

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at www.irs.gov/form990

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning **JUL 1, 2013** and ending **JUN 30, 2014**

| | | | |
|---|---|---|--|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization THE HOWARD UNIVERSITY | | D Employer identification number 53-0204707 |
| | Doing Business As | | E Telephone number 2028066100 |
| | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | G Gross receipts \$ 1,345,503,000. |
| | 2400 6TH STREET NW | | |
| | City or town, state or province, country, and ZIP or foreign postal code WASHINGTON, DC 20059 | | H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| F Name and address of principal officer: MICHAEL MASCH SAME AS C ABOVE | | H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) | |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | H(c) Group exemption number ▶ | |
| J Website: ▶ WWW.HOWARD.EDU | | L Year of formation: 1867 M State of legal domicile: DC | |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | | |

Part I Summary

| | | |
|---|--|---|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: HOWARD UNIVERSITY IS AN INSTITUTION THAT EDUCATES STUDENTS, DEVELOPS PROFESSIONALS, CONDUCTS | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 33 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 30 |
| | 5 Total number of individuals employed in calendar year 2013 (Part V, line 2a) | 8309 |
| | 6 Total number of volunteers (estimate if necessary) | 485 |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 15,118,527. |
| b Net unrelated business taxable income from Form 990-T, line 34 | -1,962,748. | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year: 247,912,000. Current Year: 239,485,000. |
| | 9 Program service revenue (Part VIII, line 2g) | 707,765,000. 660,556,000. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 40,725,833. 53,366,000. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 18,060,167. 16,965,000. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 1,014,463,000. 970,372,000. |
| | Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) |
| 14 Benefits paid to or for members (Part IX, column (A), line 4) | | 0. 0. |
| 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | | 482,671,118. 483,726,464. |
| 16a Professional fundraising fees (Part IX, column (A), line 11e) | | 0. 184,690. |
| b Total fundraising expenses (Part IX, column (D), line 25) ▶ 4,803,154. | | |
| 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | | 418,915,474. 400,209,992. |
| 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 987,477,000. 982,670,000. | |
| 19 Revenue less expenses. Subtract line 18 from line 12 | 26,986,000. -12,298,000. | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | Beginning of Current Year: 1,492,987,000. End of Year: 1,532,775,000. |
| | 21 Total liabilities (Part X, line 26) | 831,876,000. 841,827,000. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 661,111,000. 690,948,000. |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

| | | | |
|-------------------------------|--|---------------------------------|---|
| Sign Here | Signature of officer | | Date |
| | MICHAEL MASCH, CFO AND TREASURER | | |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date |
| | PAMELA GRAY | | 05/15/15 |
| Paid Preparer Use Only | Firm's name ▶ SB & COMPANY, LLC | Firm's EIN ▶ 25-1306171 | Check <input type="checkbox"/> if self-employed |
| | Firm's address ▶ 200 INTERNATIONAL CIRCLE, SUITE 5500 HUNT VALLEY, MD 21030 | Phone no. (410) 584-0060 | PTIN P01237506 |

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: THE HOWARD UNIVERSITY WAS ESTABLISHED BY AN ACT OF CONGRESS IN 1867. THE UNIVERSITY IS AN INSTITUTION THAT EDUCATES STUDENTS, DEVELOPS PROFESSIONALS, CONDUCTS RESEARCH, AND SERVES PATIENTS THROUGH 12 SCHOOLS OF HIGHER EDUCATION AND AN ACADEMIC MEDICAL CENTER.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 473,206,845. including grants of \$ 98,548,854.) (Revenue \$ 314,693,000.) EDUCATION, GENERAL/OTHER - HOWARD UNIVERSITY IS A COMPREHENSIVE RESEARCH-ORIENTED HISTORICALLY BLACK PRIVATE UNIVERSITY PROVIDING AN EDUCATIONAL EXPERIENCE OF EXCEPTIONAL QUALITY TO STUDENTS OF HIGH ACADEMIC POTENTIAL WITH PARTICULAR EMPHASIS UPON THE PROVISION OF EDUCATIONAL OPPORTUNITIES TO ALL STUDENTS. HOWARD UNIVERSITY IS THE NATION'S TOP PRODUCER OF MINORITY LAWYERS, DENTISTS, PHYSICIANS AND AFRICAN AMERICAN PHDS IN THE SCIENCE AND TECHNOLOGY FIELDS. THE UNIVERSITY SERVES A COMMUNITY OF APPROXIMATELY 10,000 STUDENTS.

4b (Code:) (Expenses \$ 292,663,977. including grants of \$) (Revenue \$ 280,926,000.) A PRIVATE, NONPROFIT INSTITUTION, HOWARD UNIVERSITY HOSPITAL IS THE NATION'S ONLY TEACHING HOSPITAL LOCATED ON THE CAMPUS OF A HISTORICALLY BLACK UNIVERSITY. IT OFFERS MEDICAL STUDENTS A SUPERIOR LEARNING ENVIRONMENT AND OPPORTUNITIES TO OBSERVE OR PARTICIPATE IN GROUND-BREAKING CLINICAL AND RESEARCH WORK WITH PROFESSIONALS WHO ARE CHANGING THE FACE OF HEALTH CARE. HOWARD UNIVERSITY HOSPITAL ADMITS PATIENTS REGARDLESS OF THEIR ABILITY TO PAY.

4c (Code:) (Expenses \$ 69,245,096. including grants of \$) (Revenue \$ 52,086,000.) THE UNIVERSITY OFFERS EDUCATIONAL SUPPORT THROUGH ITS AUXILIARY SERVICES FOR THE BENEFIT OF FACULTY, STAFF AND STUDENTS AND TO COMPLEMENT THE QUALITY OF THE ACADEMIC LIFE. AUXILIARY SERVICES INCLUDE STUDENT HOUSING, FOOD SERVICES, A BOOKSTORE, PARKING, TRANSPORTATION SERVICES AND A PUBLIC TELEVISION STATION.

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 835,115,918.

Part IV Checklist of Required Schedules

| | | Yes | No |
|-----|--|-----|----|
| 1 | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> | X | |
| 2 | Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? | X | |
| 3 | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> | | X |
| 4 | Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> | | X |
| 5 | Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> | | X |
| 6 | Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> | | X |
| 7 | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> | X | |
| 8 | Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> | X | |
| 9 | Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> | | X |
| 10 | Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> | X | |
| 11 | If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a | Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> | X | |
| b | Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> | X | |
| c | Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> | | X |
| d | Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> | | X |
| e | Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> | X | |
| f | Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> | X | |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> | X | |
| b | Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> | | X |
| 13 | Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> | X | |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | X | |
| b | Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> | X | |
| 15 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> | | X |
| 16 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> | X | |
| 17 | Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> | X | |
| 18 | Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> | X | |
| 19 | Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> | | X |
| 20a | Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | X | |
| b | If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | X | |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | X | |
| 22 Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | X | |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | X | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | X | |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | X |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | X |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | X |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | X | |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | X | |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | X | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | | X |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? | X | |

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Main form body containing questions 1a through 14b with input fields and Yes/No columns.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

| | | Yes | No |
|-----------|--|-----|----|
| 1a | Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. | | |
| | 1a 33 | | |
| b | Enter the number of voting members included in line 1a, above, who are independent | | |
| | 1b 30 | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | | X |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? | X | |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | X |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | | X |
| 6 | Did the organization have members or stockholders? | | X |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | | X |
| b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | | X |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | X | |
| b | Each committee with authority to act on behalf of the governing body? | X | |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

| | | Yes | No |
|------------|--|-----|----|
| 10a | Did the organization have local chapters, branches, or affiliates? | | X |
| b | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? | | |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | X | |
| b | Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13 | X | |
| b | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | X | |
| c | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | X | |
| 13 | Did the organization have a written whistleblower policy? | X | |
| 14 | Did the organization have a written document retention and destruction policy? | X | |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| a | The organization's CEO, Executive Director, or top management official | X | |
| b | Other officers or key employees of the organization | X | |
| | If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | X | |
| b | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | X | |

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **DC, NY**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **MICHAEL MASCH - 202-806-2411**
2244 10TH STREET NW, WASHINGTON, DC 20059

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) SIDNEY A. RIBEAU, PH.D. PRESIDENT, THRU 10/13 | 40.00 | X | | X | | | | 1,040,223. | 0. | 36,741. |
| (2) DR. GEORGE K. LITTLETON BOARD TRUSTEE/FACULTY | 40.00 | X | | | | | | 107,442. | 0. | 19,618. |
| (3) DR. RICHARD L. WRIGHT BOARD TRUSTEE/FACULTY | 40.00 | X | | | | | | 105,104. | 0. | 15,222. |
| (4) MR. ADDISON BARRY RAND CHAIRMAN | 1.00 | X | | X | | | | 0. | 0. | 0. |
| (5) RENEE HIGGINBOTHAM-BROOKS, ESQ. VICE CHAIRWOMAN | 1.00 | X | | X | | | | 0. | 0. | 0. |
| (6) CHARISSE R. LILLIE, ESQ. BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (7) DR. FLORETTA DUKES MCKENZIE CHAIRWOMAN EMERITA | 1.00 | X | | | | | | 0. | 0. | 0. |
| (8) DR. HAROLD P. FREEMAN, MD BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (9) DR. MARIAN JOHNSON-THOMPSON BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (10) DR. REED V. TUCKSON, MD BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (11) LARKIN ARNOLD, JR., ESQ. BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (12) MR. CASTELL ABNER BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (13) MR. GERALD D. PROTHRO BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (14) MR. GREGORY A. WHITE BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (15) MR. JOHN D. ZEGLIS BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (16) MR. MARK A. L. MASON BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (17) MR. NORMAN K. JENKINS BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) MR. ROBERT L. LUMPKINS BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (19) MR. THOMAS W. JONES BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (20) MRS. BERNAREE P. WILEY BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (21) MS. AMY S. HILLIARD BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (22) MS. DEBBIE K. ALLEN BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (23) MS. JESSYE NORMAN BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (24) MS. LILIANE BEDFORD BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (25) STACEY J. MOBLEY, ESQ. BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (26) THE HONORABLE L. DOUGLAS WILDER BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| 1b Sub-total | | | | | | | | 1,252,769. | 0. | 71,581. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 5,422,172. | 0. | 384,746. |
| d Total (add lines 1b and 1c) | | | | | | | | 6,674,941. | 0. | 456,327. |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **310**

| | Yes | No |
|--|-----|----|
| 3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual | X | |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual | X | |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person | | X |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|----------------------------------|---------------------|
| SODEXO INC. & ASSOCIATES, 9801 WASHINGTONIAN BLVD, GAITHERSBURG, MD 20878 | FOOD SERVICES FOR STUDENTS | 15,151,594. |
| HONEYWELL INTERNATIONAL, INC., 101 COLUMBIA ROAD, MORRISTOWN, NJ 07962-1057 | ENERGY SERVICES | 10,043,301. |
| THE BURKS COMPANIES INC., 191 PEACHTREE STREET NORTHEAST, ATLANTA, GA 30303 | CAMPUS-WIDE JANITORIAL AND FACIL | 8,626,794. |
| SIEMENS MEDICAL SOLUTION, 300 NEW JERSEY AVENUE NW, SUITE 1000, WASHINGTON, DC | HEALTHCARE SERVICES | 7,837,211. |
| TURNER CONSTRUCTION CORP 3865 WILSON BOULEVARD, ARLINGTON, VA 22203 | CONSTRUCTION SERVICES | 4,943,450. |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **5**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (27) THE HONORABLE M. KASIM REED BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (28) VERNON E. JORDAN, JR., ESQ. BOARD TRUSTEE | 1.00 | X | | | | | | 0. | 0. | 0. |
| (29) DR. JOHN E JACOB BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (30) RICHARD D. PARSONS, ESQ. BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (31) MR. FRANK SAVAGE BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (32) THE HONORABLE FRANKIE M. FREEM BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (33) MARTIN D. PAYSON, ESQ BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (34) WAYMAN F. SMITH III, ESQ. BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (35) THE HONORABLE GABRIELLE K. MCD BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (36) GENERAL COLIN L. POWELL, USA BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (37) MR. EARL G. GRAVES, SR. BOARD TRUSTEE EMERITI | 1.00 | X | | | | | | 0. | 0. | 0. |
| (38) WAYNE FREDERICK, MD/PROVOST INTERIM PRESIDENT, 11/13-06/14 | 40.00 | | | X | | | | 784,427. | 0. | 32,150. |
| (39) KURT SCHMOKE, ESQ. GENERAL COUNSEL | 40.00 | | | X | | | | 274,377. | 0. | 17,101. |
| (40) ARTIS HAMPSHIRE-COWAN, ESQ. SENIOR VP AND SECRETARY | 40.00 | | | X | | | | 246,513. | 0. | 16,002. |
| (41) NESTA BERNARD VP UNIVERSITY ADVANCEMENT | 40.00 | | | X | | | | 215,811. | 0. | 28,384. |
| (42) BARBARA GRIFFIN, PH.D VP STUDENT AFFAIRS | 40.00 | | | X | | | | 179,071. | 0. | 27,586. |
| (43) MICHAEL MCFADDEN INTERIM VP HUMAN RESOURCES | 40.00 | | | X | | | | 198,001. | 0. | 11,863. |
| (44) CONSTANCE ELLISON INTERIM VICE PRESIDENT FOR STUDENT A | 40.00 | | | X | | | | 182,321. | 0. | 16,048. |
| (45) JOHN GORDON INTERIM CHIEF FINANCIAL OFFICER & TR | 40.00 | | | X | | | | 134,565. | 0. | 16,374. |
| (46) MICHAEL WINSTON PROVOST/CHIEF ACADEMIC OFF | 40.00 | | | X | | | | 71,574. | 0. | 0. |
| Total to Part VII, Section A, line 1c | | | | | | | | | | |

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (47) ROBERT TAROLA, CPA FORMER CFO/TREASURER, SEE SCH L | 40.00 | | | X | | | | 0. | 0. | 0. |
| (48) EDWARD CORNWELL, III, MD SURGEON - IN-CHIEF | 40.00 | | | | | X | | 828,827. | 0. | 33,932. |
| (49) DAMIREZ FOSSETT, MD CHAIR OF NEUROSURGERY | 40.00 | | | | | X | | 509,582. | 0. | 42,352. |
| (50) REBAT HALDER, MD CHAIR OF DERMATOLOGY | 40.00 | | | | | X | | 503,601. | 0. | 31,675. |
| (51) ROBERT COPELAND CHAIR OF OPHTHALMOLOGY | 40.00 | | | | | X | | 465,779. | 0. | 38,186. |
| (52) ANDRE DUERINCKX CHAIR OF RADIOLOGY | 40.00 | | | | | X | | 473,795. | 0. | 28,426. |
| (53) LASALLE LEFFALL, MD FORMER PROVOST/CHIEF ACADE | 40.00 | | | | | | X | 209,918. | 0. | 23,899. |
| (54) JAMES WYCHE, PH.D FORMER PROVOST/CHIEF ACADE | 40.00 | | | | | | X | 144,010. | 0. | 20,768. |
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| | | | | | | | | | | |
| Total to Part VII, Section A, line 1c | | | | | | | | 5,422,172. | | 384,746. |

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

| | | | (A) | (B) | (C) | (D) | |
|--|--|---|--------------------------------|------------------------------------|----------------------------|--|--|
| | | | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512 - 514 | |
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a Federated campaigns | 1a | | | | | |
| | b Membership dues | 1b | | | | | |
| | c Fundraising events | 1c | 2,116,000. | | | | |
| | d Related organizations | 1d | | | | | |
| | e Government grants (contributions) | 1e | 222,751,000. | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 14,618,000. | | | | |
| | g Noncash contributions included in lines 1a-1f: \$ | | | | | | |
| | h Total. Add lines 1a-1f | | 239,485,000. | | | | |
| | Program Service Revenue | 2 a ACADEMIC SERVICES | Business Code 611710 | 314,693,000. | 314,693,000. | | |
| | | b PATIENT SERVICES | 624100 | 280,926,000. | 280,926,000. | | |
| c AUXILIARY SERVICES | | 611710 | 64,937,000. | 50,121,647. | 14,815,353. | | |
| d | | | | | | | |
| e | | | | | | | |
| f All other program service revenue | | | | | | | |
| g Total. Add lines 2a-2f | | | 660,556,000. | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 13,810,000. | | 303,174. | 13,506,826. | |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | | |
| | 5 Royalties | | | | | | |
| | 6 a Gross rents | (i) Real | 1,265,000. | | | | |
| | | (ii) Personal | 24,000. | | | | |
| | | b Less: rental expenses | 1,076,000. | | | | |
| | | c Rental income or (loss) | 189,000. | | | | |
| | d Net rental income or (loss) | | 213,000. | | | 213,000. | |
| | 7 a Gross amount from sales of assets other than inventory | (i) Securities | 412,873,000. | | | | |
| | | (ii) Other | 3,000. | | | | |
| | | b Less: cost or other basis and sales expenses | 373,320,000. | | | | |
| | | c Gain or (loss) | 39,553,000. | | | | |
| | d Net gain or (loss) | | 39,556,000. | | | 39,556,000. | |
| | 8 a Gross income from fundraising events (not including \$ 2,116,000. of contributions reported on line 1c). See Part IV, line 18 | a | 605,000. | | | | |
| | | b Less: direct expenses | 735,000. | | | | |
| c Net income or (loss) from fundraising events | | | -130,000. | | | -130,000. | |
| 9 a Gross income from gaming activities. See Part IV, line 19 | a | | | | | | |
| | b Less: direct expenses | | | | | | |
| | c Net income or (loss) from gaming activities | | | | | | |
| 10 a Gross sales of inventory, less returns and allowances | a | | | | | | |
| | b Less: cost of goods sold | | | | | | |
| | c Net income or (loss) from sales of inventory | | | | | | |
| Miscellaneous Revenue | | Business Code | | | | | |
| 11 a OTHER REVENUE | 900099 | 16,882,000. | | | 16,882,000. | | |
| b | | | | | | | |
| c | | | | | | | |
| d All other revenue | | | | | | | |
| e Total. Add lines 11a-11d | | 16,882,000. | | | | | |
| 12 Total revenue. See instructions. | | 970,372,000. | 645,740,647. | 15,118,527. | 70,027,826. | | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 | 5,625,594. | 5,625,594. | | |
| 2 Grants and other assistance to individuals in the United States. See Part IV, line 22 | 81,306,213. | 81,306,213. | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 | 11,617,047. | 11,617,047. | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | | | | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | 11,076,972. | | 10,820,529. | 256,443. |
| 7 Other salaries and wages | 375,656,185. | 347,102,482. | 26,537,927. | 2,015,776. |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 23,413,882. | 21,085,154. | 2,123,910. | 204,818. |
| 9 Other employee benefits | 47,877,003. | 40,847,520. | 6,826,486. | 202,997. |
| 10 Payroll taxes | 25,702,422. | 21,808,615. | 3,743,391. | 150,416. |
| 11 Fees for services (non-employees): | | | | |
| a Management | 3,090,363. | | 3,090,363. | |
| b Legal | 4,655,238. | 1,185,358. | 3,469,880. | |
| c Accounting | 4,973,617. | | 4,973,617. | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | 184,690. | | | 184,690. |
| f Investment management fees | 4,241,153. | | 4,241,153. | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 72,339,698. | 53,155,076. | 18,982,508. | 202,114. |
| 12 Advertising and promotion | 1,357,695. | 858,759. | 492,868. | 6,068. |
| 13 Office expenses | 74,737,406. | 42,271,558. | 32,032,745. | 433,103. |
| 14 Information technology | 5,987,300. | 3,321,028. | 2,556,690. | 109,582. |
| 15 Royalties | 3,994,020. | 2,328,202. | 1,648,445. | 17,373. |
| 16 Occupancy | 26,634,465. | 24,457,005. | 1,428,685. | 748,775. |
| 17 Travel | 8,935,282. | 7,265,705. | 1,644,052. | 25,525. |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 3,733,514. | 2,890,972. | 632,950. | 209,592. |
| 20 Interest | 23,024,614. | 17,456,835. | 5,567,779. | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 55,900,577. | 54,830,600. | 1,069,977. | |
| 23 Insurance | 27,472,481. | 24,731,096. | 2,741,385. | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a BAD DEBT EXPENSE | 32,867,374. | 27,879,590. | 4,987,784. | |
| b TRAINEE EXPENSE | 13,402,287. | 13,402,287. | | |
| c FEES (DUES, BANK, MEMBE | 9,617,650. | 7,479,810. | 2,116,186. | 21,654. |
| d CHARITY CARE | 8,240,602. | 8,240,602. | | |
| e All other expenses | 15,004,656. | 13,968,810. | 1,021,618. | 14,228. |
| 25 Total functional expenses. Add lines 1 through 24e | 982,670,000. | 835,115,918. | 142,750,928. | 4,803,154. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

| | | (A) | | (B) | |
|---|--|---------------------------|----------------|--------------|--|
| | | Beginning of year | | End of year | |
| Assets | 1 Cash - non-interest-bearing | 34,795,000. | 1 | 14,820,000. | |
| | 2 Savings and temporary cash investments | | 2 | | |
| | 3 Pledges and grants receivable, net | 14,577,000. | 3 | 15,781,000. | |
| | 4 Accounts receivable, net | 113,902,000. | 4 | 99,138,000. | |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L | | 6 | | |
| | 7 Notes and loans receivable, net | 9,351,000. | 7 | 11,814,000. | |
| | 8 Inventories for sale or use | | 8 | | |
| | 9 Prepaid expenses and deferred charges | 29,974,000. | 9 | 29,205,000. | |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 1,581,963,000. | | | |
| | b Less: accumulated depreciation | 10b 956,361,000. | | | |
| | 11 Investments - publicly traded securities | 472,832,000. | 11 | 553,603,000. | |
| | 12 Investments - other securities. See Part IV, line 11 | 115,180,000. | 12 | 122,634,000. | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | | |
| | 14 Intangible assets | | 14 | | |
| | 15 Other assets. See Part IV, line 11 | 89,295,000. | 15 | 60,178,000. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 1,492,987,000. | 16 | 1,532,775,000. | | |
| Liabilities | 17 Accounts payable and accrued expenses | 175,929,000. | 17 | 194,257,000. | |
| | 18 Grants payable | | 18 | | |
| | 19 Deferred revenue | 9,691,000. | 19 | 10,000,000. | |
| | 20 Tax-exempt bond liabilities | 293,496,000. | 20 | 293,194,000. | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | | |
| | 24 Unsecured notes and loans payable to unrelated third parties | 93,854,000. | 24 | 114,572,000. | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 258,906,000. | 25 | 229,804,000. | |
| | 26 Total liabilities. Add lines 17 through 25 | 831,876,000. | 26 | 841,827,000. | |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | |
| | 27 Unrestricted net assets | 315,051,000. | 27 | 308,222,000. | |
| | 28 Temporarily restricted net assets | 222,850,000. | 28 | 256,783,000. | |
| | 29 Permanently restricted net assets | 123,210,000. | 29 | 125,943,000. | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | | |
| | 33 Total net assets or fund balances | 661,111,000. | 33 | 690,948,000. | |
| 34 Total liabilities and net assets/fund balances | 1,492,987,000. | 34 | 1,532,775,000. | | |

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

| | | | |
|----|--|----|--------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 970,372,000. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 982,670,000. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | -12,298,000. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 661,111,000. |
| 5 | Net unrealized gains (losses) on investments | 5 | 37,855,000. |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | 4,280,000. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 690,948,000. |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

| | | Yes | No |
|----|---|-----|----|
| 1 | Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O. | | |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | X |
| 2b | Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | X | |
| 2c | If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. | X | |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | X | |
| 3b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits | X | |

Form 990 (2013)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization **THE HOWARD UNIVERSITY** Employer identification number **53-0204707**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

| | Yes | No |
|--|-----|----|
| (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? | | |
| (ii) A family member of a person described in (i) above? | | |
| (iii) A 35% controlled entity of a person described in (i) or (ii) above? | | |
- h Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-9 above or IRC section (see instructions)) | (iv) Is the organization in col. (i) listed in your governing document? | | (v) Did you notify the organization in col. (i) of your support? | | (vi) Is the organization in col. (i) organized in the U.S.? | | (vii) Amount of monetary support |
|------------------------------------|----------|---|---|----|--|----|---|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4. | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (f) Total |
|--|----------|----------|----------|----------|----------|--------------------------|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|----|--------------------------|
| 14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2012 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 33 1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 17a 10% -facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | <input type="checkbox"/> |

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|---|
| 15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2012 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|---|
| 17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2012 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12.

Also complete this part for any additional information. (See instructions).

Multiple horizontal lines for supplemental information.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990**

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization **THE HOWARD UNIVERSITY** Employer identification number **53-0204707**

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|--|
| 1 Total number at end of year | | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a 1 |
| b Total acreage restricted by conservation easements | 2b 0.00 |
| c Number of conservation easements on a certified historic structure included in (a) | 2c 1 |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d 1 |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ 1

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ 104

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ 9,053.

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

| | Amount |
|---------------------------------|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 517,525,000. | 464,305,000. | 476,695,000. | 407,511,000. | 370,763,000. |
| b Contributions | 5,004,000. | 4,957,000. | 5,294,000. | 5,368,000. | 7,718,000. |
| c Net investment earnings, gains, and losses | 85,244,000. | 58,581,000. | -5,147,000. | 77,672,000. | 43,394,000. |
| d Grants or scholarships | 13,096,000. | 12,512,000. | 12,779,000. | 14,269,000. | 15,101,000. |
| e Other expenditures for facilities and programs | -630,000. | -2,194,000. | -242,000. | -413,000. | -737,000. |
| f Administrative expenses | | | | | |
| g End of year balance | 595,307,000. | 517,525,000. | 464,305,000. | 476,695,000. | 407,511,000. |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment 50.38 %
- b Permanent endowment 13.60 %
- c Temporarily restricted endowment 36.02 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

| | Yes | No |
|-----------------------------|--------------------------|-------------------------------------|
| (i) unrelated organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) related organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|---------------------|
| 1a Land | | 27,911,000. | | 27,911,000. |
| b Buildings | | 833,441,000. | 450,225,000. | 383,216,000. |
| c Leasehold improvements | | 28,797,000. | 26,959,000. | 1,838,000. |
| d Equipment | | 373,274,000. | 310,758,000. | 62,516,000. |
| e Other | | 318,540,000. | 168,419,000. | 150,121,000. |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 625,602,000. |

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|---------------------|---|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other | | |
| (A) PRIVATE EQUITY AND | | |
| (B) VENTURE CAPITAL | 92,974,000. | END-OF-YEAR MARKET VALUE |
| (C) REAL ESTATE | 17,304,000. | END-OF-YEAR MARKET VALUE |
| (D) HEDGE FUNDS-LEVEL 3 | 7,388,000. | END-OF-YEAR MARKET VALUE |
| (E) OTHER | 4,968,000. | END-OF-YEAR MARKET VALUE |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) | 122,634,000. | |

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) | | |

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description | (b) Book value |
|---|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) | |

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability | (b) Book value |
|---|---------------------|
| (1) Federal income taxes | |
| (2) UNDERFUNDED DEFINED BENEFIT PLANS | 106,629,000. |
| (3) RESERVE SELF-INSURED LIABILITIES | 86,631,000. |
| (4) REFUNDABLE ADVANCES UNDER US GOV'T | 6,369,000. |
| (5) ASSET RETIREMENT OBLIGATION | 13,128,311. |
| (6) ENVIRONMENTAL REMEDIATION | 3,000,000. |
| (7) UNCLAIMED PROPERTY | 2,879,068. |
| (8) STUDENT DEPOSITS AND REFUNDS | 2,724,659. |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) | 229,804,000. |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

| | | | | |
|---|---|----|--------------|--------------|
| 1 | Total revenue, gains, and other support per audited financial statements | | 1 | 882,006,000. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | | |
| a | Net unrealized gains on investments | 2a | 37,855,000. | |
| b | Donated services and use of facilities | 2b | | |
| c | Recoveries of prior year grants | 2c | | |
| d | Other (Describe in Part XIII.) | 2d | 4,280,000. | |
| e | Add lines 2a through 2d | 2e | | 42,135,000. |
| 3 | Subtract line 2e from line 1 | | 3 | 839,871,000. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | 4,219,000. | |
| b | Other (Describe in Part XIII.) | 4b | 126,282,000. | |
| c | Add lines 4a and 4b | 4c | | 130,501,000. |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | | 5 | 970,372,000. |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

| | | | | |
|---|--|----|--------------|--------------|
| 1 | Total expenses and losses per audited financial statements | | 1 | 852,169,000. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | | |
| a | Donated services and use of facilities | 2a | | |
| b | Prior year adjustments | 2b | | |
| c | Other losses | 2c | | |
| d | Other (Describe in Part XIII.) | 2d | 1,811,000. | |
| e | Add lines 2a through 2d | 2e | | 1,811,000. |
| 3 | Subtract line 2e from line 1 | | 3 | 850,358,000. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | 4,219,000. | |
| b | Other (Describe in Part XIII.) | 4b | 128,093,000. | |
| c | Add lines 4a and 4b | 4c | | 132,312,000. |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | | 5 | 982,670,000. |

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART II, LINE 9:

EXPLANATION: THE ORGANIZATION DOES NOT REPORT ITS CONSERVATION EASEMENTS IN ITS FINANCIAL STATEMENTS.

PART III, LINE 4:

EXPLANATION: THE UNIVERSITY'S COLLECTIONS OF ART, HISTORICAL TREASURES, AND OTHER SIMILAR ASSETS INCLUDE A VARIETY OF ARTIFACTS AS WELL AS SCHOLARLY PAPERS AND ARCHIVES. THESE ITEMS ARE HOUSED IN VARIOUS FACILITIES AROUND CAMPUS AND THEIR PRESERVATION IS FOR THE BENEFIT OF FUTURE GENERATIONS.

PART V, LINE 4:

Part XIII Supplemental Information (continued)

EXPLANATION: THE INTENDED USE OF THE ORGANIZATION'S ENDOWMENT FUND IS TO SUPPLY A SOURCE OF INCOME FOR OPERATIONS, SCHOLARSHIPS, PROFESSORSHIPS, STUDENT LOANS, AND OTHER PURPOSES IN ORDER TO ADVANCE THE ORGANIZATION'S MISSION AND TAX-EXEMPT PURPOSE.

