

**UNIVERSITY OF HOUSTON
DOWNTOWN**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2014

UNIVERSITY OF HOUSTON – DOWNTOWN
PRIMARY STATEMENTS

Unaudited

University of Houston - Downtown (784)
Statement of Net Position
August 31, 2014

	Total 2014
Assets	
Current Assets	
Cash and Cash Equivalents	
Cash on Hand	\$ 11,450.00
Cash in Bank	17,558,363.74
Cash in Transit/Reimburse From Treasury	367,769.83
Cash in State Treasury	620,341.90
Cash Equivalents	19,773,676.43
Restricted:	
Cash In Bank	(13,099,305.90)
Legislative Appropriation	9,637,919.19
Receivables:	
Federal Receivables	12,435,853.90
UHS Intercampus Receivables	28,977,588.21
Accounts Receivable	2,085,610.85
Gifts	204,487.46
Other	1,218,576.07
Due From Other Agencies	128,592.24
Consumable Inventories	11,076.71
Prepaid Costs	4,965,911.18
Loans and Contracts	607,658.81
Total Current Assets	85,505,570.62
Non-Current Assets	
Restricted:	
Receivables	61,567.22
UHS Intercampus Receivables	26,314,620.24
Investments	246,103.63
UHS Intercampus Receivables	8,218,391.66
Capital Assets	
Non-Depreciable or Non-Amortizable	19,217,831.57
Depreciable or Amortizable, Net	76,858,417.26
Total Non-Current Assets	130,916,931.58
Total Assets	216,422,502.20
Deferred Outflow of Resources	
Loss on Bond Refunding	27,464.22
Total Deferred Outflow of Resources	27,464.22
Total Assets and Deferred Outflow of Resources	216,449,966.42

Unaudited

University of Houston - Downtown (784)
 Statement of Net Position
 August 31, 2014

	Total 2014
Liabilities	
Current Liabilities:	
Payables:	
Accounts Payable	1,624,280.96
Federal Payable	15,995.25
Payroll Payable	4,260,506.91
UHS Intercampus Payable	3,229,677.13
Other Payable	91,614.81
Unearned Revenues	28,500,547.19
Revenue Bonds Payable	5,055,120.07
Claims and Judgments Payable	10,149.22
Employees' Compensable Leave	1,215,289.71
Funds Held for Others	(92,846.48)
Total Current Liabilities	43,910,334.77
Non-Current Liabilities	
Revenue Bonds Payable	43,589,469.01
Employees' Compensable Leave	1,261,860.16
Total Non-Current Liabilities	44,851,329.17
Total Liabilities	88,761,663.94
Total Liabilities and Deferred Inflow of Resources	88,761,663.94
Net Position	
Invested in Capital Assets, Net of Related Debt	51,269,603.50
Restricted for:	
Debt Retirement	17,118.29
Capital Projects	34,504.19
Funds Held as Permanent Investments	
Non-Expendable	
True Endowments, Annuities	19,092,281.01
Expendable	
Funds Functioning as Endowments	2,260,334.75
Other Restricted	4,601,138.48
Unrestricted	50,413,322.26
Total Net Position	\$ 127,688,302.48

Unaudited

University of Houston - Downtown (784)
 Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2014

