

TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER AT EL PASO



Annual Financial Report
Fiscal Year 2022

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, 2022. 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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TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO
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Organizational Data

BOARD OF REGENTS

Term Expires

J. Michael Lewis (Chair)	January 31, 2023.....	Dallas
Mark Griffin (Vice Chair).....	January 31, 2025.....	Lubbock
Arcilia Acosta	January 31, 2027.....	Dallas
Cody Campbell	January 31, 2027.....	Fort Worth
Pat Gordon	January 31, 2027.....	El Paso
Ginger Kerrick Davis	January 31, 2025.....	Webster
Dusty Womble	January 31, 2025.....	Lubbock
John Steinmetz	January 31, 2023.....	Dallas
John Walker.....	January 31, 2023.....	Houston
Hani Michael Annabi (Student Regent)	May 31, 2023.....	El Paso

FISCAL OFFICERS

Tedd L. Mitchell.....	Chancellor
Penny Harkey.....	Interim Vice Chancellor and Chief Financial Officer
Richard Lange.....	President
Jessica Fisher.....	Assistant Vice President of Finance and Interim Chief Financial Officer
Robert Ortega.....	Managing Director of Accounting Services

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

As of August 31, 2022 and 2021

	<i>2022</i>	<i>Restated 2021</i>
ASSETS		
Current Assets:		
Unrestricted Cash and Cash Equivalents	\$ 56,718,750.54	\$ 42,939,898.47
Restricted Cash and Cash Equivalents	5,491,047.59	3,014,562.88
Balance of Legislative Appropriations	31,435,855.93	35,025,144.17
Receivables:		
Federal	343,150.07	1,628,908.09
Interest and Dividends	220,095.68	183,093.31
Patient	9,069,923.55	8,200,335.12
Student	16,772.53	12,506.43
Contracts	17,147,928.46	13,707,802.41
Pledged Gifts	605,880.00	605,880.00
Leases	100,351.20	100,025.41
Other	475,246.17	417,839.63
Due from Other State Agencies	3,287,941.30	3,558,787.37
Due from Other Component Units	7,425.24	-
Inventories	517,077.26	579,170.63
Prepaid Items	3,176,254.15	6,486,737.62
Loans and Notes	51,375.86	28,219.42
Total Current Assets	\$ 128,665,075.53	\$ 116,488,910.96
Non-Current Assets:		
Restricted Cash and Cash Equivalents	\$ (161.91)	\$ 298,838.59
Pledged Gifts Receivable	4,241,160.00	4,847,040.00
Lease Receivables	162,915.85	263,267.05
Loans and Notes	440,375.84	615,355.47
Restricted Investments	62,338,568.64	63,258,734.68
Unrestricted Investments	141,289,137.92	151,038,282.45
Capital Assets:		
Non-Depreciable or Non-Amortizable	25,448,466.60	22,392,619.52
Depreciable or Amortizable	326,291,866.09	324,110,723.44
less Accumulated Depreciation and Amortization	(155,408,024.65)	(141,493,442.05)
Right-to-Use Assets Amortizable	46,132,968.23	42,680,900.23
less Accumulated Amortization	(6,508,185.76)	(3,263,594.24)
Total Non-Current Assets	\$ 444,429,086.85	\$ 464,748,725.14
TOTAL ASSETS	\$ 573,094,162.38	\$ 581,237,636.10
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	\$ -	\$ -
	\$ -	\$ -

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Comparative Statement of Net Position

