

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2017 calendar year, or tax year beginning **JUL 1, 2017** and ending **JUN 30, 2018**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>THE HOWARD UNIVERSITY</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>2400 6TH STREET NW</b> City or town, state or province, country, and ZIP or foreign postal code <b>WASHINGTON, DC 20059</b> <b>F</b> Name and address of principal officer: <b>MICHAEL MASCH</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>53-0204707</b> <b>E</b> Telephone number <b>(202) 806-6100</b> <b>G</b> Gross receipts \$ <b>1,393,760,513.</b> <b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> 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		
<b>J</b> Website: ▶ <b>WWW.HOWARD.EDU</b>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1867</b> <b>M</b> State of legal domicile: <b>DC</b>

**Part I Summary**

	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>WE EDUCATE STUDENTS, DEVELOP PROFESSIONALS, CONDUCT RESEARCH, AND SERVE PATIENTS.</b>		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
<b>Activities &amp; Governance</b>	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>31</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>28</b>
	<b>5</b>	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	<b>5</b>	<b>7187</b>
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>25</b>
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>8,869,230.</b>
	<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>-2,603,082.</b>
	<b>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>
<b>9</b>		Program service revenue (Part VIII, line 2g)	<b>236,731,508.</b>	<b>262,400,735.</b>
<b>10</b>		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>643,624,000.</b>	<b>636,229,000.</b>
<b>11</b>		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>51,095,000.</b>	<b>61,038,075.</b>
<b>12</b>		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>48,812,492.</b>	<b>17,215,190.</b>
			<b>980,263,000.</b>	<b>976,883,000.</b>
<b>Expenses</b>	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>105,145,241.</b>	<b>118,976,408.</b>
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>417,899,341.</b>	<b>411,787,021.</b>
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>4,550,080.</b>		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>428,134,418.</b>	<b>431,884,571.</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>951,179,000.</b>	<b>962,648,000.</b>	
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>29,084,000.</b>	<b>14,235,000.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b>	Total liabilities (Part X, line 26)	<b>1472164000.</b>	<b>1546619000.</b>
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	<b>851,614,000.</b>	<b>879,084,000.</b>
		<b>620,550,000.</b>	<b>667,535,000.</b>	

**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.

<b>Sign Here</b>	Signature of officer <b>MICHAEL MASCH, CFO AND TREASURER</b> Type or print name and title	Date  
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>PAMELA GRAY</b>	Preparer's signature  
	Firm's name ▶ <b>SB &amp; COMPANY, LLC</b> Firm's address ▶ <b>200 INTERNATIONAL CIRCLE, SUITE 5500 HUNT VALLEY, MD 21030</b>	Date <b>05/16/19</b>
	Firm's EIN ▶ <b>25-1306171</b> Phone no. (410) 584-0060	Check if self-employed <input type="checkbox"/> PTIN <b>P01237506</b>

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 \$ 476,002,126. including grants of \$ 118,976,409. ) (Revenue \$ 312,952,000. ) 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 \$ 255,309,907. including grants of \$ ) (Revenue \$ 285,832,000. ) 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 CLINICAL AND RESEARCH WORK WITH PROFESSIONALS THAT UNIQUELY ADDRESSES THE SPECIAL HEALTH CARE NEEDS OF MEDICALLY UNDERSERVED COMMUNITIES. HOWARD UNIVERSITY HOSPITAL ADMITS PATIENTS REGARDLESS OF THEIR ABILITY TO PAY.

4c (Code: ) (Expenses \$ 65,366,080. including grants of \$ ) (Revenue \$ 28,712,000. ) 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 796,678,113.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> 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	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
<b>3</b> 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
<b>4 Section 501(c)(3) organizations.</b> 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
<b>5</b> 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
<b>6</b> 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
<b>7</b> 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	
<b>8</b> 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	
<b>9</b> 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
<b>10</b> 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	
<b>11</b> 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.		
<b>a</b> 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>b</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	
<b>c</b> 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
<b>d</b> 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	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
<b>f</b> 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	
<b>12a</b> 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>b</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
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	X	
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?	X	
<b>b</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	
<b>15</b> 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
<b>16</b> 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	
<b>17</b> 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
<b>18</b> 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	
<b>19</b> 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

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....	X	
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....	X	
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....	X	
<b>23</b> 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	
<b>24a</b> 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>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		X
<b>c</b> 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
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		X
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> 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>b</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
<b>26</b> 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? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> 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
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</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
<b>c</b> 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	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> 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
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> 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
<b>33</b> 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	
<b>34</b> 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	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	X	
<b>b</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> .....		X
<b>36 Section 501(c)(3) organizations.</b> 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
<b>37</b> 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
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	X	

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 table with columns for question numbers (1a-14b), Yes/No checkboxes, and numerical input fields. Includes questions about Form 1096, Form W-2G, Form W-3, and various tax compliance items.

**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
<b>1a</b>	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.		
	<b>1a</b> 31		
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent		
	<b>1b</b> 28		
<b>2</b>	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
<b>3</b>	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	
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	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>b</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
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	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
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>b</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?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	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?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>b</b>	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	X	
<b>16a</b>	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>b</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, address, and telephone number of the person who possesses the organization's books and records: **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) STACEY J. MOBLEY, ESQ. CHAIRMAN	1.00	X		X				0.	0.	0.
(2) MR. MARK A. L. MASON VICE CHAIR	1.00	X		X				0.	0.	0.
(3) MRS. BENAREE P. WILEY VICE CHAIR	1.00	X		X				0.	0.	0.
(4) CHARLES M. BOYD, MD BOARD TRUSTEE	1.00	X						0.	0.	0.
(5) MR. CHRIS CARR BOARD TRUSTEE	1.00	X						0.	0.	0.
(6) MARSHA A. ECHOLS, PH.D FACULTY TRUSTEE	40.00	X					149,164.	0.	21,567.	
(7) MOSES GARUBA, PH.D FACULTY TRUSTEE	40.00	X					190,660.	0.	29,638.	
(8) MR. GODFREY GILL BOARD TRUSTEE	1.00	X						0.	0.	0.
(9) RICHARD GOODMAN, PH.D BOARD TRUSTEE	1.00	X						0.	0.	0.
(10) MS. ASHLEY GREY BOARD TRUSTEE	1.00	X						0.	0.	0.
(11) MS. LESLIE D. HALE BOARD TRUSTEE	1.00	X						0.	0.	0.
(12) DANETTE G. HOWARD, PH.D BOARD TRUSTEE	1.00	X						0.	0.	0.
(13) THE HONORABLE ALPHONSO JACKSON BOARD TRUSTEE	1.00	X						0.	0.	0.
(14) MS. STEFANIE BROWN JAMES BOARD TRUSTEE	1.00	X						0.	0.	0.
(15) MR. NORMAN K. JENKINS BOARD TRUSTEE	1.00	X						0.	0.	0.
(16) THE HONORABLE MARIE C. JOHNS BOARD TRUSTEE	1.00	X						0.	0.	0.
(17) MARIAN JOHNSON-THOMPSON, PH.D 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) LAURENCE C. MORSE, PH.D BOARD TRUSTEE	1.00	X						0.	0.	0.
(19) MR. JAMES J. MURREN BOARD TRUSTEE	1.00	X						0.	0.	0.
(20) MR. EUGENE "ROCK" NEWMAN ALUMNI TRUSTEE	1.00	X						0.	0.	0.
(21) THE HON. JOHN F. ROGERS BOARD TRUSTEE	1.00	X						0.	0.	0.
(22) THE HON. RONALD A. ROSENFELD BOARD TRUSTEE	1.00	X						0.	0.	0.
(23) MR. ADEDAMOLA SOKOYA BOARD TRUSTEE	1.00	X						0.	0.	0.
(24) REED V. TUCKSON, MD BOARD TRUSTEE	1.00	X						0.	0.	0.
(25) THE HON. FRANKIE M. FREEMAN BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.
(26) MR. EARL G. GRAVES, SR. BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.
<b>1b Sub-total</b>								339,824.	0.	51,205.
<b>c Total from continuation sheets to Part VII, Section A</b>								7,199,598.	0.	511,089.
<b>d Total (add lines 1b and 1c)</b>								7,539,422.	0.	562,294.