	Total 2014
Operating Revenues	
Sales of Goods and Services (PR-Chgs for Services)	
Tuition and Fees-Pledged	\$ 74,478,218.42
Discounts and Allowances	(14,031,356.66)
Auxiliary Enterprise-Pledged	2,448,717.27
Discounts and Allowances	(219,439.05)
Other Sales of Goods and Services-Pledged	4,462,560.37
Federal Revenue-Operating (PR-OP Grants/Contributions)	2,749,961.13
Federal Pass Through Revenue (PR-OP Grants/Contributions)	697,284.28
State Grant Revenue (PR-OP Grants/Contributions)	66,906.78
State Grant Pass Through Revenue (PR-OP Grants/Contributions)	7,548,479.60
Other Grants and Contracts-Operating (PR-OP Grants/Contributions)	111,473.65
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Total Operating Revenues	78,312,805.79
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Operating Expenses	
Instruction	40,250,694.76
Research	2,231,161.11
Public Service	4,432,215.61
Academic Support	20,386,885.74
Student Services	3,900,859.46
Institutional Support	18,932,787.42
Physical Plant	6,523,770.15
Scholarships & Fellowships	29,835,767.13
Auxiliary Enterprises	7,848,024.51
Depreciation and Amortization	7,288,694.46
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Total Operating Expenses	141,630,860.35
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Operating Income (Loss)	(63,318,054.56)
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Non-Operating Revenues (Expenses)	
Legislative Revenue (GR)	21,783,611.00
Additional Appropriations (GR)	5,555,635.98
Federal Revenue Non-Operating (PR-OP Grants/Contributions)	28,681,513.05
State Pass Through Revenues Non-Operating	78,913.00
Gifts (PR-OP Grants/Contributions)	1,263,992.10
Interest and Investment Income (PR-Chgs for Services)	2,509,728.93
Interest Expense and Fiscal Charges	(1,758,611.86)
Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib)	1,654,984.66
Other Nonoperating Revenues	1,054,888.43
Other Nonoperating Expenses	(4,009,180.81)
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Total Nonoperating Revenues (Expenses)	56,815,474.48
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Unaudited

University of Houston - Downtown (784)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2014

	<u>Total 2014</u>
<u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u>	<u>(6,502,580.08)</u>
Other Revenues, Expenses, Gains, Losses and Transfers	
Capital Appropriation (HEAF)	7,435,238.00
Additions to Permanent and Term Endowments	169,083.27
UHS Intercampus Transfers-In	6,352,587.00
UHS Intercampus Transfers-Out	(686,998.32)
Transfers-Out	<u>(1,105,163.35)</u>
<u>Total Other Revenue, Expenses, Gains, Losses and Transfers</u>	<u>12,164,746.60</u>
<u>Changes in Net Position</u>	<u>5,662,166.52</u>
<u>Net Position, Beginning</u>	<u>122,026,135.96</u>
<u>Net Position, Ending</u>	<u>\$ 127,688,302.48</u>

Unaudited

University of Houston - Downtown (784)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2014

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries and Wages	31,324,268.20	949,515.43	1,870,429.69	11,913,591.01	2,430,007.11
Payroll Related Costs	7,254,490.29	238,178.70	363,649.47	3,061,002.76	640,736.93
Professional Fees and Services	593,019.68	319,401.13	1,035,290.87	448,479.52	246,235.87
Federal Pass Through Expenses		80,999.98			
Travel	242,372.50	119,871.68	37,072.62	288,901.19	50,119.93
Materials and Supplies	325,712.58	133,034.90	445,382.94	2,033,946.07	103,438.29
Communication and Utilities	94,843.27	7,672.88	24,343.40	334,300.05	171,569.10
Repairs and Maintenance	12,631.16	2,496.00	4,874.46	860,443.68	2,570.00
Rentals and Leases	81,155.26	7,144.40	87,318.67	877,498.97	12,485.13
Printing and Reproduction	19,229.55	5,082.69	22,553.36	23,611.17	112,897.92
Depreciation and Amortization					
Interest	120.46		216.48	551.72	24.77
Scholarships	65,503.67	248,728.12		69,496.84	
Claims and Losses				5,000.00	
Other Operating Expenses	237,348.14	119,035.20	541,083.65	470,062.76	130,774.41
Total Operating Expenses	\$ 40,250,694.76	\$ 2,231,161.11	\$ 4,432,215.61	\$ 20,386,885.74	\$ 3,900,859.46

Unaudited

University of Houston - Downtown (784)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2014

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total 2014
\$	\$	\$	\$ 2,157.42	\$	\$ 2,157.42
8,571,890.14	1,671,175.48	79,595.00	3,338,165.70		62,148,637.76
2,221,343.67	559,995.04		831,224.40		15,170,621.26
2,822,815.83	1,199,293.36	52,569.72	1,552,809.50		8,269,915.48
					80,999.98
82,034.50	3,594.51		109,430.76		933,397.69
1,174,306.85	447,419.50	26,054.41	351,042.82		5,040,338.36
164,695.78	1,950,335.80		315,288.63		3,063,048.91
661,549.97	648,857.64		374,842.36		2,568,265.27
580,191.70	8,899.35		183,702.39		1,838,395.87
134,966.34	875.78		68,866.28		388,083.09
				7,288,694.46	7,288,694.46
167.40	2,021.25		6,420.71		9,522.79
1,100,607.05		29,677,348.00	28,133.60		31,189,817.28
71,004.53					76,004.53
1,347,213.66	31,302.44	200.00	685,939.94		3,562,960.20
<u>\$ 18,932,787.42</u>	<u>\$ 6,523,770.15</u>	<u>\$ 29,835,767.13</u>	<u>\$ 7,848,024.51</u>	<u>\$ 7,288,694.46</u>	<u>\$ 141,630,860.35</u>

