

**UNIVERSITY OF HOUSTON
SYSTEM**

**UNAUDITED COMBINED ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2023
WITH AUGUST 31, 2022 COMPARATIVE DATA**

**Includes Primary Financial Statements for
UHS Campuses and Administration:**

*University of Houston
University of Houston – Clear Lake
University of Houston – Downtown
University of Houston – Victoria
University of Houston – System Administration*

UNIVERSITY OF HOUSTON SYSTEM

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Division of Administration and Finance
Financial Reporting Department

Interim Executive Director
Financial Reporting

November 16, 2023

Mr. Raymond Bartlett
Senior Vice Chancellor and Senior Vice President, Administration and Finance
University of Houston System
Houston, Texas 77204-2016

Mr. Bartlett:

Submitted herewith is the Annual Financial Report of the University of Houston System for the year ended August 31, 2023.

This report has been prepared in compliance with Texas Government Code Annotated §2101.011 and in accordance with the Annual Financial Reporting Requirements established by the Comptroller of Public Accounts. Additionally, in order to support internal management needs within the University of Houston System, this report presents financial statements with comparative data for the prior fiscal year.

The information contained in the accompanying Annual Financial Report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Sincerely,



Lavonda Lockett
Interim Executive Director, Financial Reporting

cc: Usha Mathew
Assistant VP, Finance/University Controller

University of Houston System

Organizational Data
August 31, 2023

Board of Regents

| | |
|----------------------------------------|------------------------------|
| Doug H. Brooks, Dallas | Term Expires August 31, 2023 |
| Jack B. Moore, Houston | Term Expires August 31, 2023 |
| Gregory C. King, San Antonio | Term Expires August 31, 2023 |
| Durga D. Agrawal, Houston | Term Expires August 31, 2025 |
| Alonzo Cantu, McAllen | Term Expires August 31, 2025 |
| John A. McCall, Jr., Crockett | Term Expires August 31, 2025 |
| Tilman J. Fertitta, Houston | Term Expires August 31, 2027 |
| Beth Madison, Houston | Term Expires August 31, 2027 |
| Ricky Raven, Sugarland | Term Expires August 31, 2027 |
| Mielad Ziaee (Student Regent), Houston | Term Expires May 31, 2024 |

Officers of the Board (Fiscal Year 2023):

| | |
|--------------------|---------------|
| Tilman J. Fertitta | Chairman |
| Jack B. Moore | Vice Chairman |
| Durga D. Agrawal | Secretary |

Officers of the Board (Fiscal Year 2024 - as of November 10, 2023):

| | |
|--------------------|---------------|
| Tilman J. Fertitta | Chairman |
| Jack B. Moore | Vice Chairman |
| Durga D. Agrawal | Secretary |

Administrative Officers

| | |
|---------------------|--------------------------------------------------------|
| Renu Khator | Chancellor |
| Diane Z. Chase | Senior Vice Chancellor for Academic Affairs |
| Raymond S. Bartlett | Senior Vice Chancellor for Administration and Finance |
| Claudia Neuhauser | Interim Vice Chancellor for Research |
| Dona H. Cornell | Vice Chancellor for Legal Affairs and General Counsel |
| Eloise Dunn Brice | Vice Chancellor for University Advancement |
| Daniel M. Maxwell | Interim Vice Chancellor for Student Affairs |
| Jason Smith | Vice Chancellor for Government and Community Relations |
| Lisa K. Holdeman | Vice Chancellor for Marketing and Communications |
| Renu Khator | President – University of Houston |
| J. Richard Walker | President – UH - Clear Lake |
| Loren J. Blanchard | President – UH – Downtown |
| Robert K. Glenn | President – UH - Victoria |

University of Houston System
Financial Statements
(With Detailed Supportive Schedules)
Statement of Procedure Regarding
Annual Financial Report

Present herein are the financial statements with detailed supportive schedules for the University of Houston System for the fiscal year ended August 31, 2023. These statements and detailed supportive schedules are in compliance with the guidelines in *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*, published by the Texas Comptroller of Public Accounts. Additionally, this report has been prepared in accordance with the requirements in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*.

The State Auditor has not audited the accompanying annual financial statements and, therefore, an opinion has not been nor will be expressed on the financial statements and related information contained in this report. The information contained in the combined financial statements of the University of Houston System, and its related components, is part of and included in the State of Texas Comprehensive Annual Report. The Annual Financial Report of the University of Houston System is reviewed by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report, upon which an opinion is expressed.

UNIVERSITY OF HOUSTON SYSTEM
PRIMARY STATEMENTS

Unaudited

University of Houston System (797)
 Combined Statement of Net Position
 August 31, 2023

| | Total FY2023 | Total FY2022 |
|-------------------------------------------------------|----------------------------|----------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | | |
| Cash on Hand | \$ 66,859.00 | \$ 73,679.00 |
| Cash in Bank | 27,524,956.26 | 48,594,092.50 |
| Cash in Transit/Reimburse From Treasury | 38,433,419.63 | 34,978,490.89 |
| Cash in State Treasury | 173,612,966.90 | 136,751,099.23 |
| Cash Equivalents | 831,113,029.86 | 730,894,767.16 |
| Short Term Investments | 154,109,690.55 | 204,070,486.85 |
| Restricted: | | |
| Cash on Hand | 0.00 | 300.00 |
| Cash In Bank | (93,619,601.02) | (66,829,134.67) |
| Legislative Appropriation | 124,908,417.41 | 149,607,209.70 |
| Receivables: | | |
| Federal Receivables | 71,011,957.26 | 32,086,417.85 |
| Interest and Dividends | 220,855.63 | 1,170,488.00 |
| Accounts Receivable | 83,574,628.60 | 111,035,682.68 |
| Gifts | 114,308,285.22 | 1,360,855.56 |
| Leases | 1,408,721.63 | 130,368,962.71 |
| Other | 45,297,460.90 | 2,784,410.62 |
| Due From Other Agencies | 4,679,016.37 | 3,529,423.90 |
| Consumable Inventories | 107,862.76 | 136,490.41 |
| Merchandise Inventories | 1,596,292.33 | 1,447,480.75 |
| Prepaid Costs | 49,501,971.66 | 46,462,026.87 |
| Loans and Contracts | 29,789,739.80 | 27,848,267.46 |
| Total Current Assets | 1,657,646,530.75 | 1,596,371,497.47 |
| Non-Current Assets | | |
| Restricted: | | |
| Receivables | 73,410,580.98 | 74,642,843.50 |
| Receivables - Leases | 7,361,160.09 | 8,890,110.89 |
| Loans and Contracts | 532,153.44 | 755,364.79 |
| Investments | 1,688,658,721.18 | 1,603,021,581.00 |
| Capital Assets | | |
| Non-Depreciable or Non-Amortizable | 276,566,126.95 | 369,293,513.57 |
| Depreciable or Amortizable, Net | 1,890,352,605.82 | 1,819,603,018.69 |
| Right to Use Assets - Amortizable, Net | 8,681,650.80 | 10,725,977.45 |
| Right to Use Subscriptions - Amortizable, Net | 8,289,524.06 | 0.00 |
| Total Non-Current Assets | 3,953,852,523.32 | 3,886,932,409.89 |
| Total Assets | 5,611,499,054.07 | 5,483,303,907.36 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Pensions | 136,481,535.00 | 116,067,104.00 |
| Other Post-Employment Benefits | 110,513,488.00 | 247,010,560.00 |
| Total Deferred Outflow of Resources | 246,995,023.00 | 363,077,664.00 |
| Total Assets and Deferred Outflow of Resources | \$ 5,858,494,077.07 | \$ 5,846,381,571.36 |

Unaudited

University of Houston System (797)
 Combined Statement of Net Position
 August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------|----------------------------|----------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables: | | |
| Accounts Payable | \$ 40,564,793.05 | \$ 49,412,119.11 |
| Accrued Lease Interest Payable | 9,554.32 | 10,756.51 |
| Accrued SBITA Interest Payable | 165,843.14 | 0.00 |
| Federal Payable | 1,589,250.53 | 96,862.45 |
| Payroll Payable | 82,491,126.96 | 70,387,473.20 |
| Other Payable | 3,289,356.36 | 3,597,568.02 |
| Due to Other Agencies | 2,059,675.38 | 3,307,007.31 |
| Unearned Revenues | 320,136,608.11 | 310,525,709.05 |
| Notes and Loans Payable | 28,982,168.16 | 35,306,107.91 |
| Revenue Bonds Payable | 91,378,057.23 | 86,750,633.39 |
| Claims and Judgments Payable | 1,955,861.62 | 1,212,750.93 |
| Employees' Compensable Leave | 16,935,653.28 | 16,491,595.93 |
| Right to Use Lease Obligations | 1,383,612.91 | 1,577,228.65 |
| Right to Use Subscription Obligations | 2,624,167.44 | 0.00 |
| Other Post-Employment Benefits | 21,055,559.00 | 19,187,822.00 |
| Funds Held for Others | 36,912,610.87 | 27,793,602.56 |
| Total Current Liabilities | 651,533,898.36 | 625,657,237.02 |
| Non Current-Liabilities | | |
| Revenue Bonds Payable | 1,779,240,424.78 | 1,870,618,482.01 |
| Net Pension Liability | 289,545,089.00 | 155,354,398.00 |
| Employees' Compensable Leave | 16,793,988.75 | 16,465,230.34 |
| Right to Use Lease Obligations | 7,616,061.19 | 9,315,221.88 |
| Right to Use Subscription Obligations | 4,180,649.87 | 0.00 |
| Other Post-Employment Benefits | 530,084,686.00 | 693,798,051.00 |
| Notes and Loans Payable | 2,858,439.94 | 3,429,608.10 |
| Other Non-Current Liabilities | | |
| Total Non-Current Liabilities | 2,630,319,339.53 | 2,748,980,991.33 |
| Total Liabilities | 3,281,853,237.89 | 3,374,638,228.35 |
| DEFERRED IN FLOW OF RESOURCES | | |
| Leases | 8,563,860.75 | 10,209,057.50 |
| Pensions | 87,337,545.00 | 198,781,694.00 |
| Other Post-Employment Benefits | 227,520,240.00 | 116,046,626.00 |
| Other Deferred Inflows | 42,742,974.88 | 0.00 |
| Total Deferred Inflows of Resources | 366,164,620.63 | 325,037,377.50 |
| Total Liabilities and Deferred Inflow of Resources | 3,648,017,858.52 | 3,699,675,605.85 |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt | 844,952,996.82 | 825,370,010.75 |
| Restricted for: | | |
| Debt Retirement | 4,069,475.57 | 12,100,018.10 |
| Capital Projects | 18,779,535.71 | 20,097,757.06 |
| Funds Held as Permanent Investments | | |
| Non-Expendable | | |
| True Endowments, Annuities | 694,537,863.39 | 675,893,254.13 |
| Expendable | | |
| Term Endowments | 33,454,007.69 | 23,423,598.47 |
| Funds Functioning as Endowments | 59,459,110.52 | 58,499,220.52 |
| Other Restricted | 390,731,640.05 | 404,527,025.09 |
| Unrestricted | 164,491,588.80 | 126,795,081.39 |
| Total Net Position | \$ 2,210,476,218.55 | \$ 2,146,705,965.51 |

Unaudited

University of Houston System (797)
 Combined Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|---------------------------------------------------------------------|--------------------------|--------------------------|
| Operating Revenues | | |
| Sales of Goods and Services (PR-Chgs for Services) | | |
| Tuition and Fees-Pledged | \$ 792,633,774.00 | \$ 806,568,864.78 |
| Discounts and Allowances | (201,400,946.19) | (234,597,090.61) |
| Auxiliary Enterprise-Pledged | 126,857,828.44 | 116,625,117.78 |
| Discounts and Allowances | (17,585,694.02) | (17,841,767.95) |
| Other Sales of Goods and Services-Pledged | 40,716,341.39 | 100,857,161.81 |
| Federal Revenue-Operating (PR-OP Grants/Contributions) | 109,674,750.92 | 169,631,223.86 |
| Federal Pass Through Revenue (PR-OP Grants/Contributions) | 61,118,890.23 | 7,183,779.91 |
| State Grant Revenue (PR-OP Grants/Contributions) | 8,258,363.84 | 7,937,098.07 |
| State Grant Pass Through Revenue (PR-OP Grants/Contrib) | 54,908,897.56 | 59,798,132.45 |
| Other Grants and Contracts-Operating (PR-OP Grants/Contrib) | 38,570,794.19 | 39,083,284.94 |
| Other Operating Revenues (PR-Chgs for Services) | 40,710,514.98 | 4,899,349.67 |
| Total Operating Revenues | 1,054,463,515.34 | 1,060,145,154.71 |
| Operating Expenses | | |
| Instruction | 411,435,787.05 | 403,249,585.69 |
| Research | 168,518,352.96 | 182,691,971.90 |
| Public Service | 52,730,093.78 | 43,851,818.26 |
| Academic Support | 284,519,853.14 | 268,472,347.00 |
| Student Services | 68,225,709.62 | 66,114,115.28 |
| Institutional Support | 159,959,158.65 | 131,417,901.27 |
| Physical Plant | 99,611,227.43 | 75,720,037.09 |
| Scholarships & Fellowships | 119,595,111.74 | 159,002,118.13 |
| Auxiliary Enterprises | 156,383,122.11 | 172,643,306.00 |
| Depreciation and Amortization | 146,230,768.24 | 137,317,182.24 |
| Total Operating Expenses | 1,667,209,184.72 | 1,640,480,382.86 |
| Operating Income (Loss) | (612,745,669.38) | (580,335,228.15) |
| Non-Operating Revenues (Expenses) | | |
| Legislative Revenue (GR) | 298,991,668.00 | 305,612,814.46 |
| Additional Appropriations (GR) | 22,961,025.94 | 23,292,312.99 |
| Federal Revenue Non-Operating (PR-OP Grants/Contributions) | 147,544,623.09 | 203,287,559.35 |
| Federal Pass Through Revenue (PR-OP Grants/Contributions) | | |
| State Pass Through Revenues Non-Operating | | |
| Gifts (PR-OP Grants/Contributions) | 51,377,570.68 | 109,611,494.88 |
| Interest and Investment Income (PR-Chgs for Services) | 76,201,271.81 | 84,253,374.66 |
| Interest Expense and Fiscal Charges | (67,376,950.45) | (46,980,999.93) |
| Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib) | 43,191,999.00 | (176,095,783.56) |
| Other Nonoperating Revenues | 26,603,280.30 | 19,862,253.80 |
| Other Nonoperating Expenses | (32,410,264.02) | 1,706,091.33 |
| Total Nonoperating Revenues (Expenses) | \$ 567,084,224.35 | \$ 524,549,117.98 |

Unaudited

University of Houston System (797)
 Combined Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------------------------------|----------------------------|----------------------------|
| <u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u> | <u>\$ (45,661,445.03)</u> | <u>\$ (55,786,110.17)</u> |
| Other Revenues, Expenses, Gains, Losses and Transfers | | |
| Capital Contributions | | |
| Capital Appropriation (HEAF) | 76,611,208.00 | 76,611,208.00 |
| Federal Grant - Capital Grant Contributions | | |
| Additions to Permanent and Term Endowments | 21,357,514.11 | 39,759,829.35 |
| UHS Funds Transfers-In | 0.00 | 0.00 |
| UHS Funds Transfers-Out | 0.00 | 0.00 |
| UHS Intercampus Transfers-In | 0.00 | 0.00 |
| UHS Intercampus Transfers-Out | 0.00 | 0.00 |
| Incr NA Interagency Transfer Capital Assets | 0.00 | 77,574.93 |
| Decr NA Interagency Transfer Capital Assets | (6,906.18) | 0.00 |
| Transfers-In | 12,738,914.41 | 12,605,658.81 |
| Transfers-Out | (2,101,573.32) | (973,385.33) |
| Legislative Transfers-In | 744,584.00 | 753,843.00 |
| Legislative Transfers-Out | | |
| Legislative Appropriations Lapsed | (95,626.47) | (6,661,585.52) |
| <u>Total Other Rev, Exp, Gains, Losses and Transfers</u> | <u>109,248,114.55</u> | <u>122,173,143.24</u> |
| <u>Changes in Net Position</u> | <u>63,586,669.52</u> | <u>66,387,033.07</u> |
| Net Position Beginning | 2,146,705,965.51 | 2,098,914,130.70 |
| Restatements | 181,583.52 | (18,595,198.26) |
| Comptroller/Audit Adjustments | | |
| <u>Net Position Beginning, as Restated</u> | <u>2,146,887,549.03</u> | <u>2,080,318,932.44</u> |
| <u>Net Position, Ending</u> | <u>\$ 2,210,474,218.55</u> | <u>\$ 2,146,705,965.51</u> |

Unaudited

University of Houston System (797)
 Combined Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services |
|---------------------------------|--------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| Cost of Goods Sold | \$ - | \$ - | \$ 884,515.38 | \$ 7,957.32 | \$ - |
| Salaries and Wages | 317,791,975.99 | 78,853,410.10 | 20,499,368.17 | 141,604,078.90 | 30,133,843.42 |
| Payroll Related Costs | 83,191,796.57 | 17,156,052.29 | 6,873,532.86 | 52,476,588.61 | 16,196,598.07 |
| Professional Fees and Services | 2,983,810.72 | 20,802,118.09 | 12,199,816.41 | 18,055,875.15 | 4,701,174.97 |
| Federal Pass Through Expenses | 278,384.56 | 1,709,574.29 | 1,174,785.75 | - | - |
| State Pass Through Expenses | - | 10,904.04 | - | - | - |
| Travel | 932,798.42 | 4,010,032.76 | 281,434.28 | 3,865,698.76 | 1,054,368.48 |
| Materials and Supplies | 1,721,975.01 | 10,548,287.02 | 1,064,859.91 | 11,231,575.15 | 2,830,888.73 |
| Communication and Utilities | 319,855.48 | 912,622.71 | 917,312.91 | 15,723,790.15 | 581,588.06 |
| Repairs and Maintenance | 164,171.45 | 1,427,986.42 | 563,148.31 | 3,621,347.36 | 697,184.98 |
| Rentals and Leases | 544,695.02 | 1,082,130.55 | 5,553,005.22 | 9,746,054.25 | 1,234,139.78 |
| Printing and Reproduction | 141,045.25 | 290,915.62 | 695,573.14 | 981,573.12 | 650,619.04 |
| Depreciation and Amortization | - | - | - | - | - |
| Interest | 2,974.88 | 19,967.01 | 17,290.82 | 9,534.90 | 5,461.76 |
| Scholarships | 2,139,514.43 | 961,473.32 | 69,427.78 | 1,944,295.59 | 423,745.65 |
| Claims and Judgments | - | - | - | - | - |
| Capital Expenditures | - | - | - | - | - |
| Other Operating Expenses | 1,222,789.27 | 30,732,878.74 | 1,936,022.84 | 25,217,587.76 | 9,716,096.68 |
| Total Operating Expenses | \$ 411,435,787.05 | \$ 168,518,352.96 | \$ 52,730,093.78 | \$ 284,519,853.14 | \$ 68,225,709.62 |

Unaudited

University of Houston System (797)
 Combined Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Institutional Support | Operation and Maintenance of Plant | Scholarships and Fellowships | Auxiliary Enterprises | Depreciation and Amortization | Total FY2023 | Total FY2022 |
|--------------------------|------------------------------------|------------------------------|--------------------------|-------------------------------|----------------------------|----------------------------|
| \$ - | \$ - | \$ - | \$ 811,497.32 | \$ - | \$ 1,703,970.02 | \$ 2,127,385.55 |
| 76,027,690.74 | 34,390,821.42 | 928,622.29 | 57,597,719.39 | - | 757,827,530.42 | 720,904,437.19 |
| 28,300,244.86 | 16,330,483.21 | 12,554.59 | 20,253,216.89 | - | 240,791,067.95 | 228,544,229.60 |
| 17,362,665.04 | 12,290,519.51 | 281,880.89 | 40,714,231.44 | - | 129,392,092.22 | 148,822,014.13 |
| - | - | - | - | - | 3,196,640.72 | 3,123,197.87 |
| - | - | - | - | - | 10,904.04 | 41,779.24 |
| 620,958.97 | 70,014.07 | 143,437.36 | 6,343,923.78 | - | 17,322,666.88 | 11,958,862.10 |
| 4,605,518.99 | 2,749,551.76 | 16,352.27 | 7,055,810.21 | - | 41,824,819.05 | 46,415,501.07 |
| 1,473,950.56 | 18,804,824.42 | 33.80 | 8,367,568.38 | - | 47,101,546.47 | 38,657,562.34 |
| 4,662,932.56 | 3,867,554.11 | 1,288.54 | 1,279,663.31 | - | 16,285,277.04 | 15,505,155.75 |
| 5,591,053.83 | 382,694.63 | 0.00 | 1,819,411.19 | - | 25,953,184.47 | 23,795,484.36 |
| 474,164.92 | 16,663.66 | 1,809.68 | 460,303.09 | - | 3,712,667.52 | 3,324,573.93 |
| - | - | - | - | 146,230,768.24 | 146,230,768.24 | 137,317,182.24 |
| 10,494.35 | 36,427.46 | - | 20,272.28 | - | 122,477.47 | 130,901.74 |
| 3,533,671.86 | 12,385.07 | 117,738,101.46 | 1,483,481.93 | - | 128,306,097.09 | 170,076,665.00 |
| 808,479.77 | - | - | - | - | 808,479.77 | 970,923.84 |
| - | - | - | - | - | 0.00 | 0.00 |
| 16,487,332.20 | 10,659,288.11 | 470,976.85 | 10,176,022.90 | - | 106,618,995.35 | 88,764,526.91 |
| <u>\$ 159,959,158.65</u> | <u>\$ 99,611,227.43</u> | <u>\$ 119,595,111.74</u> | <u>\$ 156,383,122.11</u> | <u>\$ 146,230,768.24</u> | <u>\$ 1,667,209,184.72</u> | <u>\$ 1,640,480,382.86</u> |

Unaudited

University of Houston System (797)
 Combined Statement of Cash Flows
 For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| Cash Flows From Operating Activities | | |
| Receipts from Customers | \$ 39,469,689.90 | \$ 106,599,355.77 |
| Proceeds from Tuition and Fees | 598,384,459.51 | 564,151,566.35 |
| Proceeds from Research Grants and Contracts | 265,579,882.73 | 303,615,028.27 |
| Proceeds from Loan Programs | 156,275,918.61 | 149,615,220.71 |
| Proceeds from Auxiliaries | 107,626,658.21 | 99,511,848.09 |
| Proceeds from a Defined Benefit Pension Plan | 106,179,527.00 | 173,167,586.00 |
| Proceeds from a Defined Benefit OPEB Plan | 250,654,867.00 | 49,736,562.00 |
| Proceeds from Other Revenues | 40,710,514.98 | 4,899,349.67 |
| Payments to Suppliers for Goods and Services | (295,850,304.40) | (289,551,849.81) |
| Payments to Employees for Salaries | (747,048,419.44) | (722,264,137.01) |
| Payments to Employees for Benefits | (151,530,369.19) | (144,677,847.64) |
| Payments for Loans Provided | (157,994,179.60) | (151,285,955.67) |
| Payments for a Defined Benefit Pension Plan | (106,179,527.00) | (173,167,586.00) |
| Payments for a Defined Benefit OPEB Plan | (250,685,581.00) | (49,768,036.00) |
| Payments for Other Expenses | (229,201,475.44) | (257,313,245.12) |
| Net Cash Provided (Used) by Operating Activities | (373,608,338.13) | (336,732,140.39) |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from State Appropriations | 423,911,651.76 | 413,381,991.55 |
| Proceeds from Gifts | 68,670,510.69 | 76,837,461.62 |
| Proceeds from Endowments | 21,359,514.11 | 39,759,829.35 |
| Proceeds of Transfers from Other Funds | 39,342,194.71 | 34,232,918.85 |
| Proceeds from Grants | 147,544,623.09 | 203,287,559.35 |
| Payments for Transfers to Other Funds | (34,511,837.34) | (244,845.20) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 666,316,657.02 | 767,254,915.52 |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Debt Issuance | 0.00 | 430,620,000.00 |
| Proceeds from Other Financing Activities | 6,821,178.24 | 120,977,828.77 |
| Payments for Additions to Capital Assets | (130,552,764.36) | (213,517,412.62) |
| Payments of Principal on Debt Issuance | (77,210,000.00) | (92,685,000.00) |
| Payments for Leases/SBITA | (1,909,137.36) | (4,561,956.59) |
| Payments of Interest on Debt Issuance | (67,376,950.45) | (46,028,709.03) |
| Payments of Other Costs on Debt Issuance | (14,803,217.02) | (63,780,147.88) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (285,030,890.95) | 131,024,602.65 |
| Cash Flows From Investing Activities | | |
| Proceeds from Sales of Investments | 1,853,925,251.53 | 1,906,812,339.92 |
| Proceeds from Interest Income | 949,632.37 | 29,361.01 |
| Proceeds from Investment Income | 76,201,271.81 | 84,149,627.07 |
| Payments to Acquire Investments | (1,846,717,577.91) | (2,326,913,920.37) |
| Net Cash Provided (Used) by Investing Activities | 84,358,577.80 | (335,922,592.37) |

Unaudited

University of Houston System (797)
 Combined Statement of Cash Flows
 For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|--------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <u>Net Increase (Decrease) in Cash and Cash Equivalents</u> | <u>\$ 92,036,005.74</u> | <u>\$ 225,624,785.41</u> |
| Cash and Cash Equivalents, September 1 | 884,463,294.11 | 677,648,318.08 |
| Restatements | 632,330.78 | (18,809,809.38) |
| <u>Cash and Cash Equivalents, August 31</u> | <u>\$ 977,131,630.63</u> | <u>\$ 884,463,294.11</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| <u>Operating Income (Loss)</u> | <u>\$ (612,745,669.38)</u> | <u>\$ (580,335,228.15)</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | |
| Pension Expense | 28,011,164.00 | 8,249,517.00 |
| OPEB Expense | 88,839,953.00 | 106,012,495.00 |
| Depreciation and Amortization Expense | 146,230,768.24 | 137,317,182.24 |
| Operating Income and Cash Flow Categories: | | |
| Classification Differences | (1,718,260.99) | (1,670,734.96) |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease In Receivables | (52,496,450.88) | (4,514,143.00) |
| (Increase) Decrease in Inventories | (120,183.93) | 167,199.20 |
| (Increase) Decrease in Prepaid Expenses | (3,039,944.79) | 7,209,234.13 |
| (Increase) Decrease in Other Assets | (1,241,925.12) | 19,785,798.82 |
| (Increase) Decrease in DOR - Pensions | (20,414,431.00) | 34,125,609.00 |
| (Increase) Decrease in DOR - OPEB | 136,497,072.00 | 109,885,484.00 |
| Increase (Decrease) in Payables | (8,066,204.88) | (6,328,517.40) |
| Increase (Decrease) in Deferred Income | 9,610,899.06 | (6,995,163.14) |
| Increase (Decrease) in Compensated Absences | 772,815.76 | (1,449,610.04) |
| Increase (Decrease) in Benefits Payable | 10,779,110.98 | (1,359,699.82) |
| Increase (Decrease) in Liabilities to Employees for Defined Benefit Pensions | 106,179,527.00 | (173,167,586.00) |
| Increase (Decrease) in Liabilities to Employees for Defined Benefit OPEB | (250,685,581.00) | (49,768,036.00) |
| Increase (Decrease) in Other Liabilities | 8,871,760.67 | 5,947,966.23 |
| Increase (Decrease) in Deferred Inflows of Resources-Leases | (1,645,196.75) | 10,209,057.50 |
| Increase (Decrease) in Deferred Inflows of Resources-Pensions | (111,444,149.00) | 112,466,003.00 |
| Increase (Decrease) in Deferred Inflows of Resources-OPEB | 111,473,614.00 | (62,518,968.00) |
| Increase (Decrease) in Other Deferred Inflows | 42,742,974.88 | 0.00 |
| <u>Total Adjustments</u> | <u>239,137,331.25</u> | <u>243,603,087.76</u> |
| <u>Net Cash Provided (Used) by Operating Activities</u> | <u>\$ (373,608,338.13)</u> | <u>\$ (336,732,140.39)</u> |
| Non Cash Transactions | | |
| <u>Net Change in Fair Value of Investments</u> | <u>43,191,999.00</u> | <u>(176,095,783.56)</u> |
| <u>Non Cash Transactions</u> | <u>\$ 43,191,999.00</u> | <u>\$ (176,095,783.56)</u> |

**UNIVERSITY OF HOUSTON SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023**

NOTE 1: Summary of Significant Accounting Policies

Entity

The University of Houston System (the System) is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The System serves the state as the primary provider of educational and cultural opportunities, skilled employers and leaders, technical knowledge, and innovative research to the Houston metropolitan area and the Gulf Coast region. Houston and the upper Gulf Coast region represent approximately one fourth of the state's population and economy.