PART X, LINE 2:

EXPLANATION: HOWARD IS RECOGNIZED AS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER

SECTION 501(A) OF THE INTERNAL REVENUE CODE (THE CODE) AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) WHEREBY ONLY UNRELATED BUSINESS INCOME, AS DEFINED BY SECTION 512(A)(1) OF THE CODE, IS SUBJECT TO FEDERAL INCOME TAX. ANY UNRELATED BUSINESS INCOME TAX GENERATED BY HOWARD IS RECORDED AS INCOME TAX USING THE LIABILITY METHOD UNDER WHICH DEFERRED TAX ASSETS AND LIABILITIES ARE DETERMINED BASED ON THE DIFFERENCES BETWEEN THE FINANCIAL ACCOUNTING AND TAX BASIS OF ASSETS AND LIABILITIES. DEFERRED TAX ASSETS OR LIABILITIES AT THE END OF EACH PERIOD ARE DETERMINED USING THE CURRENTLY ENACTED TAX RATE EXPECTED TO APPLY TO TAXABLE INCOME IN THE PERIOD THAT THE DEFERRED TAX ASSET OR LIABILITY IS EXPECTED TO BE REALIZED OR TO BE SETTLED. AS OF JUNE 30, 2014, 2013 AND 2012, HOWARD HAD NO DEFERRED TAX ASSETS OR LIABILITIES. IN ADDITION, HOWARD ANALYZED ITS TAX POSITIONS FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012, AND DETERMINED THAT THERE WERE NO UNCERTAIN TAX POSITIONS THAT WOULD HAVE A MATERIAL IMPACT ON HOWARD'S CONSOLIDATED FINANCIAL STATEMENTS.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

UNREALIZED CHANGE IN FUNDED STATUS OF DEFINED BENEFIT PENSION PLAN 19,283,000. UNREALIZED CHANGE IN OBLIGATION FOR POST-RETIREMENT BENEFIT

Part XIII Supplemental Information (continued)

| | |
|---------------------------------------|--------------|
| PLAN | -15,003,000. |
| TOTAL TO SCHEDULE D, PART XI, LINE 2D | 4,280,000. |

PART XI, LINE 4B - OTHER ADJUSTMENTS:

| | |
|---------------------------------------|--------------|
| FUNDRAISING EVENT EXPENSES | -735,000. |
| CHARITY CARE | 8,241,000. |
| SCHOLARSHIPS AND GRANTS | 92,923,000. |
| RENTAL EXPENSE | -1,076,000. |
| BAD DEBT EXPENSE | 26,929,000. |
| TOTAL TO SCHEDULE D, PART XI, LINE 4B | 126,282,000. |

PART XII, LINE 2D - OTHER ADJUSTMENTS:

| | |
|--|------------|
| FUNDRAISING EVENT EXPENSES | 735,000. |
| RENTAL EXPENSE | 1,076,000. |
| TOTAL TO SCHEDULE D, PART XII, LINE 2D | 1,811,000. |

PART XII, LINE 4B - OTHER ADJUSTMENTS:

| | |
|--|--------------|
| CHARITY CARE | 8,241,000. |
| SCHOLARSHIPS AND GRANTS | 92,923,000. |
| BAD DEBT | 26,929,000. |
| TOTAL TO SCHEDULE D, PART XII, LINE 4B | 128,093,000. |

SCHEDULE E
(Form 990 or 990-EZ)

Schools

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Information about Schedule E (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990**

Name of the organization

THE HOWARD UNIVERSITY

Employer identification number

53-0204707

Part I

1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?

| | YES | NO |
|----------|-----|----|
| 1 | X | |

2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?

| | | |
|----------|---|--|
| 2 | X | |
|----------|---|--|

3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain.

| | | |
|----------|---|--|
| 3 | X | |
|----------|---|--|

If you need more space, use Part II

THE UNIVERSITY MAINTAINS A WELL-PUBLICIZED RACIALLY NONDISCRIMINATORY POLICY. THE POLICY IS AVAILABLE IN WRITTEN BROCHURES, AS WELL AS AVAILABLE VIA THE ORGANIZATION'S WEBSITE (WWW.HOWARD.EDU).

4 Does the organization maintain the following?

a Records indicating the racial composition of the student body, faculty, and administrative staff?

| | | |
|-----------|---|--|
| 4a | X | |
|-----------|---|--|

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

| | | |
|-----------|---|--|
| 4b | X | |
|-----------|---|--|

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

| | | |
|-----------|---|--|
| 4c | X | |
|-----------|---|--|

d Copies of all material used by the organization or on its behalf to solicit contributions?

| | | |
|-----------|---|--|
| 4d | X | |
|-----------|---|--|

If you answered "No" to any of the above, please explain. If you need more space, use Part II.

5 Does the organization discriminate by race in any way with respect to:

a Students' rights or privileges?

| | | |
|-----------|--|---|
| 5a | | X |
|-----------|--|---|

b Admissions policies?

| | | |
|-----------|--|---|
| 5b | | X |
|-----------|--|---|

c Employment of faculty or administrative staff?

| | | |
|-----------|--|---|
| 5c | | X |
|-----------|--|---|

d Scholarships or other financial assistance?

| | | |
|-----------|--|---|
| 5d | | X |
|-----------|--|---|

e Educational policies?

| | | |
|-----------|--|---|
| 5e | | X |
|-----------|--|---|

f Use of facilities?

| | | |
|-----------|--|---|
| 5f | | X |
|-----------|--|---|

g Athletic programs?

| | | |
|-----------|--|---|
| 5g | | X |
|-----------|--|---|

h Other extracurricular activities?

| | | |
|-----------|--|---|
| 5h | | X |
|-----------|--|---|

If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.

6a Does the organization receive any financial aid or assistance from a governmental agency?

| | | |
|-----------|---|--|
| 6a | X | |
|-----------|---|--|

b Has the organization's right to such aid ever been revoked or suspended?

| | | |
|-----------|--|---|
| 6b | | X |
|-----------|--|---|

If you answered "Yes" to either line 6a or line 6b, explain on Part II.

7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II

| | | |
|----------|---|--|
| 7 | X | |
|----------|---|--|

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or Form 990-EZ.

Schedule E (Form 990 or 990-EZ) (2013)

Part II **Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information.

LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:

EXPLANATION: THE ORGANIZATION RECEIVES FINANCIAL ASSISTANCE FROM GOVERNMENTAL AGENCIES IN THE FORM OF SCHOLARSHIP AND GRANT FUNDS FOR STUDENTS' TUITION AND RELATED EXPENSES.

**SCHEDULE F
(Form 990)**

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule F (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: **THE HOWARD UNIVERSITY**
Employer identification number: **53-0204707**

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

| (a) Region | (b) Number of offices in the region | (c) Number of employees, agents, and independent contractors in region | (d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region) | (e) If activity listed in (d) is a program service, describe specific type of service(s) in region | (f) Total expenditures for and investments in region |
|---|-------------------------------------|--|---|--|--|
| SUB-SAHARAN AFRICA -NIGERIA, ANGOLA, BENIN, BOTSWANA, BURKINA, FASO | 18 | 60 | PROGRAM SERVICES | MEDICAL AND EDUCATIONAL SERVICES | 5,913,160. |
| CENTRAL AMERICA AND THE CARIBBEAN | 0 | 0 | INVESTMENTS | | 10,280,127. |
| EUROPE (INCLUDING ICELAND & GREENLAND) | 0 | 0 | INVESTMENTS | | 6,268,440. |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 3 a Sub-total | 18 | 60 | | | 22,461,727. |
| b Total from continuation sheets to Part I | 0 | 0 | | | 0. |
| c Totals (add lines 3a and 3b) | 18 | 60 | | | 22,461,727. |

Part II Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

Table with 9 columns: (a) Name of organization, (b) IRS code section and EIN (if applicable), (c) Region, (d) Purpose of grant, (e) Amount of cash grant, (f) Manner of cash disbursement, (g) Amount of non-cash assistance, (h) Description of non-cash assistance, (i) Method of valuation (book, FMV, appraisal, other). The table contains 8 empty rows.

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter
3 Enter total number of other organizations or entities

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

| (a) Type of grant or assistance | (b) Region | (c) Number of recipients | (d) Amount of cash grant | (e) Manner of cash disbursement | (f) Amount of non-cash assistance | (g) Description of non-cash assistance | (h) Method of valuation (book, FMV, appraisal, other) |
|---------------------------------|--|--------------------------|--------------------------|---------------------------------|-----------------------------------|--|---|
| SCHOLARSHIPS | CENTRAL AMERICA AND THE CARIBBEAN | 99 | 2,143,123. | CHECK | 0. | | |
| SCHOLARSHIPS | EAST ASIA AND THE PACIFIC | 6 | 86,105. | CHECK | 0. | | |
| SCHOLARSHIPS | EUROPE (INCLUDING ICELAND & GREENLAND) | 14 | 124,003. | CHECK | 0. | | |
| SCHOLARSHIPS | MIDDLE EAST AND NORTH AFRICA | 7 | 141,245. | CHECK | 0. | | |
| SCHOLARSHIPS | NORTH AMERICA | 24 | 412,567. | CHECK | 0. | | |
| SCHOLARSHIPS | SOUTH AMERICA | 4 | 84,238. | CHECK | 0. | | |
| SCHOLARSHIPS | SOUTH ASIA | 20 | 438,752. | CHECK | 0. | | |
| SCHOLARSHIPS | SUB-SAHARAN AFRICA | 104 | 2,170,631. | CHECK | 0. | | |

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* Yes No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* Yes No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)* Yes No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* Yes No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)* Yes No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report. (see Instructions for Form 5713)* Yes No

Schedule F (Form 990) 2013

Part V Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

PART I, LINE 2:

EXPLANATION: MONITORING USE OF GRANT FUNDS OUTSIDE THE UNITED STATES:

HOWARD UNIVERSITY USES PROGRAM-SPECIFIC GUIDELINES TO MONITOR THE PROGRESS OF GRANT ACTIVITIES CONDUCTED OUTSIDE THE UNITED STATES. THE GUIDELINES OUTLINE THE SCOPE OF WORK, ESTABLISHED DEADLINES, AND THE CONTENT OF SPECIFIC REPORTS/DELIVERABLES IN A MANNER CONSISTENT WITH THE TERMS AND CONDITIONS OF THE FUNDING AGENCY AND GRANT AWARD. PRINCIPAL INVESTIGATORS PREPARE PROGRAMMATIC PROGRESS REPORTS (MONTHLY, QUARTERLY, ANNUALLY AS REQUIRED) THAT ASSESS PROGRAM ACTIVITIES, IDENTIFY PROBLEMS OR ISSUES AND MODIFY THE DESIGN OR IMPLEMENTATION OF THE PROJECT AS NECESSARY. THE GRANTS AND CONTRACTS ACCOUNTING OFFICE PREPARES MONTHLY FINANCIAL AND BILLING REPORTS FOR INTERNAL AND EXTERNAL REVIEW. THIS OVERSIGHT ENSURES ACCURACY AND COMPLIANCE IN FINANCIAL MANAGEMENT, PROPER MAINTENANCE OF GRANT MANAGEMENT DOCUMENTATION, AND THE ACHIEVEMENT OF PROGRAMMATIC DELIVERABLES AND MILESTONES.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities
Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization **THE HOWARD UNIVERSITY** Employer identification number **53-0204707**

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a Mail solicitations
 - b Internet and email solicitations
 - c Phone solicitations
 - d In-person solicitations
 - e Solicitation of non-government grants
 - f Solicitation of government grants
 - g Special fundraising events
- 2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

| (i) Name and address of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? | | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in col. (i) | (vi) Amount paid to (or retained by) organization |
|---|---|--|----|-----------------------------------|---|---|
| | | Yes | No | | | |
| ENGLISH GLOBAL GROUP - 6710 WESTERN AVENUE, CHEVY CHASE, | LIBRARY CAMPAIGN | | X | 0. | 108,000. | -108,000. |
| HARRIS CONNECT, LLC - 1511 ROUTE 22, SUITE C-25, | COLLEGE OF MEDICINE PROSPECT SOLICITATION | | X | 0. | 76,690. | -76,690. |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | 184,690. | -184,690. |

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.
NC, MI, VA, DC, SC, CT, ME, AR, MS, CO, AK, AL, AZ, DE, HI, MT, NH, NY, OH, OR, WA, AL, CA, FL, GA, IL, KS, KY, LA, NJ, NM, ND, OK, PA, RI, TN, UT, VA, WA, WI

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events (add col. (a) through col. (c)) | |
|-----------------|----|--|---|------------------------|--|------------|
| | | CHARTER DAY DINNER (event type) | SCHOOL OF BUSINESS GOL (event type) | NONE (total number) | | |
| Revenue | 1 | Gross receipts | 2,644,987. | 75,525. | | 2,720,512. |
| | 2 | Less: Contributions | 2,070,263. | 45,340. | | 2,115,603. |
| | 3 | Gross income (line 1 minus line 2) | 574,724. | 30,185. | | 604,909. |
| Direct Expenses | 4 | Cash prizes | | | | |
| | 5 | Noncash prizes | | | | |
| | 6 | Rent/facility costs | | 17,000. | | 17,000. |
| | 7 | Food and beverages | 400,545. | 14,350. | | 414,895. |
| | 8 | Entertainment | 20,691. | | | 20,691. |
| | 9 | Other direct expenses | 266,988. | 13,990. | | 280,978. |
| | 10 | Direct expense summary. Add lines 4 through 9 in column (d) | | | | 733,564. |
| | 11 | Net income summary. Subtract line 10 from line 3, column (d) | | | | -128,655. |

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

| | | (a) Bingo | (b) Pull tabs/instant bingo/progressive bingo | (c) Other gaming | (d) Total gaming (add col. (a) through col. (c)) |
|-----------------|--|-----------------------|---|---|---|
| | | 1 | Gross revenue | | |
| Direct Expenses | 2 | Cash prizes | | | |
| | 3 | Noncash prizes | | | |
| | 4 | Rent/facility costs | | | |
| | 5 | Other direct expenses | | | |
| | 6 | Volunteer labor | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No |
| 7 | Direct expense summary. Add lines 2 through 5 in column (d) | | | | |
| 8 | Net gaming income summary. Subtract line 7 from line 1, column (d) | | | | |

9 Enter the state(s) in which the organization operates gaming activities: _____
 a Is the organization licensed to operate gaming activities in each of these states? Yes No
 b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
 b If "Yes," explain: _____

- 11 Does the organization operate gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity operated in:

| | | |
|------------|--|---|
| 13a | | % |
| 13b | | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► _____

Address ► _____

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____.
- c If "Yes," enter name and address of the third party:

Name ► _____

Address ► _____

16 Gaming manager information:

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

Director/officer Employee Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G, PART I, LINE 2B, LIST OF TEN HIGHEST PAID FUNDRAISERS:

(I) NAME OF FUNDRAISER: ENGLISH GLOBAL GROUP

(I) ADDRESS OF FUNDRAISER: 6710 WESTERN AVENUE, CHEVY CHASE, MD 20815

(I) NAME OF FUNDRAISER: HARRIS CONNECT, LLC

(I) ADDRESS OF FUNDRAISER: 1511 ROUTE 22, SUITE C-25, BREWSTER, NY 10509

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2013

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990. ▶ See separate instructions.**
▶ **Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.**

**Open to Public
Inspection**

Name of the organization

THE HOWARD UNIVERSITY

Employer identification number
53-0204707

Part I Financial Assistance and Certain Other Community Benefits at Cost

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a | <input checked="" type="checkbox"/> | |
| b If "Yes," was it a written policy? | <input checked="" type="checkbox"/> | |
| 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities | | |
| 3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year. a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: | <input checked="" type="checkbox"/> | |
| <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % | | |
| b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: | <input checked="" type="checkbox"/> | |
| <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>325</u> % | | |
| c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care. | | |
| 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? | | <input checked="" type="checkbox"/> |
| 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | <input checked="" type="checkbox"/> | |
| b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? | | <input checked="" type="checkbox"/> |
| c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? | | |
| 6a Did the organization prepare a community benefit report during the tax year? | <input checked="" type="checkbox"/> | |
| b If "Yes," did the organization make it available to the public? | <input checked="" type="checkbox"/> | |

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

| 7 Financial Assistance and Certain Other Community Benefits at Cost | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|--|--|--------------------------------------|--|--------------------------------------|--|-------------------------------------|
| Financial Assistance and Means-Tested Government Programs | | | | | | |
| a Financial Assistance at cost (from Worksheet 1) | | | 4,646,874. | | 4,646,874. | .47% |
| b Medicaid (from Worksheet 3, column a) | | | 139,586,948. | 110,524,959. | 29,061,989. | 2.96% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | 7,910,737. | 3,550,353. | 4,360,384. | .44% |
| d Total Financial Assistance and Means-Tested Government Programs | | | 152,144,559. | 114,075,312. | 38,069,247. | 3.87% |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | | | | |
| f Health professions education (from Worksheet 5) | | | 47,380,642. | 24,777,528. | 22,603,114. | 2.30% |
| g Subsidized health services (from Worksheet 6) | | | 26,591,732. | 15,358,106. | 11,233,626. | 1.14% |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | 26,449 | 847,236. | | 847,236. | .09% |
| j Total. Other Benefits | | 26,449 | 74,819,610. | 40,135,634. | 34,683,976. | 3.53% |
| k Total. Add lines 7d and 7j | | 26,449 | 226,964,169. | 154,210,946. | 72,753,223. | 7.40% |

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

Table with 6 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community building expense, (d) Direct offsetting revenue, (e) Net community building expense, (f) Percent of total expense. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

Form for Section A. Bad Debt Expense. Includes questions 1-4 regarding bad debt expense reporting, amount estimation, and methodology. Includes Yes/No columns for questions 1 and 3.

Section B. Medicare

Form for Section B. Medicare. Includes questions 5-7 regarding Medicare revenue and costs, and question 8 regarding shortfall treatment and costing methodology. Includes Yes/No columns for questions 1 and 3.

Section C. Collection Practices

Form for Section C. Collection Practices. Includes questions 9a and 9b regarding written debt collection policy.

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

Table with 5 columns: (a) Name of entity, (b) Description of primary activity of entity, (c) Organization's profit % or stock ownership %, (d) Officers, directors, trustees, or key employees' profit % or stock ownership %, (e) Physicians' profit % or stock ownership %.

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number

1 HOWARD UNIVERSITY HOSPITAL
2041 GEORGIA AVENUE
WASHINGTON, DC 20060

Table with columns: Licensed hospital, Gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1 contains 'X' marks in the first seven columns.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group HOWARD UNIVERSITY HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

| | Yes | No |
|---|----------|----------|
| Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012) | | |
| 1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 | X | |
| If "Yes," indicate what the CHNA report describes (check all that apply): | | |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs | | |
| j <input checked="" type="checkbox"/> Other (describe in Section C) | | |
| 2 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>12</u> | | |
| 3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | X | |
| 4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C | X | |
| 5 Did the hospital facility make its CHNA report widely available to the public? | X | |
| If "Yes," indicate how the CHNA report was made widely available (check all that apply): | | |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>HTTP://HUHEALTHCARE.COM/=/MEDIA/FILES/COM</u> | | |
| b <input type="checkbox"/> Other website (list url): | | |
| c <input checked="" type="checkbox"/> Available upon request from the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Section C) | | |
| 6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year): | | |
| a <input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA | | |
| b <input checked="" type="checkbox"/> Execution of the implementation strategy | | |
| c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan | | |
| d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan | | |
| e <input type="checkbox"/> Inclusion of a community benefit section in operational plans | | |
| f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA | | |
| g <input type="checkbox"/> Prioritization of health needs in its community | | |
| h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community | | |
| i <input checked="" type="checkbox"/> Other (describe in Section C) | | |
| 7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs | | X |
| 8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | | X |
| 8b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? | | |
| c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ | | |

Part V Facility Information (continued) HOWARD UNIVERSITY HOSPITAL

| Financial Assistance Policy | | Yes | No |
|---|--|-----|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that: | | | |
| 9 | Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | X | |
| 10 | Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? | X | |
| | If "Yes," indicate the FPG family income limit for eligibility for free care: <u>150</u> % | | |
| | If "No," explain in Section C the criteria the hospital facility used. | | |
| 11 | Used FPG to determine eligibility for providing <i>discounted</i> care? | X | |
| | If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>325</u> % | | |
| | If "No," explain in Section C the criteria the hospital facility used. | | |
| 12 | Explained the basis for calculating amounts charged to patients? | X | |
| | If "Yes," indicate the factors used in determining such amounts (check all that apply): | | |
| a | <input checked="" type="checkbox"/> Income level | | |
| b | <input type="checkbox"/> Asset level | | |
| c | <input type="checkbox"/> Medical indigency | | |
| d | <input checked="" type="checkbox"/> Insurance status | | |
| e | <input type="checkbox"/> Uninsured discount | | |
| f | <input type="checkbox"/> Medicaid/Medicare | | |
| g | <input type="checkbox"/> State regulation | | |
| h | <input type="checkbox"/> Residency | | |
| i | <input checked="" type="checkbox"/> Other (describe in Section C) | | |
| 13 | Explained the method for applying for financial assistance? | X | |
| 14 | Included measures to publicize the policy within the community served by the hospital facility? | X | |
| | If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | | |
| a | <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website | | |
| b | <input type="checkbox"/> The policy was attached to billing invoices | | |
| c | <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms | | |
| d | <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices | | |
| e | <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility | | |
| f | <input checked="" type="checkbox"/> The policy was available on request | | |
| g | <input checked="" type="checkbox"/> Other (describe in Section C) | | |

| Billing and Collections | | Yes | No |
|-------------------------|--|-----|----|
| 15 | Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? | X | |
| 16 | Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP: | | |
| a | <input type="checkbox"/> Reporting to credit agency | | |
| b | <input type="checkbox"/> Lawsuits | | |
| c | <input type="checkbox"/> Liens on residences | | |
| d | <input type="checkbox"/> Body attachments | | |
| e | <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| 17 | Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? | | X |
| | If "Yes," check all actions in which the hospital facility or a third party engaged: | | |
| a | <input type="checkbox"/> Reporting to credit agency | | |
| b | <input type="checkbox"/> Lawsuits | | |
| c | <input type="checkbox"/> Liens on residences | | |
| d | <input type="checkbox"/> Body attachments | | |
| e | <input type="checkbox"/> Other similar actions (describe in Section C) | | |

Part V Facility Information (continued) **HOWARD UNIVERSITY HOSPITAL**

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):
- a Notified individuals of the financial assistance policy on admission
 - b Notified individuals of the financial assistance policy prior to discharge
 - c Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
 - d Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
 - e Other (describe in Section C)

Policy Relating to Emergency Medical Care

19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

| | Yes | No |
|-----------|----------|----|
| 19 | X | |
| | | |

If "No," indicate why:

- a The hospital facility did not provide care for any emergency medical conditions
- b The hospital facility's policy was not in writing
- c The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
- d Other (describe in Section C)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d Other (describe in Section C)

| | | |
|-----------|--|----------|
| | | |
| 21 | | X |
| | | |
| 22 | | X |

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C.

22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 1J: IN 2012, THROUGH THE WORK OF THE DISTRICT OF COLUMBIA HEALTHY COMMUNITIES COLLABORATIVE (DCHCC), A COMPREHENSIVE CITYWIDE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WAS INITIATED. THE DCHCC REPRESENTS A UNIQUE COLLABORATION AMONG HOWARD UNIVERSITY HOSPITAL AND THREE AREA HOSPITALS (CHILDREN'S NATIONAL MEDICAL CENTER, PROVIDENCE HOSPITAL, AND SIBLEY MEMORIAL HOSPITAL) AND THREE FEDERALLY QUALIFIED HEALTH CENTERS (FQHCS) (COMMUNITY OF HOPE, UNITY, AND BREAD FOR THE CITY). IN RESPONSE TO ITS COMMUNITY COMMITMENT, CURRENT ECONOMIC CHALLENGES, AND NEW FEDERAL GUIDELINES, DCHCC SET FORTH TO CONDUCT A CHNA THAT SUMMARIZES AND EVALUATES COMMUNITY HEALTH NEEDS WITH ATTENTION TO HEALTH STATUS, HEALTH SERVICE NEEDS, AND THE INPUT OF COMMUNITY STAKEHOLDERS. THE SCOPE OF THIS PROJECT ALSO INCLUDES SUPPORT FOR AN INNOVATIVE DATA-REPORTING WEBSITE AND TOOL THAT WILL ENGAGE MANY DIFFERENT STAKEHOLDERS COMMITTED TO IMPROVING HEALTH OUTCOMES IN THE DISTRICT OF COLUMBIA.

THE CHNA DOCUMENTS TRENDS IN HEALTH NEEDS AND HEALTH SERVICE USE AMONG DISTRICT CHILDREN AND ADULTS, WITH PARTICULAR ATTENTION PAID TO DIFFERENCES BY AGE, RACE/ETHNICITY, WARD AND HOSPITAL, WHERE RELEVANT. THE FINDINGS SHOULD BE OF INTEREST TO A RANGE OF DISTRICT STAKEHOLDERS INVESTED IN IMPROVING HEALTH AND HEALTH CARE IN THE CITY. THE REPORT MAY ALSO BE OF INTEREST TO HEALTH SERVICES RESEARCHERS OR HEALTH CARE PLANNERS INTERESTED IN CONDUCTING A COMMUNITY HEALTH NEEDS ASSESSMENT TO DRIVE LOCAL HEALTH DECISION-MAKING.

DCHCC ALSO SUPPORTS AN INNOVATIVE DATA-REPORTING WEBSITE AND TOOL THAT

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

WILL ENGAGE MANY DIFFERENT STAKEHOLDERS COMMITTED TO IMPROVING HEALTH OUTCOMES IN THE DISTRICT OF COLUMBIA. THE CHNA AND COMMUNITY HEALTH IMPROVEMENT PLAN WILL BE PUBLISHED ON THIS WEB PORTAL. THE COMMUNITY HEALTH NEEDS ASSESSMENT ALSO INCLUDES ILLUSTRATIVE MAPS/FIGURES OF ASSETS AND VULNERABILITIES RELATED TO SPECIFIC HEALTH METRICS, INCLUDING BUT NOT LIMITED TO MAJOR OUTLET FAST FOOD LOCATIONS PER WARD OF THE DISTRICT, HOSPITALS AND PRIMARY CARE CENTERS IN THE DISTRICT, MEDICALLY UNDERSERVED AREAS IN THE DISTRICT, AND LOCATIONS OF PRIMARY CARE AND MENTAL HEALTH PROFESSIONALS SHORTAGE AREAS IN THE DISTRICT. PROVIDING THIS INFORMATION WILL ASSIST IN OVERALL DATA ANALYSIS, PROGRAM PLANNING AND INFORMED DECISION-MAKING ON IMPORTANT HEALTH-RELATED ISSUES AFFECTING THE RESIDENTS OF WASHINGTON, DC.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 3: IN CONDUCTING THE MOST RECENT CHNA, INPUT WAS RECEIVED VIA FOUR FOCUS GROUPS CONDUCTED WITH KEY STAKEHOLDERS WHO ARE ADVOCATES OR PROVIDERS OF HEALTH AND SOCIAL SERVICES. TWO OF THE GROUPS FOCUSED ON HEALTH AND HEALTH SERVICE ISSUES. THE OTHER TWO GROUPS FOCUSED ON SOCIAL DETERMINANTS AND RELATED SOCIAL SERVICE ISSUES THAT IMPACT HEALTH. THERE WAS A TOTAL OF 30 FOCUS GROUP PARTICIPANTS INCLUDING HOSPITAL PATIENT ADVOCATES, CASE MANAGERS, DEPARTMENT OF HEALTH OFFICIALS, AND COMMUNITY-BASED HEALTH AND SOCIAL SERVICE STAKEHOLDERS. STAKEHOLDERS WERE QUERIED ABOUT A NUMBER OF MAJOR ISSUES, INCLUDING WHAT THEY VIEWED AS PRIORITY HEALTH AND SOCIAL SERVICES NEEDS FOR THE CITY IN GENERAL, THE PARTICULAR NEEDS THAT WERE RELEVANT TO THE POPULATIONS THEY SERVE, AND THEIR SPECIFIC RECOMMENDATIONS FOR CONCRETE STEPS THAT COULD BE

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

IMPLEMENTED TO IMPROVE OVERALL HEALTH AND SOCIAL SERVICES FOR RESIDENTS.

THE FOCUS GROUP GUIDE IS ON FILE WITH THE RAND CORPORATION AND AVAILABLE UPON REQUEST.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 4: HOWARD UNIVERSITY HOSPITAL, THROUGH ITS MEMBERSHIP IN THE DC HEALTHY COMMUNITIES COLLABORATIVE, CONDUCTED THE CHNA IN PARTICIPATION WITH THREE ADDITIONAL NON-PROFIT HOSPITALS: CHILDREN'S NATIONAL MEDICAL CENTER, PROVIDENCE HOSPITAL, AND SIBLEY MEMORIAL HOSPITAL; AND THREE COMMUNITY HEALTH CENTERS, TWO OF WHICH ARE FEDERALLY QUALIFIED HEALTH CENTERS: BREAD FOR THE CITY, COMMUNITY OF HOPE, AND UNITY HEALTH CARE, INC. THE DC HEALTHY COMMUNITIES COLLABORATIVE (DCHCC) WORKS TO ELIMINATE HEALTH DISPARITIES AND CREATE HEALTH EQUITY FOR ALL COMMUNITIES IN THE DISTRICT OF COLUMBIA TO REALIZE ONE HEALTHY CAPITAL CITY. WITH THE UNIQUE PERSPECTIVES OF EACH HOSPITAL AND COMMUNITY HEALTH CENTER, DCHCC MEMBERS PROVIDED GUIDANCE AND FEEDBACK RESPECTIVE TO POPULATIONS AND NEIGHBORHOODS SERVED.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 7: THE DCHCC ACCEPTED THE SIX TOP HEALTH ISSUES- SEXUAL HEALTH, MENTAL HEALTH AND SUBSTANCE ABUSE, OBESITY/OVERWEIGHT, ASTHMA, ACCESS TO CARE, AND STRESS-RELATED CONDITIONS - THAT EMERGED THROUGH ANALYSES OF QUANTITATIVE DATA SOURCES (INCLUDING THE BEHAVIORAL RISK FACTOR SURVEY, YOUTH BEHAVIORAL RISK SURVEY, HOSPITAL DISCHARGE DATA,

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

AMERICAN COMMUNITY SURVEY, AND US CENSUS DATA) AND QUALITATIVE DATA (INPUT FROM COMMUNITY REPRESENTATIVES OBTAINED DURING STAKEHOLDER FOCUS GROUPS). MEMBERS OF THE DCHCC DELIBERATED AND DECIDED ACCESS TO CARE AND STRESS-RELATED CONDITIONS SHOULD NOT BE ADDRESSED AS INDEPENDENT PRIORITY ISSUES AS THEY ARE SYSTEMIC ISSUES THAT IMPACT ALL OF THE OTHER PRIORITY HEALTH AREAS. THUS, THE IMPLEMENTATION STRATEGY (COMMUNITY HEALTH IMPROVEMENT PLAN) ADDRESSES THE REMAINING FOUR PRIORITY ISSUES: SEXUAL HEALTH, MENTAL HEALTH AND SUBSTANCE ABUSE, OBESITY/OVERWEIGHT, AND ASTHMA. HUH ADOPTED THE DCHCC PRIORITY ISSUES AND ADDED CANCER.

IN PREPARATION FOR DEVELOPING THE IMPLEMENTATION STRATEGY, HUH CONDUCTED A SERIES OF INTERNAL MEETINGS WITH EXPERTS TO ASSESS ITS CAPACITY TO ADDRESS AND PRIORITIZE THE IDENTIFIED HEALTH AREAS BASED ON ORGANIZATIONAL STRATEGY. WITH THE ORGANIZATIONAL CAPACITY IDENTIFIED AND SANCTIONED, HUH RECONVENED AS PART OF THE DCHCC PROCESS TO DEVELOP THE IMPLEMENTATION STRATEGY (COMMUNITY HEALTH IMPROVEMENT PLAN) AS FOLLOWS: CONDUCTED GAP AND STRENGTH, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) ANALYSES (FOR EACH HEALTH PRIORITY); PRIORITIZATION OF ISSUES (TO RANK THE HEALTH ISSUES); CREATION OF ACTION PLAN; AND MONITORING OF THE ACTION PLAN.

DCHCC, WITH INPUT FROM COMMUNITY STAKEHOLDERS, DEVELOPED A COMMUNITY HEALTH IMPROVEMENT PLAN (CHIP) TO RESPOND TO THE FINDINGS OF THE NEEDS ASSESSMENT. DCHCC CONDUCTED A COMMUNITY FORUM THAT PROVIDED AN OPPORTUNITY FOR HEALTH PROFESSIONALS, PUBLIC AND ELECTED OFFICIALS, NON-PROFIT ORGANIZATIONS, ACADEMIA, BUSINESSES, PARENTS AND FAMILIES, AND INDIVIDUAL CITIZEN-ADVOCATES TO REVIEW THE FINDINGS FROM THE ASSESSMENT. FORUM PARTICIPANTS THEN ASSISTED WITH DEVELOPING AND SUPPORTING A CITYWIDE

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

COMMUNITY HEALTH IMPROVEMENT PLAN THAT RESPONDS TO THE FINDINGS OF THE ASSESSMENT.

