

**UNIVERSITY OF HOUSTON
SYSTEM**

**UNAUDITED COMBINED ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2025

**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

November 17, 2025

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Jerry McGinty II, Executive Director, Legislative Budget Board
Lisa R. Collier, State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the University of Houston System for the year ended August 31, 2025, in compliance with Texas Government Code Annotated §2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 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 (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact me at 713-743-1533. Ms. Andrea Tebo may be contacted at 713-743-8722 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,



Leslie Fluharty
Executive Director, Financial Reporting

cc: Usha Mathew
Assistant VP, Finance/University Controller

University of Houston System

Organizational Data

August 31, 2025

Board of Regents

Durga D. Agrawal, Houston
Alonzo Cantu, McAllen
Beth Madison, Houston
Ricky Raven, Sugarland
Jack B. Moore, Houston
Tammy D. Murphy, Victoria
Gregory C. King, San Antonio
Adrian Caraves, Houston

Term Expires August 31, 2025
Term Expires August 31, 2025
Term Expires August 31, 2027
Term Expires August 31, 2027
Term Expires August 31, 2029
Term Expires August 31, 2029
Term Expires August 31, 2029
Term Expires May 31, 2026

Officers of the Board (Fiscal Year 2025):

Tilman J. Fertitta
John McCall Jr.
Gregory C. King

Chairman (Resigned 04/28/25)
Vice Chairman (Resigned 06/03/25)
Secretary (Assumed Chairman after
Resignations)

Officers of the Board (Fiscal Year 2026):

Jack B. Moore
Ricky Raven
Gregory C. King

Chairman
Vice Chairman
Secretary

Administrative Officers

Renu Khator
Diane Z. Chase

Raymond S. Bartlett

Claudia Neuhauser
Dona H. Cornell

Russell Dunlavy
Paul R. Kittle
Jason Smith

Lisa K. Holdeman

Chancellor
Senior Vice Chancellor for Academic
Affairs
Senior Vice Chancellor for Administration
and Finance
Vice Chancellor for Research
Vice Chancellor for Legal Affairs and
General Counsel
Vice Chancellor for University Advancement
Vice Chancellor for Student Affairs
Vice Chancellor for Government and
Community Relations
Vice Chancellor for Marketing and
Communications

Renu Khator
J. Richard Walker
Loren J. Blanchard
Robert K. Glenn

President – University of Houston
President – UH - Clear Lake
President – UH – Downtown
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, 2025. 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**

**UNAUDITED COMBINED ANNUAL
FINANCIAL REPORT**

PRIIMARY STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2025

Unaudited

University of Houston System (797)
Combined Statement of Net Position
August 31, 2025

	Total FY2025
ASSETS	
Current Assets	
Cash and Cash Equivalents	
Cash on Hand	\$ 65,729.00
Cash in Bank	57,954,522.47
Cash in Transit/Reimburse From Treasury	39,994,631.59
Cash in State Treasury	146,020,697.08
Cash Equivalents	851,166,319.79
Short Term Investments	272,939,824.53
Restricted:	
Cash In Bank	(55,500,116.84)
Legislative Appropriation	147,033,527.59
Receivables:	
Federal Receivables	32,005,129.85
Interest and Dividends	4,870,093.37
Accounts Receivable	190,902,107.41
Gifts	63,030,631.31
Leases	1,790,307.10
Other	20,273,471.22
Due From Other Agencies	2,178,398.01
Consumable Inventories	74,257.40
Merchandise Inventories	1,653,434.34
Prepaid Costs	56,777,134.78
Loans and Contracts	30,973,143.60
Total Current Assets	1,864,203,243.60
Non-Current Assets	
Restricted:	
Receivables	50,840,550.81
Receivables - Leases	5,223,886.59
Loans and Contracts	46,421,470.05
Investments	2,031,105,180.57
Capital Assets	
Non-Depreciable or Non-Amortizable	484,036,521.39
Depreciable or Amortizable, Net	1,823,617,010.28
Right to Use Assets - Amortizable, Net	17,648,654.33
Right to Use Subscriptions - Amortizable, Net	15,299,847.41
Total Non-Current Assets	4,474,193,121.43
Total Assets	6,338,396,365.03
DEFERRED OUTFLOW OF RESOURCES	
Pensions	72,433,369.00
Other Post-Employment Benefits	33,953,303.00
Total Deferred Outflow of Resources	106,386,672.00
Total Assets and Deferred Outflow of Resources	\$ 6,444,783,037.03

Unaudited

University of Houston System (797)
Combined Statement of Net Position
August 31, 2025

	Total FY2025
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts Payable	\$ 67,030,262.64
Accrued Lease Interest Payable	53,253.66
Accrued Subscription Interest Payable	227,265.62
Federal Payable	30,320.27
Payroll Payable	85,367,299.41
Other Payable	3,312,899.39
Due to Other Agencies	2,964,382.80
Unearned Revenues	345,432,088.79
Notes and Loans Payable	21,594,458.35
Revenue Bonds Payable	102,359,883.61
Claims and Judgments Payable	766,418.12
Employees' Compensable Leave	20,796,347.83
Right to Use Lease Obligations	1,722,753.87
Right to Use Subscription Obligations	4,848,448.36
Other Post-Employment Benefits	25,574,758.00
Funds Held for Others	50,285,095.05
Total Current Liabilities	732,365,935.77
Non Current-Liabilities	
Revenue Bonds Payable	1,850,576,361.46
Net Pension Liability	300,376,130.00
Employees' Compensable Leave	17,370,840.64
Right to Use Lease Obligations	17,263,568.73
Right to Use Subscription Obligations	5,622,442.12
Other Post-Employment Benefits	517,364,805.00
Notes and Loans Payable	1,714,354.05
Total Non-Current Liabilities	2,710,288,502.00
Total Liabilities	3,442,654,437.77
DEFERRED IN FLOW OF RESOURCES	
Leases	6,641,303.71
Pensions	40,135,815.00
Other Post-Employment Benefits	178,846,842.00
Other Deferred Inflows	48,826,260.61
Total Deferred Inflows of Resources	274,450,221.32
Total Liabilities and Deferred Inflow of Resources	3,717,104,659.09
NET POSITION	
Invested in Capital Assets, Net of Related Debt	896,579,942.52
Restricted for:	
Debt Retirement	9,372,503.11
Capital Projects	28,217,014.85
Funds Held as Permanent Investments	
Non-Expendable	
True Endowments, Annuities	805,668,221.26
Expendable	
Term Endowments	44,251,559.83
Funds Functioning as Endowments	66,020,737.85
Other Restricted	492,284,348.70
Unrestricted	385,284,049.82
Total Net Position	\$ 2,727,678,377.94

Unaudited

University of Houston System (797)
Combined Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
Operating Revenues	
Sales of Goods and Services (PR-Chgs for Services)	
Tuition and Fees-Pledged	\$ 826,794,247.95
Discounts and Allowances	(178,233,708.47)
Auxiliary Enterprise-Pledged	154,602,076.40
Other Sales of Goods and Services-Pledged	42,639,812.41
Federal Revenue-Operating (PR-OP Grants/Contributions)	121,312,807.61
Federal Pass Through Revenue (PR-OP Grants/Contributions)	11,242,064.31
State Grant Revenue (PR-OP Grants/Contributions)	22,000,425.61
State Grant Pass Through Revenue (PR-OP Grants/Contributions)	238,933,794.88
Other Grants and Contracts-Operating (PR-OP Grants/Contributions)	36,869,593.14
Other Operating Revenues (PR-Chgs for Services)	11,793,849.54
Total Operating Revenues	1,287,954,963.38
Operating Expenses	
Instruction	399,721,494.50
Research	207,816,496.08
Public Service	51,938,369.81
Academic Support	269,678,627.94
Student Services	58,081,225.18
Institutional Support	142,181,076.90
Physical Plant	116,765,746.98
Scholarships & Fellowships	211,470,614.15
Auxiliary Enterprises	186,305,111.01
Depreciation and Amortization	155,088,623.40
Total Operating Expenses	1,799,047,385.95
Operating Income (Loss)	(511,092,422.57)
Non-Operating Revenues (Expenses)	
Legislative Revenue (GR)	337,967,956.00
Additional Appropriations (GR)	25,769,940.93
Federal Revenue Non-Operating (PR-OP Grants/Contributions)	200,691,301.74
Gifts (PR-OP Grants/Contributions)	46,410,907.63
Interest and Investment Income (PR-Chgs for Services)	177,968,668.70
Interest Expense and Fiscal Charges	(69,809,062.81)
Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib)	22,359,049.13
Other Nonoperating Revenues	44,128,430.69
Other Nonoperating Expenses	(31,089,547.56)
Total Nonoperating Revenues (Expenses)	\$ 754,397,644.45

Unaudited

University of Houston System (797)
Combined Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
<u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u>	<u>\$ 243,305,221.88</u>
Other Revenues, Expenses, Gains, Losses and Transfers	
Capital Appropriation (HEAF)	78,922,558.50
Additions to Permanent and Term Endowments	15,819,149.96
Decr NA Interagency Transfer Capital Assets	(22,742.71)
Transfers-In	64,242,132.34
Transfers-Out	(62,156,597.51)
Legislative Transfers-In	5,536,660.00
Legislative Appropriations Lapsed	(1,409,907.93)
<u>Total Other Rev, Exp, Gains, Losses and Transfers</u>	<u>100,931,252.65</u>
<u>Changes in Net Position</u>	<u>344,236,474.53</u>
Net Position Beginning	2,382,803,977.16
Restatements	637,926.25
<u>Net Position Beginning, as Restated</u>	<u>2,383,441,903.41</u>
<u>Net Position, Ending</u>	<u>\$ 2,727,678,377.94</u>

Unaudited

University of Houston System (797)
Combined Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$ 2,137,309.27	\$ 0.00	\$ 0.00	\$ 0.00	\$ 12.81
Salaries and Wages	337,381,286.33	96,217,125.22	24,433,782.30	156,704,764.43	31,974,902.93
Payroll Related Costs	42,495,081.80	17,782,590.22	5,869,367.27	33,567,979.33	7,329,113.28
Professional Fees and Services	5,463,580.31	15,082,000.04	7,646,339.97	14,607,510.87	3,859,438.91
Federal Pass Through Expenses	2,682.61	3,792,545.97	682,776.83	0.00	0.00
State Pass Through Expenses	0.00	150,021.27	0.00	0.00	0.00
Travel	1,411,383.22	5,290,548.82	453,424.35	5,604,681.67	975,690.08
Materials and Supplies	3,984,700.57	19,271,141.80	1,240,114.11	13,100,124.59	2,812,596.79
Communication and Utilities	581,070.53	2,102,793.91	901,210.04	14,227,480.06	491,055.77
Repairs and Maintenance	416,039.06	3,475,538.45	1,255,501.62	4,599,717.72	420,690.29
Rentals and Leases	875,020.35	1,289,434.68	6,328,747.42	10,900,929.86	1,387,782.13
Printing and Reproduction	146,545.75	450,008.62	378,868.16	1,071,669.68	444,457.46
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00
Interest	16,392.09	60,333.15	4,859.90	48,349.48	8,632.84
Scholarships	3,251,316.18	1,571,729.95	47,560.42	6,668,828.75	638,094.94
Claims and Judgments	0.00	35.00	0.00	29.19	0.00
Other Operating Expenses	1,559,086.43	41,280,648.98	2,695,817.42	8,576,562.31	7,738,756.95
Total Operating Expenses	\$ 399,721,494.50	\$ 207,816,496.08	\$ 51,938,369.81	\$ 269,678,627.94	\$ 58,081,225.18

Unaudited

University of Houston System (797)
Combined Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total FY2025
\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,688,147.84	\$ 0.00	\$ 3,825,469.92
75,955,181.16	39,546,462.10	1,326,370.99	71,429,294.70	0.00	834,969,170.16
19,003,422.86	10,650,374.38	55,021.05	13,295,495.13	0.00	150,048,445.32
12,437,568.87	20,412,905.74	103,072.35	24,920,075.16	0.00	104,532,492.22
0.00	0.00	0.00	0.00	0.00	4,478,005.41
0.00	0.00	0.00	0.00	0.00	150,021.27
1,020,160.83	102,811.50	32,065.82	6,963,260.28	0.00	21,854,026.57
5,225,373.95	2,909,601.96	48,484.95	13,879,435.72	0.00	62,471,574.44
1,429,647.93	28,122,218.90	7.97	10,807,979.39	0.00	58,663,464.50
5,660,386.07	12,218,258.73	4,866.02	16,901,594.03	0.00	44,952,591.99
7,626,569.16	1,018,728.04	314.00	2,495,838.77	0.00	31,923,364.41
384,397.18	34,084.64	8,081.00	494,336.96	0.00	3,412,449.45
0.00	0.00	0.00	0.00	155,088,623.40	155,088,623.40
40,147.39	62,797.52	299.69	316,136.00	0.00	557,948.06
4,656,822.61	12,121.37	208,685,681.98	6,516,371.17	0.00	232,048,527.37
1,028,614.16	2,204.65	0.00	12,250.00	0.00	1,043,133.00
7,712,784.73	1,673,177.45	1,206,348.33	16,584,895.86	0.00	89,028,078.46
<u>\$ 142,181,076.90</u>	<u>\$ 116,765,746.98</u>	<u>\$ 211,470,614.15</u>	<u>\$ 186,305,111.01</u>	<u>\$ 155,088,623.40</u>	<u>\$ 1,799,047,385.95</u>

Unaudited

University of Houston System (797)
Combined Statement of Cash Flows
For the Year Ended August 31, 2025

	<u>Total FY2025</u>
Cash Flows From Operating Activities	
Receipts from Customers	\$ 42,164,385.94
Proceeds from Tuition and Fees	671,310,659.83
Proceeds from Research Grants and Contracts	360,967,448.17
Proceeds from Loan Programs	146,876,743.16
Proceeds from Auxiliaries	154,602,076.40
Proceeds from a Defined Benefit Pension Plan	56,584,399.00
Proceeds from a Defined Benefit OPEB Plan	41,579,091.00
Proceeds from Other Revenues	11,793,849.54
Payments to Suppliers for Goods and Services	(335,334,007.54)
Payments to Employees for Salaries	(826,656,816.29)
Payments to Employees for Benefits	(163,001,593.58)
Payments for Loans Provided	(160,310,274.43)
Payments for a Defined Benefit Pension Plan	(56,584,399.00)
Payments for a Defined Benefit OPEB Plan	(41,610,565.00)
Payments for Other Expenses	(317,376,959.23)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(414,995,962.03)</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	478,371,258.87
Proceeds from Gifts	107,377,988.75
Proceeds from Endowments	15,819,149.96
Proceeds of Transfers from Other Funds	108,370,563.03
Proceeds from Grants	200,691,301.74
Payments for Transfers to Other Funds	(92,817,007.63)
<u>Net Cash Provided (Used) by Noncapital Financing Activities</u>	<u>817,813,254.72</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from the Sale of Capital Assets	
Proceeds from Debt Issuance	267,180,000.00
Proceeds from Other Financing Activities	413,057,630.43
Payments for Additions to Capital Assets	(272,831,538.69)
Payments of Principal on Debt Issuance	(87,930,000.00)
Payments for Leases/SBITA	(4,263,722.98)
Payments of Interest on Debt Issuance	(69,809,062.81)
Payments of Other Costs on Debt Issuance	(451,054,030.60)
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>	<u>(205,650,724.65)</u>
Cash Flows From Investing Activities	
Proceeds from Sales of Investments	2,309,592,174.75
Proceeds from Interest and Investment Income	176,814,474.23
Payments to Acquire Investments	(2,778,463,670.47)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(292,057,021.49)</u>

Unaudited

University of Houston System (797)
Combined Statement of Cash Flows
For the Year Ended August 31, 2025

	Total FY2025
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (94,890,453.45)
Cash and Cash Equivalents, September 1	1,134,592,236.54
Restatements	0.00
Cash and Cash Equivalents, August 31	\$ 1,039,701,783.09
Reconciliation of Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	(511,092,422.57)
Adjustments to Reconcile Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Pension Expense	34,036,949.00
OPEB Expense	(18,185,410.00)
Depreciation and Amortization Expense	155,088,623.40
Operating Income and Cash Flow Categories:	
Classification Differences	636,288.73
Changes in Assets and Liabilities:	
(Increase) Decrease In Receivables	(94,813,393.02)
(Increase) Decrease in Inventories	16,542.58
(Increase) Decrease in Prepaid Expenses	(7,570,237.63)
(Increase) Decrease in Other Assets	1,310,757.55
(Increase) Decrease in DOR - Pensions	54,697,273.00
(Increase) Decrease in DOR - OPEB	(11,315,685.00)
Increase (Decrease) in Payables	3,810,649.21
Increase (Decrease) in Deferred Income	22,750,120.35
Increase (Decrease) in Compensated Absences	3,026,362.74
Increase (Decrease) in Benefits Payable	8,312,353.87
Increase (Decrease) in Liabilities to Employees for Defined Benefit Pensions	(56,584,399.00)
Increase (Decrease) in Liabilities to Employees for Defined Benefit OPEB	41,579,091.00
Increase (Decrease) in Other Liabilities	9,266,934.67
Increase (Decrease) in Deferred Inflows of Resources-Leases	(713,153.53)
Increase (Decrease) in Deferred Inflows of Resources-Pensions	(26,493,815.00)
Increase (Decrease) in Deferred Inflows of Resources-OPEB	(33,744,989.00)
Increase (Decrease) in Other Deferred Inflows	10,985,596.62
Total Adjustments	96,096,460.54
Net Cash Provided (Used) by Operating Activities	\$ (414,995,962.03)
Non Cash Transactions	
Net Change in Fair Value of Investments	22,359,049.13
Non Cash Transactions	\$ 22,359,049.13

**UNIVERSITY OF HOUSTON SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

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.

