

TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER AT EL PASO



Annual Financial Report
Fiscal Year 2023

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, 2023. 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
Steeley Smith (Student Regent)	May 31, 2024.....	Mason, 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, 2023 and 2022

	<i>2023</i>	<i>Restated 2022</i>
ASSETS		
Current Assets:		
Unrestricted Cash and Cash Equivalents	\$ 43,815,575.63	\$ 56,718,750.54
Restricted Cash and Cash Equivalents	3,554,757.60	5,491,047.59
Balance of Legislative Appropriations	85,594,406.51	31,435,855.93
Receivables:		
Federal	402,578.98	343,150.07
Interest and Dividends	334,120.63	220,095.68
Patient	8,259,689.75	9,069,923.55
Student	22,286.76	16,772.53
Contracts	17,661,385.70	17,147,928.46
Pledged Gifts	605,880.00	605,880.00
Leases	440,354.43	100,351.20
Other	472,915.17	475,246.17
Due from Other State Agencies	3,337,326.50	3,287,941.30
Due from Other Component Units	-	7,425.24
Inventories	589,196.95	517,077.26
Prepaid Items	3,651,257.43	3,176,254.15
Loans and Notes	44,090.46	51,375.86
Total Current Assets	\$ 168,785,822.50	\$ 128,665,075.53
Non-Current Assets:		
Restricted Cash and Cash Equivalents	\$ (31.54)	\$ (161.91)
Pledged Gifts Receivable	3,635,280.00	4,241,160.00
Lease Receivables	2,104,465.29	162,915.85
Loans and Notes	311,613.35	440,375.84
Restricted Investments	68,317,814.74	62,338,568.64
Unrestricted Investments	192,923,605.94	141,289,137.92
Capital Assets:		
Non-Depreciable or Non-Amortizable	34,360,168.68	25,448,466.60
Depreciable or Amortizable	338,830,848.18	326,291,866.09
less Accumulated Depreciation and Amortization	(165,102,250.74)	(155,408,024.65)
Right-to-Use Assets Amortizable	51,361,030.96	54,945,279.26
less Accumulated Amortization	(13,177,085.36)	(7,906,488.33)
Total Non-Current Assets	\$ 513,565,459.50	\$ 451,843,095.31
TOTAL ASSETS	\$ 682,351,282.00	\$ 580,508,170.84
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	\$ -	\$ -
	\$ -	\$ -

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Comparative Statement of Net Position

As of August 31, 2023 and 2022

	<u>2023</u>	<i>Restated</i> <u>2022</u>
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts	\$ 7,262,830.91	\$ 7,701,525.67
Payroll	14,807,248.25	14,218,728.03
Due to Other State Agencies	18,776.22	169,837.11
Due to Other Component Units	-	18.88
Unclaimed Property Due to the State Treasury	14,501.29	16,685.05
Unearned Revenue	7,165,009.33	6,369,010.82
Employees' Compensable Leave	1,429,024.19	1,561,915.29
Right-to-Use Lease Obligations	3,036,273.67	3,031,627.55
Right-to-Use Subscription Obligations	1,949,886.18	1,687,810.17
Funds Held for Others	155,703.76	152,918.20
Other Current Liabilities	59,279.40	61,384.72
Total Current Liabilities	<u>\$ 35,898,533.20</u>	<u>\$ 34,971,461.49</u>
Non-Current Liabilities:		
Unclaimed Property Due to the State Treasury	\$ 36,679.92	\$ 21,973.61
Employees' Compensable Leave	9,254,639.31	10,189,907.66
Right-to-Use Lease Obligations	31,011,384.30	38,518,694.01
Right-to-Use Subscription Obligations	4,156,964.96	5,424,873.79
Total Non-Current Liabilities	<u>\$ 44,459,668.49</u>	<u>\$ 54,155,449.07</u>
TOTAL LIABILITIES	<u>\$ 80,358,201.69</u>	<u>\$ 89,126,910.56</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources-Leases	<u>\$ 2,544,261.89</u>	<u>\$ 262,516.00</u>
	<u>\$ 2,544,261.89</u>	<u>\$ 262,516.00</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	\$ 201,728,342.67	\$ 191,245,467.75
Restricted:		
Expendable:		
Capital Projects	5,238,118.07	5,800,711.07
Other	39,614,523.99	35,970,160.37
Nonexpendable:		
Endowments	36,881,333.59	36,081,405.34
Unrestricted	<u>315,986,500.10</u>	<u>222,020,999.75</u>
TOTAL NET POSITION	<u>\$ 599,448,818.42</u>	<u>\$ 491,118,744.28</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, 2023 and 2022

