

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

ANNUAL FINANCIAL REPORT

UNAUDITED

FISCAL YEAR ENDED AUGUST 31, 2023



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 financial statements for The University of Texas Rio Grande Valley for the year ended August 31, 2023. 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 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

Executive 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, 2023

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 *	
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
Janiece Longoria	February 1, 2029	Houston
James C. "Rad" Weaver	February 1, 2029	San Antonio
Robert P. Gauntt	February 1, 2029	Austin
John Michael Austin (Student Regent)	May 31, 2024	San Antonio

* 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.

The University of Texas System Executive Administration

James B. Milliken	Chancellor
Jonathan C. Pruitt	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
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. Sharphorn	Vice Chancellor and General Counsel
Thomas Britton "Britt" Harris IV	President and Chief Executive Officer-UTIMCO
Rich Hall	Chief Investment Officer-UTIMCO

The University of Texas Rio Grande Valley

Guy Bailey	President
Luis H. Zayas	Provost and Senior Vice President for Academic Affairs
Michael Mueller	Executive Vice President for Finance and Business Affairs, Chief Financial Officer
Michael B. Hocker	Dean, School of Medicine and Senior Vice President for UT Health Rio Grande Valley
Javier La Fontaine	Dean, School of Podiatric Medicine
Can (John) Saygin	Senior Vice President for Research and Dean, Graduate College
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
Patrick Gonzales	Vice President for University Marketing and Communications
Chasse Conque	Vice President and Director of Athletics
Samantha Allen	Chief of Staff

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The University of Texas Rio Grande Valley
Exhibit A Statement of Net Position
As of August 31, 2023

	Current YearTotals	Prior YearTotals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 114,374,250.17	85,055,282.60
Restricted Cash & Cash Equivalents	(16,094,029.96)	20,239,743.76
Balance in State Appropriations	11,028,145.77	13,321,381.33
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2023 & \$0.00 in 2022)	32,139,174.75	34,472,671.98
Other Intergov. (allow. \$0.00 in 2023 & \$0.00 in 2022)	6,470,069.15	5,846,983.26
Student (allow. \$9,623,558.43 in 2023 & \$7,961,527.57 in 2022)	13,245,148.54	14,086,956.64
Patient & Healthcare(allow. \$1,575,327.45 in 2023 & \$7,775,558.35 in 2022)	3,675,764.06	6,684,167.69
Interest and dividends	583,194.97	620,616.45
Contributions (allow. \$41,730.70 in 2023 & \$36,976.19 in 2022)	6,158,756.84	5,446,566.61
Other (allow. \$153,420.71 in 2023 & \$153,420.71 in 2022)	28,166,437.70	21,845,776.95
Lease Receivable (Current)	52,029.95	137,887.66
P3 Receivable (Current)	5,156.66	597,370.50
Due From System Administration	62,522,408.27	14,005,160.19
Due From Other Institutions	1,022,804.50	939,439.19
Due From Other Agencies	11,562,013.60	7,009,015.26
Inventories	180,173.48	194,486.41
Loans & Contracts (allow. \$15,068,974.69 in 2023 & \$13,968,882.83 in 2022)	10,479,437.67	9,713,156.25
Other Current Assets	592,240.83	537,759.62
Total Current Assets	<u>286,163,176.95</u>	<u>240,754,422.35</u>
Noncurrent Assets:		
Restricted Investments	6,259,460.90	6,243,704.19
Loans & Contracts (allow. \$279,757.27 in 2023 & \$426,575.26 in 2022)	69,165.62	105,870.12
Funds Held by System Administration (Restricted)	72,172,804.57	66,636,950.83
Contributions Rec. (allow. \$173,796.02 in 2023 & \$163,728.25 in 2022)	3,299,619.61	4,185,805.25
Unrestricted Investments	217,511,719.91	232,116,012.77
Funds Held by System Administration (Unrestricted)	62,088,265.26	62,366,436.87
Lease Receivable (Noncurrent)	163,403.26	896,756.54
Other Noncurrent Assets	775,868.76	657,137.80
P3 Receivable	7,230,594.19	7,230,594.19
Gross Capital/Intangible Assets	1,435,091,685.72	1,351,168,387.45
Accumulated Depreciation/Amortization	(722,171,744.00)	(671,373,006.80)
Total Noncurrent Assets	<u>1,082,490,843.80</u>	<u>1,060,234,649.21</u>
Total Assets	<u>1,368,654,020.75</u>	<u>1,300,989,071.56</u>
Total Assets and Deferred Outflows	<u>1,368,654,020.75</u>	<u>1,300,989,071.56</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	32,605,505.72	33,260,429.09
Salaries Payable	25,865,909.33	25,342,485.07
Other Intergovernmental Payables	487,579.32	392,600.32
Due To System Administration	5,087,879.73	4,774,149.72
Due To Other Institutions	147,709.39	391,781.23
Due To Other State Agencies	650,277.38	1,867,988.37
Unearned Revenue	116,938,897.12	112,703,737.23
Employees' Compensable Leave (Current)	6,655,430.36	5,489,756.87
Notes, Loans, and Leases Payable (Current)	7,575,249.49	4,924,235.66
Other Current Liabilities	3,297,187.12	2,134,025.47
Total Current Liabilities	<u>199,311,624.96</u>	<u>191,281,189.03</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	8,376,969.55	8,974,753.04
Liability to Beneficiaries	122,015.57	124,189.86
Notes, Loans, and Leases Payable (Noncurrent)	24,974,748.48	26,734,713.91
Other Noncurrent Liabilities	223,722.88	65,907.40
Total Noncurrent Liabilities	<u>33,697,456.48</u>	<u>35,899,564.21</u>
Total Liabilities	<u>233,009,081.44</u>	<u>227,180,753.24</u>
Total Deferred Inflows of Resources	14,539,372.72	16,967,458.89
Total Liabilities and Deferred Inflows	<u>247,548,454.16</u>	<u>244,148,212.13</u>
NET POSITION		
Net Investment in Capital Assets	680,369,943.75	648,136,431.08
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	50,722,515.78	45,038,568.50
Expendable		
Capital Projects	46,807,642.06	9,651,391.69
Funds Functioning as Endowment (Restricted)	2,103,467.50	2,112,861.14
Other Expendable	46,752,704.79	48,107,782.12
Unrestricted	294,349,292.71	303,793,824.90
Total Net Position	<u>\$ 1,121,105,566.59</u>	<u>1,056,840,859.43</u>