As of August 31, 2022 and 2021

	<i>2022</i>	<i>Restated 2021</i>
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts	\$ 7,701,525.67	\$ 7,931,040.49
Payroll	14,218,728.03	13,662,337.92
Due to Other State Agencies	169,837.11	27,582.18
Due to Other Component Units	18.88	144.92
Unclaimed Property Due to the State Treasury	16,685.05	13,538.17
Unearned Revenue	6,369,010.82	5,052,459.58
Employees' Compensable Leave	1,561,915.29	1,500,934.87
Right-to-Use Lease Obligations	3,031,627.55	2,334,099.60
Funds Held for Others	152,918.20	132,402.29
Other Current Liabilities	36,496.72	35,559.78
Total Current Liabilities	\$ 33,258,763.32	\$ 30,690,099.80
Non-Current Liabilities:		
Unclaimed Property Due to the State Treasury	\$ 21,973.61	\$ 25,104.04
Employees' Compensable Leave	10,189,907.66	10,212,408.03
Right-to-Use Lease Obligations	38,518,694.01	38,068,739.01
Total Non-Current Liabilities	\$ 48,730,575.28	\$ 48,306,251.08
TOTAL LIABILITIES	\$ 81,989,338.60	\$ 78,996,350.88
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources-Leases	\$ 262,516.00	\$ 362,841.18
	\$ 262,516.00	\$ 362,841.18
NET POSITION		
Invested in Capital Assets, Net of Related Debt	\$ 194,370,272.23	\$ 203,988,808.51
Restricted:		
Expendable:		
Capital Projects	5,800,711.07	6,376,225.09
Other	35,970,160.37	42,636,199.24
Nonexpendable:		
Endowments	36,081,405.34	32,354,266.57
Unrestricted	218,619,758.77	216,522,944.63
TOTAL NET POSITION	\$ 490,842,307.78	\$ 501,878,444.04

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, 2022 and 2021

	<u>2022</u>	<i>Restated</i> <u>2021</u>
OPERATING REVENUES		
Tuition and Fee Revenue - Pledged	\$ 15,874,797.01	\$ 14,238,261.40
Tuition and Fee Revenue	336,608.93	221,978.33
Discounts and Allowances	(2,954,414.05)	(2,665,459.89)
Net Professional Fees	63,437,243.78	68,929,287.95
Uncollectibles	(5,816,579.59)	(10,717,737.70)
Auxiliary Enterprises - Pledged	290,445.84	273,101.96
Other Sales and Services - Pledged	301,737.03	276,610.92
Other Sales and Services	57,135.15	86,082.01
Federal Grant and Contract Revenue	2,203,358.05	2,247,660.31
Federal Pass-Through Revenue	762,710.52	468,660.68
State Grant and Contract Revenue	1,712,002.25	1,707,561.66
State Grant and Contract Pass-Through Revenue	4,457,556.91	5,686,353.70
Local Grant and Contract Revenue - Pledged	900.00	-
Local Grant and Contract Revenue	69,312,352.01	60,758,365.03
Private Grant and Contract Revenue - Pledged	31,240.50	-
Private Grant and Contract Revenue	23,709,162.48	25,748,737.87
Other Revenue	25,863,254.97	11,432,321.16
Total Operating Revenues	<u>\$ 199,579,511.79</u>	<u>\$ 178,691,785.39</u>
OPERATING EXPENSES		
Salaries and Wages	\$ 162,052,249.32	\$ 157,315,105.95
Payroll-Related Costs	37,556,265.82	36,496,295.07
Professional Fees and Services	7,645,713.21	6,658,694.72
Federal Grant Pass-Through Expense	29,275.12	-
State Grant Pass-Through Expense	248,719.32	96,584.93
Travel	1,009,724.73	254,772.14
Materials and Supplies	5,549,050.51	4,785,363.69
Communications and Utilities	5,836,316.22	5,312,566.89
Repairs and Maintenance	6,273,588.25	5,503,447.89
Rentals and Leases	1,832,128.09	1,906,479.47
Printing and Production	450,124.03	281,360.04
Depreciation and Amortization	19,266,717.68	18,214,447.28
Bad Debt Expense (Recovery)	150,310.99	128,109.55
Interest Expense	5,526.06	3,650.47
Scholarships	1,978,060.44	2,528,577.32
Claims and Judgments	-	13,500.00
Other Expenses	33,128,892.47	19,518,952.51
Total Operating Expenses	<u>\$ 283,012,662.26</u>	<u>\$ 259,017,907.92</u>
Operating Loss	<u>\$ (83,433,150.47)</u>	<u>\$ (80,326,122.53)</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, 2022 and 2021

