

UNAUDITED

ANNUAL FINANCIAL REPORT

of

Texas A&M University - Kingsville

For the Year Ended August 31, 2018

With Comparative Totals for the Year Ended August 31, 2017



Steven H. Tallant, PH.D., President

Richard L. Anderson, Interim Vice President for Finance & CFO

Joanne Macias, Executive Director, Financial Accounting & Reporting

UNAUDITED

TEXAS A&M UNIVERSITY - KINGSVILLE

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2017</u>	<u>FALL 2018</u>
Texas Resident	7,344	7,472
Out-of-State	132	138
Foreign	1,198	928
Total Students	<u>8,674</u>	<u>8,538</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2014-15	8,728	97,761
2015-16	9,207	101,923
2016-17	9,278	102,665

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TEXAS A&M UNIVERSITY - KINGSVILLE

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EXHIBIT III
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2018

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows	\$	\$
Current Assets		
Cash & Cash Equivalents [Schedule Three]	26,671,104.87	32,584,760.68
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	2,755,735.79	2,624,390.93
Investments		
Legislative Appropriations	12,773,236.59	12,740,054.91
Receivables, Net [Note 24]		
Federal	773,384.38	1,007,380.49
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	4,997,702.08	4,631,124.00
Investment Trades		
Accounts	588,727.69	572,466.89
Other	429,518.85	366,321.72
Due From Other Agencies	444,991.22	838,854.42
Due From Other Members	696,108.14	1,566,834.89
Due From Other Funds		
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	355,492.69	471,893.40
Interfund Receivable [Note 12]		
Other Current Assets	5,289,571.93	6,221,456.55
Total Current Assets	\$ 55,775,574.23	\$ 63,625,538.88
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 45,628,224.68	\$ 39,060,196.90
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	140,348.06	199,086.79
Assets Held By System Office	68,251,960.24	62,903,617.02
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	2,643,687.12	2,643,687.12
Construction In Progress	25,244,603.72	20,177,947.35
Other Tangible Capital Assets	232,675.69	181,675.69
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	203,017,638.23	202,351,350.66
Infrastructure	14,506,653.18	14,506,653.18
Facilities and Other Improvements	12,214,113.62	12,214,113.62
Furniture and Equipment	19,969,613.14	18,400,712.33
Vehicles, Boats, and Aircraft	3,684,633.17	3,648,691.41
Other Capital Assets	6,265,096.07	6,441,024.39
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	2,149,129.00	2,149,129.00
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(156,457,612.01)	(147,412,141.03)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	\$ 247,490,763.91	\$ 237,465,744.43
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pension		
Other Post Employment Benefits		
Total Deferred Outflows of Resources	\$	\$
Total Assets and Deferred Outflows	\$ 303,266,338.14	\$ 301,091,283.31

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EXHIBIT III
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2018

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,773,399.89	\$ 2,975,857.36
Payroll	5,651,876.19	6,208,186.10
Investment Trades		
Self-Insured Health and Dental		
Student	509,574.70	536,686.84
Other	112.07	114.61
Interfund Payable [Note 12]		
Due to Other Agencies	166,513.74	66,198.22
Due to Other Funds		
Due to Other Members	65,717.63	
Funds Held for Investment		
Unearned Revenue	28,952,674.46	25,412,787.06
Employees' Compensable Leave	178,736.90	200,366.63
Other Post Employment Benefits		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	158,613.30	154,660.32
Other Current Liabilities	208,910.59	160,068.34
Total Current Liabilities	\$ 38,666,129.47	\$ 35,714,925.48
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	3,217,646.23	3,092,404.98
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	234,229.34	267,923.60
Total Non-Current Liabilities	\$ 3,451,875.57	\$ 3,360,328.58
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Other Post Employment Benefits		
Split-Interest Agreements		
Total Deferred Inflows of Resources	\$	\$
Total Liabilities and Deferred Inflows	\$ 42,118,005.04	\$ 39,075,254.06
Net Position		
Net Investment In Capital Assets	\$ 133,470,230.93	\$ 135,302,843.72
Restricted for		
Debt Service		
Capital Projects	594,646.34	1,076,803.84
Education	26,410,551.11	22,915,250.08
Endowment and Permanent Funds		
Nonexpendable	17,560,359.01	16,881,375.16
Expendable	8,428,063.27	6,506,038.20
Unrestricted	74,684,482.44	79,333,718.25
Total Net Position [Exhibit IV]	\$ 261,148,333.10	\$ 262,016,029.25
Total Liabilities, Deferred Inflows, and Net Position	\$ 303,266,338.14	\$ 301,091,283.31