The System includes within this report all components as determined by an analysis of their relationship to the System as listed below.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

GASB STATEMENTS IMPLEMENTED IN FISCAL YEAR 2023

GASB Statement No. 94, Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs), implemented in FY23, is an arrangement in which a government (the transferor) contracts with a governmental or nongovernmental entity (the operator) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets, for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, implemented in FY2023, established a model of accounting for contracts that conveys control of the right to use another party's IT software alone or in combination with tangible capital assets. This required a recognition of a right to use subscription intangible asset and a corresponding liability.

Reporting Consideration for COVID-19 Response

The CARES Act establishes and funds the Higher Education Emergency Relief Fund (HEERF). Sections 18004(a)(1) and 18004(c) of the CARES Act, which address the HEERF, allow institutions of higher education to use up to 50 percent of the funds they receive to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus.

The University of Houston System uses these funds to provide additional emergency financial aid grants to students, reimbursements and waivers for tuition, housing, room and board and other fee refunds for students; as well as providing additional technology hardware to students, such as laptops, or tablets, or covering the added cost of technology fees. These funds were additionally used for campus safety and operations; for purchasing, leasing or renting additional instructional equipment and supplies in order to reduce the number of students sharing equipment or supplies during a single class period and to provide time for disinfection between uses; as well as to enable distance learning, or upgrading campus Wi-Fi access or extending open networks to parking lots or open spaces. The System also expended funds to establish Spanish communications on the University website as well as expenses for staff to deliver customer services to students remotely.

The accompanying financial statements and related information have been prepared in conformity with the instructions contained in the State Comptroller's manual, *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*. The instructions and the accompanying report are designed to assist the Texas Comptroller of Public Accounts in compiling and preparing a Comprehensive Annual Financial Report for the State of Texas. Since the System's annual financial report is not subject to a separate financial audit, certain information, such as Management's Discussion and Analysis and a complete set of Government-Wide Financial Statements, are not included in the accompanying report. The System's financial statements are considered to be materially accurate in all respects.

Blended Component Units

No component units have been identified which should have been blended into an appropriated fund.

Discretely Presented Component Units

These component units are legally separate from the state, but are financially accountable to the state, or have a relationship with the state, such that exclusion would cause the financial statements to be misleading or incomplete. The component unit columns of the financial statements include the financial data of these entities.

No component units have been identified which should have been discretely presented in the financial statements.

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types & Government-Wide Adjustment Fund Types

General Fund

The General Fund is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those accounted for in other funds.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

Debt Service Funds

Debt Service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Project Funds

Capital Project funds are used to account for financial resources used for the acquisition, repair, renovation or construction of major capital facilities (other than those financed by proprietary or similar trust funds).

Permanent Funds

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the state's programs.

Capital Asset Adjustment Fund Type

The Capital Asset Adjustment fund type will be used to convert governmental fund type capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The Long-Term Liabilities Adjustment fund type will be used to convert governmental fund type debt from modified accrual to full accrual.

Other Adjustments Fund Type

The Other Adjustments fund type will be used to convert all other governmental fund type activity from modified accrual to full accrual.

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met:

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Internal Service Funds

Internal Service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of a governmental unit, or to other governmental units within the state, on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund or a private purpose trust fund is used.

Pension Trust Funds

Pension trust funds are used to account for resources held in trust for the member and beneficiaries of defined benefit pension plans. A separate pension trust fund is used for each separate pension plan. Separate pension trust funds also may be established to account for supplemental pension benefits.

External Investment Trust Funds

External investment trust funds are used to account for the state's external portion of investment pools reported by the sponsoring government.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Private-Purpose Trust Funds

Private-purpose trust funds are used to account for all other trust arrangements whose principal and interest benefit individuals, private organizations, or other governments.

Component Units

The fund types of individual discrete component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

Governmental Component Units are used to account for discretely presented component units that follow governmental fund accounting principles.

Proprietary Component Units are used to account for the discretely presented component units which follow proprietary fund measurement focus and accounting principles.

Business-Type Activities

The operations of universities are considered to be a Business-Type Activity. The System charges fees to external users for goods and services. Consequently, the accompanying financial statements are presented using the proprietary fund type structure.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for by using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. The State of Texas considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, unpaid employee compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments, and full accrual revenues and expenses. The activity will be recognized in these fund types.

Proprietary funds, pension trust funds, external investment trust funds, and private-purpose trust funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating expenses for the enterprise and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Budget and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act).

Additionally, the System prepares an annual budget which represents anticipated sources of revenues and authorized uses. This budget is approved by the System's Board of Regents.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities, Deferred Inflows and Outflows and Fund Balances/Net Position

ASSETS

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Securities Lending Collateral

Investments are stated at fair value in all funds, except pension trust funds, in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For pension trust funds, investments are required to be reported at fair value using the accrual basis of accounting in accordance with GASB Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses in the Operating Statement. These costs are reported at gross.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all exhaustible assets. Inexhaustible assets such as works of art and historical treasures, are not depreciated. Road and highway infrastructure is reported on the modified basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

Current Receivables - Other

Other receivables include year-end revenue accruals. This account can appear in governmental and proprietary fund types.

Non-Current Receivables - Other

Receivable balances not expected to be collected within one year of fiscal year end.

LIABILITIES

Accounts Payable

Accounts payable represent the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Current Payables - Other

Payables are the accrual at year-end of expenditure transactions. Payables may be included in either the governmental or proprietary fund types.

Non-Current Payables - Other

Payable balances not expected to be paid within one year of fiscal year end.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the Statement of Net Position.

Lease Liabilities

Lease liability represents the amount recognized by a lessee on its financial statements regarding its leases. It is initially measured at the present value of lease payments and is remeasured

whenever there is a change in lease payments or lease modification. Liabilities are reported separately as either current or noncurrent.

Bonds Payable - General Obligation Bonds

The unmatured principal of general obligations bonds is accounted for in the Long-term Liabilities column. Payables are reported separately as either current or non-current in the Statement of Net Position.

Bonds Payable are recorded at par. The bond proceeds are accounted for as an Other Financing Source in the governmental funds when received, and expenditures for payment of principal and interest are recorded in debt service funds when paid. These amounts are adjusted in the Long-Term Liabilities column.

Bonds Payable - Revenue Bonds

Revenue bonds are generally accounted for in the proprietary funds. The Bonds Payable are reported at par, less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis with amortization of discount or premium. Payables are reported separately as either current or non-current in the Statement of Net Position.

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The Statement of Net Position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period, and have a positive effect on net position, similar to assets. Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period, and have a negative effect on net position, similar to liabilities. Additional details are provided in Note 28 - Deferred Outflows of Resources and Deferred Inflows of Resources.

FUND BALANCE/NET POSITION

The difference between fund assets and liabilities is Net Position on the government-wide, proprietary, and fiduciary fund statements; and the Fund Balance is the difference between fund assets and liabilities on the governmental fund statements.

Reservations of Fund Balance

Fund balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use and are not available for expenditure.

Reserved for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Unreserved/Undesignated

This represents the unappropriated balance at year-end.

Invested In Capital Assets, Net Of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Unrestricted net position consist of net position, which do not meet the definition of the two preceding categories. Unrestricted net position often have constraints on resources, which are imposed by management, but can be removed or modified.

INTERFUND ACTIVITIES AND BALANCES

The System has the following types of transactions between funds:

Transfers

Legally required transfers that are reported when incurred as Transfers In by the recipient fund and as Transfers Out by the disbursing fund.

Reimbursements

Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

Interfund Receivables and Payables

Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, it is classified as Current. Repayment for two (or more) years is classified as Non-Current.

Interfund Sales and Purchases

Charges or collections for services rendered by one fund to another are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of the System's interfund activities and balances are presented in Note 12.

NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ending August 31, 2023 is presented in Table 2.

Table 2 - Capital Assets

| | Balance | | University of Houston System | | University of Houston System | | Deletions | Balance |
|-------------------------------------------------------------|----------------------------|-------------------------|------------------------------|----------------------|------------------------------|------------------------|-------------|----------------------------|
| | 09/01/22 | 09/01/22 | Inc-Int'gy | Dec-Int'gy | Trans | Trans | | |
| Business-Type Activities: | | | | | | | | |
| Non-Depreciable/Non-Amortizable Assets | | | | | | | | |
| Land & Land Improvements | \$ 153,117,748.56 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 153,797,808.52 |
| Construction in Progress | 212,987,919.04 | - | - | - | - | - | (44,955.95) | 119,580,472.46 |
| Other Tangible Capital Assets | 3,187,844.97 | - | - | - | - | - | - | 3,187,844.97 |
| Other Intangible Capital Assets | 1.00 | - | - | - | - | - | - | 1.00 |
| Total Non-Depreciable and Non-Amortizable Assets | 369,293,513.57 | (171,705,505.19) | - | - | 79,023,074.52 | (44,955.95) | | 276,566,126.95 |
| Depreciable Assets | | | | | | | | |
| Buildings & Building Improvements | 2,639,775,668.89 | 167,943,667.48 | - | - | 13,944,315.95 | - | - | 2,821,663,672.32 |
| Infrastructure | 69,945,052.24 | 415,606.01 | - | - | 591,869.37 | - | - | 70,952,527.62 |
| Facilities & Other Improvements | 399,802,170.90 | 3,346,231.70 | - | - | 2,154,632.67 | - | - | 405,113,036.27 |
| Furniture & Equipment | 322,331,228.85 | - | 21,000.00 | (194,139.16) | 18,750,075.56 | (4,405,600.42) | - | 336,502,564.83 |
| Vehicle, Boats & Aircraft | 10,958,453.91 | - | - | - | 1,005,920.51 | (601,439.80) | - | 11,365,724.62 |
| Other Capital Assets | 181,806,923.39 | - | - | - | 5,280,368.47 | (806,478.81) | - | 186,260,813.05 |
| Total Depreciable Assets | 3,624,419,518.18 | 171,705,505.19 | 21,000.00 | (194,139.16) | 41,717,182.53 | (5,813,519.03) | | 3,831,878,337.71 |
| Less Accumulated Depreciation For: | | | | | | | | |
| Buildings & Building Improvements | (1,236,870,068.61) | - | - | - | (97,552,142.57) | - | - | (1,334,422,211.18) |
| Infrastructure | (47,769,978.24) | - | - | - | (1,541,172.73) | - | - | (49,311,150.97) |
| Facilities & Other Improvements | (125,288,971.44) | - | - | - | (15,566,134.56) | - | - | (140,825,105.99) |
| Furniture & Equipment | (254,535,695.47) | (2,040.82) | (21,000.00) | 187,232.98 | (19,958,844.95) | 4,179,441.91 | - | (270,150,806.35) |
| Vehicle, Boats & Aircraft | (7,674,848.21) | (2,031.41) | - | - | (887,861.83) | 600,581.39 | - | (7,964,160.06) |
| Other Capital Assets | (134,295,411.26) | - | - | - | (6,359,839.04) | 803,680.14 | - | (139,851,570.16) |
| Total Accumulated Depreciation | (1,806,434,873.23) | (4,072.23) | (21,000.00) | 187,232.98 | (141,835,995.67) | 5,583,703.44 | | (1,942,525,004.71) |
| Depreciable Assets, Net | 1,817,984,644.95 | 171,705,505.19 | - | (6,906.18) | (100,118,813.14) | (229,815.59) | | 1,889,353,333.00 |
| Amortizable Assets-Intangible | | | | | | | | |
| Computer Software | 49,603,240.42 | - | - | - | - | (257,213.49) | - | 49,346,026.93 |
| Other Intangible Capital Assets | - | - | - | - | - | - | - | - |
| Total Amortizable Assets-Intangible | 49,603,240.42 | - | - | - | - | (257,213.49) | | 49,346,026.93 |
| Less Accumulated Amortization For: | | | | | | | | |
| Computer Software | (47,984,866.68) | - | - | - | (619,100.92) | 257,213.49 | - | (48,346,754.11) |
| Other Intangible Capital Assets | - | - | - | - | - | - | - | - |
| Total Accumulated Amortization | (47,984,866.68) | - | - | - | (619,100.92) | 257,213.49 | | (48,346,754.11) |
| Amortizable Assets-Intangible, Net | 1,618,373.74 | - | - | - | (619,100.92) | - | | 999,272.82 |
| Total Business-Type Activities - Capital Assets, Net | \$ 2,188,896,532.26 | \$ (0.00) | \$ 0.00 | \$ (6,906.18) | \$ (21,714,839.54) | \$ (274,771.54) | | \$ 2,166,918,732.77 |

NOTE 2: Intangible Right to Use Assets - Business Type Activities

In accordance with the implementation of GASB 87, leased assets are presented separately in Note 2. A summary of changes in RTU Assets for the year ending August 31, 2023 is presented below:

Table for Intangible RTU Assets:

| | University of Houston System | | | | |
|---------------------------------------------------|------------------------------|---------------------|-----------------------|-----------|-----------------------|
| Business-Type Activities: | Balance 09/01/22 | Adjustments | Additions | Deletions | Balance 08/31/23 |
| Amortizable Assets-IRTU: | | | | | |
| Buildings & Building Improvements | 8,021,739.07 | (630,424.39) | - | - | 7,391,314.68 |
| Facilities & Other Improvements | - | - | - | - | - |
| Land & Land Improvements | - | - | - | - | - |
| Infrastructure | - | - | - | - | - |
| Equipment | 4,627,787.31 | - | - | - | 4,627,787.31 |
| Vehicles | - | - | - | - | - |
| Subscriptions | - | - | 10,490,334.09 | - | 10,490,334.09 |
| Total Amortizable RTU Assets | 12,649,526.38 | (630,424.39) | 10,490,334.09 | - | 22,509,436.08 |
| Less Accumulated Amortization For: | | | | | |
| Buildings & Building Improvements | (1,540,524.72) | 160,959.36 | (1,178,329.50) | - | (2,557,894.86) |
| Facilities & Other Improvements | - | - | - | - | - |
| Land & Land Improvements | - | - | - | - | - |
| Infrastructure | - | - | - | - | - |
| Equipment | (383,024.21) | - | (396,532.12) | - | (779,556.33) |
| Vehicles | - | - | - | - | - |
| Subscriptions | - | - | (2,200,810.03) | - | (2,200,810.03) |
| Total Accumulated Amortization | (1,923,548.93) | 160,959.36 | (3,775,671.65) | - | (5,538,261.22) |
| Business-Type Activities - RTU Assets, Net | 10,725,977.45 | (469,465.03) | 6,714,662.44 | - | 16,971,174.86 |

NOTE 3: Deposits, Investments, & Repurchase Agreements

The University of Houston System is authorized by statute to make investments following the “prudent person rule”. There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2023, the carrying amount of deposits was \$ (66,094,644.76) as presented below:

| <u>Governmental and Business-Type Activities</u> | |
|------------------------------------------------------------|---------------------------|
| Cash in Bank-Carrying Amount | \$ (66,094,644.76) |
| Total Cash in Bank per Annual Financial Report | <u>\$ (66,094,644.76)</u> |
| <u>Reconciliation of Cash per Annual Financial Report</u> | |
| Proprietary Funds, Current Assets, Cash in Bank | 27,524,956.26 |
| Proprietary Funds, Current Assets, Restricted Cash in Bank | <u>\$ (93,619,601.02)</u> |
| Cash in Bank per Annual Financial Report | <u>\$ (66,094,644.76)</u> |

These amounts consist of all cash in local banks. These amounts are included on the Statement of Net Position as part of the “Cash and Cash Equivalents” accounts.

As of August 31, 2023, the total bank balance was as follows:

| | |
|----------------------------------------------|---------------|
| Governmental and Business-Type Activities | \$ 733,852.00 |
|----------------------------------------------|---------------|

Custodial Credit Risk – The System has no deposits that are at risk of recovery due to the failure of a depository financial institution.

Foreign Currency Risk – The System maintains no foreign bank accounts.

Investments

As of August 31, 2023, fair value of investments were:

| <u>Governmental and Business-Type Activities</u> | Fair Value Hierarchy | | | Net Position Value | Fair Value |
|--------------------------------------------------|-------------------------|----------------------|------------------|-----------------------|-------------------------|
| | Level 1 Inputs | Level 2 Inputs | Level 3 Input | | |
| U.S. Government Agency Obligations | 159,019,343.28 | - | - | - | 159,019,343.28 |
| U.S. Treasury Securities | 378,031,317.41 | - | - | - | 378,031,317.41 |
| Corporate Obligations | 208,604,474.40 | - | - | - | 208,604,474.40 |
| Equities | 82,379,774.86 | - | - | 113,306,346.63 | 195,686,121.49 |
| International Equities | - | 12,270,493.00 | - | 182,866,230.97 | 195,136,723.97 |
| Fixed Income Money Market & Bond Mutual Funds | 831,119,170.55 | - | - | - | 831,119,170.55 |
| Other Commingled Funds (TexPool) | - | - | - | 154,103,549.86 | 154,103,549.86 |
| Other Commingled Funds | - | - | - | 4,488,385.13 | 4,488,385.13 |
| Externally Managed Investments-Domestic | 40,745,907.54 | 11,283,866.00 | - | 223,608,297.17 | 275,638,070.71 |
| Externally Managed Investments-International | 13,334,412.00 | 9,487,144.03 | - | 247,693,698.01 | 270,515,254.04 |
| Real Estate | - | - | - | - | - |
| Miscellaneous Investments | 1,539,030.75 | - | - | - | 1,539,030.75 |
| Total Investments | <u>1,714,773,430.79</u> | <u>33,041,503.03</u> | - | <u>926,066,507.77</u> | <u>2,673,881,441.59</u> |

Reconciliation of Investments per Annual Financial Statements

| | |
|-----------------------------------------------------------|----------------------------|
| Proprietary Funds, Current Assets, Cash Equivalents | \$ 831,113,029.86 |
| Proprietary Funds, Current Assets, Short-Term Investments | 154,109,690.55 |
| Proprietary Funds, Non-Current Assets, Investments | <u>1,688,658,721.18</u> |
| Investments per Annual Financial Statements | <u>\$ 2,673,881,441.59</u> |

Custodial Credit Risk (Investments) – The System has no direct investments held by its custodians that are not covered by insurance.

Foreign Currency Risk (Investments) – The System has no direct investments subject to foreign currency risk, nor any denominated in a foreign currency.

Credit Risk (Investments) – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The general investment policy of the System limits investments in debt securities that are not in the top three investment grade ratings issued by nationally recognized statistical rating organizations to 5% of total investments. As of August 31, 2023, the System had no direct investment in securities with credit risk exposure that exceeded its policy limit. As of August 31, 2023, the System's credit quality distribution for securities with credit risk exposure was:

Investments as Rated by Standard & Poor's

| Fund Type | GAAP Fund | Investment Type | AAAf | AAAm | AAf | Af | BBBf | NR |
|-----------|-----------|----------------------------|------------------|------|-----------------|-----------------|-----------------|-----------------|
| 05 | 9999 | US Govt Agency Obligations | \$159,019,343.28 | | | | | |
| | | Corporate Obligations | \$18,634,227.94 | | \$32,856,667.09 | \$37,114,942.02 | \$54,648,132.52 | \$65,350,504.83 |
| | | Miscellaneous Investments | \$49,672.00 | | \$352,608.75 | | | 1,136,750.00 |

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2023, the System's concentration of credit risk in any single issuer did not exceed 5% of total investment assets as reported on the Statement of Net Position.

Reverse Repurchase Agreements

The System has no investments in reverse repurchase agreements.

Securities Lending

The System does not participate in a security-lending program.

NOTE 4: Short-Term Debt

In the prior fiscal year, the System issued commercial paper (Consolidated Revenue Commercial Paper Program, Series A) to provide interim financing for renovation and construction projects, and no additional commercial paper was issued during fiscal year 2023.

Table 4 – Commercial Paper Activity

| Business-Type Activities | Balance 9/01/22 | Additions | Reductions | Balance 8/31/23 |
|--------------------------|--------------------|-----------|-----------------|--------------------|
| Commercial Paper | \$ 34,738,000.00 | \$ 0.00 | \$ 6,327,000.00 | \$ 28,411,000.00 |

- The University has no unused lines of credit.
- Although the University pledges to pay debt service first from all revenue sources and if the institution went bankrupt, the University would have to pay the bonds first; however, the University does not specifically pledge any assets as collateral.
- Terms specified in debt agreements related to significant:
 - Events of default with finance-related consequences – Debtor would go through channels as would any state agency, so the University does not have any of these.
 - Termination events with finance-related consequences – University has no termination events and no changes in repayment.
 - Subjective acceleration clauses – University is only one that can say when we are going to pay early (min 10 years), so no disclosures are needed.
- Separate information about direct borrowings and direct placements of debt from other debt – University does not have short-term direct borrowings nor direct placements, so no disclosure separation is needed.

NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2023, the following changes, presented in Table 5.1, occurred in liabilities:

Table 5.1 – Long-Term Liabilities

| Business-Type Activities | Balance 9/1/22 | Additions | Reductions | Other Changes | Balance 8/31/23 | Due Within 1 Year | Due Thereafter |
|---------------------------------------|----------------------------|-------------------------|-------------------------|---------------------------|----------------------------|--------------------------|----------------------------|
| Claims and Judgments | \$ 1,212,750.93 | \$ 1,551,590.46 | \$ 808,479.77 | \$ 0.00 | \$ 1,955,861.62 | \$ 1,955,861.62 | \$ 0.00 |
| Right to Use Lease Obligations | 10,892,450.53 | 0.00 | 1,418,033.53 | (474,742.90) | 8,999,674.10 | 1,383,612.91 | 7,616,061.19 |
| Right to Use Subscription Obligations | 0.00 | 10,490,334.09 | 3,685,516.78 | 0.00 | 6,804,817.31 | 2,624,167.44 | 4,180,649.87 |
| Notes & Loans – Direct Placements | 3,997,716.01 | 0.00 | 568,107.91 | 0.00 | 3,429,608.10 | 571,168.16 | 2,858,439.94 |
| Employee Compensable Leave | 32,956,826.27 | 16,960,658.02 | 16,187,842.26 | 0.00 | 33,729,642.03 | 16,935,653.28 | 16,793,988.75 |
| Revenue Bonds Payable | 1,957,369,115.40 | 0.00 | 77,210,000.00 | (9,540,633.39) | 1,870,618,482.01 | 91,378,057.23 | 1,779,240,424.78 |
| Total | \$ 2,006,428,859.14 | \$ 29,002,582.57 | \$ 99,877,980.25 | \$ (10,015,376.29) | \$ 1,925,538,085.17 | \$ 114,848,520.64 | \$ 1,810,689,564.53 |

Claims and Judgments

At August 31, 2023, various lawsuits and claims involving the System were pending. While the ultimate liability, if any, with respect to litigation and other claims asserted against the System cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is not expected to have a material effect on System accounts.

Right to Use Lease Obligations

The System is a lessee for various noncancellable leases of buildings and equipment. For leases with a maximum possible term of 12 months or more the System recognizes a lease liability and an intangible right to use lease

asset. At the commencement of a lease the System initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Additional information on the System's right to use lease obligations is provided in Note 8. Right to use lease asset detail is provided in Note 2.

Right to Use Subscription Obligations

The System has various non-cancellable subscription obligations of information technology. For subscriptions with a maximum possible term of 12 months or more the System recognizes a lease liability and an intangible right to use subscription obligation. At the commencement of the subscription, the System initially measures the lease liability at the present value of payments expected to be made during the obligation term. Subsequently, the lease liability is reduced by the principal portion of obligation payments made. Additional information on the System's right to use subscription obligations is provided in Note 2 and Note 8.

Notes and Loans – Direct Placement

In the prior year, August 31, 2022, the System made an adjustment, recording the balance of the capital lease previously recorded in Note 8.

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Full-time state employees earn annual leave from eight to twenty-one hours per month depending on the respective employees' years of State employment. The State's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 532 for those employees with 35 or more years of state service. Accrued leave in excess of the normal maximum was converted to sick leave at the conclusion of fiscal year 2023. Employees with at least six months of State service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed.

Non-debt liability obligations are usually paid from the same funding source from which the employee's salary or wage compensation was paid.

Lump sum payments made to employees, who separated from state service during the 2023 fiscal year, for accrued vacation and compensatory leave totaled \$ 4,607,053.05.

Revenue Bonds Payable

See Note 6 for required Revenue Bond disclosures.

NOTE 6: Bonded Indebtedness

Bonds Payable

Detailed supplemental bond information is disclosed in Schedule 2-A, Miscellaneous Bond Information; Schedule 2-B, Changes in Bonded Indebtedness; Schedule 2-C, Debt Service Requirements; Schedule 2-D, Analysis of Funds Available for Debt Service; Schedule 2-E, Defeased Bonds Outstanding; and Schedule 2-F, Early Extinguishment and Refunding.

Revenue Bonds

At August 31, 2023, the System had no bonds payable classified as Revenue Bonds.

General Obligation Bonds

At August 31, 2023, the System had no bonds payable classified as General Obligation Bonds.

Refunding Bonds

- **Consolidated Revenue and Refunding Bonds, Series 2013-B**
 - To (a) defease certain outstanding commercial paper notes of the System and (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System.
 - In addition to the defeasement of the commercial paper note above, the proceeds were used to finance the construction of a Football Stadium (UH), a Multidisciplinary Research and Engineering Building (UH), UH Energy Research Park renovations and improvements (UH), and Jaguar Court Residence Facility (UHV).
 - Issued 9-17-2013.
 - \$102,420,000; all bonds authorized have been issued (UH – \$101,200,000 and UHV – \$1,220,000).
 - Source of revenue for debt service – Designated tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations.
 - Sufficient funds from proceeds of advance refunding bonds were deposited in FY20 with an escrow agent to provide for full payment of certain outstanding obligations related to the 2013B series bonds that mature subsequent to 02-15-2029 totaling \$37,805,000, after they are called for early redemption on 02-15-2022.