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 **917**

	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
THOMPSON FACILITIES SERVICES LLC, 1741 BUSINESS CENTER DRIVE, SUITE 200, RESTON,	FACILITY MANAGEMENT SERVICE	20,628,521.
SODEXO INC. AND AFFILIATES, 9801 WASHINGTONIAN BLVD, GAITHERSBURG, MD 20878	FOOD SERVICE FOR STUDENTS	15,624,841.
PALADIN - HOWARD MANAGEMENT LLC, 2121 ROSECRANS AVENUE, SUITE 2320, EL SEGUNDO,	HOSPITAL MANAGEMENT SERVICES	7,397,825.
CERNER HEALTH SERVICES, INC 51 VALLEY STREAM PARKWAY, MALVERN, PA 19355	HEALTHCARE RELATED SERVICES	4,570,528.
BDO USA LLP 799 9TH ST NW #710, WASHINGTON, DC 20001	AUDIT SERVICES	4,130,016.

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 **130**

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) JOHN E. JACOB, PH.D CHAIRMAN EMERITUS	1.00	X						0.	0.	0.	
(28) VERNON E. JORDAN, JR., ESQ. BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(29) MR. ROBERT L. LUMKINS BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(30) CHARLES MCDONALD, MD BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(31) THE HON. GABRIELLE K. MCDONALD BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(32) RICHARD D. PARSONS, ESQ. BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(33) MARTIN D. PAYSON, ESQ. BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(34) GENERAL COLIN L. POWELL, USA (RET) BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(35) THE HONORABLE M. KASIM REED BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(36) MR. FRANK SAVAGE CHAIRMAN EMERITUS	1.00	X						0.	0.	0.	
(37) WAYMAN F. SMITH III, ESQ. CHAIRMAN EMERITUS	1.00	X						0.	0.	0.	
(38) THE HONORABLE L. DOUGLAS WILDER BOARD TRUSTEE EMERITI	1.00	X						0.	0.	0.	
(39) THE HONORABLE ELISABETH DEVOS PATRON EX-OFFICIO	1.00	X						0.	0.	0.	
(40) WAYNE A.I. FREDERICK, MD PRESIDENT	40.00	X	X					1,066,099.	0.	38,668.	
(41) MR. MICHAEL MASCH CHIEF FINANCIAL OFFICER	40.00			X				295,955.	0.	34,642.	
(42) FLORENCE PRIOLEAU, ESQ. GENERAL COUNSEL AND SECRETARY	40.00			X				298,408.	0.	33,196.	
(43) ANTHONY WUTOH, PH.D PROVOST, CAO	40.00			X				366,328.	0.	38,066.	
(44) MS. GRACIA HILLMAN VP OF EXTERNAL AFFAIRS	40.00			X				232,418.	0.	28,523.	
(45) MR. KENNETH HOLMES VP FOR STUDENT AFFAIRS	40.00			X				196,352.	0.	18,195.	
(46) ARIANA ARNOLD, ESQ. INTERIM VP/HUMAN RESOURCE OFFICER	40.00			X				214,339.	0.	13,943.	
Total to Part VII, Section A, line 1c .....											

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

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position (check all that apply), (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Rows include MRS. CRYSTAL BROWN, TASHNI DUBROY, PH.D., DAVID BENNETT, EDWARD CORNWELL, MD, HUGH MIGHTY, MD, ROBERT WILSON, MD, DAMIREZ FOSSETT, MD, NAM NGUYEN, MD, SIDNEY RIBEAU, PH.D., BARBARA GRIFFIN, PH.D., ARTIS HAMPSHIRE-COWAN, ESQ., CONSTANCE ELLISON, PH.D., and MS. CARROLYN BOSTICK.

Total to Part VII, Section A, line 1c ..... 7,199,598. 511,089.

**Part VIII Statement of Revenue**

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>	64,775.				
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	229,844,000.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>	32,491,960.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$						
	<b>h Total.</b> Add lines 1a-1f .....		262,400,735.				
	<b>Program Service Revenue</b>	<b>2 a</b> ACADEMIC SERVICES	<b>Business Code</b> 624100	312,952,000.	312,952,000.		
<b>b</b> PATIENT SERVICES		611710	285,832,000.	285,832,000.			
<b>c</b> AUXILIARY SERVICES		611710	37,445,000.	28,712,000.	8,733,000.		
<b>d</b> _____							
<b>e</b> _____							
<b>f</b> All other program service revenue .....							
<b>g Total.</b> Add lines 2a-2f .....			636,229,000.				
<b>Other Revenue</b>		<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		9,728,000.		-14,103.	9,742,103.
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	(i) Real	2,333,000.				
		(ii) Personal	0.				
		<b>b</b> Less: rental expenses .....					
		<b>c</b> Rental income or (loss) .....		2,333,000.			
	<b>d</b> Net rental income or (loss) .....		2,333,000.			2,333,000.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	444,392,000.				
		(ii) Other	23,241,323.				
		<b>b</b> Less: cost or other basis and sales expenses .....		409,388,000.	6,935,248.		
		<b>c</b> Gain or (loss) .....		35,004,000.	16,306,075.		
	<b>d</b> Net gain or (loss) .....		51,310,075.			51,310,075.	
	<b>8 a</b> Gross income from fundraising events (not including \$ 64,775. of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>	554,265.				
		<b>b</b> Less: direct expenses .....		554,265.			
<b>c</b> Net income or (loss) from fundraising events .....			0.				
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>						
	<b>b</b> Less: direct expenses .....						
	<b>c</b> Net income or (loss) from gaming activities .....						
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>						
	<b>b</b> Less: cost of goods sold .....						
	<b>c</b> Net income or (loss) from sales of inventory .....						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> OTHER REVENUE		900099	14,882,190.		150,333.	14,731,857.	
	<b>b</b> _____						
	<b>c</b> _____						
	<b>d</b> All other revenue .....						
	<b>e Total.</b> Add lines 11a-11d .....			14,882,190.			
<b>12 Total revenue.</b> See instructions. ....			976,883,000.	627,496,000.	8,869,230.	78,117,035.	