EACH DCHCC MEMBER ORGANIZATION RECEIVED APPROVAL OF THE IMPLEMENTATION STRATEGY (COMMUNITY HEALTH IMPROVEMENT PLAN) BY THEIR BOARD OF DIRECTORS/TRUSTEES. HUH RECEIVED APPROVAL BY ITS BOARD ON SEPTEMBER 26, 2013.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 10: SLIDING SCALE-

HUH'S FINANCIAL ASSISTANCE PROGRAM UTILIZES THE PATIENT'S CONFIRMED INCOME AGAINST THE MOST CURRENTLY PUBLISHED FEDERAL POVERTY GUIDELINES (FPG).

THE PATIENT'S INCOME AND HOUSEHOLD SIZE IS MEASURED AGAINST THE HUH

FINANCIAL ASSISTANCE PROGRAM SLIDING FEE SCHEDULE. HUH'S SLIDING FEE

SCHEDULE RANGES FROM 150% TO 350% OF THE FPG. THE DISCOUNT IS APPLIED TO

THE PATIENT'S ACCOUNT BASED ON THE RESPECTIVE FPG PERCENTAGE. THE

DISCOUNT RANGES FROM 12.5% TO 100%. WHEN THE INCOME IS BETWEEN PERCENTILE

CATEGORIES, THE LOWER PATIENT RESPONSIBILITY IS USED.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 14G: HUH PROVIDES NOTIFICATION ON THE PATIENT'S

BILLING STATEMENT THAT FINANCIAL ASSISTANCE IS AVAILABLE FOR THOSE WHO

QUALIFY. A TOLL-FREE NUMBER IS PROVIDED FOR PATIENTS TO CALL FOR

ADDITIONAL INFORMATION.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

IN ADDITION TO THE FINANCIAL COUNSELORS AND PATIENT ACCOUNTS CUSTOMER SERVICE REPRESENTATIVES, THE HOSPITAL'S ELIGIBILITY VENDOR COMPLETES PATIENT FINANCIAL ASSISTANCE INTERVIEWS WITH UNINSURED PATIENTS TO ASSIST WITH THE COMPLETION OF THE HUH FINANCIAL ASSISTANCE APPLICATION IF THE PATIENT IS DETERMINED INELIGIBLE FOR FEDERAL/DISTRICT MEDICAL PROGRAMS.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 20D: PATIENTS WHO ARE ELIGIBLE FOR THE HUH FINANCIAL ASSISTANCE PROGRAM RECEIVE A DISCOUNT TO THE TOTAL AMOUNT DUE. THE DISCOUNT IS BASED ON INCOME, HOUSEHOLD SIZE AND PERCENTAGE OF THE FEDERAL POVERTY GUIDELINE AMOUNT. UNINSURED PATIENTS WHO ARE NOT ELIGIBLE AND WANT TO RECEIVE CARE UNDER A CONTRACTUAL ARRANGEMENT ARE OFFERED THE DC MEDICAID RATE.

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 0

| Name and address | Type of Facility (describe) |
|------------------|-----------------------------|
| | |
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Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 6A:

EXPLANATION: HOWARD UNIVERSITY HOSPITAL (HUH) IS PART OF HOWARD UNIVERSITY. SERVICE TO THE NATION HAS BEEN, AND CONTINUES TO BE, ONE OF THE PRIMARY MISSIONS OF HOWARD UNIVERSITY. A COMMUNITY BENEFIT REPORT IS PREPARED ANNUALLY BY THE OFFICE OF UNIVERSITY RESEARCH AND PLANNING AND THE HOWARD UNIVERSITY COMMUNITY ASSOCIATION, WHICH ILLUSTRATES A FRACTION OF THE MANY CIVIC AND COMMUNITY ACTIVITIES IN WHICH THE HOWARD UNIVERSITY FACULTY, STAFF, STUDENTS, ALUMNI AND RETIREES ARE ENGAGED. HOWARD UNIVERSITY OFFERS OVER 100 PROGRAMS, SERVICES AND ACTIVITIES THAT ARE AVAILABLE TO THE PUBLIC. THESE INCLUDE: HEALTH EDUCATION, SCREENING AND CLINICAL SERVICES, ACTIVITIES WITH THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS, BOARDER BABIES PROGRAM AND A TOBACCO CONTROL PROGRAM, AMONG OTHERS. THE COMMUNITY BENEFIT REPORT IS AVAILABLE ON THE UNIVERSITY'S WEBSITE.

PART I, LINE 7:

EXPLANATION: 7A: CHARITY CARE AT COST - FREE OR DISCOUNTED HEALTH CARE SERVICES PROVIDED TO PERSONS WHO MEET THE ORGANIZATION'S CRITERIA FOR

Part VI Supplemental Information (Continuation)

FINANCIAL ASSISTANCE AND ARE THEREFORE DEEMED UNABLE TO PAY FOR ALL OR A PORTION OF SUCH SERVICES.

7B: MEDICAID - WHEN MEDICAID, A STATE HEALTH CARE PROGRAM FOR QUALIFYING LOW-INCOME RESIDENTS, DOES NOT REIMBURSE HUH FOR THE FULL COST OF HEALTH CARE SERVICES PROVIDED TO PATIENTS, HUH THEN "ABSORBS" THESE COSTS AT A FINANCIAL LOSS.

7C: COSTS - OTHER MEANS-TESTED GOVERNMENT PROGRAMS - GOVERNMENT PROGRAMS FOR WHICH ELIGIBILITY FOR BENEFITS OR COVERAGE IS DETERMINED BY THE RECIPIENT'S INCOME OR ASSET LEVEL.

7E: COMMUNITY HEALTH IMPROVEMENT SERVICES - ACTIVITIES AND SERVICES FOR WHICH NO PATIENT BILL EXISTS. THESE SERVICES ARE NOT EXPECTED TO BE FINANCIALLY SELF SUPPORTING, ALTHOUGH SOME MAY BE SUPPORTED BY OUTSIDE GRANTS OR FUNDING. SOME EXAMPLES INCLUDE FREE CLINIC SERVICES, PROGRAMS DIRECTED AT IMPROVING WOMEN'S HEALTH, FREE OR LOW COST PRESCRIPTION MEDICATIONS, AND RURAL AND URBAN OUTREACH PROGRAMS.

COMMUNITY BENEFIT OPERATIONS - COSTS ASSOCIATED WITH DEDICATED STAFF, COMMUNITY HEALTH NEEDS AND/OR ASSESSMENTS, AND OTHER COSTS ASSOCIATED WITH COMMUNITY BENEFIT STRATEGY AND OPERATIONS.

PART I LINE 7H: ANY STUDY OR INVESTIGATION OF WHICH THE GOAL IS TO GENERATE GERALIZED KNOWLEDGE MADE AVAILABLE TO THE PUBLIC, SUCH AS KNOWLEDGE ABOUT:

1. UNDERLYING BIOLOGICAL MECHANISMS OF HEALTH AND DISEASE, NATURAL

Part VI Supplemental Information (Continuation)

PROCESSES OR PRINCIPLES AFFECTING HEALTH OR ILLNESS;

2. EVALUATION OF SAFETY AND EFFICACY OF INTERVENTIONS FOR DISEASE SUCH AS CLINICAL TRIALS AND STUDIES OF THERAPEUTIC PROTOCOLS;

3. LABORATORY-BASED STUDIES; EPIDEMIOLOGY, HEALTH OUTCOMES AND EFFECTIVENESS.

4. BEHAVIORAL OR SOCIOLOGICAL STUDIES RELATED TO HEALTH AND DELIVERY OF CARE, OR PREVENTION STUDIES RELATED TO CHANGES IN THE HEALTH CARE DELIVERY SYSTEM; AND

5. COMMUNICATION OF FINDINGS AND OBSERVATIONS (INCLUDING PUBLICATION IN A MEDICAL JOURNAL)

THIS CATEGORY ONLY INCLUDES RESEARCH INTERNALLY FUNDED OR RESEARCH FUNDED BY A TAX-EXEMPT OR GOVERNMENT ENTITY.

PART I LINE 7I: CASH CONTRIBUTIONS MADE TO ENTITIES AND COMMUNITY GROUPS THAT SHARE THE ORGANIZATION'S GOALS AND MISSION. IN-KIND CONTRIBUTIONS INCLUDE THE COST OF HOURS DONATED BY STAFF TO THE COMMUNITY WHILE ON THE ORGANIZATION'S PAYROLL, INDIRECT COST OF SPACE DONATED TO TAX-EXEMPT COMMUNITY GROUPS (SUCH AS FOR MEETINGS), AND THE FINANCIAL VALUE OF DONATED FOOD, EQUIPMENT, AND SUPPLIES.

PART I, LINE 7G:

EXPLANATION: CLINICAL SERVICES THAT ARE PROVIDED, DESPITE A FINANCIAL LOSS TO THE ORGANIZATION. THE FINANCIAL LOSS IS MEASURED AFTER REMOVING

Part VI Supplemental Information (Continuation)

LOSSES, MEASURED BY COST, ASSOCIATED WITH BAD DEBT, CHARITY CARE, MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PROGRAMS. DESPITE THE FINANCIAL LOSS, THE SERVICE IS PROVIDED BECAUSE IT MEETS AN IDENTIFIED COMMUNITY NEED, SUCH AS PROVIDING NEEDED ACCESS TO CARE FOR LOW-INCOME INDIVIDUALS; IF THE SERVICE WERE NO LONGER OFFERED, ACCESS TO HEALTH SERVICES WOULD BE IMPAIRED; OR, PROVIDING THE SERVICE WOULD BECOME THE RESPONSIBILITY OF GOVERNMENT OR ANOTHER TAX-EXEMPT ORGANIZATION.

THIS AMOUNT INCLUDES SUBSIDIZED HEALTH SERVICES PROVIDED AS A PART OF THE HOSPITAL'S EMERGENCY DEPARTMENT, NEONATAL INTENSIVE CARE UNIT AND INPATIENT PSYCHIATRIC UNIT, WHICH ALSO INCLUDES SUBSIDIZED SUBSTANCE ABUSE TREATMENT PROGRAMS.

PART I, LN 7 COL(F):

EXPLANATION: HEALTH PROFESSIONS EDUCATION - PROGRAMS THAT RESULT IN A DEGREE, CERTIFICATE, OR TRAINING THAT IS NECESSARY TO BE LICENSED TO PRACTICE AS A HEALTH PROFESSIONAL, AS REQUIRED BY STATE LAW; OR CONTINUING EDUCATION THAT IS NECESSARY TO RETAIN STATE LICENSE OR CERTIFICATION BY A BOARD IN THE INDIVIDUAL'S HEALTH PROFESSION SPECIALTY.

PART II, COMMUNITY BUILDING ACTIVITIES:

EXPLANATION: COMMUNITY BUILDING ACTIVITIES - HOWARD UNIVERSITY PARTICIPATES IN SEVERAL HOUSING & URBAN DEVELOPMENT (HUD) PROGRAMS WHOSE MISSION IS TO CREATE STRONG, SUSTAINABLE, INCLUSIVE COMMUNITIES AND QUALITY, AFFORDABLE HOMES FOR ALL. HUD IS WORKING TO STRENGTHEN THE HOUSING MARKET TO BOLSTER THE ECONOMY AND PROTECT CONSUMERS; MEET THE NEED FOR QUALITY, AFFORDABLE RENTAL HOMES; UTILIZE HOUSING AS A PLATFORM FOR IMPROVING QUALITY OF LIFE; AND BUILD INCLUSIVE AND SUSTAINABLE COMMUNITIES

Part VI Supplemental Information (Continuation)

FREE FROM DISCRIMINATION. AFFORDABLE HOUSING AND ECONOMIC STABILITY ARE INTRINSICALLY LINKED TO THE PREVENTION OF HEALTH PROBLEMS ASSOCIATED WITH POVERTY, HOMELESSNESS AND OTHER ENVIRONMENTAL CHALLENGES.

PART III, LINE 4:

EXPLANATION: THE COST-TO-CHARGE RATIO WAS APPLIED TO THE BAD DEBT AMOUNT TO REPORT AT COST. THE UNIVERSITY'S FINANCIAL STATEMENTS PROVIDE AS FOLLOWS: THE TOTAL OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THE HOSPITAL'S CHARITY CARE POLICY AND THE DC ALLIANCE PROGRAM WERE \$35,986,000, \$52,800,000 AND \$51,658,000 FOR THE FISCAL YEARS ENDED JUNE 30, 2013, 2012 AND 2011, RESPECTIVELY. TOTAL UNCOMPENSATED CARE, WHICH INCLUDES BAD DEBT WRITE-OFFS AS WELL AS CHARITY CARE, FOR THE FISCAL YEARS ENDED JUNE 30, 2013, 2012 AND 2011, WAS \$63,588,000, \$81,580,000 AND \$82,035,000, RESPECTIVELY.

PART III, LINE 8:

EXPLANATION: MEDICARE IS AN ENTITLEMENT PROGRAM IN WHICH THE HOSPITAL DOES NOT HAVE THE ABILITY TO NEGOTIATE PAYMENT RATES. THEREFORE, ANY SHORTFALL FOR SERVICES PROVIDED SHOULD BE CONSIDERED A CONTRIBUTION TO THE COMMUNITY.

PART III, LINE 9B:

EXPLANATION: HUH WILL FORGO EXTRAORDINARY COLLECTION ACTIONS AGAINST PATIENTS UNTIL MAKING REASONABLE EFFORTS TO DETERMINE WHETHER THE PATIENT IS ELIGIBLE FOR ASSISTANCE UNDER HUH'S FINANCIAL ASSISTANCE POLICY.

HOWARD UNIVERSITY HOSPITAL'S PATIENT ACCOUNTS DEPARTMENT WILL IDENTIFY ALL ACCOUNTS TO BE PLACED IN COLLECTIONS USING THE FOLLOWING CRITERIA:

Part VI Supplemental Information (Continuation)

1. NO ACCOUNTS WILL BE SENT FOR COLLECTION UNTIL IT HAS BEEN DETERMINED THAT THE PATIENT IS NOT ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER HUH'S FINANCIAL ASSISTANCE POLICY.

PART VI, LINE 2:

EXPLANATION: NEEDS ASSESSMENT

IN ORDER TO COMPLY WITH THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, HUH IS COMPLETING THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) AS A MEMBER OF THE DC HEALTHY COMMUNITIES COLLABORATIVE (DCHCC). AS REQUIRED, THE 2013 CHNA WILL BE UTILIZED TO IDENTIFY THE NEEDS THAT ARE THE MOST SIGNIFICANT TO THE COMMUNITY. APPROXIMATELY 75 - 80% OF ALL COMMUNITY OUTREACH INITIATIVES THAT ARE OFFERED BY THE HOSPITAL ARE THE RESULT OF A DIRECT REQUEST OF AN INDIVIDUAL WITHIN THE COMMUNITY OR A COMMUNITY ORGANIZATION. HUH IS OFTEN CONTACTED TO PARTNER WITH OR PARTICIPATE IN MANY OF THE PROGRAMS THAT ARE INCLUDED AS A PART OF THIS SCHEDULE.

PART VI, LINE 3:

EXPLANATION: PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

HUH IS A PRIVATE, NON-PROFIT HOSPITAL WITH A COMMITMENT TO PROVIDE, WITHIN THE LIMITS OF THE RESOURCES OF THE INSTITUTION, CHARITABLE MEDICAL CARE FOR:

- UNINSURED PATIENTS WHO DO NOT HAVE THE ABILITY TO PAY FOR MEDICAL SERVICES AT THE TIME SERVICES ARE RENDERED.

- INSURED PATIENTS WHOSE COVERAGE IS INADEQUATE TO COVER A CATASTROPHIC SITUATION.

- EMERGENCY PATIENTS WHOSE FINANCIAL ABILITY TO PAY COULD NOT BE

Part VI Supplemental Information (Continuation)

DETERMINED PRIOR TO DELIVERING SERVICES.

- PATIENTS WHOSE INCOME IS SUFFICIENT TO PAY FOR BASIC LIVING COSTS BUT NOT MEDICAL CARE, AND ALSO THOSE PERSONS WITH GENERALLY ADEQUATE INCOMES WHO ARE SUDDENLY FACED WITH CATASTROPHICALLY LARGE MEDICAL BILLS.

- PATIENTS WHO DEMONSTRATE ABILITY TO PAY PART BUT NOT ALL OF THEIR LIABILITY.

HUH WILL PROVIDE ANNUALLY NO LESS THAN 3% OF ITS TOTAL OPERATING EXPENSES IN UNCOMPENSATED CARE MEASURED COST. THE COST OF PROVIDING UNCOMPENSATED CARE SHALL BE DETERMINED BY APPLYING ANNUAL FAMILY INCOME AND MAINTENANCE NEED LEVEL CALCULATED AGAINST AN EXPECTED PAYOR PAYMENT. DC MEDICAID FEE SCHEDULE WILL BE UTILIZED AS THE EXPECTED PAYOR PAYMENT IN CASES WHERE APPLICANT IS UNINSURED.

THIS OPPORTUNITY IS MADE AVAILABLE TO ALL INDIVIDUALS HAVING RECEIVED HEALTH CARE SERVICES WITHIN HUH.

ALL HUH EMPLOYEES IN BUSINESS OPERATIONS (I.E. PATIENT ACCESS, BILLING, CREDIT AND COLLECTIONS, CASH PROCESSING AND CUSTOMER SERVICE) ARE FULLY VERSED IN THE HUH'S UNCOMPENSATED CARE POLICY AND ITS APPLICATION IN ORDER TO DIRECT PATIENT INQUIRIES TO APPROPRIATE FACILITY REPRESENTATIVES.

HUH FINANCIAL COUNSELORS AND PATIENT ACCOUNTS CUSTOMER SERVICE OFFICES ARE RESPONSIBLE FOR DETERMINING A PATIENT'S ELIGIBILITY FOR DISCOUNTED DEBT OR CHARITY ALLOCATION THROUGH THE UNCOMPENSATED CARE/CHARITY CARE POLICY AND ARE RESPONSIBLE FOR NOTIFYING PATIENTS IN WRITING OF THEIR ELIGIBILITY FOR FINANCIAL ASSISTANCE. FINANCIAL COUNSELING IS PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATIONS AND HOSPITAL BILLS. INFORMATION ON

Part VI Supplemental Information (Continuation)

HOSPITAL-BASED FINANCIAL SUPPORT POLICIES AND EXTERNAL PROGRAMS THAT PROVIDE COVERAGE FOR SERVICES ARE MADE AVAILABLE TO PATIENTS DURING THE PRE-REGISTRATION AND REGISTRATION PROCESSES AND/OR THROUGH COMMUNICATIONS WITH PATIENTS SEEKING FINANCIAL ASSISTANCE.

IN THE EVENT THAT A PATIENT DOES NOT QUALIFY FOR MEDICAL ASSISTANCE UNDER STATE, DISTRICT OR FEDERAL PROGRAMS, A "PATIENT REQUEST FOR UNCOMPENSATED CARE" APPLICATION WILL BE PROVIDED TO THE PATIENT FOR COMPLETION AND SUBMISSION TO THE FINANCIAL COUNSELOR'S OFFICE IN ACCORDANCE WITH THE HOSPITAL'S UNCOMPENSATED CARE/CHARITY CARE POLICY.

HOWARD UNIVERSITY HOSPITAL IS COMMITTED TO PROVIDING, WITHIN THE LIMITS OF ITS RESOURCES, FINANCIAL ASSISTANCE FOR MEDICALLY NECESSARY SERVICES FOR PATIENTS WHO LACK THE MEANS TO PAY FOR SUCH SERVICES. HOWARD UNIVERSITY HOSPITAL WILL PROVIDE ANNUALLY NO LESS THAN 3% OF ITS TOTAL OPERATING EXPENSES TO FINANCIAL ASSISTANCE PROGRAMS BY MEASURED COST. THE BASIS FOR FINANCIAL ASSISTANCE WILL BE DETERMINED THROUGH A PATIENT'S SELF REPORTING WITH SUPPORTING DOCUMENTATION/ATTESTATION IN ACCORDANCE WITH THE FINANCIAL ASSISTANCE PROGRAM.

PART VI, LINE 4:

EXPLANATION: COMMUNITY INFORMATION

HUH IS LOCATED IN WASHINGTON, DC AND IS A NOT-FOR-PROFIT ACUTE CARE HOSPITAL. THE HOSPITAL PROVIDES INPATIENT, OUTPATIENT, AND EMERGENCY HEALTH SERVICES FOR THE RESIDENTS OF THE DISTRICT OF COLUMBIA AND SURROUNDING STATES. THE HOSPITAL'S PATIENT POPULATION IS OVERWHELMINGLY REPRESENTED BY MEDICAID, DC ALLIANCE (PROVIDES MEDICAL ASSISTANCE TO NEEDY DISTRICT RESIDENTS WHO ARE NOT ELIGIBLE FOR FEDERALLY-FINANCED MEDICAID

Part VI Supplemental Information (Continuation)

BENEFITS) AND MEDICARE PATIENTS, AS WELL AS INDIGENT AND UNINSURED PATIENTS.

HUH IS A LEVEL ONE (1) TRAUMA CENTER, ONE OF AMERICA'S BEST HOSPITALS, OFFERING THE MOST COMPREHENSIVE HEALTH CARE FACILITIES IN WASHINGTON, DC. HUH SERVES THE WASHINGTON, DC POPULATION OF APPROXIMATELY 600,000 PEOPLE. HUH IS A DISPROPORTIONATE SHARE HOSPITAL AND IN FY 2013 OUR GENERAL ADMITTANCE PAYOR MIX FOR MEDICARE AND MEDICAID WAS 26% AND 52%, RESPECTIVELY.

HOWARD UNIVERSITY COLLEGE OF MEDICINE IS THIRD AMONG AMERICA'S 141 MEDICAL SCHOOLS IN PRODUCING DOCTORS THAT MEET THE NATION'S NEW HEALTH CARE NEEDS. THE MISSION OF HOWARD UNIVERSITY HOSPITAL IS THE PROVISION OF EXCELLENCE, SERVICE, EDUCATION AND RESEARCH IN AN ENVIRONMENT OF SAFETY. IN FURTHERANCE OF ITS COMMITMENT TO EDUCATION, THE HOSPITAL MAINTAINS AN ENVIRONMENT THAT SUPPORTS THE TRAINING OF POSTGRADUATE TRAINEES, MEDICAL, DENTAL, NURSING AND OTHER STUDENTS BY HEALTH CARE PRACTITIONERS.

BETWEEN 2001 AND 2005, THE DISTRICT OF COLUMBIA RANKED SIXTH HIGHEST IN THE NATION FOR CANCER DEATHS, THIRD HIGHEST IN THE NATION FOR COLORECTAL CANCER DEATHS, AND FIRST IN THE NATION FOR DEATHS DUE TO PROSTATE, CERVICAL, AND BREAST CANCERS. HUH'S CANCER CENTER WAS ESTABLISHED IN ORDER TO SERVE MINORITIES AND UNDERSERVED POPULATIONS AND TO ADDRESS HEALTH DISPARITIES. THUS, THE MISSION OF THE CANCER CENTER IS TO REDUCE THE BURDEN OF CANCER THROUGH RESEARCH, EDUCATION, AND SERVICE, WITH EMPHASIS ON THE UNIQUE ETHNIC AND CULTURAL ASPECTS OF MINORITY AND UNDERSERVED POPULATIONS. THE CANCER CENTER, UNDER A GRANT FROM THE DISTRICT OF COLUMBIA DEPARTMENT OF HEALTH AND THE DC CANCER CONSORTIUM,

Part VI Supplemental Information (Continuation)

OFFERS FREE COLON CANCER SCREENING TO DISTRICT OF COLUMBIA RESIDENTS BETWEEN THE AGES OF 50 AND 64 AT HOWARD UNIVERSITY HOSPITAL.

HOWARD UNIVERSITY'S CENTER FOR SICKLE CELL DISEASE (SCD) WAS FOUNDED BY THE LATE DR. ROLAND B. SCOTT IN 1971 TO ADDRESS THE NEEDS OF PATIENTS AND FAMILIES IN THE WASHINGTON METROPOLITAN AREA AFFECTED BY SCD. THE CENTER IS COMMITTED TO A SIX-FOLD GOAL THAT INCLUDES COMPREHENSIVE MEDICAL CARE, RESEARCH, TESTING, EDUCATION, COUNSELING, AND COMMUNITY OUTREACH.

RECENTLY, THE CENTER HAS EXPANDED ITS CLINICAL RESEARCH PROGRAM AND DEVELOPED A COLLABORATIVE CONSORTIUM WITH CHILDREN'S NATIONAL MEDICAL CENTER (CNMC) AND, IN WORKING TOGETHER WITH HOWARD UNIVERSITY HOSPITAL AND NIH, IS THE WASHINGTON AREA'S LEADING PROVIDER OF PATIENT SERVICES FOR SCD.

HOWARD UNIVERSITY CENTER FOR WELLNESS AND WEIGHT LOSS SURGERY, ACCREDITED AS A CENTER FOR EXCELLENCE BY THE BARIATRIC SURGERY CENTER NETWORK (BSCN) ACCREDITATION PROGRAM OF THE AMERICAN COLLEGE OF SURGEONS (ACS) PROVIDES A WELLNESS AND WEIGHT LOSS PROGRAM CUSTOMIZED TO FIT PATIENTS' NEEDS. THE CENTER OFFERS BOTH SURGICAL AND MEDICAL WEIGHT LOSS SOLUTIONS AND THE PROPER TOOLS AND EMOTIONAL SUPPORT TO TRANSFORM A PATIENT'S HEALTH AND LIFE.

IN ADDITION, APPROXIMATELY 19% OF DC RESIDENTS ARE LIVING WITH DISABILITIES AND AT LEAST 3% OF DISTRICT RESIDENTS HAVE HIV OR AIDS, A TOTAL THAT FAR SURPASSES THE 1% THRESHOLD THAT CONSTITUTES A "GENERALIZED AND SEVERE" EPIDEMIC. HUH OPERATES A COMMUNITY ADVISORY BOARD (CAB) AS A PART OF ITS HIV/AIDS PROGRAMS AND IS ALWAYS INTERESTED IN RECRUITING NEW MEMBERS WHO HAVE AN INTEREST IN HIV AND HIV RESEARCH, AND THE IMPACT OF

Part VI Supplemental Information (Continuation)

THIS DISEASE IN WASHINGTON, DC AND ACROSS THE WORLD.

PART VI, LINE 5:

EXPLANATION: HUH IS A PRIVATE, NONPROFIT INSTITUTION AND ONE OF THE NATION'S ONLY TEACHING HOSPITALS LOCATED ON THE CAMPUS OF A HISTORICALLY BLACK UNIVERSITY. IT OFFERS MEDICAL STUDENTS A SUPERIOR LEARNING ENVIRONMENT AND OPPORTUNITIES TO OBSERVE OR PARTICIPATE IN GROUND-BREAKING CLINICAL AND RESEARCH WORK WITH PROFESSIONALS WHO ARE CHANGING THE FACE OF HEALTH CARE. HUH WAS ESTABLISHED ON THE BASIS OF BEING ABLE TO PROVIDE HEALTH CARE SERVICES TO THE UNDERSERVED BY PROVIDING A REFUGE WHERE EX-SLAVES RECEIVED THE MEDICAL CARE THEY WERE DENIED ELSEWHERE. IN THIS REGARD, HOWARD UNIVERSITY AND HUH HAVE OFFERED THE FOLLOWING PROGRAMS DURING THE YEAR:

HOWARD UNIVERSITY COLLEGE OF MEDICINE - PROVIDES STUDENTS OF HIGH ACADEMIC POTENTIAL WITH A MEDICAL EDUCATION OF EXCEPTIONAL QUALITY AND PREPARES PHYSICIANS AND OTHER HEALTH CARE PROFESSIONALS TO SERVE THE UNDERSERVED. THE EMPHASIS IS ON DEVELOPING SKILLS AND HABITS OF LIFE-LONG LEARNING AND PRODUCING WORLD LEADERS IN MEDICINE. THE COLLEGE LIVING ALUMNI, MORE THAN 4,000, ARE A TESTIMONY THAT AN EXCELLENT MEDICAL EDUCATION CAN BE OBTAINED AT HOWARD UNIVERSITY. ALTHOUGH OPPORTUNITIES FOR MINORITY STUDENTS HAVE INCREASED AT OTHER MEDICAL SCHOOLS, THE COLLEGE UNIQUELY ADDRESSES THE SPECIAL HEALTH CARE NEEDS OF MEDICALLY UNDERSERVED COMMUNITIES AND CONTINUES TO PRODUCE A SIGNIFICANT NUMBER OF THE NATION'S MINORITY PHYSICIANS.

THE COLLEGE IS A PART OF HOWARD UNIVERSITY, A COMPREHENSIVE RESEARCH UNIVERSITY. WHILE THE UNIVERSITY COMMUNITY HAS TRADITIONALLY BEEN

Part VI Supplemental Information (Continuation)

PREDOMINANTLY BLACK, HOWARD UNIVERSITY HAS BEEN AN INTERRACIAL AND COSMOPOLITAN INSTITUTION THROUGHOUT ITS HISTORY, WITH STUDENTS, FACULTY AND STAFF OF ALL RACES AND FROM MANY FOREIGN NATIONS. ALL MUST MEET THE HIGH STANDARDS OF EXCELLENCE OF HOWARD UNIVERSITY, WHICH HAS THE LARGEST CONCENTRATION OF BLACK FACULTY AND STUDENT SCHOLARS IN THE COUNTRY. IN ADDITION TO THE COLLEGE OF MEDICINE, THE HOWARD UNIVERSITY HEALTH SCIENCES CENTER INCLUDES THE HOWARD UNIVERSITY HOSPITAL; THE COLLEGE OF DENTISTRY; THE COLLEGE OF PHARMACY, NURSING AND ALLIED HEALTH SCIENCES; THE LOUIS STOKES HEALTH SCIENCES LIBRARY; AND THE STUDENT HEALTH CENTER.

BREAD FOR THE CITY MEDICAL CLINIC - STUDENTS ASSIST THE CLINIC IN THE PROVISION OF FREE MEDICAL SERVICES FOR THE UNINSURED. A FREE LEGAL CLINIC, FOOD AND CLOTHING SERVICES, AS WELL AS SOCIAL WORK SERVICES ARE ALSO AVAILABLE TO RESIDENTS AT THIS FACILITY.

COMMUNITY DENTISTRY PROGRAM - THIS DENTAL OUTREACH PROGRAM PROVIDES HEALTH EDUCATION AND DENTAL SCREENING FOR 6- TO 12-YEAR-OLD HOMELESS CHILDREN IN SHELTERS; HEALTH SCREENINGS AND DENTAL CARE FOR YOUNG CHILDREN IN HEAD START PROGRAMS AND THEIR PARENTS; TRAINING FOR NURSING HOME CAREGIVERS IN THE CARE OF THE DENTAL NEEDS OF ELDERS AND ASSESSMENTS OF DENTAL PROSTHESES; AND DENTAL SCREENINGS FOR MENTALLY ILL AND HANDICAPPED PATIENTS.

HIGH SCHOOL ENRICHMENT PROGRAM - THIS 6-WEEK PROGRAM IS INTENDED FOR HIGH SCHOOL STUDENTS WITH A STRONG INTEREST IN THE HEALTH PROFESSIONS. PARTICIPANTS WILL OBTAIN INSTRUCTION IN SCIENCE, MATH, RESEARCH, WRITING, AND COLLEGE PREPARATION SKILLS. RISING SENIORS WILL RESIDE ON CAMPUS AND RECEIVE STIPENDS, PROVIDED FUNDS ARE AVAILABLE.

Part VI Supplemental Information (Continuation)

MULTIDISCIPLINARY CENTER FOR GERONTOLOGY - THE CENTER SEEKS TO IMPROVE THE QUALITY OF LIFE FOR MINORITY SENIORS THROUGH RESEARCH, TRAINING AND EDUCATIONAL PROGRAMS FOR FACULTY, STUDENTS AND COMMUNITY RESIDENTS. ESTABLISHED IN 1994 WITH A \$1 MILLION GRANT FROM THE US ADMINISTRATION ON AGING, THE CENTER IS CURRENTLY FUNDED PRIMARILY BY EXTERNAL GRANTS. THE CENTER HAS CONTINUED TO DEVELOP AND PRODUCE POSITIVE OUTCOMES AND RESULTS IN THE FIELD OF GERONTOLOGY.