- **Consolidated Revenue Refunding Bonds, Series 2014**
 - To refund \$18,385,000 of Consolidated Revenue Bonds, Series 2006; and \$32,715,000 of Consolidated Revenue and Refunding Bonds, Series 2006.
 - Issued 11-18-2014.
 - \$47,915,000; all bonds authorized have been issued (UH – \$29,525,000, UHD – \$17,765,000, and UHV – \$625,000).
 - Source of revenue for debt service – Tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations. (Funding for fiscal year 2023 partially from Legislative Appropriation-Tuition Revenue Bonds.)
 - Average interest rate of bonds refunded - 4.67%.
 - Net proceeds from refunding series - \$52,309,205.77, after receipt of bond premium of \$5,037,241.05 and payment of \$643,035.28 in underwriting fees, insurance, and other issuance costs.
 - Sufficient funds were deposited with an escrow agent to provide for full payment of all outstanding obligations related to the 2006 series bonds, after they were called for early redemption on 02-15-2015.
 - The advance refunded 2006 series bonds maturing subsequent to 02-15-2015 are considered fully defeased and the obligation for those bonds has been removed from the reported liabilities of the System.
 - Refunding of the 2006 series bonds reduced the System's debt service payments over the life of the bond issues by approximately \$9,051,334.58.
 - Economic gain - \$7,400,593.85; the difference between the net present value of the old and new debt service payments.
 - Accounting gain (deferred inflow of resources) - \$445,456.16; the accounting gain (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.

- **Consolidated Revenue and Refunding Bonds, Series 2016-A**
 - To (a) refund and defease \$67,525,000 of Consolidated Revenue and Refunding Bonds, Series 2008; and (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System.
 - In addition to the defeasement of the bonds noted above, the proceeds were used to finance the acquisition, construction, or renovation of Sophomore housing facilities – 3200 N. Ben Wilson Residence Facility (UHV), and (b) to defease certain outstanding commercial paper notes of the System.
 - Issued 2-16-2016.
 - \$100,650,000; all bonds authorized have been issued (\$63,605,000 refunding bonds: UHSA - \$10,260,000, UH – \$49,480,000, and UHV – \$3,865,000; and \$37,045,000 revenue bonds: UH – \$21,290,000, UHSA – \$6,910,000, and UHV – \$8,845,000).
 - Source of revenue for debt service – Designated Tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations.
 - Average interest rate of bonds refunded - 5.106634%.
 - Net proceeds from refunding series - \$73,326,358.81 after receipt of bond premium of \$10,146,107.80 and payment of \$424,748.99 in underwriting fees, insurance, and other issuance costs.

- Sufficient funds were deposited with an escrow agent to provide for full payment of all outstanding obligations related to the 2008 series bonds maturing subsequent to 02-15-2019, after they are called for early redemption on 02-15-2018.
 - The advance refunded 2008 series bonds maturing subsequent to 02-15-2019 are considered fully defeased and the obligation for those bonds has been removed from the reported liabilities of the System.
 - Refunding of the 2008 series bonds reduced the System's debt service payments over the life of the bond issues by approximately \$11,368,241.94.
 - Economic gain - \$9,431,071.76; the difference between the net present value of the old and new debt service payments.
 - Accounting loss (deferred outflow of resources) - \$3,725,515.23; the accounting loss (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.
- **Consolidated Revenue and Refunding Bonds, Series 2016-B**
 - To (a) defease certain outstanding commercial paper notes of the System and (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System.
 - In addition to the defeasement of the commercial paper note above, the proceeds were used to finance a portion of the Multidisciplinary Research and Engineering Building (UH); the Science, Technology, Engineering, and Mathematics Building (UHCL); and the Health and Biomedical Building 2 (UH).
 - Issued 2-16-2016.
 - \$184,350,000; all bonds authorized have been issued (UH – \$120,300,000 and UHCL – \$64,050,000).
 - Source of revenue for debt service – Designated tuition and various other fees, revenues and balances that may be legally available for payment of debt obligations. (Funding for fiscal year 2023 partially from Legislative Appropriations–Tuition Revenue Bonds.)
- **Consolidated Revenue and Refunding Bonds, Series 2017-A**
 - To (a) advance refund and defease \$38,400,000 of Consolidated Revenue Refunding Bonds, Series 2008; \$50,325,000 of Consolidated Revenue and Refunding Bonds, Series 2009; and \$12,840,000 of Consolidated Revenue and Refunding Bonds, Series 2009A; (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operation and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System; and (c) to defease certain outstanding commercial paper notes of the System.
 - In addition to the defeasement of the notes and bonds noted above, the proceeds were used to finance the acquisition, construction, or renovation of various properties, buildings, and facilities at the University of Houston – System Administration, University of Houston, University of Houston – Clear Lake, University of Houston – Downtown, and University of Houston – Victoria.
 - Issued 2-16-2018.
 - \$379,450,000; all bonds authorized have been issued; (a) \$93,460,000 refunding bonds: Series 2008: UHSA – \$265,000, UH – \$35,300,000, and UHV – \$95,000; Series 2009: UH – \$41,990,000, and UHCL – \$4,165,000; and Series 2009A: UH - \$11,645,000; and (b) \$285,990,000 new money revenue bonds: UHSA – \$40,920,000, UH – \$47,180,000, UHCL – \$53,830,000, UHD – \$84,750,000 and UHV – \$59,310,000.
 - Source of revenue for debt service – Tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations. (Funding for fiscal year 2023 partially from Legislative Appropriation-Tuition Revenue Bonds.)
 - Average interest rate of bonds refunded - 4.971035%.
 - Net proceeds from refunding series - \$108,438,040.58, after receipt of \$93,460,000 par value, plus receipt of the bond premium of \$15,956,653, and payment of \$978,612.42 in underwriting fees, insurance, and other issuance costs.
 - Refunding of the 2008, 2009, and 2009A series' bonds reduced the System's debt service payments over the life of the bond issues by approximately \$14,322,761.90.
 - Economic gain - \$10,020,739.63; the difference between the net present value of the old and new debt service payments.
 - Accounting loss (deferred outflow of resources) - \$2,300,255.73; the accounting loss (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.

- **Consolidated Revenue and Refunding Bonds, Series 2017-B**
 - To (a) defease certain outstanding commercial paper notes of the System and (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System.
 - In addition to the defeasement of the commercial paper note above, the proceeds were used to finance the Basketball Arena (UH) and Football Stadium (UH).
 - Issued 2-16-2018.
 - \$11,635,000; all bonds authorized have been issued (UH – \$11,635,000).
 - Source of revenue for debt service – Designated tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations.

- **Consolidated Revenue and Refunding Bonds, Series 2017-C**
 - To (a) advance refund and defease \$9,925,000 of Consolidated Revenue Refunding Bonds, Series 2009; \$22,095,000 of Consolidated Revenue and Refunding Bonds, Series 2009A; and \$121,595,000 of Consolidated Revenue and Refunding Bonds, Series 2011A; (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operation and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System and (c) to defease certain outstanding commercial paper notes of the System.
 - In addition to the defeasement of the commercial paper noted above, the proceeds were used to finance the Quad new residential housing and new Parking Garage 5 (UH), Freshman new residential housing (UHCL), and campus expansion (UHV).
 - Issued 12-21-2017.
 - \$320,635,000; all bonds authorized have been issued; (a) \$150,685,000 refunding bonds: Series 2009: , UH – \$9,130,000, and UHCL – \$525,000; Series 2009A: UH – \$22,720,000; and Series 2011A: UH – \$111,720,000; and UHV – \$6,590,000 and (b) \$169,950,000 new money revenue bonds: UH – \$142,940,000, UHCL – \$21,320,000, and UHV – \$5,690,000.
 - Source of revenue for debt service – Tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations. (Funding for fiscal year 2023 partially from Legislative Appropriation-Tuition Revenue Bonds.)
 - Average interest rate of bonds refunded - 3.69%.
 - Net proceeds from refunding series - \$165,811,307.74 after receipt of \$150,685,000 par value, plus receipt of the bond premium of \$16,137,005.30, and payment of \$1,010,697.56 in underwriting fees, insurance, and other issuance costs.
 - Refunding of the 2009, 2009A, and 2011A series' bonds reduced the System's debt service payments over the life of the bond issues by approximately \$24,628,909.00.
 - Economic gain - \$17,123,196.00; the difference between the net present value of the old and new debt service payments.
 - Accounting loss (deferred outflow of resources) - \$744,303.44; the accounting loss (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.

- **Consolidated Revenue and Refunding Bonds, Series 2020-A**
 - To (a) advance refund and defease \$13,230,000 of Consolidated Revenue Refunding Bonds, Series 2008; \$1,950,000 of Consolidated Revenue and Refunding Bonds, Series 2009A; and \$63,275,000 of Consolidated Revenue and Refunding Bonds, Series 2010B; (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operation and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System; and (c) to defease certain outstanding commercial paper notes of the System.
 - In addition to the defeasement of the notes and bonds noted above, the proceeds were used to finance the acquisition, construction, or renovation of various properties, buildings, and facilities at the University of Houston, University of Houston – Downtown, and University of Houston – Victoria.
 - Issued 2-19-2020.
 - \$320,635,000; all bonds authorized have been issued; (a) \$68,255,000 refunding bonds: Series 2008: UHSA – \$375,000, UH – \$11,070,000, and UHV – \$135,000; Series 2009A: UH – \$1,640,000; and Series 2010B: UH – \$51,500,000 and UHV – \$3,535,000; and (b) \$252,380,000 new money revenue bonds: UH – \$210,615,000, UHCL – \$31,545,000, and UHV – \$10,220,000.

- Source of revenue for debt service – Tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations. (Funding for fiscal year 2023 partially from Legislative Appropriation-Tuition Revenue Bonds.)
 - Average interest rate of bonds refunded – 3.968953%.
 - Net proceeds from refunding series - \$78,788,387.21, after receipt of \$68,255,000 par value, plus receipt of the bond premium of \$10,758,186.25, and payment of \$224,799.04 in underwriting fees, insurance, and other issuance costs.
 - Refunding of the 2008, 2009A, and 2010B series' bonds reduced the System's debt service payments over the life of the bond issues by approximately \$15,204,230.00.
 - Economic gain - \$12,862,320.00; the difference between the net present value of the old and new debt service payments.
 - Accounting gain (deferred inflow of resources) - \$434,718.51; the accounting gain (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.
- **Consolidated Revenue and Refunding Bonds, Series 2020-B**
 - To (a) refund and defease \$3,955,000 of outstanding Consolidated Revenue Bonds, Series 2008; \$16,285,000 of Consolidated Revenue Bonds, Series 2010A; \$10,710,000 of Consolidated Revenue Bonds, Series 2011B; and \$37,805,000 of Consolidated Revenue Bonds, Series 2013B; (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System.
 - In addition to the defeasement of the bonds noted above, the proceeds were used to finance the acquisition, construction, or renovation of the Fertitta Center, Hilton Expansion, and the Auxiliary Retail Center (UH).
 - Issued 2-19-2020.
 - \$162,625,000; all bonds authorized have been issued (\$71,835,000 refunding bonds: UH – \$71,490,000 and UHV – \$345,000; and \$90,790,000 revenue bonds: UH - \$90,790,000).
 - Source of revenue for debt service – Designated tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations.
 - Average interest rate of bonds refunded – 2.511015%.
 - Net proceeds from refunding series – \$71,807,589.51, after receipt of \$71,835,000 par value plus receipt of the bond premium of \$427,770.55, and payment of \$455,181.04 in underwriting fees, insurance, and other issuance costs.
 - Refunding of the 2008, 2010-A, 2011-B, and 2013-B series bonds reduced the System's debt service payments over the life of the bond issues by approximately \$17,709,151.
 - Economic gain - \$14,089,063; the difference between the net present value of the old and new debt service payments.
 - Accounting loss (deferred outflow of resources) - \$2,536,780.29; the accounting loss (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.
- **Consolidated Revenue Refunding Bonds, Series 2021-A**
 - To refund \$16,605,000 of Consolidated Revenue and Refunding Bonds, Series 2011A.
 - Issued 04-07-2021.
 - \$16,425,000; all bonds authorized have been issued (UH – \$15,392,000, and UHV – \$1,033,000).
 - Source of revenue for debt service – Tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations.
 - Average interest rate of bonds refunded – 2.000000%.
 - Net proceeds from refunding series - 16,803,337.50, after receipt of bond premium of \$643,722.85 and payment of \$265,385.35 in underwriting fees, insurance, and other issuance costs.
 - Sufficient funds were deposited with an escrow agent to provide for full payment of all outstanding obligations related to the 2011A series bonds, after they were called for early redemption on 05-11-2021.
 - The advance refunded 2011A series bonds maturing subsequent to 02-15-2031 are considered fully defeased and the obligation for those bonds has been removed from the reported liabilities of the System.
 - Refunding of the 2011A series bonds reduced the System's debt service payments over the life of the bond issues by approximately \$6,004,800.
 - Economic gain - \$5,448,107.01; the difference between the net present value of the old and new debt service payments.
 - Accounting gain (deferred inflow of resources) - \$3,083,859.57; the accounting gain (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.

- **Consolidated Revenue Refunding Bonds, Series 2021-B**
 - To refund \$2,870,000 of Consolidated Revenue and Refunding Bonds, Series 2011B; and \$28,920,000 of Consolidated Revenue and Refunding Bonds, Series 2013B.
 - Issued 04-07-2021.
 - \$33,120,000; all bonds authorized have been issued (UH – \$32,709,000, and UHV – \$411,000).
 - Source of revenue for debt service – Tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations.
 - Average interest rate of bonds refunded – 1.529290%.
 - Net proceeds from refunding series - \$33,091,838.54, after receipt of bond premium of \$490,391.40 and payment of \$518,552.86 in underwriting fees, insurance, and other issuance costs.
 - Sufficient funds were deposited with an escrow agent to provide for full payment of all outstanding obligations related to the 2011B series bonds, after they were called for early redemption on 05-11-2021.
 - Sufficient funds were deposited with an escrow agent to provide for full payment of all outstanding obligations related to the 2013B series bonds, after they were called for early redemption on 02-15-2022.
 - The advance refunded 2011B series bonds maturing subsequent to 02-15-2022 are considered fully defeased and the obligation for those bonds has been removed from the reported liabilities of the System.
 - The advance refunded 2013B series bonds maturing subsequent to 02-15-2023 are considered fully defeased and the obligation for those bonds has been removed from the reported liabilities of the System.
 - Refunding of the 2011B and 2013B series bonds reduced the System's debt service payments over the life of the bond issues by approximately \$3,876,517.59.
 - Economic gain - \$3,599,289.94; the difference between the net present value of the old and new debt service payments.
 - Accounting loss (deferred inflow of resources) - \$1,108,401.98; the accounting loss (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.

- **Consolidated Revenue and Refunding Bonds, Series 2022-A**
 - To (a) advance refund and defease \$18,160,000 of Consolidated Revenue and Refunding Bonds, Series 2013A; (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operation and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System; and (c) to refund and defease certain outstanding commercial paper notes and bonds of the System.
 - In addition to the defeasement of the notes and bonds noted above, the proceeds were used to finance the acquisition, construction, or renovation of various properties, buildings, and facilities at the University of Houston – System Administration, University of Houston, University of Houston – Clear Lake, and University of Houston – Victoria.
 - Issued 6-29-2022.
 - \$385,680,000; all bonds authorized have been issued; (a) \$16,690,000 refunding bonds: Series 2013A: UH – \$10,715,000, UHD – \$3,600,000, and UHV – \$2,375,000; and (b) \$368,990,000 new money revenue bonds: UHSA – \$52,535,000, UH - \$198,250,000, UHD – \$39,405,000, UHCL – \$39,400,000, and UHV – \$39,400,000.
 - Source of revenue for debt service – Tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations. (Funding for fiscal year 2023 partially from Legislative Appropriation-Tuition Revenue Bonds.)
 - Average interest rate of bonds refunded – 5.000000%.
 - Net proceeds from refunding series - \$18,496,372.22, after receipt of \$16,690,000 par value, plus receipt of the bond premium of \$1,875,958.80, and payment of \$69,586.58 in underwriting fees, insurance, and other issuance costs.
 - Refunding of the 2013A series' bonds reduced the System's debt service payments over the life of the bond issues by approximately \$1,453,207.02.
 - Economic gain - \$1,334,975.36; the difference between the net present value of the old and new debt service payments.
 - Accounting gain (deferred inflow of resources) - \$647,097.54; the accounting gain (the difference between the reacquisition price and the net carrying value of the refunded bonds) resulted from the advance refunding.

- **Consolidated Revenue and Refunding Bonds, Series 2022-B**
 - To (a) defease certain outstanding commercial paper notes of the System and (b) finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations and other facilities, roads, or related infrastructure for or on behalf of the System, including individual campuses of the System.

- In addition to the defeasement of the bonds noted above, the proceeds were used to finance the acquisition, construction, or renovation of the Football Operations Center and the TCEDU Seating Additions (UH).
- Issued 6-29-2022.
- \$44,940,000; all bonds authorized have been issued (UH – \$44,940,000).
- Source of revenue for debt service – Designated tuition and various other fees and revenues and balances that may be legally available for payment of debt obligations.

Pledged Future Revenues

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, makes a basic distinction between sales of receivables and future revenues, on the one hand, and the pledging of receivables or future revenues to repay a borrowing (a collateralized borrowing), on the other. The following table provides the pledged future revenue information for the System's revenue bonds:

| | Government Activities | Business-Type Activities | Component Units |
|--------------------------------------------------------------------------------------|--------------------------|-----------------------------|--------------------|
| Pledged revenue required for future principal and interest on existing revenue bonds | \$ NA | \$ 2,574,656,935.75 | \$ NA |
| Term of commitment year ending 08/31 | NA | 2056 | NA |
| Percentage of revenue pledged | NA | 100% | NA |
| Current year pledged revenue | \$ NA | \$ 1,033,179,552.06 | \$ NA |
| Current year principal and interest paid | \$ NA | \$ 152,800,422.66 | \$ NA |

Pledged revenue sources:

Governmental activities – None.

Business-type activities – Operating income from tuition and fees, and sales and service revenue from auxiliary and non-auxiliary activities including intercollegiate athletics, residential life, parking, rental of facilities, continuing education, royalties, publications, clinics, bookstores, and vending commissions.

Component Units – None.

NOTE 7: Derivative Instruments

Not Applicable.

NOTE 8: Leases/SBITAs

Lease Liability

The System is a lessee for various non-cancellable leases of buildings and equipment. A summary of the System's right to use lease asset activity during the year is disclosed separately in Note 2. Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under lease liability:

| Fund Type | Amount |
|------------------|-----------------|
| Proprietary Fund | \$ 4,921,623.95 |

Future Lease Payments

Year Ended August 31, 2023

| Primary Government – Business-Type Activities | | | |
|-----------------------------------------------|-----------------|---------------|-------------------------------------------|
| Year | Principal | Interest | Total Future Minimum Lease Payments |
| 2024 | \$ 1,383,612.91 | \$ 110,445.21 | \$ 1,494,058.12 |
| 2025 | 1,254,687.18 | 96,786.37 | 1,351,473.55 |
| 2026 | 1,126,116.20 | 83,562.00 | 1,209,678.20 |
| 2027 | 617,120.63 | 73,271.00 | 690,391.63 |

University of Houston System (797) Unaudited

| | | | |
|-----------|------------------------|----------------------|------------------------|
| 2028 | 643,576.49 | 64,825.49 | 708,401.98 |
| 2029-2033 | 2,236,029.31 | 203,941.22 | 2,439,970.53 |
| 2034-2038 | 1,509,832.75 | 81,613.03 | 1,591,445.78 |
| 2039-2043 | 228,698.63 | 1,370.76 | 230,069.39 |
| Total | <u>\$ 8,999,674.10</u> | <u>\$ 715,815.08</u> | <u>\$ 9,715,489.18</u> |

Lease Income

The System is a lessor for various non-cancellable leases of buildings, land, office space and equipment to outside parties. Included in the revenues reported in the financial statements are the following amounts of rental income received.

Future Lease Income

Year Ended August 31, 2023

| Primary Government – Business-Type Activities | | | |
|-----------------------------------------------|------------------------|----------------------|-----------------------------------|
| Year | Principal | Interest | Total Future Minimum Lease Income |
| 2024 | \$ 1,408,721.63 | \$ 102,127.39 | \$ 1,510,849.02 |
| 2025 | 1,453,861.63 | 84,178.90 | 1,538,040.53 |
| 2026 | 1,523,536.18 | 65,722.48 | 1,589,258.66 |
| 2027 | 1,598,365.93 | 46,301.11 | 1,644,667.04 |
| 2028 | 1,645,498.75 | 25,995.36 | 1,671,494.11 |
| 2029-2033 | 1,138,957.04 | 5,560.16 | 1,144,517.20 |
| 2034-2038 | 649.92 | 50.08 | 700.00 |
| 2039-2043 | 290.64 | 9.37 | 300.01 |
| Total | <u>\$ 8,769,881.72</u> | <u>\$ 329,944.85</u> | <u>\$ 9,099,826.57</u> |

The University of Houston System has revenue lease(s) that allows for variable payment of the annual lease rental payment plus 50% of the Lessors' Net Cash Flows at the end of each academic year.

The total amount of Deferred Inflows of Resources - Leases for the University of Houston System is \$8,563,860.75.

Subscription Liability

The System has various non-cancellable subscriptions of information technology. Included in the expenditures reported in the financial statements are the following amounts of subscription fees paid under subscription liability:

| Fund Type | Amount |
|------------------|------------------|
| Proprietary Fund | \$ 13,487,263.17 |

Future Subscription Payments

Year Ended August 31, 2023

| Primary Government – Business-Type Activities | | | |
|-----------------------------------------------|------------------------|----------------------|--------------------------------------------|
| Year | Principal | Interest | Total Future Minimum Subscription Payments |
| 2024 | \$ 2,624,167.44 | \$ 251,065.28 | \$ 2,875,232.72 |
| 2025 | 2,601,442.72 | 153,767.69 | 2,755,210.41 |
| 2026 | 943,936.60 | 55,374.07 | 999,310.67 |
| 2027 | 635,270.55 | 23,235.40 | 658,505.95 |
| Total | <u>\$ 6,804,817.31</u> | <u>\$ 483,442.44</u> | <u>\$ 7,288,259.75</u> |

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

The State has joint contributory retirement plans for substantially all its employees. The System participates in the plans administered by the Teachers Retirement System of Texas. Future pension costs are the liabilities of the Retirement System. The Retirement System does not account for each State agency separately. Annual financial reports prepared by the Retirement System include audited financial statements and actuarial assumptions and conclusions.

The state has also established an Optional Retirement Program for institutions of higher education. Participation in the Optional Retirement Program is available to certain eligible employees and is in lieu of participation in the Teacher Retirement System. Since contributions are invested in individual annuity contracts, neither the State nor the System have any additional or unfunded liability for this program.

The contributions made by plan members and employers for the fiscal year ended August 31, 2023 are:

| | TRS Participants | ORP Participants | Total Contributions |
|------------------------|-------------------------|-------------------------|--------------------------|
| Member Contributions | \$ 34,685,397.73 | \$ 15,111,101.00 | \$ 49,796,498.73 |
| Employer Contributions | <u>34,977,577.35</u> | <u>15,822,085.00</u> | <u>50,799,662.35</u> |
| Total | <u>\$ 69,662,975.08</u> | <u>\$ 30,933,186.00</u> | <u>\$ 100,596,161.08</u> |

NOTE 10: Deferred Compensation (Administering Agencies Only)

Not Applicable.

NOTE 11: Postemployment Benefits Other Than Pensions

Not Applicable.

NOTE 12: Interfund Activity and Transactions

Not Applicable.

NOTE 13: Continuance Subject to Review

The System is not subject to the provisions of the Texas Sunset Act (Chapter 325, Texas Government Code Annotated). The Act provides for the regular assessment of the continuing need for state agencies to exist. Certain agencies, such as institutions of higher education and courts, are not subject to the Sunset Act.

NOTE 14: Adjustments to Fund Balances and Net Position

During fiscal year 2023, certain accounting changes or adjustments were made that required the restatement of fund balances or net position. The restatements are presented below:

Table 14.1 – Restatement of Net Position for FY2023

| | Enterprise Funds |
|----------------------------------------------|----------------------------|
| Fund Balance/Net Position, 09/01/23 | \$ 2,146,705,965.51 |
| Current Year Restatements | <u>181,583.52</u> |
| Fund Balance/Net Position, 09/01/23 Restated | <u>\$ 2,146,887,549.03</u> |

Table 14.2 – Changes in Net Position for FY2022

| | <u>Enterprise Funds</u> |
|-------------------------------------------|-------------------------|
| Change in Net Position, 08/31/22 | \$ 66,387,033.07 |
| Current Year Restatements | <u>181,583.52</u> |
| Change in Net Position, 08/31/22 Restated | <u>\$ 66,568,616.59</u> |

A restatement of \$18,717.77 in Enterprise Funds is due to due to corrections related to asset valuation in the prior period.

A restatement of \$162,865.75 in Enterprise Funds is due to the termination of a GASB 87 lessee lease that was terminated in FY22 and the termination was recorded in FY23. This resulted in a restatement to Plant Assets at the University of Houston and University of Houston – System Administration.

NOTE 15: Contingencies and Commitments

Unpaid Claims and Lawsuits

As mentioned in Note 5, various lawsuits and claims involving the System were pending. While the ultimate liability, if any, remains uncertain, management does not expect any possible adverse ruling to have a material effect on the System accounts.

Federal Assistance

The System has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

Arbitrage

Rebatable arbitrage is defined by Internal Revenue Code, Section 148, as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investment were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government.

The System monitors its investments to restrict earnings to a yield less than the bond issue and, therefore, limit any arbitrage liability. The System estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

Construction Commitments

The System has several contractual agreements with various external housing management entities to construct, maintain, and manage off-campus student housing complexes. Under certain circumstances, the System may have contingent liabilities to these entities. Based on prior experience, previous years' liabilities have been immaterial, and management believes no such liabilities currently exist. Additional information is provided in Note 19.

Investment Funds

The System has entered into contractual commitments to fund private investments made by external investment managers. Investments in which a public market does not exist have an inherent uncertainty of valuation. Because of this uncertainty, the estimate of fair value for alternative investments may differ from the values that would have been used had a ready market existed. As displayed in Note 3, the fair value of Externally Managed Investments is: Domestic – \$74,873,447.00 and International – \$72,982,350.90 The total amount of unfunded commitment is: \$546,153,324.75, composed of Domestic – \$272,425,504.53 and International – \$273,727,820.22.

NOTE 16: Subsequent Events

As of the date this report was issued, there have been no additional events since August 31, 2023 that had a significant financial impact and require disclosure.

NOTE 17: Risk Management

The System is exposed to a variety of civil claims resulting from the performance of its duties. It is System policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The System assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently, there is the purchase of some commercial insurance, and the System is not involved in any risk pools with other government entities.

The System's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience, and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. Changes in the balances of the agency's claims liabilities during fiscal years 2022 and 2023 were:

Table 17.1 – Balance of Claims Activity

| | Beginning Balance | Increase | Decrease | Ending Balance |
|------|----------------------|-----------------|---------------|-------------------|
| 2023 | \$ 1,212,750.93 | \$ 1,551,590.46 | \$ 808,479.77 | \$ 1,955,861.62 |
| 2022 | \$ 85,251.35 | \$ 2,098,423.42 | \$ 970,923.84 | \$ 1,212,750.93 |

Liabilities include an amount for estimated future workers' compensation and unemployment claims that have been incurred as of the fiscal year end, but that have not been reported. 2023 increases and decreases also include current year assessments and payments of legal settlements in the amount of \$112,566.60. Payments for worker's compensation claims of \$554,633.33 and for unemployment claims of \$141,279.84 make up the remainder of the decrease total of \$808,479.77.

NOTE 18: Management's Discussion and Analysis (MD&A)

Not Applicable.

NOTE 19: The Financial Reporting Entity

Not Applicable.