	<u>2023</u>	<i>Restated</i> <u>2022</u>
OPERATING REVENUES		
Tuition and Fee Revenue - Pledged	\$ 19,039,935.19	\$ 15,874,797.01
Tuition and Fee Revenue	399,991.71	336,608.93
Discounts and Allowances	(3,300,987.60)	(2,954,414.05)
Net Professional Fees	68,996,243.67	63,437,243.78
Uncollectibles	(5,583,052.96)	(5,816,579.59)
Auxiliary Enterprises - Pledged	349,949.96	290,445.84
Other Sales and Services - Pledged	335,306.22	301,737.03
Other Sales and Services	54,627.23	57,135.15
Federal Grant and Contract Revenue	2,827,941.11	2,203,358.05
Federal Pass-Through Revenue	767,952.17	762,710.52
State Grant and Contract Revenue - Pledged	29,630.02	-
State Grant and Contract Revenue	1,637,038.22	1,712,002.25
State Grant and Contract Pass-Through Revenue	7,579,405.29	4,457,556.91
Local Grant and Contract Revenue - Pledged	-	900.00
Local Grant and Contract Revenue	81,842,976.69	69,312,352.01
Private Grant and Contract Revenue - Pledged	78,781.09	31,240.50
Private Grant and Contract Revenue	24,513,193.66	23,709,162.48
Other Revenue	20,666,869.43	25,863,254.97
Total Operating Revenues	<u>\$ 220,235,801.10</u>	<u>\$ 199,579,511.79</u>
OPERATING EXPENSES		
Salaries and Wages	\$ 165,057,809.20	\$ 162,052,249.32
Payroll-Related Costs	38,065,131.02	37,556,265.82
Professional Fees and Services	14,422,674.47	7,645,713.21
Federal Grant Pass-Through Expense	17,679.49	29,275.12
State Grant Pass-Through Expense	73,225.17	248,719.32
Travel	1,691,479.66	1,009,724.73
Materials and Supplies	4,981,790.01	5,549,050.51
Communications and Utilities	5,558,970.42	5,836,316.22
Repairs and Maintenance	5,642,997.19	6,145,301.76
Rentals and Leases	1,637,980.79	1,832,128.09
Printing and Reproduction	235,448.65	450,124.03
Depreciation and Amortization	20,123,477.01	20,665,020.25
Bad Debt Expense (Recovery)	103,911.66	150,310.99
Interest Expense	15,857.28	5,526.06
Scholarships	2,117,740.88	1,978,060.44
Other Expenses	31,138,450.01	31,540,724.93
Total Operating Expenses	<u>\$ 290,884,622.91</u>	<u>\$ 282,694,510.80</u>
Operating Loss	<u>\$ (70,648,821.81)</u>	<u>\$ (83,114,999.01)</u>

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Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended of August 31, 2023 and 2022