**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  X

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 domestic organizations and domestic governments. See Part IV, line 21	2,906,113.	2,906,113.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	102,048,942.	102,048,942.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	14,021,353.	14,021,353.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	7,387,180.		7,105,016.	282,164.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	336,632,714.	301,788,505.	33,302,763.	1,541,446.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,360,433.	6,926,517.	1,412,445.	21,471.
9 Other employee benefits	36,901,283.	33,371,895.	3,447,165.	82,223.
10 Payroll taxes	22,505,411.	19,654,217.	2,601,716.	249,478.
11 Fees for services (non-employees):				
a Management	9,683,974.	7,986,647.	1,697,327.	
b Legal	4,133,568.	106,527.	4,027,041.	
c Accounting	5,539,055.	422,917.	5,116,138.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	4,977,000.		4,977,000.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	106,926,680.	73,899,954.	31,299,492.	1,727,234.
12 Advertising and promotion	880,071.	721,166.	129,367.	29,538.
13 Office expenses	55,758,999.	33,887,705.	21,708,172.	163,122.
14 Information technology	9,497,078.	3,156,145.	6,302,682.	38,251.
15 Royalties	4,511,956.	3,407,599.	940,587.	163,770.
16 Occupancy	33,811,700.	29,037,928.	4,626,397.	147,375.
17 Travel	9,035,180.	7,733,337.	1,286,247.	15,596.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	2,808,097.	2,445,254.	362,843.	
20 Interest	22,968,997.	18,690,787.	4,278,210.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	39,814,001.	37,092,742.	2,721,259.	
23 Insurance	21,803,175.	19,252,666.	2,550,509.	
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 <b>BAD DEBT EXPENSE</b>	47,985,937.	42,336,439.	5,649,498.	
b <b>FEES (DUES, BANK, MEMBERS</b>	15,147,453.	6,987,902.	8,071,469.	88,082.
c <b>TRAINEE EXPENSE</b>	12,042,982.	12,040,781.	2,201.	
d <b>CHARITY</b>	10,444,931.	10,444,931.		
e All other expenses	14,113,737.	6,309,144.	7,804,263.	330.
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>962,648,000.</b>	<b>796,678,113.</b>	<b>161,419,807.</b>	<b>4,550,080.</b>
26 <b>Joint costs.</b> 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) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	28,900,000.	<b>1</b>	32,998,000.
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net .....	15,852,000.	<b>3</b>	23,558,000.
	<b>4</b> Accounts receivable, net .....	87,985,000.	<b>4</b>	81,773,000.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> 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 .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....	7,552,000.	<b>7</b>	7,046,000.
	<b>8</b> Inventories for sale or use .....	4,097,000.	<b>8</b>	3,784,000.
	<b>9</b> Prepaid expenses and deferred charges .....	6,755,000.	<b>9</b>	7,738,000.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 1550381000.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 1040120000.		
	<b>11</b> Investments - publicly traded securities .....	517,955,000.	<b>10c</b>	510,261,000.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	624,249,000.	<b>11</b>	635,230,000.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	109,371,000.	<b>12</b>	147,386,000.
	<b>14</b> Intangible assets .....		<b>13</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	69,448,000.	<b>14</b>	96,845,000.
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	1472164000.	<b>15</b>	1546619000.	
<b>17</b> Accounts payable and accrued expenses .....	154,537,000.	<b>16</b>	180,245,000.	
<b>18</b> Grants payable .....		<b>17</b>		
<b>19</b> Deferred revenue .....	15,859,000.	<b>18</b>	20,205,000.	
<b>20</b> Tax-exempt bond liabilities .....	193,899,000.	<b>19</b>	191,349,000.	
<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>20</b>		
<b>22</b> 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 .....		<b>21</b>		
<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	155,317,000.	<b>22</b>	159,381,000.	
<b>24</b> Unsecured notes and loans payable to unrelated third parties .....	94,964,000.	<b>23</b>	116,518,000.	
<b>25</b> 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 .....	237,038,000.	<b>24</b>	211,386,000.	
<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	851,614,000.	<b>25</b>	879,084,000.	
<b>27</b> <b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>		<b>26</b>		
<b>27</b> Unrestricted net assets .....	222,165,000.	<b>27</b>	233,839,000.	
<b>28</b> Temporarily restricted net assets .....	265,935,000.	<b>28</b>	291,409,000.	
<b>29</b> Permanently restricted net assets .....	132,450,000.	<b>29</b>	142,287,000.	
<b>30</b> <b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>				
<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>		
<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>		
<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>		
<b>33</b> Total net assets or fund balances .....	620,550,000.	<b>33</b>	667,535,000.	
<b>34</b> Total liabilities and net assets/fund balances .....	1472164000.	<b>34</b>	1546619000.	

**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	976,883,000.
2	Total expenses (must equal Part IX, column (A), line 25)	2	962,648,000.
3	Revenue less expenses. Subtract line 2 from line 1	3	14,235,000.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	620,550,000.
5	Net unrealized gains (losses) on investments	5	23,982,000.
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	8,768,000.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	667,535,000.

**Part XII Financial Statements and Reporting**

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

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  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:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b 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:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c 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.
- 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? .....
- b 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 .....

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2017)

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. Go to www.irs.gov/Form990 for instructions and the latest information.

2017

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 12, check only one box.)

- 1 [ ] A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 [X] A school described in section 170(b)(1)(A)(ii). (Attach Schedule E (Form 990 or 990-EZ).)
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 agricultural research organization described in section 170(b)(1)(A)(ix) operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
10 [ ] 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.)
11 [ ] An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
12 [ ] 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
a [ ] Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. You must complete Part IV, Sections A and B.
b [ ] Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). You must complete Part IV, Sections A and C.
c [ ] Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). You must complete Part IV, Sections A, D, and E.
d [ ] Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). You must complete Part IV, Sections A and D, and Part V.
e [ ] Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
f Enter the number of supported organizations
g Provide the following information about the supported organization(s).

Table with 6 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization listed in your governing document?, (v) Amount of monetary support, (vi) Amount of other support. Includes a Total row.

**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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2016 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2017.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2016.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2017.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2016.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> 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 10 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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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 .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (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**

<b>15</b> Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2016 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2016 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2017.** 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 - 2016.** 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 Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

Section C - Distributable Amount		(A) Prior Year	Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

**Part V** Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2017 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
<b>1</b> Distributable amount for 2017 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2017			
<b>a</b>			
<b>b</b> From 2013			
<b>c</b> From 2014			
<b>d</b> From 2015			
<b>e</b> From 2016			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2017 distributable amount			
<b>i</b> Carryover from 2012 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2017 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2017 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2018.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2013			
<b>b</b> Excess from 2014			
<b>c</b> Excess from 2015			
<b>d</b> Excess from 2016			
<b>e</b> Excess from 2017			

**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

LATE FILED RETURN DUE TO CCH SOFTWARE OUTAGE

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2017**  
**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" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of 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" on 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 a 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 .....	1
b Total acreage restricted by conservation easements .....	
c Number of conservation easements on a certified historic structure included in (a) .....	1
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register .....	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, handling of violations, and enforcing conservation easements during the year ▶ 43

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ 7,719.

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" on 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) Revenue included on 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 Revenue included on Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2017



**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" on 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, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on 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	649,951,451.	581,434,000.	594,064,000.	595,307,000.	517,525,000.
b Contributions	8,270,000.	5,296,515.	10,557,000.	4,435,000.	5,004,000.
c Net investment earnings, gains, and losses	52,101,000.	74,824,239.	-13,320,000.	4,862,000.	85,244,000.
d Grants or scholarships	22,197,000.	15,128,003.	14,274,000.	13,717,000.	13,096,000.
e Other expenditures for facilities and programs	-3,832,000.	-3,524,700.	-4,407,000.	-3,177,000.	-630,000.
f Administrative expenses					
g End of year balance	691,957,451.	649,951,451.	581,434,000.	594,064,000.	595,307,000.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  54.04 %
  - b Permanent endowment  13.69 %
  - c Temporarily restricted endowment  32.27 %
- The percentages on 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" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
- 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" on 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		40,749,483.		40,749,483.
b Buildings		869,533,246.	528,316,119.	341,217,127.
c Leasehold improvements		30,804,724.	28,231,578.	2,573,146.
d Equipment		327,487,076.	280,606,158.	46,880,918.
e Other		281,806,471.	202,966,145.	78,840,326.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				510,261,000.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on 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	108,424,000.	END-OF-YEAR MARKET VALUE
(C) REAL ESTATE	38,948,000.	END-OF-YEAR MARKET VALUE
(D) HEDGE FUNDS-LEVEL 3	14,000.	END-OF-YEAR MARKET VALUE
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	<b>147,386,000.</b>	

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on 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)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.**

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

(a) Description	(b) Book value
(1) UNEXPENDED BOND PROCEEDS	3,117,000.
(2) DEPOSITS WITH TRUSTEES	15,118,000.
(3) BENEFICIAL INTEREST IN TRUST	5,968,000.
(4) OPERATING RIGHT OF USE ASSETS	3,764,000.
(5) FINANCING RIGHT OF USE ASSET	56,085,000.
(6) DIALYSIS JOINT VENTURE INTEREST	4,753,000.
(7) SELF-INSURED ASSETS	6,248,000.
(8) INTELLECTUAL PROPERTY COSTS	1,240,000.
(9) OTHER	552,000.
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	<b>96,845,000.</b>