On May 27, 2025, the Governor of the State of Texas signed into law Senate Bill 2361, 89th Legislature, Regular Session, which provided that University of Houston – Victoria, one of four universities included in the University of Houston System, be authorized to join the Texas A&M System effective September 1, 2025. At the August 21, 2025 UH Board of Regents meeting, it was approved to delegate authority to the Chancellor to negotiate and execute any documents and take any and all actions to effectuate the approved legislation to transition the University of Houston-Victoria to the Texas A&M University System.

GASB Statements Implemented in Fiscal Year 2025

During the implementation of GASB 34/35, an allocation methodology was adopted to estimate the discount associated with student tuition and fees revenue. The allocation was based on pooled student refunds for the fiscal year. The use of refunds as the basis for the discount introduced non-discountable transactions into the calculation process, reducing the accuracy of estimates. Enterprise system advancements have created the capacity for more accurate estimates using a methodology that reflects the financial aid process flow. The new calculation methodology for tuition and fees discount estimation was adopted in FY25. The Discounts and Allowances, and the Scholarships and Fellowships line items within the Statement of Revenues, Expenses, and Changes in Net Position are affected by the described change in methodology.

GASB Statement No. 100, Accounting Changes and Error Corrections, implemented in FY25, is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption of GASB 100 did not have a material effect on the System's financial statements.

GASB Statement No. 101, Compensated Absences, implemented in FY25, updates the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for:

- Unused vacation, personal time, or sick time that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid.

- The liability includes salary-related payments (e.g., employer share of social security and Medicare taxes) that are directly and incrementally associated with compensated absences.
- The liability is measured using the employee's pay rate as of the financial statement date.

The adoption of GASB 101 did not have a material effect on the System's financial statements.

GASB Statement No. 102, Certain Risk Disclosures, implemented in FY25, requires disclosing risks due to certain concentrations or constraints. GASB 102 defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation that is imposed by an external party or by a formal action of an entity's highest level of decision-making authority. The System has evaluated the applicability of GASB 102 and determined that, as of the date of these financial statements, no concentrations or constraints exist that meet all three criteria for disclosure:

1. Known prior to issuance of the financial statements,
2. Create vulnerability to substantial impact, and
3. Have had or are more likely than not to have an associated event occur within 12 months of the issuance date.

Accordingly, no disclosures are required under GASB 102, and the implementation of this Statement has no impact on the financial statements.

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 unmaturred 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, liabilities and deferred inflows and outflows of resources; is Net Position on the government-wide, proprietary, and fiduciary 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, 2025 is presented in Table 2.

Table 2 - Capital Assets

Business-Type Activities:	University of Houston System					
	Balance 09/01/24	Adjustments	Completed CIP	Inc-Int'gy Trans	Dec-Int'gy Trans	Balance 08/31/25
Non-Depreciable/Non-Amortizable Assets						
Land & Land Improvements	\$ 153,797,808.52	\$ -	\$ -	\$ -	\$ -	\$ 154,175,723.43
Construction in Progress	221,313,967.85	(1,302,641.75)	(120,433,972.56)	-	-	324,955,704.99
Other Tangible Capital Assets	3,187,844.97	-	-	-	-	3,187,844.97
Other Intangible Capital Assets	1.00	1,717,247.00	-	-	-	1,717,248.00
Total Non-Depreciable and Non-Amortizable Assets	378,299,622.34	414,605.25	(120,433,972.56)	-	-	484,036,521.39
Depreciable Assets						
Buildings & Building Improvements	2,853,618,657.62	-	117,558,956.46	-	-	2,980,393,138.07
Infrastructure	74,841,034.90	-	2,030,226.48	-	-	81,510,043.45
Facilities & Other Improvements	411,285,433.33	-	715,030.62	-	-	413,684,032.20
Furniture & Equipment	348,950,405.75	1,685,707.83	-	78,211.14	(105,778.14)	356,350,807.07
Vehicle, Boats & Aircraft	12,053,721.92	-	-	66,442.29	(66,442.29)	12,002,915.92
Other Capital Assets	187,190,196.16	-	129,759.00	15,458.66	(15,458.66)	184,898,885.14
Total Depreciable Assets	3,887,939,449.68	1,685,707.83	120,433,972.56	160,112.09	(187,679.09)	4,028,839,821.85
Less Accumulated Depreciation For:						
Buildings & Building Improvements	(1,438,476,320.18)	-	-	-	-	(1,539,903,518.67)
Infrastructure	(50,933,386.91)	-	-	-	-	(52,729,009.27)
Facilities & Other Improvements	(156,754,864.86)	-	-	-	-	(172,870,495.59)
Furniture & Equipment	(282,376,480.29)	(1,366,697.03)	-	(53,573.80)	58,398.09	(291,148,298.68)
Vehicle, Boats & Aircraft	(8,489,849.94)	-	-	(66,442.29)	66,442.29	(9,108,964.14)
Other Capital Assets	(141,401,517.99)	-	-	(15,458.66)	15,458.66	(140,030,413.87)
Total Accumulated Depreciation	(2,078,432,420.17)	(1,366,697.03)	-	(135,474.75)	140,299.04	(2,205,790,700.22)
Depreciable Assets, Net	1,809,507,029.51	319,010.80	120,433,972.56	24,637.34	(47,380.05)	1,823,049,121.63
Amortizable Assets-Intangible						
Computer Software	49,687,137.43	-	-	-	-	49,929,852.63
Total Amortizable Assets-Intangible	49,687,137.43	-	-	-	-	49,929,852.63
Less Accumulated Amortization For:						
Computer Software	(48,947,002.39)	(95,689.80)	-	-	-	(49,361,963.98)
Total Accumulated Amortization	(48,947,002.39)	(95,689.80)	-	-	-	(49,361,963.98)
Amortizable Assets-Intangible, Net	740,135.04	(95,689.80)	-	-	-	567,888.65
Total Business-Type Activities - Capital Assets, Net	\$ 2,188,546,786.99	\$ 637,926.25	\$ 0.00	\$ 24,637.34	\$ (47,380.05)	\$ 2,307,853,531.67

University of Houston System (797) Unaudited

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

In accordance with the implementation of GASB 87 and 96, leased assets and subscription obligations are presented separately in Note 2. A summary of changes in RTU Assets for the year ending August 31, 2025 is presented below:

All Departments

	Beginning Balance	Adjustments	Additions	Deletions	Balance 08/31/ 2025
Amortizable Assets-RTU:					
Buildings & Building Improvements	22,751,864.92	(2,819,262.73)	435,297.40		20,367,899.59
Facilities & Other Improvements					
Land & Land Improvements					
Infrastructure					
Equipment	4,948,331.69		755,365.84		5,703,697.53
Vehicles					
Subscriptions	18,767,153.91		9,757,407.41		28,524,561.32
Total Amortizable RTU Assets	46,467,350.52	(2,819,262.73)	10,948,070.65		54,596,158.44
Less Accumulated Amortization For:					
Buildings & Building Improvements	(4,542,908.74)		(1,946,630.04)		(6,489,538.78)
Facilities & Other Improvements					
Land & Land Improvements					
Infrastructure					
Equipment	(1,361,498.98)		(571,905.03)		(1,933,404.01)
Vehicles					
Subscriptions	(6,865,795.11)		(6,358,918.80)		(13,224,713.91)
Total Accumulated Amortization	(12,770,202.83)		(8,877,453.87)		(21,647,656.70)
Business-Type Activities-RTU Assets, Net	33,697,147.69	(2,819,262.73)	2,070,616.78		32,948,501.74

Additional information on the liabilities relating to Right-To-Use Assets is detailed further in Note 8.

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, 2025, the carrying amount of deposits was \$ 2,454,405.63 as presented below:

Governmental and Business-Type Activities	
Cash in Bank-Carrying Amount	\$ 2,454,405.63
Total Cash in Bank per Annual Financial Report	<u>\$ 2,454,405.63</u>
Reconciliation of Cash per Annual Financial Report	
Proprietary Funds, Current Assets, Cash in Bank	57,954,522.47
Proprietary Funds, Current Assets, Restricted Cash in Bank	<u>\$ (55,500,116.84)</u>
Cash in Bank per Annual Financial Report	<u>\$ 2,454,405.63</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, 2025, the total bank balance was as follows:

Governmental and Business-Type Activities	\$ 0.00
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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, 2025, fair value of investments were:

Governmental and Business-Type Activities	Fair Value Hierarchy				Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3	Net Position Value	
U.S. Government Agency Obligations	35,685,636.56	-	-	-	35,685,636.56
U.S. Treasury Securities	607,659,438.18	-	-	-	607,659,438.18
Corporate Obligations	287,426,990.97	-	-	-	287,426,990.97
Equities	257,991.30	-	-	238,596,770.41	238,854,761.71
International Equities	48,175,711.29	-	-	273,905,346.89	322,081,058.18
Fixed Income Money Market & Bond Mutual Funds	851,141,579.97	-	-	-	851,141,579.97
Other Commingled Funds (TexPool)	-	-	-	-	-
Other Commingled Funds	3,533,755.01	-	-	4,044,564.16	7,578,319.17
Externally Managed Investments-Domestic	54,012,648.78	42,293,652.18	-	173,471,644.95	269,777,945.91
Externally Managed Investments-International	-	67,589,494.42	-	194,451,535.47	262,041,029.89
Real Estate	-	-	-	-	-
Miscellaneous Investments	-	-	-	-	-
Total Investments	<u>1,887,893,752.06</u>	<u>109,883,146.60</u>	<u>-</u>	<u>884,469,861.88</u>	<u>2,882,246,760.54</u>

Reconciliation of Investments per Annual Financial Statements

Proprietary Funds, Current Assets, Cash Equivalents	\$ 851,166,319.79
Proprietary Funds, Current Assets, Short-Term Investments	272,939,824.53
Proprietary Funds, Non-Current Assets, Investments	<u>2,031,105,180.57</u>
Investments per Annual Financial Statements	<u>\$ 3,155,211,324.89</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, 2025, the System had no direct investment in securities with credit risk exposure that exceeded its policy limit. As of August 31, 2025, 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	\$35,685,363.56					
		Corporate Obligations	\$45,106,531.81		\$124,761,933.87	\$24,189,231.40	\$91,044,652.51	\$2,324,641.38
		Miscellaneous Investments						

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2025, 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.

Texas University Fund

The Texas University Fund (TUF) is a \$4.2 billion endowment created to support research universities and is administered by the State of Texas. By acts of the Legislature and provisions of the State Constitution, the net income of the TUF is allocated to Texas universities that meet specific thresholds for expenditures of federal and private research funding and research doctoral degrees awarded. The initial four universities included in the funds distribution are the University of Houston, University of North Texas, Texas Tech and Texas State University. The TUF endowment is not reflected in the financial statements of the University of Houston System except for the portion distributed to the University of Houston System, which is recorded as Legislative Appropriations and Legislative Transfers In. For the fiscal year ended August 31, 2025, the System's share of the TUF distribution was \$63,842,155.60.

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 2025.

Table 4 – Commercial Paper Activity

Business-Type Activities	Balance 9/01/24	Additions	Reductions	Balance 8/31/25
Commercial Paper	\$ 54,916,000.00	\$ 21,020,000.00	\$ 54,916,000.00	\$ 21,020,000.00

- 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, 2025, the following changes, presented in Table 5.1, occurred in liabilities:

Table 5.1 – Long-Term Liabilities

Business-Type Activities	Balance 9/1/24	Additions	Reductions	Other Changes	Balance 8/31/25	Due Within 1 Year	Due Thereafter
Claims and Judgments	\$ 1,259,563.45	\$ 549,987.67	\$ 1,043,133.00	\$ 0.00	\$ 766,418.12	\$ 766,418.12	\$ 0.00
Right to Use Lease Obligations	22,613,747.44	1,190,663.24	4,818,088.08	0.00	18,986,322.60	1,722,753.87	17,263,568.73
Right to Use Subscription Obligations	9,622,070.30	9,757,407.40	8,908,587.22	0.00	10,470,890.48	4,848,448.36	5,622,442.12
Notes & Loans – Direct Placements	2,858,439.94	0.00	569,627.54	0.00	2,288,812.40	574,458.35	1,714,354.05
Employees' Compensable Leave	35,140,825.73	17,661,779.01	14,635,416.27	0.00	38,167,188.47	20,796,347.83	17,370,840.64
Revenue Bonds Payable	1,779,240,424.78	267,180,000.00	87,930,000.00	(5,554,179.71)	1,952,936,245.07	102,359,883.61	1,850,576,361.46
Total	\$ 1,850,735,071.64	\$ 296,339,837.32	\$ 117,904,852.11	\$ (5,554,179.71)	\$ 2,023,615,877.14	\$ 131,068,310.14	\$ 1,892,547,567.00

Claims and Judgments

At August 31, 2025, 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 noncancelable 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

The System has a 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 2025. 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.

Sick leave entitlement shall be earned at the rate of eight hours for each month or fraction of a month employment, proportionate to the FTE percentage established for the position(s) in which employed. GASB 101 now requires that the current portion of sick leave liability be recorded as a current liability, and represented in the Employees' Compensable Leave line.

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 2025 fiscal year, for accrued vacation and compensatory leave totaled \$ 4,263,313.87.

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, 2025, the System had no bonds payable classified as Revenue Bonds.

General Obligation Bonds

At August 31, 2025, the System had no bonds payable classified as General Obligation Bonds.

Refunding Bonds

- **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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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.

- **Consolidated Revenue and Refunding Bonds, Series 2024-A**
 - To (a) defease certain outstanding commercial paper notes of the UH 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 University of Houston System, including individual campuses of the UH System.
 - In addition to the defeasement of the commercial paper noted above, the proceeds were used to finance construction costs related to the renovation and expansion of the Health/Wellness Center (UHV), Campus Infrastructure (UH), and the Agnes Arnold building (UH).
 - Issued 9-10-2024.
 - \$52,570,000; all bonds authorized have been issued (UH – \$39,575,000 and UHV - \$12,995,000).
 - 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.
- **Consolidated Revenue and Refunding Bonds, Series 2024-B**
 - To (a) defease certain outstanding commercial paper notes of the UH 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 University of Houston System, including individual campuses of the UH System.
 - In addition to the defeasement of the commercial paper noted above, the proceeds were used to finance construction costs related to the renovation and expansion of the Health/Wellness Center (UHV), Moody Dining Replacement (UH), Medical Research Facility (UH), and the MH Football Ops Center (UH).
 - Issued 9-10-2024.
 - \$214,610,000; all bonds authorized have been issued (UH – \$213,115,000 and UHV - \$1,495,000).
 - 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.

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	\$ 2,621,615,393.39	\$ NA
Term of commitment year ending 08/31	NA	2056	NA
Percentage of revenue pledged	NA	100%	NA
Current year pledged revenue	\$ NA	\$ 1,140,316,416.12	\$ NA
Current year principal and interest paid	\$ NA	\$ 165,823,865	\$ 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

Derivatives are financial instruments the value of which is derived, in whole or part, from the value of any one or more underlying assets or index of asset values. Derivatives include swap contracts, futures contracts, options, options on futures contracts, and forward contracts.

Hedging derivative contracts are entered into for the purpose of reducing the overall cost of borrowing long-term capital and to protect the agency against the risk of rising interest rates. The hedging derivatives primarily consist of interest rate swap agreements entered into, in connection with long-term bonds. The derivative contracts enable

the agency to issue bonds at a cost less than what the agency would have paid to issue conventional fixed-rate debt.

Investment derivatives are entered into with the intention of managing transaction or currency exchange risk in purchasing, selling, or holding investments. Ineffective hedges are also reported as investment derivatives. As of August 31, 2025, the System had no investments in Derivative Instruments.

