

TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER AT EL PASO



Annual Financial Report
Fiscal Year 2024

Texas Tech University Health Sciences Center at El Paso (774)
Financial Statements

Presented herein are the financial statements for Texas Tech University Health Sciences Center at El Paso for the year ended August 31, 2024. These statements have been prepared in compliance with Governmental Accounting Standards Board pronouncements and the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements.

This document supplements the Combined Annual Financial Report of the Texas Tech University System and provides a historical record of transactions relating to this particular institution.

The Combined Annual Financial Report of the Texas Tech University System includes primary statements as well as supplemental notes and schedules. The numbers therein are presented on a combined System-wide basis.

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Organizational Data

BOARD OF REGENTS

Term Expires

Mark Griffin (Chair).....	January 31, 2025.....	Lubbock
Ginger Kerrick Davis (Vice Chair).....	January 31, 2025.....	Webster
Clay Cash	January 31, 2029.....	Lubbock
Tim Culp	January 31, 2029.....	Midland
Shelley Sweatt	January 31, 2029.....	Wichita Falls
Arcilia Acosta	January 31, 2027.....	Dallas
Cody Campbell	January 31, 2027.....	Fort Worth
Pat Gordon	January 31, 2027.....	El Paso
Dusty Womble	January 31, 2025.....	Lubbock
Jad Zeitouni (Student Regent)	May 31, 2025.....	Lubbock, Texas

FISCAL OFFICERS

Tedd L. Mitchell.....	Chancellor
James Mauldin	Vice Chancellor and Chief Financial Officer
Richard Lange.	President
Jessica Fisher.....	Vice President of Finance & Administration and Chief Financial Officer
Robert Ortega	Assistant Vice President of Finance

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO
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Comparative Statement of Net Position

As of August 31, 2024 and 2023

	<u>2024</u>	<i>Restated</i> <u>2023</u>
ASSETS		
Current Assets:		
Unrestricted Cash and Cash Equivalents	\$ 53,400,218.20	\$ 43,815,575.63
Restricted Cash and Cash Equivalents	5,816,056.71	3,554,757.60
Balance of Legislative Appropriations	87,650,745.15	85,594,406.51
Receivables:		
Federal	1,611,317.45	402,578.98
Interest and Dividends	541,999.37	334,120.63
Patient	11,266,185.98	8,259,689.75
Student	20,649.22	22,286.76
Contracts	17,609,304.78	17,661,385.70
Pledged Gifts	605,880.00	605,880.00
Leases	489,366.46	440,354.43
Other	4,714,057.01	472,915.17
Due from Other State Agencies	4,692,380.73	3,337,326.50
Due from Other Component Units	6,735.11	-
Inventories	529,950.15	589,196.95
Prepaid Items	3,559,122.73	3,651,257.43
Loans and Notes	23,681.71	44,090.46
Total Current Assets	<u>\$ 192,537,650.76</u>	<u>\$ 168,785,822.50</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	\$ 2.50	\$ (31.54)
Pledged Gifts Receivable	3,029,400.00	3,635,280.00
Lease Receivables	1,662,612.23	2,104,465.29
Loans and Notes	219,921.28	311,613.35
Restricted Investments	78,969,312.66	68,317,814.74
Unrestricted Investments	227,884,366.88	192,923,605.94
Capital Assets:		
Non-Depreciable or Non-Amortizable	32,857,907.07	34,360,168.68
Depreciable or Amortizable	353,381,518.32	338,830,848.18
less Accumulated Depreciation and Amortization	(176,971,374.84)	(165,102,250.74)
Right-to-Use Assets Amortizable	51,410,603.42	51,361,030.96
less Accumulated Amortization	(18,356,993.15)	(13,177,085.36)
Total Non-Current Assets	<u>\$ 554,087,276.37</u>	<u>\$ 513,565,459.50</u>
TOTAL ASSETS	<u>\$ 746,624,927.13</u>	<u>\$ 682,351,282.00</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>

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Comparative Statement of Net Position