**Part X Other Liabilities.**

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

(a) Description of liability	(b) Book value
1. (1) Federal income taxes	
(2) UNDERFUNDED DEFINED BENEFIT PLANS	116,807,000.
(3) RESERVE SELF-INSURED LIABILITIES	67,091,000.
(4) REFUNDABLE ADVANCES UNDER US GOV'T	6,333,000.
(5) ENVIRONMENTAL LIABILITIES	4,799,000.
(6) DUE TO PROVIDENT	5,621,000.
(7) UNCLAIMED PROPERTY	3,380,000.
(8) STUDENT DEPOSITS AND REFUNDS	1,487,000.
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	<b>211,386,000.</b>

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" on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	838,805,000.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>	23,982,000.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	8,768,000.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	32,750,000.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	806,055,000.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	4,977,000.
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	165,851,000.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	170,828,000.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	976,883,000.

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

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

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	791,820,000.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	2,978,000.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	2,978,000.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	788,842,000.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	4,977,000.
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	168,829,000.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	173,806,000.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	962,648,000.

**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:**

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

**PART III, LINE 4:**

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:**

THE INTENDED USE OF THE ORGANIZATION'S ENDOWMENT FUND IS TO SUPPLY A

**Part XIII** Supplemental Information (continued)

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:

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, 2018, AND 2017,  
HOWARD HAD NO UNRELATED BUSINESS INCOME AND THEREFORE HAD NO DEFERRED TAX  
ASSETS OR LIABILITIES. IN ADDITION, HOWARD ANALYZED ITS TAX POSITIONS FOR  
THE YEARS ENDED JUNE 30, 2018 AND 2017 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	15,436,000.
UNREALIZED CHANGE IN OBLIGATION FOR POST RETIREMENT BENEFIT	
PLAN	-6,746,000.

**Part XIII** Supplemental Information (continued)

UNREALIZED CHANGE IN OBLIGATION FOR SUPPLEMENTAL RETIREMENT

BENEFIT PLAN	78,000.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	8,768,000.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

CHARITY CARE	10,445,000.
SCHOLARSHIPS AND GRANTS	116,070,000.
RENTAL EXPENSE	-2,424,000.
BAD DEBT EXPENSE	42,314,000.
FUNDRAISING EVENT EXPENSES	-554,000.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	165,851,000.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSE	2,424,000.
FUNDRAISING EVENT EXPENSES	554,000.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	2,978,000.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

CHARITY CARE	10,445,000.
SCHOLARSHIPS AND GRANTS	116,070,000.
BAD DEBT EXPENSE	42,314,000.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	168,829,000.



**SCHEDULE E**  
**(Form 990 or 990-EZ)**

**Schools**

OMB No. 1545-0047

**2017**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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

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

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

Name of the organization

**THE HOWARD UNIVERSITY**

Employer identification number

**53-0204707**

**Part I**

	YES	NO
<b>1</b> 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? .....	<b>X</b>	
<b>2</b> 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?	<b>X</b>	
<b>3</b> 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. If you need more space, use Part II .....	<b>X</b>	
<b>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).</b>		
<b>4</b> Does the organization maintain the following?		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? .....	<b>X</b>	
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	<b>X</b>	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	<b>X</b>	
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? .....	<b>X</b>	
If you answered "No" to any of the above, please explain. If you need more space, use Part II.		
<b>5</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges? .....		<b>X</b>
<b>b</b> Admissions policies? .....		<b>X</b>
<b>c</b> Employment of faculty or administrative staff? .....		<b>X</b>
<b>d</b> Scholarships or other financial assistance? .....		<b>X</b>
<b>e</b> Educational policies? .....		<b>X</b>
<b>f</b> Use of facilities? .....		<b>X</b>
<b>g</b> Athletic programs? .....		<b>X</b>
<b>h</b> Other extracurricular activities? .....		<b>X</b>
If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.		
<b>6a</b> Does the organization receive any financial aid or assistance from a governmental agency? .....	<b>X</b>	
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? .....		<b>X</b>
If you answered "Yes" on either line 6a or line 6b, explain on Part II.		
<b>7</b> 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 .....	<b>X</b>	

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

Schedule E (Form 990 or 990-EZ) 2017

**Part II Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable.

Also provide any other additional information.

**LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:**

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

Multiple horizontal lines for providing additional information.



**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

Open to Public Inspection

Name of the organization <b>THE HOWARD UNIVERSITY</b>	Employer identification number <b>53-0204707</b>
--	---

**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 the region	(d) Activities conducted in the region (by type) (such as, 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 the region	(f) Total expenditures for and investments in the region
SUB-SAHARAN AFRICA	14	37	PROGRAM SERVICES	MEDICAL AND EDUCATIONAL SERVICES	4,783,115.
CENTRAL AMERICA AND THE CARIBBEAN			INVESTMENTS		38,211,636.
EUROPE (INCLUDING ICELAND & GREENLAND)			INVESTMENTS		4,408,346.
<b>3 a</b> Sub-total .....	14	37			47,403,097.
<b>b</b> Total from continuation sheets to Part I .....	0	0			0.
<b>c Totals</b> (add lines 3a and 3b) .....	14	37			47,403,097.

**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.

1 (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 noncash assistance	(h) Description of noncash assistance	(i) Method of valuation (book, FMV, appraisal, other)

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 noncash assistance	(g) Description of noncash assistance	(h) Method of valuation (book, FMV, appraisal, other)
SCHOLARSHIPS	CENTRAL AMERICA AND THE CARIBBEAN	170	4604320.	CHECK	0.		
SCHOLARSHIPS	EAST ASIA AND THE PACIFIC	15	463,865.	CHECK	0.		
SCHOLARSHIPS	EUROPE (INCLUDING ICELAND & GREENLAND)	4	70,883.	CHECK	0.		
SCHOLARSHIPS	MIDDLE EAST AND NORTH AFRICA	14	274,310.	CHECK	0.		
SCHOLARSHIPS	NORTH AMERICA	17	358,682.	CHECK	0.		
SCHOLARSHIPS	SOUTH AMERICA	8	242,889.	CHECK	0.		
SCHOLARSHIPS	SOUTH ASIA	112	3423407.	CHECK	0.		
SCHOLARSHIPS	SUB-SAHARAN AFRICA	168	4551688.	CHECK	0.		
SCHOLARSHIPS	RUSSIA AND NEIGHBORING STATES	1	31,309.	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 separately 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; don't file with Form 990)* .....  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 separately file Form 5713, International Boycott Report (see Instructions for Form 5713; don't file with Form 990)* .....  Yes  No

Schedule F (Form 990) 2017

**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. See instructions.

**PART I, LINE 2:**

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" on Form 990, Part IV, line 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.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest instructions.

OMB No. 1545-0047

**2017**

**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" on 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 10 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			
<b>Total</b> .....				▶		

- 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.
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Part II Fundraising Events.** Complete if the organization answered "Yes" on 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	HUSB GOLF TOURNAMENT	NONE	
		(event type)	(event type)	(total number)	
Revenue	1	Gross receipts	565,100.	53,940.	619,040.
	2	Less: Contributions	59,998.	4,777.	64,775.
	3	Gross income (line 1 minus line 2)	505,102.	49,163.	554,265.
Direct Expenses	4	Cash prizes			
	5	Noncash prizes		1,140.	1,140.
	6	Rent/facility costs			
	7	Food and beverages	304,877.	41,500.	346,377.
	8	Entertainment	36,021.		36,021.
	9	Other direct expenses	164,204.	6,523.	170,727.
	10	Direct expense summary. Add lines 4 through 9 in column (d)			554,265.
11	Net income summary. Subtract line 10 from line 3, column (d)			0.	