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	\$ 4,618,938.67

Future Lease Payments

Year Ended August 31, 2025

Primary Government – Business-Type Activities			
Year	Principal	Interest	Total Future Minimum Lease Payments
2026	\$ 1,722,753.87	\$ 616,896.13	\$ 2,339,650.00
2027	1,189,204.39	586,105.72	1,775,310.11
2028	1,060,382.12	557,087.82	1,617,469.94
2029	1,063,456.66	530,130.54	1,593,587.20
2030	1,134,220.21	502,896.83	1,637,117.04
2031-2035	4,058,745.52	2,110,793.11	6,169,538.63
2036-2040	5,120,709.33	1,297,276.20	6,417,985.53
2041-2045	3,636,850.50	281,905.73	3,918,756.23
Total	<u>\$ 18,986,322.60</u>	<u>\$ 6,483,092.08</u>	<u>\$ 25,469,414.68</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, 2025

Primary Government – Business-Type Activities			
Year	Principal	Interest	Total Future Minimum Lease Income
2026	\$ 1,790,307.10	\$ 114,297.87	\$ 1,904,604.97
2027	1,871,951.61	81,293.84	1,953,245.45
2028	1,871,333.57	48,568.74	1,919,902.31
2029	1,315,570.41	17,293.06	1,332,863.47
2030	163,553.02	3,313.65	166,866.67
2031-2035	910.26	89.69	999.95
2036-2040	469.30	30.69	499.99
2041-2045	98.42	1.58	100.00

University of Houston System (797) Unaudited

Total	<u>\$ 7,014,193.69</u>	<u>\$ 264,889.12</u>	<u>\$ 7,279,082.81</u>
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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 \$6,641,303.71.

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	\$ 19,002,026.25

Future Subscription Payments

Year Ended August 31, 2025

Primary Government – Business-Type Activities			
Year	Principal	Interest	Total Future Minimum Subscription Payments
2026	\$ 4,848,448.36	\$ 449,247.97	\$ 5,297,696.33
2027	2,675,657.12	237,081.13	2,912,738.25
2028	1,559,521.76	125,609.28	1,685,131.04
2029	1,387,263.24	58,587.33	1,445,850.57
2030	0	0	0
Total	<u>\$ 10,470,890.48</u>	<u>\$ 870,525.71</u>	<u>\$ 11,341,416.19</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, 2025 are:

	TRS Participants	ORP Participants	Total Contributions
Member Contributions	\$ 39,839,169.72	\$ 15,954,830.00	\$ 55,793,999.72
Employer Contributions	<u>40,357,672.69</u>	<u>16,523,542.00</u>	<u>56,881,214.69</u>
Total	<u>\$ 80,196,842.41</u>	<u>\$ 32,478,372.00</u>	<u>\$ 112,675,214.41</u>

The state of Texas has three retirement systems in its financial reporting entity – Employees Retirement System (ERS), Teacher Retirement System (TRS), and Texas Emergency Services Retirement System (TESRS). These three retirement systems administer the following six defined benefit pension plans:

- ERS – the Employees Retirement System of Texas Plan (ERS), the Law Enforcement and Custodial Officer Supplemental Retirement Plan (LECOS), the Judicial Retirement System of Texas Plan One (JRS1) and Judicial Retirement System of Texas Plan Two (JRS2).
- TRS – the Teacher Retirement System of Texas (TRS) plan.
- TESRS – the Texas Emergency Services Retirement System (TESRS) plan.

ERS, LECOS, JRS2, TRS, and TESRS plans are administered through trust; JRS1 plan is on a pay-as-you-go basis.

TRS Plan

The Teacher Retirement System (TRS) is the administrator of the TRS plan, a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation. The TRS Plan is one of three retirement systems reported in the state of Texas Annual Comprehensive Financial Report (ACFR). Audited Comprehensive Annual Financial Report (CAFR) for Teacher Retirement System may be obtained from their website at www.trs.state.tx.us and searching for financial reports.

The employers of the TRS Plan include the state of Texas, TRS, the state's public schools, education service centers, charter schools, and community and junior colleges. All employees of public, state-supported education institutions in Texas who are employed for one-half or more of the standard work load and not exempted from membership under *Texas Government Code (TGC), Title 8, Section 822.002* are covered by the system. Employees of TRS and state of Texas colleges, universities and medical schools are members of the TRS plan. Detailed information about the TRS Plan's fiduciary net position is available in a separately issued ACFR that includes financial statements and required supplementary information, located at www.trs.texas.gov and then searching for financial and actuarial highlights.

Benefits Provided

The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be amended by the Legislature. The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments (COLAs).

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers, and active employees for the fiscal years 2019 through 2024. In addition, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA.

The stipend was paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- One-time stipend of \$7,500 to eligible annuitants 75 years of age or older
- One-time stipend of \$2,400 to eligible annuitants age 70 to 74

The COLA, which needed (and received) voter approval, was applied to eligible annuitant payments beginning with the January 2024 payment. The COLA was based on retirement date:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013
- 6% COLA for eligible retirees who retired on or before August 31, 2001

Otherwise, there have been no changes to the benefit provisions of the plan since the prior measurement date.

Contributions

Contribution requirements are established or amended pursuant to *Article 16, Section 67 of the Texas Constitution*, which requires the Legislature to establish a member contribution rate of not less than 6.00% of the member's

annual compensation and a state contribution rate of not less than 6.00% and not more than 10.00% of the aggregate annual compensation paid to members of the System during the year. *TGC Section 821.006* prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

During the measurement period of 2024 for fiscal 2025 reporting, the amount of the University of Houston System's contributions recognized by the plan was \$27,711,363.00. The contribution rates are based on a percentage of the monthly gross compensation for each member. The contribution requirements for the state and the members in the measurement period are presented in the table below:

Required Contribution Rates

Contribution Rates	TRS Plan
Employer	8.25%
Employees	8.25%

Actuarial Methods and Assumptions

The total pension liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2024 measurement date.

Actuarial Methods and Assumptions*

Actuarial Methods:	TRS Plan
Actuarial Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Discount Rate	7.00%
Long-term Expected Rate of Return	7.00%
Municipal Bond Rate as of August 2023	3.87% *
Inflation	2.30%
Salary Increase	2.95% to 8.95% including inflation
Mortality:	
Active	PUB (2010) Mortality Tables for males and females with full generational mortality.
Post-Retirement	2021 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP.
Ad Hoc Post-Employment Benefit Changes	None

Notes:

* "Source for the rate is the Bond Buyers 20 Index, which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders. The rate used is as of August 30, 2024 the rate closest to but not later than the Measurement Date."

Roll Forward

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024. The actuarial assumptions used in the determination of the total pension liability were primarily based on the result of an actuarial experience study for the four-year period ending Aug. 31, 2021 and adopted in July 2022.

Changes of Assumptions Since the Prior Measurement Date

The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

Changes in Benefit Provisions Since the Prior Measurement Date

Due to the timing of the previously mentioned one-time stipend and ad hoc COLA, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

Discount Rate

The discount rate of 7.00% was applied to measure the total pension liability. The discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projected cash flows into and out of the pension plan assumed that active members, employers, and non-employer contributing entity make their contributions at the statutorily required rates. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2025 and thereafter. This includes a factor for all employer and state contributions for active and rehired retirees. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

The long-term expected rate of return on plan investments was developed using a building-block method in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class for the plan's investment portfolio are presented below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Global Equity		
U.S.A.	18.00%	4.40%
Non-U.S. Developed	13.00%	4.20%
Emerging Markets	9.00%	5.20%
Private Equity	14.00%	6.70%
Stable Value		
Government Bonds	16.00%	1.90%
Absolute Return *	0.00%	4.00%
Stable Value Hedge Funds	5.00%	3.00%
Real Return		
Real Estate	15.00%	6.60%
Energy, Natural Resources and Infrastructure	6.00%	5.60%
Commodities	0.00%	2.50%
Risk Parity		
Risk Parity	8.00%	4.00%
Asset Allocation Leverage		
Cash	2.00%	1.00%
Asset Allocation Leverage	(6.00)%	1.30%
Total	100.00%	

Notes:

* Absolute Return includes Credit Sensitive Investments

Target Allocations are based on fiscal year 2024 policy model

Capital Market assumptions come from 2024 SAA Study CAM Survey (as of 12/31/2023)

Sensitivity of the University of Houston System's Proportionate Share of the Net Pension Liability to the Single Discount Rate Assumption

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of the University of Houston System's net pension liability. The result of the analysis is presented in the table below:

Sensitivity of the University of Houston System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 479,776,792	\$ 300,376,130	\$ 151,729,929

Pension Liabilities

The pension plan's fiduciary net position is determined using economic resources measurement focus and accrual basis of accounting, which is the same basis used by TRS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Fair value is a market-based measurement, not an entity-specific measurement. TRS utilizes one or more of the following valuation techniques in order to measure fair value: the market approach, the cost approach, and the income approach. More detailed information on the plan's investment policy, assets, and fiduciary net position, may be obtained from TRS' fiscal 2024 ACFR.

At August 31, 2025, the University of Houston System reported a liability of \$300,376,130 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University of Houston System's proportion at August 31, 2025 was 0.4917413% percent which was a increase from the 0.4701149% percent measured at the prior measurement date. The University of Houston System's proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2023 through August 31, 2024.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ending August 31, 2025, the University of Houston System recognized pension expense of \$34,036,949. At August 31, 2025, the University of Houston System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,556,323	\$ 2,345,191
Changes of assumptions	15,509,063	2,079,235
Net difference between projected and actual investment return	72,122,488	70,296,607
Change in proportion and contribution difference	11,351,505	35,711,389
Contributions subsequent to the measurement date	27,190,597	0.00
Total	\$ 142,729,976	\$ 110,432,422

The \$27,190,597 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending August 31, 2026. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the following years:

<u>Year Ending August 31,</u>	<u>Amount</u>
2026	\$ (11,296,289)
2027	23,355,952
2028	(2,595,793)
2029	(6,658,100)
2030	2,301,187
Thereafter	0.00

NOTE 10: Deferred Compensation (Administering Agencies Only)

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the Texas Government Code Annotated, Section 609.001. Multiple plans are available for employees' deferred compensation plan. Both plans are administered by the Employees Retirement System.

The State's 457 plan complies with the Internal Revenue Code Section 457. The State also administers another plan; "TexaSaver" created in accordance with Internal Revenue Code Sec. 401(k). The assets of this plan do not belong to the state. The state has no liability related to this plan.

The tax deferred investment program permits benefits-eligible employees of the System to purchase qualified tax deferred investments with a portion of their salaries. Participation in the program is voluntary and is a supplement to the Teacher Retirement System or the Optional Retirement Program. It is however, separate and apart from either.

NOTE 11: Postemployment Benefits Other Than Pensions

Provisions of this requirement apply only to University of Texas, Texas A&M University, Teacher Retirement System, and Employee Retirement System.

NOTE 12: Interfund Activity and Transactions

The System experienced routine transfers with other state agencies that were consistent with the activities of the fund making the transfer. The System has no interfund activity to report.

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 Beginning Net Position, Fund Balances or Fund Net Position

During fiscal year 2025, certain accounting changes or adjustments were made that required the restatement of fund balances or net position. The restatements are presented below:

Correction of an Error in Previously Issued Financial Statements:

Restatement of \$27,025.00 is due to discovery of a capital asset that was not previously capitalized.

Restatement of \$706,591.05 is due to corrections of the recording of projects in construction in progress.

Restatement of (\$95,689.80) is due to correction of a disposal of asset.

Adjustments to and Restatements of Beginning Balance

During fiscal year 2025, changes to or within the financial reporting agency and error corrections resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

Government Wide	8/31/2024 As Previously Reported	Error Correction	8/31/2024 As Restated
Business Type Activities	\$2,382,803,977.16	\$637,926.25	\$2,383,441,903.41

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 – \$269,777,945.91 and International – \$262,041,029.89 The total amount of unfunded commitment is: \$108,321,812.43, composed of Domestic – \$52,705,897.39 and International – \$55,615,915.04.

NOTE 16: Subsequent Events

At a regular meeting held on August 21, 2025, the University of Houston Board of Regents voted to delegate authority to the Chancellor to negotiate and execute any documents and take any and all actions to effectuate the approved legislation to transition the University of Houston-Victoria to the Texas A&M University System beginning September 1, 2025 for Fiscal Year 2026.

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 2024 and 2025 were:

Table 17.1 – Balance of Claims Activity

	Beginning Balance	Increase	Decrease	Ending Balance
2025	\$ 1,259,563.45	\$ 546,987.67	\$ 1,043,133.00	\$ 766,418.12
2024	\$ 1,955,861.62	\$ 83,790.94	\$ 780,089.11	\$ 1,259,563.45

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. 2025 increases and decreases also include current year assessments and payments of legal settlements in the amount of \$255,168.84. Payments for worker's compensation claims of \$644,740.04 and for unemployment claims of \$143,224.12 make up the remainder of the decrease total of \$1,043,133.00.

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

The System's financial condition and position are stable and are adequately structured to function within the current national and global economic environment. The System's administrative and management teams realize that universities must be good stewards of the dollars and resources with which they are entrusted. Management strives to make sound financial decisions.

NOTE 19: The Financial Reporting Entity

The System is an agency of the State of Texas. While it is affiliated with several separate legal entities, these organizations are not considered component units as defined by generally accepted accounting principles. The System has no affiliations classified as related organizations, joint ventures, or jointly governed organizations.

Privatized Student Housing Facilities

Several student housing facility projects have been constructed by private external entities in order to enhance the residential life experience of students at various System campuses. The participating entities have financed and constructed housing complexes on System-owned property adjacent to the university campuses. These facilities are operated under ground leases and management agreements with the System for extended time periods. Under the terms of the agreements, cash revenues from rental income, net of operating expenses, are shared with the System. If cash revenues do not attain certain contractually defined thresholds, the System may be liable to the external management entity for the deficiency. In prior fiscal years, contingent liability payments were made by the University of Houston. During the 2024 and 2025 fiscal years, net cash flows were sufficiently adequate so as not to generate a liability payment. System management believes that current financial and occupancy performance indicates that future years' net cash flows for each residential facility will be sufficient and that future contingent liabilities for the remaining properties will not occur. Repayment of project financing is serviced from revenues generated by the housing projects, and it is the sole responsibility of the external entity. The related loans and bonds are not liabilities of the System or component universities, and are not contained in the financial statements of the System. American Campus Communities operates the Cullen Oaks residential facilities at the University of Houston. Campus Living Villages operates the Cambridge Oaks facility at the University of Houston campus and the University Forest facility at the University of Houston - Clear Lake.

NOTE 20: Stewardship, Compliance, and Accountability

These statements are prepared in compliance with the guidelines provided by the Texas Comptroller of Public Accounts. There were no material violations of finance related legal or contractual provisions, no deficit net position, no changes in reporting of loans, and no changes in accounting principles.

NOTE 21: N/A

Note 21 is not applicable to the Annual Financial Reporting requirements process.

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	\$ 332,582,761.07	Restricted Expendable
Term Endowments	1,194,433.35	Restricted Expendable
Total	<u>\$ 333,777,194.42</u>	

(A fair market value increase of \$192,052,146.78 was recognized for endowments at or above historical cost, and a fair market value increase of \$2,962,172.51 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	69,307,090.14	Fair value increase in portfolio
True Endowments	(34,540,716.00)	Spending distribution from endowment
Term Endowments	3,219,826.24	Fair value increase in portfolio
Term Endowments	(2,898,143.00)	Spending distribution from endowment
Non-Expendable Balances		
True Endowments	0.00	
Term Endowments	0.00	

NOTE 23: Extraordinary and Special Items

No items have been identified which should have been presented in the financial statements.

NOTE 24: Disaggregation of Receivable & Payable Balances

Balances of receivables and payables reported on the Statement of Net Position may be aggregations of different components. GASB Statement 38, *Certain Financial Statement Note Disclosures*, requires that the System provide details in the notes to the financial statements when significant components have been obscured by aggregation. The Statement of Net Position is presented in the classified format, and therefore, the current and non-current

portions of receivables and payables are separately disclosed. Significant balances in various classifications of receivables and payables are disclosed below:

A. Taxes Receivable

No reportable balances for this classification.

B. Federal Receivable

No reportable balances for this classification.

C. Tax Refunds Payable

No reportable balances for this classification.

D. Other Receivables - Current

No reportable balances for this classification.

E. Other Payables – Current

No reportable balances for this classification.

F. Other Receivables – Non-Current

No reportable balances for this classification.

G. Other Payables – Non-Current

No reportable balances for this classification.

