

TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER AT EL PASO



Annual Financial Report
Fiscal Year 2021

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, 2021. 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
Keaghan Holt (Student Regent).....	May 31, 2022.....	Seguin, Texas

FISCAL OFFICERS

Tedd L. Mitchell.....	Chancellor
Gary Barnes	Vice Chancellor and Chief Financial Officer
Richard Lange.....	President
Jessica Fisher.....	Executive Director of Business Affairs 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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Unrestricted Cash and Cash Equivalents	\$ 28,891,545.76	\$ 28,404,722.44
Restricted Cash and Cash Equivalents	16,391,660.21	17,377,739.83
Balance of Legislative Appropriations	35,025,144.17	29,991,738.10
Receivables:		
Federal	1,628,908.09	1,311,709.16
Interest and Dividends	182,990.51	186,306.60
Patient	8,200,335.12	6,604,210.97
Student	12,506.43	83,043.24
Contracts	13,707,802.41	12,615,334.74
Pledged Gifts	605,880.00	605,032.95
Other	417,839.63	400,365.75
Due from Other State Agencies	3,558,787.37	4,579,723.07
Inventories	579,170.63	558,556.81
Prepaid Items	6,486,737.62	3,462,796.02
Loans and Notes	<u>28,219.42</u>	<u>91,091.05</u>
Total Current Assets	<u>\$ 115,717,527.37</u>	<u>\$ 106,272,370.73</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	\$ 298,838.59	\$ (38.86)
Pledged Gifts Receivable	4,847,040.00	5,425,021.92
Loans and Notes	615,355.47	757,494.37
Restricted Investments	48,911,027.55	39,037,951.33
Unrestricted Investments	166,105,949.64	148,612,214.11
Capital Assets:		
Non-Depreciable or Non-Amortizable	39,358,687.10	109,945,183.32
Depreciable or Amortizable	307,144,655.86	212,282,227.81
less Accumulated Depreciation and Amortization	<u>(141,047,002.12)</u>	<u>(127,391,490.60)</u>
Total Non-Current Assets	<u>\$ 426,234,552.09</u>	<u>\$ 388,668,563.40</u>
TOTAL ASSETS	<u><u>\$ 541,952,079.46</u></u>	<u><u>\$ 494,940,934.13</u></u>

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Comparative Statement of Net Position

As of August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts	\$ 7,931,040.49	\$ 8,598,887.66
Payroll	13,662,337.92	12,832,123.17
Due to Other State Agencies	27,582.18	55,840.25
Due to Other Component Units	144.92	-
Unclaimed Property Due to the State Treasury	13,538.17	7,929.89
Unearned Revenue	5,052,459.58	5,284,503.80
Employees' Compensable Leave	1,500,934.87	1,043,794.93
Funds Held for Others	132,402.29	123,651.30
Total Current Liabilities	<u>\$ 28,320,440.42</u>	<u>\$ 27,946,731.00</u>
Non-Current Liabilities:		
Unclaimed Property Due to the State Treasury	\$ 25,104.04	\$ 26,710.56
Employees' Compensable Leave	10,212,408.03	10,025,080.19
Total Non-Current Liabilities	<u>\$ 10,237,512.07</u>	<u>\$ 10,051,790.75</u>
TOTAL LIABILITIES	<u>\$ 38,557,952.49</u>	<u>\$ 37,998,521.75</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	\$ 205,456,340.84	\$ 194,835,920.53
Restricted:		
Expendable:		
Capital Projects	6,376,225.09	4,966,542.23
Other	41,665,589.44	30,006,223.46
Nonexpendable:		
Endowments	32,354,266.57	32,479,254.84
Unrestricted	217,541,705.03	194,654,471.32
TOTAL NET POSITION	<u>\$ 503,394,126.97</u>	<u>\$ 456,942,412.38</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 541,952,079.46</u>	<u>\$ 494,940,934.13</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, 2021 and 2020***