NOTE 20: Stewardship, Compliance, and Accountability

Not Applicable.

NOTE 21: N/A

Not Applicable.

NOTE 22: Donor Restricted Endowments

Expenditure of endowed funds is not permitted without the express consent of the donor. The majority of the System's endowments are held in perpetuity. In many cases, endowment earnings are expendable for student financial assistance or other purposes as specified by the donor. In other cases, endowment earnings are reinvested.

The Regents of the University of Houston System have established an endowment policy which attempts to balance the long-term objective of maintaining the purchasing power of the endowment with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current needs. Payout is derived from interest, dividends, and realized gains net of portfolio management fees. The historical rate of payout has been 4 to 5 percent, with any change to this range to be approved by the Board.

The net appreciation (cumulative and unexpended) on donor-restricted endowments, presented below in Table 22.1, is available for authorization and expenditure by the System:

Table 22.1 – Net Appreciation of Endowments

| Donor-Restricted Endowments | Amount of Net Appreciation/(Depreciation) | Reported in Net Position |
|--------------------------------|----------------------------------------------|--------------------------|
| True Endowments | \$ 251,368,115.96 | Restricted Expendable |
| Term Endowments | (712,120.69) | Restricted Expendable |
| Total | \$ 250,655,995.27 | |

(A fair market value increase of \$186,637,478.67 was recognized for endowments at or above historical cost, and a fair market value increase of \$6,496,042.53 was recognized for endowments below historical cost.)

Variances from prior year-end for expendable and nonexpendable balances are shown in Table 22.2:

Table 22.2 - Changes from Prior Year Balances:

| Endowment Funds | Increase/(Decrease) | Reason for Change |
|--------------------------------|---------------------|--------------------------------------|
| Expendable Balances | | |
| True Endowments | 43,311,888.57 | Fair value increase in portfolio |
| True Endowments | (30,728,420.00) | Spending distribution from endowment |
| Term Endowments | 1,476,666.93 | Fair value increase in portfolio |
| Term Endowments | (1,665,769.00) | Spending distribution from endowment |
| Non-Expendable Balances | | |
| True Endowments | 0.00 | |
| Term Endowments | 0.00 | |

NOTE 23: Extraordinary and Special Items

Not Applicable.

NOTE 24: Disaggregation of Receivable & Payable Balances

Not Applicable.

A. Taxes Receivable

Not Applicable.

B. Federal Receivable

Not Applicable.

C. Tax Refunds Payable

Not Applicable.

D. Other Receivables - Current

Not Applicable.

E. Other Payables – Current

Not Applicable.

F. Other Receivables – Non-Current

Not Applicable.

G. Other Payables – Non-Current

Not Applicable.

NOTE 25: Termination Benefits

Not Applicable.

NOTE 26: Segment Information

Not Applicable.

NOTE 27: Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The System recognizes a receivable for payments to be received from the operator under public-private and public-public partnerships (PPPs). The receivable for PPP installment payments is initially measured at the present value of PPP installment payments expected to be received over the term reduced by any provision for estimated uncollectible amounts. Present value of PPP installment payments are discounted based on a borrowing rate determined by the System.

Future period revenues from PPPs where the System is the transferor are recorded as deferred inflows and are amortized using the straight-line method over the PPP term.

| Institution | Partner | Description | Construction Status | Term of Concession | Contract Begin | Contract End |
|------------------------------|-----------------------------|--------------------|---------------------|--------------------|----------------|--------------|
| University of Houston System | Chartwells | Dining Services | Complete | 15 Years | 2017 | 2032 |
| University of Houston System | University Park Partnership | College Apartments | Complete | 46 Years | 1989 | 2035 |
| University of Houston System | Follett | Bookstore | Complete | 5 Years | 2019 | 2024 |

Variable payments are a result of the underlying PPP measured not in a fixed rate, but rather variable due to underlying payments derived from profit-sharing arrangements, usage of the underlying PPP asset, or changes in an index or rate. A total of \$289,320.54 was recognized as revenue from these variable payments for the year ended August 31, 2023.

The nature and extent of rights retained by the System as transferor under the PPP arrangements include, but are not limited to, maintaining residual interest of the utility of the assets used in P3 agreements and setting prices and hours of operations. Rights granted to operators in these agreements may include the ability to make improvements to the space with written permission from the System.

A total of \$39,133,964.11 was recognized as the noncurrent portion of the Receivable for PPP Installment Payments for the year ended August 31, 2023. Of the total receivable, \$4,111,291.39 was recognized as the current portion of the receivable for PPP installment payments for the year ended August 31, 2023.

Deferred Inflow of Resources corresponding to the Receivable for PPP Installment Payments and Receivable for Transfer of Underlying PPP Asset was \$42,742,974.88 for the year ended August 31, 2023.

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

In fiscal year 2023, the System reported deferred outflows of resources and deferred inflows of resources in connection with the TRS pension plan and GASB 87 Leases.

| As of August 31, 2023 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--------------------------------|--------------------------------------|-------------------------------------|
| Loss/Gain on Bond Refunding | \$ 0.00 | \$ 0.00 |
| Leases | | 8,563,860.75 |
| Pensions | 136,481,535.00 | 87,337,545.00 |
| Other Post-Employment Benefits | 110,513,488.00 | 227,520,240.00 |
| Other Deferred Inflows | 0.00 | 42,742,974.88 |
| Total | <u>\$ 246,995,023.00</u> | <u>\$ 366,164,620.63</u> |

Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore, will not be recognized as an expense or expenditure until that time.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as revenue until that time.

NOTE 29: Troubled Debt Restructuring

Not Applicable.

NOTE 30: Non-Exchange Financial Guarantees

Not Applicable.

NOTE 31: Tax Abatements

Not Applicable.

NOTE 32: Governmental Fund Balances

Not Applicable.

UNIVERSITY OF HOUSTON SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

Schedule TRS-A
 University of Houston System (797)
 Schedule of the University of Houston System's Proportionate Share of the Net Pension Liability
 Teacher Retirement System of Texas Plan
 Fiscal Year Ended August 31, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|----------------|----------------|
| University of Houston System's Proportion of the Net Pension Liability (Asset) | 0.4877171% | 0.6100353% | 0.5979923% | 0.6307948% | 0.7405442% | 0.4899740% | 0.5110390% | 0.5016354% | 0.5654400% |
| University of Houston System's Proportionate Share of the Net Pension Liability (Asset) | \$ 289,545,089.00 | \$ 155,354,398.00 | \$ 320,272,467.00 | \$ 327,906,868.00 | \$ 407,613,524.00 | \$ 156,667,295.00 | \$ 193,113,672 | \$ 177,321,437 | \$ 151,067,659 |
| University of Houston System's Covered Employee Payroll | \$ 252,357,808.20 | \$ 290,186,789.00 | \$ 286,786,882.00 | \$ 274,664,187.00 | \$ 214,999,558.00 | \$ 206,333,549.00 | \$ 208,211,337 | \$ 192,869,401 | \$ 207,258,022 |
| University of Houston System's Proportionate Share of the Net Pension Liability (Asset) As a Percentage of its Covered Payroll | 114.74% | 53.54% | 111.68% | 119.38% | 189.59% | 75.93% | 92.75% | 91.94% | 72.89% |
| University of Houston System's Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 75.62% | 88.79% | 75.54% | 75.24% | 82.17% | 82.17% | 78.00% | 78.43% | 83.25% |

This schedule will be presented on a prospective basis in accordance with GASB 68, paragraph 138.
 This schedule is intended to present 10 years of information. Currently, only nine years of information is available.
 Information for future years will be added as it becomes available.

Unaudited

Schedule TRS-B
 University of Houston System (797)
 Schedule of the University of Houston System's Contributions
 Teacher Retirement System of Texas Plan
 Fiscal Year Ended August 31, 2023

| Contributions | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|----------------|----------------|----------------|
| Statutorily Required Contributions | \$ 24,128,425.00 | \$ 21,207,693.00 | \$ 20,664,823.00 | \$ 21,712,761.00 | \$ 19,106,794.00 | \$ 16,944,398.00 | \$ 14,674,574 | \$ 13,435,959 | \$ 14,853,640 | \$ 14,335,475 |
| Contributions in Relation to the Statutorily Required Contributions | \$ 24,128,425.00 | \$ 21,207,693.00 | \$ 20,664,823.00 | \$ 21,712,761.00 | \$ 19,106,794.00 | \$ 16,944,398.00 | \$ 14,674,574 | \$ 13,435,959 | \$ 14,853,640 | \$ 14,335,475 |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| University of Houston System's Covered-Employee Payroll | \$ 401,676,159.13 | \$ 252,357,808.26 | \$ 290,186,789.12 | \$ 286,786,882.35 | \$ 274,664,187.00 | \$ 214,999,558.00 | \$ 190,578,883 | \$ 208,211,337 | \$ 192,869,401 | \$ 207,258,022 |
| Contributions as a Percentage of Covered-Employee Payroll | 6.01% | 8.40% | 7.12% | 7.57% | 6.96% | 7.88% | 7.70% | 7.75% | 7.70% | 6.92% |

This schedule will be presented on a prospective basis in accordance with GASB 68, paragraph 138.
 This schedule is intended to present 10 years of information.
 Information for future years will be added as it becomes available.

Unaudited

Schedule OPEB-A
University of Houston System (797)
Schedule of the University of Houston System's Proportionate Share of the Net OPEB Liability
Employees Retirement System of Texas Plan
Fiscal Year Ended August 31, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| University of Houston System's Proportion of the Net OPEB Liability (Asset) | 1.93471025% | 1.98738896% | 1.98743754% | 1.93254793% | 1.95968610% | 0.34990027% |
| University of Houston System's Proportionate Share of the Net OPEB Liability (Asset) | \$ 551,140,245.00 | \$ 712,985,873.00 | \$ 656,741,414.00 | \$ 667,940,253.00 | \$ 580,806,716.00 | \$ 119,221,560.00 |
| University of Houston System's Covered Employee Payroll | \$ 278,162,098.00 | \$ 260,525,018.00 | \$ 241,647,138.00 | \$ 246,256,985.00 | \$ 241,433,879.00 | \$ 369,340,909.00 |
| University of Houston System's Proportionate Share of the Net OPEB Liability (Asset) As a Percentage of its Covered Payroll | 211.55% | 295.05% | 266.69% | 276.66% | 157.25% | 32.95% |
| University of Houston System's Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 0.57% | 0.36% | 0.32% | 1.27% | 1.27% | 2.04% |

This schedule will be presented on a prospective basis in accordance with GASB 75, Paragraph B138.
This schedule is intended to present 10 years of information. Currently, only six years of information is available.
Information for future years will be added as it becomes available.

Unaudited

Schedule OPEB-B
University of Houston System (797)
Schedule of the University of Houston System's Contributions
Employees Retirement System of Texas Plan
Fiscal Year Ended August 31, 2023

| Contributions | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Statutorily Required Contributions | \$ 2,684,181.00 | \$ 2,370,046.00 | \$ 2,630,971.00 | \$ 2,505,587.00 | \$ 1,415,695.00 | \$ 58,023,290.00 | \$ 53,735,931.00 |
| Contributions in Relation to the Statutorily Required Contributions | \$ 2,684,181.00 | \$ 2,370,046.00 | \$ 2,630,971.00 | \$ 2,505,587.00 | \$ 1,415,695.00 | \$ 58,023,290.00 | \$ 53,735,931.00 |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| University of Houston System's Covered-Employee Payroll | \$ 278,162,098.00 | \$ 260,525,018.00 | \$ 241,647,138.00 | \$ 246,256,985.00 | \$ 241,433,879.00 | \$ 369,340,909.00 | \$ 361,867,814.00 |
| Contributions as a Percentage of Covered-Employee Payroll | 0.96% | 0.91% | 1.09% | 1.02% | 0.59% | 15.71% | 14.85% |

This schedule will be presented on a prospective basis in accordance with GASB 75, Paragraph B138
This schedule is intended to present 10 years of information. Currently, only seven years of information is available.
Information for future years will be added as it becomes available.

UNIVERSITY OF HOUSTON SYSTEM
SUPPORTING SCHEDULES

Unaudited

Schedule 2-A

University of Houston System (797)
 Combined Schedule of Miscellaneous Bond Information
 For the Year Ended August 31, 2023

Business-Type Activities
 Revenue Bonds

| Description of Issue | Issued Year | Bonds Issued to Date | Range of Interest Rates | Terms Of Variable Interest Rate | Scheduled Maturities | | First Call Date |
|-----------------------------------------------------------------------|-------------|----------------------------|-------------------------|---------------------------------|----------------------|-----------|-----------------|
| | | | | | First Year | Last Year | |
| Consolidated Revenue Refunding Bonds Self-supporting Revenue Bonds | | | | | | | |
| Consolidated Revenue & Refunding Bonds Series | 2013-A | 50,155,000.00 | 3.0000% - 5.0000% | | 2014 | 2033 | 2/15/2022 |
| Consolidated Revenue & Refunding Bonds Series | 2013-B | 102,420,000.00 | 0.3500% - 5.0400% | | 2014 | 2037 | 2/15/2022 |
| Consolidated Revenue Refunding Bond Series | 2014 | 47,915,000.00 | 2.0000% - 5.0000% | | 2015 | 2030 | 2/15/2024 |
| Consolidated Revenue & Refunding Bonds Series | 2016-A | 100,650,000.00 | 4.0000% - 5.0000% | | 2017 | 2047 | 2/15/2025 |
| Consolidated Revenue & Refunding Bonds Series | 2016-B | 184,350,000.00 | 2.5000% - 3.5900% | | 2017 | 2036 | 2/15/2025 |
| Consolidated Revenue & Refunding Bonds Series | 2017-A | 379,450,000.00 | 5.0000% - 5.0000% | | 2018 | 2038 | 2/15/2026 |
| Consolidated Revenue & Refunding Bonds Series | 2017-B | 11,635,000.00 | 3.0000% - 4.0000% | | 2018 | 2038 | 2/15/2026 |
| Consolidated Revenue & Refunding Bonds Series | 2017-C | 320,635,000.00 | 3.1250% - 5.0000% | | 2019 | 2049 | 2/15/2026 |
| Consolidated Revenue & Refunding Bonds Series | 2020-A | 320,635,000.00 | 3.0000% - 5.0000% | | 2021 | 2052 | 2/15/2030 |
| Consolidated Revenue & Refunding Bonds Series | 2020-B | 162,625,000.00 | 2.0200% - 3.2500% | | 2021 | 2050 | 2/15/2030 |
| Consolidated Revenue Refunding Bond Series | 2021-A | 16,425,000.00 | 2.0000% - 2.0000% | | 2032 | 2033 | 2/15/2030 |
| Consolidated Revenue Refunding Bond Series | 2021-B | 33,120,000.00 | 1.0000% - 2.0000% | | 2022 | 2029 | 2/15/2030 |
| Consolidated Revenue & Refunding Bonds Series | 2022-A | 365,680,000.00 | 4.0000% - 5.0000% | | 2023 | 2056 | 2/15/2032 |
| Consolidated Revenue & Refunding Bonds Series | 2022-B | 44,940,000.00 | 3.0800% - 4.9130% | | 2024 | 2052 | 2/15/2032 |
| Consolidated Revenue Bonds Self-supporting Revenue Bonds | | | | | | | |
| None | | | | | | | |
| | | <u>\$ 2,160,635,000.00</u> | | | | | |

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Unaudited

Schedule 2-B
University of Houston System (797)
Combined Schedule Of Changes in Bonded Indebtedness
For The Year Ended August 31, 2023

| Business-Type Activities | Description of Issue | Bonds | Bonds | Bonds | Bonds | Bonds | Bonds |
|--------------------------|------------------------------------------------------|----------------------------|-----------|-------------------------|-----------------------------|----------------------------|---------------------------|
| | | Outstanding 09/01/2022 | Issued | Matured or Retired | Refunded or Extinguished | Outstanding 08/31/2023 | Outstanding 08/31/2023 |
| | General Obligation Bonds | | | | | | |
| | None | | | | | | |
| | Revenue Bonds | | | | | | |
| | Consolidated Revenue & Refunding Bonds Series 2013-B | \$ 4,145,000.00 | \$ | \$ 4,145,000.00 | \$ | \$ | |
| | Consolidated Revenue & Refunding Bonds Series 2016-A | 78,880,000.00 | | 6,880,000.00 | | 72,000,000.00 | |
| | Consolidated Revenue & Refunding Bonds Series 2016-B | 109,150,000.00 | | 6,915,000.00 | | 102,235,000.00 | |
| | Consolidated Revenue & Refunding Bonds Series 2017-A | 326,980,000.00 | | 16,525,000.00 | | 310,455,000.00 | |
| | Consolidated Revenue & Refunding Bonds Series 2017-B | 9,610,000.00 | | 455,000.00 | | 9,155,000.00 | |
| | Consolidated Revenue & Refunding Bonds Series 2017-C | 300,980,000.00 | | 11,400,000.00 | | 289,580,000.00 | |
| | Consolidated Revenue & Refunding Bonds Series 2020-A | 300,330,000.00 | | 10,335,000.00 | | 289,995,000.00 | |
| | Consolidated Revenue & Refunding Bonds Series 2020-B | 156,285,000.00 | | 5,050,000.00 | | 151,235,000.00 | |
| | Consolidated Revenue Refunding Bonds Series 2014 | 29,965,000.00 | | 4,460,000.00 | | 25,505,000.00 | |
| | Consolidated Revenue Refunding Bonds Series 2021-A | 16,425,000.00 | | | | 16,425,000.00 | |
| | Consolidated Revenue Refunding Bonds Series 2021-B | 32,290,000.00 | | 1,665,000.00 | | 30,625,000.00 | |
| | Consolidated Revenue & Refunding Bonds Series 2022-A | 385,680,000.00 | | 9,380,000.00 | | 376,300,000.00 | |
| | Consolidated Revenue & Refunding Bonds Series 2022-B | 44,940,000.00 | | | | 44,940,000.00 | |
| | Total Revenue Bonds | \$ 1,795,660,000.00 | \$ | \$ 77,210,000.00 | \$ | \$ 1,718,450,000.00 | \$ |
| | Revenue Bonds | | | | | | |
| | Consolidated Revenue & Refunding Bonds Series 2013-B | \$ 7,581,723.98 | \$ | \$ | \$ | \$ 79,581,723.98 | \$ 8,021,462.81 |
| | Consolidated Revenue & Refunding Bonds Series 2016-A | 1,114,195.76 | | | | 109,349,198.76 | 6,661,062.37 |
| | Consolidated Revenue & Refunding Bonds Series 2017-A | 38,788,585.41 | | | | 349,253,585.41 | 20,714,308.40 |
| | Consolidated Revenue & Refunding Bonds Series 2017-B | 113,757.02 | | | | 9,268,757.02 | 483,426.45 |
| | Consolidated Revenue & Refunding Bonds Series 2017-C | 22,880,663.82 | | | | 312,460,663.82 | 13,368,681.36 |
| | Consolidated Revenue & Refunding Bonds Series 2020-A | 25,384,664.11 | | | | 315,379,664.11 | 12,523,279.53 |
| | Consolidated Revenue & Refunding Bonds Series 2020-B | 909,167.30 | | | | 152,144,167.30 | 5,257,803.73 |
| | Consolidated Revenue Refunding Bonds Series 2014 | 1,845,791.81 | | | | 27,350,791.81 | 5,003,857.79 |
| | Consolidated Revenue Refunding Bonds Series 2021-A | 516,720.24 | | | | 16,941,720.24 | 54,429.69 |
| | Consolidated Revenue Refunding Bonds Series 2021-B | 330,704.04 | | | | 30,955,704.04 | 5,633,437.44 |
| | Consolidated Revenue & Refunding Bonds Series 2022-A | 52,692,505.52 | | | | 428,992,505.52 | 13,501,307.86 |
| | Consolidated Revenue & Refunding Bonds Series 2022-B | | | | | 44,940,000.00 | 155,000.00 |
| | Total Revenue Bonds | \$ 152,168,482.01 | \$ | \$ | \$ | \$ 1,870,618,482.01 | \$ 91,378,057.23 |

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Unaudited
Schedule 2-C
University of Houston System (797)
Combined Schedule of Debt Service Requirements
For the Year Ended August 31, 2023

Business-Type Activities

| Description of Issue | Year | Principal | Interest | Total |
|------------------------------------------------------|-------------|------------------|------------------|------------------|
| General Obligations Bonds | | | | |
| Self-Supporting Bonds | | | | |
| None | | \$ | \$ | \$ |
| Not Self-Supporting Bonds | | | | |
| None | | \$ | \$ | \$ |
| Revenue Bonds | | | | |
| Self-Supporting Bonds | | | | |
| Consolidated Revenue & Refunding Bonds Series 2013-B | | | | |
| | 2024 | \$ | \$ | \$ |
| | 2025 | | | |
| | 2026 | | | |
| | 2027 | | | |
| | 2028 | | | |
| | 2029 - 2033 | | | |
| | 2034 - 2038 | | | |
| | 2039 - 2043 | | | |
| | 2044 - 2048 | | | |
| | 2049 - 2053 | | | |
| | | \$ | \$ | \$ |
| Consolidated Revenue & Refunding Bonds Series 2014 | | | | |
| | 2024 | \$ 4,650,000.00 | \$ 969,750.00 | \$ 5,619,750.00 |
| | 2025 | 4,865,000.00 | 755,125.00 | 5,620,125.00 |
| | 2026 | 5,115,000.00 | 505,625.00 | 5,620,625.00 |
| | 2027 | 2,575,000.00 | 313,375.00 | 2,888,375.00 |
| | 2028 | 2,685,000.00 | 208,725.00 | 2,893,725.00 |
| | 2029 - 2033 | 5,615,000.00 | 169,725.00 | 5,784,725.00 |
| | 2034 - 2038 | | | |
| | 2039 - 2043 | | | |
| | 2044 - 2048 | | | |
| | 2049 - 2053 | | | |
| | | \$ 25,505,000.00 | \$ 2,922,325.00 | \$ 28,427,325.00 |
| Consolidated Revenue & Refunding Bonds Series 2016-A | | | | |
| | 2024 | \$ 7,170,000.00 | \$ 2,772,450.00 | \$ 9,942,450.00 |
| | 2025 | 7,600,000.00 | 2,441,200.00 | 10,041,200.00 |
| | 2026 | 7,140,000.00 | 2,146,400.00 | 9,286,400.00 |
| | 2027 | 7,360,000.00 | 1,856,400.00 | 9,216,400.00 |
| | 2028 | 7,840,000.00 | 1,552,400.00 | 9,392,400.00 |
| | 2029 - 2033 | 19,940,000.00 | 4,747,400.00 | 24,687,400.00 |
| | 2034 - 2038 | 5,710,000.00 | 2,359,800.00 | 8,069,800.00 |
| | 2039 - 2043 | 4,720,000.00 | 1,391,200.00 | 6,111,200.00 |
| | 2044 - 2048 | 4,520,000.00 | 370,800.00 | 4,890,800.00 |
| | 2049 - 2053 | | | |
| | | \$ 72,000,000.00 | \$ 19,638,050.00 | \$ 91,638,050.00 |

Unaudited
Schedule 2-C
University of Houston System (797)
Combined Schedule of Debt Service Requirements
For the Year Ended August 31, 2023

Business-Type Activities

| Description of Issue | Year | Principal | Interest | Total |
|------------------------------------------------------|-------------|--------------------------|--------------------------|--------------------------|
| Consolidated Revenue & Refunding Bonds Series 2016-B | 2024 | \$ 6,570,000.00 | \$ 3,305,492.00 | \$ 9,875,492.00 |
| | 2025 | 6,760,000.00 | 3,117,182.00 | 9,877,182.00 |
| | 2026 | 6,955,000.00 | 2,921,395.50 | 9,876,395.50 |
| | 2027 | 7,160,000.00 | 2,712,391.00 | 9,872,391.00 |
| | 2028 | 7,400,000.00 | 2,484,073.00 | 9,884,073.00 |
| | 2029 - 2033 | 40,255,000.00 | 8,438,929.75 | 48,693,929.75 |
| | 2034 - 2038 | 27,135,000.00 | 1,484,195.75 | 28,619,195.75 |
| | 2039 - 2043 | | | |
| | 2044 - 2048 | | | |
| | 2049 - 2053 | | | |
| | | <u>\$ 102,235,000.00</u> | <u>\$ 24,463,659.00</u> | <u>\$ 126,698,659.00</u> |
| Consolidated Revenue & Refunding Bonds Series 2017-A | 2024 | \$ 17,420,000.00 | \$ 15,087,250.00 | \$ 32,507,250.00 |
| | 2025 | 20,275,000.00 | 14,144,875.00 | 34,419,875.00 |
| | 2026 | 22,020,000.00 | 13,087,500.00 | 35,107,500.00 |
| | 2027 | 23,215,000.00 | 11,956,625.00 | 35,171,625.00 |
| | 2028 | 21,840,000.00 | 10,830,250.00 | 32,670,250.00 |
| | 2029 - 2033 | 98,555,000.00 | 39,154,125.00 | 137,709,125.00 |
| | 2034 - 2038 | 107,130,000.00 | 11,722,500.00 | 118,852,500.00 |
| | 2039 - 2043 | | | |
| | 2044 - 2048 | | | |
| | 2049 - 2053 | | | |
| | | <u>\$ 310,455,000.00</u> | <u>\$ 115,983,125.00</u> | <u>\$ 426,438,125.00</u> |
| Consolidated Revenue & Refunding Bonds Series 2017-B | 2024 | \$ 475,000.00 | \$ 317,995.00 | \$ 792,995.00 |
| | 2025 | 495,000.00 | 298,595.00 | 793,595.00 |
| | 2026 | 510,000.00 | 281,045.00 | 791,045.00 |
| | 2027 | 525,000.00 | 265,520.00 | 790,520.00 |
| | 2028 | 545,000.00 | 249,197.50 | 794,197.50 |
| | 2029 - 2033 | 3,000,000.00 | 959,150.00 | 3,959,150.00 |
| | 2034 - 2038 | 3,605,000.00 | 352,925.00 | 3,957,925.00 |
| | 2039 - 2043 | | | |
| | 2044 - 2048 | | | |
| | 2049 - 2053 | | | |
| | | <u>\$ 9,155,000.00</u> | <u>\$ 2,724,427.50</u> | <u>\$ 11,879,427.50</u> |
| Consolidated Revenue & Refunding Bonds Series 2017-C | 2024 | \$ 11,995,000.00 | \$ 11,883,600.04 | \$ 23,878,600.04 |
| | 2025 | 10,505,000.00 | 11,321,100.04 | 21,826,100.04 |
| | 2026 | 11,050,000.00 | 10,782,225.04 | 21,832,225.04 |
| | 2027 | 11,600,000.00 | 10,215,975.04 | 21,815,975.04 |
| | 2028 | 14,600,000.00 | 9,560,975.04 | 24,160,975.04 |
| | 2029 - 2033 | 68,690,000.00 | 37,415,700.20 | 106,105,700.20 |
| | 2034 - 2038 | 78,210,000.00 | 22,988,906.35 | 101,198,906.35 |
| | 2039 - 2043 | 50,875,000.00 | 11,015,306.25 | 61,890,306.25 |
| | 2044 - 2048 | 26,160,000.00 | 3,878,600.00 | 30,038,600.00 |
| | 2049 - 2053 | 5,895,000.00 | 117,900.00 | 6,012,900.00 |
| | | <u>\$ 289,580,000.00</u> | <u>\$ 129,180,288.00</u> | <u>\$ 418,760,288.00</u> |