**Part III Gaming.** Complete if the organization answered "Yes" on 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 conducts gaming activities: \_\_\_\_\_  
 a Is the organization licensed to conduct 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 conduct 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 conducted in:  
**a** The organization's facility ..... 

<b>13a</b>	%
<b>13b</b>	%

  
**b** An outside facility .....

**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 provide any additional information. See instructions.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**Part IV** Supplemental Information *(continued)*

Multiple horizontal lines for supplemental information.

**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

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
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
<b>2</b> 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		
<b>3</b> 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.		
<b>a</b> 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 type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>b</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 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> %	<input checked="" type="checkbox"/>	
<b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used 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.		
<b>4</b> 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"/>
<b>5a</b> 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>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
<b>c</b> 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?		
<b>6a</b> Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
<b>b</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
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			999,795.	0.	999,795.	.10%
<b>b</b> Medicaid (from Worksheet 3, column a)			116892591	110295713	6596878.	.69%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)			8590938.	3887744.	4703194.	.49%
<b>d Total</b> Financial Assistance and Means-Tested Government Programs			126483324	114183457	12299867.	1.28%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)						
<b>f</b> Health professions education (from Worksheet 5)			55067921.	24288921.	30779000.	3.20%
<b>g</b> Subsidized health services (from Worksheet 6)			35991567.	24870792.	11120775.	1.16%
<b>h</b> Research (from Worksheet 7)			34,839.	34,839.		
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)		20,794	462,061.		462,061.	.05%
<b>j Total.</b> Other Benefits		20,794	91556388.	49194552.	42361836.	4.41%
<b>k Total.</b> Add lines 7d and 7j		20,794	218039712	163378009	54661703.	5.69%

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 7 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

Table for Section A with columns Yes and No. Row 1: Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? (Yes: X). Row 2: Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount (2 | 13,179,415.). Row 3: Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit (3).

Section B. Medicare

Table for Section B with columns Yes and No. Row 5: Enter total revenue received from Medicare (including DSH and IME) (5 | 45,735,008.). Row 6: Enter Medicare allowable costs of care relating to payments on line 5 (6 | 48,832,476.). Row 7: Subtract line 6 from line 5. This is the surplus (or shortfall) (7 | -3,097,468.). Row 8: Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: [X] Cost accounting system [ ] Cost to charge ratio [ ] Other.

Section C. Collection Practices

Table for Section C with columns Yes and No. Row 9a: Did the organization have a written debt collection policy during the tax year? (9a | X). Row 9b: If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI (9b | X).

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, or 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 (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

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 letter of facility reporting group HOWARD UNIVERSITY HOSPITAL

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
<b>Community Health Needs Assessment</b>		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? .....		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C .....		X
3 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 12 .....	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 significant 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"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input checked="" type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>16</u>		
5 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	
6a 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	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C .....	X	
7 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/COMMUNITY</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>HTTP://WWW.DCHEALTHMATTERS.ORG</u>		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 .....	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
a If "Yes," (list url): <u>SEE PART V, PAGE 8</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a 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
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
c If "Yes" to line 12b, 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)

**Financial Assistance Policy (FAP)**

Name of hospital facility or letter of facility reporting group HOWARD UNIVERSITY HOSPITAL

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
<b>13</b> Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	<b>X</b>	
If "Yes," indicate the eligibility criteria explained in the FAP:		
<b>a</b> <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150</u> % and FPG family income limit for eligibility for discounted care of <u>325</u> %		
<b>b</b> <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b> <input type="checkbox"/> Asset level		
<b>d</b> <input type="checkbox"/> Medical indigency		
<b>e</b> <input checked="" type="checkbox"/> Insurance status		
<b>f</b> <input type="checkbox"/> Underinsurance status		
<b>g</b> <input type="checkbox"/> Residency		
<b>h</b> <input checked="" type="checkbox"/> Other (describe in Section C)		
<b>14</b> Explained the basis for calculating amounts charged to patients? .....	<b>X</b>	
<b>15</b> Explained the method for applying for financial assistance? .....	<b>X</b>	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b> <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b> <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b> <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b> <input type="checkbox"/> Other (describe in Section C)		
<b>16</b> Was widely publicized within the community served by the hospital facility? .....	<b>X</b>	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
<b>b</b> <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
<b>c</b> <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
<b>d</b> <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b> <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b> <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b> <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b> <input type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b> <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
<b>j</b> <input checked="" type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2017

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group HOWARD UNIVERSITY HOSPITAL

	Yes	No
<p><b>17</b> 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 all of the actions the hospital facility or other authorized party may take upon nonpayment? .....</p>	<b>X</b>	
<p><b>18</b> 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:</p> <p><b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)</p> <p><b>b</b> <input type="checkbox"/> Selling an individual's debt to another party</p> <p><b>c</b> <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP</p> <p><b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process</p> <p><b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)</p> <p><b>f</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted</p>		
<p><b>19</b> Did the hospital facility or other authorized 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? .....</p> <p>If "Yes," check all actions in which the hospital facility or a third party engaged:</p> <p><b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)</p> <p><b>b</b> <input type="checkbox"/> Selling an individual's debt to another party</p> <p><b>c</b> <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP</p> <p><b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process</p> <p><b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)</p>		<b>X</b>
<p><b>20</b> Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):</p> <p><b>a</b> <input type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs</p> <p><b>b</b> <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process</p> <p><b>c</b> <input type="checkbox"/> Processed incomplete and complete FAP applications</p> <p><b>d</b> <input type="checkbox"/> Made presumptive eligibility determinations</p> <p><b>e</b> <input type="checkbox"/> Other (describe in Section C)</p> <p><b>f</b> <input type="checkbox"/> None of these efforts were made</p>		

**Policy Relating to Emergency Medical Care**

<p><b>21</b> Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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? .....</p> <p>If "No," indicate why:</p> <p><b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions</p> <p><b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing</p> <p><b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)</p> <p><b>d</b> <input type="checkbox"/> Other (describe in Section C)</p>	<b>X</b>	
--	----------	--

**Part V Facility Information** *(continued)*

**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**

Name of hospital facility or letter of facility reporting group HOWARD UNIVERSITY HOSPITAL

	Yes	No
<b>22</b> 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.		
<b>a</b> <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
<b>b</b> <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>c</b> <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>d</b> <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
<b>23</b> 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? .....	<b>23</b>	<b>X</b>
If "Yes," explain in Section C.		
<b>24</b> 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? .....	<b>24</b>	<b>X</b>
If "Yes," explain in Section C.		

Schedule H (Form 990) 2017



**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 3J: IN 2017, 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 ARE 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 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

WILL ENGAGE MANY DIFFERENT STAKEHOLDERS COMMITTED TO IMPROVING HEALTH OUTCOMES IN THE DISTRICT OF COLUMBIA. THE CHNA AND COMMUNITY HEALTH IMPROVEMENT PLAN HAS BEEN 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 5: 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 WERE 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 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

IMPLEMENTED TO IMPROVE OVERALL HEALTH AND SOCIAL SERVICES FOR RESIDENTS.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 6A: IN THE 2017 CHNA, WE ENGAGED WITH 300+ COMMUNITY STAKEHOLDERS ACROSS A DIVERSE CROSS SECTION OF DC SPANNING HEALTH AND NON-HEALTH DISCIPLINES. USING STRUCTURED DATA COLLECTION TOOLS, WE PROBED STAKEHOLDERS ABOUT THEIR PERSPECTIVES ON HEALTH AND WELL-BEING IN DC, THE FACILITATORS AND INHIBITORS TO LEADING HEALTHY LIVES, AND THEIR RECOMMENDATIONS.