As of August 31, 2024 and 2023

	<u>2024</u>	<i>Restated</i> <u>2023</u>
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts	\$ 4,752,680.62	\$ 7,262,830.91
Payroll	15,840,689.32	14,807,248.25
Due to Other State Agencies	17,307.10	18,776.22
Due to Other Component Units	14,530.69	-
Unclaimed Property Due to the State Treasury	22,562.38	14,501.29
Unearned Revenue	7,888,060.62	7,165,009.33
Employees' Compensable Leave	1,243,512.94	1,444,528.46
Right-to-Use Lease Obligations	3,204,867.94	3,036,273.67
Right-to-Use Subscription Obligations	2,001,056.25	1,949,886.18
Funds Held for Others	173,466.06	155,703.76
Other Current Liabilities	49,874.87	59,279.40
Total Current Liabilities	<u>\$ 35,208,608.79</u>	<u>\$ 35,914,037.47</u>
Non-Current Liabilities:		
Unclaimed Property Due to the State Treasury	\$ 24,935.08	\$ 36,679.92
Employees' Compensable Leave	10,628,275.50	9,995,904.52
Right-to-Use Lease Obligations	28,173,017.93	31,011,384.30
Right-to-Use Subscription Obligations	2,050,629.63	4,156,964.96
Total Non-Current Liabilities	<u>\$ 40,876,858.14</u>	<u>\$ 45,200,933.70</u>
TOTAL LIABILITIES	<u>\$ 76,085,466.93</u>	<u>\$ 81,114,971.17</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources-Leases	<u>\$ 2,109,861.65</u>	<u>\$ 2,544,261.89</u>
	<u>\$ 2,109,861.65</u>	<u>\$ 2,544,261.89</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	\$ 205,902,955.41	\$ 201,728,342.67
Restricted:		
Expendable:		
Capital Projects	4,668,490.46	5,238,118.07
Other	52,726,320.74	39,573,664.45
Nonexpendable:		
Endowments	36,898,113.15	36,881,333.59
Unrestricted	<u>368,233,718.79</u>	<u>315,270,590.16</u>
TOTAL NET POSITION	<u>\$ 668,429,598.55</u>	<u>\$ 598,692,048.94</u>

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO

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Comparative Statement of Revenues, Expenses, and Changes in Net Position For the Years Ended of August 31, 2024 and 2023

	<u>2024</u>	<u>Restated 2023</u>
OPERATING REVENUES		
Tuition and Fee Revenue - Pledged	\$ 22,775,704.70	\$ 19,039,935.19
Tuition and Fee Revenue	409,536.52	399,991.71
Discounts and Allowances	(3,437,437.74)	(3,300,987.60)
Net Professional Fees	70,203,831.00	68,996,243.67
Uncollectibles	(4,273,109.36)	(5,583,052.96)
Auxiliary Enterprises - Pledged	406,250.54	349,949.96
Other Sales and Services - Pledged	469,541.20	335,306.22
Other Sales and Services	64,152.58	54,627.23
Federal Grant and Contract Revenue	6,578,493.10	2,827,941.11
Federal Pass-Through Revenue	995,325.22	767,952.17
State Grant and Contract Revenue - Pledged	3,898.77	29,630.02
State Grant and Contract Revenue	1,690,824.84	1,637,038.22
State Grant and Contract Pass-Through Revenue	4,795,908.18	7,579,405.29
Local Grant and Contract Revenue - Pledged	-	-
Local Grant and Contract Revenue	80,274,498.91	81,842,976.69
Private Grant and Contract Revenue - Pledged	44,636.54	78,781.09
Private Grant and Contract Revenue	22,490,692.75	24,513,193.66
Other Revenue	38,984,701.31	20,666,869.43
Total Operating Revenues	<u>\$ 242,477,449.06</u>	<u>\$ 220,235,801.10</u>
OPERATING EXPENSES		
Salaries and Wages	\$ 174,031,034.21	\$ 165,057,809.20
Payroll-Related Costs	40,382,808.21	38,065,131.02
Professional Fees and Services	17,550,148.79	14,422,674.47
Federal Grant Pass-Through Expense	-	17,679.49
State Grant Pass-Through Expense	125,469.94	73,225.17
Travel	1,750,967.46	1,691,479.66
Materials and Supplies	6,350,339.11	4,981,790.01
Communications and Utilities	5,945,478.72	5,558,970.42
Repairs and Maintenance	7,271,815.89	5,642,997.19
Rentals and Leases	1,932,478.48	1,637,980.79
Printing and Reproduction	242,041.37	235,448.65
Depreciation and Amortization	20,684,733.14	20,123,477.01
Bad Debt Expense (Recovery)	58,179.96	103,911.66
Interest Expense	12,536.08	15,857.28
Scholarships	2,586,237.77	2,117,740.88
Other Expenses	32,530,613.69	31,138,450.01
Total Operating Expenses	<u>\$ 311,454,882.82</u>	<u>\$ 290,884,622.91</u>
Operating Loss	<u>\$ (68,977,433.76)</u>	<u>\$ (70,648,821.81)</u>