NOTE 25: Termination Benefits

The System has no retiring members of the Employees Retirement System of Texas (ERS) eligible for a temporary retirement incentive payment. The System does not offer terminated employees any non-health care benefits such as severance packages, one-time incentive bonuses, or other benefits. COBRA, handled directly by ERS, is the only benefit offered to retiring or terminated employees.

NOTE 26: Segment Information

The System has no segment activity that requires separate disclosure in the notes to the financial statements. A segment is an identifiable activity, or group of activities, reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately.

NOTE 27: Public-Private and Public-Public Partnerships

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	2029

Amounts Recognized in Financial Statements - Governmental Activities

August 31, 2025

Arrangement Name	PPP Installment Receivable	Receivable for PPP Assets	Deferred Inflows of Resources	Variable and Other Payments
Chartwells	\$50,616,427.60		\$48,826,260.61	\$2,053,605.44
Total	\$50,616,427.60		\$48,826,260.61	\$2,053,605.44

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 \$2,053,605.44 was recognized as revenue from these variable payments for the year ended August 31, 2025.

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 \$46,175,053.37 was recognized as the noncurrent portion of the Receivable for PPP Installment Payments for the year ended August 31, 2025. Of the total receivable, \$4,441,374.23 was recognized as the current portion of the receivable for PPP installment payments for the year ended August 31, 2025.

Deferred Inflow of Resources corresponding to the Receivable for PPP Installment Payments and Receivable for Transfer of Underlying PPP Asset was \$48,826,260.61 for the year ended August 31, 2025.

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

In fiscal year 2025, the System reported deferred outflows of resources and deferred inflows of resources in connection with the TRS pension plan, other post-employment benefits, GASB 87 and 96 Leases and GASB 94 public-public partnerships.

As of August 31, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Loss/Gain on Bond Refunding	\$ 0.00	\$ 0.00
Leases	0.00	6,641,303.71
Pensions	72,433,369.00	40,135,815.00
Other Post-Employment Benefits	33,953,303.00	178,846,842.00
Other Deferred Inflows	0.00	48,826,260.61
Total	\$ 106,386,672.00	\$ 274,450,221.32

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

As of August 31, 2025, no debts have been identified that fall under the troubled debt restructuring guidelines of GASB 62, *Codification Accounting and Reporting*.

NOTE 30: Financial Guarantees

As of August 31, 2025, the System has no non-exchange financial guarantees; therefore, there are no balances to be reported.

NOTE 31: Tax Abatements

As of August 31, 2025, the System has no tax abatement agreements entered into to reduce the reporting revenues nor agreements with other governments that reduce the tax revenues.

NOTE 32: Governmental Fund Balances

As of August 31, 2025, the System does not have any fund balance reporting of obligations or requirements as established by GASB 54, *Fund Balance*, because the System's fund balances are reported as proprietary funds and not governmental funds.

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, 2025

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 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	385,680,000.00	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 & Refunding Bonds Series	2024-A	52,570,000.00	4.0000% - 5.0000%		2025	2055	2/15/2034
Consolidated Revenue & Refunding Bonds Series	2024-B	214,610,000.00	4.1640% - 5.2720%		2025	2055	2/15/2034	
Consolidated Revenue Bonds Self-supporting Revenue Bonds								
None								

Unaudited

Schedule 2-B
University of Houston System (797)
Combined Schedule Of Changes In Bonded Indebtedness
For The Year Ended August 31, 2025

Business-Type Activities

Description of Issue	Bonds Outstanding 09/01/2024	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/2025
General Obligation Bonds					
None					
Revenue Bonds					
Consolidated Revenue & Refunding Bonds Series 2016-A	\$ 64,830,000.00	\$	7,600,000.00	\$	\$ 57,230,000.00
Consolidated Revenue & Refunding Bonds Series 2016-B	95,665,000.00		6,760,000.00		88,905,000.00
Consolidated Revenue & Refunding Bonds Series 2017-A	293,035,000.00		20,275,000.00		272,760,000.00
Consolidated Revenue & Refunding Bonds Series 2017-B	8,680,000.00		495,000.00		8,185,000.00
Consolidated Revenue & Refunding Bonds Series 2017-C	277,585,000.00		10,505,000.00		267,080,000.00
Consolidated Revenue & Refunding Bonds Series 2020-A	279,155,000.00		11,385,000.00		267,770,000.00
Consolidated Revenue & Refunding Bonds Series 2020-B	146,030,000.00		5,365,000.00		140,665,000.00
Consolidated Revenue Refunding Bonds Series 2014	20,855,000.00		4,865,000.00		15,990,000.00
Consolidated Revenue Refunding Bonds Series 2021-A	16,425,000.00		5,620,000.00		16,425,000.00
Consolidated Revenue Refunding Bonds Series 2021-B	25,060,000.00		12,570,000.00		19,440,000.00
Consolidated Revenue & Refunding Bonds Series 2022-A	364,420,000.00		160,000.00		351,850,000.00
Consolidated Revenue & Refunding Bonds Series 2022-B	44,785,000.00	52,570,000.00	1,235,000.00		44,625,000.00
Consolidated Revenue & Refunding Bonds Series 2024-A		214,610,000.00	1,095,000.00		51,335,000.00
Consolidated Revenue & Refunding Bonds Series 2024-B					213,515,000.00
Total Revenue Bonds	\$ 1,636,525,000.00	\$ 267,180,000.00	\$ 87,930,000.00	\$	\$ 1,815,775,000.00
Revenue Bonds					
Consolidated Revenue & Refunding Bonds Series 2016-A	\$ 5,878,798.76	\$	\$	\$	\$ 63,108,798.76
Consolidated Revenue & Refunding Bonds Series 2016-B	932,074.02				89,837,074.02
Consolidated Revenue & Refunding Bonds Series 2017-A	32,209,968.61				304,969,968.61
Consolidated Revenue & Refunding Bonds Series 2017-B	96,904.12				8,281,904.12
Consolidated Revenue & Refunding Bonds Series 2017-C	20,133,301.10				287,213,301.10
Consolidated Revenue & Refunding Bonds Series 2020-A	22,018,105.05				289,788,105.05
Consolidated Revenue & Refunding Bonds Series 2020-B	803,559.84				141,468,559.84
Consolidated Revenue Refunding Bonds Series 2014	1,138,076.23				17,128,076.23
Consolidated Revenue Refunding Bonds Series 2021-A	407,860.86				16,832,860.86
Consolidated Revenue Refunding Bonds Series 2021-B	199,541.89				19,639,541.89
Consolidated Revenue & Refunding Bonds Series 2022-A	49,449,889.80				401,299,889.80
Consolidated Revenue & Refunding Bonds Series 2022-B					44,625,000.00
Consolidated Revenue & Refunding Bonds Series 2024-A	3,893,164.79				55,228,164.79
Consolidated Revenue & Refunding Bonds Series 2024-B					213,515,000.00
Total Revenue Bonds	\$ 137,161,245.07	\$	\$	\$	\$ 1,952,936,245.07
					\$ 102,359,883.61

Unaudited
Schedule 2-C
University of Houston System (797)
Combined Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

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 2014	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	2,765,000.00	126,975.00	2,891,975.00
	2030	2,850,000.00	42,750.00	2,892,750.00
	2031 - 2035			
	2036 - 2040			
	2041 - 2045			
	2046 - 2050			
	2051 - 2055			
		<u>\$ 15,990,000.00</u>	<u>\$ 1,197,450.00</u>	<u>\$ 17,187,450.00</u>
Consolidated Revenue & Refunding Bonds Series 2016-A	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	4,340,000.00	1,308,800.00	5,648,800.00
	2030	4,610,000.00	1,129,800.00	5,739,800.00
	2031 - 2035	13,650,000.00	3,399,400.00	17,049,400.00
	2036 - 2040	4,825,000.00	1,938,100.00	6,763,100.00
	2041 - 2045	5,115,000.00	998,100.00	6,113,100.00
	2046 - 2050	2,350,000.00	95,000.00	2,445,000.00
	2051 - 2055			
		<u>\$ 57,230,000.00</u>	<u>\$ 14,424,400.00</u>	<u>\$ 71,654,400.00</u>
Consolidated Revenue & Refunding Bonds Series 2016-B	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	7,635,000.00	2,238,943.75	9,873,943.75
	2030	7,900,000.00	1,974,729.50	9,874,729.50
	2031 - 2035	42,490,000.00	5,541,350.50	48,031,350.50
	2036 - 2040	9,365,000.00	168,101.75	9,533,101.75
	2041 - 2045			
	2046 - 2050			
	2051 - 2055			
		<u>\$ 88,905,000.00</u>	<u>\$ 18,040,985.00</u>	<u>\$ 106,945,985.00</u>

Unaudited
Schedule 2-C
University of Houston System (797)
Combined Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Business-Type Activities

Description of Issue	Year	Principal	Interest	Total
Consolidated Revenue & Refunding Bonds Series 2017-A	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	20,480,000.00	9,772,250.00	30,252,250.00
	2030	20,830,000.00	8,739,500.00	29,569,500.00
	2031 - 2035	105,510,000.00	28,972,500.00	134,482,500.00
	2036 - 2040	58,865,000.00	3,392,375.00	62,257,375.00
	2041 - 2045			
	2046 - 2050			
	2051 - 2055			
		<u>\$ 272,760,000.00</u>	<u>\$ 86,751,000.00</u>	<u>\$ 359,511,000.00</u>
Consolidated Revenue & Refunding Bonds Series 2017-B	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	560,000.00	231,650.00	791,650.00
	2030	580,000.00	212,980.00	792,980.00
	2031 - 2035	3,220,000.00	737,390.00	3,957,390.00
	2036 - 2040	2,245,000.00	130,055.00	2,375,055.00
	2041 - 2045			
	2046 - 2050			
	2051 - 2055			
		<u>\$ 8,185,000.00</u>	<u>\$ 2,107,837.50</u>	<u>\$ 10,292,837.50</u>
Consolidated Revenue & Refunding Bonds Series 2017-C	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	12,850,000.00	8,874,725.04	21,724,725.04
	2030	13,510,000.00	8,215,725.04	21,725,725.04
	2031 - 2035	75,225,000.00	31,209,225.20	106,434,225.20
	2036 - 2040	67,250,000.00	17,542,337.52	84,792,337.52
	2041 - 2045	38,780,000.00	7,752,700.00	46,532,700.00
	2046 - 2050	22,215,000.00	1,821,700.00	24,036,700.00
	2051 - 2055			
		<u>\$ 267,080,000.00</u>	<u>\$ 105,975,587.92</u>	<u>\$ 373,055,587.92</u>
Consolidated Revenue & Refunding Bonds Series 2020-A	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	13,800,000.00	6,825,000.00	20,625,000.00
	2030	14,355,000.00	6,264,675.00	20,619,675.00
	2031 - 2035	56,830,000.00	25,828,200.00	82,658,200.00
	2036 - 2040	54,275,000.00	17,669,025.00	71,944,025.00
	2041 - 2045	42,420,000.00	10,418,250.00	52,838,250.00
	2046 - 2050	48,120,000.00	3,695,700.00	51,815,700.00
	2051 - 2055			
		<u>\$ 267,770,000.00</u>	<u>\$ 95,119,100.00</u>	<u>\$ 362,889,100.00</u>

Unaudited
Schedule 2-C
University of Houston System (797)
Combined Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Business-Type Activities

Description of Issue	Year	Principal	Interest	Total
Consolidated Revenue & Refunding Bonds Series 2020-B	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	5,870,000.00	3,246,997.50	9,116,997.50
	2030	10,695,000.00	3,056,311.00	13,751,311.00
	2031 - 2035	48,640,000.00	11,549,511.00	60,189,511.00
	2036 - 2040	26,075,000.00	6,477,187.25	32,552,187.25
	2041 - 2045	14,985,000.00	3,719,881.00	18,704,881.00
	2046 - 2050	11,820,000.00	1,379,067.50	13,199,067.50
	2051 - 2055	3,695,000.00	117,258.75	3,812,258.75
		<u>\$ 140,665,000.00</u>	<u>\$ 40,090,871.75</u>	<u>\$ 180,755,871.75</u>
Consolidated Revenue Refunding Bonds Series 2021-A	2026	\$	\$ 328,500.00	\$ 328,500.00
	2027		328,500.00	328,500.00
	2028		328,500.00	328,500.00
	2029		328,500.00	328,500.00
	2030		328,500.00	328,500.00
	2031 - 2035	16,425,000.00	657,650.00	17,082,650.00
	2036 - 2040			
	2041 - 2045			
	2046 - 2050			
	2051 - 2055			
		<u>\$ 16,425,000.00</u>	<u>\$ 2,300,150.00</u>	<u>\$ 18,725,150.00</u>
Consolidated Revenue Refunding Bonds Series 2021-B	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	4,990,000.00	49,900.00	5,039,900.00
	2030			
	2031 - 2035			
	2036 - 2040			
	2041 - 2045			
	2046 - 2050			
	2051 - 2055			
		<u>\$ 19,440,000.00</u>	<u>\$ 726,487.50</u>	<u>\$ 20,166,487.50</u>
Consolidated Revenue & Refunding Bonds Series 2022-A	2026	\$ 12,165,000.00	\$ 17,069,975.00	\$ 29,234,975.00
	2027	13,080,000.00	16,438,850.00	29,518,850.00
	2028	13,750,000.00	15,768,100.00	29,518,100.00
	2029	14,440,000.00	15,063,350.00	29,503,350.00
	2030	15,200,000.00	14,322,350.00	29,522,350.00
	2031 - 2035	85,475,000.00	59,242,375.00	144,717,375.00
	2036 - 2040	104,315,000.00	36,125,975.00	140,440,975.00
	2041 - 2045	56,910,000.00	12,972,750.00	69,882,750.00
	2046 - 2050	15,590,000.00	7,256,500.00	22,846,500.00
	2051 - 2055	19,710,000.00	2,837,000.00	22,547,000.00
	2056 - 2060	1,215,000.00	30,375.00	1,245,375.00
		<u>\$ 351,850,000.00</u>	<u>\$ 197,127,600.00</u>	<u>\$ 548,977,600.00</u>

Unaudited
Schedule 2-C
University of Houston System (797)
Combined Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Business-Type Activities

Description of Issue	Year	Principal	Interest	Total
Consolidated Revenue & Refunding Bonds Series 2022-B	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	190,000.00	2,125,053.03	2,315,053.03
	2030	195,000.00	2,117,080.50	2,312,080.50
	2031 - 2035	4,985,000.00	10,189,562.49	15,174,562.49
	2036 - 2040	9,185,000.00	8,382,159.83	17,567,159.83
	2041 - 2045	10,915,000.00	5,912,706.92	16,827,706.92
	2046 - 2050	12,640,000.00	3,086,101.00	15,726,101.00
	2051 - 2055	5,995,000.00	298,096.28	6,293,096.28
	2056 - 2060			
		<u>\$ 44,625,000.00</u>	<u>\$ 38,528,447.43</u>	<u>\$ 83,153,447.43</u>
Consolidated Revenue & Refunding Bonds Series 2024-A	2026	1,445,000.00	2,399,000.00	3,844,000.00
	2027	1,515,000.00	2,325,000.00	3,840,000.00
	2028	1,590,000.00	2,247,375.00	3,837,375.00
	2029	1,675,000.00	2,165,750.00	3,840,750.00
	2030	1,760,000.00	2,079,875.00	3,839,875.00
	2031 - 2035	10,255,000.00	8,949,000.00	19,204,000.00
	2036 - 2040	13,165,000.00	6,035,250.00	19,200,250.00
	2041 - 2045	13,605,000.00	2,522,250.00	16,127,250.00
	2046 - 2050	2,840,000.00	1,015,240.63	3,855,240.63
	2051 - 2055	3,485,000.00	371,146.91	3,856,146.91
	2056 - 2060			
		<u>\$ 51,335,000.00</u>	<u>\$ 30,109,887.54</u>	<u>\$ 81,444,887.54</u>
Consolidated Revenue & Refunding Bonds Series 2024-B	2026	3,070,000.00	10,511,749.44	13,581,749.44
	2027	5,615,000.00	10,328,870.84	15,943,870.84
	2028	5,855,000.00	10,089,333.55	15,944,333.55
	2029	6,105,000.00	9,837,305.10	15,942,305.10
	2030	5,365,000.00	9,592,723.09	14,957,723.09
	2031 - 2035	30,730,000.00	44,088,914.60	74,818,914.60
	2036 - 2040	38,900,000.00	35,905,251.39	74,805,251.39
	2041 - 2045	48,960,000.00	24,670,062.94	73,630,062.94
	2046 - 2050	33,035,000.00	13,388,112.20	46,423,112.20
	2051 - 2055	35,880,000.00	4,928,265.60	40,808,265.60
	2056 - 2060			
		<u>\$ 213,515,000.00</u>	<u>\$ 173,340,588.75</u>	<u>\$ 386,855,588.75</u>
Summary				
All Bonds Issues, All Series	2026	\$ 92,715,000.00	\$ 74,887,298.23	\$ 167,602,298.23
	2027	96,690,000.00	70,780,497.03	167,470,497.03
	2028	100,640,000.00	66,483,238.32	167,123,238.32
	2029	95,700,000.00	62,195,199.42	157,895,199.42
	2030	97,850,000.00	58,076,999.13	155,926,999.13
	2031 - 2035	493,435,000.00	230,365,078.79	723,800,078.79
	2036 - 2040	388,465,000.00	133,765,817.74	522,230,817.74
	2041 - 2045	231,690,000.00	68,966,700.86	300,656,700.86
	2046 - 2050	148,610,000.00	31,737,421.33	180,347,421.33
	2051 - 2055	68,765,000.00	8,551,767.54	77,316,767.54
	2056 - 2060	1,215,000.00	30,375.00	1,245,375.00
		<u>\$ 1,815,775,000.00</u>	<u>\$ 805,840,393.39</u>	<u>\$ 2,621,615,393.39</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, 2025

