	174,822,171.87
Research	45,995,903.37	45,129,371.49
Public Service	13,560,325.90	11,121,261.20
Hospitals / Clinics	48,964,416.31	37,088,906.04
Academic Support	63,345,005.72	66,554,937.13
Student Services	42,706,685.64	27,606,160.40
Institutional Support	37,604,860.51	38,849,871.87
Operations and Maintenance of Plant	39,683,752.14	37,563,912.40
Scholarships and Fellowships	117,100,564.49	67,156,172.36
Auxiliary Enterprises	25,258,572.05	26,100,944.52
Depreciation and Amortization	51,895,678.93	51,720,408.21
Total Operating Expenses	<u>663,989,141.28</u>	<u>583,714,117.49</u>
Operating Income (Loss)	<u>(327,668,073.05)</u>	<u>(293,081,115.74)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	150,506,095.30	155,971,875.76
Federal Nonexchange Sponsored Programs	202,668,399.71	114,155,682.85
Federal Nonexchange Pass-Through	7,698,367.00	
State Nonexchange Pass-Through		
Gift Contributions for Operations	46,254,665.06	3,837,073.78
Investment Income	9,542,669.37	8,732,396.42
Net Increase (Decrease) in Fair Value of Investments	33,294,824.01	9,550,735.29
Gain (Loss) on Sale of Capital Assets	(117,899.19)	(52,327.47)
Other Nonoperating Revenues	9,092,816.03	705,063.32
Other Nonoperating (Expenses)		(1,030,747.44)
Net Nonoperating Revenues (Expenses)	<u>458,939,937.29</u>	<u>291,869,752.51</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	131,271,864.24	(1,211,363.23)
Gifts and Sponsored Programs for Capital Acquisitions	(54,185.65)	133,900.84
Additions to Permanent Endowments	5,251,829.60	2,119,267.83
Reclass from/(to) Other Institutions	22,505,556.71	(33,762,360.43)
Capital Asset Purchases		
Transactions Between Funds		
Transfers Between Institutions & System, Debt Service - Mandatory	(20,217,586.51)	(24,458,023.92)
Transfers Between Institutions & System Admin. - Non mandatory	15,087,725.00	64,750,002.19
Transfers From Other State Agencies	6,361,238.00	2,125,719.00
Transfers to Other State Agencies	(148,779.66)	(15,443.12)
Legislative Appropriations Lapsed		(32,720.49)
Transfers Between Funds		
Change in Net Position	<u>160,057,661.73</u>	<u>9,648,978.67</u>
Beginning Net Position	893,260,012.22	883,611,033.55
Ending Net Position	<u>\$ 1,053,317,673.95</u>	<u>893,260,012.22</u>

The University of Texas Rio Grande Valley
Exhibit C Statement of Cash Flows
For the Year Ended August 31, 2021

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 147,546,147.52	\$ 122,015,272.86
Proceeds from Patients and Customers	19,377,200.23	13,924,742.92
Proceeds from Sponsored Programs	126,245,050.33	107,743,647.34
Proceeds from Auxiliaries	4,417,117.60	6,688,399.10
Proceeds from Other Revenues	24,204,958.61	51,631,978.92
Payments to Suppliers	(222,800,884.81)	(163,830,877.78)
Payments to Employees	(381,223,453.31)	(354,951,077.29)
Payments for Loans Provided	(12,103,191.52)	(15,202,667.80)
Proceeds from Loan Programs	16,870,318.22	14,541,904.22
Net Cash Provided (Used) by Operating Activities	<u>(277,466,737.13)</u>	<u>(217,438,677.51)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	143,632,955.91	158,175,593.25
Proceeds from Operating Gifts	48,018,176.63	5,884,338.98
Proceeds from Private Gifts for Endowment Purposes	5,251,829.60	2,119,267.83
Proceeds from Other Noncapital Financing Activities	94,045,444.43	81,992,178.12
Receipts for Transfers from System or Other Agencies	9,845,308.69	5,912,102.33
Payments for Transfers to System or Other Agencies	(148,779.66)	(285.00)
Payments for Other Uses	(83,283,870.77)	(81,596,988.44)
Proceeds from Nonexchange Sponsored Programs	210,835,190.27	125,004,323.70
Net Cash Provided by Noncapital Financing Activities	<u>428,196,255.10</u>	<u>297,490,530.77</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	28,718,147.82	30,658,510.71
Proceeds from Sale of Capital Assets	5,772.00	3,706.57
Payments for Additions to Capital Assets	(52,449,903.36)	(39,598,958.58)
Payments of Principal on Capital Related Debt	(16,494.82)	-
Mandatory Transfers to System for Capital Related Debt	(20,217,586.51)	(24,458,023.92)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(43,960,064.87)</u>	<u>(33,394,765.22)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	216,739.90	957,490.75
Proceeds from Interest and Investment Income Invested by System	9,275,139.16	7,757,039.90
Payments to Acquire Investments Invested by System	(49,465,430.26)	(5,809,315.73)
Net Cash Provided (Used) by Investing Activities	<u>(39,973,551.20)</u>	<u>2,905,214.92</u>
Net Increase (Decrease) in Cash	66,795,901.90	49,562,302.96
Cash and Cash Equivalents (Beginning of the Year)	130,228,311.11	80,666,008.15
Cash and Cash Equivalents (End of the Year)	<u>\$ 197,024,213.01</u>	<u>\$ 130,228,311.11</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(327,668,073.05)	(293,081,115.74)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	51,895,678.93	51,720,408.21
Gross Loss on Impairment of Capital Assets	-	1,565,374.39
Bad Debt Expense	(456,489.31)	(595,734.77)
Changes in Assets and Liabilities:		
Accounts Receivable	(7,091,139.72)	(19,706,218.15)
Inventories	26,440.54	(451,560.79)
Loans and Contracts	4,767,126.70	(660,763.58)
Other Current and Noncurrent Assets	(210,311.66)	(264,791.28)
Accounts Payable	3,945,975.81	9,522,874.55
Due to System	154,528.67	519,904.60
Unearned Revenue	(4,043,951.36)	31,350,694.82
Employees' Compensable Leave	342,893.20	2,280,247.28
Other Current and Noncurrent Liabilities	870,584.12	362,002.95
Total Adjustments	<u>50,201,335.92</u>	<u>75,642,438.23</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (277,466,737.13)</u>	<u>\$ (217,438,677.51)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	33,294,824.01	9,550,735.29
Donated Capital Assets	(54,185.65)	133,900.84
Capital Assets Acquired Under Capital Lease Purchases or Direct Borrowings	-	32,255.80
Miscellaneous Noncash Transactions	(117,899.19)	(1,633,144.98)