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Comparative Statement of Revenues, Expenses, and Changes in Net Position For the Years Ended of August 31, 2024 and 2023

	<u>2024</u>	<u>Restated 2023</u>
NON-OPERATING REVENUES (EXPENSES)		
Legislative Appropriations Revenue	\$ 91,309,678.44	\$ 144,354,150.02
Federal Grant Revenue	1,101,686.00	1,004,560.10
Federal Pass-Through Revenue	-	311,935.95
State Pass-Through Revenue	44,126.00	16,112.00
Gifts	13,805,545.07	8,425,186.50
Interest and Investment Income - Pledged	5,910,284.59	4,964,613.58
Interest and Investment Income	4,274,452.99	2,607,873.54
Interest Expense	(324,540.87)	(382,431.44)
Gain (Loss) Sale of Capital Assets	(1,024.82)	(32,537.34)
Net Increase (Decrease) in Fair Value of Investments	24,377,080.47	7,589,637.82
Other Revenues - Pledged	587,123.09	143,081.92
Other Revenues	651,326.96	252,464.46
Total Non-Operating Revenues (Expenses)	<u>\$ 141,735,737.92</u>	<u>\$ 169,254,647.11</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS, AND TRANSFERS		
Capital Contributions	\$ 1,292,530.14	\$ 7,831,782.06
Legislative Appropriations Revenue for Capital (HEAF)	5,725,243.00	5,557,572.00
Contributions to Permanent and Term Endowments	71,467.32	71,928.57
Decreases from Interagency Transfers of Capital Assets	-	(215,673.98)
Net Transfers from (to) Texas Tech University Health Sciences Center	708,838.04	(75,701.41)
Net Transfers from (to) Texas Tech University	11,150.00	7,660.00
Net Transfers from (to) Texas Tech University System Administration	1,056,197.33	5,163,685.71
Legislative Transfers from (to) Other State Agencies	4,778,034.51	2,833,308.00
Legislative Transfers Out (System Administration Support)	(16,657,755.50)	(11,444,340.50)
Net Transfer from (to) Other State Agencies	(6,459.39)	(5,971.61)
Capital Contributions, Endowments, and Transfers	<u>\$ (3,020,754.55)</u>	<u>\$ 9,724,248.84</u>
 TOTAL CHANGE IN NET POSITION	 <u>\$ 69,737,549.61</u>	 <u>\$ 108,330,074.14</u>
 Net Position, September 1st	 <u>\$ 598,692,048.94</u>	 <u>\$ 490,361,974.80</u>
 Net Position, August 31st	 <u>\$ 668,429,598.55</u>	 <u>\$ 598,692,048.94</u>

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO
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Comparative Matrix of Operating Expenses by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	PATIENT CARE	ACADEMIC SUPPORT	STUDENT SERVICES
Salaries and Wages	\$ 98,721,539.43	\$ 6,837,749.93	\$ 3,160,852.24	\$ 20,551,211.39	\$ 26,559,287.61	\$ 2,269,598.67
Payroll-Related Costs	17,943,451.33	1,894,652.23	786,432.61	6,593,215.58	7,075,943.09	513,413.69
Professional Fees and Services	13,925,442.29	329,774.36	81,662.41	58,708.09	1,532,650.65	74,964.88
Travel	666,713.53	166,750.73	84,004.69	15,054.75	498,132.66	140,754.18
Supplies and Materials	1,549,253.16	674,547.35	85,634.91	832,060.38	2,333,163.61	294,854.64
Communications and Utilities	690,751.96	54,544.75	23,232.96	37,507.54	2,350,057.86	172,538.42
Maintenance and Repair	366,289.16	757,998.14	6,905.32	297,326.32	2,810,781.50	38,619.45
Rentals and Leases	182,092.65	5,758.02	9,004.70	590,828.71	867,328.27	41,704.58
Printing and Reproduction	100,029.81	24,733.65	4,092.87	2,468.30	35,682.23	22,440.35
Interest Expense	2,684.10	519.81	75.50	89.60	4,112.12	1,525.10
Other Expenses	3,583,511.93	1,723,921.29	215,784.91	821,050.89	16,469,140.27	2,489,266.02
Bad Debt Expense (Recovery)	-	-	-	-	-	(1,820.04)
Scholarships and Fellowships	62,000.00	-	-	-	750,227.11	-
Federal Grant Pass-Through Exp	-	-	-	-	-	-
State Grant Pass-Through Exp	-	125,469.94	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
FY 2024	<u>\$ 137,793,759.35</u>	<u>\$ 12,596,420.20</u>	<u>\$ 4,457,683.12</u>	<u>\$ 29,799,521.55</u>	<u>\$ 61,286,506.98</u>	<u>\$ 6,057,859.94</u>
FY 2023	<u>\$ 134,019,517.17</u>	<u>\$ 11,692,499.28</u>	<u>\$ 4,347,560.86</u>	<u>\$ 25,722,394.88</u>	<u>\$ 54,243,277.40</u>	<u>\$ 4,861,618.93</u>