SPEECH AND HEARING CLINIC - THE SPEECH AND HEARING CLINIC PROVIDES COMPREHENSIVE RESEARCH-ORIENTED CLINICAL SERVICES TO INDIVIDUALS WHO REQUIRE SPEECH, LANGUAGE AND HEARING EVALUATIONS AND/OR TREATMENT.

BOARDER BABIES - THE PROGRAM PROVIDES SUPPORT FOR BABIES AND CHILDREN FROM BIRTH TO 12 YEARS OLD, WHO HAVE BEEN ABANDONED AT HOWARD UNIVERSITY HOSPITAL, WERE ABUSED OR NEGLECTED AND ARE NOW IN FOSTER CARE OR ARE LIVING WITH GRANDPARENTS OR OTHER RELATIVES.

GRAND ROUNDS FOR COMMUNITY PHYSICIANS - GRAND ROUNDS FOR COMMUNITY PHYSICIANS IS OPEN TO COMMUNITY PHYSICIANS AT NO CHARGE, AND AFFORDS THEM THE OPPORTUNITY TO EARN CATEGORY 1 CREDITS REQUIRED FOR RE-LICENSURE. THE PROGRAM FOCUS IS ON IMPROVING PATIENT CARE AND OUTCOMES.

HEALTH FAIRS - HEALTH FAIRS PROVIDE THE PUBLIC WITH HEALTH CARE INFORMATION AND SCREENING SERVICES IN A VARIETY OF VENUES. HOWARD UNIVERSITY HOSPITAL HAS CO-SPONSORED SUCH FAIRS WITH COMMUNITY ORGANIZATIONS AND CHURCHES.

Part VI Supplemental Information (Continuation)

TOBACCO CONTROL PROGRAM - THE MISSION OF THE TOBACCO CONTROL PROGRAM IS TO EDUCATE THE COMMUNITY ABOUT THE DANGERS OF TOBACCO PRODUCTS. INFORMATION, SUPPORT, AND ASSISTANCE ARE PROVIDED TO SMOKERS WHO ARE TRYING TO QUIT. THE PROGRAM ALSO SUPPORTS INITIATIVES TO PREVENT YOUTH SMOKING AND ADVOCACY CAMPAIGNS TO REDUCE TOBACCO USE AND EXPOSURE.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

DC

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**

OMB No. 1545-0047

2013

**Open to Public
Inspection**

▶ **Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990**

Name of the organization

THE HOWARD UNIVERSITY

**Employer identification number
53-0204707**

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

| 1 (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|---|----------------|--------------------------------------|---------------------------------|--|--|---|---|
| ALABAMA A&M UNIVERSITY 4900 MERIDIAN STREET NORMAL, AL 35762 | 63-6001097 | | 53,457. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| ANACOSTIA ECONOMIC DEVELOPMENT CORP - 1800 MARTIN LUTHER KING JR. AVE SE - WASHINGTON, DC 20020 | 52-0897780 | 501(C)(3) | 112,182. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| ANNEMARIE MINGO 496 LANTERN WOOD DRIVE SCOTSDALE, GA 30079 | 59-4569540 | | 18,750. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| ARTHRITIS CONSULANTS INC RODUCTIONS INC - 522 N NEW GALLAS ROAD - ST LOUIS | 43-0947490 | | 5,274. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| BOWIE STATE UNIVERSITY 14000 JERICHO PARK ROAD BOWIE, MD 20715-9465 | 52-6002033 | | 80,893. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| BRIGHAM AND WOMEN'S HEALTH CARE INC - 75 FRANCIS STREET - BOSTON, MA 02115 | 04-2921338 | | 642,881. | 0. | | | SUPPORT RESEARCH & EDUCATION |

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ **18.**
- 3** Enter total number of other organizations listed in the line 1 table ▶ **41.**

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2013)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

| (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|---|------------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| CARNEGIE MELLON UNIVERSITY 5000 FORBES AVE PITTSBURGH, PA 15213 | 25-0969449 | 501(C)(3) | 235,453. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| CHILDREN'S RESEARCH INSTITUTE 111 MICHIGAN AVENUE NW WASHINGTON, DC 20010 | 52-1654453 | 501(C)(3) | 283,825. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| CONCEPTUAL GENIUSES LLC 2405 HORMAN AVE SILVER SPRING, MD 20910 | 16-1619561 | | 15,450. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| CORNELL UNIVERSITY 750 CASCADILLA STREET ITHACA, NY 14851 | 15-0532082 | 501(C)(3) | 57,164. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| CULTURALLY RESPONSIVE EVALUATION 14900 WILLOW HILL LANE CHESTERFIELD, VA 23832 | 27-1066296 | | 34,888. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| DEVELOPMENT CORPORATION OF COLUMBIA - HEIGHTS - WASHINGTON, DC 20010 | 52-1385018 | 501(C)(3) | 43,500. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| EAST CAROLINA UNIVERSITY 1001 E 5TH ST GREENVILLE, NC 27858 | 56-6000403 | | 15,800. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| ECONOMIC POLICY INSTITUTE 1333 H ST. NW SUITE 300 EAST TOWER WASHINGTON, DC 20005 | 52-1368964 | 501(C)(3) | 82,514. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| GALLAUDET UNIVERSITY 800 FLORIDA AVE NE WASHINGTON, DC 20002 | 53-0197507 | 501(C)(3) | 3,049. | 0. | | | SUPPORT RESEARCH & EDUCATION |

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

| (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| GEORGE MASON UNIVERSITY 4400 UNIVERSITY DRIVE FAIRFAX, VA 22030 | 54-0836354 | | 185,594. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| GEORGETOWN UNIVERSITY OFFICE OF STUDENT ACCOUNTS WASHINGTON, DC 20057-1159 | 53-0196603 | 501(C)(3) | 57,622. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| H MICHAEL MOGIL 1104 6TH ST. S NAPLES, FL 34102 | 10-0369993 | | 28,417. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| HAMPTON UNIVERSITY 114 WIGMAN BUILDING HAMPTON, VA 23668 | 54-0505990 | 501(C)(3) | 94,298. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| HASSAN AKINKUOLIE 8411 GREENBELT ROAD T2 GREENBELT, MD 20770 | | | 9,000. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| HENRY WELLS III 9221 STAHELIN DETROIT, MI 48228 | 37-7722584 | | 20,833. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| IGNACIO GARCIA - VALLADARES 4814 CATALINA DRIVE LAKE ORION, MI 48359 | | | 2,637. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| INSTITUTE FOR CLINICAL RESEARCH INC - PO BOX 29545 - WASHINGTON, DC 20017 | 52-1336656 | 501(C)(3) | 10,109. | 0. | | | RESEARCH SUPPORT & EDUCATION |
| JACKSON STATE UNIVERSITY 1400 J.R. LYNCH STREET JACKSON, MS 39217 | 64-6000507 | 501(C)(3) | 41,297. | 0. | | | SUPPORT RESEARCH & EDUCATION |

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

| (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| JOHNS HOPKINS UNIVERSITY 12529 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693 | 52-0595110 | 501(C)(3) | 1,272,899. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| KAPLAN INC 700 SOUTH FLOWER STREET LOS ANGELES, CA 90017 | 22-2573250 | | 35,366. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| KESSLYN A BRADE STENNIS 1400 SHEPHERD ST NE UPPER MARLBORO, MD 20772 | | | 25,000. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| LOUISIANA STATE UNIVERSITY HEALTH 433 BOLIVAR ST BOX B3-1 NEW ORLEANS, LA 70112-2223 | 72-6087770 | | 3,623. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| MARCIVE INC P O BOX 47508 SAN ANTONIO, TX 78265 | 74-2186432 | | 32,700. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| MEDSTAR HEALTH RESEARCH INSTITUTE 6525 BELCREST ROAD HYATTSVILLE, MD 20782 | 52-6056274 | 501(C)(3) | 18,528. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| MORGAN STATE UNIVERSITY 1700 E COLD SPRING LANE BALTIMORE, MD 21251 | 52-6002033 | | 127,883. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| NATIONAL BLACK PROGRAMMING CONSORTIUM - 68 E 131ST ST FL 7 - NEW YORK, NY 10037 | 31-1335950 | 501(C)(3) | 17,633. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| NORFOLK STATE UNIVERSITY 700 PARK AVENUE NORFOLK, VA 23504 | 54-6002808 | | 71,798. | 0. | | | SUPPORT RESEARCH & EDUCATION |

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

| (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| PENNSYLVANIA STATE UNIVERSITY 820 NORTH UNIVERSITY PRESS UNIVERSITY PARK, PA 16802 | 24-6000376 | | 62,896. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| POLYVEA INC 9120 HARDESTY DRIVE CLINTON, MD 20735 | 45-4652027 | | 309,627. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| PRECISION SYSTEMS INCORPORATED 2713 NEWLANDS STREET NW WASHINGTON, DC 20015 | 52-1902336 | | 61,638. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| PRINCE GEORGES COMMUNITY COLLEGE 301 LARGO ROAD LARGO, MD 20744 | 23-7011243 | | 10,361. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| PRINCE GEORGES COUNTY PUBLIC SCHOOLS - FRIENDLY HIGH SCHOOL - FORT WASHINGTON, MD 20744 | 52-6000992 | | 1,000. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| SARAH F FARMER 7086 CREEKSONG DRIVE DOUGLASVILLE, GA 30134 | 17-1644659 | | 22,917. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| SHARMON L THORNTON 1111 ARMY NAVY DRIVE ARLINGTON, VA 22202-2029 | 30-1489762 | | 81,633. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| SHAW MAIN STREETS 1426 9TH ST NW WASHINGTON, DC 20001 | 16-1665834 | 501(C)(3) | 55,000. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| SHIJUN ZHU DBA EZSTAT SERVICES LLC 3605 DAIRY VALLEY TRAIL ELLICOTT CITY, MD 21042 | 21-7592337 | | 17,200. | 0. | | | SUPPORT RESEARCH & EDUCATION |

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

| (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| SOUTHERN UNIVERSITY 1904 ROUND RIDGE ROAD BATON ROUGE, LA 70813 | 72-6000817 | | 61,136. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| THE GRANT GROUP LLC 342 ORCHARD ST NW VIENNA, VA 22180 | 26-3381722 | | 29,228. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| THE OHIO STATE UNIVERSITY OFFICE OF SPONSORED PROGRAMS COLUMBUS, OH 43219 | 31-3025986 | | 3,843. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| THE RESEARCH FOUNDATION OF SUNY PRESS - 1400 WASHINGTON AVE, MSC 312 - ALBANY, NY 12222 | 14-1368361 | 501(C)(3) | 127,139. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| THE UNIVERSITY OF AKRON 302 BUCHTEL COMMON AKRON, OH 44325 | 34-6002924 | | 28,664. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| TILLI C WILLIAMS 5736 27TH STREET NW WASHINGTON, DC 20015 | | | 36,350. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| TOTAL LIFESTYLE CHANGE INC 10104 SENATE DRIVE LANHAM, MD 20706 | 91-2151937 | 501(C)(3) | 29,210. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| UNIVERSITY OF DISTRICT OF COLUMBIA 4200 CONNECTICUT AVE NW BLDG 38 WASHINGTON, DC 20008-1122 | 53-6001131 | | 187,101. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| UNIVERSITY OF FLORIDA PO BOX 113001 GAINSVILLE, FL 32611-6005 | 59-6002052 | | 96,708. | 0. | | | SUPPORT RESEARCH & EDUCATION |

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

| (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| UNIVERSITY OF MARYLAND 620 W. LEXINGTON STREET, 4TH FLOOR BALTIMORE, MD 21201 | 52-6002033 | | 190,266. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| UNIVERSITY OF PUERTO RICO AT MAYAGUEZ - PO BOX 9001 - MAYAGUEZ, PR 00681-9001 | 66-0433767 | | 114,418. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| UNIVERSITY OF TEXAS AT ELPASO 500 W UNIVERSITY AVE EL PASO, TX 79968-0506 | 74-6000813 | | 152,137. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| UNIVERSITY OF TEXAS PAN AMERICAN 1201 WEST UNIVERSITY DRIVE EDINBURG, TX 78541 | 74-6002942 | | 10,320. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| VANDERBILT UNIVERSITY CONTRACT AND GRANT ACCOUNTING NASHVILLE, TN 37235 | 62-0476822 | 501(C)(3) | 5,806. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| VIRGINIA STATE UNIVERSITY OFFICE OF CASH & INVESTMENTS, 1 HAY PETERSBURG, VA 23806 | 54-6001811 | | 120,889. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| WEST AND ASSOCIATES LLC/CAROL A WEST - 2600 CRYSTAL DRIVE - ARLINGTON, VA 22202 | 13-5328895 | | 53,124. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| WYLIN DASSIE WILSON 2684 BENT CREEK ROAD AUBURN, AL 36830 | 58-9262081 | | 16,666. | 0. | | | SUPPORT RESEARCH & EDUCATION |
| | | | | | | | |

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of non-cash assistance |
|---------------------------------|--------------------------|--------------------------|-----------------------------------|---|--|
| SCHOLARSHIPS | 6057 | 81,306,213. | 0. | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PART I, LINE 2:

EXPLANATION: MONITORING USE OF GRANT FUNDS TO ORGANIZATIONS IN THE UNITED

STATES:

THE OFFICE OF FINANCIAL AID DETERMINES STUDENT ELIGIBILITY AND MAKES AWARDS

FOR NEED BASED SCHOLARSHIPS. ACADEMIC DEPARTMENTS DETERMINE ELIGIBILITY AND

AWARDS ACADEMIC MERIT BASED SCHOLARSHIPS WITH ASSISTANCE FROM THE OFFICE OF

FINANCIAL AID. BOTH OFFICES PERFORM POST AWARD MONITORING TO DETERMINE

CONTINUED ELIGIBILITY.

Part IV Supplemental Information

THE RESEARCH AND ADMINISTRATIVE SERVICES OFFICE (RAS) PERFORMS
SUB-RECIPIENT MONITORING IN ACCORDANCE WITH UNIVERSITY POLICY. RAS AND
PRINCIPLE INVESTIGATORS MONITOR STATEMENT OF WORK COMPLETION, PROGRESS
REPORTS, DELIVERABLES, CHANGE TO SCOPE AND BUDGETS. THEY ALSO REVIEW AND
APPROVE SUB-RECIPIENT INVOICES.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

2013

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990

Name of the organization

THE HOWARD UNIVERSITY

Employer identification number

53-0204707

Part I Questions Regarding Compensation

| | Yes | No |
|--|-----------|----|
| 1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. | | |
| <input type="checkbox"/> First-class or charter travel | | |
| <input checked="" type="checkbox"/> Housing allowance or residence for personal use | | |
| <input type="checkbox"/> Travel for companions | | |
| <input type="checkbox"/> Payments for business use of personal residence | | |
| <input type="checkbox"/> Tax indemnification and gross-up payments | | |
| <input checked="" type="checkbox"/> Health or social club dues or initiation fees | | |
| <input type="checkbox"/> Discretionary spending account | | |
| <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) | | |
| b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain | 1b | X |
| 2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a? | 2 | X |
| 3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. | | |
| <input checked="" type="checkbox"/> Compensation committee | | |
| <input checked="" type="checkbox"/> Written employment contract | | |
| <input checked="" type="checkbox"/> Independent compensation consultant | | |
| <input checked="" type="checkbox"/> Compensation survey or study | | |
| <input type="checkbox"/> Form 990 of other organizations | | |
| <input checked="" type="checkbox"/> Approval by the board or compensation committee | | |
| 4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: | | |
| a Receive a severance payment or change-of-control payment? | 4a | X |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | X |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | X |
| If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III. | | |
| Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9. | | |
| 5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: | | |
| a The organization? | 5a | X |
| b Any related organization? | 5b | X |
| If "Yes" to line 5a or 5b, describe in Part III. | | |
| 6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: | | |
| a The organization? | 6a | X |
| b Any related organization? | 6b | X |
| If "Yes" to line 6a or 6b, describe in Part III. | | |
| 7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III | 7 | X |
| 8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III | 8 | X |
| 9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? | 9 | |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|---|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| (1) SIDNEY A. RIBEAU, PH.D. PRESIDENT, THRU 10/13 | (i) | 644,431. | 0. | 395,792. | 14,031. | 22,710. | 1,076,964. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (2) WAYNE FREDERICK, MD/PROVOST INTERIM PRESIDENT, 11/13-06/14 | (i) | 749,427. | 0. | 35,000. | 15,104. | 17,046. | 816,577. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (3) KURT SCHMOKE, ESQ. GENERAL COUNSEL | (i) | 251,377. | 0. | 23,000. | 13,650. | 3,451. | 291,478. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (4) ARTIS HAMPSHIRE-COWAN, ESQ. SENIOR VP AND SECRETARY | (i) | 206,860. | 0. | 39,653. | 12,308. | 3,694. | 262,515. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (5) NESTA BERNARD VP UNIVERSITY ADVANCEMENT | (i) | 214,503. | 0. | 1,308. | 8,858. | 19,526. | 244,195. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (6) BARBARA GRIFFIN, PH.D VP STUDENT AFFAIRS | (i) | 156,071. | 0. | 23,000. | 9,108. | 18,478. | 206,657. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (7) MICHAEL MCFADDEN INTERIM VP HUMAN RESOURCES | (i) | 175,001. | 0. | 23,000. | 9,864. | 1,999. | 209,864. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (8) CONSTANCE ELLISON INTERIM VICE PRESIDENT FOR STUDENT A | (i) | 165,863. | 0. | 16,458. | 8,742. | 7,306. | 198,369. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (9) JOHN GORDON INTERIM CHIEF FINANCIAL OFFICER & TR | (i) | 122,931. | 0. | 11,634. | 9,308. | 7,066. | 150,939. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (10) EDWARD CORNWELL, III, MD SURGEON -IN-CHIEF | (i) | 705,488. | 83,500. | 39,839. | 15,104. | 18,828. | 862,759. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (11) DAMIREZ FOSSETT, MD CHAIR OF NEUROSURGERY | (i) | 495,867. | 3,500. | 10,215. | 25,147. | 17,205. | 551,934. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (12) REBAT HALDER, MD CHAIR OF DERMATOLOGY | (i) | 380,608. | 82,493. | 40,500. | 20,708. | 10,967. | 535,276. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (13) ROBERT COPELAND CHAIR OF OPHTHALMOLOGY | (i) | 413,177. | 12,102. | 40,500. | 20,400. | 17,786. | 503,965. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (14) ANDRE DUERINCKX CHAIR OF RADIOLOGY | (i) | 429,795. | 3,500. | 40,500. | 17,508. | 10,918. | 502,221. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (15) LASALLE LEFFALL, MD FORMER PROVOST/CHIEF ACADE | (i) | 209,918. | 0. | 0. | 7,905. | 15,994. | 233,817. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (16) JAMES WYCHE, PH.D FORMER PROVOST/CHIEF ACADE | (i) | 124,153. | 0. | 19,857. | 7,185. | 13,583. | 164,778. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 1A:**EXPLANATION: SCHEDULE J****QUESTIONS REGARDING COMPENSATION:****HOUSING ALLOWANCES/RESIDENCE FOR PERSONAL USE:****HOWARD UNIVERSITY PROVIDES A HOME TO THE UNIVERSITY PRESIDENT AS A****CONDITION OF EMPLOYMENT AND FOR THE CONVENIENCE OF THE UNIVERSITY. THE****UNIVERSITY ALLOCATES RESOURCES TO MAINTAIN THE RESIDENCE IN GOOD REPAIR.****THESE INCLUDE:****(1) ALL UTILITIES, TELEPHONE, CABLE TELEVISION, HIGH SPEED AND WIRELESS****INTERNET;****(2) SERVICE AND MAINTANENCE OF THE STRUCTURE AND GROUNDS;****(3) UNIVERSITY-OWNED FURNISHINGS AND FURNITURE TO SUPPLEMENT PRESIDENT****RIBEAU'S PERSONAL FURNISHINGS AND FURNITURE; AND****(4) PERIODIC HOUSEKEEPING SERVICES AND CATERING FOR UNIVERSITY-RELATED****BUSINESS AND ENTERTAINMENT.****THE USE OF THIS RESIDENCE WAS NOT INCLUDED IN THE PRESIDENT'S FORM W-2.****THE FAIR MARKET VALUE OF THE ANNUAL RENT (IN THE AMOUNT OF \$95,000) HAS**

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

BEEN INCLUDED AS A NON-TAXABLE BENEFIT FOR SCHEDULE J PURPOSES.

HEALTH OR SOCIAL CLUB DUES:

THE UNIVERSITY PAID OR REIMBURSED THE PRESIDENT FOR THE DUES AND NORMAL PERIODIC ASSESSMENTS INCURRED FOR MEMBERSHIP FOR TWO CLUBS. THE USE OF THE MEMBERSHIP IN THE BUSINESS CLUBS IS LIMITED TO UNIVERSITY BUSINESS AND NOT REPORTED AS TAXABLE INCOME.

PERSONAL SERVICES:

AN AUTOMOBILE (ALONG WITH DRIVER) ARE PROVIDED TO THE PRESIDENT BY THE UNIVERSITY AS NEEDED FOR UNIVERSITY-RELATED BUSINESS. THESE SERVICES ARE FOR BUSINESS PURPOSES ONLY, AND AS SUCH, HAVE NOT BEEN REPORTED AS TAXABLE INCOME.

SCHEDULE J, PART I, LINE 4B**SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN:**

THE UNIVERSITY FUNDS A NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR DR. RIBEAU IN THE AMOUNT OF \$70,000 ANNUALLY PLUS SIX PERCENT INTEREST. AMOUNT FUNDED PLUS INTEREST FOR THE YEAR ENDED JUNE 30, 2013 TOTALED \$74,199.

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PRESIDENT RIBEAU'S EMPLOYMENT CONTRACT PROVIDED A VESTED INTEREST IN A
NON-QUALIFIED DEFERRED COMPENSATION PLAN ON JUNE 30, 2013 IF STILL EMPLOYED
AS PRESIDENT. PRESIDENT RIBEAU SATISFIED THE VESTING REQUIREMENT AND THE
UNIVERSITY DISTRIBUTED THE AMOUNTS CREDITED TO THE PLAN PLUS EARNINGS OVER
THE DURATION OF HIS EMPLOYMENT CONTRACT IN A SINGLE LUMP SUM IN THE AMOUNT
OF \$395,792.

SCHEDULE J, PART I, LINE 7:

EXPLANATION: HOWARD UNIVERSITY OFFERED A FACULTY PHASED RETIREMENT
PROGRAM (PRP) IN FY 2012 TO TENURED FACULTY WITH A MINIMUM FIVE YEARS
OF CREDITED SERVICE AND 70 OR MORE COMBINED YEARS OF AGE AND SERVICE.
THE UNIVERSITY CALCULATED THE RETIREMENT INCENTIVE PAYMENT BASED ON TWO
WEEKS FOR EVERY YEAR OF SERVICE CAPPED AT 52 WEEKS USING THE HIGHEST
ANNUAL PAY RATE WITHIN THE THREE YEARS PRIOR TO THE RETIREMENT DATE.
PARTICIPANTS COULD ELECT TO BE PAID IN FULL OR PROPORTIONATELY OVER A
MAXIMUM FIVE YEAR PHASE OUT PERIOD. THERE WERE 174 FACULTY THAT ELECTED
TO PARTICIPATE IN THIS PROGRAM.

FOUR FACULTY MEMBERS IN THIS SECTION RECEIVED PRP PAYMENTS AND AMOUNTS

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

ARE REPORTED IN SCHEDULE J-PART II AS OTHER REPORTABLE COMPENSATION AS

FOLLOWS:

REBAT HALDER, MD \$52,087

SURYANARAYANA SIRAM, MD \$48,092

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990

Name of the organization

THE HOWARD UNIVERSITY

Employer identification number
53-0204707

Part I Bond Issues

| (a) Issuer name | (b) Issuer EIN | (c) CUSIP # | (d) Date issued | (e) Issue price | (f) Description of purpose | (g) Defeased | | (h) On behalf of issuer | | (i) Pooled financing | |
|-------------------------------|----------------|-------------|-----------------|-----------------|----------------------------|--------------|----|-------------------------|----|----------------------|----|
| | | | | | | Yes | No | Yes | No | Yes | No |
| A DISTRICT OF COLUMBIA | 53-6001131 | NONE | 08/26/10 | 10,400,000. | SEE PART VI | | X | | X | | X |
| B DISTRICT OF COLUMBIA | 53-6001131 | 25483VDK7 | 04/27/11 | 220,245,253. | SEE PART VI | | X | | X | | X |
| C | | | | | | | | | | | |
| D | | | | | | | | | | | |

Part II Proceeds

| | A | | B | | C | | D | |
|--|-------------|----|--------------|----|-----|----|-----|----|
| 1 Amount of bonds retired | | | | | | | | |
| 2 Amount of bonds legally defeased | | | | | | | | |
| 3 Total proceeds of issue | | | 169,163,175. | | | | | |
| 4 Gross proceeds in reserve funds | | | 9,738,259. | | | | | |
| 5 Capitalized interest from proceeds | | | | | | | | |
| 6 Proceeds in refunding escrows | | | 43,301,030. | | | | | |
| 7 Issuance costs from proceeds | 196,236. | | 3,650,654. | | | | | |
| 8 Credit enhancement from proceeds | | | | | | | | |
| 9 Working capital expenditures from proceeds | | | | | | | | |
| 10 Capital expenditures from proceeds | 10,400,800. | | 56,104,000. | | | | | |
| 11 Other spent proceeds | | | | | | | | |
| 12 Other unspent proceeds | | | 46,325,000. | | | | | |
| 13 Year of substantial completion | | | | | | | | |
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 14 Were the bonds issued as part of a current refunding issue? | X | | | X | | | | |
| 15 Were the bonds issued as part of an advance refunding issue? | | X | | X | | | | |
| 16 Has the final allocation of proceeds been made? | X | | X | | | | | |
| 17 Does the organization maintain adequate books and records to support the final allocation of proceeds? | X | | X | | | | | |

Part III Private Business Use

| | A | | B | | C | | D | |
|---|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? | | X | | X | | | | |
| 2 Are there any lease arrangements that may result in private business use of bond-financed property? | | X | X | | | | | |

Part III Private Business Use (Continued)

| | A | | B | | C | | D | |
|---|-----|----|------|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 3a Are there any management or service contracts that may result in private business use of bond-financed property? | | X | X | | | | | |
| b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? | | | X | | | | | |
| c Are there any research agreements that may result in private business use of bond-financed property? | | X | X | | | | | |
| d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? | | | X | | | | | |
| 4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government | | % | 1.30 | % | | % | | % |
| 5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government | | % | | % | | % | | % |
| 6 Total of lines 4 and 5 | | % | 1.30 | % | | % | | % |
| 7 Does the bond issue meet the private security or payment test? | | X | | X | | | | |
| 8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued? | | X | | X | | | | |
| b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of | | % | | % | | % | | % |
| c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? | | | | | | | | |
| 9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? | | X | | X | | | | |

Part IV Arbitrage

| | A | | B | | C | | D | |
|--|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? | | X | | X | | | | |
| 2 If "No" to line 1, did the following apply? | | | | | | | | |
| a Rebate not due yet? | | X | | X | | | | |
| b Exception to rebate? | | X | | X | | | | |
| c No rebate due? | | X | | X | | | | |
| If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed | | | | | | | | |
| 3 Is the bond issue a variable rate issue? | | X | | X | | | | |
| 4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? | | X | | X | | | | |
| b Name of provider | | | | | | | | |
| c Term of hedge | | | | | | | | |
| d Was the hedge superintegrated? | | | | | | | | |
| e Was the hedge terminated? | | | | | | | | |

Part IV Arbitrage (Continued)

| | A | | B | | C | | D | |
|--|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 5a Were gross proceeds invested in a guaranteed investment contract (GIC)? | | X | | X | | | | |
| b Name of provider | | | | | | | | |
| c Term of GIC | | | | | | | | |
| d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? | | | | | | | | |
| 6 Were any gross proceeds invested beyond an available temporary period? | | X | | X | | | | |
| 7 Has the organization established written procedures to monitor the requirements of section 148? | X | | X | | | | | |

Part V Procedures To Undertake Corrective Action

| | A | | B | | C | | D | |
|--|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations? | X | | X | | | | | |

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

SCHEDULE K, PART I, BOND ISSUES

(A) ISSUER NAME: DISTRICT OF COLUMBIA

DESCRIPTION OF PURPOSE: FINANCE AND REFINANCE THE COST OF INSTALLING, REPAIRING, AND REPLACING ENERGY EFFICIENT ELECTRICAL AND MECHANICAL SYSTEMS IN MULTIPLE BUILDINGS LOCATED ON THE MAIN CAMPUS, EAST CAMPUS AND WEST CAMPUS.

(B) ISSUER NAME: DISTRICT OF COLUMBIA

DESCRIPTION OF PURPOSE: REFUND SERIES 1998, SERIES 2006 A AND SERIES 2006 B OUTSTANDING DEBT; FINANCE A NEW INTERDISCIPLINARY RESEARCH BUILDING, RENOVATE AND MODERNIZE CLASSROOMS, UPGRADE LABORATORIES, REPLACE ROOFS, UPGRADE BUILDING SAFETY AND ACCESS, HEATING, AIR CONDITION AND SPRINKLER SYSTEMS, AND OTHER RENOVATION PROJECTS.

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C

(A) ISSUER NAME: DISTRICT OF COLUMBIA

DATE THE REBATE COMPUTATION WAS PERFORMED: APRIL 24, 2013

(B) ISSUER NAME: DISTRICT OF COLUMBIA

DATE THE REBATE COMPUTATION WAS PERFORMED: APRIL 24, 2013

SCHEDULE L

(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2013

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b. Attach to Form 990 or Form 990-EZ. See separate instructions. Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Open To Public Inspection

Name of the organization THE HOWARD UNIVERSITY Employer identification number 53-0204707

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

Table with 4 main columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 \$
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

Table with 9 main columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization? (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Total \$

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

Table with 5 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|-------------------------------|---|---------------------------|--------------------------------|---|----|
| | | | | Yes | No |
| RIGHT ADVISORY LLC | CFO ROBERT TAROLA I | 1,430,325. | MANAGEMENT | | X |
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Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: RIGHT ADVISORY LLC

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

CFO ROBERT TAROLA IS A MEMBER OF RIGHT ADVISORY LLC

(C) AMOUNT OF TRANSACTION \$ 1,430,325.

(D) DESCRIPTION OF TRANSACTION: MANAGEMENT - COMPENSATION FOR FINANCIAL MANAGEMENT SERVICES PROVIDED BY RIGHT ADVISORY LLC INCLUDING VARIOUS INDIVIDUALS AND ROBERT TAROLA (SERVING AS CHIEF FINANCIAL OFFICER).

RIGHT ADVISORY ALSO SUBCONTRACTED CERTAIN ACCOUNTING SERVICES TO THE CAHILL GROUP AND THE COSTS ARE INCLUDED IN THE AMOUNT OF THIS TRANSACTION. THE AGREEMENT WITH RIGHT ADVISORY LLC ENDED IN NOVEMBER 2013.

(E) SHARING OF ORGANIZATION REVENUES? = NO

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public
Inspection

Name of the organization

THE HOWARD UNIVERSITY

Employer identification number

53-0204707

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

RESEARCH, AND SERVES PATIENTS THROUGH 12 SCHOOLS OF HIGHER EDUCATION
AND AN ACADEMIC MEDICAL CENTER.

FORM 990, PART VI, SECTION A, LINE 3:

EXPLANATION: HOWARD UNIVERSITY RETAINS RIGHT ADVISORY LLC FOR THE SERVICES
OF ROBERT TAROLA AS CFO. THIS ENDED IN NOVEMBER, 2013.