	<u>2022</u>	<i>Restated</i> <u>2021</u>
NON-OPERATING REVENUES (EXPENSES)		
Legislative Appropriations Revenue	\$ 80,558,351.17	\$ 81,222,113.41
Federal Grant Revenue	1,299,303.51	2,401,373.72
Federal Pass-Through Revenue	132,064.40	3,654.00
State Pass-Through Revenue	29,734.00	7,060.00
Gifts	7,113,180.94	6,151,898.56
Interest and Investment Income - Pledged	4,110,907.75	1,262,609.14
Interest and Investment Income	1,603,537.73	2,534,972.43
Interest Expense	(433,563.74)	(440,412.99)
Gain (Loss) Sale of Capital Assets	(15,938.32)	(192,832.09)
Net Increase (Decrease) in Fair Value of Investments	(14,802,275.63)	25,806,110.72
Other Revenues - Pledged	193,820.74	18,947.07
Other Revenues	<u>352,777.45</u>	<u>280,753.41</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 80,141,900.00</u>	<u>\$ 119,056,247.38</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS, AND TRANSFERS		
Capital Contributions	\$ 56,541.00	\$ 1,118,951.17
Legislative Appropriations Revenue for Capital (HEAF)	5,557,572.00	5,557,572.00
Contributions to Permanent and Term Endowments	71,928.57	323,968.57
Increases from Interagency Transfers of Capital Assets	-	9,517.86
Decreases from Interagency Transfers of Capital Assets	(6,779.54)	(46,238.77)
Net Transfers from (to) Texas Tech University Health Sciences Center	(23,287.90)	(51,483.27)
Net Transfers from (to) Texas Tech University	13,300.00	24,605.09
Net Transfers from (to) Texas Tech University System Administration	(1,441,240.19)	10,451,055.16
Legislative Transfers from (to) Other State Agencies	1,736,461.77	3,453,510.00
Legislative Transfers Out (System Administration Support)	(13,710,219.00)	(14,637,416.50)
Net Transfer from (to) Other State Agencies	<u>837.50</u>	<u>1,865.50</u>
Capital Contributions, Endowments, and Transfers	<u>\$ (7,744,885.79)</u>	<u>\$ 6,205,906.81</u>
TOTAL CHANGE IN NET POSITION	<u>\$ (11,036,136.26)</u>	<u>\$ 44,936,031.66</u>
Net Position, September 1st	<u>\$ 501,878,444.04</u>	<u>\$ 456,942,412.38</u>
Net Position, August 31st	<u>\$ 490,842,307.78</u>	<u>\$ 501,878,444.04</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, 2022 and 2021

<i>OPERATING EXPENSES</i>	<i>INSTRUCTION</i>	<i>RESEARCH</i>	<i>PUBLIC SERVICE</i>	<i>PATIENT CARE</i>	<i>ACADEMIC SUPPORT</i>	<i>STUDENT SERVICES</i>
Salaries and Wages	\$ 96,482,619.36	\$ 6,824,220.73	\$ 2,830,685.66	\$ 16,944,161.64	\$ 23,708,297.17	\$ 1,972,308.35
Payroll-Related Costs	17,089,544.36	1,873,018.33	597,568.41	5,908,691.60	6,720,130.38	463,011.74
Professional Fees and Services	4,591,365.49	278,493.18	119,668.34	17,633.45	766,791.41	81,094.16
Travel	458,345.48	86,699.53	51,368.61	15,944.92	254,322.40	60,934.09
Supplies and Materials	1,786,608.87	636,879.73	91,389.10	332,936.63	1,803,781.28	425,556.34
Communications and Utilities	601,669.37	55,526.55	12,911.61	16,339.55	2,133,975.63	121,356.72
Maintenance and Repair	304,005.38	690,436.65	47,578.41	207,137.31	2,337,847.09	69,705.68
Rentals and Leases	88,496.07	264.00	6,115.07	466,798.95	1,054,335.80	28,431.84
Printing and Production	43,075.83	38,756.17	19,446.81	1,228.46	147,092.50	65,575.26
Interest Expense	674.11	83.37	36.73	273.42	3,302.34	587.93
Other Expenses	3,489,702.02	1,536,387.29	295,788.86	387,026.30	19,478,234.85	1,584,670.94
Bad Debt Expense (Recovery)	-	-	-	-	-	10,310.99
Scholarships and Fellowships	2,022.05	-	-	-	730,951.56	-
Federal Grant Pass-Through Exp	-	29,275.12	-	-	-	-
State Grant Pass-Through Exp	-	248,719.32	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
FY 2022	<u>\$ 124,938,128.39</u>	<u>\$ 12,298,759.97</u>	<u>\$ 4,072,557.61</u>	<u>\$ 24,298,172.23</u>	<u>\$ 59,139,062.41</u>	<u>\$ 4,883,544.04</u>
FY 2021 Restated	<u>\$ 116,479,432.90</u>	<u>\$ 10,278,405.88</u>	<u>\$ 4,013,158.16</u>	<u>\$ 24,492,841.20</u>	<u>\$ 48,837,437.44</u>	<u>\$ 3,742,903.34</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, 2022 and 2021