ADDITIONALLY, WE HOSTED FIVE FOCUS GROUPS WITH STAFF FROM 60 DIFFERENT COMMUNITY-BASED ORGANIZATIONS AND SOCIAL SERVICE AGENCIES. WE ALSO CONDUCTED TWO PUBLIC TOWN HALL MEETINGS THAT EACH DREW ABOUT 80 PARTICIPANTS. DC RESIDENTS, COMMUNITY REPRESENTATIVES, AND HEALTH CARE PROVIDERS COMPLETED 113 ONLINE SURVEYS.

THE QUALITATIVE ANALYSIS REVEALED NINE PRESSING COMMUNITY HEALTH NEEDS: CARE COORDINATION, FOOD INSECURITY, PLACE-BASED CARE, MENTAL HEALTH, HEALTH LITERACY, HEALTHY BEHAVIORS, HEALTH DATA DISSEMINATION, COMMUNITY VIOLENCE, AND CULTURAL COMPETENCY.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 6B: THE FACILITY'S CHNA WAS CONDUCTED WITH THREE FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs) (COMMUNITY OF HOPE, UNITY HEALTH CARE AND BREAD FOR THE CITY).

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 11: 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,  
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.

**Part V Facility Information** *(continued)*

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

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 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 22, 2016.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 13B: IF THE PATIENT IS ABOVE THE FPG, THE HOSPITAL ASSESSES THE ABILITY TO PAY AND SET UP A PAYMENT PLAN.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 13H: THE HOSPITAL ALSO REVIEWS OTHER DOCUMENTS SUCH AS CREDIT CARD REPORTS, PAYSTUBS, AND LIVING EXPENSE REPORTS, ETC AS CRITERIA TO DETERMINE ELIGIBILITY FOR FREE OR DISCOUNTED CARE.

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

HOWARD UNIVERSITY HOSPITAL:

PART V, SECTION B, LINE 16J: 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.

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.

FORM 990, SCHEDULE H, PART V, SECTION B, LINE 10A

THE HOSPITAL FACILITY'S MOST RECENTLY ADOPTED IMPLEMENTATION STRATEGY POSTED ON A WEBSITE:

[HTTP://WWW.DCHEALTHMATTERS.ORG/CONTENT/SITES/WASHINGTONDC/GALLERY/DCHCC\\_CHIP\\_2017-2019\\_FINAL.PDF](http://www.dchealthmatters.org/content/sites/washingtondc/gallery/dchcc_chip_2017-2019_final.pdf)

FORM 990, SCHEDULE H, PART V, SECTION B, LINE 16A, LINE 16B AND LINE 16C

THE FAP WAS WIDELY AVAILABLE ON A WEBSITE:

[HTTP://HUHEALTHCARE.COM/HEALTHCARE/HOSPITAL/PATIENTS-AND-VISITORS/PATIENT-FINANCIAL-SERVICES/FINANCIAL-ASSISTANCE-POLICY](http://huhealthcare.com/healthcare/hospital/patients-and-visitors/patient-financial-services/financial-assistance-policy)

THE FAP APPLICATION FORM WAS WIDELY AVAILABLE ON A WEBSITE:

**Part V Facility Information** *(continued)*

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

HTTP://HUHEALTHCARE.COM/HEALTHCARE/HOSPITAL/PATIENTS-AND-VISITORS/  
PATIENT-FINANCIAL-SERVICES/FINANCIAL-ASSISTANCE-APPLICATION

A PLAIN LANGUAGE SUMMARY OF THE AFP WAS WIDELY AVAILABLE ON A WEBSITE:

HTTP://HUHEALTHCARE.COM/HEALTHCARE/HOSPITAL/PATIENTS-AND-VISITORS/  
PATIENT-FINANCIAL-SERVICES/FINANCIAL-ASSISTANCE





**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:**

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, BORDER BABIES PROGRAM AND A TOBACCO CONTROL PROGRAM, AMONG OTHERS. THE COMMUNITY BENEFIT REPORT IS AVAILABLE ON THE UNIVERSITY'S WEBSITE.

---

**PART I, LINE 7:**

---

**PART I, 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.

PART I, 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.

PART I, 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.

PART I, 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, LN 7F:  
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

Schedule H (Form 990)

**Part VI** Supplemental Information (Continuation)

THE INDIVIDUAL'S HEALTH PROFESSION SPECIALTY.

PART I, LINE 7G:

CLINICAL SERVICES THAT ARE PROVIDED, DESPITE A FINANCIAL LOSS TO THE ORGANIZATION. THE FINANCIAL LOSS IS MEASURED AFTER REMOVING 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 LINE 7H: ANY STUDY OR INVESTIGATION OF WHICH THE GOAL IS TO GENERATE GENERALIZED KNOWLEDGE MADE AVAILABLE TO THE PUBLIC, SUCH AS KNOWLEDGE ABOUT:

1. UNDERLYING BIOLOGICAL MECHANISMS OF HEALTH AND DISEASE, NATURAL 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;

**Part VI** Supplemental Information (Continuation)

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.

FORM 990, SCHEDULE H, PART I LINE 7H AND 7I

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

1. UNDERLYING BIOLOGICAL MECHANISMS OF HEALTH AND DISEASE, NATURAL PROCESSES OR PRINCIPLES AFFECTING HEALTH OR ILLNESS;

**Part VI** Supplemental Information (Continuation)

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, 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 II, COMMUNITY BUILDING ACTIVITIES:

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

**Part VI** Supplemental Information (Continuation)

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 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:

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 OTAL OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THE HOSPITAL'S CHARITY CARE POLICY AND THE DC ALLIANCE PROGRAM WERE \$3,620,000 AND \$4,200,000 FOR THE FISCAL YEARS 2018 AND 2017 RESPECTIVELY. TOTAL UNCOMPENSATED CARE WHICH INCLUDES BAD DEBT WRITE-OFFS AS WELL AS CHARITY CARE, FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017 WAS \$52,759,000 AND \$55,434,000, RESPECTIVELY.

## PART III, LINE 8:

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:

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.

**Part VI** Supplemental Information (Continuation)

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

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:

NEEDS ASSESSMENT

IN ORDER TO COMPLY WITH THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, HUH COMPLETED THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) AS A MEMBER OF THE DC HEALTHY COMMUNITIES COLLABORATIVE (DCHCC). AS REQUIRED, THE 2013 AND 2016 CHNA ARE 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:

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

**Part VI** Supplemental Information (Continuation)

SITUATION.

- EMERGENCY PATIENTS WHOSE FINANCIAL ABILITY TO PAY COULD NOT BE 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



**Part VI** Supplemental Information (Continuation)

FINANCIAL ASSISTANCE. FINANCIAL COUNSELING IS PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATIONS AND HOSPITAL BILLS. INFORMATION ON 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:

## 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

**Part VI** Supplemental Information (Continuation)

REPRESENTED BY MEDICAID, DC ALLIANCE (PROVIDES MEDICAL ASSISTANCE TO NEEDY DISTRICT RESIDENTS WHO ARE NOT ELIGIBLE FOR FEDERALLY-FINANCED MEDICAID BENEFITS) AND MEDICARE PATIENTS, AS WELL AS INDIGENT AND UNINSURED PATIENTS.

HUH IS A LEVEL ONE (1) TRAUMA CENTER, OFFERING COMPREHENSIVE HEALTH CARE FACILITIES IN WASHINGTON, DC. HUH SERVES THE WASHINGTON, DC POPULATION OF APPROXIMATELY 660,000 PEOPLE. HUH IS A DISPROPORTIONATE SHARE HOSPITAL AND IN FY 2018 OUR GENERAL ADMITTANCE PAYOR MIX FOR MEDICARE AND MEDICAID WAS 24% AND 59.2%, RESPECTIVELY.