Unaudited
Schedule 2-C
University of Houston System (797)
Combined Schedule of Debt Service Requirements
For the Year Ended August 31, 2023

Business-Type Activities

| Description of Issue | Year | Principal | Interest | Total | |
|------------------------------------------------------|------------------------------------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| Consolidated Revenue & Refunding Bonds Series 2020-A | 2024 | \$ 10,840,000.00 | \$ 9,908,750.00 | \$ 20,748,750.00 | |
| | 2025 | 11,385,000.00 | 9,353,125.00 | 20,738,125.00 | |
| | 2026 | 12,050,000.00 | 8,767,250.00 | 20,817,250.00 | |
| | 2027 | 12,660,000.00 | 8,149,500.00 | 20,809,500.00 | |
| | 2028 | 13,260,000.00 | 7,501,500.00 | 20,761,500.00 | |
| | 2029 - 2033 | 63,460,000.00 | 29,578,500.00 | 93,038,500.00 | |
| | 2034 - 2038 | 54,185,000.00 | 20,922,675.00 | 75,107,675.00 | |
| | 2039 - 2043 | 46,720,000.00 | 13,093,500.00 | 59,813,500.00 | |
| | 2044 - 2048 | 45,315,000.00 | 6,498,075.00 | 51,813,075.00 | |
| | 2049 - 2053 | 20,120,000.00 | 608,100.00 | 20,728,100.00 | |
| | | | <u>\$ 289,995,000.00</u> | <u>\$ 114,380,975.00</u> | <u>\$ 404,375,975.00</u> |
| | Consolidated Revenue & Refunding Bonds Series 2020-B | 2024 | \$ 5,205,000.00 | \$ 3,949,152.50 | \$ 9,154,152.50 |
| | | 2025 | 5,365,000.00 | 3,790,602.50 | 9,155,602.50 |
| 2026 | | 6,280,000.00 | 3,646,699.50 | 9,926,699.50 | |
| 2027 | | 6,400,000.00 | 3,516,391.50 | 9,916,391.50 | |
| 2028 | | 6,205,000.00 | 3,381,566.75 | 9,586,566.75 | |
| 2029 - 2033 | | 48,320,000.00 | 13,968,928.75 | 62,288,928.75 | |
| 2034 - 2038 | | 34,995,000.00 | 8,179,130.75 | 43,174,130.75 | |
| 2039 - 2043 | | 16,670,000.00 | 4,701,703.25 | 21,371,703.25 | |
| 2044 - 2048 | | 14,635,000.00 | 2,235,541.25 | 16,870,541.25 | |
| 2049 - 2053 | | 7,160,000.00 | 460,910.00 | 7,620,910.00 | |
| | | | <u>\$ 151,235,000.00</u> | <u>\$ 47,830,626.75</u> | <u>\$ 199,065,626.75</u> |
| Consolidated Revenue Refunding Bonds Series 2021-A | 2024 | \$ | \$ 328,500.00 | \$ 328,500.00 | |
| | 2025 | | 328,500.00 | 328,500.00 | |
| | 2026 | | 328,500.00 | 328,500.00 | |
| | 2027 | | 328,500.00 | 328,500.00 | |
| | 2028 | | 328,500.00 | 328,500.00 | |
| | 2029 - 2033 | 16,425,000.00 | 1,314,650.00 | 17,739,650.00 | |
| | 2034 - 2038 | | | | |
| | 2039 - 2043 | | | | |
| | 2044 - 2048 | | | | |
| | 2049 - 2053 | | | | |
| | | <u>\$ 16,425,000.00</u> | <u>\$ 2,957,150.00</u> | <u>\$ 19,382,150.00</u> | |
| Consolidated Revenue Refunding Bonds Series 2021-B | 2024 | \$ 5,565,000.00 | \$ 402,700.00 | \$ 5,967,700.00 | |
| | 2025 | 5,620,000.00 | 346,775.00 | 5,966,775.00 | |
| | 2026 | 4,750,000.00 | 294,212.50 | 5,044,212.50 | |
| | 2027 | 4,810,000.00 | 233,675.00 | 5,043,675.00 | |
| | 2028 | 4,890,000.00 | 148,700.00 | 5,038,700.00 | |
| | 2029 - 2033 | 4,990,000.00 | 49,900.00 | 5,039,900.00 | |
| | 2034 - 2038 | | | | |
| | 2039 - 2043 | | | | |
| | 2044 - 2048 | | | | |
| | 2049 - 2053 | | | | |
| | | | <u>\$ 30,625,000.00</u> | <u>\$ 1,475,962.50</u> | <u>\$ 32,100,962.50</u> |

Unaudited
Schedule 2-C
University of Houston System (797)
Combined Schedule of Debt Service Requirements
For the Year Ended August 31, 2023

Business-Type Activities

| Description of Issue | Year | Principal | Interest | Total | |
|------------------------------------------------------|------------------------------------------------------|------------------|----------------------------|--------------------------|----------------------------|
| Consolidated Revenue & Refunding Bonds Series 2022-A | 2024 | \$ 11,880,000.00 | \$ 20,245,130.82 | \$ 32,125,130.82 | |
| | 2025 | 12,570,000.00 | 19,633,880.82 | 32,203,880.82 | |
| | 2026 | 12,165,000.00 | 19,015,505.82 | 31,180,505.82 | |
| | 2027 | 13,080,000.00 | 18,384,380.82 | 31,464,380.82 | |
| | 2028 | 13,750,000.00 | 17,713,630.82 | 31,463,630.82 | |
| | 2029 - 2033 | 80,050,000.00 | 78,416,005.85 | 158,466,005.85 | |
| | 2034 - 2038 | 94,695,000.00 | 61,312,856.56 | 156,007,856.56 | |
| | 2039 - 2043 | 96,375,000.00 | 36,066,308.31 | 132,441,308.31 | |
| | 2044 - 2048 | 14,110,000.00 | 24,200,147.04 | 38,310,147.04 | |
| | 2049 - 2053 | 18,105,000.00 | 17,046,009.35 | 35,151,009.35 | |
| | 2054 - 2058 | 9,520,000.00 | 565,000.00 | 10,085,000.00 | |
| | | | <u>\$ 376,300,000.00</u> | <u>\$ 312,598,856.21</u> | <u>\$ 688,898,856.21</u> |
| | Consolidated Revenue & Refunding Bonds Series 2022-B | 2024 | \$ 155,000.00 | \$ 2,156,579.58 | \$ 2,311,579.58 |
| | | 2025 | 160,000.00 | 2,151,463.78 | 2,311,463.78 |
| 2026 | | 165,000.00 | 2,145,721.25 | 2,310,721.25 | |
| 2027 | | 175,000.00 | 2,139,423.65 | 2,314,423.65 | |
| 2028 | | 180,000.00 | 2,132,542.48 | 2,312,542.48 | |
| 2029 - 2033 | | 2,260,000.00 | 11,712,621.53 | 13,972,621.53 | |
| 2034 - 2038 | | 8,355,000.00 | 16,119,523.25 | 24,474,523.25 | |
| 2039 - 2043 | | 10,605,000.00 | 15,722,083.88 | 26,327,083.88 | |
| 2044 - 2048 | | 11,460,000.00 | 15,459,397.04 | 26,919,397.04 | |
| 2049 - 2053 | | 11,425,000.00 | 12,312,134.35 | 23,737,134.35 | |
| 2054 - 2058 | | | | | |
| | | | <u>\$ 44,940,000.00</u> | <u>\$ 82,051,490.79</u> | <u>\$ 126,991,490.79</u> |
| Summary All Bonds Issues, All Series | | 2024 | \$ 81,925,000.00 | \$ 71,327,349.94 | \$ 153,252,349.94 |
| | | 2025 | 85,600,000.00 | 67,682,424.14 | 153,282,424.14 |
| | 2026 | 88,200,000.00 | 63,922,079.61 | 152,122,079.61 | |
| | 2027 | 89,560,000.00 | 60,072,157.01 | 149,632,157.01 | |
| | 2028 | 93,195,000.00 | 56,092,060.59 | 149,287,060.59 | |
| | 2029 - 2033 | 451,560,000.00 | 225,925,636.08 | 677,485,636.08 | |
| | 2034 - 2038 | 414,020,000.00 | 145,442,512.66 | 559,462,512.66 | |
| | 2039 - 2043 | 225,965,000.00 | 81,990,101.69 | 307,955,101.69 | |
| | 2044 - 2048 | 116,200,000.00 | 52,642,560.33 | 168,842,560.33 | |
| | 2049 - 2053 | 62,705,000.00 | 30,545,053.70 | 93,250,053.70 | |
| | 2054 - 2057 | 9,520,000.00 | 565,000.00 | 10,085,000.00 | |
| | | | <u>\$ 1,718,450,000.00</u> | <u>\$ 856,206,935.75</u> | <u>\$ 2,574,656,935.75</u> |
| Total as shown above | | | | | |

Unaudited

Schedule 2-D
 University of Houston System (797)
 Combined Analysis of Funds Available for Debt Service
 For The Year Ended August 31, 2023

Business-Type Activities
 General Obligation Bonds

| Description of Issue | Beginning Balance Available for Debt Service 09/01/2022 | Sources of Funds | | | | Total Sources Available |
|----------------------|---------------------------------------------------------|---------------------------------------------------|-----------------------|---------------------|------------------------------------------|-------------------------|
| | | Pledged Sources Interest Earned on Investments | Other Pledged Sources | Operating Transfers | Other Sources State's General Revenue | |
| Total | \$ | \$ | \$ | \$ | \$ | \$ |
| | \$ | \$ | \$ | \$ | \$ | \$ |

| | Application of Funds | | Total Application of Funds |
|-----------|--------------------------|----------------------------|----------------------------|
| | Refunded or Extinguished | Other Application of Funds | |
| Principal | Interest | | |
| \$ | \$ | \$ | \$ |
| \$ | \$ | \$ | \$ |

| Ending Balance Available for Debt Service at 08/31/2023 | |
|---------------------------------------------------------|--------|
| Required | Actual |
| \$ | \$ |
| \$ | \$ |

Unaudited

Schedule Z-D

University of Houston System (797)
 Combined Analysis of Funds Available for Debt Service
 For The Year Ended August 31, 2023

Business-Type Activities
 Revenue Bonds

Pledged and Other Sources and Related Expenditure for FY 2023

| Description of Issue | Operating Revenues | Interest Earned on Investments | Other Pledged Revenues | Total Pledged Sources | b | | c | d | (a+b-c-d) Net Available for Debt Service |
|-------------------------------------------------------------------------|--------------------|--------------------------------|------------------------|-----------------------|---------------|-----------------------------------|----|----|---------------------------------------------|
| | | | | | Other Sources | Operating Expenses & Expenditures | | | |
| Consolidated Revenue Refunding Bonds and Consolidated Revenue Bonds (A) | \$ | \$ | \$ 1,033,179,552.06 | \$ 1,033,179,552.06 | \$ | \$ | \$ | \$ | \$ 1,033,179,552.06 |
| Total | \$ | \$ | \$ 1,033,179,552.06 | \$ 1,033,179,552.06 | \$ | \$ | \$ | \$ | \$ 1,033,179,552.06 |

(A) Other Pledged Revenues Consist of
 Tuition and Fees
 Investment Income
 Sales and Service
 Legislative Appropriations

Total as shown above

\$ 1,033,179,552.06

(B) Expenditures associated with pledged sources were approximately \$806,358,598.04

| Description of Issue | Debt Service | | Interest & Sinking Fund | | Reserve Fund | |
|------------------------------------------------------|------------------|------------------|-------------------------|--------|--------------|--------|
| | Principal | Interest | Minimum | Actual | Minimum | Actual |
| Consolidated Revenue & Refunding Bonds Series 2013-B | 4,145,000.00 | 79,376.75 | | | | |
| Consolidated Revenue Refunding Bonds Series 2014 | 4,460,000.00 | 1,151,950.00 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2016-A | 6,880,000.00 | 3,123,700.00 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2016-B | 6,915,000.00 | 3,483,909.50 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2017-A | 16,525,000.00 | 15,935,875.00 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2017-B | 455,000.00 | 336,595.00 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2017-C | 11,400,000.00 | 12,468,475.00 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2020-A | 10,335,000.00 | 10,438,125.00 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2020-B | 5,050,000.00 | 4,102,977.50 | | | | |
| Consolidated Revenue Refunding Bonds Series 2021-A | 1,665,000.00 | 328,500.00 | | | | |
| Consolidated Revenue Refunding Bonds Series 2021-B | 9,380,000.00 | 438,850.00 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2022-A | | 21,267,260.01 | | | | |
| Consolidated Revenue & Refunding Bonds Series 2022-B | | 2,434,828.90 | | | | |
| Total | \$ 77,210,000.00 | \$ 75,590,422.66 | \$ | \$ | \$ | \$ |

Unaudited

Schedule 2-E
 University of Houston System (797)
 Defeased Bonds Outstanding
 For The Year Ended August 31, 2023

| Business-Type Activities | Year Refunded | Par Value Outstanding |
|-------------------------------------------------|---------------|-----------------------|
| <u>Description of Issue</u> | | |
| General Obligations Bonds Schedule not used. | | |
| Total | | \$ |
| Revenue Bonds | | \$ |
| Total | | \$ |

Unaudited

Schedule 2-F
 University of Houston System (797)
 Combined Schedule of Early Extinguishment and Refunding
 For the Year Ended August 31, 2023

| Business-Type Activities | Description of Issue | Category | Amount Extinguished Or Refunded | Refunding Issue Par Value | For Refunding Only | | Economic Gain / (Loss) |
|--------------------------|-------------------------------------------------|----------|------------------------------------|------------------------------|------------------------------------|----|---------------------------|
| | | | | | Cash Flow Increase / (Decrease) | | |
| | General Obligations Bonds Schedule not used. | | \$ | \$ | \$ | \$ | |
| | Total | | \$ | \$ | \$ | \$ | |
| | Revenue Bonds | | \$ | | | | |
| | Total | | \$ | \$ | \$ | \$ | |

Unaudited
Schedule 3
University of Houston System Consolidated (797)
Combined Reconciliation of Cash in State Treasury
For the Fiscal Year Ended August 31, 2023

| <u>Cash in State Treasury All FUNDS</u> | <u>APPR FUND 02XX</u> | <u>APPR FUND 0325</u> | <u>Total CIST, UH-797</u> |
|-----------------------------------------------------------|--------------------------|------------------------|---------------------------|
| UH-730 | \$ 162,201,899.21 | \$ 734,257.76 | \$ 162,936,156.97 |
| UHC-759 | 6,507,221.97 | 48,194.97 | 6,555,416.94 |
| UHV-765 | 1,689,584.00 | - | 1,689,584.00 |
| UHD-784 | 1,978,836.90 | 207,563.09 | 2,186,399.99 |
| UHD-783 | - | 245,409.00 | 245,409.00 |
| <u>Total Cash in State Treasury (UH-Consolidated)</u> | <u>\$ 172,377,542.08</u> | <u>\$ 1,235,424.82</u> | <u>\$ 173,612,966.90</u> |

UNIVERSITY OF HOUSTON

**UNAUDITED ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2023

UNIVERSITY OF HOUSTON
PRIMARY STATEMENTS

Unaudited

University of Houston (730)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-------------------------------------------------------|----------------------------|----------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | | |
| Cash on Hand | \$ 31,325.00 | \$ 38,145.00 |
| Cash in Bank | (183,432,968.07) | (162,629,955.25) |
| Cash in State Treasury | 162,936,156.97 | 126,347,660.48 |
| Cash Equivalents | 564,717,784.38 | 437,748,926.00 |
| Short Term Investments | 59,390.98 | 174,331.96 |
| Restricted: | | |
| Cash on Hand | 0.00 | 300.00 |
| Cash In Bank | 142,567,398.03 | 163,484,221.17 |
| Legislative Appropriation | 97,061,110.41 | 119,745,041.12 |
| Receivables: | | |
| Federal Receivables | 39,425,244.08 | 4,042,774.80 |
| UHS Intercampus Receivables | 371,694,287.91 | 319,279,586.21 |
| Interest and Dividends | 223,834.80 | 10,770.19 |
| Accounts Receivable | 59,379,653.20 | 85,669,349.94 |
| Gifts | 109,898,252.94 | 124,324,455.23 |
| Leases | 1,408,721.63 | 1,360,855.56 |
| Other | 43,566,590.75 | 520,875.27 |
| Due From Other Agencies | 4,096,390.04 | 2,889,785.55 |
| Consumable Inventories | 63,417.80 | 100,626.40 |
| Merchandise Inventories | 1,596,292.33 | 1,447,480.75 |
| Prepaid Costs | 34,455,988.15 | 32,551,357.64 |
| Loans and Contracts | 16,507,355.33 | 14,961,715.49 |
| Total Current Assets | 1,466,256,226.66 | 1,272,068,303.51 |
| Non-Current Assets | | |
| Restricted: | | |
| Receivables | 70,032,584.61 | 72,476,233.15 |
| UHS Intercampus Receivables | 951,768,895.64 | 970,936,680.76 |
| Receivables - Leases | 7,361,160.09 | 8,890,110.89 |
| Loans and Contracts | 520,971.30 | 707,296.12 |
| Investments | 26,646,805.32 | 43,071,747.83 |
| UHS Intercampus Receivables | 168,458,496.08 | 164,606,882.74 |
| Capital Assets | | |
| Non-Depreciable or Non-Amortizable Assets | | |
| Non-Depreciable or Non-Amortizable | 185,536,709.35 | 252,908,752.72 |
| Depreciable or Amortizable, Net | 1,389,025,505.28 | 1,340,447,895.61 |
| Right to Use Assets - Amortizable, Net | 6,899,378.02 | 8,293,078.81 |
| Right to Use Subscriptions - Amortizable, Net | 7,190,758.70 | 0.00 |
| Total Non-Current Assets | 2,813,441,264.39 | 2,862,338,678.63 |
| Total Assets | 4,279,697,491.05 | 4,134,406,982.14 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Total Deferred Outflow of Resources | 0.00 | 0.00 |
| Total Assets and Deferred Outflow of Resources | \$ 4,279,697,491.05 | \$ 4,134,406,982.14 |

Unaudited

University of Houston (730)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------|----------------------------|----------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables: | | |
| Accounts Payable | \$ 29,056,306.02 | \$ 29,736,190.02 |
| Accrued Lease Interest Payable | 8,326.35 | 9,108.93 |
| Accrued SBITA Interest Payable | 147,271.68 | 0.00 |
| Federal Payable | 1,501,510.84 | (85,293.88) |
| Payroll Payable | 48,331,268.67 | 43,615,453.20 |
| UHS Intercampus Payable | 36,500,694.23 | 43,254,564.61 |
| Other Payable | 1,988,440.74 | 2,219,974.85 |
| Due to Other Agencies | 1,657,287.05 | 2,149,771.30 |
| Unearned Revenues | 220,366,703.78 | 210,596,051.27 |
| Revenue Bonds Payable | 61,553,290.34 | 59,203,726.29 |
| Claims and Judgments Payable | 1,408,642.00 | 816,489.81 |
| Employees' Compensable Leave | 12,372,564.48 | 11,927,479.23 |
| Right to Use Lease Obligations | 731,199.77 | 941,176.44 |
| Right to Use Subscription Obligations | 2,377,745.45 | 0.00 |
| Funds Held for Others | 35,883,877.13 | 26,576,029.36 |
| Total Current Liabilities | 453,885,128.53 | 430,960,721.43 |
| Non Current-Liabilities | | |
| Revenue Bonds Payable | 1,229,528,262.25 | 1,291,081,552.59 |
| Employees' Compensable Leave | 12,269,069.64 | 11,908,410.49 |
| Right to Use Lease Obligations | 6,443,182.53 | 7,489,930.48 |
| Right to Use Subscription Obligations | 3,616,833.75 | 0.00 |
| Total Non-Current Liabilities | 1,251,857,348.17 | 1,310,479,893.56 |
| Total Liabilities | 1,705,742,476.70 | 1,741,440,614.99 |
| DEFERRED IN FLOW OF RESOURCES | | |
| Leases | 8,563,860.75 | 10,209,057.50 |
| Other Deferred Inflows | 42,742,974.88 | 0.00 |
| Total Deferred Inflows of Resources | 51,306,835.63 | 10,209,057.50 |
| Total Liabilities and Deferred Inflow of Resources | 1,757,049,312.33 | 1,751,649,672.49 |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt | 623,669,941.23 | 618,329,722.64 |
| Restricted for: | | |
| Debt Retirement | 1,937,897.64 | 6,165,866.68 |
| Capital Projects | 7,949,298.51 | 9,802,754.74 |
| Funds Held as Permanent Investments | | |
| Non-Expendable | | |
| True Endowments, Annuities | 582,963,562.26 | 567,727,026.81 |
| Expendable | | |
| Term Endowments | 33,454,007.69 | 23,423,598.47 |
| Funds Functioning as Endowments | 42,092,364.70 | 41,374,227.79 |
| Other | 359,235,172.43 | 373,558,120.46 |
| Unrestricted | 871,345,934.26 | 742,375,992.06 |
| Total Net Position | \$ 2,522,648,178.72 | \$ 2,382,757,309.65 |

Unaudited

University of Houston (730)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|---------------------------------------------------------------------|--------------------------|--------------------------|
| Operating Revenues | | |
| Sales of Goods and Services (PR-Chgs for Services) | | |
| Tuition and Fees-Pledged | \$ 575,652,850.58 | \$ 574,548,406.25 |
| Discounts and Allowances | (147,800,971.46) | (163,893,322.86) |
| Auxiliary Enterprise-Pledged | 117,979,487.04 | 109,147,540.70 |
| Discounts and Allowances | (16,166,204.49) | (16,477,556.83) |
| Other Sales of Goods and Services-Pledged | 36,898,485.44 | 96,859,756.15 |
| Federal Revenue-Operating (PR-OP Grants/Contributions) | 91,191,290.51 | 123,936,397.51 |
| Federal Pass Through Revenue (PR-OP Grants/Contributions) | 58,818,957.72 | 5,112,761.65 |
| State Grant Revenue (PR-OP Grants/Contributions) | 5,615,725.41 | 7,289,410.14 |
| State Grant Pass Through Revenue (PR-OP Grants/Contrib) | 38,224,188.40 | 43,702,890.12 |
| Other Grants and Contracts-Operating (PR-OP Grants/Contributions) | 35,388,365.68 | 36,026,595.40 |
| Other Operating Revenues (PR-Chgs for Services) | 7,633,412.98 | 4,854,723.77 |
| Total Operating Revenues | 803,435,587.81 | 821,107,602.00 |
| Operating Expenses | | |
| Instruction | 281,200,062.28 | 275,948,270.74 |
| Research | 162,435,219.43 | 177,488,849.45 |
| Public Service | 47,854,224.27 | 39,146,224.78 |
| Academic Support | 196,874,285.65 | 176,026,389.97 |
| Student Services | 35,203,052.37 | 34,267,023.84 |
| Institutional Support | 94,212,786.36 | 67,636,572.99 |
| Physical Plant | 70,270,603.86 | 48,726,606.11 |
| Scholarships & Fellowships | 67,939,106.51 | 101,133,017.31 |
| Auxiliary Enterprises | 127,210,378.01 | 145,811,247.97 |
| Depreciation and Amortization | 108,546,393.52 | 100,241,407.61 |
| Total Operating Expenses | 1,191,746,112.26 | 1,166,425,610.77 |
| Operating Income (Loss) | (388,310,524.45) | (345,318,008.77) |
| Non-Operating Revenues (Expenses) | | |
| Legislative Revenue (GR) | 190,009,340.00 | 190,019,182.00 |
| Additional Appropriations (GR) | 42,777,168.19 | 41,570,779.44 |
| Federal Revenue Non-Operating (PR-OP Grants/Contributions) | 87,008,727.84 | 139,674,282.62 |
| Gifts (PR-OP Grants/Contributions) | 47,527,905.70 | 105,217,389.53 |
| Interest and Investment Income (PR-Chgs for Services) | 57,839,128.60 | 62,709,044.70 |
| Interest Expense and Fiscal Charges | (45,194,876.80) | (32,985,440.00) |
| Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib) | 33,736,840.84 | (132,604,626.70) |
| Other Nonoperating Revenues | 24,454,009.10 | 18,358,444.19 |
| Other Nonoperating Expenses | (23,022,303.99) | 3,817,312.46 |
| Total Nonoperating Revenues (Expenses) | \$ 415,135,939.48 | \$ 395,776,368.24 |

Unaudited

University of Houston (730)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|----------------------------------------------------------------------------|---------------------|---------------------|
| Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers | \$ 26,825,415.03 | \$ 50,458,359.47 |
| Other Revenues, Expenses, Gains, Losses and Transfers | | |
| Capital Contributions | | |
| Capital Appropriation (HEAF) | 54,514,004.00 | 54,514,004.00 |
| Additions to Permanent and Term Endowments | 19,906,136.98 | 38,288,697.36 |
| UHS Intercampus Transfers-In | 36,895,266.95 | 29,114,305.85 |
| UHS Intercampus Transfers-Out | (9,579,644.34) | (12,534,699.17) |
| Incr NA Interagency Transfer Capital Assets | 0.00 | 77,574.93 |
| Decr NA Interagency Transfer Capital Assets | (6,906.18) | 0.00 |
| Transfers-In | 12,645,742.04 | 11,521,029.59 |
| Transfers-Out | (2,099,272.93) | 4,860.47 |
| Legislative Transfers-In | 608,938.00 | 584,572.00 |
| Legislative Appropriations Lapsed | (394.00) | (6,655,810.50) |
| Total Other Rev, Exp, Gains, Losses and Transfers | 112,883,870.52 | 114,914,534.53 |
| Changes in Net Position | 139,709,285.55 | 165,372,894.00 |
| Net Position Beginning | 2,382,757,309.65 | 2,235,987,779.15 |
| Restatements | 181,583.52 | (18,603,363.50) |
| Net Position Beginning, as Restated | 2,382,938,893.17 | 2,217,384,415.65 |
| Net Position, Ending | \$ 2,522,648,178.72 | \$ 2,382,757,309.65 |

Unaudited

University of Houston (730)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services |
|---------------------------------|--------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| Cost of Goods Sold | \$ - | \$ - | \$ 884,515.38 | \$ 7,957.32 | \$ - |
| Salaries and Wages | 224,994,947.71 | 76,165,372.84 | 18,803,938.84 | 103,687,753.32 | 16,655,073.05 |
| Payroll Related Costs | 51,968,697.39 | 15,302,195.97 | 5,332,976.64 | 27,601,244.27 | 4,691,040.46 |
| Professional Fees and Services | 1,629,734.69 | 20,292,389.50 | 11,326,623.52 | 14,154,160.71 | 3,337,379.53 |
| Federal Pass Through Expenses | 278,384.56 | 1,754,312.68 | 1,174,785.75 | - | - |
| State Pass Through Expenses | - | 10,904.04 | - | - | - |
| Travel | 511,969.91 | 3,779,372.06 | 245,893.10 | 2,964,868.05 | 513,502.05 |
| Materials and Supplies | 666,286.56 | 10,201,713.37 | 923,733.33 | 7,330,166.28 | 2,195,248.82 |
| Communication and Utilities | 138,479.99 | 902,312.10 | 894,882.21 | 14,079,371.45 | 338,817.25 |
| Repairs and Maintenance | 66,923.40 | 1,403,280.42 | 551,747.19 | 1,901,975.27 | 637,632.04 |
| Rentals and Leases | 170,955.44 | 1,063,129.57 | 5,511,315.06 | 5,607,282.69 | 803,758.29 |
| Printing and Reproduction | 117,298.35 | 278,818.93 | 691,217.20 | 893,271.06 | 310,882.82 |
| Depreciation and Amortization | - | - | - | - | - |
| Interest | 613.79 | 19,931.87 | 17,080.52 | 6,633.03 | 1,944.09 |
| Scholarships | 147,607.37 | 854,874.46 | 49,027.78 | 761,003.81 | 279,286.54 |
| Claims and Judgments | - | - | - | - | - |
| Capital Expenditures | - | - | - | - | - |
| Other Operating Expenses | 508,163.12 | 30,406,611.62 | 1,446,487.75 | 17,844,702.27 | 5,438,487.43 |
| Total Operating Expenses | \$ 281,200,062.28 | \$ 162,435,219.43 | \$ 47,854,224.27 | \$ 196,874,285.65 | \$ 35,203,052.37 |