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Tuition and Fee Revenue - Pledged	\$ 14,238,261.40	\$ 12,461,464.00
Tuition and Fee Revenue	221,978.33	420,216.08
Discounts and Allowances	(2,665,459.89)	(2,245,659.53)
Net Professional Fees	68,929,287.95	48,850,170.17
Uncollectibles	(10,717,737.70)	3,696,353.74
Auxiliary Enterprises - Pledged	273,101.96	285,881.27
Other Sales and Services - Pledged	276,610.92	346,906.19
Other Sales and Services	86,082.01	145,693.51
Federal Grant and Contract Revenue	2,247,660.31	1,888,808.55
Federal Pass-Through Revenue	468,660.68	304,530.92
State Grant and Contract Revenue	1,707,561.66	1,694,420.64
State Grant and Contract Pass-Through Revenue	5,686,353.70	5,637,228.11
Local Grant and Contract Revenue	60,758,365.03	60,890,377.56
Private Grant and Contract Revenue - Pledged	-	28,763.85
Private Grant and Contract Revenue	25,748,737.87	25,777,237.65
Other Revenue	11,432,321.16	16,854,125.79
Total Operating Revenues	<u>\$ 178,691,785.39</u>	<u>\$ 177,036,518.50</u>
OPERATING EXPENSES		
Salaries and Wages	\$ 157,315,105.95	\$ 156,923,119.59
Payroll Related Costs	36,496,295.07	36,669,200.49
Professional Fees and Services	5,990,592.38	6,617,573.84
Federal Grant Pass-Through Expense	-	2,737.91
State Grant Pass-Through Expense	96,584.93	62,695.58
Travel	254,772.14	1,073,977.58
Materials and Supplies	4,785,363.69	3,888,640.92
Communications and Utilities	5,312,566.89	4,495,331.54
Repairs and Maintenance	5,503,447.89	4,273,188.40
Rentals and Leases	4,589,394.30	4,966,913.03
Printing and Production	281,360.04	196,441.42
Depreciation and Amortization	14,504,413.11	9,972,874.74
Bad Debt Expense (Recovery)	128,109.55	12,302.28
Interest Expense	3,650.47	1,856.13
Scholarships	2,528,577.32	2,036,563.99
Claims and Judgments	13,500.00	-
Other Expenses	19,518,952.51	18,329,478.64
Total Operating Expenses	<u>\$ 257,322,686.24</u>	<u>\$ 249,522,896.08</u>
Operating Loss	<u>\$ (78,630,900.85)</u>	<u>\$ (72,486,377.58)</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, 2021 and 2020***

	<u>2021</u>	<u>2020</u>
NON-OPERATING REVENUES (EXPENSES)		
Legislative Appropriations Revenue	\$ 81,222,113.41	\$ 81,503,408.78
Federal Grant Revenue	2,401,373.72	2,018,212.38
Federal Pass-Through Revenue	3,654.00	-
State Pass-Through Revenue	7,060.00	-
Gifts	6,151,898.56	4,354,091.97
Gifts - Pledged	-	2,000.00
Interest and Investment Income (Expense) - Pledged	1,062,760.10	1,027,989.18
Interest and Investment Income (Expense)	2,139,020.51	5,173,066.93
Gain (Loss) Sale of Capital Assets	(192,832.09)	8,200.42
Net Increase (Decrease) in Fair Value of Investments	25,854,815.40	(4,514,102.43)
Other Revenues - Pledged	18,947.07	14,715.43
Other Revenues	<u>207,897.95</u>	<u>367,025.15</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 118,876,708.63</u>	<u>\$ 89,954,607.81</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS, AND TRANSFERS		
Capital Contributions	\$ 1,118,951.17	\$ 1,323,824.41
Legislative Appropriations Revenue for Capital (HEF)	5,557,572.00	6,234,075.00
Contributions to Permanent and Term Endowments	323,968.57	340,043.57
Increases from Interagency Transfers of Capital Assets	9,517.86	-
Decreases from Interagency Transfers of Capital Assets	(46,238.77)	(74,651.00)
Net Transfers from (to) Texas Tech University Health Sciences Center	(51,483.27)	(147,435.41)
Net Transfers from (to) Texas Tech University	24,605.09	(5,567.70)
Net Transfers from (to) Texas Tech University System Administration	10,451,055.16	27,275,207.37
Legislative Transfers from (to) Other State Agencies	3,453,510.00	2,243,624.00
Legislative Transfers Out (System Administration Support)	(14,637,416.50)	(14,666,075.00)
Net transfer from (to) Other State Agencies	<u>1,865.50</u>	<u>320.00</u>
Capital Contributions and Transfers	<u>\$ 6,205,906.81</u>	<u>\$ 22,523,365.24</u>
TOTAL CHANGE IN NET POSITION	<u>\$ 46,451,714.59</u>	<u>\$ 39,991,595.47</u>
Net Position, September 1st	<u>\$ 456,942,412.38</u>	<u>\$ 416,950,816.91</u>
Net Position, August 31st	<u>\$ 503,394,126.97</u>	<u>\$ 456,942,412.38</u>