Unaudited

University of Houston - Downtown (784)
Statement of Cash Flows
For the Year Ended August 31, 2014

	Total 2014
Cash Flows From Operating Activities	
Receipts from Customers	\$ 5,401,659.16
Proceeds from Tuition and Fees	64,240,315.99
Proceeds from Research Grants and Contracts	9,476,921.30
Proceeds from Loan Programs	1,574,317.07
Proceeds from Auxiliaries	3,105,459.27
Payments to Suppliers for Goods and Services	(23,423,932.18)
Payments to Employees for Salaries	(61,634,737.24)
Payments to Employees for Benefits	(15,144,721.12)
Payments for Loans Provided	(1,496,873.04)
Payments for Other Expenses	(34,530,438.81)
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Net Cash Provided (Used) by Operating Activities	<hr/> (52,432,029.60)
Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	26,720,974.52
Proceeds from Gifts	1,829,819.91
Proceeds from Endowments	169,083.27
Proceeds of Transfers from Other Funds	7,407,475.43
Proceeds from Grants	28,760,426.05
Payments for Transfers to Other Funds	(2,369,022.25)
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Net Cash Provided (Used) by Noncapital Financing Activities	<hr/> 62,518,756.93
Cash Flows from Capital and Related Financing Activities	
Proceeds from the Sale of Capital Assets	
Proceeds from Debt Issuance	15,640,000.00
Proceeds from Other Financing Activities	1,054,981.95
Proceeds from Capital Contributions	7,435,238.00
Payments for Additions to Capital Assets	(9,533,848.26)
Payments of Principal on Debt Issuance	(14,743,914.42)
Payments of Interest on Debt Issuance	(1,953,007.52)
Payments of Other Costs on Debt Issuance	(6,195,755.15)
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Net Cash Provided (Used) by Capital and Related Financing Activities	<hr/> (8,296,305.40)
Cash Flows From Investing Activities	
Proceeds from Investment Income	2,509,728.93
Payments to Acquire Investments	(2,038,986.03)
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Net Cash Provided (Used) by Investing Activities	<hr/> 470,742.90
Net Increase (Decrease) in Cash and Cash Equivalents	2,261,164.83
Cash and Cash Equivalents, September 1	22,971,131.17
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Cash and Cash Equivalents, August 31	<hr/> <hr/> \$ 25,232,296.00

Unaudited

University of Houston - Downtown (784)
 Statement of Cash Flows
 For the Year Ended August 31, 2014

	Total 2014
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
<u>Operating Income (Loss)</u>	<u>\$ (63,318,054.56)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Amortization and Depreciation	7,288,694.46
Operating Income and Cash Flow Categories: Classification Differences	77,444.03
Changes in Assets and Liabilities:	
(Increase) Decrease In Receivables	282,806.56
(Increase) Decrease in Inventories	(1,642.74)
(Increase) Decrease in Prepaid Expenses	(702,892.96)
(Increase) Decrease in Other Assets	19,044.67
Increase (Decrease) in Payables	(619,644.39)
Increase (Decrease) in Deferred Income	3,613,548.70
Increase (Decrease) in Compensated Absences	25,900.14
Increase (Decrease) in Benefits Payable	513,900.52
Increase (Decrease) in Other Liabilities	388,865.97
<u>Total Adjustments</u>	<u>10,886,024.96</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ (52,432,029.60)</u>
Non Cash Transactions	
<u>Net Change in Fair Value of Investments</u>	<u>\$ 1,654,984.66</u>
<u>Non Cash Transactions</u>	<u>\$ 1,654,984.66</u>