HOWARD IS AMONG THE TOP PRODUCERS OF BLACK MEDICAL STUDENTS. 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.

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  
THIS DISEASE IN WASHINGTON, DC AND ACROSS THE WORLD.

PART VI, LINE 5:

HUH IS A PRIVATE, NONPROFIT INSTITUTION AND ONE OF THE NATION'S ONLY  
TEACHING HOSPITALS LOCATED ON THE CAMPUS OF A HISTORICALLY BLACK

**Part VI** Supplemental Information (Continuation)

UNIVERSITY. IT OFFERS MEDICAL STUDENTS A SUPERIOR LEARNING ENVIRONMENT AND OPPORTUNITIES TO OBSERVE OR PARTICIPATE IN CLINICAL AND RESEARCH WORK WITH PROFESSIONALS. 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 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

**Part VI** Supplemental Information (Continuation)

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.

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 ELDERLY 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.

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

**Part VI** Supplemental Information (Continuation)

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.

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" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

OMB No. 1545-0047

**2017**

**Open to Public  
Inspection**

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 Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on 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.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section (if applicable)	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of noncash assistance	<b>(h)</b> Purpose of grant or assistance
4SITE INTERACTIVE STUDIOS INC 3431 14TH ST NW WASHINGTON, DC 20010	52-2345685		6,573.	0.			SUPPORT RESEARCH & EDUCATION
AMERICAN INSTITUTES FOR RESEARCH 1000 THOMAS JEFFERON STREET, NW WASHINGTON, DC 20007	25-0965219	501(C)(3)	45,520.	0.			SUPPORT RESEARCH & EDUCATION
AMERICAN SOCIETY OF ADDICTION MEDICINE - 4601 N PARK AVENUE UPPER ARCADE 101 - CHEVY CHASE, MD 20815	13-3177396		115,896.	0.			SUPPORT RESEARCH & EDUCATION
ANACOSTIA ECONOMIC DEVELOPMENT CORP - 1800 MARTIN LUTHER KING JR. AVE SE - WASHINGTON, DC 20020	52-0897780	501(C)(3)	138,382.	0.			SUPPORT RESEARCH & EDUCATION
BATTELLE MEMORIAL INSTITUTE PNNL SEATTLE, WA 98124-5691	31-4379427	501(C)(3)	149,969.	0.			SUPPORT RESEARCH & EDUCATION
BOWIE STATE UNIVERSITY 14000 JERICHO PARK ROAD BOWIE, MD 20715-9465	52-6002033		10,509.	0.			SUPPORT RESEARCH & EDUCATION

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

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

Schedule I (Form 990) (2017)

**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
CHILDREN'S RESEARCH INSTITUTE ATTN CARMEN MENDEZ DIRECTOR RESEARCH FINANCE - SILVER SPRING, MD 20910	52-1654453	501(C)(3)	14,852.	0.			SUPPORT RESEARCH & EDUCATION
COLLEGE OF WILLIAM AND MARY PO BOX 399 WILLIAMSBURG, VA 23187	54-6001718		85,474.	0.			SUPPORT RESEARCH & EDUCATION
CORNELL UNIVERSITY 750 CASCADILLA STREET ITHACA, NY 14851	15-0532082	501(C)(3)	21,939.	0.			SUPPORT RESEARCH & EDUCATION
CULTURALLY RESPONSIVE EVALUATION 14900 WILLOW HILL LANE CHESTERFIELD, VA 23832	02-7106296		14,644.	0.			SUPPORT RESEARCH & EDUCATION
EL CAMINO COMMUNITY COLLEGE DISTRICT - 16007 CRENSHAW BOULEVARD - TORRANCE, CA 90506	95-6001060		20,000.	0.			SUPPORT RESEARCH & EDUCATION
GALLAUDET UNIVERSITY 800 FLORIDA AVENUE, NE WASHINGTON, DC 20002	53-0197507	501(C)(3)	64,646.	0.			SUPPORT RESEARCH & EDUCATION
GEORGE MASON UNIVERSITY 4400 UNIVERSITY DRIVE FAIRFAX, VA 22030	54-0836354	501(C)(3)	129,299.	0.			SUPPORT RESEARCH & EDUCATION
GEORGE WASHINGTON UNIVERSITY 45155 RESEARCH PLACE ASHBURN, VA 20147	53-0156584	501(C)(3)	10,370.	0.			SUPPORT RESEARCH & EDUCATION
GREATER WASHINGTON URBAN LEAGUE, INC - 2901 14TH STREET, NW - WASHINGTON, DC 20009	53-0208981	501(C)(3)	44,466.	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
HAMPTON UNIVERSITY CAREER COUNSELING & PLANNING CENTER HAMPTON, VA 23668	54-0505990	501(C)(3)	68,579.	0.			SUPPORT RESEARCH & EDUCATION
HARFORD COMMUNITY COLLEGE 401 THOMAS RUN ROAD BEL AIR, MD 21015	52-0912842		18,611.	0.			SUPPORT RESEARCH & EDUCATION
HOWARD COMMUNITY COLLEGE 10901 LITTLE PATUXENT PARKWAY COLUMBIA, MD 21044	52-0900106		19,578.	0.			SUPPORT RESEARCH & EDUCATION
INDIANA UNIVERSITY ACCOUNTS RECEIVBLE P O BOX 66248 INDIANAPOLIS, IN 46266-6248	35-6001673		5,175.	0.			SUPPORT RESEARCH & EDUCATION
INSTITUTE FOR CLINICAL RESEARCH INC - PO BOX 29545 - WASHINGTON, DC 20017	52-1336656	501(C)(3)	12,618.	0.			SUPPORT RESEARCH & EDUCATION
JACKSON STATE UNIVERSITY ATTN GRANT AND CONTRACTS JACKSON, MS 39217	64-6000507		194,286.	0.			SUPPORT RESEARCH & EDUCATION
JOHN TYLER COMMUNITY COLLEGE 13101 JEFFERSON DAVIS HIGHWAY CHESTER, VA 23831	54-1268277		20,000.	0.			SUPPORT RESEARCH & EDUCATION
JOHNS HOPKINS UNIVERSITY JOHNS HOPKINS UNIVERSITY CENTRAL LO CHICAGO, IL 60693	52-0595110	501(C)(3)	169,977.	0.			SUPPORT RESEARCH & EDUCATION
KEVIN PATRICK HEASLIP II 161 TREETOP RIDGE RD. BLACKSBURG, VA 24060	01-8602562		39,600.	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
MEDSTAR HEALTH RESEARCH INSTITUTE 6525 BELCREST ROAD HYATTSVILLE, MD 20782	52-6056274	501(C)(3)	16,976.	0.			SUPPORT RESEARCH & EDUCATION
MORGAN STATE UNIVERSITY 1700 E COLD SPRING LANE BALTIMORE, MD 21251	52-6002033		96,488.	0.			SUPPORT RESEARCH & EDUCATION
NORFOLK STATE UNIVERSITY 700 PARK AVENUE NORFOLK, VA 23504	54-6002808		32,119.	0.			SUPPORT RESEARCH & EDUCATION
NORTH CAROLINA A&T STATE UNIVERSITY - 1601 E MARKET STREET - GREENSBORO, NC 27411	56-6000007		10,253.	0.			SUPPORT RESEARCH & EDUCATION
PENNSYLVANIA STATE UNIVERSITY 820 NORTH UNIVERSITY PRESS UNIVERSITY PARK, PA 16802	24-6000376		14,293.	0.			SUPPORT RESEARCH & EDUCATION
PRAIRIE VIEW A M UNIVERSITY 400 HARVEY MITCHELL PKWY SOUTH COLLEGE STATION, TX 77845	74-6001078		7,166.	0.			SUPPORT RESEARCH & EDUCATION
PRECISION SYSTEMS INCORPORATED 2713 NEWLANDS STREET NW WASHINGTON, DC 20015	52-1902335		30,000.	0.			SUPPORT RESEARCH & EDUCATION
PRINCE GEORGE'S COMMUNITY COLLEGE FOUNDATION LARGO, MD 20774	52-1429938	501(C)(3)	41,606.	0.			SUPPORT RESEARCH & EDUCATION
SAN JOSE UNIVERSITY RESEARCH FOUNDATION - 210 NORTH FOURTH ST - SAN JOSE, CA 95112	94-6017638		37,023.	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
SMARTSTART EVALUATION AND RESEARCH 4482 BARRANCA PARKWAY IRVINE, CA 92604	14-2007437		12,870.	0.			SUPPORT RESEARCH & EDUCATION
STACEY SHEILA MEROLA 811 GEORGIA AVE SUITE 600 SILVER SPRING, MD 20910	45-5000874		6,000.	0.			SUPPORT RESEARCH & EDUCATION
THE RESEARCH FOUNDATION OF SUNY PRESS - STATE UNIVERSITY NEW YORK PRESS - HERNDON, VA 20172	14-1368361	501(C)(3)	191,043.	0.			SUPPORT RESEARCH & EDUCATION
THEODORE R DANIELS 700 LOCH NESS CIRCLE FORT WASHINGTON, DC 20744	25-2705482		109,500.	0.			SUPPORT RESEARCH & EDUCATION
TRUSTEE OF DARTMOUTH COLLEGE OFFICE OF SPONSORED PROJECTS HANOVER, NH 03755	02-0222111	501(C)(3)	15,683.	0.			SUPPORT RESEARCH & EDUCATION
TUSKEGEE UNIVERSITY DIRECTOCOLLEEGE OF AGRICULTURA, ENVIRONMENTAL & NATURAL SCIENCES - TUSKEGEE	63-0288878	501(C)(3)	13,796.	0.			SUPPORT RESEARCH & EDUCATION
UNIVERSITY OF DENVER PO BOX 911811 DENVER, CO 80291-1811	84-0404231	501(C)(3)	36,177.	0.			SUPPORT RESEARCH & EDUCATION
UNIVERSITY OF FLORIDA CHEMICAL ENGINEERING EDUCATION GAINESVILLE, FL 32611	59-6002052	170(C)1	48,000.	0.			SUPPORT RESEARCH & EDUCATION
UNIVERSITY OF MARYLAND 1000 HILLTOP CIRCLE BALTIMORE, MD 21250	52-6002033		238,856.	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
UNIVERSITY OF NORTH CAROLINA GREENSBORO - 1111 SPRING GARDEN STREET - GREENSBORO, NC 27402	56-6001468	501(C)(3)	40,722.	0.			SUPPORT RESEARCH & EDUCATION
UNIVERSITY OF PITTSBURGH ATTN: 371220 PITTSBURGH, PA 15260-2001	25-0965591	501(C)(3)	32,490.	0.			SUPPORT RESEARCH & EDUCATION
UNIVERSITY OF PUERTO RICO AT MAYAGUEZ - RESEARCH AND DEV CENTER - MAYAGUEZ, PR 00681-9001	66-0433760	170(B)(A)(II)	95,262.	0.			SUPPORT RESEARCH & EDUCATION
UNIVERSITY OF SOUTHERN CALIFORNIA 2003 ZONAL AVENUE LOS ANGELES, CA 90089-8001	95-1642394		18,942.	0.			SUPPORT RESEARCH & EDUCATION
UNIVERSITY OF TEXAS AT EL PASO 500 WEST UNIVRSITY AVENUE ADMIN BLD EL PASO, TX 79968-0697	74-6000813		49,330.	0.			SUPPORT RESEARCH & EDUCATION
UNIVERSITY OF THE DISTRICT OF COLUMBIA - OFFICE OF STUDENT FINANCIAL SERVICES - WASHINGTON, DC 20008	53-6001131		59,491.	0.			SUPPORT RESEARCH & EDUCATION
VIRGINIA POLYTECHNIC INSTITUTE AND STATE - OFFICE OF SPONSORED PROGRAMS - BLACKSBURG, VA 24060	54-6001805		114,454.	0.			SUPPORT RESEARCH & EDUCATION
VIRGINIA STATE UNIVERSITY GRANTS AND CONTRACTS P O BOX 9415 PETERSBURG, VA 23806	54-6001811		56,261.	0.			SUPPORT RESEARCH & EDUCATION
YMCA OF METROPOLITAN WASHINGTON C/O FIRST LADIES LUNCHEON WASHINGTON, DC 20013	53-0207403		60,349.	0.			SUPPORT RESEARCH & EDUCATION