FORM 990, PART VI, SECTION B, LINE 11:

EXPLANATION: REVIEW OF THE FORM 990 BY GOVERNING BOARD: A MEETING OF THE
AUDIT AND LEGAL COMMITTEES (A&LC) OF THE BOARD OF TRUSTEES IS HELD TO
PRESENT AND REVIEW A DRAFT OF THE FULL FORM 990, INCLUDING ALL APPLICABLE
SCHEDULES. EACH A&LC COMMITTEE MEMBER IS PROVIDED A COPY OF THE RETURN
PRIOR TO THE MEETING. AT THE MEETING THEY ARE ALLOWED TO ASK QUESTIONS
REGARDING THE FORM 990. CHANGES ARE DOCUMENTED AND THE FORM 990 IS UPDATED.
A FINAL DRAFT OF THE FULL FORM 990 IS PROVIDED ELECTRONICALLY TO EACH
MEMBER OF THE FULL BOARD FOR REVIEW. ONCE THE BOARD HAS HAD TIME TO REVIEW
AND COMMENT ON THE FORM 990, IT IS FILED WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C:

EXPLANATION: COMPLIANCE WITH CONFLICT OF INTEREST POLICY: ANNUAL DISCLOSURE
IS REQUIRED OF EACH OFFICER, DIRECTOR, TRUSTEE AND KEY EMPLOYEE. EACH
PERSON COMPLETES AN ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE. ONCE THE
CONFLICT OF INTEREST QUESTIONNAIRES ARE COMPLETED, THEY ARE REVIEWED BY THE
CHIEF COMPLIANCE OFFICER/OFFICE OF THE GENERAL COUNSEL. IF AN ACTUAL
CONFLICT OF INTEREST IS DETERMINED TO EXIST, THAT PERSON IS EXCLUDED FROM

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2013)

332211
09-04-13

| | |
|---|--|
| Name of the organization THE HOWARD UNIVERSITY | Employer identification number 53-0204707 |
|---|--|

ANY DISCUSSIONS CONCERNING THE CONFLICTING ISSUE AND IS NOT PERMITTED TO VOTE ON ANY DECISIONS REGARDING THE CONFLICTING ISSUE.

FORM 990, PART VI, SECTION B, LINE 15:

EXPLANATION: COMPENSATION OF THE CEO, EXECUTIVE DIRECTOR, OR OTHER TOP MANAGEMENT OFFICIAL: THE PROCESS FOR DETERMINING THE COMPENSATION OF THE ORGANIZATION'S PRESIDENT INCLUDED A REVIEW AND APPROVAL BY THE BOARD OF TRUSTEES, WHICH CONSISTED OF ONLY INDEPENDENT PERSONS. THE BOARD OF TRUSTEES USED A CUSTOMIZED SURVEY OF HOWARD UNIVERSITY'S BENCHMARK INSTITUTIONS CREATED BY PRM CONSULTING TO DETERMINE THE COMPENSATION. THE BOARD OF TRUSTEES CONDUCTS AN ANNUAL PERFORMANCE REVIEW OF THE PRESIDENT AND ADJUST COMPENSATION BASED ON ACHIEVEMENT OF AGREED UPON GOALS AND OBJECTIVES. THE PROCESS WAS DOCUMENTED IN THE BOARD MEETING MINUTES.

FORM 990, PART VI, SECTION C, LINE 19:

EXPLANATION: PUBLIC DISCLOSURE OF GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY, AND FINANCIAL STATEMENTS: THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC ON THE ORGANIZATION'S WEBSITE AND UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

| | |
|--|--------------|
| UNREALIZED CHANGE IN FUNDED STATUS OF DEFINED BENEFIT PENSION PLAN | 19,283,000. |
| UNREALIZED CHANGE IN OBLIGATION FOR POST RETIREMENT BENEFIT PLAN | -15,003,000. |
| TOTAL TO FORM 990, PART XI, LINE 9 | 4,280,000. |

FORM 990, PART XII, LINE 2C:

332212
09-04-13

Name of the organization THE HOWARD UNIVERSITY

Employer identification number 53-0204707

EXPLANATION: THE PROCESS HAS NOT CHANGED FROM PRIOR YEAR.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

THE HOWARD UNIVERSITY

**Employer identification number
53-0204707**

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|---|-------------------------|---|---------------------|---------------------------|-------------------------------------|
| HOWARD UNIVERSITY GLOBAL INITIATIVE - NIGERIA | EDUCATION | NIGERIA | 2,919,334. | | HOWARD UNIVERSITY |
| HOWARD UNIVERSITY INTERNATIONAL 2400 6TH STREET NW WASHINGTON, DC 20059 | EDUCATION | DISTRICT OF COLUMBIA | | | HOWARD UNIVERSITY |
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Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|--|-------------------------|---|-------------------------------|---|-------------------------------------|--|----|
| | | | | | | Yes | No |
| WASHINGTON RESEARCH LIBRARY CONSORTIUM - 52-1559828, 901 COMMERCE DRIVE , UPPER MARLBORO, MD 20774 | LIBRARY SERVICES | DISTRICT OF COLUMBIA | 501(C)(3) | LINE 11B, II | N/A | | X |
| | | | | | | | |
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For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2013

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproportionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|-------------------------|--|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
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Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512(b)(13) controlled entity? | |
|--|-------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|---|----|
| | | | | | | | | Yes | No |
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Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

| | Yes | No |
|---|-----|----|
| a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity | | X |
| b Gift, grant, or capital contribution to related organization(s) | | X |
| c Gift, grant, or capital contribution from related organization(s) | | X |
| d Loans or loan guarantees to or for related organization(s) | | X |
| e Loans or loan guarantees by related organization(s) | | X |
| f Dividends from related organization(s) | | X |
| g Sale of assets to related organization(s) | | X |
| h Purchase of assets from related organization(s) | | X |
| i Exchange of assets with related organization(s) | | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | | X |
| k Lease of facilities, equipment, or other assets from related organization(s) | | X |
| l Performance of services or membership or fundraising solicitations for related organization(s) | | X |
| m Performance of services or membership or fundraising solicitations by related organization(s) | | X |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | | X |
| o Sharing of paid employees with related organization(s) | | X |
| p Reimbursement paid to related organization(s) for expenses | | X |
| q Reimbursement paid by related organization(s) for expenses | | X |
| r Other transfer of cash or property to related organization(s) | | X |
| s Other transfer of cash or property from related organization(s) | | X |

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|-------------------------------|------------------------|--|
| (1) | | | |
| (2) | | | |
| (3) | | | |
| (4) | | | |
| (5) | | | |
| (6) | | | |

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

| (a) Name, address, and EIN of entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Predominant income (related, unrelated, excluded from tax under section 512-514) | (e) Are all partners sec. 501(c)(3) orgs.? | | (f) Share of total income | (g) Share of end-of-year assets | (h) Dispropor- tionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|-------------------------|--|--|--|----|------------------------------------|--|--|----|---|---|----|--------------------------------|
| | | | | Yes | No | | | Yes | No | | Yes | No | |
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Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

Multiple horizontal lines for supplemental information.



1867

HOWARD

UNIVERSITY

The Howard University

Consolidated Financial Statements

Fiscal Years Ended June 30, 2014, 2013 and 2012

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Interim Chief Financial Officer and Treasurer

Report of the Treasurer on the Consolidated Financial Statements

The management of The Howard University (Howard University) is responsible for the preparation, accuracy, integrity and objectivity of the consolidated financial statements contained herein. Such financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, accordingly, include certain amounts that represent management's best estimates and judgments. Actual amounts could differ from those estimates.

These consolidated financial statements have been presented under my supervision. Based upon my knowledge, these consolidated financial statements fairly present, in all material respects, the consolidated financial position, consolidated changes in net assets and consolidated cash flows of Howard University for the periods presented herein.

Furthermore, I hereby certify that the Howard University as Borrower under separate agreements with certain banks and lending institutions is in compliance with respective financial covenants as of June 30, 2014, with the exception of the Debt Service Coverage Ratio for the Multi-bank Credit Agreement as further described in Note 18 of the accompanying consolidated financial statements.



John D. Gordon, Jr. MS, CPA, CGMA
Interim Chief Financial Officer and
Treasurer





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7101 Wisconsin Ave
Suite 800
Bethesda, MD 20814

Independent Auditor's Report

Board of Trustees
The Howard University
Washington, DC

We have audited the accompanying financial statements of The Howard University (the "University"), which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities and consolidated cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Howard University as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The June 30, 2012 financial statements of the University were audited by other auditors, whose report dated October 29, 2012 expressed an unmodified opinion on those statements.

BDO USA, LLP

December 23, 2014

| Consolidated Statements of Financial Position As of June 30, 2014, 2013 and 2012 (in thousands) | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 14,820 | \$ 34,795 | \$ 35,146 |
| Operating investments | 40,095 | 36,185 | 34,425 |
| Deposits with trustees | 13,853 | 17,625 | 38,150 |
| Receivables, net | 126,733 | 137,830 | 118,024 |
| Inventories, prepaids and other assets | 29,205 | 29,974 | 23,739 |
| Unexpended bond proceeds | 46,325 | 71,670 | 87,207 |
| Restricted investments | 44,240 | 37,754 | 32,402 |
| Endowment investments | 591,902 | 514,073 | 460,712 |
| Property, plant and equipment, net | 625,602 | 613,081 | 608,441 |
| Total assets | \$ 1,532,775 | \$ 1,492,987 | \$ 1,438,246 |
| Liabilities: | | | |
| Accounts payable and accrued expenses | \$ 122,955 | \$ 108,077 | \$ 115,127 |
| Deferred revenue | 10,000 | 9,691 | 9,938 |
| Other liabilities | 30,175 | 34,568 | 33,305 |
| Accrued post retirement benefits | 71,302 | 67,852 | 189,430 |
| Underfunded defined benefit pension plan | 106,629 | 127,455 | 168,208 |
| Reserves for self-insured liabilities | 86,631 | 90,399 | 80,595 |
| Notes payable | 70,447 | 46,499 | 38,569 |
| Capital lease obligations | 44,125 | 47,355 | 43,431 |
| Bonds payable | 293,194 | 293,496 | 293,785 |
| Interest rate swap | - | - | 21 |
| Refundable advances under Federal Student Loan Program | 6,369 | 6,484 | 6,852 |
| Total liabilities | 841,827 | 831,876 | 979,261 |
| Net Assets: | | | |
| Unrestricted | 308,222 | 315,051 | 143,977 |
| Temporarily restricted | 256,783 | 222,850 | 200,463 |
| Permanently restricted | 125,943 | 123,210 | 114,545 |
| Total net assets | 690,948 | 661,111 | 458,985 |
| Total liabilities and net assets | \$ 1,532,775 | \$ 1,492,987 | \$ 1,438,246 |

The accompanying notes are an integral part of these consolidated financial statements.

| Consolidated Statements of Activities For fiscal years ended June 30, 2014, 2013 and 2012 (in thousands) | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|----------------------|
| Academic services: | | | |
| Tuition and fees, net | \$ 164,722 | \$ 160,429 | \$ 147,537 |
| Grants and contracts | 57,048 | 58,284 | 59,766 |
| Auxiliary services | 64,937 | 62,174 | 60,109 |
| Clinical services: | | | |
| Patient service - Hospital | 209,752 | 241,136 | 265,714 |
| Patient service - Faculty medical practice | 33,802 | 32,441 | 31,871 |
| Patient service - Dental clinic | 2,202 | 1,864 | 1,970 |
| Public support: | | | |
| Federal appropriation | 219,346 | 230,239 | 230,567 |
| Contributions | 3,601 | 3,805 | 3,924 |
| Endowment transfer | 6,080 | 5,866 | 5,985 |
| Operating investment income | 7,053 | 4,639 | 211 |
| Net assets released from restrictions | 17,060 | 15,417 | 14,606 |
| Other income | 15,150 | 20,359 | 27,819 |
| Total unrestricted operating revenue | 800,753 | 836,653 | 850,079 |
| Federal appropriation | 3,405 | 3,452 | 3,593 |
| Contributions | 7,535 | 4,077 | 5,111 |
| Endowment transfer | 6,614 | 6,265 | 6,404 |
| Net assets released from restrictions | (17,060) | (15,417) | (14,606) |
| Other | 519 | 705 | 519 |
| Total temporarily restricted operating revenue | 1,013 | (918) | 1,021 |
| Contributions | 1,162 | 5,770 | 1,076 |
| Endowment transfer | 402 | 382 | 390 |
| Other | 790 | 83 | (584) |
| Total permanently restricted operating revenue | 2,354 | 6,235 | 882 |
| Total operating revenues | 804,120 | 841,970 | 851,982 |
| Salaries and wages | 385,707 | 374,843 | 383,764 |
| Employee benefits other than retirement plans | 73,981 | 72,657 | 73,237 |
| Retirement plans excluding amortization | 15,366 | 20,004 | 32,783 |
| Total employment expenses | 475,054 | 467,504 | 489,784 |
| Telecommunications | 10,772 | 9,208 | 8,921 |
| Utilities | 21,589 | 21,982 | 21,449 |
| Medical and office supplies | 39,889 | 44,411 | 45,523 |
| Repairs and maintenance | 21,763 | 20,108 | 18,321 |
| Food service costs | 13,495 | 11,550 | 11,988 |
| Grant subcontracts | 19,752 | 16,456 | 15,262 |
| Insurance and risk management | 27,473 | 31,089 | 19,722 |
| Professional and administrative services | 125,413 | 119,431 | 120,737 |
| Provision for bad debts | 5,939 | 5,268 | 5,479 |
| Total operating expenses exclusive of interest, depreciation and amortization expense | 761,139 | 747,007 | 757,186 |
| Interest expense | 23,025 | 22,985 | 24,500 |
| Depreciation | 55,900 | 52,625 | 50,453 |
| Amortization of retirement plan actuarial losses | 8,672 | 9,838 | 10,120 |
| Total operating expenses | 848,736 | 832,455 | 842,259 |
| Operating revenues (under) over operating expenses | (44,616) | 9,515 | 9,723 |
| Investment income/(loss) in excess of amount designated for operations | 40,307 | 20,004 | (6,810) |
| Restructuring costs | (3,433) | (1,808) | (24,462) |
| Change in funded status of defined benefit pension plan | 19,283 | 27,689 | (119,274) |
| Change in obligation for post-retirement benefit plan | (15,003) | 121,101 | 2,731 |
| Change in value of interest rate swap, net | - | 21 | 83 |
| Other items, net | - | (131) | (270) |
| Total unrestricted non-operating income and expenses | 41,154 | 166,876 | (148,002) |
| Total temporarily restricted non-operating income and expenses, net | 32,920 | 23,305 | (9,603) |
| Total permanently restricted non-operating income and expenses, net | 379 | 2,430 | (1,035) |
| Total non-operating income and expenses | 74,453 | 192,611 | (158,640) |
| Unrestricted | (6,829) | 171,074 | (140,182) |
| Temporarily restricted | 33,933 | 22,387 | (8,582) |
| Permanently restricted | 2,733 | 8,665 | (153) |
| Change in net assets | \$ 29,837 | \$ 202,126 | \$ (148,917) |

The accompanying notes are an integral part of these consolidated financial statements.

| Consolidated Statements of Cash Flows For the fiscal years ended June 30, 2014, 2013 and 2012 (in thousands) | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Change in net assets | \$ 29,837 | \$ 202,126 | \$ (148,917) |
| Adjustment to reconcile change in net assets to net cash and cash equivalents provided by operating activities: | | | |
| Non-operating activities | (74,453) | (192,611) | 158,640 |
| Non-cash operating items: | | | |
| Depreciation | 55,900 | 52,625 | 50,453 |
| Retirement plan amortization | 8,672 | 9,838 | 10,120 |
| Non-cash joint venture gain | - | - | (4,466) |
| Investment appreciation | (7,053) | (4,639) | (211) |
| Change in net assets adjusted for non-cash and non-operating items | 12,903 | 139,427 | 140,477 |
| Change in receivables (excluding notes) | 13,561 | (18,735) | (6,658) |
| Change in inventory, prepaid expenses and other assets | 769 | (6,235) | (4,607) |
| Change in deposits with trustees | 3,772 | 20,525 | 10,471 |
| Change in accounts payable and other accrued expenses | (6,888) | (36,135) | (39,620) |
| Change in deferred revenue | 309 | (247) | 1,484 |
| Change in reserve for self-insured liabilities | (3,768) | 9,804 | 796 |
| Change in other liabilities | (4,393) | 1,263 | 1,103 |
| Change in refundable advances under Federal Student Loan Program | (115) | (368) | (491) |
| Net cash and cash equivalents provided by operating activities | 3,247 | 37,211 | 28,097 |
| Cash flows from investing activities | | | |
| Proceeds from sale of investments | 373,782 | 388,245 | 208,951 |
| Purchase of investments | (381,682) | (390,005) | (198,182) |
| Change in unexpended bond proceeds | 25,345 | 15,537 | 15,222 |
| Purchases and renovations of property, plant and equipment | (65,560) | (55,720) | (49,363) |
| Net cash and cash equivalents used in investing activities | (48,115) | (41,943) | (23,372) |
| Cash flows from financing activities | | | |
| Proceeds from notes payable | 100,000 | 70,000 | 110,000 |
| Payment on notes payable | (76,052) | (62,070) | (102,201) |
| Payment on bonds payable | (508) | (515) | (489) |
| Capital leases (payments) receipts, net | (10,148) | (7,734) | (4,818) |
| Student loans issued | (3,821) | (2,537) | (1,918) |
| Student loans collected | 1,357 | 1,467 | 1,491 |
| Proceeds from restricted contributions | 1,162 | 5,770 | 1,076 |
| Net cash and cash equivalents provided by financing activities | 11,990 | 4,381 | 3,141 |
| Net (decrease) increase in cash and cash equivalents | (19,975) | (351) | 7,866 |
| Cash and cash equivalents at beginning of year | 34,795 | 35,146 | 27,280 |
| Cash and cash equivalents at end of year | \$ 14,820 | \$ 34,795 | \$ 35,146 |
| Supplemental cash flow information | | | |
| Cash paid for interest | 23,111 | 23,978 | 23,469 |
| Supplemental non-cash investing activities: | | | |
| Acquisition of equipment under capital leases | 6,918 | 11,658 | 4,702 |
| Supplemental non-cash financing activities: | | | |
| Donated securities | 2,254 | 73 | 30 |

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 **Summary of Significant Accounting Policies**

(a) *Description of The Howard University*

The Howard University (Howard) is a private, nonprofit institution of higher education (the University) which also operates Howard University Hospital (the Hospital) located in Washington, DC. The University provides academic services in the form of education and training, primarily for students at the undergraduate, graduate and postdoctoral levels, and performs research, training and other services under grants, contracts, and similar agreements with sponsoring organizations, primarily departments and agencies of the United States government. Howard also provides patient healthcare services at the Hospital and by certain members of the University's faculty as part of its academic clinical activities.

The consolidated financial statements include the activities of Howard University International (HUI), Howard University Global Initiative – Nigeria, LTD/GTE. (HUGIN), and Howard University Technical Assistance Program in Malawi Limited (HUTAP), wholly-owned subsidiaries of the University. The activities and balances of these entities are reflected in the consolidated statements of activities and consolidated statements of position, and have been eliminated in consolidation.

Howard has a 49% joint venture interest in the Howard University Dialysis Center LLC (LLC). Howard accounts for its interest in the LLC using the equity method which requires Howard to record a proportional share of the LLC's net income or loss as increases and decreases to the initial investment are received.

Howard is recognized as an organization exempt from Federal income tax under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax. Any unrelated business income tax generated by Howard is recorded as income tax using the liability method under which deferred tax assets and liabilities are determined based on the differences between the financial accounting and tax basis of assets and liabilities. Deferred tax assets or liabilities at the end of each period are determined using the currently enacted tax rate expected to apply to taxable income in the period that the deferred tax asset or liability is expected to be realized or to be settled. As of June 30, 2014, 2013 and 2012, Howard had no deferred tax assets or liabilities. In addition, Howard analyzed its tax positions for the years ended June 30, 2014, 2013 and 2012, and determined that there were no uncertain tax positions that would have a material impact on Howard's consolidated financial statements.

(b) ***Basis of Presentation***

The consolidated financial statements of Howard have been prepared on the accrual basis of accounting in activities with accounting principles generally accepted in the United States of America. (U.S. GAAP).

(c) ***Use of Estimates***

The preparation of the consolidated 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. These estimates affect the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts realized or paid could differ significantly from the amounts reported for these assets and liabilities. Significant items subject to such estimates and assumptions include the carrying value of receivables, accumulated depreciation related to property, plant and equipment and investments whose fair values are not readily determinable; and the adequacy of reserves for professional liabilities, retirement benefits, self-insured health benefits, self-insured workers' compensation and asset retirement obligations.

(d) ***Net Assets***

Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted – Net assets that are not subject that donor-imposed stipulations.

Temporarily restricted – Net assets subject to donor-imposed stipulations that either expire by the passage of time or that can be fulfilled by actions pursuant to those stipulations.

Permanently restricted – Net assets subject to donor-imposed stipulations that do not expire with time or Howard action. Generally, the donors of these assets permit Howard to use all or part of the income earned on related investments for general or specific purposes.

Contributions are reported in the appropriate category of revenue, except that contributions with donor-imposed restrictions met in the same fiscal year are included in unrestricted revenues. Expirations of temporary restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as releases from temporarily restricted net assets to unrestricted net assets. Donor restrictions on gifts to acquire long-lived assets are considered fulfilled in the period in which the assets are acquired or placed in service.

(e) **Receivables and Revenue Recognition**

- (1) **Contributions**, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the gift date. Howard has elected not to recognize or capitalize contributions of works of art, historical treasures, and similar assets held as part of collections. Contribution revenue for the fiscal years ended June 30, 2014, 2013 and 2012 are shown below:

| Contribution Revenue | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|-----------------------------------|----------------------|----------------------|----------------------|
| Unrestricted | \$ 3,601 | \$ 3,805 | \$ 3,924 |
| Temporarily restricted | 7,535 | 4,077 | 5,111 |
| Permanently restricted | 1,162 | 5,770 | 1,076 |
| Total contribution revenue | \$ 12,298 | \$ 13,652 | \$ 10,111 |

Unconditional promises to give with payments to be received after one year from the date of the consolidated financial statements are discounted. Allowance is made for creditworthiness of the donors, past collection experience, and other relevant factors.

- (2) **Tuition and fees** from student services are recognized ratably over the academic time period to which they apply. A portion of tuition and fees charged in the current fiscal year for the summer term are recognized in the following fiscal year due to summer sessions between May and July crossing fiscal years.

Student receivables represent unpaid tuition and fees assessed in current and prior periods that are generated when a student registers for classes through the University's formal registration process. Howard maintains a policy of offering qualified applicants admission to the University without regard to financial circumstance. Student financial aid is generally fulfilled through a combination of scholarships, fellowships, loans and employment during the academic year. Tuition and fees are recorded net of discounts for scholarships (merit, talent, and need based), fellowships, graduate remission and employee tuition remission. Funding for financial aid may come from donor designated sources or from unrestricted operations and assets. Financial aid for fiscal years ended June 30, 2014, 2013 and 2012 was \$92,923, \$87,849 and \$86,390, respectively.

| Net Tuition Revenue | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|-------------------------------|----------------------|----------------------|----------------------|
| Gross tuition and fees | \$ 257,645 | \$ 248,278 | \$ 233,927 |
| Financial aid: | | | |
| Merit | 53,373 | 50,070 | 46,709 |
| Need | 16,683 | 14,933 | 14,081 |
| Talent | 7,183 | 7,082 | 6,518 |
| Other | 15,684 | 15,764 | 19,082 |
| Total financial aid | \$ 92,923 | \$ 87,849 | \$ 86,390 |
| Total net tuition | \$ 164,722 | \$ 160,429 | \$ 147,537 |

- (3) **Other income** represents income from activities other than core business operations and is recognized as revenue in the period it is received.
- (4) **Federal appropriation** revenue is recognized when received and expended. Howard receives a Federal appropriation that can be used for support of the University's educational mission, a portion of which is held as a temporarily restricted term endowment. For fiscal years ended June 30, 2014, 2013 and 2012, Howard received 28%, 28% and 27%, respectively, of its revenue support from the Federal appropriation. The \$3,405, \$3,452 and \$3,593, receivable as of June 30, 2014, 2013 and 2012, respectively, represents the portion to be collected on the Federal term endowment as defined in Note 13.
- (5) **Net patient service revenue** is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and bad debt expense. The Hospital and University faculty physicians have arrangements with third-party payors that provide for payments at established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per-diem payments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Patient and third party healthcare payor receivables are the amounts due for patient care services rendered by the University's Faculty Practice Plan (FPP) and the Hospital.

| Net Patient Service Revenue | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Gross Revenues | \$ 725,111 | \$ 704,912 | \$ 722,582 |
| Third-party settlement revenue | 49,952 | 54,559 | 43,315 |
| Contractual allowances and adjustments | (494,137) | (420,442) | (384,762) |
| Charity services | (8,241) | (35,986) | (52,800) |
| Bad debt | (26,929) | (27,602) | (28,780) |
| Total net patient service revenue | \$ 245,756 | \$ 275,441 | \$ 299,555 |
| % of contractals and charity services of gross revenues | 69% | 65% | 61% |

- (6) **Grants and contracts** revenue is recognized when reimbursable expenses are incurred (for cost plus contracts) or when deliverables or milestones are met (for fixed price contracts). These revenues include recoveries of eligible direct expenses and indirect costs for facilities and administration, which are generally determined as a negotiated or agreed-upon percentage of direct costs. Receivables under research grants and development agreements represent amounts due from Federal, state, local, private grants, contracts and others.

| Grants and contracts revenue | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|------------------|------------------|------------------|
| Reimbursement of direct expenses | \$ 49,651 | \$ 50,318 | \$ 51,421 |
| Recovery of indirect costs | 7,397 | 7,966 | 8,345 |
| Total grants and contracts revenue | \$ 57,048 | \$ 58,284 | \$ 59,766 |
| Indirect costs recovery as a % of direct costs | 15% | 16% | 16% |

Grants and contracts revenue by type is detailed in the table below:

| Grants and contracts revenue by type | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|------------------|------------------|------------------|
| Research | \$ 32,119 | \$ 31,036 | \$ 34,083 |
| Training | 13,873 | 14,732 | 15,801 |
| Service/other | 11,056 | 12,516 | 9,882 |
| Total grants and contracts revenue by type | \$ 57,048 | \$ 58,284 | \$ 59,766 |

- (7) **Auxiliary services** revenue is generally recognized when services are rendered or as activities have been completed. Auxiliary receivables are comprised primarily of amounts due from advertisers on Howard's commercial radio station WHUR, bookstore vendors and property rents.

| Auxiliary services revenue | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|------------------|------------------|------------------|
| Student housing | \$ 32,370 | \$ 29,517 | \$ 28,616 |
| Radio station | 12,851 | 13,664 | 11,880 |
| Meal plans | 10,321 | 8,748 | 8,630 |
| Bookstore | 5,094 | 6,309 | 7,026 |
| Property rentals | 1,505 | 1,384 | 1,175 |
| Parking fees | 775 | 807 | 878 |
| Vending sales and fees | 678 | 691 | 837 |
| Ticket sales | 793 | 511 | 484 |
| Licensing | 11 | 148 | 14 |
| Other | 539 | 395 | 569 |
| Total auxiliary services revenue | \$ 64,937 | \$ 62,174 | \$ 60,109 |

- (8) **Notes receivable** represent loans the University extended to students from institutional resources and Federal Student Loan programs with outstanding balances, which includes Federal Perkins Loans. A reasonable estimate of the fair value of the loans receivable advances from the Federal Government under the Federal Student Loan Program could not be made because the loan receivables are not stable and can only be assigned to the U.S. Government or its designees. Management regularly assesses the adequacy of the allowance for credit losses on student loans by performing ongoing evaluations of the student loan portfolio, including the financial condition of specific borrowers, the economic environment in which the borrowers operate, and the level of delinquent loans.

Howard's Perkins receivable represents the amounts due from current and former students under the Federal Perkins Loan Program. Loans disbursed under this Program are able to be assigned to the Federal Government in certain non-repayment situations. In these situations, the Federal portion of the loan balance is generally guaranteed.

(f) ***Cash and Cash Equivalents***

Short-term investments with maturities at date of purchase of nine months or less are classified as cash equivalents, except that any such investments purchased with funds on deposit with bond trustees, or with funds held in trusts or by external endowment investment managers are classified as Deposits with trustees or Investments, respectively. Cash equivalents include repurchase agreements, certificates of deposit, short-term U.S. Treasury securities and other short-term, highly liquid investments and are carried at approximate fair value. Howard's practice is to enter into repurchase agreements only when collateralized by government or other agency securities held in safekeeping by a bank. These transactions are recorded on the consolidated statements of financial position, with any earnings recorded as interest income. Howard's repurchase arrangement was suspended in August 2011.

(g) ***Investments***

Investments are segregated between operating, restricted and endowment investments and deposits with trustees on the consolidated statements of financial position, all of which are stated at fair value and defined as follows:

Operating Investments – represent investments free of any donor or lender imposed restrictions. These investments are short-term in nature and can be liquidated at the discretion of the Board of Trustees (the "Board") to meet operational demands.

Restricted Investments – represent non-endowed investments whose principal and or income are restricted by external sources, including liquidation restrictions. The use of the principal and interest of these investments is not subject to the discretion of the Board and as such they are not available to meet the operational needs of the University.

Endowment Investments – represent the pooled endowment and the Federal matching endowment investments. The endowment investments are spread across various asset categories with the use of the income from these investments restricted based on stated donor stipulations.

Deposits with Trustees – represent short-term investments in various operating trusts, designed to meet certain obligations including professional liability, workers' compensation, health insurance, capitalized interest and the debt service reserve funds. Investment balances may include some cash and cash equivalents held by investment managers for a specific purpose.

Temporarily and permanently restricted non-operating income and expense, net on the consolidated statements of activities primarily relates to investment income (loss) in excess of amounts designated for operations. Fair values of the University's investments are determined by the most relevant available and observable valuation inputs as defined in Note 12. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based upon average historical value (cost of securities purchased or the fair market value at date of gift, if received by donation). Dividend and interest income are recorded on an accrual basis. Accrued but unpaid dividends, interest and proceeds from investment sales at the report date are recorded as investment receivables.

Realized and unrealized investment gains and losses are allocated in a manner consistent with interest and dividends, to either unrestricted, temporarily restricted or permanently restricted net assets (distinguished between operating and non-operating), based on donor intent or lack thereof. Such amounts may be expended for operations, for specified donor purposes if temporarily restricted, or held in perpetuity at the donor's request. Realized and unrealized investment gains and losses on loan funds are accumulated in permanently restricted net assets.

Operating investment income includes interest, dividends and operating investment returns. This balance is calculated using operating investments as a percentage of total Level 1 investments in common stock and mutual funds.

(h) ***Inventories, Prepaids and Other Assets***

Inventories consist primarily of bookstore items and medical supplies, and are recorded at the lower of cost or realizable value on a first-in, first-out basis. Prepaids consist primarily of insurance, dues, subscriptions and other fees and are amortized over the useful period. Other assets consist primarily of unamortized

bond issuance costs, deferred health charges, intellectual property and investment interest in a dialysis joint venture, see Note 21.

(i) ***Property, Plant and Equipment***

Property, plant and equipment are stated at cost or at estimated fair value if received by gift, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. A half year of depreciation is recorded in the year of acquisition. The useful lives for fiscal years reported are as follow:

| | |
|------------------------------------|------------|
| Land and land improvements | 0-25 years |
| Building and building improvements | 5-40 years |
| Furniture and equipment | 3-20 years |
| Software | 3-10 years |
| Library books | 10 years |

Property, plant and equipment acquired under capital leases are amortized in a manner consistent with Howard's normal depreciation policy for owned assets. Lease obligations are amortized using the straight-line method, over the shorter period of the lease term or the estimated useful life.