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO

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U N A U D I T E D

Comparative Matrix of Operating Expenses by Function

For the Years Ended August 31, 2021 and 2020

<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	\$ 92,130,994.76	\$ 5,767,553.20	\$ 2,024,529.63	\$ 16,765,906.50	\$ 25,245,045.31	\$ 1,661,487.57
Payroll Related Costs	15,872,090.43	1,641,130.02	531,206.02	5,978,660.56	6,823,938.30	399,930.37
Professional Fees and Services	3,479,622.80	328,907.15	302,910.54	18,020.54	730,749.57	50,666.87
Travel	151,820.84	1,654.33	1,076.47	2,140.65	77,153.88	1,237.38
Supplies and Materials	1,481,111.71	481,381.77	70,684.65	695,297.80	1,176,237.03	296,914.10
Communications and Utilities	580,665.40	41,575.85	9,887.25	17,343.13	1,889,615.18	68,791.81
Maintenance and Repair	193,880.89	631,084.15	7,320.75	64,104.48	2,903,255.22	103,772.13
Rentals and Leases	88,504.24	9,802.13	141,513.54	83,739.54	3,906,752.85	17,246.35
Printing and Production	26,435.23	10,289.35	39,524.92	4,526.39	107,556.79	21,663.92
Interest Expense	261.65	229.69	395.56	23.60	1,873.41	374.28
Claims and Judgments	13,500.00	-	-	-	-	-
Other Expenses	2,380,249.13	1,268,213.31	552,154.08	863,078.01	7,590,888.17	1,132,709.01
Bad Debt Expense (Recovery)	-	-	-	-	-	(11,890.45)
Scholarships and Fellowship	84,581.50	-	-	-	741,359.84	-
State Grant Pass-Through Exp	-	96,584.93	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
FY 2021	\$ 116,483,718.58	\$ 10,278,405.88	\$ 3,681,203.41	\$ 24,492,841.20	\$ 51,194,425.55	\$ 3,742,903.34
FY 2020	\$ 117,736,311.64	\$ 9,418,560.28	\$ 2,369,419.97	\$ 25,106,483.36	\$ 50,049,807.44	\$ 3,201,566.98

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Comparative Matrix of Operating Expenses by Function

For the Years Ended August 31, 2021 and 2020

<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	\$ 9,901,150.06	\$ 3,744,279.89	\$ -	\$ 74,159.03	\$ -	\$ 157,315,105.95
Payroll Related Costs	3,753,693.85	1,455,432.65	-	40,212.87	-	36,496,295.07
Professional Fees and Services	736,406.10	343,308.81	-	-	-	5,990,592.38
Travel	19,688.59	-	-	-	-	254,772.14
Supplies and Materials	57,246.83	523,874.87	-	2,614.93	-	4,785,363.69
Communications and Utilities	250,600.60	2,449,095.14	-	4,992.53	-	5,312,566.89
Maintenance and Repair	208,704.01	1,361,812.03	-	29,514.23	-	5,503,447.89
Rentals and Leases	241,161.34	98,453.14	-	2,221.17	-	4,589,394.30
Printing and Production	67,310.44	3,149.51	-	903.49	-	281,360.04
Interest Expense	59.64	432.64	-	-	-	3,650.47
Claims and Judgments	-	-	-	-	-	13,500.00
Other Expenses	1,800,032.83	3,911,432.77	-	20,195.20	-	19,518,952.51
Bad Debt Expense (Recovery)	-	-	140,000.00	-	-	128,109.55
Scholarships and Fellowships	-	-	1,702,635.98	-	-	2,528,577.32
State Grant Pass-Through Exp	-	-	-	-	-	96,584.93
Depreciation and Amortization	-	-	-	-	14,504,413.11	14,504,413.11
FY 2021	<u>\$17,036,054.29</u>	<u>\$ 13,891,271.45</u>	<u>\$ 1,842,635.98</u>	<u>\$ 174,813.45</u>	<u>\$ 14,504,413.11</u>	<u>\$ 257,322,686.24</u>
FY 2020	<u>\$17,919,453.52</u>	<u>\$ 12,179,687.25</u>	<u>\$ 1,369,826.91</u>	<u>\$ 198,903.99</u>	<u>\$ 9,972,874.74</u>	<u>\$ 249,522,896.08</u>