	<u>2023</u>	<i>Restated</i> <u>2022</u>
NON-OPERATING REVENUES (EXPENSES)		
Legislative Appropriations Revenue	\$ 144,354,150.02	\$ 80,558,351.17
Federal Grant Revenue	1,004,560.10	1,299,303.51
Federal Pass-Through Revenue	311,935.95	132,064.40
State Pass-Through Revenue	16,112.00	29,734.00
Gifts	8,425,186.50	7,113,180.94
Interest and Investment Income - Pledged	4,964,613.58	4,110,907.75
Interest and Investment Income	2,607,873.54	1,603,537.73
Interest Expense	(382,431.44)	(475,278.70)
Gain (Loss) Sale of Capital Assets	(32,537.34)	(15,938.32)
Net Increase (Decrease) in Fair Value of Investments	7,589,637.82	(14,802,275.63)
Other Revenues - Pledged	143,081.92	193,820.74
Other Revenues	<u>252,464.46</u>	<u>352,777.45</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 169,254,647.11</u>	<u>\$ 80,100,185.04</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS, AND TRANSFERS		
Capital Contributions	\$ 7,831,782.06	\$ 56,541.00
Legislative Appropriations Revenue for Capital (HEAF)	5,557,572.00	5,557,572.00
Contributions to Permanent and Term Endowments	71,928.57	71,928.57
Decreases from Interagency Transfers of Capital Assets	(215,673.98)	(6,779.54)
Net Transfers from (to) Texas Tech University Health Sciences Center	(75,701.41)	(23,287.90)
Net Transfers from (to) Texas Tech University	7,660.00	13,300.00
Net Transfers from (to) Texas Tech University System Administration	5,163,685.71	(1,441,240.19)
Legislative Transfers from (to) Other State Agencies	2,833,308.00	1,736,461.77
Legislative Transfers Out (System Administration Support)	(11,444,340.50)	(13,710,219.00)
Net Transfer from (to) Other State Agencies	<u>(5,971.61)</u>	<u>837.50</u>
Capital Contributions, Endowments, and Transfers	<u>\$ 9,724,248.84</u>	<u>\$ (7,744,885.79)</u>
TOTAL CHANGE IN NET POSITION	<u>\$ 108,330,074.14</u>	<u>\$ (10,759,699.76)</u>
Net Position, September 1st	<u>\$ 491,118,744.28</u>	<u>\$ 501,878,444.04</u>
Net Position, August 31st	<u>\$ 599,448,818.42</u>	<u>\$ 491,118,744.28</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, 2023 and 2022

<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	\$ 97,463,320.68	\$ 6,482,164.78	\$ 3,025,831.23	\$ 17,821,826.36	\$ 24,141,697.01	\$ 1,636,583.50
Payroll-Related Costs	17,413,755.18	1,797,688.08	719,174.25	6,001,923.90	6,605,360.43	397,484.08
Professional Fees and Services	11,318,737.83	314,966.62	86,492.54	23,886.57	953,558.84	57,116.77
Travel	742,504.21	132,204.91	73,512.05	11,349.27	408,302.00	154,898.67
Supplies and Materials	1,340,104.75	735,569.50	78,699.11	562,226.27	1,623,782.31	152,030.20
Communications and Utilities	599,932.16	45,874.70	23,325.17	37,385.92	2,033,768.13	29,066.20
Maintenance and Repair	254,337.87	577,289.76	12,012.56	219,220.67	2,291,498.66	31,043.57
Rentals and Leases	88,258.28	(3.54)	7,706.20	532,706.72	829,327.37	25,676.59
Printing and Reproduction	21,595.96	24,312.59	7,296.83	4,588.86	45,887.45	37,771.11
Interest Expense	2,566.81	608.67	10.95	206.90	5,044.94	1,798.89
Other Expenses	4,774,403.44	1,490,918.55	313,499.97	507,073.44	14,649,241.76	2,334,237.69
Bad Debt Expense (Recovery)	-	-	-	-	-	3,911.66
Scholarships and Fellowships	-	-	-	-	655,808.50	-
Federal Grant Pass-Through Exp	-	17,679.49	-	-	-	-
State Grant Pass-Through Exp	-	73,225.17	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
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>
FY 2022 Restated	<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>\$ 57,656,039.09</u>	<u>\$ 4,883,544.04</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, 2023 and 2022