Unaudited

University of Houston (730)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Institutional Support | Operation and Maintenance of Plant | Scholarships and Fellowships | Auxiliary Enterprises | Depreciation and Amortization | Total FY2023 | Total FY2022 |
|-------------------------|------------------------------------|------------------------------|--------------------------|-------------------------------|----------------------------|----------------------------|
| \$ - | \$ - | \$ - | \$ 809,597.70 | \$ - | \$ 1,702,070.40 | \$ 2,121,991.44 |
| 41,523,812.90 | 25,751,414.25 | 363,726.69 | 47,855,855.65 | - | 555,801,895.25 | 525,783,768.38 |
| 11,414,781.85 | 9,734,370.80 | 10,984.36 | 9,660,976.58 | - | 135,717,268.32 | 127,647,828.15 |
| 13,224,443.47 | 5,979,849.30 | 162,781.86 | 36,320,452.75 | - | 106,427,815.33 | 125,989,590.45 |
| - | - | - | - | - | 3,241,379.11 | 3,237,779.72 |
| - | - | - | - | - | 10,904.04 | 41,779.24 |
| 240,228.29 | 58,414.92 | 143,437.36 | 6,117,704.15 | - | 14,575,389.89 | 9,886,639.59 |
| 2,266,291.84 | 1,040,922.84 | 14,215.00 | 6,224,430.72 | - | 30,863,008.76 | 28,569,642.33 |
| 884,090.64 | 14,580,344.01 | 0.00 | 7,279,310.52 | - | 39,097,608.17 | 30,904,713.60 |
| 4,303,430.05 | 2,269,096.25 | - | 650,377.05 | - | 11,784,461.67 | 8,280,916.81 |
| 3,782,475.20 | 230,076.46 | 0.00 | 1,426,278.48 | - | 18,595,271.19 | 18,015,529.89 |
| 341,488.06 | 12,161.57 | 1,809.68 | 333,692.39 | - | 2,980,640.06 | 2,619,876.95 |
| - | - | - | - | 108,546,393.52 | 108,546,393.52 | 100,241,407.61 |
| 6,474.57 | 14,777.34 | - | 3,026.28 | - | 70,529.20 | 61,848.42 |
| 2,359,351.23 | - | 66,786,580.08 | 1,197,926.25 | - | 72,435,657.52 | 107,015,527.00 |
| 562,814.60 | - | - | - | - | 562,814.60 | 708,268.22 |
| - | - | - | - | - | 0.00 | 0.00 |
| 13,303,103.66 | 10,599,176.12 | 455,523.77 | 9,330,749.49 | - | 89,333,005.23 | 75,298,502.97 |
| <u>\$ 94,212,786.36</u> | <u>\$ 70,270,603.86</u> | <u>\$ 67,939,106.51</u> | <u>\$ 127,210,378.01</u> | <u>\$ 108,546,393.52</u> | <u>\$ 1,191,746,112.26</u> | <u>\$ 1,166,425,610.77</u> |

Unaudited

University of Houston (730)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| Cash Flows From Operating Activities | | |
| Receipts from Customers | \$ 34,785,934.79 | \$ 104,460,145.64 |
| Proceeds from Tuition and Fees | 437,270,135.90 | 411,086,000.35 |
| Proceeds from Research Grants and Contracts | 224,221,615.38 | 208,480,640.06 |
| Proceeds from Loan Programs | 137,094,492.62 | 131,141,935.61 |
| Proceeds from Auxiliaries | 99,623,232.09 | 92,127,406.36 |
| Proceeds from Other Revenues | 7,633,412.98 | 4,854,723.77 |
| Payments to Suppliers for Goods and Services | (228,807,427.97) | (233,489,975.27) |
| Payments to Employees for Salaries | (550,734,387.55) | (524,655,590.17) |
| Payments to Employees for Benefits | (134,911,523.92) | (128,453,572.58) |
| Payments for Loans Provided | (138,453,807.64) | (133,160,440.08) |
| Payments for Other Expenses | (155,754,289.74) | (180,714,664.79) |
| Net Cash Provided (Used) by Operating Activities | (268,032,613.06) | (248,323,391.10) |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from State Appropriations | 310,592,986.90 | 295,124,790.99 |
| Proceeds from Gifts | 64,397,756.53 | 71,990,489.45 |
| Proceeds from Endowments | 19,906,136.98 | 38,288,697.36 |
| Proceeds of Transfers from Other Funds | 73,995,018.09 | 58,993,779.63 |
| Proceeds from Grants | 87,008,727.84 | 139,674,282.62 |
| Payments for Transfers to Other Funds | (34,701,221.26) | (8,247,912.39) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 521,199,405.08 | 595,824,127.66 |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Debt Issuance | 0.00 | 253,905,000.00 |
| Proceeds from Other Financing Activities | 5,994,579.20 | 67,776,740.46 |
| Payments for Additions to Capital Assets | (96,006,671.17) | (159,552,569.52) |
| Payments of Principal on Debt Issuance | (53,175,000.00) | (63,461,090.54) |
| Payments for Leases/SBITA | (1,256,724.62) | 0.00 |
| Payments of Interest on Debt Issuance | (45,194,876.80) | (32,044,449.91) |
| Payments of Other Costs on Debt Issuance | 32,757,257.67 | (208,149,151.12) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (156,881,435.72) | (141,525,520.63) |
| Cash Flows From Investing Activities | | |
| Proceeds from Sales of Investments | 73,296,194.75 | 88,426,105.72 |
| Proceeds from Interest Income | (213,064.61) | 0.00 |
| Proceeds from Investment Income | 57,839,128.60 | 62,698,274.51 |
| Payments to Acquire Investments | (106,009,546.91) | (206,538,940.24) |
| Net Cash Provided (Used) by Investing Activities | 24,912,711.83 | (55,414,560.01) |

Unaudited

University of Houston (730)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|--------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <u>Net Increase (Decrease) in Cash and Cash Equivalents</u> | <u>\$ 121,198,068.13</u> | <u>\$ 150,560,655.92</u> |
| Cash and Cash Equivalents, September 1 | 564,989,297.40 | 433,238,450.86 |
| Restatements | 632,330.78 | (18,809,809.38) |
| <u>Cash and Cash Equivalents, August 31</u> | <u>\$ 686,819,696.31</u> | <u>\$ 564,989,297.40</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| <u>Operating Income (Loss)</u> | <u>\$ (388,310,524.45)</u> | <u>\$ (345,318,008.77)</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | |
| Depreciation and Amortization Expense | 108,546,393.52 | 100,241,407.61 |
| Operating Income and Cash Flow Categories: | | |
| Classification Differences | (1,359,315.02) | (2,018,504.47) |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease In Receivables | (50,657,403.29) | (31,872,207.44) |
| (Increase) Decrease in Inventories | (111,602.98) | 173,466.74 |
| (Increase) Decrease in Prepaid Expenses | (1,904,630.51) | 3,474,410.40 |
| (Increase) Decrease in Other Assets | (1,206,604.49) | 20,014,699.82 |
| Increase (Decrease) in Payables | 675,386.61 | (10,853,578.44) |
| Increase (Decrease) in Deferred Income | 9,770,652.51 | 118,017.99 |
| Increase (Decrease) in Compensated Absences | 805,744.40 | (805,744.43) |
| Increase (Decrease) in Benefits Payable | 5,067,507.70 | 1,128,178.21 |
| Increase (Decrease) in Other Liabilities | 9,554,004.81 | 7,185,414.18 |
| Increase (Decrease) in Deferred Inflows of Resources-Leases | (1,645,196.75) | 10,209,057.50 |
| Increase (Decrease) in Other Deferred Inflows | 42,742,974.88 | 0.00 |
| <u>Total Adjustments</u> | <u>120,277,911.39</u> | <u>96,994,617.67</u> |
| <u>Net Cash Provided (Used) by Operating Activities</u> | <u>\$ (268,032,613.06)</u> | <u>\$ (248,323,391.10)</u> |
| Non Cash Transactions | | |
| <u>Net Change in Fair Value of Investments</u> | <u>33,736,840.84</u> | <u>(132,604,626.70)</u> |
| <u>Non Cash Transactions</u> | <u>\$ 33,736,840.84</u> | <u>\$ (132,604,626.70)</u> |

**UNIVERSITY OF HOUSTON
CLEAR LAKE**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2023

UNIVERSITY OF HOUSTON – CLEAR LAKE
PRIMARY STATEMENTS

Unaudited

University of Houston - Clear Lake (759)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-------------------------------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | | |
| Cash on Hand | \$ 13,150.00 | \$ 13,150.00 |
| Cash in Bank | 5,079,398.52 | 3,259,475.97 |
| Cash in Transit/Reimburse From Treasury | 2,224,931.01 | 2,459,997.95 |
| Cash in State Treasury | 6,555,416.94 | 7,272,716.04 |
| Cash Equivalents | 35,557,239.63 | 49,306,801.42 |
| Restricted: | | |
| Cash In Bank | (1,298,136.18) | (1,953,834.49) |
| Legislative Appropriation | 9,700,376.32 | 8,906,521.29 |
| Receivables: | | |
| Federal Receivables | 7,395,833.19 | 6,942,160.72 |
| UHS Intercampus Receivables | 22,910,616.56 | 19,973,628.07 |
| Accounts Receivable | 6,538,996.74 | 7,525,686.87 |
| Gifts | 447,009.19 | 745,431.75 |
| Leases | | |
| Other | 684,975.07 | 1,244,728.36 |
| Due From Other Agencies | 555,749.65 | 351,890.19 |
| Consumable Inventories | 9,930.72 | 15,454.72 |
| Prepaid Costs | 5,204,692.87 | 4,096,844.47 |
| Loans and Contracts | 2,856,275.45 | 2,775,972.45 |
| Total Current Assets | 104,436,455.68 | 112,936,625.78 |
| Non-Current Assets | | |
| Restricted: | | |
| Receivables | 562,832.81 | 34,068.25 |
| UHS Intercampus Receivables | 65,955,880.97 | 65,462,758.89 |
| Loans and Contracts | 11,182.14 | 48,068.67 |
| UHS Intercampus Receivables | 13,334,481.29 | 13,042,960.06 |
| Capital Assets | | |
| Non-Depreciable or Non-Amortizable | 12,641,438.73 | 12,641,438.73 |
| Depreciable or Amortizable, Net | 156,727,609.18 | 165,864,520.24 |
| Right to Use Subscriptions - Amortizable, Net | 353,844.63 | 0.00 |
| Total Non-Current Assets | 249,587,269.75 | 257,093,814.84 |
| Total Assets | 354,023,725.43 | 370,030,440.62 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Total Deferred Outflow of Resources | 0.00 | 0.00 |
| Total Assets and Deferred Outflow of Resources | \$ 354,023,725.43 | \$ 370,030,440.62 |

Unaudited

University of Houston - Clear Lake (759)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------|--------------------------|--------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables: | | |
| Accounts Payable | \$ 3,968,295.56 | \$ 1,817,084.26 |
| Accrued SBITA Interest Payable | 6,724.42 | 0.00 |
| Federal Payable | 57,868.71 | 158,762.79 |
| Payroll Payable | 11,137,791.69 | 7,459,003.24 |
| UHS Intercampus Payable | (4,840,654.31) | (293,508.49) |
| Other Payable | 274,571.20 | 306,649.89 |
| Due to Other Agencies | 52,707.54 | 270,161.82 |
| Unearned Revenues | 33,360,430.50 | 35,478,055.36 |
| Notes and Loans Payable | 571,168.16 | 568,107.91 |
| Revenue Bonds Payable | 8,079,518.66 | 7,539,518.66 |
| Claims and Judgments Payable | 251,988.84 | 171,248.26 |
| Employees' Compensable Leave | 1,402,672.85 | 1,329,069.02 |
| Right to Use Subscription Obligations | 95,280.62 | 0.00 |
| Funds Held for Others | 706,977.82 | 648,688.28 |
| Total Current Liabilities | 55,125,342.26 | 55,452,841.00 |
| Non Current-Liabilities | | |
| Revenue Bonds Payable | 155,821,583.59 | 163,901,102.25 |
| Employees' Compensable Leave | 1,390,939.62 | 1,326,944.18 |
| Right to Use Lease Obligations | 0.00 | 3,429,608.10 |
| Right to Use Subscription Obligations | 181,455.05 | 0.00 |
| Notes and Loans Payable | 2,858,439.94 | 0.00 |
| Total Non-Current Liabilities | 160,252,418.20 | 168,657,654.53 |
| Total Liabilities | 215,377,760.46 | 224,110,495.53 |
| DEFERRED IN FLOW OF RESOURCES | | |
| Total Deferred Inflows of Resources | 0.00 | 0.00 |
| Total Liabilities and Deferred Inflow of Resources | 215,377,760.46 | 224,110,495.53 |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt | 47,914,825.07 | 49,080,915.09 |
| Restricted for: | | |
| Capital Projects | 0.00 | 2,905.56 |
| Funds Held as Permanent Investments | | |
| Non-Expendable | | |
| True Endowments, Annuities | 14,276,126.19 | 13,715,599.08 |
| Expendable | | |
| Funds Functioning as Endowments | 5,681,008.68 | 5,614,191.75 |
| Other | 4,699,008.10 | 4,106,825.37 |
| Unrestricted | 66,074,996.93 | 73,399,508.24 |
| Total Net Position | \$ 138,645,964.97 | \$ 145,919,945.09 |

Unaudited

University of Houston - Clear Lake (759)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| Operating Revenues | | |
| Sales of Goods and Services (PR-Chgs for Services) | | |
| Tuition and Fees-Pledged | \$ 75,865,662.40 | \$ 81,652,161.04 |
| Discounts and Allowances | (16,831,518.98) | (20,088,254.45) |
| Auxiliary Enterprise-Pledged | 3,426,542.47 | 2,924,263.69 |
| Other Sales of Goods and Services-Pledged | 1,565,634.49 | 1,268,911.54 |
| Federal Revenue-Operating (PR-OP Grants/Contributions) | 6,699,921.44 | 9,078,442.09 |
| Federal Pass Through Revenue (PR-OP Grants/Contributions) | 1,273,038.27 | 976,551.77 |
| State Grant Revenue (PR-OP Grants/Contributions) | 758,156.37 | 499,475.50 |
| State Grant Pass Through Revenue (PR-OP Grants/Contributions) | 5,892,704.06 | 4,110,498.17 |
| Other Grants and Contracts-Operating (PR-OP Grants/Contrib) | 1,262,846.01 | 910,676.36 |
| Other Operating Revenues (PR-Chgs for Services) | 93,706.00 | 54,173.00 |
| Total Operating Revenues | 80,006,692.53 | 81,386,898.71 |
| Operating Expenses | | |
| Instruction | 46,428,266.98 | 45,469,489.76 |
| Research | 2,127,031.07 | 1,800,617.44 |
| Public Service | 151,073.69 | 269,697.21 |
| Academic Support | 29,710,234.67 | 29,958,324.80 |
| Student Services | 8,917,881.24 | 8,415,199.83 |
| Institutional Support | 18,220,913.71 | 16,493,099.62 |
| Physical Plant | 12,725,680.83 | 12,550,040.21 |
| Scholarships & Fellowships | 12,114,976.48 | 13,422,271.51 |
| Auxiliary Enterprises | 7,910,380.14 | 7,698,015.17 |
| Depreciation and Amortization | 12,943,369.15 | 12,460,720.84 |
| Total Operating Expenses | 151,249,807.96 | 148,537,476.39 |
| Operating Income (Loss) | (71,243,115.43) | (67,150,577.68) |
| Non-Operating Revenues (Expenses) | | |
| Legislative Revenue (GR) | 31,693,542.00 | 31,695,263.00 |
| Additional Appropriations (GR) | 7,902,463.14 | 8,504,292.88 |
| Federal Revenue Non-Operating (PR-OP Grants/Contributions) | 15,507,574.18 | 20,389,558.43 |
| Gifts (PR-OP Grants/Contributions) | 1,182,301.31 | 191,862.65 |
| Interest and Investment Income (PR-Chgs for Services) | 2,922,101.57 | 2,801,878.00 |
| Interest Expense and Fiscal Charges | (6,329,302.49) | (4,547,160.23) |
| Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib) | 1,326,260.42 | (6,421,096.41) |
| Other Nonoperating Revenues | (116,058.74) | (136,612.10) |
| Other Nonoperating Expenses | (7,221,724.83) | (1,990,123.30) |
| Total Nonoperating Revenues (Expenses) | \$ 46,867,156.56 | \$ 50,487,862.92 |

Unaudited

University of Houston - Clear Lake (759)
 Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------------------------------|---------------------------|---------------------------|
| <u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u> | <u>\$ (24,375,958.87)</u> | <u>\$ (16,662,714.76)</u> |
| Other Revenues, Expenses, Gains, Losses and Transfers | | |
| Capital Appropriation (HEAF) | 7,726,043.00 | 7,726,043.00 |
| Additions to Permanent and Term Endowments | 310,802.25 | 227,873.00 |
| UHS Intercampus Transfers-In | 9,734,016.25 | 8,205,193.59 |
| UHS Intercampus Transfers-Out | (666,106.71) | (212,217.00) |
| Transfers-In | 37,477.95 | 109,927.36 |
| Legislative Transfers-In | 54,978.00 | 85,517.00 |
| Legislative Appropriations Lapsed | (95,231.99) | 0.00 |
| <u>Total Other Rev, Exp, Gains, Losses and Transfers</u> | <u>17,101,978.75</u> | <u>16,142,336.95</u> |
| <u>Changes in Net Position</u> | <u>(7,273,980.12)</u> | <u>(520,377.81)</u> |
| Net Position Beginning | 145,919,945.09 | 146,440,322.90 |
| Net Position Beginning, as Restated | 145,919,945.09 | 146,440,322.90 |
| <u>Net Position, Ending</u> | <u>\$ 138,645,964.97</u> | <u>\$ 145,919,945.09</u> |

Unaudited

University of Houston - Clear Lake (759)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services |
|---------------------------------|-------------------------|------------------------|----------------------|-------------------------|------------------------|
| Cost of Goods Sold | \$ - | \$ - | \$ - | \$ - | \$ - |
| Salaries and Wages | 34,394,032.77 | 1,371,534.82 | 97,216.04 | 14,970,844.03 | 4,840,827.24 |
| Payroll Related Costs | 8,888,602.19 | 281,077.99 | 17,942.17 | 3,835,298.36 | 1,392,103.45 |
| Professional Fees and Services | 622,041.80 | 192,812.39 | 8,625.00 | 1,682,364.61 | 323,879.84 |
| Federal Pass Through Expenses | - | 53,372.22 | - | - | - |
| State Pass Through Expenses | - | - | - | - | - |
| Travel | 59,781.76 | 71,083.52 | 1,185.33 | 436,705.00 | 81,115.27 |
| Materials and Supplies | 243,806.37 | 107,768.47 | 3,774.36 | 1,654,101.41 | 237,246.67 |
| Communication and Utilities | 42,349.86 | 6,549.34 | 147.25 | 814,269.43 | 109,063.51 |
| Repairs and Maintenance | 13,993.74 | 24,557.00 | - | 474,351.46 | 7,363.36 |
| Rentals and Leases | 44,863.35 | 5,471.98 | 250.00 | 993,512.88 | 172,651.79 |
| Printing and Reproduction | 5,336.73 | 803.34 | - | 41,723.74 | 146,765.41 |
| Depreciation and Amortization | - | - | - | - | - |
| Interest | 663.28 | - | - | 1,829.10 | 1,107.49 |
| Scholarships | 1,893,759.22 | 12,000.00 | - | 897,315.24 | 28,479.00 |
| Claims and Judgments | - | - | - | - | - |
| Capital Expenditures | - | - | - | - | - |
| Other Operating Expenses | 219,035.91 | - | 21,933.54 | 3,907,919.41 | 1,577,278.21 |
| Total Operating Expenses | \$ 46,428,266.98 | \$ 2,127,031.07 | \$ 151,073.69 | \$ 29,710,234.67 | \$ 8,917,881.24 |

Unaudited

University of Houston - Clear Lake (759)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Institutional Support | Operation and Maintenance of Plant | Scholarships and Fellowships | Auxiliary Enterprises | Depreciation and Amortization | Total FY2023 | Total FY2022 |
|-------------------------|------------------------------------|------------------------------|------------------------|-------------------------------|--------------------------|--------------------------|
| \$ - | \$ - | \$ - | \$ 1,309.52 | \$ - | \$ 1,309.52 | \$ 4,771.82 |
| 9,352,137.11 | 5,131,734.85 | 183,030.98 | 4,106,673.19 | - | 74,448,031.03 | 70,599,249.32 |
| 2,524,499.89 | 2,741,386.41 | - | 917,464.49 | - | 20,598,374.95 | 19,341,527.58 |
| 4,626,653.97 | 1,291,090.61 | 35,784.00 | 1,121,172.05 | - | 9,904,424.27 | 10,240,374.81 |
| - | - | - | - | - | 53,372.22 | 0.00 |
| - | - | - | - | - | 0.00 | 0.00 |
| 116,329.77 | 6,058.22 | - | 75,482.64 | - | 847,741.51 | 711,818.82 |
| 199,746.55 | 974,452.92 | 1,407.84 | 428,082.50 | - | 3,850,387.09 | 6,187,034.66 |
| 119,076.04 | 1,555,193.86 | 33.80 | 383,522.23 | - | 3,030,205.32 | 3,079,455.37 |
| 105,172.33 | 947,821.88 | 1,288.54 | 275,652.96 | - | 1,850,201.27 | 3,431,158.95 |
| 120,827.94 | 24,935.14 | - | 91,331.48 | - | 1,453,844.56 | 1,848,336.21 |
| 56,116.45 | 3,977.25 | - | 33,817.15 | - | 288,540.07 | 331,503.57 |
| - | - | - | - | 12,943,369.15 | 12,943,369.15 | 12,460,720.84 |
| 1,511.06 | 1,288.05 | - | 188.02 | - | 6,587.00 | 3,551.55 |
| 500.00 | - | 11,886,095.67 | 104,040.36 | - | 14,822,189.49 | 17,283,858.11 |
| 63,256.16 | - | - | - | - | 63,256.16 | 133,272.34 |
| - | - | - | - | - | 0.00 | 0.00 |
| 935,086.44 | 47,741.64 | 7,335.65 | 371,643.55 | - | 7,087,974.35 | 2,880,842.44 |
| <u>\$ 18,220,913.71</u> | <u>\$ 12,725,680.83</u> | <u>\$ 12,114,976.48</u> | <u>\$ 7,910,380.14</u> | <u>\$ 12,943,369.15</u> | <u>\$ 151,249,807.96</u> | <u>\$ 148,537,476.39</u> |

Unaudited

University of Houston - Clear Lake (759)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|-----------------------------------------------------------------------------|------------------------|------------------------|
| Cash Flows From Operating Activities | | |
| Receipts from Customers | \$ 3,407,919.15 | \$ 1,934,443.28 |
| Proceeds from Tuition and Fees | 54,829,146.93 | 59,542,509.52 |
| Proceeds from Research Grants and Contracts | 16,733,294.37 | 25,116,691.55 |
| Proceeds from Loan Programs | 6,625,507.73 | 5,817,664.55 |
| Proceeds from Auxiliaries | 3,395,564.35 | 3,308,243.88 |
| Proceeds from Other Revenues | 93,706.00 | 54,173.00 |
| Payments to Suppliers for Goods and Services | (20,203,120.98) | (25,926,797.25) |
| Payments to Employees for Salaries | (74,340,321.49) | (70,092,490.35) |
| Payments to Employees for Benefits | (20,460,775.68) | (19,570,889.85) |
| Payments for Loans Provided | (6,668,924.20) | (6,244,370.24) |
| Payments for Other Expenses | (21,894,349.10) | (20,014,804.35) |
| Net Cash Provided (Used) by Operating Activities | (58,482,352.92) | (46,075,626.26) |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from State Appropriations | 46,487,939.12 | 48,092,175.67 |
| Proceeds from Gifts | 951,959.31 | 559,100.94 |
| Proceeds from Endowments | 310,802.25 | 227,873.00 |
| Proceeds of Transfers from Other Funds | 9,655,435.46 | 8,178,508.85 |
| Proceeds from Grants | 15,507,574.18 | 20,389,558.43 |
| Payments for Transfers to Other Funds | (7,887,831.54) | (2,130,360.31) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 65,025,878.78 | 75,316,856.58 |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Debt Issuance | 0.00 | 39,400,000.00 |
| Proceeds from Other Financing Activities | 276,735.67 | 11,346,006.60 |
| Payments for Additions to Capital Assets | (4,160,302.72) | (7,020,513.44) |
| Payments of Principal on Debt Issuance | (6,810,000.00) | (7,941,361.03) |
| Payments for Capital Lease | 0.00 | (4,561,956.59) |
| Payments of Interest on Debt Issuance | (6,329,302.49) | (4,547,160.23) |
| Payments of Other Costs on Debt Issuance | (1,150,782.10) | (47,249,485.88) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (18,173,651.64) | (20,574,470.57) |
| Cash Flows From Investing Activities | | |
| Proceeds from Sales of Investments | 0.00 | 3,250.00 |
| Proceeds from Investment Income | 2,922,101.57 | 2,801,878.00 |
| Payments to Acquire Investments | (3,518,282.76) | (1,090,913.78) |
| Net Cash Provided (Used) by Investing Activities | (596,181.19) | 1,714,214.22 |

Unaudited

University of Houston - Clear Lake (759)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|--------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <u>Net Increase (Decrease) in Cash and Cash Equivalents</u> | <u>\$ (12,226,306.97)</u> | <u>\$ 10,380,973.97</u> |
| Cash and Cash Equivalents, September 1 | 60,358,306.89 | 49,977,332.92 |
| Restatements | | |
| <u>Cash and Cash Equivalents, August 31</u> | <u>\$ 48,131,999.92</u> | <u>\$ 60,358,306.89</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| <u>Operating Income (Loss)</u> | <u>\$ (71,243,115.43)</u> | <u>\$ (67,150,577.68)</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | |
| Depreciation and Amortization Expense | 12,943,369.15 | 12,460,720.84 |
| Operating Income and Cash Flow Categories: | | |
| Classification Differences | (43,416.47) | (426,705.69) |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease In Receivables | 1,092,770.95 | 10,411,524.75 |
| (Increase) Decrease in Inventories | 5,524.00 | (11,077.98) |
| (Increase) Decrease in Prepaid Expenses | (1,107,848.40) | 683,703.50 |
| (Increase) Decrease in Other Assets | (203,859.46) | (271,379.17) |
| Increase (Decrease) in Payables | 2,018,238.53 | (665,467.38) |
| Increase (Decrease) in Deferred Income | (2,117,624.86) | (1,819,405.97) |
| Increase (Decrease) in Compensated Absences | 137,599.27 | (229,362.27) |
| Increase (Decrease) in Benefits Payable | 107,709.54 | 506,758.97 |
| Increase (Decrease) in Other Liabilities | (71,699.74) | 435,641.82 |
| <u>Total Adjustments</u> | <u>12,760,762.51</u> | <u>21,074,951.42</u> |
| <u>Net Cash Provided (Used) by Operating Activities</u> | <u>\$ (58,482,352.92)</u> | <u>\$ (46,075,626.26)</u> |
| Non Cash Transactions | | |
| <u>Net Change in Fair Value of Investments</u> | <u>1,326,260.42</u> | <u>(6,421,096.41)</u> |
| <u>Non Cash Transactions</u> | <u>\$ 1,326,260.42</u> | <u>\$ (6,421,096.41)</u> |