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO
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Comparative Matrix of Operating Expenses by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	TOTAL EXPENSES
Salaries and Wages	\$ 11,220,639.69	\$ 4,587,577.15	\$ 1,142.00	\$ 121,436.10	\$ -	\$ 174,031,034.21
Payroll-Related Costs	3,923,113.28	1,596,093.60	80.98	56,411.82	-	40,382,808.21
Professional Fees and Services	1,431,051.74	112,844.37	-	3,050.00	-	17,550,148.79
Travel	162,429.75	17,127.17	-	-	-	1,750,967.46
Supplies and Materials	93,979.63	481,279.22	-	5,566.21	-	6,350,339.11
Communications and Utilities	222,836.64	2,389,520.21	-	4,488.38	-	5,945,478.72
Maintenance and Repair	349,251.67	2,613,943.80	-	30,700.53	-	7,271,815.89
Rentals and Leases	52,842.94	178,332.84	-	4,585.77	-	1,932,478.48
Printing and Production	48,182.51	4,338.35	-	73.30	-	242,041.37
Interest Expense	663.22	2,866.63	-	-	-	12,536.08
Other Expenses	4,153,931.58	3,016,679.97	-	57,326.83	-	32,530,613.69
Bad Debt Expense (Recovery)	-	-	60,000.00	-	-	58,179.96
Scholarships and Fellowships	-	-	1,774,010.66	-	-	2,586,237.77
Federal Grant Pass-Through Exp	-	-	-	-	-	-
State Grant Pass-Through Exp	-	-	-	-	-	125,469.94
Depreciation and Amortization	-	-	-	-	20,684,733.14	20,684,733.14
FY 2024	<u>\$ 21,658,922.65</u>	<u>\$ 15,000,603.31</u>	<u>\$ 1,835,233.64</u>	<u>\$ 283,638.94</u>	<u>\$ 20,684,733.14</u>	<u>\$ 311,454,882.82</u>
FY 2023	<u>\$ 20,628,315.74</u>	<u>\$ 13,454,685.46</u>	<u>\$ 1,561,932.38</u>	<u>\$ 229,343.80</u>	<u>\$ 20,123,477.01</u>	<u>\$ 290,884,622.91</u>