OPERATING EXPENSES	INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	TOTAL EXPENSES
Salaries and Wages	\$ 10,162,513.78	\$ 4,232,702.55	\$ -	\$ 91,169.31	\$ -	\$ 165,057,809.20
Payroll-Related Costs	3,592,746.21	1,497,350.76	-	39,648.13	-	38,065,131.02
Professional Fees and Services	1,572,659.54	95,255.76	-	-	-	14,422,674.47
Travel	148,913.26	19,795.29	-	-	-	1,691,479.66
Supplies and Materials	100,648.30	388,019.54	-	710.03	-	4,981,790.01
Communications and Utilities	249,751.75	2,520,796.54	-	19,069.85	-	5,558,970.42
Maintenance and Repair	532,355.80	1,685,787.95	-	39,450.35	-	5,642,997.19
Rentals and Leases	62,548.68	85,027.41	-	6,733.08	-	1,637,980.79
Printing and Production	77,904.38	9,797.03	-	6,294.44	-	235,448.65
Interest Expense	3,312.56	2,307.56	-	-	-	15,857.28
Other Expenses	4,124,961.48	2,917,845.07	-	26,268.61	-	31,138,450.01
Bad Debt Expense (Recovery)	-	-	100,000.00	-	-	103,911.66
Scholarships and Fellowships	-	-	1,461,932.38	-	-	2,117,740.88
Federal Grant Pass-Through Exp	-	-	-	-	-	17,679.49
State Grant Pass-Through Exp	-	-	-	-	-	73,225.17
Depreciation and Amortization	-	-	-	-	20,123,477.01	20,123,477.01
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>
FY 2022 Restated	<u>\$ 18,770,283.45</u>	<u>\$ 13,498,708.89</u>	<u>\$ 1,385,086.83</u>	<u>\$ 228,210.05</u>	<u>\$ 20,665,020.25</u>	<u>\$ 282,694,510.80</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, 2023 and 2022