The University of Texas Rio Grande Valley
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

	Current YearTotals	Prior YearTotals
Operating Revenues:		
Student Tuition and Fees	\$ 288,829,632.33	269,486,396.08
Discounts and Allowances	(174,378,003.80)	(139,998,854.75)
Federal Sponsored Programs	54,144,865.79	45,696,941.89
Federal Sponsored Programs Pass-Through from State Agencies	10,446,151.30	3,736,644.81
State Sponsored Programs Pass-Through from State Agencies	59,077,759.35	53,341,042.11
Local Sponsored Programs	19,521,949.26	32,225,199.98
Private Sponsored Programs	23,137,515.88	13,674,247.61
Sales and Services of Educational Activities	12,896,908.76	11,984,381.50
Professional Fees (Patient Charges)	48,380,484.70	54,535,634.84
Discounts and Allowances Professional Fees (Patient Charges)	(30,940,513.20)	(35,331,163.40)
Auxiliary Enterprises	11,159,978.73	8,494,338.69
Discounts and Allowances Auxiliary Enterprises	(257,485.34)	(500,676.49)
Other Operating Revenues	17,198,727.89	18,549,892.76
Total Operating Revenues	<u>339,217,971.65</u>	<u>335,894,025.63</u>
Operating Expenses:		
Instruction	212,989,670.50	194,674,559.66
Research	60,167,164.68	51,188,067.78
Public Service	17,556,216.72	11,667,077.93
Hospitals / Clinics	35,677,093.06	43,920,874.12
Academic Support	78,352,787.05	71,801,313.96
Student Services	35,470,880.79	40,176,172.92
Institutional Support	40,116,780.02	41,551,418.61
Operations and Maintenance of Plant	43,038,808.11	39,807,002.30
Scholarships and Fellowships	59,025,099.96	96,239,659.60
Auxiliary Enterprises	36,263,593.32	29,545,263.32
Depreciation and Amortization	61,898,224.54	59,163,741.35
Total Operating Expenses	<u>680,556,318.75</u>	<u>679,735,151.55</u>
Operating Income (Loss)	<u>(341,338,347.10)</u>	<u>(343,841,125.92)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	174,626,186.67	175,602,485.18
Federal Nonexchange Sponsored Programs	104,590,049.97	166,400,391.94
Federal Nonexchange Pass-Through	6,255,624.06	910,440.53
State Nonexchange Pass-Through		
Gift Contributions for Operations	6,908,800.20	5,624,555.29
Investment Income	17,125,027.84	17,392,659.00
Net Increase (Decrease) in Fair Value of Investments	1,851,657.19	(42,962,101.10)
Interest Expense on Capital Asset Financings	(353,132.33)	(266,731.54)
Gain (Loss) on Sale of Capital Assets	(85,374.98)	12,888.52
Other Nonoperating Revenues	1,385,499.62	3,840,774.29
Other Nonoperating (Expenses)	(749,542.49)	(83,721.88)
Net Nonoperating Revenues (Expenses)	<u>311,554,795.75</u>	<u>326,471,640.23</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(29,783,551.35)	(17,369,485.69)
Gifts and Sponsored Programs for Capital Acquisitions	1,079,461.86	1,028,594.55
Additions to Permanent Endowments	5,484,681.91	7,395,997.41
Reclass from/(to) Other Institutions	(52,679,543.56)	(111,328,419.31)
Capital Asset Purchases		
Transactions Between Funds		
Transfers Between Institutions & System, Debt Service - Mandatory	(24,601,842.62)	(24,557,587.62)
Transfers Between Institutions & System Admin. - Non mandatory	160,174,934.28	144,050,251.58
Transfers From Other State Agencies	4,599,053.05	4,477,784.32
Transfers to Other State Agencies	(8,486.41)	523.88
Legislative Appropriations Lapsed		
Transfers Between Funds		
Change in Net Position	<u>64,264,707.16</u>	<u>3,697,659.12</u>
Beginning Net Position	1,056,840,859.43	1,053,143,200.31
Ending Net Position	<u>\$ 1,121,105,566.59</u>	<u>1,056,840,859.43</u>