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO

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U N A U D I T E D

Comparative Statement of Cash Flows

For the Year Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash Inflows		
Collections from Student Tuition and Fees	\$ 12,420,067.12	\$ 11,125,485.63
Collections from Grants and Contracts	94,832,572.90	94,269,798.16
Collections from Patients and Insurers	56,851,479.10	54,371,272.99
Collections of Loan Program Proceeds	272,114.89	783,784.46
Collections from Auxiliary Enterprises	288,343.56	298,732.12
Collections from Other Operating Activities	11,748,696.10	20,185,453.96
Collections from Fiduciary Activities	15,101,773.00	14,379,477.00
Cash Outflows		
Payments to Suppliers	(30,886,043.77)	(24,351,077.77)
Payments to Employees for Salaries	(156,220,439.26)	(154,758,683.93)
Payments to Employees for Benefits	(35,923,021.32)	(37,143,360.23)
Payments for Loans Provided to Students	(192,538.75)	(804,150.75)
Payments for Unemployment Benefits	(193,257.91)	(128,012.67)
Payments for Other Operating Activities	(21,965,624.77)	(20,366,042.63)
Payments for Fiduciary Activities	(15,046,298.44)	(14,923,773.49)
Net Cash Used for Operating Activities	<u>\$ (68,912,177.55)</u>	<u>\$ (57,061,097.15)</u>
Cash Flows from Non-Capital Financing Activities		
Cash Inflows		
Proceeds from Legislative Appropriations	\$ 76,188,707.34	\$ 70,614,823.83
Proceeds from Net Transfers from Texas Tech University	24,605.09	-
Proceeds from Transfers from Other State Agencies	3,455,375.50	2,243,944.00
Proceeds from Non-Capital Gifts	6,475,867.13	4,696,135.54
Proceeds from Non-Capital Grants	1,574,826.28	2,839,791.79
Proceeds from Other Non-Capital Financing Activities	235,596.01	338,050.55
Cash Outflows		
Payments for Net Transfers to Texas Tech University	-	(5,567.70)
Payments for Net Transfers to Texas Tech University System	(1,780,244.18)	(746,263.45)
Payments for Net Transfers to Texas Tech University Health Sciences Center	(51,483.27)	(147,435.41)
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 86,123,249.90</u>	<u>\$ 79,833,479.15</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Capital and Related Financing Activities		
Cash Inflows		
Proceeds from Sale of Capital Assets	\$ 955,491.82	\$ 12,625.45
Proceeds from Capital Gifts	1,495,333.34	1,495,333.33
Proceeds from Legislative Appropriations for Capital	5,557,572.00	6,234,075.00
Proceeds from Transfers from Texas Tech University System Administration	17,498,549.48	29,061,491.76
Cash Outflows		
Payments for Purchases of Capital Assets	(26,109,125.54)	(40,792,339.28)
Payments for Transfers to Texas Tech University System Administration	<u>(19,904,666.64)</u>	<u>(15,706,095.94)</u>
Net Cash Used for Capital and Related Financing Activities	<u>\$ (20,506,845.54)</u>	<u>\$ (19,694,909.68)</u>
Cash Flows from Investing Activities		
Cash Inflows		
Proceeds from Sales and Maturities of Investments	\$ 45,149,157.68	\$ 59,821,495.29
Proceeds from Interest and Dividends on Investments	8,530,188.67	8,534,571.17
Cash Outflows		
Payments for Purchases of Investments	<u>(50,583,952.01)</u>	<u>(63,625,455.11)</u>
Net Cash Used for Investing Activities	<u>\$ 3,095,394.34</u>	<u>\$ 4,730,611.35</u>
TOTAL NET CASH FLOWS	<u>\$ (200,378.85)</u>	<u>\$ 7,808,083.67</u>
Cash and Cash Equivalents, September 1st	<u>\$ 45,782,423.41</u>	<u>\$ 37,974,339.74</u>
Cash and Cash Equivalents, August 31st	<u><u>\$ 45,582,044.56</u></u>	<u><u>\$ 45,782,423.41</u></u>

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO

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U N A U D I T E D

Comparative Statement of Cash Flows

For the Year Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating Loss	\$ (78,630,900.85)	\$ (72,486,377.58)
Adjustments		
Depreciation Expense	14,504,413.11	9,972,874.74
Decrease (Increase) in Receivables	(2,952,727.82)	1,978,385.25
Decrease (Increase) in Due from Other Agency	(365,676.26)	(7,020.87)
Decrease (Increase) in Merchandise Inventories	(20,613.82)	(99,214.32)
Decrease (Increase) in Prepaid Expenses	(3,023,941.60)	(601,693.26)
Decrease (Increase) in Loans and Notes Receivable	205,010.53	(12,333.12)
Increase (Decrease) in Payables	162,367.58	1,537,365.49
Increase (Decrease) in Due to Other Agency	(28,113.15)	43,969.28
Increase (Decrease) in Deferred Revenue	589,535.19	551,520.29
Increase (Decrease) in Compensable Leave	644,467.78	2,060,598.03
Increase (Decrease) in Other Liabilities	<u>4,001.76</u>	<u>828.92</u>
Net Cash Used for Operating Activities	<u>\$ (68,912,177.55)</u>	<u>\$ (57,061,097.15)</u>
Non-Cash Transactions		
Donations of Capital Assets	\$ 200,752.70	\$ 65,762.00
Net Increase (Decrease) in Fair Value of Investments	25,854,815.40	(4,514,102.43)
Disposal of Capital Assets	(1,148,323.91)	(4,425.03)