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EXHIBIT IV
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2018

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 63,844,057.72	\$ 70,383,523.39
Discounts and Allowances	(19,113,799.81)	(18,540,299.83)
Professional Fees		
Auxiliary Enterprises	16,954,777.40	17,477,457.28
Discounts and Allowances	(3,839,911.74)	(3,539,476.35)
Other Sales of Goods and Services	4,518,361.00	5,523,059.75
Discounts and Allowances		
Interest Revenue	15,627.66	30,192.01
Federal Revenue - Operating	10,143,687.28	9,882,217.30
Federal Pass Through Revenue	757,552.02	965,123.08
State Grant Revenue	3,159.25	9,340.75
State Pass Through Revenue	6,908,477.63	6,953,770.82
Other Grants and Contracts - Operating	2,835,175.29	3,024,297.85
Other Operating Revenue	696,166.81	619,907.83
Total Operating Revenues	\$ 83,723,330.51	\$ 92,789,113.88
Operating Expenses		
Instruction	\$ 44,592,812.47	\$ 45,453,417.84
Research	17,715,941.72	18,660,588.63
Public Service	975,886.99	1,007,039.59
Academic Support	14,419,645.04	14,984,255.87
Student Services	14,582,019.40	16,195,842.31
Institutional Support	11,336,373.16	11,689,265.27
Operation & Maintenance of Plant	10,910,301.74	12,567,228.68
Scholarships & Fellowships	12,328,939.84	13,715,710.60
Auxiliary	24,301,609.60	23,885,476.23
Depreciation/Amortization	9,525,439.03	9,438,045.25
Total Operating Expenses [Schedule IV-1]	\$ 160,688,968.99	\$ 167,596,870.27
Total Operating Income [Loss]	\$ (76,965,638.48)	\$ (74,807,756.39)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 47,989,446.59	\$ 46,564,745.22
Federal Revenue Non-Operating	16,221,852.00	15,063,943.60
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	7,185,571.00	5,488,710.35
Investment Income	6,722,328.52	9,392,219.62
Investing Activities Expense	(226,480.94)	(209,758.85)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		(4,649.58)
Settlement of Claims		(21,200.00)
Other Nonoperating Revenues	78,010.30	98,993.97
Other Nonoperating [Expenses]	(266,679.53)	(1,823,060.74)
Total Nonoperating Revenues [Expenses]	\$ 77,704,047.94	\$ 74,549,943.59
Income [Loss] Before Other Revenues and Transfers	\$ 738,409.46	\$ (257,812.80)

EXHIBIT IV
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2018

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SCHEDULE IV-1
TEXAS A&M UNIVERSITY-KINGSVILLE
NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
FOR THE YEAR ENDED AUGUST 31, 2018

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages	31,751,966.33	8,622,003.29	267,483.80	8,212,569.83	6,457,214.73
Payroll Related Costs	9,645,993.73	2,436,984.30	40,363.04	2,074,525.20	1,799,173.70
Payroll Related Costs-TRS Pension					
Payroll Related Costs-OPEB					
Professional Fees & Services	218,829.57	953,842.80	459,074.35	845,275.19	1,225,636.69
Travel	519,079.77	656,423.08	6,555.85	201,404.56	504,619.44
Materials & Supplies	1,035,112.17	2,263,547.83	112,927.65	2,250,737.31	858,317.79
Communication & Utilities	30,262.68	111,834.31	2,147.98	14,759.30	64,318.50
Repairs & Maintenance	64,023.85	227,906.28	12.00	47,771.16	606,138.54
Rentals & Leases	152,338.68	86,284.50	13,811.53	62,548.39	146,328.15
Printing & Reproduction	16,512.88	73,904.99	3,642.06	49,915.61	83,408.54
Federal Pass-Through		229,961.49			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(59,374.45)
Interest	286.37	272.53	32.20	289.23	383.00
Scholarships	212,114.90	703,911.90	2,000.00	39,500.00	376,115.44
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	946,291.54	1,349,064.42	67,836.53	620,349.26	2,519,739.33
Total Operating Expenses	\$ 44,592,812.47	\$ 17,715,941.72	\$ 975,886.99	\$ 14,419,645.04	\$ 14,582,019.40