**UNIVERSITY OF HOUSTON
DOWNTOWN**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2023

UNIVERSITY OF HOUSTON – DOWNTOWN
PRIMARY STATEMENTS

Unaudited

University of Houston - Downtown (784)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-------------------------------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | | |
| Cash on Hand | \$ 20,450.00 | \$ 20,450.00 |
| Cash in Bank | (4,567,861.29) | (3,708,694.36) |
| Cash in Transit/Reimburse From Treasury | 2,200,859.65 | 2,797,998.15 |
| Cash in State Treasury | 2,186,399.99 | 1,944,622.20 |
| Cash Equivalents | 28,976,244.71 | 45,064,873.54 |
| Restricted: | | |
| Cash In Bank | 8,870,059.78 | 7,010,974.24 |
| Legislative Appropriation | 13,462,771.47 | 16,064,954.97 |
| Receivables: | | |
| Federal Receivables | 20,869,649.02 | 18,497,922.99 |
| UHS Intercampus Receivables | 27,032,916.62 | 24,667,490.61 |
| Accounts Receivable | 14,087,130.09 | 11,895,973.99 |
| Gifts | 3,367,240.75 | 4,805,190.61 |
| Other | (161,611.16) | 75,238.01 |
| Due From Other Agencies | 0.00 | 259,194.00 |
| Consumable Inventories | 34,514.24 | 20,409.29 |
| Prepaid Costs | 4,906,286.97 | 4,993,221.18 |
| Loans and Contracts | 7,980,794.96 | 8,137,930.16 |
| Total Current Assets | 129,265,845.80 | 142,547,749.58 |
| Non-Current Assets | | |
| Restricted: | | |
| Receivables | 2,274,018.69 | 1,194,834.34 |
| UHS Intercampus Receivables | 83,758,966.35 | 92,632,210.44 |
| Investments | 105,840.00 | 63,000.00 |
| UHS Intercampus Receivables | 9,993,977.88 | 9,758,146.96 |
| Capital Assets | | |
| Non-Depreciable or Non-Amortizable | 32,635,033.82 | 61,351,321.95 |
| Depreciable or Amortizable, Net | 195,287,397.25 | 156,173,586.42 |
| Right to Use Assets - Amortizable, Net | 1,704,792.98 | 2,306,484.26 |
| Right to Use Subscriptions - Amortizable, Net | 478,958.46 | 0.00 |
| Total Non-Current Assets | 326,238,985.43 | 323,479,584.37 |
| Total Assets | 455,504,831.23 | 466,027,333.95 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Total Deferred Outflow of Resources | 0.00 | 0.00 |
| Total Assets and Deferred Outflow of Resources | \$ 455,504,831.23 | \$ 466,027,333.95 |

Unaudited

University of Houston - Downtown (784)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------|--------------------------|--------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables: | | |
| Accounts Payable | \$ 5,155,159.99 | \$ 5,988,183.83 |
| Accrued Lease Interest Payable | 1,204.96 | 1,610.63 |
| Accrued Subscription Interest Payable | 8,279.20 | 0.00 |
| Federal Payable | 28,390.98 | 0.00 |
| Payroll Payable | 8,275,577.07 | 8,161,197.72 |
| UHS Intercampus Payable | 3,470,572.94 | 4,427,097.20 |
| Other Payable | 284,296.09 | 455,802.94 |
| Due to Other Agencies | 8,440.37 | 855,098.66 |
| Unearned Revenues | 49,548,190.42 | 48,903,470.26 |
| Revenue Bonds Payable | 9,534,907.76 | 8,884,907.76 |
| Claims and Judgments Payable | 265,893.80 | 201,366.90 |
| Employees' Compensable Leave | 2,168,216.80 | 2,089,773.86 |
| Right to Use Lease Obligations | 602,255.09 | 587,572.96 |
| Right to Use Subscription Obligations | 111,351.90 | 0.00 |
| Funds Held for Others | (835,752.14) | (349,860.32) |
| Total Current Liabilities | 78,626,985.23 | 80,206,222.40 |
| Non Current-Liabilities | | |
| Revenue Bonds Payable | 153,421,729.84 | 162,956,637.60 |
| Employees' Compensable Leave | 2,150,079.95 | 2,086,432.87 |
| Right to Use Lease Obligations | 1,143,024.82 | 1,745,279.52 |
| Right to Use Subscription Obligations | 245,742.34 | 0.00 |
| Total Non-Current Liabilities | 156,960,576.95 | 166,788,349.99 |
| Total Liabilities | 235,587,562.18 | 246,994,572.39 |
| DEFERRED IN FLOW OF RESOURCES | | |
| Total Deferred Inflows of Resources | 0.00 | 0.00 |
| Total Liabilities and Deferred Inflow of Resources | 235,587,562.18 | 246,994,572.39 |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt | 111,339,690.38 | 100,013,078.68 |
| Restricted for: | | |
| Debt Retirement | 405.90 | 405.90 |
| Capital Projects | 2,888.00 | 2,888.00 |
| Funds Held as Permanent Investments | | |
| Non-Expendable | | |
| True Endowments, Annuities | 32,638,775.17 | 30,779,043.46 |
| Expendable | | |
| Funds Functioning as Endowments | 2,651,158.25 | 2,616,275.04 |
| Other | 13,220,295.86 | 13,421,350.68 |
| Unrestricted | 60,064,055.49 | 72,199,719.80 |
| Total Net Position | \$ 219,917,269.05 | \$ 219,032,761.56 |

Unaudited

University of Houston - Downtown (784)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| Operating Revenues | | |
| Sales of Goods and Services (PR-Chgs for Services) | | |
| Tuition and Fees-Pledged | \$ 108,841,617.86 | \$ 116,959,146.09 |
| Discounts and Allowances | (28,342,032.54) | (41,884,870.01) |
| Auxiliary Enterprise-Pledged | 2,340,103.26 | 1,800,977.55 |
| Discounts and Allowances | (607,047.49) | (644,957.22) |
| Other Sales of Goods and Services-Pledged | 1,807,313.12 | 2,274,993.08 |
| Federal Revenue-Operating (PR-OP Grants/Contributions) | 10,923,360.08 | 30,563,138.81 |
| Federal Pass Through Revenue (PR-OP Grants/Contributions) | 918,984.30 | 956,841.09 |
| State Grant Revenue (PR-OP Grants/Contributions) | 1,217,590.89 | 9,761.25 |
| State Grant Pass Through Revenue (PR-OP Grants/Contributions) | 8,136,254.17 | 9,957,420.46 |
| Other Grants and Contracts-Operating (PR-OP Grants/Contrib) | 1,364,283.19 | 1,719,813.56 |
| Other Operating Revenues (PR-Chgs for Services) | 0.00 | (9,547.10) |
| Total Operating Revenues | 106,600,426.84 | 121,702,717.56 |
| Operating Expenses | | |
| Instruction | 56,081,564.29 | 53,612,653.62 |
| Research | 1,977,947.21 | 1,835,377.70 |
| Public Service | 2,833,173.81 | 2,630,267.37 |
| Academic Support | 33,069,103.38 | 39,006,277.99 |
| Student Services | 8,805,822.26 | 7,393,512.98 |
| Institutional Support | 30,333,760.59 | 27,021,363.88 |
| Physical Plant | 10,125,501.46 | 9,994,985.24 |
| Scholarships & Fellowships | 32,209,156.80 | 35,483,324.87 |
| Auxiliary Enterprises | 10,295,449.08 | 8,225,681.15 |
| Depreciation and Amortization | 12,983,818.90 | 13,055,081.02 |
| Total Operating Expenses | 198,715,297.78 | 198,258,525.82 |
| Operating Income (Loss) | (92,114,870.94) | (76,555,808.26) |
| Non-Operating Revenues (Expenses) | | |
| Legislative Revenue (GR) | 26,472,458.00 | 26,474,973.00 |
| Additional Appropriations (GR) | 7,030,600.90 | 7,082,399.08 |
| Federal Revenue Non-Operating (PR-OP Grants/Contributions) | 37,121,689.79 | 36,166,799.93 |
| Gifts (PR-OP Grants/Contributions) | 1,391,870.77 | 3,356,015.58 |
| Interest and Investment Income (PR-Chgs for Services) | 4,772,751.72 | 3,823,683.79 |
| Interest Expense and Fiscal Charges | (6,061,053.78) | (4,026,523.90) |
| Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib) | 2,007,268.09 | (8,529,636.86) |
| Other Nonoperating Revenues | 863,528.83 | 233,836.99 |
| Other Nonoperating Expenses | (1,565,661.25) | 1,254,959.91 |
| Total Nonoperating Revenues (Expenses) | \$ 72,033,453.07 | \$ 65,836,507.52 |

Unaudited

University of Houston - Downtown (784)
 Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|----------------------------------------------------------------------------|--------------------|--------------------|
| Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers | \$ (20,081,417.87) | \$ (10,719,300.74) |
| Other Revenues, Expenses, Gains, Losses and Transfers | | |
| Capital Appropriation (HEAF) | 10,828,344.00 | 10,828,344.00 |
| Additions to Permanent and Term Endowments | 1,081,409.88 | 1,131,890.99 |
| UHS Intercampus Transfers-In | 10,191,500.48 | 7,803,003.14 |
| UHS Intercampus Transfers-Out | (1,212,831.00) | (302,073.00) |
| Transfers-In | 31,764.00 | 30,587.00 |
| Legislative Transfers-In | 45,738.00 | 46,969.00 |
| Total Other Rev, Exp, Gains, Losses and Transfers | 20,965,925.36 | 19,538,721.13 |
| Changes in Net Position | 884,507.49 | 8,819,420.39 |
| Net Position Beginning | 219,032,761.56 | 210,213,341.17 |
| Net Position Beginning, as Restated | 219,032,761.56 | 210,213,341.17 |
| Net Position, Ending | \$ 219,917,269.05 | \$ 219,032,761.56 |

Unaudited

University of Houston - Downtown (784)
 Combined Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services |
|---------------------------------|-------------------------|------------------------|------------------------|-------------------------|------------------------|
| Cost of Goods Sold | \$ - | \$ - | \$ - | \$ - | \$ - |
| Salaries and Wages | 43,038,650.03 | 833,298.42 | 1,099,836.85 | 18,076,760.28 | 4,386,908.56 |
| Payroll Related Costs | 11,204,752.76 | 165,224.46 | 263,555.20 | 5,083,252.30 | 1,308,126.23 |
| Professional Fees and Services | 608,573.85 | 296,689.50 | 838,070.77 | 1,477,051.65 | 393,156.69 |
| Federal Pass Through Expenses | - | - | - | - | - |
| State Pass Through Expenses | - | - | - | - | - |
| Travel | 323,340.03 | 148,548.68 | 19,368.37 | 332,105.50 | 63,166.18 |
| Materials and Supplies | 256,824.74 | 228,184.06 | 126,751.18 | 2,052,483.38 | 176,980.04 |
| Communication and Utilities | 110,153.73 | 3,688.58 | 21,778.42 | 315,373.31 | 53,656.13 |
| Repairs and Maintenance | 915.00 | - | 11,401.12 | 1,203,454.76 | 4,000.00 |
| Rentals and Leases | 130,254.11 | 13,529.00 | 34,247.72 | 2,902,572.95 | 85,223.63 |
| Printing and Reproduction | 15,700.27 | 10,477.87 | 3,495.00 | 20,648.39 | 114,416.57 |
| Depreciation and Amortization | - | - | - | - | - |
| Interest | 657.60 | 35.14 | 196.22 | 729.47 | 1,327.58 |
| Scholarships | 5,639.55 | 88,503.15 | 20,400.00 | 271,129.69 | 35,973.13 |
| Claims and Judgments | - | - | - | - | - |
| Capital Expenditures | - | - | - | - | - |
| Other Operating Expenses | 386,102.62 | 189,768.35 | 394,072.96 | 1,333,541.70 | 2,182,887.52 |
| Total Operating Expenses | \$ 56,081,564.29 | \$ 1,977,947.21 | \$ 2,833,173.81 | \$ 33,069,103.38 | \$ 8,805,822.26 |

Unaudited

University of Houston - Downtown (784)
 Combined Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Institutional Support | Operation and Maintenance of Plant | Scholarships and Fellowships | Auxiliary Enterprises | Depreciation and Amortization | Total FY2023 | Total FY2022 |
|-------------------------|------------------------------------|------------------------------|-------------------------|-------------------------------|--------------------------|--------------------------|
| \$ - | \$ - | \$ - | \$ 590.10 | \$ - | \$ 590.10 | \$ 622.29 |
| 13,891,952.86 | 2,595,304.83 | 116,650.64 | 5,046,294.32 | - | 89,085,656.79 | 85,707,594.46 |
| 4,142,301.07 | 1,077,495.88 | 19.52 | 1,486,974.68 | - | 24,731,702.10 | 23,779,081.70 |
| 5,959,705.58 | 3,995,989.64 | 55,000.00 | 2,221,160.39 | - | 15,845,398.07 | 14,120,888.59 |
| - | - | - | - | - | 0.00 | 0.00 |
| - | - | - | - | - | 0.00 | 0.00 |
| 104,638.40 | - | - | 103,440.74 | - | 1,097,833.22 | 768,013.83 |
| 1,675,465.55 | 503,160.04 | 729.43 | 257,664.45 | - | 5,278,242.87 | 9,187,368.90 |
| 243,496.69 | 1,718,927.86 | - | 236,164.01 | - | 2,703,238.73 | 2,566,133.61 |
| 38,363.60 | 215,711.22 | - | 96,377.12 | - | 1,570,222.82 | 2,326,031.80 |
| 1,030,254.58 | 4,609.70 | - | 274,188.88 | - | 4,474,880.57 | 2,837,535.00 |
| 59,274.13 | 300.00 | - | 73,441.55 | - | 297,753.78 | 230,585.64 |
| - | - | - | - | 12,983,818.90 | 12,983,818.90 | 13,055,081.02 |
| 1,717.48 | 1,660.23 | 6.30 | 1,342.03 | - | 7,672.05 | 6,225.21 |
| 1,172,576.15 | - | 32,036,750.91 | 83,227.76 | - | 33,714,200.34 | 36,673,918.92 |
| 151,389.72 | - | - | - | - | 151,389.72 | 93,403.91 |
| - | - | - | - | - | 0.00 | 0.00 |
| 1,862,624.78 | 9,116.74 | - | 414,583.05 | - | 6,772,697.72 | 6,906,040.94 |
| <u>\$ 30,333,760.59</u> | <u>\$ 10,125,501.46</u> | <u>\$ 32,209,156.80</u> | <u>\$ 10,295,449.08</u> | <u>\$ 12,983,818.90</u> | <u>\$ 198,715,297.78</u> | <u>\$ 198,258,525.82</u> |

Unaudited

University of Houston - Downtown (784)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|-----------------------------------------------------------------------------|------------------------|------------------------|
| Cash Flows From Operating Activities | | |
| Receipts from Customers | \$ 2,885,058.09 | \$ 201,252.79 |
| Proceeds from Tuition and Fees | 81,124,805.48 | 69,321,780.32 |
| Proceeds from Research Grants and Contracts | 16,051,144.42 | 55,154,407.00 |
| Proceeds from Loan Programs | 9,195,279.97 | 9,767,448.27 |
| Proceeds from Auxiliaries | 2,299,032.74 | 1,475,422.17 |
| Proceeds from Other Revenues | 0.00 | (9,547.10) |
| Payments to Suppliers for Goods and Services | (32,191,988.06) | (25,952,919.47) |
| Payments to Employees for Salaries | (89,635,516.05) | (85,777,349.41) |
| Payments to Employees for Benefits | (24,589,612.08) | (24,106,431.53) |
| Payments for Loans Provided | (9,038,144.77) | (9,188,410.01) |
| Payments for Other Expenses | (41,067,324.75) | (43,756,067.40) |
| Net Cash Provided (Used) by Operating Activities | (84,967,265.01) | (52,870,414.37) |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from State Appropriations | 46,979,324.40 | 43,521,125.11 |
| Proceeds from Gifts | 1,750,636.28 | 2,994,539.47 |
| Proceeds from Endowments | 1,081,409.88 | 1,131,890.99 |
| Proceeds of Transfers from Other Funds | 11,086,793.31 | 9,832,433.37 |
| Proceeds from Grants | 37,121,689.79 | 36,166,799.93 |
| Payments for Transfers to Other Funds | (2,778,492.25) | (733,553.36) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 95,241,361.41 | 92,913,235.51 |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Debt Issuance | 0.00 | 43,005,000.00 |
| Proceeds from Other Financing Activities | 371,776.37 | 14,627,036.96 |
| Payments for Additions to Capital Assets | (23,258,608.78) | (37,290,321.19) |
| Payments of Principal on Debt Issuance | (7,720,000.00) | (11,513,043.35) |
| Payments for Leases/SBITA | (602,254.70) | 0.00 |
| Payments of Interest on Debt Issuance | (6,061,053.78) | (4,026,523.90) |
| Payments of Other Costs on Debt Issuance | 10,039,844.45 | (31,406,085.18) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (27,230,296.44) | (26,603,936.66) |
| Cash Flows From Investing Activities | | |
| Proceeds from Sales of Investments | 42,840.00 | 54,250.00 |
| Proceeds from Investment Income | 4,772,751.72 | 3,823,683.79 |
| Payments to Acquire Investments | (3,303,462.61) | (3,187,327.85) |
| Net Cash Provided (Used) by Investing Activities | 1,512,129.11 | 690,605.94 |

Unaudited

University of Houston - Downtown (784)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|--------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <u>Net Increase (Decrease) in Cash and Cash Equivalents</u> | <u>\$ (15,444,070.93)</u> | <u>\$ 14,129,490.42</u> |
| Cash and Cash Equivalents, September 1 | 53,130,223.77 | 39,000,733.35 |
| Restatements | | |
| <u>Cash and Cash Equivalents, August 31</u> | <u>\$ 37,686,152.84</u> | <u>\$ 53,130,223.77</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| <u>Operating Income (Loss)</u> | <u>\$ (92,114,870.94)</u> | <u>\$ (76,555,808.26)</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | |
| Depreciation and Amortization Expense | 12,983,818.90 | 13,055,081.02 |
| Operating Income and Cash Flow Categories: | | |
| Classification Differences | 157,135.20 | 579,038.26 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease In Receivables | (4,326,032.96) | 10,777,143.72 |
| (Increase) Decrease in Inventories | (14,104.95) | 4,810.44 |
| (Increase) Decrease in Prepaid Expenses | 86,934.21 | 2,799,235.22 |
| (Increase) Decrease in Other Assets | 259,194.00 | (68,072.00) |
| Increase (Decrease) in Payables | (976,139.71) | 3,278,603.90 |
| Increase (Decrease) in Deferred Income | 644,720.16 | (4,816,556.47) |
| Increase (Decrease) in Compensated Absences | 142,090.02 | (327,349.83) |
| Increase (Decrease) in Benefits Payable | (549,859.26) | (69,754.95) |
| Increase (Decrease) in Other Liabilities | (1,260,149.68) | (1,526,785.42) |
| <u>Total Adjustments</u> | <u>7,147,605.93</u> | <u>23,685,393.89</u> |
| <u>Net Cash Provided (Used) by Operating Activities</u> | <u>\$ (84,967,265.01)</u> | <u>\$ (52,870,414.37)</u> |
| Non Cash Transactions | | |
| <u>Net Change in Fair Value of Investments</u> | <u>2,007,268.09</u> | <u>(8,529,636.86)</u> |
| <u>Non Cash Transactions</u> | <u>\$ 2,007,268.09</u> | <u>\$ (8,529,636.86)</u> |

**UNIVERSITY OF HOUSTON
VICTORIA**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2023

UNIVERSITY OF HOUSTON – VICTORIA
PRIMARY STATEMENTS

Unaudited

University of Houston - Victoria (765)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-------------------------------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | | |
| Cash on Hand | \$ 1,934.00 | \$ 1,934.00 |
| Cash in Bank | 2,706,631.35 | (826,611.80) |
| Cash in Transit/Reimburse From Treasury | 1,800,177.45 | 1,441,898.27 |
| Cash in State Treasury | 1,689,584.00 | 1,186,100.51 |
| Cash Equivalents | 94,516.01 | 9,277,749.86 |
| Restricted: | | |
| Cash In Bank | (96,322.57) | 2,384,000.49 |
| Legislative Appropriation | 4,521,815.94 | 4,735,630.76 |
| Receivables: | | |
| Federal Receivables | 3,321,230.97 | 2,603,559.34 |
| UHS Intercampus Receivables | 5,253,786.24 | 1,649,590.36 |
| Accounts Receivable | 3,144,075.25 | 490,476.83 |
| Gifts | 595,782.34 | 493,885.12 |
| Other | 5,436.86 | 10,311.86 |
| Due From Other Agencies | 26,876.68 | 28,554.16 |
| Prepaid Costs | 4,500,001.47 | 4,518,350.90 |
| Loans and Contracts | 2,445,314.06 | 1,972,649.36 |
| Total Current Assets | 30,010,840.05 | 29,968,080.02 |
| Non-Current Assets | | |
| Restricted: | | |
| Receivables | 541,144.87 | 937,707.76 |
| UHS Intercampus Receivables | 60,593,141.16 | 64,447,447.37 |
| Receivables - Leases | | |
| Investments | 0.00 | 156,250.00 |
| UHS Intercampus Receivables | 3,373,791.03 | 3,294,179.29 |
| Capital Assets | | |
| Non-Depreciable or Non-Amortizable | 23,825,358.46 | 20,865,372.32 |
| Depreciable or Amortizable, Net | 107,304,943.56 | 111,754,632.15 |
| Right to Use Subscriptions - Amortizable, Net | 265,962.27 | 0.00 |
| Total Non-Current Assets | 195,904,341.35 | 201,455,588.89 |
| Total Assets | 225,915,181.40 | 231,423,668.91 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Total Deferred Outflow of Resources | 0.00 | 0.00 |
| Total Assets and Deferred Outflow of Resources | \$ 225,915,181.40 | \$ 231,423,668.91 |

Unaudited

University of Houston - Victoria (765)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables: | | |
| Accounts Payable | \$ 1,074,661.57 | \$ 1,611,599.87 |
| Accrued Subscription Interest Payable | 3,567.84 | 0.00 |
| Federal Payable | 1,480.00 | 23,393.54 |
| Payroll Payable | 3,944,796.99 | 3,953,771.71 |
| UHS Intercampus Payable | 5,490,997.93 | 3,170,905.27 |
| Other Payable | 277,819.93 | 311,410.30 |
| Due to Other Agencies | 97,566.17 | 31,975.53 |
| Unearned Revenues | 16,861,882.33 | 15,546,831.08 |
| Revenue Bonds Payable | 7,001,877.85 | 6,492,159.78 |
| Claims and Judgments Payable | 29,336.98 | 23,645.96 |
| Employees' Compensable Leave | 601,882.31 | 662,855.82 |
| Right to Use Subscription Obligations | 39,789.47 | 0.00 |
| Funds Held for Others | 1,222,518.46 | 933,449.74 |
| Total Current Liabilities | 36,648,177.83 | 32,761,998.60 |
| Non Current-Liabilities | | |
| Revenue Bonds Payable | 143,019,208.17 | 149,972,944.30 |
| Employees' Compensable Leave | 596,847.65 | 661,796.06 |
| Right to Use Subscription Obligations | 136,618.73 | 0.00 |
| Total Non-Current Liabilities | 143,752,674.55 | 150,634,740.36 |
| Total Liabilities | 180,400,852.38 | 183,396,738.96 |
| DEFERRED IN FLOW OF RESOURCES | | |
| Total Deferred Inflows of Resources | 0.00 | 0.00 |
| Total Liabilities and Deferred Inflow of Resources | 180,400,852.38 | 183,396,738.96 |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt | 19,079,527.34 | 19,630,634.98 |
| Restricted for: | | |
| Capital Projects | 8,184,580.93 | 8,274,582.77 |
| Funds Held as Permanent Investments | | |
| Non-Expendable | | |
| True Endowments, Annuities | 10,381,225.92 | 10,150,357.98 |
| Expendable | | |
| Funds Functioning as Endowments | 1,119,553.78 | 1,101,922.25 |
| Other | 5,088,449.31 | 5,060,652.33 |
| Unrestricted | 1,660,991.74 | 3,808,779.64 |
| Total Net Position | \$ 45,514,329.02 | \$ 48,026,929.95 |

Unaudited

University of Houston - Victoria (765)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| Operating Revenues | | |
| Sales of Goods and Services (PR-Chgs for Services) | | |
| Tuition and Fees-Pledged | \$ 32,273,643.16 | \$ 33,409,151.40 |
| Discounts and Allowances | (8,426,423.21) | (8,730,643.29) |
| Auxiliary Enterprise-Pledged | 3,111,695.67 | 2,752,335.84 |
| Discounts and Allowances | (812,442.04) | (719,253.90) |
| Other Sales of Goods and Services-Pledged | 384,721.38 | 393,314.08 |
| Federal Revenue-Operating (PR-OP Grants/Contributions) | 860,178.89 | 6,053,245.45 |
| Federal Pass Through Revenue (PR-OP Grants/Contributions) | 204,285.80 | 252,207.25 |
| State Grant Revenue (PR-OP Grants/Contributions) | 663,011.88 | 136,780.19 |
| State Grant Pass Through Revenue (PR-OP Grants/Contrib) | 2,655,750.93 | 2,027,323.70 |
| Other Grants and Contracts-Operating (PR-OP Grants/Contributions) | 309,890.31 | 426,199.62 |
| Total Operating Revenues | 31,224,312.77 | 36,000,660.34 |
| Operating Expenses | | |
| Instruction | 20,854,083.89 | 21,613,154.72 |
| Research | 765,515.50 | 551,954.30 |
| Public Service | 809,879.50 | 829,496.67 |
| Academic Support | 10,641,234.76 | 10,803,465.63 |
| Student Services | 7,765,296.47 | 8,050,458.47 |
| Institutional Support | 6,209,119.07 | 6,807,081.89 |
| Physical Plant | 3,535,183.42 | 3,524,798.65 |
| Scholarships & Fellowships | 7,331,871.95 | 8,963,504.44 |
| Auxiliary Enterprises | 2,973,434.61 | 3,174,890.15 |
| Depreciation and Amortization | 8,228,708.02 | 8,069,649.65 |
| Total Operating Expenses | 69,114,327.19 | 72,388,454.57 |
| Operating Income (Loss) | (37,890,014.42) | (36,387,794.23) |
| Non-Operating Revenues (Expenses) | | |
| Legislative Revenue (GR) | 15,480,730.00 | 15,481,288.00 |
| Additional Appropriations (GR) | 3,941,511.29 | 3,876,150.89 |
| Federal Revenue Non-Operating (PR-OP Grants/Contributions) | 7,906,631.28 | 7,056,918.37 |
| Gifts (PR-OP Grants/Contributions) | 1,239,954.70 | 813,097.27 |
| Interest and Investment Income (PR-Chgs for Services) | 829,527.09 | 1,198,516.38 |
| Interest Expense and Fiscal Charges | (5,646,313.62) | (3,718,227.34) |
| Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib) | 617,303.02 | (2,497,459.50) |
| Other Nonoperating Revenues | 137,124.93 | 39,656.78 |
| Other Nonoperating Expenses | (379,119.05) | (626,449.69) |
| Total Nonoperating Revenues (Expenses) | \$ 24,127,349.64 | \$ 21,623,491.16 |