	<u>2023</u>	<i>Restated</i> <u>2022</u>
Cash Flows from Operating Activities		
Proceeds from Student Tuition and Fees	\$ 16,853,142.48	\$ 14,577,660.43
Proceeds from Grants and Contracts	118,618,354.40	98,853,061.43
Proceeds from Patients and Insurers	63,447,125.84	57,570,664.74
Proceeds from Collections of Loans to Students	22,679,720.83	18,613,874.30
Proceeds from Auxiliary Enterprises	371,529.22	308,389.76
Proceeds from Other Operating Activities	21,031,304.62	25,877,259.64
Payments to Suppliers	(34,590,748.65)	(26,365,178.72)
Payments to Employees for Salaries	(165,884,048.66)	(161,541,422.89)
Payments to Employees for Benefits	(37,628,496.36)	(37,269,569.77)
Payments for Loans Provided to Students	(22,730,459.50)	(17,814,251.50)
Payments for Unemployment Benefits	(90,034.43)	(202,652.32)
Payments for Other Operating Activities	<u>(33,132,465.65)</u>	<u>(33,338,460.32)</u>
Net Cash Used by Operating Activities	<u>\$ (51,055,075.86)</u>	<u>\$ (60,730,625.22)</u>
Cash Flows from Non-Capital Financing Activities		
Proceeds from Legislative Appropriations	\$ 90,195,599.44	\$ 84,147,639.41
Proceeds from Net Transfers from Texas Tech University	7,660.00	13,300.00
Proceeds from Transfers from Other State Agencies	2,827,336.39	1,737,299.27
Proceeds from Non-Capital Gifts	8,490,995.07	7,178,989.51
Proceeds from Non-Capital Grants	1,332,608.05	1,461,101.91
Proceeds from Other Non-Capital Financing Activities	398,525.16	466,788.94
Payments for Net Transfers to Texas Tech University System	(1,080,545.29)	(873,711.32)
Payments for Net Transfers to Texas Tech University Health Sciences Center	<u>(75,701.41)</u>	<u>(23,287.90)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 102,096,477.41</u>	<u>\$ 94,108,119.82</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	\$ 29,862.76	\$ 14,946.65
Proceeds from Capital Gifts	6,431,423.00	612,000.00
Proceeds from Legislative Appropriations for Capital	5,557,572.00	5,557,572.00
Proceeds from Transfers from Texas Tech University System Administration	17,800,202.83	5,188,901.95
Payments for Purchases of Capital Assets	(24,875,053.08)	(6,860,295.92)
Payments for Transfers to Texas Tech University System Administration	(23,000,312.33)	(19,466,649.82)
Payments for Leases/SBITAs	<u>(5,308,784.87)</u>	<u>(4,481,387.47)</u>
Net Cash Used for Capital and Related Financing Activities	<u>\$ (23,365,089.69)</u>	<u>\$ (19,434,912.61)</u>
Cash Flows from Investing Activities		
Proceeds from Sales and Maturities of Investments	\$ -	\$ 24,653,067.29
Proceeds from Interest and Investment Income	9,912,945.45	7,810,775.43
Payments to Acquire Investments	<u>(52,428,591.84)</u>	<u>(30,450,088.43)</u>
Net Cash Used for Investing Activities	<u>\$ (42,515,646.39)</u>	<u>\$ 2,013,754.29</u>
Total Net Cash Flows	<u>\$ (14,839,334.53)</u>	<u>\$ 15,956,336.28</u>
Cash and Cash Equivalents, September 1st	<u>\$ 62,209,636.22</u>	<u>\$ 46,253,299.94</u>
Cash and Cash Equivalents, August 31st	<u>\$ 47,370,301.69</u>	<u>\$ 62,209,636.22</u>

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Comparative Statement of Cash Flows
For the Year Ended August 31, 2023 and 2022

	<i>2023</i>	<i>Restated 2022</i>
Reconciliation of Cash to Statement of Net Position:		
Unrestricted Cash and Cash Equivalents	\$ 43,815,575.63	\$ 56,718,750.54
Restricted Cash and Cash Equivalents	3,554,757.60	5,491,047.59
Noncurrent Restricted Cash and Cash Equivalents	(31.54)	(161.91)
	\$ 47,370,301.69	\$ 62,209,636.22
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating Loss	\$ (70,648,821.81)	\$ (83,114,999.01)
Adjustments		
Depreciation and Amortization Expense	20,123,477.01	20,665,020.25
Decrease (Increase) in Receivables	234,164.42	(3,348,896.15)
Decrease (Increase) in Due from Other Agencies	(91,927.70)	(280,202.26)
Decrease (Increase) in Merchandise Inventories	(72,119.69)	62,093.37
Decrease (Increase) in Prepaid Expenses	(475,003.28)	3,310,483.47
Decrease (Increase) in Loans and Notes Receivable	136,047.89	151,823.19
Increase (Decrease) in Payables	149,825.46	359,616.35
Increase (Decrease) in Due to Other Agencies	(151,079.77)	109,387.83
Increase (Decrease) in Deferred Revenue	795,998.51	1,316,551.24
Increase (Decrease) in Compensable Leave	(1,068,159.45)	38,480.05
Increase (Decrease) in Other Liabilities	12,522.55	16.45
Net Cash Used for Operating Activities	\$ (51,055,075.86)	\$ (60,730,625.22)
Non-Cash Transactions		
Donations of Capital Assets	\$ 2,012,359.06	\$ 56,541.00
Net Increase (Decrease) in Fair Value of Investments	\$ 7,589,637.82	\$ (14,802,275.63)
Disposal of Capital Assets	\$ (62,400.10)	\$ (30,884.97)