Business-Type Activities
General Obligation Bonds

Description of Issue	Beginning Balance Available for Debt Service 09/01/2024	Sources of Funds				Total Sources Available
		Pledged Sources		Other Sources		
		Interest Earned on Investments	Other Pledged Sources	Operating Transfers	State's General Revenue	
	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$

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

	Ending Balance Available for Debt Service at 08/31/2025	
	Required	Actual
	\$	\$
Total	\$	\$

Unaudited

Schedule 2-D
University of Houston System (797)
Combined Analysis of Funds Available for Debt Service
For The Year Ended August 31, 2025

Business-Type Activities
Revenue Bonds

Description of Issue	Pledged and Other Sources and Related Expenditure for FY 2025						
	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	Total Pledged Sources	Other Sources	Operating Expenses & Expenditures	Net Available for Debt Service
Consolidated Revenue Refunding Bonds and Consolidated Revenue Bonds (A)	\$	\$	\$ 1,140,316,416.12	\$ 1,140,316,416.12	\$	\$	\$ 1,140,316,416.12
Total	\$	\$	\$ 1,140,316,416.12	\$ 1,140,316,416.12	\$	\$	\$ 1,140,316,416.12
(A) Other Pledged Revenues Consist of							
Tuition and Fees			\$ 826,794,247.95				
Investment Income			58,901,020.36				
Sales and Service			197,241,888.81				
Legislative Appropriations			57,379,259.00				
Total as shown above			\$ 1,140,316,416.12				

(B) Expenditures associated with pledged sources were approximately \$818,467,744.22

Description of Issue	Debt Service		Refunded or Extinguished		Interest & Sinking Fund		Reserve Fund	
	Principal	Interest			Minimum	Actual	Minimum	Actual
Consolidated Revenue Refunding Bonds Series 2014	4,865,000.00	755,125.00						
Consolidated Revenue & Refunding Bonds Series 2016-A	7,600,000.00	2,441,200.00						
Consolidated Revenue & Refunding Bonds Series 2016-B	6,760,000.00	3,117,182.00						
Consolidated Revenue & Refunding Bonds Series 2017-A	20,275,000.00	14,144,875.00						
Consolidated Revenue & Refunding Bonds Series 2017-B	495,000.00	298,595.00						
Consolidated Revenue & Refunding Bonds Series 2017-C	10,505,000.00	11,321,100.04						
Consolidated Revenue & Refunding Bonds Series 2020-A	11,385,000.00	9,353,125.00						
Consolidated Revenue & Refunding Bonds Series 2020-B	5,365,000.00	3,790,602.50						
Consolidated Revenue Refunding Bonds Series 2021-A		328,500.00						
Consolidated Revenue Refunding Bonds Series 2021-B	5,620,000.00	346,775.00						
Consolidated Revenue & Refunding Bonds Series 2022-A	12,570,000.00	17,688,350.00						
Consolidated Revenue & Refunding Bonds Series 2022-B	160,000.00	2,151,463.78						
Consolidated Revenue & Refunding Bonds Series 2024-A	1,235,000.00	2,292,605.90						
Consolidated Revenue & Refunding Bonds Series 2024-B	1,095,000.00	9,864,365.78						
Total	\$ 87,930,000.00	\$ 77,893,865.00	\$	\$	\$	\$	\$	\$

Unaudited

Schedule 2-E
University of Houston System (797)
Defeased Bonds Outstanding
For The Year Ended August 31, 2025

Business-Type Activities			
Description of Issue	Year Refunded	Par Value Outstanding	
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, 2025

Business-Type Activities

Description of Issue	Category	Amount Extinguished Or Refunded	For Refunding Only		
			Refunding Issue Par Value	Cash Flow Increase / (Decrease)	Economic Gain / (Loss)
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, 2025

<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	\$ 135,956,331.68	182,983	136,139,314.28
UHC-759	4,536,966.97	-	4,536,966.97
UHV-765	3,082,436.32	-	3,082,436.32
UHD-784	2,084,722.49	-	2,084,722.49
UHS-783		177,257.02	177,257.02
<u>Total Cash in State Treasury (UH-Consolidated)</u>	<u>\$ 145,660,457.46</u>	<u>360,239.62</u>	<u>146,020,697.08</u>

UNIVERSITY OF HOUSTON

**UNAUDITED ANNUAL
FINANCIAL REPORT**

PRIMARY STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2025

Unaudited

University of Houston (730)
Statement of Net Position
August 31, 2025

	Total FY2025
ASSETS	
Current Assets	
Cash and Cash Equivalents	
Cash on Hand	\$ 30,945.00
Cash in Bank	(227,242,374.37)
Cash in Transit/Reimburse From Treasury	148,579.76
Cash in State Treasury	136,139,314.28
Cash Equivalents	612,314,865.02
Short Term Investments	9,860.98
Restricted:	
Cash In Bank	209,645,092.37
Legislative Appropriation	119,235,756.10
Receivables:	
Federal Receivables	19,275,830.13
UHS Intercampus Receivables	574,275,299.85
Interest and Dividends	376,205.47
Accounts Receivable	155,116,252.85
Gifts	60,521,373.73
Leases	1,585,525.27
Other	(812,699.17)
Due From Other Agencies	1,404,813.56
Consumable Inventories	45,836.43
Merchandise Inventories	1,653,434.34
Prepaid Costs	43,251,882.79
Loans and Contracts	17,258,602.63
Total Current Assets	1,724,234,397.02
Non-Current Assets	
Restricted:	
Receivables	47,238,426.41
UHS Intercampus Receivables	1,100,309,609.12
Receivables - Leases	4,430,958.58
Loans and Contracts	46,421,371.34
Investments	8,778,346.15
UHS Intercampus Receivables	207,823,698.64
Capital Assets	
Non-Depreciable or Non-Amortizable	391,255,285.64
Depreciable or Amortizable, Net	1,337,792,803.44
Right to Use Assets - Amortizable, Net	6,008,006.12
Right to Use Subscriptions - Amortizable, Net	13,944,607.14
Total Non-Current Assets	3,164,003,112.58
Total Assets	4,888,237,509.60
DEFERRED OUTFLOW OF RESOURCES	
Total Deferred Outflow of Resources	0.00
Total Assets and Deferred Outflow of Resources	\$ 4,888,237,509.60

Unaudited

University of Houston (730)
Statement of Net Position
August 31, 2025

	Total FY2025
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts Payable	\$ 39,698,535.17
Accrued Lease Interest Payable	9,060.79
Accrued Subscription Interest Payable	213,718.96
Federal Payable	(25,077.66)
Payroll Payable	54,593,982.08
UHS Intercampus Payable	(16,812,631.00)
Other Payable	2,294,854.32
Due to Other Agencies	1,578,667.19
Unearned Revenues	236,468,658.93
Revenue Bonds Payable	69,750,701.32
Claims and Judgments Payable	540,670.68
Employees' Compensable Leave	15,522,287.25
Right to Use Lease Obligations	916,062.07
Right to Use Subscription Obligations	4,595,642.38
Funds Held for Others	41,664,141.71
Total Current Liabilities	451,009,274.19
Non Current-Liabilities	
Revenue Bonds Payable	1,349,725,393.96
Employees' Compensable Leave	13,156,864.14
Right to Use Lease Obligations	5,559,661.02
Right to Use Subscription Obligations	5,130,262.06
Total Non-Current Liabilities	1,373,572,181.18
Total Liabilities	1,824,581,455.37
DEFERRED IN FLOW OF RESOURCES	
Gain on Bond Refunding	
Leases	5,631,946.34
Other Deferred Inflows	48,826,260.61
Total Deferred Inflows of Resources	54,458,206.95
Total Liabilities and Deferred Inflow of Resources	1,879,039,662.32
NET POSITION	
Invested in Capital Assets, Net of Related Debt	612,717,730.64
Restricted for:	
Debt Retirement	3,452,262.05
Capital Projects	20,258,530.96
Funds Held as Permanent Investments	
Non-Expendable	
True Endowments, Annuities	677,628,230.30
Expendable	
Term Endowments	44,251,559.83
Funds Functioning as Endowments	48,156,454.99
Other	455,766,291.55
Unrestricted	1,146,966,786.96
Total Net Position	\$ 3,009,197,847.28

Unaudited

University of Houston (730)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
Operating Revenues	
Sales of Goods and Services (PR-Chgs for Services)	
Tuition and Fees-Pledged	\$ 613,402,551.23
Discounts and Allowances	(78,669,476.00)
Auxiliary Enterprise-Pledged	145,482,662.04
Other Sales of Goods and Services-Pledged	38,327,595.23
Federal Revenue-Operating (PR-OP Grants/Contributions)	111,158,845.67
Federal Pass Through Revenue (PR-OP Grants/Contributions)	9,881,931.09
State Grant Revenue (PR-OP Grants/Contributions)	20,999,403.72
State Grant Pass Through Revenue (PR-OP Grants/Contributions)	213,821,658.25
Other Grants and Contracts-Operating (PR-OP Grants/Contributions)	34,456,276.86
Other Operating Revenues (PR-Chgs for Services)	11,931,673.50
Total Operating Revenues	1,120,793,121.59
Operating Expenses	
Instruction	311,851,924.56
Research	200,968,041.30
Public Service	48,314,267.98
Academic Support	214,963,072.96
Student Services	36,365,166.07
Institutional Support	90,747,113.31
Physical Plant	87,677,413.56
Scholarships & Fellowships	191,260,779.71
Auxiliary Enterprises	166,131,980.03
Depreciation and Amortization	115,988,244.70
Total Operating Expenses	1,464,268,004.18
Operating Income (Loss)	(343,474,882.59)
Non-Operating Revenues (Expenses)	
Legislative Revenue (GR)	200,744,865.00
Additional Appropriations (GR)	48,892,663.59
Federal Revenue Non-Operating (PR-OP Grants/Contributions)	124,685,140.45
Gifts (PR-OP Grants/Contributions)	38,878,263.57
Interest and Investment Income (PR-Chgs for Services)	119,033,981.93
Interest Expense and Fiscal Charges	(49,980,290.50)
Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib)	24,917,526.56
Other Nonoperating Revenues	41,193,288.95
Other Nonoperating Expenses	(26,217,820.61)
Total Nonoperating Revenues (Expenses)	\$ 522,147,618.94

Unaudited

University of Houston (730)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	\$ 178,672,736.35
Other Revenues, Expenses, Gains, Losses and Transfers	
Capital Appropriation (HEAF)	56,158,684.50
Additions to Permanent and Term Endowments	13,800,121.75
UHS Intercampus Transfers-In	33,088,370.85
UHS Intercampus Transfers-Out	(7,864,939.93)
Decr NA Interagency Transfer Capital Assets	(22,742.71)
Transfers-In	64,117,397.02
Transfers-Out	(62,154,711.40)
Legislative Transfers-In	4,313,988.00
Legislative Appropriations Lapsed	(639,841.76)
Total Other Rev, Exp, Gains, Losses and Transfers	100,796,326.32
Changes in Net Position	279,469,062.67
Net Position Beginning	2,729,022,193.56
Restatements	706,591.05
Net Position Beginning, as Restated	2,729,728,784.61
Net Position, Ending	\$ 3,009,197,847.28

Unaudited

University of Houston (730)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$ 2,137,309.27	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Salaries and Wages	243,054,434.52	91,825,542.81	22,719,191.05	119,837,240.04	18,403,668.06
Payroll Related Costs	56,119,201.79	17,854,702.13	5,814,420.32	31,618,315.66	5,012,484.11
Professional Fees and Services	4,418,208.93	13,866,952.44	6,801,250.96	12,852,469.58	2,504,317.20
Federal Pass Through Expenses	2,682.61	3,762,515.09	682,776.83	0.00	0.00
State Pass Through Expenses	0.00	9,776.19	0.00	0.00	0.00
Travel	888,852.53	5,023,181.00	374,677.65	4,631,289.07	604,272.37
Materials and Supplies	2,810,645.43	18,833,521.66	966,711.70	9,706,047.79	2,404,378.85
Communication and Utilities	418,462.02	2,035,183.66	884,904.98	12,642,492.61	264,312.46
Repairs and Maintenance	309,003.39	3,424,380.47	1,240,285.25	4,144,761.13	327,708.75
Rentals and Leases	273,510.04	1,272,412.62	6,292,368.13	7,307,522.06	778,543.36
Printing and Reproduction	119,941.15	443,098.51	366,450.65	1,012,100.89	241,921.54
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00
Interest	14,997.22	57,835.27	4,385.11	34,729.16	7,860.32
Scholarships	495,045.82	1,527,631.78	47,003.63	4,461,928.32	449,909.85
Claims and Judgments	0.00	35.00	0.00	0.00	0.00
Other Operating Expenses	789,629.84	41,031,272.67	2,119,841.72	6,714,176.65	5,365,789.20
Total Operating Expenses	\$ 311,851,924.56	\$ 200,968,041.30	\$ 48,314,267.98	\$ 214,963,072.96	\$ 36,365,166.07

Unaudited

University of Houston (730)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total FY2025
\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,688,147.84	\$ 0.00	\$ 3,825,457.11
43,023,305.33	27,686,866.63	473,538.81	61,444,686.53	0.00	628,468,473.78
15,172,403.97	10,056,006.72	54,029.58	12,018,451.63	0.00	153,720,015.91
7,278,975.42	13,591,304.79	102,967.00	21,077,251.04	0.00	82,493,697.36
0.00	0.00	0.00	0.00	0.00	4,447,974.53
0.00	0.00	0.00	0.00	0.00	9,776.19
563,514.23	74,134.52	31,828.82	6,612,778.09	0.00	18,804,528.28
3,608,735.44	1,791,841.79	45,407.53	13,152,826.39	0.00	53,320,116.58
977,378.97	21,998,407.83	7.97	9,799,847.44	0.00	49,020,997.94
4,676,808.11	9,847,231.39	4,866.02	16,106,532.35	0.00	40,081,576.86
4,784,425.19	947,847.32	314.00	1,985,548.44	0.00	23,642,491.16
180,142.47	26,255.10	8,081.00	374,710.71	0.00	2,772,702.02
0.00	0.00	0.00	0.00	115,988,244.70	115,988,244.70
21,458.98	40,975.57	241.53	303,632.70	0.00	486,115.86
4,232,784.71	0.00	189,534,188.67	6,407,467.86	0.00	207,155,960.64
839,321.98	2,204.65	0.00	0.00	0.00	841,561.63
5,387,858.51	1,614,337.25	1,005,308.78	15,160,099.01	0.00	79,188,313.63
<u>\$ 90,747,113.31</u>	<u>\$ 87,677,413.56</u>	<u>\$ 191,260,779.71</u>	<u>\$ 166,131,980.03</u>	<u>\$ 115,988,244.70</u>	<u>\$ 1,464,268,004.18</u>

Unaudited

University of Houston (730)
Statement of Cash Flows
For the Year Ended August 31, 2025