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$ 95.00
5,872,110.29	1,949,637.48	110,087.34	6,034,329.16		69,277,402.25	69,968,423.75
2,045,316.23	342,394.78	23,848.75	1,411,195.66		19,819,795.39	20,000,937.62
1,761,051.79	5,100,240.86	380,709.00	8,719,039.69		19,663,699.94	20,810,648.13
207,034.35	15,404.76	18,266.38	1,181,811.39		3,310,599.58	3,331,990.34
481,589.49	205,468.24	10,883.03	1,619,991.43		8,838,574.94	11,572,396.58
54,734.21	2,491,424.27		2,066,921.70		4,836,402.95	5,286,330.33
5,707.32	578,086.52		404,651.03		1,934,296.70	1,549,210.11
50,078.52	8,406.45		172,802.16		692,598.38	780,125.27
94,925.90	56.00		66,271.28		388,637.26	536,590.63
					229,961.49	114,631.96
				9,525,439.03	9,525,439.03	9,438,045.25
					(59,374.45)	(44,486.82)
113.10	1,782.94		283.65		3,443.02	5,474.21
46,000.00		11,738,220.95	1,239,400.92		14,357,264.11	14,969,037.37
717,711.96	217,399.44	46,924.39	1,384,911.53		7,870,228.40	9,277,420.54
\$ 11,336,373.16	\$ 10,910,301.74	\$ 12,328,939.84	\$ 24,301,609.60	\$ 9,525,439.03	\$ 160,688,968.99	\$ 167,596,870.27

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2018

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 46,797,473.05	\$ 51,195,151.68
Proceeds Received From Customers	4,742,326.27	5,593,884.44
Proceeds From Grants and Contracts	21,664,097.91	20,756,083.08
Proceeds From Auxiliary Enterprises	13,685,042.67	14,865,364.08
Proceeds From Loan Programs	134,700.87	37,417.97
Proceeds From a Defined Benefit Pension Plan		
Proceeds From a Defined Benefit OPEB Plan		
Proceeds From Other Operating Revenues	679,731.97	599,033.87
Payments to Suppliers for Goods and Services	(46,959,610.17)	(52,228,714.65)
Payments to Employees	(89,549,896.03)	(88,815,216.51)
Payments for Loans Provided		(381,336.41)
Payments for Pension Benefits to Plan Members		
Payments for OPEB Benefits to Plan Members		
Payments for Other Operating Expenses	(14,065,480.87)	(16,239,144.41)
Net Cash Provided [Used] By Operating Activities	\$ (62,871,614.33)	\$ (64,617,476.86)
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 48,118,304.99	\$ 52,965,811.19
Proceeds From Gifts	7,185,571.00	5,488,710.35
Proceeds From Endowments	624,528.96	197,471.00
Proceeds From Transfers From Other Funds	217,501.00	104,599.00
Proceeds From Other Grant Receipts	16,221,852.00	15,063,943.60
Proceeds From Other Noncapital Financing Activities	81,963.28	98,993.97
Payments of Interest		
Payments for Transfers to Other Funds	(1,996.24)	
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(20,000.00)	(62,166.62)
Other Noncapital Transfers From/To System	1,545,726.94	1,583,431.45
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	\$ 73,973,451.93	\$ 75,440,793.94
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	8,991,599.92	6,578,784.71
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(7,263,191.92)	(12,384,111.89)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	484,602.66	7,106,119.47
Intrasystem Transfers for Capital Debt [Mandatory]	(13,676,635.79)	(13,557,768.66)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	\$ (11,463,625.13)	\$ (12,256,976.37)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(7,343,038.25)	1,786,952.89
Proceeds From Interest and Investment Income	1,922,514.83	1,658,733.99
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	\$ (5,420,523.42)	\$ 3,445,686.88
Net Increase [Decrease] In Cash and Cash Equivalents	\$ (5,782,310.95)	\$ 2,012,027.59
Cash and Cash Equivalents, Beginning of Year	\$ 35,209,151.61	\$ 33,197,124.02
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 35,209,151.61	\$ 33,197,124.02
Cash and Cash Equivalents, End of Year [Sch Three]	\$ 29,426,840.66	\$ 35,209,151.61