Property, plant and equipment are capitalizable when the unit cost is equal to or exceeds \$3 and has a useful life of more than one year.

Property held for expansion consists of land and buildings acquired for future use in carrying out educational, research and other activities in line with the overall mission of Howard. Depreciation for buildings commences when property is converted to use.

Title to certain equipment purchased using funds provided by government grants or contracting agencies is vested with Howard, and therefore is included in reported property balances. Interest costs eligible for capitalization are the costs of restricted borrowings, less any interest earned on temporary investment of the proceeds of those borrowings, from the date of borrowing until qualifying assets are intended for use. The recorded values of certain properties include the fair value of any asset retirement obligation necessary to meet contractual or regulatory requirements for disposal or remediation of the property. This primarily pertains to the cost of removal and disposal of asbestos.

(j) ***Refundable Advances Under Federal Student Loan Program***

Funds provided by the United States Department of Education under the Federal Student Loan Programs are loaned to qualified students and may be re-loaned after collections. The portion of these funds provided by the Department of Education are ultimately refundable to the Department of Education and are reported as liabilities in the consolidated statements of financial position and as

cash flows from financing activities in the consolidated statements of cash flows. Loans issued to students are reported as part of receivables in the consolidated statements of financial position.

(k) ***Functional Expenses***

Howard allocates its expenses on a functional basis among its various programs and institutional support. Expenses that can be identified with a specific program are charged directly. Costs related to the operation and maintenance of physical plant including utilities, depreciation of fixed assets and interest expense, are allocated among programs and institutional support based upon square footage.

For fiscal years ended June 30, 2014, 2013 and 2012, expenses were allocated across functions as follows:

| Functional expenses | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|----------------------|
| Program services: | | | |
| Instruction | \$ 215,022 | \$ 205,891 | \$ 214,254 |
| Research | 35,609 | 35,285 | 40,068 |
| Public service | 10,492 | 8,189 | 9,943 |
| Academic support | 47,173 | 40,589 | 38,625 |
| Student services | 27,754 | 27,154 | 26,872 |
| Patient care | 299,372 | 302,772 | 297,194 |
| Total program services expenses | \$ 635,422 | \$ 619,880 | \$ 626,956 |
| Supporting services: | | | |
| Institutional support | 144,070 | 139,427 | 140,477 |
| Auxiliary enterprises | 69,244 | 73,148 | 74,826 |
| Total supporting services | \$ 213,314 | \$ 212,575 | \$ 215,303 |
| Total program and supporting services expenses | \$ 848,736 | \$ 832,455 | \$ 842,259 |

Reserves for Self-Insured Liabilities

The reserve for self-insured liabilities is comprised primarily of amounts accrued for asserted medical malpractice and worker's compensation claims and includes estimates of the ultimate cost to resolve such claims. The reserve also includes an estimate of the cost to resolve unasserted claims that actuarial analyses indicate are probable of assertion in the future. Medical malpractice claim reserves are stated at an undiscounted amount.

(m) ***Other Liabilities***

Other liabilities are comprised primarily of asset retirement obligations, unclaimed property, student deposits, deposits held in custody for others, reserves for legal and other contingencies and miscellaneous items.

(n) ***Compensated Absences***

Howard records an amount due to employees for future absences, which are attributable to services performed in the current and prior periods and subject to a maximum carryover. This obligation is recognized on the consolidated statements of financial position as part of accounts payable and accrued expenses. At June 30, 2014, 2013 and 2012 the obligation was \$7,421, \$6,920 and \$11,172, respectively.

(o) ***Pension and Post-Retirement Benefits***

The funded status of Howard's pension benefit (the Plan) is actuarially determined and recognized in the consolidated statements of financial position as an asset to reflect an overfunded status, or as a liability to reflect an underfunded status. Howard's actuarially determined post-retirement benefit obligation is recognized on the consolidated statements of financial position as a liability. Howard follows the Internal Revenue Service (IRS) guidelines in the administration of the Plan.

(p) ***Measure of Operations***

Howard includes in its measure of operations all revenue and expenses that are integral to its continuing core program services with the key objective being predictability of indicated results. Such measures include the amortization of actuarial gains and losses previously recorded as non-operating items. Howard uses a spending rate methodology to determine the amount of endowment assets allocated to operations in a given year. Non-operating income and expenses include realized and unrealized appreciation (depreciation), investments, changes in retirement plan liabilities due to market factors, restructuring costs and (charges) credits that do not pertain to continuing core program services.

(q) ***Non-operating Restricted Income and Expense***

The table below details the items of non-operating restricted income and expense summarized in the consolidated statements of activities for the fiscal years ended June 30, 2014, 2013 and 2012:

| Non-operating restricted income and expense | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Investment income (loss) in excess of amount designated for operations | \$ 33,289 | \$ 25,462 | \$ (9,591) |
| Other items, net | (369) | (2,157) | (12) |
| Temporarily restricted non-operating income (expense) | \$ 32,920 | \$ 23,305 | \$ (9,603) |
| Investment income (loss) in excess of amount designated for operations | 193 | 146 | (1,230) |
| Other items, net | 186 | 2,284 | 195 |
| Permanently restricted non-operating income (expense) | \$ 379 | \$ 2,430 | \$ (1,035) |

(r) ***New Accounting Pronouncements***

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). Howard is currently evaluating the impact of adoption of ASU 2014-09 on Howard's consolidated financial statements, but does not expect the impact to be material.

(s) ***Reclassification***

Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications did not have any impact Howard's previously reported net asset balances.

Note 2 Fundraising Expenses

For fiscal years ended June 30, 2014, 2013 and 2012, Howard incurred expenses of approximately \$4,803, \$6,278 and \$6,276, respectively, in connection with its fundraising activities. These amounts are reflected on the accompanying consolidated statements of activities within each respective expense category, as appropriate.

Note 3 Charity Care

The Hospital provides services to patients who meet the criteria of its charity care policy, without charge, or at amounts less than established rates. The criteria for charity services are comprised of family income, net worth and eligibility at time of application. In addition the Hospital provides services to patients under the District of Columbia charity care program, DC Alliance. The total of charges forgone for services furnished under the Hospital's charity care policy and the DC Alliance program were \$8,241, \$35,986 and \$52,800 for fiscal years ended June 30, 2014, 2013 and 2012, respectively.

Total uncompensated care charges under all of Howard's clinical services which includes bad debt write offs as well as charity care, for fiscal years ended June 30, 2014, 2013 and 2012 were \$35,170, \$63,588 and \$81,580, respectively.

Note 4 Insurance and Risk Management

Howard, along with 16 other institutions of higher education, is a subscriber in Pinnacle Consortium of Higher Education, a Vermont Reciprocal Risk Retention Group. Pinnacle provides commercial general and certain specific liability coverage. Howard's annual payments to Pinnacle for insurance coverage are based on actuarial studies and are charged to expense. Pinnacle reinsures 95% of its risk to Genesis, Ltd. (Genesis), an affiliated reinsurer. Genesis, a Class 2 reinsurer under the Insurance Act of 1978 of Bermuda, was jointly formed by Howard and 16 other higher education institutions. Genesis reinsures general liability and automobile liability risks of its shareholders. At June 30, 2014, Howard had an approximate 6% interest of Genesis and Pinnacle, respectively. Howard's interest in Genesis and Pinnacle is included in restricted investments. Liability insurance coverage in excess of the primary coverage has been purchased by Howard, with limits of \$125,000 from commercial insurance companies.

Howard is self-insured for initial layers of medical malpractice, worker's compensation, and employee health benefits. The reserves for self-insured risks are actuarially determined and Howard has set aside assets in revocable trusts to partially fund these self-insured risks.

The self-insured program covers professional liability costs up to \$7,500 per occurrence depending on the cause. In addition, there are two layers of excess insurance coverage. The first layer of the excess insurance coverage is up to \$35,000 on a claims-made basis. This layer is purchased through a captive insurance company, Howard University Capitol Insurance Company Ltd. (HUCIC), organized under the laws of the Cayman Islands. HUCIC covers prior acts retroactive to two separate policy periods dating July 1, 1996 and January 1, 1986, and is completely reinsured. The second layer of excess liability insurance which also covers patient care related general liability and professional liability, is up to \$50,000 on a claims-made basis. The second layer of excess coverage is provided by an independent excess insurance company.

The types of insurance and risk management coverages are detailed in the table below:

| Insurance and Risk Management | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--------------------------------------|----------------------|----------------------|----------------------|
| Malpractice claims expense | \$ 14,705 | \$ 16,636 | \$ 7,479 |
| Malpractice excess insurance | 1,590 | 1,640 | 1,837 |
| Student sickness | 6,771 | 6,646 | 4,902 |
| General and other | 4,407 | 6,167 | 5,504 |
| Totals | \$ 27,473 | \$ 31,089 | \$ 19,722 |

Note 5 Restructuring Costs

Restructuring costs represent non-recurring expenses required to facilitate management, faculty and staff changes resulting from Howard's various renewal initiatives. In fiscal years 2014, 2013 and 2012, Howard implemented a reduction-in-force to better align the number of administrative staff with expected needs and its financial capacity. Severance and other payments related thereto amounted to \$3,433, \$1,808 and \$4,646, for the fiscal years ended June 30, 2014, 2013 and 2012, respectively. Additionally, Howard implemented a Faculty Phased Retirement Program with incentive payments of \$19,816 payable between September 2012 and September 2017, which was accrued as of June 30, 2012. As of June 30, 2014, \$6,118 is accrued, reflecting \$13,698 of cumulative payment activity.

Note 6 Concentration of Credit Risk

Financial instruments that potentially subject Howard to significant concentrations of credit risk consist principally of deposits of cash, cash equivalents, and investments in financial institutions in excess of the applicable government insurance limits. The limit was \$250 per account as of June 30, 2014. Concentrations of credit risk with respect to receivables pertain mainly to self-pay patients of Howard's clinical services, and to students.

Note 7 Receivables

Accounts receivable, prior to adjustment for doubtful collections, is summarized as follows at June 30, 2014, 2013 and 2012:

| Receivables | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Student | \$ 20,151 | \$ 15,331 | \$ 11,663 |
| Notes | 15,024 | 12,561 | 11,490 |
| Federal appropriation | 4,290 | 3,452 | 3,623 |
| Patients and third-party payors - Hospital | 88,326 | 103,544 | 83,011 |
| Patients and third-party payors - FPP | 16,611 | 12,171 | 10,271 |
| Patients and third-party payors - Dental | 1,851 | 1,629 | 2,186 |
| Grants and contracts | 17,343 | 16,739 | 18,956 |
| Contributions | 4,566 | 3,364 | 3,388 |
| Insurance claims | 14,057 | 16,896 | 16,254 |
| Auxiliary services | 6,176 | 4,300 | 2,892 |
| Other | 3,532 | 2,967 | 9,714 |
| Total | \$ 191,927 | \$ 192,954 | \$ 173,448 |

Allowance for doubtful receivables is summarized as follows at June 30, 2014, 2013 and 2012:

| Allowance for Doubtful Receivables | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Student | \$ 10,444 | \$ 7,396 | \$ 6,760 |
| Notes | 3,210 | 3,210 | 3,287 |
| Patients and third-party payors - Hospital | 38,943 | 32,300 | 31,984 |
| Patients and third-party payors - FPP | 4,349 | 3,041 | 4,178 |
| Patients and third-party payors - Dental | 571 | 709 | 996 |
| Grants and contracts | 4,505 | 3,788 | 3,918 |
| Contributions | 1,623 | 1,738 | 1,599 |
| Insurance claims | 1,326 | 1,488 | 1,615 |
| Auxiliary services | 109 | 235 | 266 |
| Other | 114 | 1,219 | 821 |
| Totals | \$ 65,194 | \$ 55,124 | \$ 55,424 |
| Total receivables, net | \$ 126,733 | \$ 137,830 | \$ 118,024 |

Provision for bad debt is summarized as follows at June 30, 2014, 2013 and 2012:

| Provision for Bad Debt | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| <i>Non-clinical services:</i> | | | |
| Student services | \$ 5,011 | \$ 3,266 | \$ 5,461 |
| Research grants and development Agreements | 717 | 210 | - |
| Insurance claims | (162) | (127) | (985) |
| Auxiliary services | 234 | 321 | 347 |
| Uncollectible pledges | 266 | 89 | 29 |
| Other | (127) | 1,509 | 627 |
| Total non-clinical services | \$ 5,939 | \$ 5,268 | \$ 5,479 |
| <i>Clinical services:</i> | | | |
| Patients and third-party payors - Hospital | 20,057 | 20,754 | 20,677 |
| Patients and third-party payors - FPP | 6,755 | 6,777 | 7,590 |
| Patients and third-party payors - Dental | 117 | 71 | 513 |
| Total clinical services | \$ 26,929 | \$ 27,602 | \$ 28,780 |
| Total provision for bad debt | \$ 32,868 | \$ 34,872 | \$ 34,276 |

Bad debt expense of \$5,939, \$5,268 and 5,479 for fiscal years ended June 30, 2014, 2013 and 2012, respectively, reflected in total operating expenses on the consolidated statements of activities excludes bad debt expense related to certain clinical services determined to be uncollectible. Clinical services bad debt expense, as shown in the table above, has been netted against patient service revenues.

Contributions receivable at June 30, 2014, 2013 and 2012 are expected to be received as follows:

| Contributions Receivable | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Within one year | \$ 4,314 | \$ 2,969 | \$ 2,725 |
| Between one and five years | 274 | 433 | 725 |
| Thereafter | 4 | - | 13 |
| Contributions receivable gross | 4,592 | 3,402 | 3,463 |
| Unamortized discount on contributions receivable (2%-6.5%) | (26) | (38) | (75) |
| Contributions receivable, net of discounts | 4,566 | 3,364 | 3,388 |
| Allowance for uncollectible contributions | (1,623) | (1,738) | (1,599) |
| Contributions receivable, net of discounts and allowance | \$ 2,943 | \$ 1,626 | \$ 1,789 |

Note 8 Inventories, Prepaids and Other Assets

Components of inventories, prepaids and other assets accounts at June 30, 2014, 2013 and 2012 are as follows:

| Inventories, Prepaids and Other Assets | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|----------------------|
| Inventories - Bookstore | \$ - | \$ 1,076 | \$ 1,056 |
| Inventories - Hospital | 4,679 | 5,912 | 5,194 |
| Prepaid expenses | 6,154 | 5,683 | 5,463 |
| Unamortized bond issuance costs | 4,778 | 4,993 | 5,207 |
| Deferred health charges | 1,414 | 1,621 | 1,588 |
| Dialysis joint venture interest | 5,337 | 4,800 | 4,436 |
| Beneficial interest trust | 4,968 | 4,423 | - |
| Intellectual property costs | 1,682 | 1,163 | 617 |
| Other | 193 | 303 | 178 |
| Total | \$ 29,205 | \$ 29,974 | \$ 23,739 |

Note 9 Accounts Payable and Accrued Expenses

Components of this liability account at June 30, 2014, 2013 and 2012 are as follows:

| Accounts Payable and Accrued Expenses | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|----------------------|
| Vendor invoices | \$ 73,739 | \$ 58,769 | \$ 46,189 |
| Accrued salaries and wages | 21,930 | 21,440 | 23,908 |
| Accrued employee benefits | 7,194 | 6,372 | 8,489 |
| Accrued annual leave | 7,421 | 6,920 | 11,172 |
| Accrued faculty retirement incentive payments | 6,118 | 9,125 | 19,816 |
| Accrued interest | 4,822 | 4,908 | 4,997 |
| Other | 1,731 | 543 | 556 |
| Total | \$ 122,955 | \$ 108,077 | \$ 115,127 |

Note 10 Other Liabilities and Deferred Revenue

These obligations include the following at June 30, 2014, 2013 and 2012:

| Other liabilities | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Asset retirement obligation | \$ 13,128 | \$ 12,687 | \$ 12,247 |
| Environmental remediation | 3,000 | 3,000 | 3,000 |
| Unclaimed property | 2,879 | 2,588 | 2,582 |
| Student deposits and refunds | 2,725 | 4,974 | 5,051 |
| Reserve for legal contingencies | 3,664 | 6,690 | 7,119 |
| Deposits held in custody for others | 2,425 | 2,260 | 706 |
| Other | 2,354 | 2,369 | 2,600 |
| Total | \$ 30,175 | \$ 34,568 | \$ 33,305 |

| Deferred revenue | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|----------------------------------|------------------|-----------------|-----------------|
| Deferred tuition, room and board | \$ 2,825 | \$ 3,159 | \$ 2,864 |
| Deferred grant revenue | 6,677 | 5,924 | 6,410 |
| Other | 498 | 608 | 664 |
| Total | \$ 10,000 | \$ 9,691 | \$ 9,938 |

Howard's assets retirement costs and obligations have been discounted using a rate of 4.9%. Amounts for the fiscal years ended were as follows:

| Asset Retirement Costs and Obligations | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|---------------|---------------|---------------|
| Asset retirement costs | \$ 4,565 | \$ 4,565 | \$ 4,565 |
| Accumulated depreciation | 2,205 | 2,147 | 2,091 |
| Accretion Expense | 410 | 412 | 414 |
| Asset retirement obligation | 13,218 | 12,687 | 12,247 |

Howard incurred costs related to asbestos abatement during fiscal years ended June 30, 2014, 2013 and 2012 of \$135, \$87 and \$356, respectively.

Note 11 Deposits with Trustees and Self-insured Liabilities

| | Dedicated Assets | | | Liability | | |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2012 | June 30, 2014 | June 30, 2013 | June 30, 2012 |
| Debt service reserve | \$ 12,880 | \$ 12,880 | \$ 12,878 | NA | NA | NA |
| Capitalized interest | - | 3,737 | 12,061 | NA | NA | NA |
| Professional liability | 5 | 239 | 6,520 | \$ 54,365 | \$ 55,204 | \$ 42,863 |
| Workers' compensation | 12 | 14 | 3,292 | 27,956 | 30,306 | 32,799 |
| Health insurance trust | 956 | 755 | 3,399 | 4,310 | 4,889 | 4,933 |
| Total | \$ 13,853 | \$ 17,625 | \$ 38,150 | \$ 86,631 | \$ 90,399 | \$ 80,595 |

NA = Not applicable

(a) Debt Service Reserve Fund

As required by the 2011 Revenue Bonds, Howard maintains a debt service reserve fund in an amount greater than or equal to the Debt Service Fund Requirement of \$12,634 for all periods reported. The assets in the debt service reserve fund consist primarily of cash, fixed income investments and other short-term securities.

(b) Capitalized Interest Fund

As required by the 2011 Revenue Bonds, Howard established a capitalized interest fund of \$19,782 for the fiscal year ended June 30, 2011. These funds are intended to satisfy bond interest payments through June 30, 2014. As of June 30,

2014, the capitalized interest fund balance is \$0, reflecting interest payments of \$19,782 from the fund cumulatively.

(c) ***Professional Liability***

Howard is involved in litigation arising in the ordinary course of business. Claims alleging malpractice have been asserted against the Hospital and certain faculty physicians and are currently in various stages of litigation. Additional claims may be asserted arising from services provided to patients through June 30, 2014. It is the opinion of management based on the advice of actuaries and legal counsel that estimated malpractice costs accrued for fiscal years ended June 30, 2014, 2013 and 2012 of approximately \$54,365, \$55,204 and \$42,863, respectively is adequate to provide for losses resulting from probable unasserted claims and pending or threatened litigation.

Professional liability activity is summarized as follows for fiscal years ended June 30, 2014, 2013 and 2012 in the table below.

| Professional Liability | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|-------------------------------|----------------------|----------------------|----------------------|
| Beginning balance | \$ 55,204 | \$ 42,863 | \$ 43,141 |
| Malpractice claims expense | 14,705 | 16,636 | 7,479 |
| Settlement payments | (15,544) | (4,295) | (7,757) |
| Ending balance | \$ 54,365 | \$ 55,204 | \$ 42,863 |

(d) ***Workers' Compensation***

Prior to July 1, 2012, Howard had established a revocable trust fund to partially provide for the satisfaction of its liability under applicable workers' compensation liability. The assets in the workers' compensation trust fund consisted of U.S. Treasury Bills and obligations, as well as domestic and foreign corporate bonds. As of June 30, 2014, workers' compensation liabilities are being satisfied as claims arise. Howard also maintains \$8,360 in letters of credit, which serve as collateral for specific insurance carriers. These letters of credit are secured by Howard's principal lending bank. Howard is self-insured for workers' compensation claims up to per occurrence retention of \$500. The excess is covered through commercial insurance.

For fiscal years ended June 30, 2014, 2013 and 2012 expenses related to workers' compensation were \$3,234, \$2,433 and \$3,372, respectively and are reflected in employee benefits.

The total liability for future workers' compensation liability claims was approximately \$27,956, \$30,306 and \$32,799 at June 30, 2014, 2013 and 2012, respectively, and includes liabilities for claims covered under existing insurance policies. Reserves reflect actuarially determined estimates for losses on asserted claims, as well as unasserted claims arising from reported and unreported

incidents. This liability is recorded on the accompanying consolidated statements of financial position in reserves for self-insured liabilities. Estimated claims for which payments will be covered under existing insurance policies were \$12,731, \$15,408 and \$14,639 at June 30, 2014, 2013 and 2012, respectively, net of allowances for uncollectible amounts and are reflected in other receivables.

(e) ***Health Insurance***

Prior to July 1, 2012, Howard established a revocable self-insured trust fund for the purpose of partially funding group health benefits for its employees. The assets consisted primarily of investments in money market funds. As of June 30, 2014, health insurance claims are being funded as incurred. Deposits to the fund are amounts withheld from employees' salaries and wages and Howard's contributions based on estimates established by the claims administrator. Disbursements from the fund are made in accordance with the payment plan established with the claims administrator. The total estimated liability for asserted and unasserted probable claims at June 30, 2014, 2013 and 2012, is approximately \$4,310, \$4,889 and \$4,933, respectively.

Note 12 **Fair Value Measurements**

Howard applies applicable accounting standards for fair value measurements, defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. These accounting standards establish three categories for fair value measurements based upon the transparency of inputs used to value an asset or liability as of the measurement date as follows:

- Level 1 – quoted market prices for identical assets or liabilities in active markets.
- Level 2 – quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; or other than quoted prices in which all significant inputs and significant value drivers are observable in active markets either directly or indirectly.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are not observable.

Howard's financial assets and liabilities as of June 30, 2014, 2013 and 2012 are subject to fair value accounting.

The Howard University
Notes to the Consolidated Financial Statements
For Fiscal Years Ended June 30, 2014, 2013 and 2012 (amounts in thousands)

Fair value as of June 30, 2014 is as follows:

| Fair Value as of June 30, 2014 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|-------------------|-------------------|-------------------|
| Assets: | | | | |
| Unexpended bond proceeds (6) | \$ - | \$ 46,325 | \$ - | \$ 46,325 |
| Deposits with trustees (7) | 968 | 12,885 | - | 13,853 |
| Other assets (8) | - | - | 4,968 | 4,968 |
| Total Asset (non investment) | \$ 968 | \$ 59,210 | \$ 4,968 | \$ 65,146 |
| Operating investments | | | | |
| Fixed Income-Government Bonds (2) | \$ 8,431 | \$ - | \$ - | \$ 8,431 |
| Common Stock (3) | 31,664 | - | - | 31,664 |
| Total operating investments | \$ 40,095 | \$ - | \$ - | \$ 40,095 |
| Restricted investments | | | | |
| Money Market Instrument (1) | \$ - | \$ 3,434 | \$ - | \$ 3,434 |
| Common Stock (3) | 38,684 | - | - | 38,684 |
| Private Equity (4) | - | - | 1,872 | 1,872 |
| Real Estate (4) | - | - | 250 | 250 |
| Total restricted investments | \$ 38,684 | \$ 3,434 | \$ 2,122 | \$ 44,240 |
| Endowment Investments | | | | |
| Money Market Instrument (1) | \$ 841 | \$ 34,890 | \$ - | \$ 35,731 |
| Commingled Funds | | | | |
| Emerging Market Equity (3) | - | 22,357 | - | 22,357 |
| Global Fixed Income (2) | - | 32,693 | - | 32,693 |
| International Equity (3) | - | 105,359 | - | 105,359 |
| US Common Stock (3) | - | 22,661 | - | 22,661 |
| Commodity Inflation Hedging (4) | - | 19,016 | - | 19,016 |
| Common Stock (3) | 61,777 | - | - | 61,777 |
| Fixed Income (2) | | | | |
| Asset backed | - | 1,840 | - | 1,840 |
| Corporate Bonds | - | 4,153 | - | 4,153 |
| Hedge Funds (4) | | | | |
| Distressed Debt | - | 3,002 | - | 3,002 |
| Equity Long/Short | - | 9,084 | - | 9,084 |
| Event Driven | - | 3,697 | 3,804 | 7,501 |
| Global Opportunities | - | 7,901 | - | 7,901 |
| Multi-strategy | - | 24,679 | 3,584 | 28,263 |
| Mutual Funds Investment | | | | |
| Emerging Market Equity (3) | 27,275 | - | - | 27,275 |
| Domestic Common Stock (3) | 26,838 | - | - | 26,838 |
| Domestic Fixed Income (2) | 57,563 | - | - | 57,563 |
| International Equity (3) | 9,942 | - | - | 9,942 |
| Private Equity and Venture Capital (4) | - | - | 91,102 | 91,102 |
| Real Estate (4) | - | - | 17,054 | 17,054 |
| Total endowment investments | \$ 184,236 | \$ 291,332 | \$ 115,544 | \$ 591,112 |
| Total investments | \$ 263,015 | \$ 294,766 | \$ 117,666 | \$ 675,447 |
| Assets not subject to fair value reporting | \$ 1,416 | \$ - | \$ - | \$ 1,416 |
| Liabilities not subject to fair value reporting | (626) | - | - | (626) |
| Total assets and liabilities measured at fair value | \$ 264,773 | \$ 353,976 | \$ 122,634 | \$ 741,383 |

The Howard University
Notes to the Consolidated Financial Statements
For Fiscal Years Ended June 30, 2014, 2013 and 2012 (amounts in thousands)

Fair value as of June 30, 2013 is as follows:

| Fair Value as of June 30, 2013 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|-------------------|-------------------|-------------------|
| Assets: | | | | |
| Unexpended bond proceeds (6) | \$ - | \$ 71,670 | \$ - | \$ 71,670 |
| Deposits with trustees (7) | 770 | 16,855 | - | 17,625 |
| Other assets (8) | - | - | 4,378 | 4,378 |
| Total Asset (non investment) | \$ 770 | \$ 88,525 | \$ 4,378 | \$ 93,673 |
| Operating investments | | | | |
| Fixed Income-Government Bonds (2) | \$ 6,877 | \$ - | \$ - | \$ 6,877 |
| Common Stock (3) | 28,217 | - | - | 28,217 |
| Total operating investments | \$ 35,094 | \$ - | \$ - | \$ 35,094 |
| Restricted investments | | | | |
| Money Market Instrument (1) | \$ - | \$ 1,089 | \$ - | \$ 1,089 |
| Common Stock (3) | 34,074 | - | - | 34,074 |
| Private Equity (4) | - | - | 2,341 | 2,341 |
| Real Estate (4) | - | - | 250 | 250 |
| Total restricted investments | \$ 34,074 | \$ 1,089 | \$ 2,591 | \$ 37,754 |
| Endowment Investments | | | | |
| Money Market Instrument (1) | \$ 704 | \$ 27,644 | \$ - | \$ 28,348 |
| Commingled Funds | | | | |
| Global Fixed Income (2) | - | 30,200 | - | 30,200 |
| International Equity (3) | - | 53,378 | - | 53,378 |
| US Common Stock (3) | - | 17,788 | - | 17,788 |
| Commodity Inflation Hedging (4) | - | 17,357 | - | 17,357 |
| Common Stock (3) | 50,741 | - | - | 50,741 |
| Fixed Income (2) | | | | |
| Asset backed | - | 2,054 | - | 2,054 |
| Corporate Bonds | - | 4,804 | - | 4,804 |
| Hedge Funds (4) | | | | |
| Distressed Debt | - | 2,793 | - | 2,793 |
| Equity Long/Short | - | 4,866 | - | 4,866 |
| Event Driven | - | 3,123 | 3,562 | 6,685 |
| Global Opportunities | - | 4,399 | - | 4,399 |
| Multi-strategy | - | 26,802 | 2,369 | 29,171 |
| Mutual Funds Investment | | | | |
| Emerging Market Equity (3) | 51,892 | - | - | 51,892 |
| Domestic Common Stock (3) | 20,320 | - | - | 20,320 |
| Domestic Fixed Income (2) | 54,883 | - | - | 54,883 |
| International Equity Security (3) | 32,114 | - | - | 32,114 |
| Private Equity and Venture Capital (4) | - | - | 93,565 | 93,565 |
| Real Estate (4) | - | - | 8,715 | 8,715 |
| Total endowment investments | \$ 210,654 | \$ 195,208 | \$ 108,211 | \$ 514,073 |
| Total investments | \$ 279,822 | \$ 196,297 | \$ 110,802 | \$ 586,921 |
| Assets not subject to fair value reporting | \$ 1,368 | \$ - | \$ - | \$ 1,368 |
| Liabilities not subject to fair value reporting | (277) | - | - | (277) |
| Total assets and liabilities measured at fair value | \$ 280,913 | \$ 196,297 | \$ 110,802 | \$ 588,012 |

Fair value as of June 30, 2012 is as follows:

| Fair Value as of June 30, 2012 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|-------------------|-------------------|-------------------|
| Assets: | | | | |
| Unexpended bond proceeds (6) | \$ - | \$ 87,207 | \$ - | \$ 87,207 |
| Deposits with trustees (7) | 4,701 | 33,449 | - | 38,150 |
| Total Asset (non investment) | \$ 4,701 | \$ 120,656 | \$ - | \$ 125,357 |
| Operating investments | | | | |
| Fixed Income-Government Bonds (2) | \$ 5,925 | \$ - | \$ - | \$ 5,925 |
| Common Stock (3) | 28,500 | - | - | 28,500 |
| Total operating investments | \$ 34,425 | \$ - | \$ - | \$ 34,425 |
| Restricted investments | | | | |
| Money Market Instrument (1) | \$ - | \$ 670 | \$ - | \$ 670 |
| Common Stock (3) | 29,075 | - | - | 29,075 |
| Private Equity (4) | - | - | 2,407 | 2,407 |
| Real Estate (4) | - | - | 250 | 250 |
| Total restricted investments | \$ 29,075 | \$ 670 | \$ 2,657 | \$ 32,402 |
| Endowment Investments | | | | |
| Money Market Instrument (1) | \$ 911 | \$ 39,097 | \$ - | \$ 40,008 |
| Commingled Funds | | | | |
| Global Fixed Income (2) | - | 28,870 | - | 28,870 |
| International Equity (3) | - | 38,165 | - | 38,165 |
| US Common Stock (3) | - | 15,190 | - | 15,190 |
| Commodity Inflation Hedging (4) | - | 15,172 | - | 15,172 |
| Common Stock (3) | 62,946 | - | - | 62,946 |
| Fixed Income (2) | | | | |
| Asset backed | - | 2,662 | - | 2,662 |
| Corporate Bonds | - | 5,765 | - | 5,765 |
| Hedge Funds (4) | | | | |
| Distressed Debt | - | 2,298 | - | 2,298 |
| Equity Long/Short | - | 4,488 | - | 4,488 |
| Event Driven | - | 2,353 | 3,261 | 5,614 |
| Global Opportunities | - | 3,950 | - | 3,950 |
| Multi-strategy | - | 24,610 | 2,260 | 26,870 |
| Mutual Funds Investment | | | | |
| Emerging Market Equity (3) | 28,165 | - | - | 28,165 |
| Domestic Common Stock (3) | 16,513 | - | - | 16,513 |
| Domestic Fixed Income (2) | 61,898 | - | - | 61,898 |
| Private Equity and Venture Capital (4) | - | - | 93,138 | 93,138 |
| Real Estate (4) | - | - | 9,000 | 9,000 |
| Total endowment investments | \$ 170,433 | \$ 182,620 | \$ 107,659 | \$ 460,712 |
| Liabilities: | | | | |
| Interest rate swap (5) | \$ - | \$ 21 | \$ - | \$ 21 |
| Total assets and liabilities measured at fair value | \$ 238,634 | \$ 303,946 | \$ 110,316 | \$ 652,896 |

The following assumptions and estimates were used to determine fair value of each class of financial instruments listed above:

- (1) Money market instruments include investments in open ended mutual funds that invest in US treasury securities, US agency bonds, certificates of deposit and corporate bonds. Funds that are quoted daily in active markets are classified as Level 1. Funds that are not quoted daily with prices based on amortized cost are classified as Level 2.
- (2) For investments in government securities and corporate bonds, fair value is based first upon quoted market prices for those securities that can be classified as Level 1. For securities where an active market is not available, fair value is determined with reference to similar securities using market prices and broker quotes for similar instruments and are classified as Level 2.
- (3) Common stocks are largely valued based on the last sales price for identical securities traded on a primary exchange. These investments are classified as Level 1. Securities that trade infrequently, or that have comparable traded assets – that trade in either active or inactive markets, are priced using available quotes and other market data that are observable as of the reporting date, and are classified as Level 2. Investments in comingled funds with underlying securities in common stock are classified as Level 2 because there is a readily determinable unit price and the units held can be redeemed in less than one month.
- (4) Alternative investments include Howard’s limited partnership interests, hedge funds, private equity and real estate and commodity funds. Trading in this class of funds is infrequent and, as a result, market values are not readily determinable. The investments in privately held funds are valued based on valuation techniques that take into account each fund’s underlying assets and include valuation methods such as market, cost and income approaches. In accordance with an accounting standard update governing the classification of certain investments which provide the option of Net Asset Value redemption value as Level 2, Howard has classified qualifying investments in Hedge Funds and Commodity Funds as Level 2. These investments can be redeemed on a quarterly basis with a 30 to 90 days redemption notice period. Hedge Funds and Commodity Funds with liquidation terms in excess of 90 days are classified as Level 3. Limited partnerships including private equity and real estate funds and other non-redeemable funds are categorized as Level 3.