Unaudited

University of Houston - Victoria (765)
 Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------------------------------|---------------------------|---------------------------|
| <u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u> | <u>\$ (13,762,664.78)</u> | <u>\$ (14,764,303.07)</u> |
| Other Revenues, Expenses, Gains, Losses and Transfers | | |
| Capital Appropriation (HEAF) | 3,542,817.00 | 3,542,817.00 |
| Additions to Permanent and Term Endowments | 61,165.00 | 86,368.00 |
| UHS Intercampus Transfers-In | 8,121,245.39 | 7,371,235.45 |
| UHS Intercampus Transfers-Out | (534,023.96) | (126,834.00) |
| Transfers-In | 23,930.42 | 944,114.86 |
| Transfers-Out | 0.00 | (978,707.49) |
| Legislative Transfers-In | 34,930.00 | 36,785.00 |
| <u>Total Other Rev, Exp, Gains, Losses and Transfers</u> | <u>11,250,063.85</u> | <u>10,875,778.82</u> |
| <u>Changes in Net Position</u> | <u>(2,512,600.93)</u> | <u>(3,888,524.25)</u> |
| Net Position Beginning | 48,026,929.95 | 51,915,454.20 |
| Net Position Beginning, as Restated | 48,026,929.95 | 51,915,454.20 |
| <u>Net Position, Ending</u> | <u>\$ 45,514,329.02</u> | <u>\$ 48,026,929.95</u> |

Unaudited

University of Houston - Victoria (765)
 Combined Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services |
|---------------------------------|-------------------------|----------------------|----------------------|-------------------------|------------------------|
| Cost of Goods Sold | \$ - | \$ - | \$ - | \$ - | \$ - |
| Salaries and Wages | 15,364,345.48 | 473,004.02 | 498,376.44 | 4,429,298.43 | 3,968,498.53 |
| Payroll Related Costs | 4,107,700.62 | 120,859.60 | 176,791.34 | 1,275,819.84 | 1,347,635.69 |
| Professional Fees and Services | 273,694.38 | 11,326.70 | 27,022.12 | 1,643,700.18 | 853,329.91 |
| Federal Pass Through Expenses | - | - | - | - | - |
| State Pass Through Expenses | - | - | - | - | - |
| Travel | 37,706.72 | 11,028.50 | 14,987.48 | 132,020.21 | 396,584.98 |
| Materials and Supplies | 555,057.34 | 7,450.76 | 10,601.04 | 194,824.08 | 221,413.20 |
| Communication and Utilities | 28,871.90 | 21.71 | 505.03 | 514,775.96 | 80,051.17 |
| Repairs and Maintenance | 82,339.31 | 149.00 | - | 41,565.87 | 48,189.58 |
| Rentals and Leases | 198,622.12 | - | 7,192.44 | 236,685.73 | 172,506.07 |
| Printing and Reproduction | 2,709.90 | 815.48 | 860.94 | 25,929.93 | 78,554.24 |
| Depreciation and Amortization | - | - | - | - | - |
| Interest | 1,040.21 | - | 14.08 | 343.30 | 1,082.60 |
| Scholarships | 92,508.29 | 6,095.71 | - | 14,846.85 | 80,006.98 |
| Claims and Judgments | - | - | - | - | - |
| Capital Expenditures | - | - | - | - | - |
| Other Operating Expenses | 109,487.62 | 134,764.02 | 73,528.59 | 2,131,424.38 | 517,443.52 |
| Total Operating Expenses | \$ 20,854,083.89 | \$ 765,515.50 | \$ 809,879.50 | \$ 10,641,234.76 | \$ 7,765,296.47 |

Unaudited

University of Houston - Victoria (765)
 Combined Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Institutional Support | Operation and Maintenance of Plant | Scholarships and Fellowships | Auxiliary Enterprises | Depreciation and Amortization | Total FY2023 | Total FY2022 |
|------------------------|------------------------------------|------------------------------|------------------------|-------------------------------|-------------------------|-------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | 0.00 | \$ 0.00 |
| 3,272,018.99 | 746,805.65 | 265,213.98 | 588,896.23 | - | 29,606,457.75 | 30,080,265.13 |
| 1,075,093.31 | 303,391.69 | - | 171,320.87 | - | 8,580,163.67 | 8,801,153.56 |
| 963,747.88 | 845,854.66 | 28,315.03 | 1,074,446.25 | - | 5,721,437.11 | 5,892,048.67 |
| - | - | - | - | - | 0.00 | 0.00 |
| - | - | - | - | - | 0.00 | 0.00 |
| 44,710.20 | 2,315.61 | - | 47,296.25 | - | 686,649.95 | 513,204.35 |
| 319,206.64 | 202,868.39 | - | 145,632.54 | - | 1,657,053.99 | 2,219,356.27 |
| 143,192.03 | 905,597.70 | - | 468,571.62 | - | 2,141,587.12 | 1,957,164.07 |
| 177,143.44 | 371,617.94 | - | 257,256.18 | - | 978,261.32 | 1,338,146.97 |
| 172,998.93 | 123,073.33 | - | 27,612.35 | - | 938,690.97 | 843,365.77 |
| 9,945.34 | 224.84 | - | 19,352.00 | - | 138,392.67 | 128,887.82 |
| - | - | - | - | 8,228,708.02 | 8,228,708.02 | 8,069,649.65 |
| 492.32 | 18,658.29 | - | 15,715.95 | - | 37,346.75 | 37,348.42 |
| 1,244.48 | 12,385.07 | 7,028,674.80 | 98,287.56 | - | 7,334,049.74 | 9,103,360.97 |
| 29,325.51 | - | - | - | - | 29,325.51 | 34,802.90 |
| - | - | - | - | - | 0.00 | 0.00 |
| - | 2,390.25 | 8,117.43 | 59,046.81 | - | 3,036,202.62 | 3,369,700.02 |
| <u>\$ 6,209,119.07</u> | <u>\$ 3,535,183.42</u> | <u>\$ 7,331,871.95</u> | <u>\$ 2,973,434.61</u> | <u>\$ 8,228,708.02</u> | <u>\$ 69,114,327.19</u> | <u>\$ 72,388,454.57</u> |

Unaudited

University of Houston - Victoria (765)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|-----------------------------------------------------------------------------|------------------------|------------------------|
| Cash Flows From Operating Activities | | |
| Receipts from Customers | \$ 389,596.38 | \$ 383,002.22 |
| Proceeds from Tuition and Fees | 25,162,271.20 | 24,199,376.16 |
| Proceeds from Research Grants and Contracts | 1,357,626.94 | 14,976,200.52 |
| Proceeds from Loan Programs | 3,360,638.29 | 2,888,172.28 |
| Proceeds from Auxiliaries | 2,308,829.03 | 2,600,775.68 |
| Payments to Suppliers for Goods and Services | (13,213,739.77) | (14,409,773.90) |
| Payments to Employees for Salaries | (27,056,349.96) | (29,946,985.81) |
| Payments to Employees for Benefits | (8,706,085.59) | (8,815,771.60) |
| Payments for Loans Provided | (3,833,302.99) | (2,692,735.34) |
| Payments for Other Expenses | (10,142,164.88) | (12,609,407.20) |
| <u>Net Cash Provided (Used) by Operating Activities</u> | <u>(30,372,681.35)</u> | <u>(23,427,146.99)</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from State Appropriations | 23,213,803.11 | 22,509,282.55 |
| Proceeds from Gifts | 1,534,620.37 | 1,260,201.91 |
| Proceeds from Endowments | 61,165.00 | 86,368.00 |
| Proceeds of Transfers from Other Funds | 8,282,300.74 | 8,355,007.09 |
| Proceeds from Grants | 7,906,631.28 | 7,056,918.37 |
| Payments for Transfers to Other Funds | (913,143.01) | (1,655,672.30) |
| <u>Net Cash Provided (Used) by Noncapital Financing Activities</u> | <u>40,085,377.49</u> | <u>37,612,105.62</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Debt Issuance | 0.00 | 41,775,000.00 |
| Proceeds from Other Financing Activities | 176,408.20 | 11,970,185.02 |
| Payments for Additions to Capital Assets | (6,601,912.60) | (9,428,659.53) |
| Payments of Principal on Debt Issuance | (5,515,000.00) | (7,174,505.08) |
| Payments of Interest on Debt Issuance | (5,646,313.62) | (3,706,926.53) |
| Payments of Other Costs on Debt Issuance | 3,859,709.96 | (42,233,569.16) |
| <u>Net Cash Provided (Used) by Capital and Related Financing Activities</u> | <u>(13,727,108.06)</u> | <u>(8,798,475.28)</u> |
| Cash Flows From Investing Activities | | |
| Proceeds from Sales of Investments | 35,750.00 | 39,250.00 |
| Proceeds from Investment Income | 829,527.09 | 1,198,516.38 |
| Payments to Acquire Investments | (4,119,416.26) | (1,615,617.23) |
| <u>Net Cash Provided (Used) by Investing Activities</u> | <u>(3,254,139.17)</u> | <u>(377,850.85)</u> |

Unaudited

University of Houston - Victoria (765)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|--------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <u>Net Increase (Decrease) in Cash and Cash Equivalents</u> | <u>\$ (7,268,551.09)</u> | <u>\$ 5,008,632.50</u> |
| Cash and Cash Equivalents, September 1 | 13,465,071.33 | 8,456,438.83 |
| Restatements | | |
| <u>Cash and Cash Equivalents, August 31</u> | <u>\$ 6,196,520.24</u> | <u>\$ 13,465,071.33</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| <u>Operating Income (Loss)</u> | <u>\$ (37,890,014.42)</u> | <u>\$ (36,387,794.23)</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | |
| Depreciation and Amortization Expense | 8,228,708.02 | 8,069,649.65 |
| Operating Income and Cash Flow Categories: | | |
| Classification Differences | (472,664.70) | 195,436.94 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease In Receivables | (3,366,395.05) | 6,609,071.09 |
| (Increase) Decrease in Prepaid Expenses | 18,349.43 | 143,942.87 |
| (Increase) Decrease in Other Assets | 1,677.48 | 1,908.78 |
| Increase (Decrease) in Payables | (995,497.45) | (1,661,542.85) |
| Increase (Decrease) in Deferred Income | 1,315,051.25 | (479,118.69) |
| Increase (Decrease) in Compensated Absences | (125,921.92) | (14,618.04) |
| Increase (Decrease) in Benefits Payable | 2,550,107.79 | 133,279.32 |
| Increase (Decrease) in Other Liabilities | 363,918.22 | (37,361.83) |
| <u>Total Adjustments</u> | <u>7,517,333.07</u> | <u>12,960,647.24</u> |
| <u>Net Cash Provided (Used) by Operating Activities</u> | <u>\$ (30,372,681.35)</u> | <u>\$ (23,427,146.99)</u> |
| Non Cash Transactions | | |
| <u>Net Change in Fair Value of Investments</u> | <u>617,303.02</u> | <u>(2,497,459.50)</u> |
| <u>Non Cash Transactions</u> | <u>\$ 617,303.02</u> | <u>\$ (2,497,459.50)</u> |

**UNIVERSITY OF HOUSTON
SYSTEM ADMINISTRATION**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2023



UNIVERSITY OF HOUSTON – SYSTEM ADMINISTRATION
PRIMARY STATEMENTS

Unaudited

University of Houston - System Administration (783)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-------------------------------------------------------|----------------------------|----------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | | |
| Cash in Bank | \$ 207,739,755.75 | \$ 212,499,877.94 |
| Cash in Transit/Reimburse From Treasury | 32,207,451.52 | 28,278,596.52 |
| Cash in State Treasury | 245,409.00 | 0.00 |
| Cash Equivalents | 201,767,245.13 | 189,496,416.34 |
| Short Term Investments | 154,050,299.57 | 203,896,154.89 |
| Restricted: | | |
| Cash In Bank | (243,662,600.08) | (237,754,496.08) |
| Legislative Appropriation | 162,343.27 | 155,061.56 |
| Receivables: | | |
| UHS Intercampus Receivables | 10,600,226.64 | 16,623,618.04 |
| Interest and Dividends | (2,979.17) | 1,159,717.81 |
| Accounts Receivable | 424,773.32 | 5,454,195.05 |
| Other | 1,202,069.38 | 933,257.12 |
| Prepaid Costs | 435,002.20 | 302,252.68 |
| Total Current Assets | 365,168,996.53 | 421,044,651.87 |
| Non-Current Assets | | |
| Restricted: | | |
| Receivables | | |
| UHS Intercampus Receivables | 20,044,475.04 | 26,092,061.44 |
| Investments | 1,661,906,075.86 | 1,559,730,583.17 |
| Capital Assets | | |
| Non-Depreciable or Non-Amortizable | 21,927,586.59 | 21,526,627.85 |
| Depreciable or Amortizable, Net | 42,007,150.55 | 45,362,384.27 |
| Right to Use Assets - Amortizable, Net | 77,479.80 | 126,414.38 |
| Total Non-Current Assets | 1,745,962,767.84 | 1,652,838,071.11 |
| Total Assets | 2,111,131,764.37 | 2,073,882,722.98 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Total Deferred Outflow of Resources | 0.00 | 0.00 |
| Total Assets and Deferred Outflow of Resources | \$ 2,111,131,764.37 | \$ 2,073,882,722.98 |

Unaudited

University of Houston - System Administration (783)
Statement of Net Position
August 31, 2023

| | Total FY2023 | Total FY2022 |
|-----------------------------------------------------------|--------------------------|--------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables: | | |
| Accounts Payable | \$ 1,310,369.91 | \$ 10,259,061.13 |
| Accrued Lease Interest Payable | 23.01 | 36.95 |
| Payroll Payable | 10,801,692.54 | 7,198,047.33 |
| UHS Intercampus Payable | 1,774,152,328.62 | 1,741,908,182.65 |
| Other Payable | 464,228.40 | 303,730.04 |
| Due to Other Agencies | 243,674.25 | 0.00 |
| Unearned Revenues | (598.92) | 1,301.08 |
| Notes and Loans Payable | 28,411,000.00 | 34,738,000.00 |
| Revenue Bonds Payable | 5,208,462.62 | 4,630,320.90 |
| Employees' Compensable Leave | 390,316.84 | 482,418.00 |
| Right to Use Lease Obligations | 50,158.05 | 48,479.25 |
| Funds Held for Others | (65,010.40) | (14,704.50) |
| Total Current Liabilities | 1,820,966,644.92 | 1,799,554,872.83 |
| Non Current-Liabilities | | |
| Revenue Bonds Payable | 97,449,640.93 | 102,706,245.27 |
| Employees' Compensable Leave | 387,051.89 | 481,646.74 |
| Right to Use Lease Obligations | 29,853.84 | 80,011.88 |
| Total Non-Current Liabilities | 97,866,546.66 | 103,267,903.89 |
| Total Liabilities | 1,918,833,191.58 | 1,902,822,776.72 |
| DEFERRED IN FLOW OF RESOURCES | | |
| Total Deferred Inflows of Resources | 0.00 | 0.00 |
| Total Liabilities and Deferred Inflow of Resources | 1,918,833,191.58 | 1,902,822,776.72 |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt | 42,949,012.80 | 38,315,659.36 |
| Restricted for: | | |
| Debt Retirement | 2,131,172.03 | 5,933,745.52 |
| Capital Projects | 2,642,768.27 | 2,014,625.99 |
| Funds Held as Permanent Investments | | |
| Non-Expendable | | |
| True Endowments, Annuities | 54,278,173.85 | 53,521,226.80 |
| Expendable | | |
| Funds Functioning as Endowments | 7,915,025.11 | 7,792,603.69 |
| Other | 8,488,714.35 | 8,380,076.25 |
| Unrestricted | 73,893,706.38 | 55,102,008.65 |
| Total Net Position | \$ 192,298,572.79 | \$ 171,059,946.26 |

Unaudited

University of Houston - System Administration (783)
 Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| Operating Revenues | | |
| Other Sales of Goods and Services-Pledged | \$ 60,186.96 | \$ 60,186.96 |
| Federal Pass Through Revenue (PR-OP Grants/Contributions) | 1,734.75 | 0.00 |
| State Grant Revenue (PR-OP Grants/Contributions) | 3,879.29 | 1,670.99 |
| Other Grants and Contracts-Operating (PR-OP Grants/Contrib) | 245,409.00 | 0.00 |
| Other Operating Revenues (PR-Chgs for Services) | 32,983,396.00 | 0.00 |
| Total Operating Revenues | 33,294,606.00 | 61,857.95 |
| Operating Expenses | | |
| Research | 25,572.39 | (56,993.25) |
| Academic Support | 507,088.29 | 574,610.32 |
| Student Services | 325,613.51 | 329,974.01 |
| Institutional Support | 12,258,402.50 | 12,127,366.50 |
| Physical Plant | 537,959.53 | 625,712.53 |
| Depreciation and Amortization | 3,528,478.65 | 3,490,323.12 |
| Total Operating Expenses | 17,183,114.87 | 17,090,993.23 |
| Operating Income (Loss) | 16,111,491.13 | (17,029,135.28) |
| Non-Operating Revenues (Expenses) | | |
| Legislative Revenue (GR) | 35,335,598.00 | 41,942,108.46 |
| Additional Appropriations (GR) | 458,587.15 | 457,007.77 |
| Gifts (PR-OP Grants/Contributions) | 35,538.20 | 33,129.85 |
| Interest and Investment Income (PR-Chgs for Services) | 9,837,762.83 | 13,720,251.79 |
| Interest Expense and Fiscal Charges | (4,145,403.76) | (1,703,648.46) |
| Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib) | 5,504,326.63 | (26,042,964.09) |
| Other Nonoperating Revenues | 11,273,905.18 | 10,559,224.94 |
| Other Nonoperating Expenses | (221,454.90) | (749,608.05) |
| Total Nonoperating Revenues (Expenses) | \$ 58,078,859.33 | \$ 38,215,502.21 |

Unaudited

University of Houston - System Administration (783)
 Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2023

| | Total FY2023 | Total FY2022 |
|----------------------------------------------------------------------------|-------------------|-------------------|
| Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers | \$ 74,190,350.46 | \$ 21,186,366.93 |
| Other Revenues, Expenses, Gains, Losses and Transfers | | |
| Additions to Permanent and Term Endowments | 0.00 | 25,000.00 |
| UHS Intercampus Transfers-In | 10,259,931.25 | 10,663,548.60 |
| UHS Intercampus Transfers-Out | (63,209,354.31) | (49,981,463.46) |
| Transfers-Out | (2,300.39) | 461.69 |
| Legislative Appropriations Lapsed | (0.48) | (5,775.02) |
| Total Other Rev, Exp, Gains, Losses and Transfers | (52,951,723.93) | (39,298,228.19) |
| Changes in Net Position | 21,238,626.53 | (18,111,861.26) |
| Net Position Beginning | 171,059,946.26 | 189,163,642.28 |
| Restatements | 0.00 | 8,165.24 |
| Net Position Beginning, as Restated | 171,059,946.26 | 189,171,807.52 |
| Net Position, Ending | \$ 192,298,572.79 | \$ 171,059,946.26 |

Unaudited

University of Houston - System Administration (783)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services |
|---------------------------------|----------------|---------------------|----------------|----------------------|----------------------|
| Cost of Goods Sold | \$ - | \$ - | \$ - | \$ - | \$ - |
| Salaries and Wages | - | 10,200.00 | - | 439,422.84 | 282,536.04 |
| Payroll Related Costs | - | 1,516.30 | - | 61,665.45 | 43,077.47 |
| Professional Fees and Services | - | 8,900.00 | - | - | - |
| Federal Pass Through Expenses | - | - | - | - | - |
| State Pass Through Expenses | - | - | - | - | - |
| Travel | - | - | - | - | - |
| Materials and Supplies | - | 3,170.36 | - | - | - |
| Communication and Utilities | - | 50.98 | - | - | - |
| Repairs and Maintenance | - | - | - | - | - |
| Rentals and Leases | - | - | - | 6,000.00 | - |
| Printing and Reproduction | - | - | - | - | - |
| Depreciation and Amortization | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Scholarships | - | - | - | - | - |
| Claims and Judgments | - | - | - | - | - |
| Capital Expenditures | - | - | - | - | - |
| Other Operating Expenses | - | 1,734.75 | - | - | - |
| Total Operating Expenses | \$ 0.00 | \$ 25,572.39 | \$ 0.00 | \$ 507,088.29 | \$ 325,613.51 |

Unaudited

University of Houston - System Administration (783)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2023

| Institutional Support | Operation and Maintenance of Plant | Scholarships and Fellowships | Auxiliary Enterprises | Depreciation and Amortization | Total FY2023 | Total FY2022 |
|-------------------------|------------------------------------|------------------------------|-----------------------|-------------------------------|-------------------------|-------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | 0.00 | \$ 0.00 |
| 7,987,768.88 | 165,561.84 | - | - | - | 8,885,489.60 | 8,733,559.90 |
| 1,661,181.32 | 57,540.10 | - | - | - | 1,824,980.64 | 1,856,963.68 |
| 1,346,325.14 | 177,735.30 | - | - | - | 1,532,960.44 | 1,802,882.61 |
| - | - | - | - | - | 0.00 | 0.00 |
| - | - | - | - | - | 0.00 | 0.00 |
| 115,052.31 | - | - | - | - | 115,052.31 | 79,185.51 |
| 144,808.41 | 28,147.57 | - | - | - | 176,126.34 | 252,098.91 |
| 84,095.16 | 44,760.99 | - | - | - | 128,907.13 | 150,095.69 |
| 38,823.14 | 63,306.82 | - | - | - | 102,129.96 | 128,901.22 |
| 484,497.18 | - | - | - | - | 490,497.18 | 250,717.49 |
| 7,340.94 | - | - | - | - | 7,340.94 | 13,719.95 |
| - | - | - | - | 3,528,478.65 | 3,528,478.65 | 3,490,323.12 |
| 298.92 | 43.55 | - | - | - | 342.47 | 21,928.14 |
| - | - | - | - | - | 0.00 | 0.00 |
| 1,693.78 | - | - | - | - | 1,693.78 | 1,176.47 |
| - | - | - | - | - | 0.00 | 0.00 |
| 386,517.32 | 863.36 | - | - | - | 389,115.43 | 309,440.54 |
| <u>\$ 12,258,402.50</u> | <u>\$ 537,959.53</u> | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 3,528,478.65</u> | <u>\$ 17,183,114.87</u> | <u>\$ 17,090,993.23</u> |

Unaudited

University of Houston - System Administration (783)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|-----------------------------------------------------------------------------|------------------------|-------------------------|
| Cash Flows From Operating Activities | | |
| Receipts from Customers | \$ (1,998,818.51) | \$ (379,488.16) |
| Proceeds from Tuition and Fees | (1,900.00) | 1,900.00 |
| Proceeds from Research Grants and Contracts | 7,314,312.23 | 1,670.99 |
| Proceeds from Other Revenues | 32,983,396.00 | 0.00 |
| Payments to Suppliers for Goods and Services | (11,473,970.62) | 1,003,845.08 |
| Payments to Employees for Salaries | (5,281,844.39) | (11,791,721.27) |
| Payments to Employees for Benefits | (2,011,676.65) | (1,929,499.15) |
| Payments for Other Expenses | (441,457.58) | (332,883.23) |
| Net Cash Provided (Used) by Operating Activities | 19,088,040.48 | (13,426,175.74) |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from State Appropriations | 35,786,902.96 | 42,332,934.30 |
| Proceeds from Gifts | 35,538.20 | 33,129.85 |
| Proceeds from Endowments | 0.00 | 25,000.00 |
| Proceeds of Transfers from Other Funds | 21,533,836.43 | 21,222,773.54 |
| Payments for Transfers to Other Funds | (63,433,109.60) | (50,634,633.47) |
| Net Cash Provided (Used) by Noncapital Financing Activities | (6,076,832.01) | 12,979,204.22 |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Debt Issuance | 0.00 | 52,535,000.00 |
| Proceeds from Other Financing Activities | 1,678.80 | 15,257,859.73 |
| Payments for Additions to Capital Assets | (525,269.09) | (225,348.94) |
| Payments of Principal on Debt Issuance | (3,990,000.00) | (2,595,000.00) |
| Payments for Leases/SBITA | (50,158.04) | 0.00 |
| Payments of Interest on Debt Issuance | (4,145,403.76) | (1,703,648.46) |
| Payments of Other Costs on Debt Issuance | (60,309,247.00) | 265,258,143.46 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (69,018,399.09) | 328,527,005.79 |
| Cash Flows From Investing Activities | | |
| Proceeds from Sales of Investments | 1,780,550,466.78 | 1,818,289,484.20 |
| Proceeds from Interest Income | 1,162,696.98 | 29,361.01 |
| Proceeds from Investment Income | 9,837,762.83 | 13,627,274.39 |
| Payments to Acquire Investments | (1,729,766,869.37) | (2,114,481,121.27) |
| Net Cash Provided (Used) by Investing Activities | 61,784,057.22 | (282,535,001.67) |

Unaudited

University of Houston - System Administration (783)
Statement of Cash Flows
For the Year Ended August 31, 2023

| | <u>Total FY2023</u> | <u>Total FY2022</u> |
|--------------------------------------------------------------------------------------------------|--------------------------|---------------------------|
| <u>Net Increase (Decrease) in Cash and Cash Equivalents</u> | <u>\$ 5,776,866.60</u> | <u>\$ 45,545,032.60</u> |
| Cash and Cash Equivalents, September 1 | 192,520,394.72 | 146,975,362.12 |
| Restatements | | |
| <u>Cash and Cash Equivalents, August 31</u> | <u>\$ 198,297,261.32</u> | <u>\$ 192,520,394.72</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| <u>Operating Income (Loss)</u> | <u>\$ 16,111,491.13</u> | <u>\$ (17,029,135.28)</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | |
| Depreciation and Amortization Expense | 3,528,478.65 | 3,490,323.12 |
| Operating Income and Cash Flow Categories: | | |
| Classification Differences | 0.00 | 0.00 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease In Receivables | 4,760,609.47 | (439,675.12) |
| (Increase) Decrease in Prepaid Expenses | (132,749.52) | 107,942.14 |
| Increase (Decrease) in Payables | (8,788,192.86) | 3,573,467.37 |
| Increase (Decrease) in Deferred Income | (1,900.00) | 1,900.00 |
| Increase (Decrease) in Compensated Absences | (186,696.01) | (72,535.47) |
| Increase (Decrease) in Benefits Payable | 3,603,645.21 | (3,058,161.37) |
| Increase (Decrease) in Other Liabilities | 193,354.41 | (301.13) |
| <u>Total Adjustments</u> | <u>2,976,549.35</u> | <u>3,602,959.54</u> |
| <u>Net Cash Provided (Used) by Operating Activities</u> | <u>\$ 19,088,040.48</u> | <u>\$ (13,426,175.74)</u> |
| Non Cash Transactions | | |
| <u>Net Change in Fair Value of Investments</u> | <u>5,504,326.63</u> | <u>(26,042,964.09)</u> |
| <u>Non Cash Transactions</u> | <u>\$ 5,504,326.63</u> | <u>\$ (26,042,964.09)</u> |