EXHIBIT V
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2018

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SCHEDULE THREE
TEXAS A&M UNIVERSITY-KINGSVILLE
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2018

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SCHEDULE N-2
TEXAS A&M UNIVERSITY-KINGSVILLE
NOTE 2 - CAPITAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2018

	BALANCE 9-1-17	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 2,643,687.12	\$	\$
Construction In Progress	20,177,947.35		(882,967.10)
Other Tangible Capital Assets	181,675.69		
Total Non-Depreciable/Non-Amortizable Assets	\$ 23,003,310.16	\$	\$ (882,967.10)
Depreciable Assets			
Buildings	\$ 202,351,350.66	\$	\$ 882,967.10
Infrastructure	14,506,653.18		
Facilities and Other Improvements	12,214,113.62		
Furniture and Equipment	18,400,712.33		
Vehicles, Boats and Aircraft	3,648,691.41		
Other Capital Assets	6,441,024.39		
Total Depreciable Assets at Historical Cost	\$ 257,562,545.59	\$	\$ 882,967.10
Less Accumulated Depreciation for			
Buildings	\$ (106,932,493.53)	\$	\$
Infrastructure	(8,516,805.14)		
Facilities and Other Improvements	(7,065,786.62)		
Furniture and Equipment	(14,437,571.50)		
Vehicles, Boats and Aircraft	(2,331,849.93)		
Other Capital Assets	(5,978,505.31)		
Total Accumulated Depreciation	\$ (145,263,012.03)	\$	\$
Depreciable Assets, Net	\$ 112,299,533.56	\$	\$ 882,967.10
Amortizable Assets - Intangible			
Computer Software	\$ 2,149,129.00	\$	\$
Total Intangible Assets at Historical Cost	\$ 2,149,129.00	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (2,149,129.00)	\$	\$
Total Accumulated Amortization	\$ (2,149,129.00)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 135,302,843.72	\$	\$

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-18
\$	\$	\$	\$	\$ 2,643,687.12
		5,949,623.47		25,244,603.72
		51,000.00		232,675.69
\$	\$	\$ 6,000,623.47	\$	\$ 28,120,966.53
\$	\$	\$	\$ (216,679.53)	\$ 203,017,638.23
				14,506,653.18
				12,214,113.62
		1,765,865.77	(196,964.96)	19,969,613.14
		99,844.75	(63,902.99)	3,684,633.17
		43,171.78	(219,100.10)	6,265,096.07
\$	\$	\$ 1,908,882.30	\$ (696,647.58)	\$ 259,657,747.41
\$	\$	\$ (7,190,912.90)	\$	\$ (114,123,406.43)
		(474,898.56)		(8,991,703.70)
		(508,033.92)		(7,573,820.54)
		(1,007,109.68)	196,964.96	(15,247,716.22)
		(274,205.27)	63,902.99	(2,542,152.21)
		(70,278.70)	219,100.10	(5,829,683.91)
\$	\$	\$ (9,525,439.03)	\$ 479,968.05	\$ (154,308,483.01)
\$	\$	\$ (7,616,556.73)	\$ (216,679.53)	\$ 105,349,264.40
\$	\$	\$	\$	\$ 2,149,129.00
\$	\$	\$	\$	\$ 2,149,129.00
\$	\$	\$	\$	\$ (2,149,129.00)
\$	\$	\$	\$	\$ (2,149,129.00)
\$	\$	\$	\$	\$
\$	\$	\$ (1,615,933.26)	\$ (216,679.53)	\$ 133,470,230.93