<i>OPERATING EXPENSES</i>	<i>INSTITUTIONAL SUPPORT</i>	<i>OPERATION & MAINTENANCE OF PLANT</i>	<i>SCHOLARSHIPS & FELLOWSHIPS</i>	<i>AUXILIARY ENTERPRISES</i>	<i>DEPRECIATION & AMORTIZATION</i>	<i>TOTAL EXPENSES</i>
Salaries and Wages	\$ 9,535,150.92	\$ 3,690,374.51	\$ -	\$ 64,430.98	\$ -	\$ 162,052,249.32
Payroll-Related Costs	3,458,217.01	1,410,807.77	-	35,276.22	-	37,556,265.82
Professional Fees and Services	1,531,395.98	257,571.20	-	1,700.00	-	7,645,713.21
Travel	71,724.24	10,385.46	-	-	-	1,009,724.73
Supplies and Materials	88,416.45	380,916.93	-	2,565.18	-	5,549,050.51
Communications and Utilities	257,389.04	2,631,157.37	-	5,990.38	-	5,836,316.22
Maintenance and Repair	423,845.72	2,094,948.13	-	98,083.88	-	6,273,588.25
Rentals and Leases	74,138.25	111,120.94	-	2,427.17	-	1,832,128.09
Printing and Production	126,800.79	3,360.98	-	4,787.23	-	450,124.03
Interest Expense	361.77	206.39	-	-	-	5,526.06
Other Expenses	3,436,273.99	2,907,859.21	-	12,949.01	-	33,128,892.47
Bad Debt Expense (Recovery)	-	-	140,000.00	-	-	150,310.99
Scholarships and Fellowships	-	-	1,245,086.83	-	-	1,978,060.44
Federal Grant Pass-Through Exp	-	-	-	-	-	29,275.12
State Grant Pass-Through Exp	-	-	-	-	-	248,719.32
Depreciation and Amortization	-	-	-	-	19,266,717.68	19,266,717.68
FY 2022	<u><u>\$ 19,003,714.16</u></u>	<u><u>\$ 13,498,708.89</u></u>	<u><u>\$ 1,385,086.83</u></u>	<u><u>\$ 228,210.05</u></u>	<u><u>\$ 19,266,717.68</u></u>	<u><u>\$ 283,012,662.26</u></u>
FY 2021 Restated	<u><u>\$ 17,050,560.84</u></u>	<u><u>\$ 13,891,271.45</u></u>	<u><u>\$ 1,842,635.98</u></u>	<u><u>\$ 174,813.45</u></u>	<u><u>\$ 18,214,447.28</u></u>	<u><u>\$ 259,017,907.92</u></u>