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO
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Comparative Statement of Cash Flows
For the Year Ended August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Proceeds from Student Tuition and Fees	\$ 20,505,289.44	\$ 16,853,142.48
Proceeds from Grants and Contracts	115,263,928.98	118,618,354.40
Proceeds from Patients and Insurers	63,197,527.24	63,447,125.84
Proceeds from Collections of Loans to Students	27,933,703.75	22,679,720.83
Proceeds from Auxiliary Enterprises	434,250.87	371,529.22
Proceeds from Other Operating Activities	35,243,002.92	21,031,304.62
Payments to Suppliers	(44,316,792.96)	(34,590,748.65)
Payments to Employees for Salaries	(173,325,909.86)	(165,884,048.66)
Payments to Employees for Benefits	(39,534,986.06)	(37,628,496.36)
Payments for Loans Provided to Students	(28,249,008.02)	(22,730,459.50)
Payments for Unemployment Benefits	(88,149.97)	(90,034.43)
Payments for Other Operating Activities	(34,725,525.14)	(33,132,465.65)
Net Cash Used by Operating Activities	<u>\$ (57,662,668.81)</u>	<u>\$ (51,055,075.86)</u>
Cash Flows from Non-Capital Financing Activities		
Proceeds from Legislative Appropriations	\$ 89,253,339.80	\$ 90,195,599.44
Proceeds from Net Transfers from Texas Tech University	11,150.00	7,660.00
Proceeds from Net Transfers from Texas Tech University Health Sciences Cer	708,838.04	-
Proceeds from Transfers from Other State Agencies	4,771,575.12	2,827,336.39
Proceeds from Non-Capital Gifts	13,870,892.39	8,490,995.07
Proceeds from Non-Capital Grants	1,145,812.00	1,332,608.05
Proceeds from Other Non-Capital Financing Activities	1,214,653.14	398,525.16
Payments for Net Transfers to Texas Tech University System	(2,437,244.53)	(1,080,545.29)
Payments for Net Transfers to Texas Tech University Health Sciences Center	-	(75,701.41)
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 108,539,015.96</u>	<u>\$ 102,096,477.41</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	\$ 46,770.97	\$ 29,862.76
Proceeds from Capital Gifts	612,000.00	6,431,423.00
Proceeds from Legislative Appropriations for Capital	5,725,243.00	5,557,572.00
Proceeds from Transfers from Texas Tech University System Administration	9,183,863.57	17,800,202.83
Payments for Purchases of Capital Assets	(15,092,478.76)	(24,875,053.08)
Payments for Transfers to Texas Tech University System Administration	(22,348,177.21)	(23,000,312.33)
Payments for Leases/SBITAs	(5,455,351.89)	(5,308,784.87)
Net Cash Used for Capital and Related Financing Activities	<u>\$ (27,328,130.32)</u>	<u>\$ (23,365,089.69)</u>
Cash Flows from Investing Activities		
Proceeds from Sales and Maturities of Investments	\$ -	\$ -
Proceeds from Interest and Investment Income	12,082,730.81	9,912,945.45
Payments to Acquire Investments	(23,784,971.92)	(52,428,591.84)
Net Cash Used for Investing Activities	<u>\$ (11,702,241.11)</u>	<u>\$ (42,515,646.39)</u>
Total Net Cash Flows	<u>\$ 11,845,975.72</u>	<u>\$ (14,839,334.53)</u>
Cash and Cash Equivalents, September 1st	<u>\$ 47,370,301.69</u>	<u>\$ 62,209,636.22</u>
Cash and Cash Equivalents, August 31st	<u>\$ 59,216,277.41</u>	<u>\$ 47,370,301.69</u>

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Comparative Statement of Cash Flows
For the Year Ended August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of Cash to Statement of Net Position:		
Unrestricted Cash and Cash Equivalents	\$ 53,400,218.20	\$ 43,815,575.63
Restricted Cash and Cash Equivalents	5,816,056.71	3,554,757.60
Noncurrent Restricted Cash and Cash Equivalents	2.50	(31.54)
	<u>\$ 59,216,277.41</u>	<u>\$ 47,370,301.69</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating Loss	\$ (68,977,433.76)	\$ (70,648,821.81)
Adjustments		
Depreciation and Amortization Expense	20,684,733.14	20,123,477.01
Decrease (Increase) in Receivables	(8,402,658.08)	234,164.42
Decrease (Increase) in Due from Other Agencies	(917,867.78)	(91,927.70)
Decrease (Increase) in Merchandise Inventories	59,246.80	(72,119.69)
Decrease (Increase) in Prepaid Expenses	92,134.70	(475,003.28)
Decrease (Increase) in Loans and Notes Receivable	112,100.82	136,047.89
Increase (Decrease) in Payables	(1,476,709.22)	149,825.46
Increase (Decrease) in Due to Other Agencies	13,061.57	(151,079.77)
Increase (Decrease) in Deferred Revenue	723,051.29	795,998.51
Increase (Decrease) in Compensable Leave	431,355.46	(1,068,159.45)
Increase (Decrease) in Other Liabilities	(3,683.75)	12,522.55
Net Cash Used for Operating Activities	<u>\$ (57,662,668.81)</u>	<u>\$ (51,055,075.86)</u>
Non-Cash Transactions		
Donations of Capital Assets	\$ 1,292,530.14	\$ 2,012,359.06
Net Increase (Decrease) in Fair Value of Investments	\$ 24,377,080.47	\$ 7,589,637.82
Disposal of Capital Assets	\$ (50,177.66)	\$ (62,400.10)