	<u>Total FY2025</u>
Cash Flows From Operating Activities	
Receipts from Customers	\$ 42,437,676.21
Proceeds from Tuition and Fees	547,914,321.76
Proceeds from Research Grants and Contracts	320,934,873.83
Proceeds from Loan Programs	128,497,770.50
Proceeds from Auxiliaries	145,482,662.04
Proceeds from Other Revenues	11,931,673.50
Payments to Suppliers for Goods and Services	(281,401,947.07)
Payments to Employees for Salaries	(627,570,051.05)
Payments to Employees for Benefits	(150,829,377.39)
Payments for Loans Provided	(127,291,973.65)
Payments for Other Expenses	(289,006,228.91)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(278,900,600.23)</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	339,710,466.66
Proceeds from Gifts	100,401,502.21
Proceeds from Endowments	13,800,121.75
Proceeds of Transfers from Other Funds	138,399,056.82
Proceeds from Grants	124,685,140.45
Payments for Transfers to Other Funds	(95,832,032.19)
<u>Net Cash Provided (Used) by Noncapital Financing Activities</u>	<u>621,164,255.70</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Debt Issuance	252,690,000.00
Proceeds from Other Financing Activities	282,087,569.28
Payments for Additions to Capital Assets	(244,876,065.99)
Payments of Principal on Debt Issuance	(60,363,000.00)
Payments for Leases/SBITA	(343,025.74)
Payments of Interest on Debt Issuance	(49,980,290.50)
Payments of Other Costs on Debt Issuance	(387,792,062.40)
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>	<u>(208,576,875.35)</u>
Cash Flows From Investing Activities	
Proceeds from Sales of Investments	10,610,164.91
Proceeds from Interest and Investment Income	118,861,350.07
Payments to Acquire Investments	(172,006,058.28)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(42,534,543.30)</u>

Unaudited

University of Houston (730)
Statement of Cash Flows
For the Year Ended August 31, 2025

	Total FY2025
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 91,152,236.82
Cash and Cash Equivalents, September 1	639,884,185.24
Restatements	0.00
Cash and Cash Equivalents, August 31	\$ 731,036,422.06
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (343,474,882.59)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation and Amortization Expense	115,988,244.70
Operating Income and Cash Flow Categories: Classification Differences	1,205,796.85
Changes in Assets and Liabilities:	
(Increase) Decrease In Receivables	(74,288,460.31)
(Increase) Decrease in Inventories	6,314.93
(Increase) Decrease in Prepaid Expenses	(10,011,875.81)
(Increase) Decrease in Other Assets	1,125,586.24
Increase (Decrease) in Payables	2,627,006.53
Increase (Decrease) in Deferred Income	13,181,246.53
Increase (Decrease) in Compensated Absences	2,890,638.52
Increase (Decrease) in Benefits Payable	898,422.73
Increase (Decrease) in Other Liabilities	1,529,363.63
Increase (Decrease) in Deferred Inflows of Resources-Leases	(1,563,598.80)
Increase (Decrease) in Other Deferred Inflows	10,985,596.62
Total Adjustments	64,574,282.36
Net Cash Provided (Used) by Operating Activities	\$ (278,900,600.23)
Non Cash Transactions	
Net Change in Fair Value of Investments	24,917,526.56
Non Cash Transactions	\$ 24,917,526.56

**UNIVERSITY OF HOUSTON
CLEAR LAKE**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

PRIIMARY STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2025

Unaudited

University of Houston - Clear Lake (759)
Statement of Net Position
August 31, 2025

	Total FY2025
ASSETS	
Current Assets	
Cash and Cash Equivalents	
Cash on Hand	\$ 12,750.00
Cash in Bank	7,649,082.63
Cash in Transit/Reimburse From Treasury	2,316,820.98
Cash in State Treasury	4,536,966.97
Cash Equivalents	16,179,877.20
Restricted:	
Cash In Bank	851,890.76
Legislative Appropriation	6,671,635.46
Receivables:	
Federal Receivables	9,030,088.72
UHS Intercampus Receivables	28,726,938.89
Accounts Receivable	6,560,569.05
Gifts	2,015,260.31
Other	1,051,208.80
Due From Other Agencies	425,095.93
Consumable Inventories	9,096.20
Prepaid Costs	5,517,815.12
Loans and Contracts	2,221,914.33
Total Current Assets	93,777,011.35
Non-Current Assets	
Restricted:	
Receivables	1,342,012.45
UHS Intercampus Receivables	67,858,929.31
Receivables - Leases	98.71
UHS Intercampus Receivables	14,771,342.79
Capital Assets	
Non-Depreciable or Non-Amortizable	12,641,438.73
Depreciable or Amortizable, Net	143,998,846.12
Right to Use Assets - Amortizable, Net	10,824,210.60
Right to Use Subscriptions - Amortizable, Net	371,181.30
Total Non-Current Assets	251,808,060.01
Total Assets	345,585,071.36
DEFERRED OUTFLOW OF RESOURCES	
Total Deferred Outflow of Resources	0.00
Total Assets and Deferred Outflow of Resources	\$ 345,585,071.36

Unaudited

University of Houston - Clear Lake (759)
Statement of Net Position
August 31, 2025

	Total FY2025
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts Payable	\$ 2,437,956.84
Accrued Lease Interest Payable	40,725.48
Accrued Subscription Interest Payable	3,694.20
Federal Payable	45,003.37
Payroll Payable	7,695,149.45
UHS Intercampus Payable	762,624.41
Other Payable	248,581.71
Due to Other Agencies	8,334.78
Unearned Revenues	34,015,769.48
Notes and Loans Payable	574,458.35
Revenue Bonds Payable	8,699,518.66
Claims and Judgments Payable	130,805.84
Employees' Compensable Leave	1,458,434.90
Right to Use Lease Obligations	240,350.11
Right to Use Subscription Obligations	68,558.03
Funds Held for Others	2,724,977.19
Total Current Liabilities	59,154,942.80
Non Current-Liabilities	
Revenue Bonds Payable	138,742,546.27
Employees' Compensable Leave	1,066,826.24
Right to Use Lease Obligations	11,449,211.96
Right to Use Subscription Obligations	134,982.95
Notes and Loans Payable	1,714,354.05
Total Non-Current Liabilities	153,107,921.47
Total Liabilities	212,262,864.27
DEFERRED IN FLOW OF RESOURCES	
Total Deferred Inflows of Resources	0.00
Total Liabilities and Deferred Inflow of Resources	212,262,864.27
NET POSITION	
Invested in Capital Assets, Net of Related Debt	46,805,921.20
Restricted for:	
Debt Retirement	785,684.38
Capital Projects	3,197.19
Funds Held as Permanent Investments	
Non-Expendable	
True Endowments, Annuities	17,607,465.93
Expendable	
Funds Functioning as Endowments	6,177,202.20
Other	9,100,510.17
Unrestricted	52,842,226.02
Total Net Position	\$ 133,322,207.09

Unaudited

University of Houston - Clear Lake (759)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
Operating Revenues	
Sales of Goods and Services (PR-Chgs for Services)	
Tuition and Fees-Pledged	\$ 72,058,298.57
Discounts and Allowances	(25,520,791.21)
Auxiliary Enterprise-Pledged	3,749,895.18
Other Sales of Goods and Services-Pledged	1,869,774.63
Federal Revenue-Operating (PR-OP Grants/Contributions)	4,758,408.18
Federal Pass Through Revenue (PR-OP Grants/Contributions)	1,104,917.32
State Grant Revenue (PR-OP Grants/Contributions)	572,496.79
State Grant Pass Through Revenue (PR-OP Grants/Contributions)	8,764,069.70
Other Grants and Contracts-Operating (PR-OP Grants/Contributions)	1,750,857.63
Other Operating Revenues (PR-Chgs for Services)	(137,823.96)
Total Operating Revenues	68,970,102.83
Operating Expenses	
Instruction	49,194,262.97
Research	3,871,736.97
Public Service	357,851.29
Academic Support	25,917,552.14
Student Services	10,076,911.36
Institutional Support	17,879,683.24
Physical Plant	12,384,073.12
Scholarships & Fellowships	8,184,487.35
Auxiliary Enterprises	7,722,998.85
Depreciation and Amortization	13,158,986.86
Total Operating Expenses	148,748,544.15
Operating Income (Loss)	(79,778,441.32)
Non-Operating Revenues (Expenses)	
Legislative Revenue (GR)	32,281,811.00
Additional Appropriations (GR)	9,099,690.29
Federal Revenue Non-Operating (PR-OP Grants/Contributions)	19,641,943.40
Gifts (PR-OP Grants/Contributions)	2,358,130.81
Interest and Investment Income (PR-Chgs for Services)	4,634,848.89
Interest Expense and Fiscal Charges	(5,979,839.40)
Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib)	830,700.66
Other Nonoperating Revenues	946,195.25
Other Nonoperating Expenses	(1,928,476.10)
Total Nonoperating Revenues (Expenses)	\$ 61,885,004.80

Unaudited

University of Houston - Clear Lake (759)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
<u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u>	<u>\$ (17,893,436.52)</u>
Other Revenues, Expenses, Gains, Losses and Transfers	
Capital Appropriation (HEAF)	7,959,137.00
Additions to Permanent and Term Endowments	909,105.44
UHS Intercampus Transfers-In	9,556,722.75
UHS Intercampus Transfers-Out	(333,318.23)
Transfers-In	67,060.45
Legislative Transfers-In	649,387.00
Legislative Appropriations Lapsed	(11,065.73)
<u>Total Other Rev, Exp, Gains, Losses and Transfers</u>	<u>18,797,028.68</u>
<u>Changes in Net Position</u>	<u>903,592.16</u>
Net Position Beginning	132,418,614.93
Restatements	0.00
<u>Net Position Beginning, as Restated</u>	<u>132,418,614.93</u>
<u>Net Position, Ending</u>	<u>\$ 133,322,207.09</u>

Unaudited

University of Houston - Clear Lake (759)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Salaries and Wages	35,700,178.61	2,630,461.31	137,771.57	14,531,653.23	5,624,803.30
Payroll Related Costs	9,349,662.92	491,821.40	22,349.34	3,728,289.26	1,700,221.86
Professional Fees and Services	410,432.70	273,806.65	130,024.05	918,981.51	651,318.01
Federal Pass Through Expenses	0.00	33,765.20	0.00	0.00	0.00
Travel	81,054.74	133,468.43	9,843.30	457,158.71	94,654.76
Materials and Supplies	504,201.13	170,818.35	30,497.17	1,646,691.88	79,402.67
Communication and Utilities	41,400.03	61,816.05	200.55	784,037.43	99,718.91
Repairs and Maintenance	18,032.14	49,212.04	0.00	335,992.24	10,907.01
Rentals and Leases	57,317.38	4,867.62	0.00	1,811,068.46	104,130.15
Printing and Reproduction	14,052.42	3,167.24	2,415.97	30,377.89	95,874.69
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00
Interest	381.38	32.68	0.00	4,017.19	124.11
Scholarships	2,740,032.37	18,500.00	0.00	1,113,437.17	126,605.00
Claims and Judgments	0.00	0.00	0.00	29.19	0.00
Other Operating Expenses	277,517.15	0.00	24,749.34	555,817.98	1,489,150.89
Total Operating Expenses	\$ 49,194,262.97	\$ 3,871,736.97	\$ 357,851.29	\$ 25,917,552.14	\$ 10,076,911.36

Unaudited

University of Houston - Clear Lake (759)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total FY2025
9,385,424.04	5,197,161.82	338,285.27	4,134,935.80	0.00	77,680,674.95
2,568,088.70	2,286,915.47	137.12	939,464.78	0.00	21,086,950.85
4,625,280.26	1,190,860.37	105.35	748,092.19	0.00	8,948,901.09
0.00	0.00	0.00	0.00	0.00	33,765.20
157,824.75	15,994.02	237.00	47,478.50	0.00	997,714.21
129,113.98	400,346.92	866.56	402,429.07	0.00	3,364,367.73
67,867.06	2,371,012.13	0.00	269,574.72	0.00	3,695,626.88
64,577.95	876,917.32	0.00	246,096.11	0.00	1,601,734.81
70,032.24	10,333.40	0.00	97,585.32	0.00	2,155,334.57
86,574.18	3,817.59	0.00	19,488.09	0.00	255,768.07
0.00	0.00	0.00	0.00	13,158,986.86	13,158,986.86
1,342.16	633.17	0.00	722.53	0.00	7,253.22
25,168.00	0.00	7,733,819.37	69,028.26	0.00	11,826,590.17
77,157.95	0.00	0.00	0.00	0.00	77,187.14
621,231.97	30,080.91	111,036.68	748,103.48	0.00	3,857,688.40
<u>\$ 17,879,683.24</u>	<u>\$ 12,384,073.12</u>	<u>\$ 8,184,487.35</u>	<u>\$ 7,722,998.85</u>	<u>\$ 13,158,986.86</u>	<u>\$ 148,748,544.15</u>

Unaudited

University of Houston - Clear Lake (759)
Statement of Cash Flows
For the Year Ended August 31, 2025

	<u>Total FY2025</u>
Cash Flows From Operating Activities	
Receipts from Customers	\$ 2,118,286.16
Proceeds from Tuition and Fees	47,039,114.44
Proceeds from Research Grants and Contracts	17,341,386.74
Proceeds from Loan Programs	5,524,968.89
Proceeds from Auxiliaries	3,749,895.18
Proceeds from Other Revenues	(137,823.96)
Payments to Suppliers for Goods and Services	(21,889,914.86)
Payments to Employees for Salaries	(76,145,520.80)
Payments to Employees for Benefits	(21,347,359.55)
Payments for Loans Provided	(5,321,748.35)
Payments for Other Expenses	(13,895,155.89)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(62,963,872.00)</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	50,616,209.67
Proceeds from Gifts	1,167,888.51
Proceeds from Endowments	909,105.44
Proceeds of Transfers from Other Funds	10,569,978.45
Proceeds from Grants	19,641,943.40
Payments for Transfers to Other Funds	(2,261,794.33)
<u>Net Cash Provided (Used) by Noncapital Financing Activities</u>	<u>80,643,331.14</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Other Financing Activities	18,666,530.70
Payments for Additions to Capital Assets	(5,791,989.46)
Payments of Principal on Debt Issuance	(7,650,000.00)
Payments for Leases/SBITA	(3,169,692.73)
Payments of Interest on Debt Issuance	(5,979,839.40)
Payments of Other Costs on Debt Issuance	(15,997,959.96)
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>	<u>(19,922,950.85)</u>
Cash Flows From Investing Activities	
Proceeds from Interest and Investment Income	4,634,848.89
Payments to Acquire Investments	(2,797,091.54)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>1,837,757.35</u>

Unaudited

University of Houston - Clear Lake (759)
Statement of Cash Flows
For the Year Ended August 31, 2025

	Total FY2025
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (405,734.36)
Cash and Cash Equivalents, September 1	31,953,122.90
Restatements	0.00
Cash and Cash Equivalents, August 31	\$ 31,547,388.54
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (79,778,441.32)
Provided (Used) by Operating Activities	
Depreciation and Amortization Expense	13,158,986.86
Operating Income and Cash Flow Categories:	
Classification Differences	203,220.54
Changes in Assets and Liabilities:	
(Increase) Decrease In Receivables	868,547.77
(Increase) Decrease in Inventories	731.28
(Increase) Decrease in Prepaid Expenses	(477,404.76)
(Increase) Decrease in Other Assets	(185,397.90)
Increase (Decrease) in Payables	(424,170.50)
Increase (Decrease) in Deferred Income	501,607.08
Increase (Decrease) in Compensated Absences	(260,408.70)
Increase (Decrease) in Benefits Payable	1,535,154.15
Increase (Decrease) in Other Liabilities	1,893,703.50
Total Adjustments	16,814,569.32
Net Cash Provided (Used) by Operating Activities	\$ (62,963,872.00)
Non Cash Transactions	
Net Change in Fair Value of Investments	830,700.66
Non Cash Transactions	\$ 830,700.66

**UNIVERSITY OF HOUSTON
DOWNTOWN**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

PRIMARY STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2025

Unaudited

University of Houston - Downtown (784)
Statement of Net Position
August 31, 2025

	Total FY2025
ASSETS	
Current Assets	
Cash and Cash Equivalents	
Cash on Hand	\$ 20,100.00
Cash in Bank	(33,404,499.77)
Cash in Transit/Reimburse From Treasury	2,675,000.70
Cash in State Treasury	2,084,722.49
Cash Equivalents	40,929,282.91
Restricted:	
Cash In Bank	30,577,037.44
Legislative Appropriation	14,029,674.15
Receivables:	
Federal Receivables	3,617,945.47
UHS Intercampus Receivables	32,612,183.98
Accounts Receivable	14,379,664.77
Gifts	469,026.37
Other	14,115,851.38
Due From Other Agencies	264,282.73
Consumable Inventories	19,324.77
Prepaid Costs	5,833,854.89
Loans and Contracts	8,507,534.16
Total Current Assets	136,730,986.44
Non-Current Assets	
Restricted:	
Receivables	2,250,414.88
UHS Intercampus Receivables	81,010,870.20
Investments	195,414.13
UHS Intercampus Receivables	11,100,435.93
Capital Assets	
Non-Depreciable or Non-Amortizable	35,162,591.81
Depreciable or Amortizable, Net	186,067,008.03
Right to Use Assets - Amortizable, Net	501,410.45
Right to Use Subscriptions - Amortizable, Net	836,377.68
Total Non-Current Assets	317,124,523.11
Total Assets	453,855,509.55
DEFERRED OUTFLOW OF RESOURCES	
Total Deferred Outflow of Resources	0.00
Total Assets and Deferred Outflow of Resources	\$ 453,855,509.55