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO
Annual Financial Report

Comparative Statement of Cash Flows

For the Year Ended August 31, 2022 and 2021

	<u>2022</u>	<i>Restated</i> <u>2021</u>
Cash Flows from Operating Activities		
Proceeds from Student Tuition and Fees	\$ 14,577,660.43	\$ 12,420,067.12
Proceeds from Grants and Contracts	98,853,061.43	94,832,572.90
Proceeds from Patients and Insurers	57,570,664.74	56,851,479.10
Proceeds from Collections of Loans to Students	168,796.30	272,114.89
Proceeds from Auxiliary Enterprises	308,389.76	288,343.56
Proceeds from Other Operating Activities	25,877,259.64	11,748,696.10
Proceeds from Fiduciary Activities	18,445,078.00	15,101,773.00
Payments to Suppliers	(26,493,465.21)	(28,871,231.28)
Payments to Employees for Salaries	(161,541,422.89)	(156,220,439.26)
Payments to Employees for Benefits	(37,269,569.77)	(35,923,021.32)
Payments for Loans Provided to Students	(264,620.70)	(192,538.75)
Payments for Unemployment Benefits	(202,652.32)	(193,257.91)
Payments for Other Operating Activities	(34,926,627.86)	(21,965,624.77)
Payments for Fiduciary Activities	(17,549,630.80)	(15,046,298.44)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (62,447,079.25)</u>	<u>\$ (66,897,365.06)</u>
Cash Flows from Non-Capital Financing Activities		
Proceeds from Legislative Appropriations	\$ 84,147,639.41	\$ 76,188,707.34
Proceeds from Net Transfers from Texas Tech University	13,300.00	24,605.09
Proceeds from Transfers from Other State Agencies	1,737,299.27	3,455,375.50
Proceeds from Non-Capital Gifts	7,178,989.51	6,475,867.13
Proceeds from Non-Capital Grants	1,461,101.91	1,574,826.28
Proceeds from Other Non-Capital Financing Activities	466,788.94	235,596.01
Payments for Net Transfers to Texas Tech University System	(873,711.32)	(1,780,244.18)
Payments for Net Transfers to Texas Tech University Health Sciences Center	(23,287.90)	(51,483.27)
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 94,108,119.82</u>	<u>\$ 86,123,249.90</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	\$ 14,946.65	\$ 955,491.82
Proceeds from Capital Gifts	612,000.00	1,495,333.34
Proceeds from Legislative Appropriations for Capital	5,557,572.00	5,557,572.00
Proceeds from Transfers from Texas Tech University System Administration	5,188,901.95	17,498,549.48
Payments for Purchases of Capital Assets	(6,860,295.92)	(26,109,125.54)
Payments for Transfers to Texas Tech University System Administration	(19,466,649.82)	(19,904,666.64)
Payments for Leases	(2,764,933.44)	(2,682,914.83)
Net Cash Used for Capital and Related Financing Activities	<u>\$ (17,718,458.58)</u>	<u>\$ (23,189,760.37)</u>
Cash Flows from Investing Activities		
Proceeds from Sales and Maturities of Investments	\$ 24,653,067.29	\$ 45,149,157.68
Proceeds from Interest and Investment Income	7,810,775.43	9,869,546.39
Payments to Acquire Investments	(30,450,088.43)	(50,583,952.01)
Net Cash Used for Investing Activities	<u>\$ 2,013,754.29</u>	<u>\$ 4,434,752.06</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, 2022 and 2021

	<u>2022</u>	<i>Restated</i> <u>2021</u>
Total Net Cash Flows	\$ 15,956,336.28	\$ 470,876.53
Cash and Cash Equivalents, September 1st	\$ 46,253,299.94	\$ 45,782,423.41
Cash and Cash Equivalents, August 31st	<u>\$ 62,209,636.22</u>	<u>\$ 46,253,299.94</u>
Reconciliation of Cash to Statement of Net Position:		
Unrestricted Cash and Cash Equivalents	\$ 56,718,750.54	\$ 42,939,898.47
Restricted Cash and Cash Equivalents	5,491,047.59	3,014,562.88
Noncurrent Restricted Cash and Cash Equivalents	(161.91)	298,838.59
	<u>\$ 62,209,636.22</u>	<u>\$ 46,253,299.94</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating Loss	\$ (83,433,150.47)	\$ (80,326,122.53)
Adjustments		
Depreciation and Amortization Expense	19,266,717.68	18,214,447.28
Decrease (Increase) in Receivables	(3,348,896.15)	(2,952,727.82)
Decrease (Increase) in Due from Other Agencies	(280,202.26)	(365,676.26)
Decrease (Increase) in Merchandise Inventories	62,093.37	(20,613.82)
Decrease (Increase) in Prepaid Expenses	3,310,483.47	(3,023,941.60)
Decrease (Increase) in Loans and Notes Receivable	151,823.19	205,010.53
Increase (Decrease) in Payables	359,616.35	162,367.58
Increase (Decrease) in Due to Other Agencies	109,387.83	(28,113.15)
Increase (Decrease) in Deferred Revenue	1,316,551.24	589,535.19
Increase (Decrease) in Compensable Leave	38,480.05	644,467.78
Increase (Decrease) in Other Liabilities	16.45	4,001.76
Net Cash Used for Operating Activities	<u>\$ (62,447,079.25)</u>	<u>\$ (66,897,365.06)</u>
Non-Cash Transactions		
Donations of Capital Assets	\$ 56,541.00	\$ 200,752.70
Net Increase (Decrease) in Fair Value of Investments	\$ (14,802,275.63)	\$ 25,806,110.72
Disposal of Capital Assets	\$ (30,884.97)	\$ (1,148,323.91)