The University of Texas Rio Grande Valley
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2023

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 125,757,451.73	\$ 120,335,368.56
Proceeds from Patients and Customers	20,448,375.13	20,552,810.35
Proceeds from Sponsored Programs	158,075,550.88	144,923,227.80
Proceeds from Auxiliaries	9,947,809.22	8,453,232.55
Proceeds from Other Revenues	19,461,395.62	39,270,890.10
Payments to Suppliers	(184,399,712.41)	(216,973,251.17)
Payments to Employees	(439,387,827.29)	(404,790,799.32)
Payments for Loans Provided	(13,656,347.30)	(13,917,602.87)
Proceeds from Loan Programs	13,115,415.04	13,964,888.46
Net Cash Provided (Used) by Operating Activities	<u>(290,637,889.38)</u>	<u>(288,181,235.54)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	176,919,422.23	180,374,535.84
Proceeds from Operating Gifts	7,082,795.61	5,232,059.37
Proceeds from Private Gifts for Endowment Purposes	5,484,681.91	7,395,997.41
Proceeds from Other Noncapital Financing Activities	75,075,295.61	73,878,443.09
Receipts for Transfers from System or Other Agencies	15,090,287.49	6,946,743.63
Payments for Transfers to System or Other Agencies	(10,604.02)	(569,678.08)
Payments for Other Uses	(75,599,881.36)	(70,168,699.28)
Proceeds from Nonexchange Sponsored Programs	110,845,674.03	167,507,644.87
Net Cash Provided by Noncapital Financing Activities	<u>314,887,671.50</u>	<u>370,597,046.85</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	48,496,042.74	36,460,787.34
Proceeds from Capital Appropriations, Grants, and Gifts	1,001,207.58	1,000,000.00
Proceeds from Sale of Capital Assets	15,025.42	20,346.58
Payments for Additions to Capital Assets	(76,091,723.94)	(70,908,136.02)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(8,078,932.88)	(4,338,581.63)
Mandatory Transfers to System for Capital Related Debt	(24,601,842.62)	(24,557,587.62)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(353,132.33)	(266,731.54)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(59,613,356.03)</u>	<u>(62,589,902.89)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	11,185,576.98	-
Proceeds from Interest and Investment Income	3,641,473.94	3,340,180.38
Proceeds from Interest and Investment Income Invested by System	13,521,716.84	13,810,559.66
Payments to Acquire Investments Invested by System	-	(128,705,835.11)
Net Cash Provided (Used) by Investing Activities	<u>28,348,767.76</u>	<u>(111,555,095.07)</u>
Net Increase (Decrease) in Cash	(7,014,806.15)	(91,729,186.65)
Cash and Cash Equivalents (Beginning of the Year)	105,295,026.36	197,024,213.01
Cash and Cash Equivalents (End of the Year)	<u>\$ 98,280,220.21</u>	<u>\$ 105,295,026.36</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(341,338,347.10)	(343,841,125.92)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	61,898,224.54	59,163,741.35
Bad Debt Expense	(188,644.66)	(683,557.41)
Changes in Assets and Liabilities:		
Accounts Receivable	(4,735,677.32)	(6,752,821.30)
Lessor-Related Balances	88,341.31	(57,671.40)
P3 Related Balances	(913,342.71)	7,427,218.49
Inventories	14,312.93	588,521.80
Loans and Contracts	(540,932.26)	47,285.59
Other Current and Noncurrent Assets	(370,112.17)	329,144.35
Accounts Payable	(10,989,468.97)	(2,667,699.74)
Due to System	313,730.01	177,950.52
Unearned Revenue	4,235,159.89	(2,145,943.26)
Employees' Compensable Leave	567,890.00	1,233,937.54
Other Current and Noncurrent Liabilities	1,320,977.13	(1,000,216.15)
Total Adjustments	<u>50,700,457.72</u>	<u>55,659,890.38</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (290,637,889.38)</u>	<u>\$ (288,181,235.54)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	1,851,657.19	(42,962,101.10)
Donated Capital Assets	78,254.28	28,594.55
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	8,969,981.28	8,429,011.49
Miscellaneous Noncash Transactions	(93,133.37)	12,888.52