Unaudited

University of Houston - Downtown (784)
Statement of Net Position
August 31, 2025

	Total FY2025
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts Payable	\$ 3,120,430.91
Accrued Lease Interest Payable	362.88
Accrued Subscription Interest Payable	7,927.29
Federal Payable	9,394.56
Payroll Payable	9,393,861.20
UHS Intercampus Payable	2,860,211.59
Other Payable	249,295.40
Due to Other Agencies	114,690.48
Unearned Revenues	54,164,292.29
Revenue Bonds Payable	10,404,907.76
Claims and Judgments Payable	67,034.51
Employees' Compensable Leave	2,787,439.48
Right to Use Lease Obligations	525,618.07
Right to Use Subscription Obligations	137,604.25
Funds Held for Others	3,853,234.59
Total Current Liabilities	87,696,305.26
Non Current-Liabilities	
Revenue Bonds Payable	133,061,914.32
Employees' Compensable Leave	2,281,297.63
Right to Use Lease Obligations	0.46
Right to Use Subscription Obligations	308,652.87
Total Non-Current Liabilities	135,651,865.28
Total Liabilities	223,348,170.54
DEFERRED IN FLOW OF RESOURCES	
Total Deferred Inflows of Resources	0.00
Total Liabilities and Deferred Inflow of Resources	223,348,170.54
NET POSITION	
Invested in Capital Assets, Net of Related Debt	115,740,735.64
Restricted for:	
Debt Retirement	521,925.00
Capital Projects	2,888.00
Funds Held as Permanent Investments	
Non-Expendable	
True Endowments, Annuities	38,730,804.73
Expendable	
Funds Functioning as Endowments	1,426,119.44
Other	13,842,528.00
Unrestricted	60,242,338.20
Total Net Position	\$ 230,507,339.01

Unaudited

University of Houston - Downtown (784)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
Operating Revenues	
Sales of Goods and Services (PR-Chgs for Services)	
Tuition and Fees-Pledged	\$ 111,910,849.58
Discounts and Allowances	(58,966,416.40)
Auxiliary Enterprise-Pledged	2,121,427.07
Other Sales of Goods and Services-Pledged	1,971,154.16
Federal Revenue-Operating (PR-OP Grants/Contributions)	4,580,427.25
Federal Pass Through Revenue (PR-OP Grants/Contributions)	95,936.69
State Grant Revenue (PR-OP Grants/Contributions)	325,979.76
State Grant Pass Through Revenue (PR-OP Grants/Contributions)	14,340,101.40
Other Grants and Contracts-Operating (PR-OP Grants/Contributions)	548,200.95
Total Operating Revenues	76,927,660.46
Operating Expenses	
Instruction	57,940,010.76
Research	3,624,229.96
Public Service	3,077,493.68
Academic Support	31,201,369.99
Student Services	7,734,715.26
Institutional Support	26,838,394.56
Physical Plant	17,203,341.97
Scholarships & Fellowships	12,553,456.85
Auxiliary Enterprises	11,168,069.18
Depreciation and Amortization	15,395,428.87
Total Operating Expenses	186,736,511.08
Operating Income (Loss)	(109,808,850.62)
Non-Operating Revenues (Expenses)	
Legislative Revenue (GR)	28,526,316.00
Additional Appropriations (GR)	8,008,493.49
Federal Revenue Non-Operating (PR-OP Grants/Contributions)	50,315,789.47
Gifts (PR-OP Grants/Contributions)	4,763,595.79
Interest and Investment Income (PR-Chgs for Services)	7,113,623.01
Interest Expense and Fiscal Charges	(5,004,834.73)
Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib)	760,861.52
Other Nonoperating Revenues	1,698,153.76
Other Nonoperating Expenses	(1,475,623.94)
Total Nonoperating Revenues (Expenses)	\$ 94,706,374.37

Unaudited

University of Houston - Downtown (784)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
<u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u>	<u>\$ (15,102,476.25)</u>
Other Revenues, Expenses, Gains, Losses and Transfers	
Capital Appropriation (HEAF)	11,155,034.00
Additions to Permanent and Term Endowments	1,047,557.77
UHS Intercampus Transfers-In	10,156,460.14
UHS Intercampus Transfers-Out	(464,953.67)
Transfers-In	42,235.00
Legislative Transfers-In	421,416.00
<u>Total Other Rev, Exp, Gains, Losses and Transfers</u>	<u>22,357,749.24</u>
<u>Changes in Net Position</u>	<u>7,255,272.99</u>
Net Position Beginning	223,347,755.82
Restatements	(95,689.80)
<u>Net Position Beginning, as Restated</u>	<u>223,252,066.02</u>
<u>Net Position, Ending</u>	<u>\$ 230,507,339.01</u>

Unaudited

University of Houston - Downtown (784)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Salaries and Wages	44,451,371.45	1,533,200.20	1,214,555.56	18,705,253.98	4,578,298.68
Payroll Related Costs	11,615,801.41	375,390.64	328,139.00	5,427,774.02	1,445,451.34
Professional Fees and Services	485,887.44	946,508.95	696,160.60	2,067,263.04	750,163.62
State Pass Through Expenses	0.00	140,245.08	0.00	0.00	0.00
Travel	365,636.80	130,982.63	60,201.25	421,804.47	34,164.07
Materials and Supplies	408,888.42	265,981.25	225,679.64	1,569,557.31	109,568.35
Communication and Utilities	110,652.39	5,770.76	14,540.30	240,630.41	59,232.72
Repairs and Maintenance	2,716.68	1,945.94	14,440.60	46,255.06	10,891.86
Rentals and Leases	121,341.41	12,154.44	35,465.41	1,634,810.84	272,627.38
Printing and Reproduction	10,723.87	3,742.87	6,122.20	20,275.50	56,531.46
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00
Interest	969.31	2,011.69	474.79	9,443.10	154.52
Scholarships	4,607.41	25,598.17	556.79	87,120.92	43,007.22
Claims and Judgments	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	361,414.17	180,697.34	481,157.54	971,181.34	374,624.04
Total Operating Expenses	\$ 57,940,010.76	\$ 3,624,229.96	\$ 3,077,493.68	\$ 31,201,369.99	\$ 7,734,715.26

Unaudited

University of Houston - Downtown (784)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total FY2025
12,192,416.28	5,947,806.49	118,043.32	5,307,783.63	0.00	94,048,729.59
3,545,513.49	2,385,120.86	0.00	1,598,171.50	0.00	26,721,362.26
5,159,963.03	5,056,562.04	0.00	2,428,734.39	0.00	17,591,243.11
0.00	0.00	0.00	0.00	0.00	140,245.08
114,996.98	12,342.56	0.00	72,777.03	0.00	1,212,905.79
1,113,128.58	568,630.83	814.05	239,604.36	0.00	4,501,852.79
186,430.73	2,580,725.73	0.00	278,594.59	0.00	3,476,577.63
689,684.03	577,030.66	0.00	118,034.46	0.00	1,460,999.29
2,028,387.95	40,948.92	0.00	324,489.52	0.00	4,470,225.87
98,422.04	4,011.95	0.00	95,375.45	0.00	295,205.34
0.00	0.00	0.00	0.00	15,395,428.87	15,395,428.87
3,556.57	2,008.50	58.16	2,859.42	0.00	21,536.06
398,802.81	121.37	12,375,078.32	30,936.75	0.00	12,965,829.76
62,304.65	0.00	0.00	12,250.00	0.00	74,554.65
1,244,787.42	28,032.06	59,463.00	658,458.08	0.00	4,359,814.99
<u>\$ 26,838,394.56</u>	<u>\$ 17,203,341.97</u>	<u>\$ 12,553,456.85</u>	<u>\$ 11,168,069.18</u>	<u>\$ 15,395,428.87</u>	<u>\$ 186,736,511.08</u>

Unaudited

University of Houston - Downtown (784)
Statement of Cash Flows
For the Year Ended August 31, 2025

	<u>Total FY2025</u>
Cash Flows From Operating Activities	
Receipts from Customers	\$ 1,749,930.55
Proceeds from Tuition and Fees	55,857,127.09
Proceeds from Research Grants and Contracts	20,668,079.18
Proceeds from Loan Programs	8,894,564.73
Proceeds from Auxiliaries	2,121,427.07
Payments to Suppliers for Goods and Services	(42,082,594.53)
Payments to Employees for Salaries	(94,197,274.04)
Payments to Employees for Benefits	(26,155,226.99)
Payments for Loans Provided	(23,731,465.09)
Payments for Other Expenses	(13,324,523.97)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(110,199,956.00)</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	48,492,372.26
Proceeds from Gifts	4,671,947.05
Proceeds from Endowments	1,047,557.77
Proceeds of Transfers from Other Funds	11,896,848.90
Proceeds from Grants	50,315,789.47
Payments for Transfers to Other Funds	(1,940,577.61)
<u>Net Cash Provided (Used) by Noncapital Financing Activities</u>	<u>114,483,937.84</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Other Financing Activities	22,608,588.21
Payments for Additions to Capital Assets	(12,753,520.52)
Payments of Principal on Debt Issuance	(8,790,000.00)
Payments for Leases/SBITA	(704,360.81)
Payments of Interest on Debt Issuance	(5,004,834.73)
Payments of Other Costs on Debt Issuance	(17,606,472.76)
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>	<u>(22,250,600.61)</u>
Cash Flows From Investing Activities	
Proceeds from Sales of Investments	45,448.93
Proceeds from Interest and Investment Income	7,113,623.01
Payments to Acquire Investments	(2,539,518.24)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>4,619,553.70</u>

Unaudited

University of Houston - Downtown (784)
Statement of Cash Flows
For the Year Ended August 31, 2025

	Total FY2025
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (13,347,065.07)
Cash and Cash Equivalents, September 1	56,228,708.84
Restatements	0.00
Cash and Cash Equivalents, August 31	\$ 42,881,643.77
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (109,808,850.62)
Provided (Used) by Operating Activities	
Depreciation and Amortization Expense	15,395,428.87
Operating Income and Cash Flow Categories:	
Classification Differences	(767,080.36)
Changes in Assets and Liabilities:	
(Increase) Decrease In Receivables	(13,640,000.62)
(Increase) Decrease in Inventories	9,496.37
(Increase) Decrease in Prepaid Expenses	576,192.82
(Increase) Decrease in Other Assets	289,345.94
Increase (Decrease) in Payables	(9,732,456.63)
Increase (Decrease) in Deferred Income	2,912,693.91
Increase (Decrease) in Compensated Absences	566,135.27
Increase (Decrease) in Benefits Payable	(148,544.45)
Increase (Decrease) in Other Liabilities	4,147,683.50
Total Adjustments	(391,105.38)
Net Cash Provided (Used) by Operating Activities	\$ (110,199,956.00)
Non Cash Transactions	
Net Change in Fair Value of Investments	760,861.52
Non Cash Transactions	\$ 760,861.52

**UNIVERSITY OF HOUSTON
VICTORIA**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

PRIMARY STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2025

Unaudited

University of Houston - Victoria (765)
Statement of Net Position
August 31, 2025

	Total FY2025
ASSETS	
Current Assets	
Cash and Cash Equivalents	
Cash on Hand	\$ 1,934.00
Cash in Bank	1,963,945.68
Cash in State Treasury	3,082,436.32
Cash Equivalents	5,369,079.21
Restricted:	
Cash In Bank	5,180,701.43
Legislative Appropriation	6,825,116.81
Receivables:	
Federal Receivables	81,265.53
UHS Intercampus Receivables	2,147,315.20
Interest and Dividends	3,505.08
Accounts Receivable	9,397,326.55
Gifts	24,970.90
Leases	204,781.83
Other	40.00
Due From Other Agencies	84,205.79
Prepaid Costs	1,697,438.61
Loans and Contracts	2,985,092.48
Total Current Assets	39,049,155.42
Non-Current Assets	
Restricted:	
Receivables	9,697.07
UHS Intercampus Receivables	49,333,280.99
Loans and Contracts	792,928.01
UHS Intercampus Receivables	3,747,311.57
Capital Assets	
Non-Depreciable or Non-Amortizable	21,881,267.75
Depreciable or Amortizable, Net	119,673,842.44
Right to Use Subscriptions - Amortizable, Net	147,681.29
Total Non-Current Assets	195,586,009.12
Total Assets	234,635,164.54
DEFERRED OUTFLOW OF RESOURCES	
Total Deferred Outflow of Resources	0.00
Total Assets and Deferred Outflow of Resources	\$ 234,635,164.54

Unaudited

University of Houston - Victoria (765)
Statement of Net Position
August 31, 2025

	Total FY2025
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts Payable	\$ 2,108,053.36
Accrued Subscription Interest Payable	1,925.17
Federal Payable	1,000.00
Payroll Payable	1,188,154.89
UHS Intercampus Payable	6,814,964.38
Other Payable	271,533.83
Due to Other Agencies	1,262,690.35
Unearned Revenues	13,129,234.51
Revenue Bonds Payable	7,851,293.25
Claims and Judgments Payable	26,286.29
Employees' Compensable Leave	546,978.94
Right to Use Subscription Obligations	46,643.70
Funds Held for Others	4,646,869.80
Total Current Liabilities	37,895,628.47
Non Current-Liabilities	
Revenue Bonds Payable	142,688,791.22
Employees' Compensable Leave	482,152.58
Right to Use Subscription Obligations	48,544.24
Total Non-Current Liabilities	143,219,488.04
Total Liabilities	181,115,116.51
DEFERRED IN FLOW OF RESOURCES	
Leases	1,009,357.37
Total Deferred Inflows of Resources	1,009,357.37
Total Liabilities and Deferred Inflow of Resources	182,124,473.88
NET POSITION	
Invested in Capital Assets, Net of Related Debt	23,657,796.29
Restricted for:	
Debt Retirement	729,177.73
Capital Projects	2,333,712.07
Funds Held as Permanent Investments	
Non-Expendable	
True Endowments, Annuities	11,716,987.71
Expendable	
Funds Functioning as Endowments	1,258,385.56
Other	4,629,631.33
Unrestricted	8,184,999.97
Total Net Position	\$ 52,510,690.66

Unaudited

University of Houston - Victoria (765)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
Operating Revenues	
Sales of Goods and Services (PR-Chgs for Services)	
Tuition and Fees-Pledged	\$ 29,422,548.57
Discounts and Allowances	(15,077,024.86)
Auxiliary Enterprise-Pledged	3,248,092.11
Other Sales of Goods and Services-Pledged	411,101.43
Federal Revenue-Operating (PR-OP Grants/Contributions)	815,126.51
Federal Pass Through Revenue (PR-OP Grants/Contributions)	163,013.53
State Grant Revenue (PR-OP Grants/Contributions)	99,153.41
State Grant Pass Through Revenue (PR-OP Grants/Contributions)	2,007,965.53
Other Grants and Contracts-Operating (PR-OP Grants/Contributions)	114,257.70
Total Operating Revenues	21,204,233.93
Operating Expenses	
Instruction	19,259,435.57
Research	358,352.27
Public Service	620,589.39
Academic Support	6,331,507.07
Student Services	6,164,696.71
Institutional Support	6,174,051.82
Physical Plant	3,298,386.46
Scholarships & Fellowships	(528,109.76)
Auxiliary Enterprises	2,714,808.31
Depreciation and Amortization	7,919,614.89
Total Operating Expenses	52,313,332.73
Operating Income (Loss)	(31,109,098.80)
Non-Operating Revenues (Expenses)	
Legislative Revenue (GR)	16,578,184.00
Additional Appropriations (GR)	4,281,000.65
Federal Revenue Non-Operating (PR-OP Grants/Contributions)	6,048,428.42
Gifts (PR-OP Grants/Contributions)	352,552.09
Interest and Investment Income (PR-Chgs for Services)	1,604,431.02
Interest Expense and Fiscal Charges	(5,436,293.57)
Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib)	226,427.36
Other Nonoperating Revenues	14,403.04
Other Nonoperating Expenses	(1,662,594.70)
Total Nonoperating Revenues (Expenses)	\$ 22,006,538.31