These investments cannot be redeemed or withdrawn prior to termination of the partnership. Instead, the distributions are received through liquidation of the underlying assets of the fund. No active market exists for these funds and their valuation is based on unobservable and/or significantly adjusted inputs using the best available information provided by the partnership, including management assumptions. Due diligence procedures performed by management indicate that the values reported are reasonable. These investments are classified as Level 3.

- (5) Interest rate swaps are valued using observable and unobservable inputs, such as quotations received from counterparty dealers or brokers, whenever available and considered reliable. In instances where models are used, the value of the interest rate swap depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of the observed inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, pre-payment rates, assumptions for non-performance risk, and correlations of such inputs. Certain parts of the interest rate swap arrangements have inputs which can generally be corroborated by market data and are therefore, classified as Level 2 within the fair value hierarchy.
- (6) Unexpended bond proceeds include investments in government debt security funds. These funds are not quoted daily and are valued at amortized cost. These investments are classified as Level 2.
- (7) Deposits held with trustees, including workers' compensation, professional and general liability, health insurance and bond debt service deposits, are comprised primarily of money market instruments, US treasury securities, mortgage-backed securities and corporate bonds. Money market investments are classified as either Level 1 or Level 2 based on whether their prices are quoted daily. Investments in US treasury securities are classified as Level 1 and other fixed income securities are classified as Level 2.
- (8) Other assets represent the University's beneficial interest in certain trust assets held by third parties. The fair value of this interest has been measured using the income approach as there is no active principal market trading in this interest. This interest was valued using the quoted market value for the underlying marketable securities of the Trust discounted for expected future cash flows to the University. These interests are classified as Level 3 assets as the reported fair values are based on a combination of observable and unobservable inputs.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while

Howard believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

The following tables present the changes in amounts included in the consolidated statements of financial position for financial instruments classified within Level 3 of the valuation hierarchy defined above.

Changes in Level 3 securities for the fiscal year ended June 30, 2014 is as follows:

| Changes in Level 3 for the period ended June 30, 2014 | Private Equity and Venture Capital | Hedge Funds | Real Estate | Other Assets | Total |
|--|--|-----------------|------------------|-----------------|-------------------|
| Balance July 1, 2013 | \$ 95,906 | \$ 5,931 | \$ 8,965 | \$ 4,378 | \$ 115,180 |
| Gain and Loss (Realized and Unrealized) | 16,859 | 1,457 | 2,142 | 590 | 21,048 |
| Acquisitions | 8,113 | - | 7,012 | - | 15,125 |
| Sales | (27,904) | - | (814) | - | (28,718) |
| Balance June 30, 2014 | \$ 92,974 | \$ 7,388 | \$ 17,305 | \$ 4,968 | \$ 122,635 |
| Change in unrealized investments held | \$ 3,212 | \$ 457 | \$ 2,252 | \$ 589 | \$ 6,510 |

There were no transfers into or out of Level 3 during fiscal year ended June 30, 2014.

Changes in Level 3 securities for the period ended June 30, 2013 is as follows:

| Changes in Level 3 for the year ended June 30, 2013 | Private Equity and Venture Capital | Hedge Funds | Real Estate | Other Assets | Total |
|--|--|-----------------|-----------------|-----------------|-------------------|
| Balance July 1, 2012 | \$ 95,545 | \$ 5,521 | \$ 9,250 | \$ - | \$ 110,316 |
| Gain and Loss (Realized and unrealized) | 13,180 | 703 | 808 | (44) | 14,647 |
| Acquisitions | 9,047 | - | - | 4,422 | 13,469 |
| Sales | (21,866) | (293) | (1,093) | - | (23,252) |
| Balance June 30, 2013 | \$ 95,906 | \$ 5,931 | \$ 8,965 | \$ 4,378 | \$ 115,180 |
| Change in unrealized investments held | \$ 5,783 | \$ 703 | \$ 906 | \$ (44) | \$ 7,348 |

There were no transfers into or out of Level 3 during fiscal year ended June 30, 2013.

Changes in Level 3 securities for the fiscal year ended June 30, 2012 is as follows:

| Changes in Level 3 for the year ended June 30, 2012 | Private Equity and Venture Capital | Hedge Funds | Real Estate | Total |
|---|------------------------------------|-----------------|-----------------|-------------------|
| Balance July 1, 2011 | \$ 88,420 | \$ 5,195 | \$ 8,890 | \$ 102,505 |
| Gain and Loss (Realized and unrealized) | 4,424 | 33 | 610 | 5,067 |
| Purchases | 14,260 | - | 136 | 14,396 |
| Transfers | - | 293 | - | 293 |
| Sales | (11,559) | - | (386) | (11,945) |
| Balance June 30, 2012 | \$ 95,545 | \$ 5,521 | \$ 9,250 | \$ 110,316 |
| Change in unrealized investments held | \$ 424 | \$ 33 | \$ 573 | \$ 1,030 |

There were \$293 of transfers into Level 3 during fiscal year ended June 30, 2012.

Net investment income (loss) is summarized as follows for fiscal years ended June 30, 2014, 2013 and 2012:

| Net Investment Income (Loss) | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|-----------------|-----------------|-----------------|
| Interest and dividends | \$ 13,810 | \$ 12,553 | \$ 7,870 |
| Net realized gains (losses) | 39,553 | 28,165 | 3,838 |
| Net unrealized gains (losses) | 37,855 | 26,329 | (15,862) |
| Other investment income (expenses) | 320 | (270) | 1,617 |
| Investment expenses | (4,539) | (4,014) | (1,505) |
| Net investment income (loss) | 86,999 | 62,763 | (4,042) |
| Current year unrestricted operating return | 7,053 | 4,639 | 211 |
| Current year non-operating investment return: | | | |
| Unrestricted | 38,834 | 25,256 | (825) |
| Restricted | 41,131 | 32,868 | (3,428) |
| Total current year investment return | 87,018 | 62,763 | (4,042) |
| Prior year return designated for current operations: | | | |
| Unrestricted | (6,080) | (5,866) | (5,985) |
| Restricted | (7,016) | (6,647) | (6,794) |
| Total designated for current operation | (13,096) | (12,513) | (12,779) |
| Net non-operating investment return: | | | |
| Unrestricted | \$ 33,387 | \$ 19,391 | \$ (6,810) |
| Restricted | 33,481 | 26,221 | (10,222) |

Investment Commitments - Howard's investment commitments as of June 30, 2014, 2013 and 2012, are summarized below. These investments do not have readily ascertainable market values and may be subject to withdrawal restrictions.

| Investment Commitments | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Private Equity and Venture Capital Funds | \$ 151,703 | \$ 141,703 | \$ 136,703 |
| Real Estate Funds | 15,000 | 15,000 | 15,000 |
| Total financial commitment | \$ 166,703 | \$ 156,703 | \$ 151,703 |
| Amounts funded | 148,726 | 133,601 | 124,554 |
| Underfunded commitment | \$ 17,977 | \$ 23,102 | \$ 27,149 |

Note 13 Net Assets

Temporarily restricted net assets consist of the following at June 30:

| Temporarily Restricted Net Assets | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Scholarships | \$ 54,511 | \$ 47,271 | \$ 41,362 |
| Professorships | 34,753 | 29,758 | 24,815 |
| Student loans | 1,173 | 947 | 690 |
| Federal term | 128,648 | 114,677 | 104,718 |
| General operations and other | 37,698 | 30,197 | 28,878 |
| Total | \$ 256,783 | \$ 222,850 | \$ 200,463 |

The Federal term endowment restriction is for 20 years for each contribution beginning in 1985. Howard transfers the amount of the original contribution plus accumulated investment returns to unrestricted net assets at the end of each 20 year period. For fiscal years ended June 30, 2014, 2013 and 2012, the transfer amounts were \$10,612, \$8,300 and \$5,933, respectively.

Permanently restricted net assets are held in perpetuity and the income there from is only expendable for the noted purposes at June 30.

| Permanently Restricted Net Assets | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Scholarships | \$ 54,633 | \$ 52,863 | \$ 51,694 |
| Professorships | 24,151 | 23,530 | 17,041 |
| Student loans | 36,321 | 35,925 | 35,346 |
| General operations and other | 10,838 | 10,892 | 10,464 |
| Total | \$ 125,943 | \$ 123,210 | \$ 114,545 |

Net assets were released from donor restrictions due to the passage of time or by incurring expenses satisfying the restricted purpose specified by the donors as noted for fiscal years ended June 30, 2014, 2013 and 2012.

| Net Assets Released from Restrictions | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|----------------------|----------------------|----------------------|
| Federal term | \$ 10,612 | \$ 8,300 | \$ 5,933 |
| Restrictions released based on purpose: | | | |
| Scholarships and fellowships | 3,671 | 4,130 | 5,562 |
| Professorships | 626 | 743 | 720 |
| Student loans | 127 | 114 | 160 |
| General operations and other | 2,024 | 2,130 | 2,231 |
| Total | \$ 17,060 | \$ 15,417 | \$ 14,606 |

Note 14 Endowment Fund

Howard’s endowment includes approximately 800 individual accounts established to fund scholarships, professorships, student loans, general operations and other purposes. Effective July 1, 2008, Howard adopted Financial Accounting Standards Board Staff Position – Endowments of Not-for-profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds. Howard is subject to the District of Columbia Uniform Prudent Management of Institutional Funds Act of 2008 (DC UPMIFA).

Interpretation of Relevant Law

Net Asset Classification - The Board of Trustees of Howard has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift, as of the gift dates of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, Howard classifies as permanently restricted net assets:

1. The original value of gifts with permanent donor-directed use restrictions.
2. The value of accumulations in accordance with the applicable donor gift instrument at the time the accumulation occurs.

Any portion of the donor-restricted gift that is not classified as permanently restricted is classified as temporarily restricted until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

Spending - In accordance with UPMIFA, Howard considers the following factors in making a determination to spend or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of Howard and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of Howard
7. The investment policies of Howard

Management and Investment - In accordance with UPMIFA, Howard considers the following factors in making investment, as well as other management decisions regarding donor-restricted endowment funds:

1. General economic conditions
2. The possible effect of inflation and deflation
3. The expected tax consequences, if any
4. The role of an investment/action in context of the entire portfolio
5. The expected total income and appreciation
6. Other University resources
7. The needs to preserve capital and make distributions
8. An asset's special relationship or value to the University's charitable purpose.

As of June 30, 2014, 2013 and 2012 total endowment funds classified as permanently restricted and temporarily restricted net assets were:

| Restricted Endowment | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|----------------------|
| Permanently Restricted Net Assets | | | |
| The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA: | \$ 80,975 | \$ 78,771 | \$ 75,326 |
| Temporarily Restricted Net Assets | | | |
| Time restricted funds | 145,272 | 129,425 | 118,338 |
| The portion of perpetual endowment funds subject to a time restriction under DC UPMIFA: | | | |
| Without purpose restrictions | 4,707 | 3,921 | 3,077 |
| With purpose restrictions | 64,463 | 54,471 | 45,627 |
| Total endowment funds classified as temporarily restricted net assets | \$ 214,442 | \$ 187,817 | \$ 167,042 |

The Howard University
Notes to the Consolidated Financial Statements
For Fiscal Years Ended June 30, 2014, 2013 and 2012 (amounts in thousands)

The change in value and the composition of amounts classified as endowment as of June 30, 2014 is as follows:

| Endowment Change in Value For period ended June 30, 2014 | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|-----------------------------------|-----------------------------------|-------------------|
| Endowment net assets, beginning of year | \$ 250,937 | \$ 187,817 | \$ 78,771 | \$ 517,525 |
| Investment return: | | | | |
| Investment income | 5,934 | 7,046 | 163 | 13,143 |
| Net appreciation (realized and unrealized) | 35,959 | 35,617 | 525 | 72,101 |
| Total investment return | \$ 41,893 | \$ 42,663 | \$ 688 | \$ 85,244 |
| Contributions | 330 | 3,475 | 1,199 | 5,004 |
| Appropriation of endowment assets for operations | (3,131) | (9,797) | (168) | (13,096) |
| Other changes: | | | | |
| Match release | 9,820 | (9,820) | - | - |
| Transfer and other changes | 41 | 104 | 485 | 630 |
| Endowment net assets, end of year | \$ 299,890 | \$ 214,442 | \$ 80,975 | \$ 595,307 |
| Donor-restricted endowment funds | (2,666) | 214,442 | 80,975 | 292,751 |
| Board-designated endowment funds | 302,556 | - | - | 302,556 |
| Endowment net assets, end of year | \$ 299,890 | \$ 214,442 | \$ 80,975 | \$ 595,307 |

The change in value and the composition of amounts classified as endowment as of June 30, 2013 is as follows:

| Endowment Change in Value For period ended June 30, 2013 | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|-----------------------------------|-----------------------------------|-------------------|
| Endowment net assets, beginning of year | \$ 221,937 | \$ 167,042 | \$ 75,326 | \$ 464,305 |
| Investment return: | | | | |
| Investment income | 5,158 | 6,047 | 207 | 11,412 |
| Net appreciation (realized and unrealized) | 22,478 | 24,522 | 169 | 47,169 |
| Total investment return | \$ 27,636 | \$ 30,569 | \$ 376 | \$ 58,581 |
| Contributions | 376 | 3,513 | 1,068 | 4,957 |
| Appropriation of endowment assets for operations | (7,350) | (5,073) | (89) | (12,512) |
| Other changes: | | | | |
| Match release | 8,300 | (8,300) | - | - |
| Transfer and other changes | 38 | 66 | 2,090 | 2,194 |
| Endowment net assets, end of year | \$ 250,937 | \$ 187,817 | \$ 78,771 | \$ 517,525 |
| Donor-restricted endowment funds | (5,182) | 187,817 | 78,771 | 261,406 |
| Board-designated endowment funds | 256,119 | - | - | 256,119 |
| Endowment net assets, end of year | \$ 250,937 | \$ 187,817 | \$ 78,771 | \$ 517,525 |

The change in value and the composition of amounts classified as endowment as of June 30, 2012 is as follows:

| Endowment Change in Value For period ended June 30, 2012 | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|-----------------------------------|-----------------------------------|-------------------|
| Endowment net assets, beginning of year | \$ 223,310 | \$ 178,855 | \$ 74,530 | \$ 476,695 |
| Investment return: | | | | |
| Investment income | 4,067 | 3,508 | 167 | 7,742 |
| Net appreciation (realized and unrealized) | (4,691) | (7,477) | (721) | (12,889) |
| Total investment return | \$ (624) | \$ (3,969) | \$ (554) | \$ (5,147) |
| Contributions | 350 | 3,628 | 1,316 | 5,294 |
| Appropriation of endowment assets for operations | (7,072) | (5,599) | (108) | (12,779) |
| Other changes: | | | | |
| Match release | 5,933 | (5,933) | - | - |
| Transfer and other changes | 40 | 60 | 142 | 242 |
| Endowment net assets, end of year | \$ 221,937 | \$ 167,042 | \$ 75,326 | \$ 464,305 |
| Donor-restricted endowment funds | (3,915) | 167,042 | 75,326 | 238,453 |
| Board-designated endowment funds | 225,852 | - | - | 225,852 |
| Endowment net assets, end of year | \$ 221,937 | \$ 167,042 | \$ 75,326 | \$ 464,305 |

Howard's endowment net assets include receivables related to the federal term endowment, which have not been received and therefore not included as part of endowment investments. For fiscal years ended June 30, 2014, 2013 and 2012 receivables of \$3,405, \$3,452 and \$3,623, respectively were recorded, and represent the difference between endowment investments reflected on consolidated statements of financial position and endowment net assets reported above.

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or the Trustees require Howard to retain as a fund of perpetual duration. Deficiencies of this nature, so called "underwater accounts", are reported in unrestricted net assets and totaled \$2,666, \$5,182 and \$3,915 as of June 30, 2014, 2013 and 2012, respectively. Howard has adopted a policy allowing spending in certain situations from underwater, donor-restricted endowment funds, absent overriding provisions in donor agreements. Howard's investment and spending policy is intended to conform with the UPMIFA which allows spending in underwater endowments, in support of an endowment's purpose.

Return Objectives and Risk Parameters - Howard has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to minimize the risk associated with obtaining such income streams. Endowment assets include those that the organization must hold in perpetuity or for a donor-specified period(s), as well as board-designated endowment funds. Under these

policies the endowment assets are invested through a well-diversified investment program designed to exceed the risk-adjusted performance of the market benchmark representative of each asset class over rolling five to seven year periods. Howard's objective, over time, is to obtain an average total real rate of return (inflation adjusted) that exceeds its targeted distribution amount over rolling five to seven year periods. Howard's investment strategy aims for a low to moderate level of investment risk. Actual returns in any given year may significantly vary from this objective.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, Howard relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and yield (interest and dividends). Howard targets a diversified asset allocation which places greater emphasis on global public equity-based investments complimented by private markets, real estate and fixed income strategies to achieve its long-term return objectives within prudent risk constraints. The endowment's long-term target asset allocation is approved by the Investment Committee of the Board of Trustees.

Spending Policy and How the Investment Objectives Relate to Spending Policy - Howard's spending policy allows for distribution each year of up to 5 percent of its endowment fund's market value, excluding Federal term and Islamic Funds, based upon a three-year moving average with the most recent year removed. In establishing this policy, Howard considered the long-term expected return on its endowment consistent with its general goal of facilitating the ability of endowments (specifically permanent and time specific endowments) to best fulfill the purposes for which they were designed.

Note 15 **Estimated Third-Party Settlements**

Certain services rendered by the Hospital are reimbursed by third-party payors at cost, based upon cost reports filed after year-end. Contractual allowances are recorded based upon preliminary estimates of reimbursable costs.

Net patient service revenue recorded under cost reimbursement agreements for the current and prior years is subject to audit and retroactive adjustments by significant third-party payors for the following years:

Medicare 2009-2014
Medicaid 2012-2014

Final settlements and changes in estimates related to Medicare and Medicaid third-party cost reports for prior years resulted in an (decrease) increase in net patient service revenues of approximately \$(8,879), \$2,756 and \$5,179 for fiscal years ended June 30, 2014, 2013 and 2012, respectively.

| Third-party settlement revenue | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|----------------------|
| Medicare appeals | \$ (9,472) | \$ 2,114 | \$ (1,007) |
| Medicare pass-through | 10,907 | 11,895 | 10,493 |
| Disproportionate Share Hospital | 37,406 | 34,656 | 29,513 |
| Graduate Medical Education | 5,338 | 5,719 | 4,272 |
| Other | 5,773 | 175 | 44 |
| Total third-party settlement revenue | \$ 49,952 | \$ 54,559 | \$ 43,315 |

Note 16 Property, Plant and Equipment

| Property, Plant and Equipment | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|----------------------|
| Land and land improvements | \$ 27,911 | \$ 27,911 | \$ 27,911 |
| Buildings and building improvements | 862,238 | 834,969 | 816,208 |
| Property held for expansion | 56,929 | 57,013 | 57,013 |
| Furniture and equipment | 292,751 | 285,777 | 275,348 |
| Library books | 91,036 | 90,758 | 90,093 |
| Equipment under capital leases | 81,475 | 74,557 | 62,898 |
| Software | 112,941 | 107,464 | 97,429 |
| Software in progress | 5,833 | 3,228 | 3,635 |
| Construction in progress | 50,849 | 31,973 | 27,399 |
| Property, plant and equipment, gross | 1,581,963 | 1,513,650 | 1,457,934 |
| Accumulated depreciation and amortization | (956,361) | (900,569) | (849,493) |
| Property, plant and equipment, net | \$ 625,602 | \$ 613,081 | \$ 608,441 |

For fiscal year ended June 30, 2014, there were \$70,211 in additions and non gain or loss increase (decrease) and \$1,898 in sales, disposals and retirements.

Depreciation expenses for the fiscal years ended June 30, 2014, 2013 and 2012 were \$55,900, \$52,625 and \$50,453, respectively. For fiscal years ended June 30, 2014, 2013 and 2012, respectively, net interest costs of \$592, \$905 and \$1,069, were incurred during construction and capitalized as part of the cost of capital projects.

Note 17 **Leases**

Lease Obligations

Howard is obligated under capital leases for office and medical equipment that extend through 2017 and the chiller plant that extends through 2031 (see below) in the amounts of \$44,125, \$47,355 and \$43,431, respectively at June 30, 2014, 2013 and 2012. The assets are amortized over their estimated useful lives. Accumulated amortization related to the leased assets is \$46,764, \$36,845 and \$27,641, respectively.

At June 30, 2014, Howard has remaining capacity to draw an additional \$18,815 under an existing lease financing arrangement primarily to finance medical and information technology equipment. The lease periods commence in future months and continue for a period of five years after the start date.

Howard has several non-cancelable operating leases for office space and equipment that expire by 2019. Rental payments are recognized on a straight-line basis and reflected in the statements of activities within professional and administrative services expense. Rent expense related to building space and equipment for fiscal years ended June 30, 2014, 2013 and 2012 was \$5,590, \$5,832 and \$7,702, respectively.

At June 20, 2014, the minimum lease payments under capital leases and non-cancelable operating leases (with initial or remaining lease terms in excess of one year) for future years ending June 30, are as follow:

| Lease Obligations | Capital Leases | Operating Leases |
|--|-----------------------|-------------------------|
| 2015 | \$ 13,483 | \$ 1,626 |
| 2016 | 10,106 | 742 |
| 2017 | 6,500 | 472 |
| 2018 | 4,099 | 432 |
| 2019 | 2,902 | 328 |
| 2020 and thereafter | 26,858 | - |
| Obligation, gross | 63,948 | 3,600 |
| Amounts representing interest rates from 2% to 10% | (19,823) | - |
| Total Lease Obligations, net | \$ 44,125 | \$ 3,600 |

Lease Income

Howard leases property to several area businesses, non-profit organizations and individuals under non-cancelable operating leases. Howard receives monthly income under these lease agreements, which have termination dates through 2019 and thereafter. Total lease income received for fiscal years ended June 30, 2014, 2013 and 2012 was \$1,505, \$1,384 and \$1,175, respectively.

The future minimum lease income for years ending at June 30 is as follows:

| Future minimum lease income | June 30 |
|--|-----------------|
| 2015 | \$ 797 |
| 2016 | 689 |
| 2017 | 625 |
| 2018 | 535 |
| 2019 | 417 |
| 2020 and thereafter | 1,492 |
| Total minimum lease income receipts | \$ 4,555 |

Note 18 Bonds and Notes Payable

(a) **Bonds Payable**

Howard is obligated with respect to the following bond issues at June 30:

| Bonds Payable | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|-------------------|-------------------|-------------------|
| <i>District of Columbia issues:</i> | | | |
| 2010 Revenue bonds, 5.05% Serial due 2010 through 2025 | \$ 8,650 | \$ 9,159 | \$ 9,674 |
| 2011A Revenue bonds 5.00% to 6.50% Serial due 2020 through 2041 | 225,250 | 225,250 | 225,250 |
| 2011B Revenue bonds 4.31% to 7.63% Serial due 2015 through 2035 | 65,065 | 65,065 | 65,065 |
| Total bonds payable, gross | \$ 298,965 | \$ 299,474 | \$ 299,989 |
| Unamortized bond premium (discount) | (5,771) | (5,978) | (6,204) |
| Total bonds payable, net | \$ 293,194 | \$ 293,496 | \$ 293,785 |

(1) **2010 Revenue Bonds**

In August 2010, Howard issued \$10,400 of Series 2010 bonds. The bonds bear interest at 5.05% repayable from 2010 to 2025. The proceeds were used to retire an expiring equipment note and to fund energy related projects.

(2) **2011 Revenue Bonds**

In April 2011, Howard issued \$225,250 of tax exempt revenue bonds (Series 2011A) and \$65,065 of taxable revenue bonds (Series 2011B) to refund the Series 1998 and Series 2006 bonds and to finance new capital improvements. The interest rate on the tax exempt bonds range from 5.25% to 6.50% and the bonds are repayable from 2020 to 2041. The taxable bonds bear interest between 4.31% and 7.63% and are repayable from 2015 to 2035. The average coupon is 6.57%. The 2011 bonds

require Howard to maintain a debt service fund of \$12,634. At fiscal year ended June 30, 2014 the fund balance was \$12,880.

The Series 2011A Bonds maturing on or after October 1, 2021 are subject to optional redemption by the District of Columbia, at the written direction of Howard, in its sole discretion, on or after April 1, 2021 in whole or in part at any time, at a redemption price equal to the principal amount of the Series 2011A Bonds being redeemed, plus accrued interest, if any, to the redemption date.

The Series 2011B Bonds are subject to optional redemption prior to maturity in whole or in part on any Business Day at the Make-Whole Redemption Price at the direction of Howard. 2011 Bond proceeds of \$19,782 have been used to create a deposit for capitalized interest. The remaining balance of this fund is \$0 at June 30, 2014.

Moody's Investors Service downgraded Howard's Series 2011A and 2011B bonds to Baa1 from A3, concluding the review initiated July 8, 2013. Standard & Poor's Ratings Services downgraded Howard's Series 2011A and 2011B bonds to BBB+ from A- with a stable outlook, concluding the review on March 5, 2014. The downgrade is largely driven by pressure on all of the University's major revenue sources. Howard has put into motion a strategy to boost operational efficiency and make long-term structural changes to Howard and the Hospital.

(3) Fair Value of Bonds

The estimated fair value of Howard's bonds is determined based on quoted market prices. At June 30, 2014, 2013 and 2012, the estimated fair value was approximately \$330,896, \$330,776 and \$344,872, respectively. Fair value estimates are made at a specific point in time, are subjective in nature, and involve uncertainties and matters of judgment. Howard is not required to settle its debt obligations at fair value and settlement is not possible in most cases because of the terms under which the debt was issued and legal limitations on refunding tax-exempt debt.

(b) *Notes Payable*

Howard is obligated with respect to the following notes payable at June 30:

| Notes Payable | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---|------------------|------------------|------------------|
| Bank of America Commercial Loan | | | |
| Due monthly, July 2007 through June 30, 2013 fixed interest rate of LIBOR plus 0.75% | \$ - | \$ - | \$ 780 |
| Bank of America Property Loan | | | |
| Due monthly, through June 1, 2017 variable interest rate of LIBOR plus 3.50% | 5,447 | 6,499 | 7,647 |
| Multi-bank Agreement | | | |
| Due June 24, 2015, variable interest rate at daily LIBOR plus 2.5% | 65,000 | 40,000 | 30,142 |
| Total Notes Payable | \$ 70,447 | \$ 46,499 | \$ 38,569 |

In June 2014, Howard replaced its \$135,000 Multi-bank Credit Agreement with a \$100,000 Multi-bank Credit Agreement that extends through June, 2015. Outstanding borrowings under these agreements at June 30, 2014, 2013 and 2012 were \$65,000, \$40,000 and \$30,142, respectively.

In February 2014, Howard amended its financing agreement for the Bank of America Property Loan for the unpaid principal balance of \$5,447, extending the final maturity date from May 31, 2014 to June 1, 2017.

On July 21, 2011, Howard entered into an interest rate cap with SunTrust Bank to protect against one-month Libor rising above 2% over the next three years on a notional value of \$20,000.

(c) *Compliance with Contractual Covenants*

In May 2011, Howard's debt covenants were amended in conjunction with the 2011 Bond issuance and Multi-bank Credit Agreement execution. In June 2014, the debt covenants were amended for the Multi-bank Credit Agreement.

The 2011 Bond and Credit Agreement contain restrictive financial covenants as summarized in the table below as of June 30, 2014.

| Covenant | Instrument | Measurement Dates | Criteria |
|-----------------------------|-----------------------------|-------------------------|-----------|
| Debt Service Coverage Ratio | 2011 Revenue Bonds | June 30 each year | 1.10:1.00 |
| Debt Service Coverage Ratio | Multi-bank Credit Agreement | June 30 each year | 1.25:1.00 |
| Liquidity Ratio | Multi-bank Credit Agreement | June 30 and December 31 | 0.25:1.00 |

At June 30, 2014 Howard was in compliance with the Liquidity Ratio for the 2011 Revenue Bonds and the Multi-bank Credit Agreement, but was not in compliance with Debt Service Coverage Ratio for the Multi-bank Credit Agreement. The University, as required by the terms of the Multi-bank Credit Agreement, has granted lenders a security interest in collateral in the form of cash and securities and delivered to their collateral agent. The carrying value of the pledged securities is \$128,952 and is reported in endowment investments. The University will pledge additional collateral when the collateral value is less than the minimum collateral amount. The collateral agent is not allowed to re-pledge or sell the collateral securities.

At June 30, 2013 and 2012 Howard was in compliance with the Liquidity Ratio and the Debt Service Coverage Ratio for the 2011 Revenue Bonds and the Multi-bank Credit Agreement.

(d) *Scheduled Bond and Note Repayments*

The scheduled principal repayments of bonds and notes payable, including sinking fund requirements, are as follows:

| Aggregate Annual Maturities | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|------------------------------------|----------------------|----------------------|----------------------|
| 2013 | NA | NA | \$ 2,444 |
| 2014 | NA | \$ 47,041 | 37,182 |
| 2015 | \$ 67,319 | 569 | 569 |
| 2016 | 3,813 | 1,998 | 1,998 |
| 2017 | 4,426 | 2,544 | 2,544 |
| 2018 | 2,771 | 2,771 | 2,771 |
| 2019 | 3,480 | 3,480 | 3,480 |
| 2020 and thereafter | 287,603 | 287,570 | 287,570 |
| Subtotal | 369,412 | 345,973 | 338,558 |
| Bond premiums/(discounts) | (5,771) | (5,978) | (6,204) |
| Total | \$ 363,641 | \$ 339,995 | \$ 332,354 |

(e) *Interest Rate Swaps*

In April 1998, Howard entered into an interest rate swap agreement, a derivative instrument, with Bank of America, N.A., whereby Howard agreed to pay Bank of America a 6.7% fixed rate of interest on \$17,233 in exchange for the receipt of a floating interest payment based on the 30-day London Interbank Offered Rate (LIBOR) plus 75 basis points. (LIBOR at June 30, 2013 was 0.19%). This agreement ended June 30, 2013.