Unaudited

University of Houston - Victoria (765)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
<u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u>	<u>\$ (9,102,560.49)</u>
Other Revenues, Expenses, Gains, Losses and Transfers	
Capital Appropriation (HEAF)	3,649,703.00
Additions to Permanent and Term Endowments	62,365.00
UHS Intercampus Transfers-In	8,269,354.27
UHS Intercampus Transfers-Out	(64,239.97)
Transfers-In	15,439.87
Legislative Transfers-In	151,869.00
Legislative Appropriations Lapsed	(5,986.21)
<u>Total Other Rev, Exp, Gains, Losses and Transfers</u>	<u>12,078,504.96</u>
<u>Changes in Net Position</u>	<u>2,975,944.47</u>
Net Position Beginning	49,507,721.19
Restatements	27,025.00
<u>Net Position Beginning, as Restated</u>	<u>49,534,746.19</u>
<u>Net Position, Ending</u>	<u>\$ 52,510,690.66</u>

Unaudited

University of Houston - Victoria (765)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 12.81
Salaries and Wages	14,175,301.75	227,920.90	362,264.12	3,205,477.14	3,082,432.89
Payroll Related Costs	3,934,555.04	55,150.15	136,291.14	1,020,524.65	967,337.19
Professional Fees and Services	149,051.24	2,388.00	18,904.36	713,886.74	715,223.08
Travel	75,839.15	2,916.76	8,702.15	94,429.42	242,598.88
Materials and Supplies	260,965.59	820.54	17,225.60	177,827.61	219,246.92
Communication and Utilities	10,556.09	23.44	1,564.21	560,319.61	67,791.68
Repairs and Maintenance	86,286.85	0.00	775.77	72,709.29	71,182.67
Rentals and Leases	422,851.52	0.00	913.88	135,528.50	220,481.24
Printing and Reproduction	1,828.31	0.00	3,879.34	8,915.40	50,129.77
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00
Interest	44.18	453.51	0.00	160.03	493.89
Scholarships	11,630.58	0.00	0.00	6,342.34	18,572.87
Claims and Judgments	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	130,525.27	68,678.97	70,068.82	335,386.34	509,192.82
Total Operating Expenses	\$ 19,259,435.57	\$ 358,352.27	\$ 620,589.39	\$ 6,331,507.07	\$ 6,164,696.71

Unaudited

University of Houston - Victoria (765)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total FY2025
\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 12.81
2,871,061.02	529,994.83	396,503.59	541,888.74	0.00	25,392,844.98
959,075.17	224,011.56	854.35	149,152.58	0.00	7,446,951.83
1,638,626.76	437,133.65	0.00	688,997.54	0.00	4,364,211.37
19,318.70	340.40	0.00	230,226.66	0.00	674,372.12
74,325.72	112,077.85	1,396.81	84,575.90	0.00	948,462.54
100,705.38	1,151,566.01	0.00	459,962.64	0.00	2,352,489.06
176,809.70	791,768.91	0.00	430,931.11	0.00	1,630,464.30
247,287.11	19,598.40	0.00	88,215.49	0.00	1,134,876.14
4,096.99	0.00	0.00	4,762.71	0.00	73,612.52
0.00	0.00	0.00	0.00	7,919,614.89	7,919,614.89
330.80	19,167.62	0.00	8,921.35	0.00	29,571.38
67.09	12,000.00	(957,404.38)	8,938.30	0.00	(899,853.20)
48,055.87	0.00	0.00	0.00	0.00	48,055.87
34,291.51	727.23	30,539.87	18,235.29	0.00	1,197,646.12
<u>\$ 6,174,051.82</u>	<u>\$ 3,298,386.46</u>	<u>\$ (528,109.76)</u>	<u>\$ 2,714,808.31</u>	<u>\$ 7,919,614.89</u>	<u>\$ 52,313,332.73</u>

Unaudited

University of Houston - Victoria (765)
Statement of Cash Flows
For the Year Ended August 31, 2025

	<u>Total FY2025</u>
Cash Flows From Operating Activities	
Receipts from Customers	\$ 431,477.68
Proceeds from Tuition and Fees	12,870,364.04
Proceeds from Research Grants and Contracts	1,581,475.38
Proceeds from Loan Programs	3,959,439.04
Proceeds from Auxiliaries	3,248,092.11
Payments to Suppliers for Goods and Services	(8,147,056.02)
Payments to Employees for Salaries	(25,238,837.53)
Payments to Employees for Benefits	(7,517,796.74)
Payments for Loans Provided	(3,965,087.34)
Payments for Other Expenses	2,863,705.38
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(19,914,224.00)</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	24,257,162.05
Proceeds from Gifts	1,078,285.61
Proceeds from Endowments	62,365.00
Proceeds of Transfers from Other Funds	8,299,197.18
Proceeds from Grants	6,048,428.42
Payments for Transfers to Other Funds	(1,703,136.98)
<u>Net Cash Provided (Used) by Noncapital Financing Activities</u>	<u>38,042,301.28</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Debt Issuance	14,490,000.00
Proceeds from Other Financing Activities	24,087,384.14
Payments for Additions to Capital Assets	(8,292,644.56)
Payments of Principal on Debt Issuance	(6,377,000.00)
Payments for Leases/SBITA	(46,643.70)
Payments of Interest on Debt Issuance	(5,436,293.57)
Payments of Other Costs on Debt Issuance	(26,418,987.88)
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>	<u>(7,994,185.57)</u>
Cash Flows From Investing Activities	
Proceeds from Interest and Investment Income	1,601,423.86
Payments to Acquire Investments	(1,905,836.13)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(304,412.27)</u>

Unaudited

University of Houston - Victoria (765)
Statement of Cash Flows
For the Year Ended August 31, 2025

	Total FY2025
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 9,829,479.44
Cash and Cash Equivalents, September 1	5,768,617.20
Restatements	0.00
Cash and Cash Equivalents, August 31	\$ 15,598,096.64
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (31,109,098.80)
Provided (Used) by Operating Activities	
Depreciation and Amortization Expense	7,919,614.89
Operating Income and Cash Flow Categories:	
Classification Differences	(5,648.30)
Changes in Assets and Liabilities:	
(Increase) Decrease In Receivables	(3,562,283.67)
(Increase) Decrease in Prepaid Expenses	2,375,913.48
(Increase) Decrease in Other Assets	131,255.47
Increase (Decrease) in Payables	655,889.29
Increase (Decrease) in Deferred Income	(1,475,159.67)
Increase (Decrease) in Compensated Absences	(70,844.91)
Increase (Decrease) in Benefits Payable	154,007.45
Increase (Decrease) in Other Liabilities	4,221,685.50
Increase (Decrease) in Deferred Inflows of Resources-Leases	850,445.27
Total Adjustments	11,194,874.80
Net Cash Provided (Used) by Operating Activities	\$ (19,914,224.00)
Non Cash Transactions	
Net Change in Fair Value of Investments	226,427.36
Non Cash Transactions	\$ 226,427.36

**UNIVERSITY OF HOUSTON
SYSTEM ADMINISTRATION**

**UNAUDITED ANNUAL
FINANCIAL REPORT**

PRIMARY STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2025

Unaudited

University of Houston - System Administration (783)
Statement of Net Position
August 31, 2025

	Total FY2025
ASSETS	
Current Assets	
Cash and Cash Equivalents	
Cash in Bank	\$ 308,988,368.30
Cash in Transit/Reimburse From Treasury	34,854,230.15
Cash in State Treasury	177,257.02
Cash Equivalents	176,373,215.45
Short Term Investments	272,929,963.55
Restricted:	
Cash In Bank	(301,754,838.84)
Legislative Appropriation	271,345.07
Receivables:	
UHS Intercampus Receivables	(16,678,698.51)
Interest and Dividends	4,490,382.82
Accounts Receivable	5,448,294.19
Other	5,919,070.21
Prepaid Costs	476,143.37
Total Current Assets	491,494,732.78
Non-Current Assets	
Restricted:	
Receivables	
UHS Intercampus Receivables	(66,219.17)
Investments	2,022,131,420.29
Capital Assets	
Non-Depreciable or Non-Amortizable	23,095,937.46
Depreciable or Amortizable, Net	36,084,510.25
Right to Use Assets - Amortizable, Net	315,027.16
Total Non-Current Assets	2,081,560,675.99
Total Assets	2,573,055,408.77
DEFERRED OUTFLOW OF RESOURCES	
Total Deferred Outflow of Resources	0.00
Total Assets and Deferred Outflow of Resources	\$ 2,573,055,408.77

Unaudited

University of Houston - System Administration (783)
Statement of Net Position
August 31, 2025

	Total FY2025
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts Payable	\$ 19,665,286.36
Accrued Lease Interest Payable	3,104.51
Payroll Payable	12,496,151.79
UHS Intercampus Payable	2,163,347,129.41
Other Payable	248,634.13
Unearned Revenues	7,654,133.58
Notes and Loans Payable	21,020,000.00
Revenue Bonds Payable	5,653,462.62
Claims and Judgments Payable	1,620.80
Employees' Compensable Leave	481,207.26
Right to Use Lease Obligations	40,723.62
Funds Held for Others	(2,604,128.24)
Total Current Liabilities	2,228,007,325.84
Non Current-Liabilities	
Revenue Bonds Payable	86,357,715.69
Employees' Compensable Leave	383,700.05
Right to Use Lease Obligations	254,695.29
Total Non-Current Liabilities	86,996,111.03
Total Liabilities	2,315,003,436.87
DEFERRED IN FLOW OF RESOURCES	
Total Deferred Inflows of Resources	0.00
Total Liabilities and Deferred Inflow of Resources	2,315,003,436.87
NET POSITION	
Invested in Capital Assets, Net of Related Debt	97,657,758.75
Restricted for:	
Debt Retirement	3,883,453.95
Capital Projects	5,618,686.63
Funds Held as Permanent Investments	
Non-Expendable	
True Endowments, Annuities	59,984,732.59
Expendable	
Funds Functioning as Endowments	9,002,575.66
Other	8,945,387.65
Unrestricted	72,959,376.67
Total Net Position	\$ 258,051,971.90

Unaudited

University of Houston - System Administration (783)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
Operating Revenues	
Sales of Goods and Services (PR-Chgs for Services)	
Other Sales of Goods and Services-Pledged	\$ 60,186.96
State Grant Revenue (PR-OP Grants/Contributions)	3,391.93
<u>Total Operating Revenues</u>	<u>63,578.89</u>
Operating Expenses	
Academic Support	1,488,045.09
Student Services	348,485.78
Institutional Support	14,785,440.76
Physical Plant	749,141.10
Depreciation and Amortization	2,626,348.08
<u>Total Operating Expenses</u>	<u>19,997,460.81</u>
<u>Operating Income (Loss)</u>	<u>(19,933,881.92)</u>
Non-Operating Revenues (Expenses)	
Legislative Revenue (GR)	59,836,780.00
Additional Appropriations (GR)	527,787.59
Gifts (PR-OP Grants/Contributions)	58,365.37
Interest and Investment Income (PR-Chgs for Services)	45,581,783.85
Interest Expense and Fiscal Charges	(3,407,804.61)
Net Incr (Decr) in Fair Value of Investments (PR-OP Grants/Contrib)	(4,376,466.97)
Other Nonoperating Revenues	12,238,442.69
Other Nonoperating Expenses	194,967.79
<u>Total Nonoperating Revenues (Expenses)</u>	<u>\$ 110,653,855.71</u>

Unaudited

University of Houston - System Administration (783)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Total FY2025
<u>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</u>	<u>\$ 90,719,973.79</u>
Other Revenues, Expenses, Gains, Losses and Transfers	
UHS Intercampus Transfers-In	7,824,400.31
UHS Intercampus Transfers-Out	(60,167,856.52)
Transfers-Out	(1,886.11)
Legislative Appropriations Lapsed	(753,014.23)
<u>Total Other Rev, Exp, Gains, Losses and Transfers</u>	<u>(53,098,356.55)</u>
<u>Changes in Net Position</u>	<u>37,621,617.24</u>
Net Position Beginning	220,430,354.66
Restatements	0.00
<u>Net Position Beginning, as Restated</u>	<u>220,430,354.66</u>
<u>Net Position, Ending</u>	<u>\$ 258,051,971.90</u>

Unaudited

University of Houston - System Administration (783)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Salaries and Wages	\$ 0.00	\$ 0.00	\$ 0.00	\$ 425,140.04	285,700.00
Payroll Related Costs	0.00	0.00	0.00	50,905.05	50,785.78
Professional Fees and Services	0.00	0.00	0.00	0.00	0.00
Travel	0.00	0.00	0.00	0.00	0.00
Materials and Supplies	0.00	0.00	0.00	0.00	0.00
Communication and Utilities	0.00	0.00	0.00	0.00	0.00
Repairs and Maintenance	0.00	0.00	0.00	0.00	0.00
Rentals and Leases	0.00	0.00	0.00	12,000.00	12,000.00
Printing and Reproduction	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00	0.00
Scholarships	0.00	0.00	0.00	1,000,000.00	0.00
Claims and Judgments	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	0.00	0.00	0.00	0.00	0.00
Total Operating Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,488,045.09	\$ 348,485.78

Unaudited

University of Houston - System Administration (783)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2025

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total FY2025
8,482,974.49	184,632.33	0.00	0.00	0.00	\$ 9,378,446.86
1,933,372.32	57,307.00	0.00	0.00	0.00	2,092,370.15
2,803,299.40	324,666.89	0.00	0.00	0.00	3,127,966.29
164,506.17	0.00	0.00	0.00	0.00	164,506.17
300,070.23	36,704.57	0.00	0.00	0.00	336,774.80
97,265.79	20,507.20	0.00	0.00	0.00	117,772.99
52,506.28	125,310.45	0.00	0.00	0.00	177,816.73
496,436.67	0.00	0.00	0.00	0.00	520,436.67
15,161.50	0.00	0.00	0.00	0.00	15,161.50
0.00	0.00	0.00	0.00	2,626,348.08	2,626,348.08
13,458.88	12.66	0.00	0.00	0.00	13,471.54
0.00	0.00	0.00	0.00	0.00	1,000,000.00
1,773.71	0.00	0.00	0.00	0.00	1,773.71
424,615.32	0.00	0.00	0.00	0.00	424,615.32
<u>\$ 14,785,440.76</u>	<u>\$ 749,141.10</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 2,626,348.08</u>	<u>\$ 19,997,460.81</u>

Unaudited

University of Houston - System Administration (783)
Statement of Cash Flows
For the Year Ended August 31, 2025

	<u>Total FY2025</u>
Cash Flows From Operating Activities	
Receipts from Customers	\$ (4,572,984.66)
Proceeds from Tuition and Fees	7,629,732.50
Proceeds from Research Grants and Contracts	445,367.36
Payments to Suppliers for Goods and Services	6,193,977.94
Payments to Employees for Salaries	(3,505,132.87)
Payments to Employees for Benefits	(2,191,527.59)
Payments for Other Expenses	(4,018,490.16)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(19,057.48)</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	60,334,742.91
Proceeds from Gifts	58,365.37
Proceeds of Transfers from Other Funds	20,062,843.00
Payments for Transfers to Other Funds	(59,974,774.84)
<u>Net Cash Provided (Used) by Noncapital Financing Activities</u>	<u>20,481,176.44</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Other Financing Activities	65,607,558.10
Payments for Additions to Capital Assets	(1,117,318.16)
Payments of Principal on Debt Issuance	(4,750,000.00)
Payments of Interest on Debt Issuance	(3,407,804.61)
Payments of Other Costs on Debt Issuance	(3,238,547.60)
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>	<u>53,093,887.73</u>
Cash Flows From Investing Activities	
Proceeds from Sales of Investments	2,298,936,560.91
Proceeds from Interest and Investment Income	44,603,228.40
Payments to Acquire Investments	(2,599,215,166.28)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(255,675,376.97)</u>

Unaudited

University of Houston - System Administration (783)
Statement of Cash Flows
For the Year Ended August 31, 2025

	Total FY2025
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (182,119,370.28)
Cash and Cash Equivalents, September 1	400,757,602.36
Restatements	0.00
Cash and Cash Equivalents, August 31	\$ 218,638,232.08
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (19,933,881.92)
Provided (Used) by Operating Activities	
Depreciation and Amortization Expense	2,626,348.08
Operating Income and Cash Flow Categories:	
Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease In Receivables	(4,191,196.19)
(Increase) Decrease in Prepaid Expenses	(33,063.36)
Increase (Decrease) in Payables	10,684,380.52
Increase (Decrease) in Deferred Income	7,629,732.50
Increase (Decrease) in Compensated Absences	(99,157.44)
Increase (Decrease) in Benefits Payable	5,873,313.99
Increase (Decrease) in Other Liabilities	(2,575,533.66)
Total Adjustments	19,914,824.44
Net Cash Provided (Used) by Operating Activities	\$ (19,057.48)
Non Cash Transactions	
Net Change in Fair Value of Investments	(4,376,466.97)
Non Cash Transactions	\$ (4,376,466.97)