The gains and losses recognized under the interest rate swap agreements for fiscal years ended June 30, 2014, 2013 and 2012 were as follows:

| Interest Rate Swaps | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|---------------|---------------|---------------|
| Cumulative (loss) at beginning of year | \$ - | \$ (21) | \$ (104) |
| Gain during the year | - | 21 | 83 |
| Cumulative (loss) at end of year | \$ - | \$ - | \$ (21) |

Note 19 Retirement Plans

Pension Plan - Howard has a noncontributory defined benefit pension plan (the Plan) available to substantially all full-time employees. In accordance with government funding regulations, Howard's policy is to make annual contributions to the Plan at least equal to the minimum contribution. Based upon years of service and other factors, the Plan's benefit formula provides that eligible retirees receive a percentage of their final annual pay, based upon years of service and other factors. Plan assets consist primarily of common equity securities, U.S. Treasury securities, corporate bonds, and private investment funds. Effective July 1, 2010, the Plan no longer accrues benefits.

Post-retirement Plan - Howard provides post-retirement medical benefits and life insurance to employees who, at the time they retire, meet specified eligibility and service requirements. Howard pays a portion of the cost of such benefits depending on various factors, including employment start date, age, years of service and either the date of actual retirement or the retirement eligibility date of the participant. The post-retirement benefit plan is unfunded and has no plan assets.

Effective April 1, 2013 Howard eliminated the subsidy for post-65 medical and dental coverage for Class II and Class IV participants. This plan change is considered a significant event, and triggered a plan amendment as of the re-measurement date. The action resulted in (1) revised expense for the final quarter of the fiscal year ended June 30, 2013, which included amortization of the new prior service credit generated from the negative plan amendment and (2) reduction to the Accumulated Pension Benefit Obligation of \$113,000.

Supplemental Retirement Plan – Howard also has a supplemental retirement plan available to certain retired executives. The plan is noncontributory, unfunded and has a June 30 measurement date. The projected benefit obligation is \$1,710, \$1,737 and \$1,814 at June 30, 2014, 2013 and 2012, respectively. The amounts not yet reflected in operating expenses, but included in unrestricted net assets pertain to accumulated losses of \$943, \$882 and \$862 at June 30, 2014, 2013 and 2012, respectively. The actuarial cost method and the assumption on discount rate used to determine the benefit obligation and net periodic cost in the actuarial valuation for the year ended June 30, 2014 are consistent with the method and assumptions used for the defined benefit pension plan.

Savings Plan – Howard supplements its pension plan by offering employees a defined contribution plan under Section 403(b) of the Internal Revenue Code. Eligible employees received a contribution of 6% of base salary and are also permitted to contribute up to 15% of their base pay to the plan. The administration of the plan is provided by three financial administrators: Teachers Insurance and Annuity Association/College Retirement Equities Fund, American International Group – Variable Annuity Life Insurance Company, and Lincoln Financial. Effective July 1, 2011 Lincoln Financial has been replaced as a financial administrator by Voya Financial (formally ING Financial Advisors). These administered plans provide additional retirement benefits including the purchase of annuity contracts for eligible employees. Total costs recognized in the consolidated statements of activities were \$22,989, \$16,180 and \$23,528 for fiscal years ended June 30, 2014, 2013 and 2012, respectively. The fair value of plan assets for the savings plan for fiscal years ended June 30, 2014, 2013 and 2012 were \$921,876, \$859,653 and \$810,202, respectively. These investments are held by Howard on behalf of its employees and excluded from the consolidated statements of financial position.

Effective July 1, 2010, the Savings Plan was modified such that Howard will automatically, upon hire, contribute 6% of any eligible employee's base pay, regardless of tenure or election into the Savings Plan. Howard will contribute a matching contribution of up to 2% of employee elected self contributions.

Effective March 1, 2013 employer base (6%) and matching (2%) contributions were suspended. Employees were still able to contribute to the Savings Plan. This suspension was ended effective July 1, 2013.

The Howard University
Notes to the Consolidated Financial Statements
For Fiscal Years Ended June 30, 2014, 2013 and 2012 (amounts in thousands)

Howard recognizes a plan's overfunded or underfunded status as an asset or liability, with an offsetting adjustment to unrestricted net assets. The reconciliation of the Plan's funded status to amounts recognized in the consolidated financial statements at June 30, 2014, 2013 and 2012 are as follows:

| Retirement Benefits | Pension | | | Medical and Life Insurance | | | Savings Plan and Supplemental | | |
|--|---------------------|---------------------|---------------------|----------------------------|--------------------|---------------------|-------------------------------|-----------------|-----------------|
| | FY2014 | FY2013 | FY2012 | FY2014 | FY2013 | FY2012 | FY2014 | FY2013 | FY2012 |
| Change in benefit obligation | | | | | | | | | |
| Projected benefit obligation at beginning of year | \$ 616,455 | \$ 629,163 | \$ 537,993 | \$ 67,852 | \$ 189,430 | \$ 185,017 | \$ 1,737 | \$ 1,814 | \$ 2,235 |
| Service Cost | - | - | - | 459 | 658 | 473 | - | - | - |
| Interest Cost | 28,760 | 26,180 | 29,980 | 3,198 | 6,631 | 10,163 | 78 | 72 | 117 |
| Actuarial (gain)/loss | 43,938 | (7,185) | 88,935 | 4,678 | (8,894) | 3,408 | 139 | 95 | (231) |
| Benefits paid | (32,619) | (31,703) | (27,745) | (10,270) | (13,656) | (14,978) | (244) | (244) | (307) |
| Special termination benefits | - | - | - | - | - | - | - | - | - |
| Medicare Part D subsidy | - | - | - | 828 | 813 | 420 | - | - | - |
| Employee contributions | - | - | - | 4,557 | 5,825 | 4,927 | - | - | - |
| Prior service amendment | - | - | - | - | - | - | - | - | - |
| Plan amendments | 2,700 | - | - | - | (112,955) | - | - | - | - |
| Projected benefit obligation at end of period | \$ 659,234 | \$ 616,455 | \$ 629,163 | \$ 71,302 | \$ 67,852 | \$ 189,430 | \$ 1,710 | \$ 1,737 | \$ 1,814 |
| Change in plan assets: | | | | | | | | | |
| Fair value of plan assets at beginning of year | 489,000 | 460,955 | 463,433 | - | - | - | - | - | - |
| Actual return on plan assets | 85,230 | 42,383 | (2,733) | - | - | - | - | - | - |
| Employer contributions | 10,994 | 17,365 | 28,000 | 4,885 | 7,018 | 9,631 | 22,722 | 16,424 | 23,834 |
| Employee contributions | - | - | - | 4,557 | 5,825 | 4,927 | - | - | - |
| Medicare Part D subsidy | - | - | - | 828 | 813 | 420 | - | - | - |
| Benefits paid | (32,619) | (31,703) | (27,745) | (10,270) | (13,656) | (14,978) | (244) | (244) | (307) |
| Fair value of plan assets at end of period | \$ 552,605 | \$ 489,000 | \$ 460,955 | \$ - | \$ - | \$ - | NA | NA | NA |
| Total | \$ (106,629) | \$ (127,455) | \$ (168,208) | \$ (71,302) | \$ (67,852) | \$ (189,430) | NA | NA | NA |

NA = Not Applicable

Components of net periodic benefit cost and other amounts recognized in unrestricted net assets at June 30, 2014, 2013 and 2012:

| Retirement Benefits | Pension | | | Medical and Life Insurance | | | Savings Plan and Supplemental | | |
|---|--------------------|--------------------|-------------------|----------------------------|---------------------|-------------------|-------------------------------|------------------|------------------|
| | FY2014 | FY2013 | FY2012 | FY2014 | FY2013 | FY2012 | FY2014 | FY2013 | FY2012 |
| Recognized in Statement of Activities | | | | | | | | | |
| Amortization of transition obligation | \$ - | \$ - | \$ - | \$ - | \$ 2,841 | \$ 3,774 | \$ - | \$ - | \$ - |
| Amortization of prior service cost | - | - | - | - | (1,634) | 2,137 | - | - | - |
| Amortization of net actuarial loss | 7,972 | 8,058 | 3,892 | 621 | 498 | 228 | 79 | 75 | 100 |
| Total amortization | \$ 7,972 | \$ 8,058 | \$ 3,892 | \$ 621 | \$ 1,705 | \$ 6,139 | \$ 79 | \$ 75 | \$ 100 |
| Service Cost | - | - | - | 459 | 658 | 473 | 22,478 | 16,180 | 23,528 |
| Interest Cost | 28,760 | 26,180 | 29,980 | 3,198 | 6,631 | 10,163 | 78 | 73 | 117 |
| Curtailment recognition of prior service credit | - | - | - | (12,785) | - | - | - | - | - |
| Expected return on plan assets | (27,287) | (29,937) | (31,479) | - | - | - | - | - | - |
| Recognized in operating expenses | \$ 9,445 | \$ 4,301 | \$ 2,393 | \$ (8,507) | \$ 8,994 | \$ 16,775 | \$ 22,635 | \$ 16,328 | \$ 23,745 |
| Amortization of transition obligation | - | - | - | - | (2,841) | (3,774) | - | - | - |
| Amortization of prior service cost | - | - | - | - | 1,634 | (2,137) | - | - | - |
| Amortization of net actuarial loss | (7,972) | (8,058) | (3,892) | (621) | (498) | (228) | (79) | (75) | (100) |
| Total amortization | \$ (7,972) | \$ (8,058) | \$ (3,892) | \$ (621) | \$ (1,705) | \$ (6,139) | \$ (79) | \$ (75) | \$ (100) |
| Net actuarial (gain) loss during the year | (14,011) | (19,631) | 123,166 | 2,839 | (6,441) | 3,408 | 139 | 95 | (231) |
| New prior service cost arising during period | 2,700 | - | - | 12,785 | (112,955) | - | - | - | - |
| Total recognized in other changes in unrestricted net assets | \$ (19,283) | \$ (27,689) | \$ 119,274 | \$ 15,003 | \$ (121,101) | \$ (2,731) | \$ 60 | \$ 20 | \$ (331) |
| Total recognized in Statements of Activities | \$ (9,838) | \$ (23,388) | \$ 121,667 | \$ 6,496 | \$ (112,107) | \$ 14,044 | \$ 22,695 | \$ 16,348 | \$ 23,414 |

Amounts included in unrestricted net assets at June 30, 2014, 2013 and 2012:

| Retirement Benefits | Pension | | | Medical and Life Insurance | | |
|-----------------------|---------------------|---------------------|---------------------|----------------------------|------------------|--------------------|
| | FY2014 | FY2013 | FY2012 | FY2014 | FY2013 | FY2012 |
| Net actuarial loss | \$ (233,088) | \$ (249,900) | \$ (277,589) | \$ (13,675) | \$ (12,818) | \$ (19,757) |
| Prior service cost | (2,700) | - | - | 57,927 | 70,712 | (39,663) |
| Transition obligation | - | - | - | - | - | (3,787) |
| Total | \$ (235,788) | \$ (249,900) | \$ (277,589) | \$ 44,252 | \$ 57,894 | \$ (63,207) |

The estimated net actuarial gain, prior service cost, and transition obligation for the pension and post-retirement plans that were accounted for as a part of net periodic benefit cost over the current fiscal year are \$9,302, \$(12,785) and \$0, respectively. Contributions of \$10,994, \$17,365 and \$28,000 were made in fiscal years 2014, 2013 and 2012, respectively.

The weighted average assumptions used to determine the benefit obligation in the actuarial valuations for fiscal years ended June 30, 2014, 2013 and 2012 were as follows:

| Actuarial Assumptions | Pension Benefits | | | Post-retirement Benefits | | |
|--------------------------------|------------------|--------|--------|--------------------------|--------|--------|
| | FY2014 | FY2013 | FY2012 | FY2014 | FY2013 | FY2012 |
| Discount rate | 4.25% | 4.82% | 4.29% | 4.29% | 4.89% | 4.25% |
| Expected return on plan assets | 7.00% | 7.00% | 7.50% | 0.00% | 0.00% | 0.00% |
| Rate of compensation increase | - | - | - | 3.50% | 3.50% | 3.50% |

The weighted average assumptions used to determine net periodic cost in the actuarial valuations for fiscal years ended June 30, 2014, 2013 and 2012 were as follows:

| Actuarial Assumptions | Pension Benefits | | | Post-retirement Benefits | | |
|--------------------------------|------------------|--------|--------|--------------------------|--------|--------|
| | FY2014 | FY2013 | FY2012 | FY2014 | FY2013 | FY2012 |
| Discount rate | 4.82% | 4.29% | 5.76% | 4.89% | 4.25% | 5.69% |
| Expected return on plan assets | 7.00% | 7.00% | 7.50% | 0.00% | 0.00% | 0.00% |
| Rate of compensation increase | | | | | | |
| To age 35 | - | - | - | 3.50% | 3.50% | 3.50% |
| Thereafter | - | - | - | 3.50% | 3.50% | 3.50% |

The overall long-term rate of return for the pension plan assets was developed by estimating the expected long-term real return for each asset class within the portfolio. An average weighted real rate of return was computed for the portfolio which reflects the Plan's targeted asset allocation. Consideration was given to the correlation between asset classes and the anticipated real rate of return and was added to the anticipated long-term rate of inflation.

Pension plan investments as of June 30, 2014 were as follows:

| Pension Plan Investments as of June 30, 2014 | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|-------------------|-------------------|-------------------|
| Pension Plan Investments | | | | |
| Assets: | | | | |
| Money Market Instrument (1) | \$ - | \$ 27,336 | \$ - | \$ 27,336 |
| Commingled Funds | | | | |
| Emerging market equity (3) | - | 5,382 | - | 5,382 |
| International Equity Developed (3) | - | 85,821 | - | 85,821 |
| US Common Stock (3) | - | 21,407 | - | 21,407 |
| Commodity Inflation Hedging (8) | - | 17,545 | - | 17,545 |
| Common Stock (3) | 40,216 | - | - | 40,216 |
| Fixed Income (2) | | | | |
| Asset backed | - | 6,961 | - | 6,961 |
| Corporate Bonds | - | 2,276 | - | 2,276 |
| Government Bond | 65,391 | - | - | 65,391 |
| Hedge Funds (4) | | | | |
| Distressed Debt | - | 3,002 | - | 3,002 |
| Equity Long/short | - | 5,271 | - | 5,271 |
| Event driven | - | 2,958 | 3,043 | 6,001 |
| Multi Global opportunities | - | 4,079 | - | 4,079 |
| Multi strategy | - | 7,342 | 2,578 | 9,920 |
| Mutual Funds Investment | | | | |
| Domestic common stock (3) | 46,018 | - | - | 46,018 |
| Emerging market equity (3) | 7,198 | - | - | 7,198 |
| Domestic Fixed Income (2) | 102,539 | - | - | 102,539 |
| Private Equity and Venture Capital (4) | - | - | 90,901 | 90,901 |
| Real Estate (4) | - | - | 13,171 | 13,171 |
| Total assets | \$ 261,362 | \$ 189,380 | \$ 109,693 | \$ 560,435 |
| Liabilities: | | | | |
| Financial Derivatives – Option Contracts | - | (7) | - | (7) |
| Total liabilities | \$ - | \$ (7) | \$ - | \$ (7) |
| Total pension plan investments | \$ 261,362 | \$ 189,373 | \$ 109,693 | \$ 560,428 |
| Assets not subject to fair value reporting | 4,557 | - | - | 4,557 |
| Liabilities not subject to fair value | (12,380) | - | - | (12,380) |
| Total plan assets | \$ 253,539 | \$ 189,373 | \$ 109,693 | \$ 552,605 |

Refer to Note 12 – Fair Value Measurements for explanation of financial instrument classifications.

Pension plan investments as of June 30, 2013 were as follows:

| Pension Plan Investments as of June 30, 2013 | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|-------------------|-------------------|-------------------|
| Pension Plan Investments | | | | |
| Assets: | | | | |
| Money Market Instrument (1) | \$ - | \$ 5,486 | \$ - | \$ 5,486 |
| Commingled Funds | | | | |
| Emerging market equity (3) | - | 48,256 | - | 48,256 |
| US Common Stock (3) | - | 26,683 | - | 26,683 |
| Commodity Inflation Hedging (8) | - | 16,015 | - | 16,015 |
| Common Stock (3) | 46,606 | - | - | 46,606 |
| Fixed Income (2) | | | | |
| Asset backed | - | 6,281 | - | 6,281 |
| Corporate Bonds | - | 2,131 | - | 2,131 |
| Government Bond | 46,547 | - | - | 46,547 |
| Hedge Funds (4) | | | | |
| Distressed Debt | - | 2,793 | - | 2,793 |
| Equity Long/short | - | 4,866 | - | 4,866 |
| Event driven | - | 2,561 | 2,849 | 5,410 |
| Multi Global opportunities | - | 3,752 | - | 3,752 |
| Mutual Funds Investment | | | | |
| Domestic common stock (3) | 34,388 | - | - | 34,388 |
| Emerging market equity (3) | 22,242 | - | - | 22,242 |
| International equity (3) | 27,856 | - | - | 27,856 |
| Domestic Fixed Income (2) | 60,998 | - | - | 60,998 |
| Real Estate (4) | - | - | 8,743 | 8,743 |
| Total assets | \$ 238,637 | \$ 143,884 | \$ 107,411 | \$ 489,932 |
| Liabilities: | | | | |
| Financial Derivatives – Option Contracts | - | (239) | - | (239) |
| Total liabilities | \$ - | \$ (239) | \$ - | \$ (239) |
| Total pension plan investments | \$ 238,637 | \$ 143,645 | \$ 107,411 | \$ 489,693 |
| Assets not subject to fair value reporting | 3,197 | - | - | 3,197 |
| Liabilities not subject to fair value | (3,890) | - | - | (3,890) |
| Total plan assets | \$ 237,944 | \$ 143,645 | \$ 107,411 | \$ 489,000 |

Pension plan investments as of June 30, 2012 were as follows:

| Pension Plan Investments as of June 30, 2012 | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|-------------------|-------------------|-------------------|
| Pension Plan Investments | | | | |
| Money Market Instrument (1) | \$ 821 | \$ 13,151 | \$ - | \$ 13,972 |
| Commingled Funds | | | | |
| Emerging market equity (3) | - | 37,839 | - | 37,839 |
| US Common Stock (3) | - | 22,785 | - | 22,785 |
| Commodity Inflation Hedging (8) | 103,138 | - | - | 103,138 |
| Common Stock (3) | | | | |
| Fixed Income (2) | - | 3,783 | - | 3,783 |
| Corporate Bonds | 17 | 1,370 | - | 1,387 |
| Government Bond | 45,128 | - | - | 45,128 |
| Hedge Funds (4) | | | | |
| Distressed Debt | - | 2,298 | - | 2,298 |
| Equity Long/short | - | 4,488 | - | 4,488 |
| Event driven | - | 1,861 | 2,629 | 4,490 |
| Inflation hedge | - | 13,741 | - | 13,741 |
| Multi-Global opportunities | - | 3,389 | - | 3,389 |
| Multi-strategy | - | 23,030 | 1,988 | 25,018 |
| Mutual Funds Investment | | | | |
| Domestic common stock (3) | 13,508 | - | - | 13,508 |
| Emerging market equity (3) | 10,198 | - | - | 10,198 |
| Domestic Fixed Income (2) | 53,307 | - | - | 53,307 |
| Private Equity and Venture Capital (4) | - | - | 93,070 | 93,070 |
| Real Estate (4) | - | - | 9,000 | 9,000 |
| Total pension plan investments | \$ 226,117 | \$ 127,735 | \$ 106,687 | \$ 460,539 |
| Assets not subject to fair value reporting | 1,593 | - | - | 1,593 |
| Liabilities not subject to fair value | (1,176) | - | - | (1,176) |
| Total plan assets | \$ 226,534 | \$ 127,735 | \$ 106,687 | \$ 460,956 |

The following table presents changes in amounts for financial instruments classified within Level 3 of the valuation hierarchy previously defined, at June 30, 2014.

| Changes in Level 3 for the period ended June 30, 2014 | Private and Venture Capital | Hedge Funds | Real Estate | Total |
|--|------------------------------------|--------------------|--------------------|-------------------|
| Balance July 1, 2013 | \$ 93,450 | \$ 5,218 | \$ 8,743 | \$ 107,411 |
| Gain and Loss (Realized and Unrealized) | 17,422 | 403 | 1,736 | 19,561 |
| Purchases | 7,926 | - | 3,506 | 11,432 |
| Transfer out and sales | (27,897) | - | (814) | (28,711) |
| Balance at June 30, 2014 | \$ 90,901 | \$ 5,621 | \$ 13,171 | \$ 109,693 |
| Change in unrealized investments held | \$ 4,073 | \$ 402 | \$ 1,854 | \$ 6,329 |

The following table presents changes in amounts for financial instruments classified within Level 3 of the valuation hierarchy previously defined, at June 30, 2013.

| Changes in Level 3 for the period ended June 30, 2013 | Equity – Private and Venture Capital | Hedge Funds | Real Estate | Total |
|--|---|-----------------|-----------------|-------------------|
| Balance July 1, 2012 | \$ 93,070 | \$ 4,617 | \$ 9,000 | \$ 106,687 |
| Gain and Loss (Realized and Unrealized) | 13,753 | 601 | 836 | 15,190 |
| Purchases | 8,858 | - | - | 8,858 |
| Transfer out and sales | (22,231) | - | (1,093) | (23,324) |
| Balance at June 30, 2013 | \$ 93,450 | \$ 5,218 | \$ 8,743 | \$ 107,411 |
| Change in unrealized investments held | \$ 5,003 | \$ 601 | \$ 934 | \$ 6,538 |

The following table presents changes in amounts for financial instruments classified within Level 3 of the valuation hierarchy previously defined, at June 30, 2012.

| Changes in Level 3 for the period ended June 30, 2012 | Equity – Private and Venture Capital | Hedge Funds | Real Estate | Total |
|--|---|-----------------|-----------------|-------------------|
| Balance July 1, 2011 | \$ 85,327 | \$ 4,541 | \$ 8,640 | \$ 98,508 |
| Gain and Loss (Realized and Unrealized) | 5,183 | 76 | 701 | 5,960 |
| Purchases | 14,046 | - | 136 | 14,182 |
| Transfer out and sales | (11,486) | - | (477) | (11,963) |
| Balance at June 30, 2012 | \$ 93,070 | \$ 4,617 | \$ 9,000 | \$ 106,687 |
| Change in unrealized investments held | \$ 424 | \$ 76 | \$ 573 | \$ 1,073 |

Pension Plan Investment Commitments – Howard’s investment commitments as of June 30, 2014, 2013 and 2012 are summarized below. Additionally, some of these investments do not have readily ascertainable market values and may be subject to withdrawal restrictions and are less liquid than Howard’s other investments.

| Pension Plan Investment Commitments | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|-------------------------------------|------------------|------------------|------------------|
| Private Equity Funds | \$ 144,203 | \$ 139,203 | \$ 136,703 |
| Real Estate Funds | 15,000 | 15,000 | 15,000 |
| Total financial commitment | 159,203 | 154,203 | 151,703 |
| Amounts funded | 144,844 | 133,412 | 124,554 |
| Unfunded commitment | \$ 14,359 | \$ 20,791 | \$ 27,149 |

The asset allocation of the Plan is analyzed annually to determine the need for rebalancing to maintain an allocation that is within the allowable ranges. The investment strategy is to invest in asset classes that are negatively correlated to minimize overall risk in the portfolio. Interim targets outside of the allowable

ranges were set to allow for flexibility in reaching the long-term targets in the private equity and real estate categories.

The actual allocation of the plan for June 30, and the allowable range is as follows:

| Pension Plan Asset Allocation | June 30, 2014 | June 30, 2013 | June 30, 2012 | Allowable Range |
|--------------------------------------|----------------------|----------------------|----------------------|------------------------|
| Mid-Large Cap U.S. Equity | 11.50% | 13.60% | 18.00% | 10-20% |
| Small Cap U.S. Equity | 3.90% | 4.80% | 4.50% | 0-10% |
| International Equity - Developed | 15.80% | 15.50% | 13.10% | 10-20% |
| Private Equity/Venture Capital | 15.70% | 19.10% | 20.00% | 5-15% |
| Hedge Funds | 5.20% | 9.00% | 8.70% | 5-10% |
| Inflation Hedging | 9.70% | 8.60% | 7.90% | 10-15% |
| Emerging Markets Equity | 2.30% | 4.50% | 2.20% | 0-10% |
| U.S. Long Bonds | 31.70% | 23.70% | 22.60% | 25-35% |
| Cash and Cash Equivalents | 4.20% | 1.20% | 3.00% | 0-5% |
| Total | 100% | 100% | 100% | |

The trend rate for growth in health care costs, excluding dental, used in the calculation for fiscal year 2014 is 7.58%. This growth rate was assumed to decrease gradually to 4.5% in 2030 and to remain at this level thereafter. The growth rate in the trend rate dental care costs used in the calculations for fiscal year 2014 is 5.7%. The growth rate was assumed to decrease gradually to 4.5% by 2030 and to remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the obligations reported for the health care plans.

The following benefit payments, which reflect expected future service as appropriate, are expected to be paid over the next ten years as follows:

| Expected Future Benefit Payments | Pension Benefits | Post-retirement Benefits | | |
|---|-------------------------|---------------------------------|-------------------------|-----------------------|
| | | Excluding Subsidy | Subsidy Payments | Net of Subsidy |
| Year ending June 30: | | | | |
| 2015 | \$ 40,859 | \$ 4,981 | \$ (97) | \$ 4,884 |
| 2016 | 42,023 | 4,917 | (98) | 4,819 |
| 2017 | 43,129 | 4,878 | (98) | 4,780 |
| 2018 | 43,918 | 4,800 | (97) | 4,703 |
| 2019 | 42,386 | 4,722 | (97) | 4,625 |
| Years 2020-2024 | 212,292 | 17,652 | (359) | 17,293 |
| Total | \$ 424,607 | \$ 41,950 | \$ (846) | \$ 41,104 |

Note 20 Commitments and Contingencies

(a) ***Federal Awards***

Howard receives substantial revenues from government grants, contracts, and Federal student financial assistance programs authorized by Title IV and Title VII of the Higher Education Act of 1965. Previous compliance audits have reported certain deficiencies in the administration of both the University's Title IV and Title VII programs and its federal grants and contracts. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government or its designees.

(b) ***Litigation and Other Claims***

During the ordinary course of business, Howard is a party to various litigation and other claims in the ordinary course of business including claims of malpractice by the Hospital and faculty physicians. It is also subject to potential future claims based on findings or accusations arising from past practices under governmental programs and regulations and tort law. In fiscal years ended June 30, 2014, 2013 and 2012 Howard reserved \$3,664, \$6,690 and \$7,119, respectively, for legal contingencies. In the opinion of management and Howard's general counsel, an appropriate monetary provision has been made to account for probable losses upon ultimate resolution of these matters.

(c) ***Collective Bargaining Agreements***

Howard has several collective bargaining agreements currently in effect with unions representing approximately 1,800 employees. Certain of these agreements are in negotiations and have been extended beyond the stated expiration date.

Note 21 Related Party Transactions

(a) ***Howard University Charter Middle School***

Howard University Board of Trustees founded Howard University Charter Middle School of Mathematics and Science, which operates from premises owned by Howard. The Middle School is a separate legal entity and not a component of Howard. For fiscal years ended June 30, 2014, 2013 and 2012, Howard has contributed to the Middle School as follows:

| Related Party Transactions | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|-----------------------------------|----------------------|----------------------|----------------------|
| Cash operating support | \$ 900 | \$ 764 | \$ 500 |
| Donated computer equipment | - | 236 | 204 |
| Facility leased (market value) | 1,009 | 1,009 | 1,009 |
| Total | \$ 1,909 | \$ 2,009 | \$ 1,713 |

(b) ***The Howard Dialysis Center***

Howard and American Renal Associates, LLC (ARA) have a joint venture agreement for the operation of the Howard University Dialysis Center LLC (LLC). The entity was formed on March 1, 2012. Howard and the LLC are parties to a non-compete agreement, and Howard and ARA jointly guarantee the LLC's debt agreements.

On March 1, 2012, the LLC commenced a lease with Howard for the current space, employees and Medical Director associated with its Hospital outpatient dialysis services which will result in monthly rental income for Howard in addition to its proportionate share of earnings (losses) of the LLC.

As of June 30, 2014, 2013 and 2012 the consolidated statements of financial position for the LLC is as follows:

| Howard Dialysis Center, LLC Statement of Financial Position as of the fiscal years ended | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|--|---------------|---------------|---------------|
| Total Assets | \$ 12,069 | \$ 11,919 | \$ 11,119 |
| Total Liabilities | 1,177 | 2,123 | 2,066 |
| Equity | | | |
| Partner | 8,986 | 8,986 | 9,000 |
| Retained earning | 1,906 | 810 | 53 |
| Total Equity | \$ 10,892 | \$ 9,796 | \$ 9,053 |
| ARA interest | \$ 5,555 | \$ 4,996 | \$ 4,617 |
| Howard interest | \$ 5,337 | \$ 4,800 | \$ 4,436 |

(c) ***Provident Group – Howard Properties, LLC***

The University entered into a 40-year ground lease with Provident Group – Howard Properties, LLC and Provident Resources Group, Inc. ("Owner") in which the Owner will design, construct and furnish two Student Dormitory Facilities ("dorms") for the benefit of the University. The Owner issued \$107,965 in revenue bonds through the District of Columbia to finance the construction of the dorms. The University and Owner entered into a management agreement such that the University will be responsible for managing, operating and maintaining the dorms in conjunction with general business. In general, revenues and expenses associated with the dorms are the responsible of the Owner, and the bonds are to be repaid from revenues from the dorms. Ownership of the dorms will revert to Howard upon termination of the Ground Lease and full repayment of the debt. The dorms were completed and placed in service in August 2014.

(d) ***Barnes & Noble College Booksellers, LLC***

Howard engaged Barnes & Noble College Booksellers, LLC to manage and operate its bookstore. The relationship is for the period of April 1, 2014 through March 31, 2019 with an option to renew for an additional five two-year periods, subject to mutual agreement.

Note 22 **Subsequent Events**

Howard performed an evaluation of subsequent events through December 23, 2014, which is the date the consolidated financial statements were issued, noting no additional events other than those as described below which materially affect the consolidated financial statements as of June 30, 2014.

(a) ***Howard University Hospital***

Howard University signed a Management Service Agreement (MSA) with Paladin Healthcare. Effective October 6, 2014, Paladin Healthcare assumed responsibility for day-to-day operations of the Hospital under the oversight of a joint Howard and Paladin Healthcare Management Committee. Under the MSA, Howard will continue to be the licensed operator of the Hospital.

(b) ***Compliance with Contractual Covenants***

At June 30, 2014, Howard was not in compliance with Debt Service Coverage Ratio for the Multi-Bank Credit Agreement. The non-compliance was cured October 31, 2014. See Note 18 for additional information.

(c) ***2011 Revenue Bonds***

On July 3, 2014, Moody's Investors Service downgraded Howard's Series 2011A and 2011B bonds to Baa3 with a negative outlook from Baa1. The downgrade to Baa3 reflects the precipitous deterioration of the Hospital's operations.

(d) ***Campus Apartments***

In August 2014, Howard entered into a subcontractor agreement with Campus Apartments to perform all management responsibilities relating to the newly constructed Student Dormitory Facilities that were completed and placed into service in August 2014.