Schedule I (Form 990)

**Part III** **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on 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 noncash assistance
SCHOLARSHIPS	5049	102,048,942.	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:

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.

THE RESEARCH AND ADMINISTRATIVE SERVICES OFFICE (RAS) PERFORMS

**Part IV** Supplemental Information

SUB-RECIPIENT MONITORING IN ACCORDANCE WITH UNIVERSITY POLICY. RAS AND PRINCIPAL INVESTIGATORS MONITOR STATEMENT OF WORK COMPLETION, PROGRESS REPORTS, DELIVERABLES, CHANGE TO SCOPE AND BUDGETS. THEY ALSO REVIEW AND APPROVE SUB-RECIPIENT INVOICES.

Multiple horizontal lines for supplemental information.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2017**

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
 ▶ Attach to Form 990.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

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

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on 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 checked="" type="checkbox"/> Travel for companions                     | <input checked="" type="checkbox"/> Payments for business use of personal residence |
| <input checked="" 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 (such as, 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 .....
- 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 on line 1a? .....

- 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 on 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? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- 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), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

- 5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:
- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 5a or 5b, describe in Part III.
- 6** For persons listed on 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? .....
- b** Any related organization? .....
- If "Yes" on line 6a or 6b, describe in Part III.
- 7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....
- 8** Were any amounts reported on 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 .....
- 9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
<b>1b</b>	X	
<b>2</b>	X	
<b>4a</b>	X	
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>	X	
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 2017

**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 on 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 aren't 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 in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MARSHA A. ECHOLS, PH.D FACULTY TRUSTEE	(i)	149,164.	0.	0.	12,106.	9,461.	170,731.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) MOSES GARUBA, PH.D FACULTY TRUSTEE	(i)	190,660.	0.	0.	14,723.	14,915.	220,298.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) WAYNE A.I. FREDERICK, MD PRESIDENT	(i)	868,438.	125,000.	72,661.	21,600.	17,068.	1,104,767.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) MR. MICHAEL MASCH CHIEF FINANCIAL OFFICER	(i)	295,955.	0.	0.	16,200.	18,442.	330,597.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) FLORENCE PRIOLEAU, ESQ. GENERAL COUNSEL AND SECRETARY	(i)	298,408.	0.	0.	21,600.	11,596.	331,604.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) ANTHONY WUTOH, PH.D PROVOST, CAO	(i)	366,328.	0.	0.	21,600.	16,466.	404,394.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) MS. GRACIA HILLMAN VP OF EXTERNAL AFFAIRS	(i)	232,418.	0.	0.	18,800.	9,723.	260,941.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) MR. KENNETH HOLMES VP FOR STUDENT AFFAIRS	(i)	196,352.	0.	0.	16,046.	2,149.	214,547.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) ARIANA ARNOLD, ESQ. INTERIM VP/HUMAN RESOURCE OFFICER	(i)	214,339.	0.	0.	11,550.	2,393.	228,282.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) MRS. CRYSTAL BROWN VP COMMUNICATIONS	(i)	189,689.	0.	0.	14,300.	0.	203,989.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) EDWARD CORNWELL, MD SURGEON-IN-CHIEF	(i)	756,107.	0.	0.	20,394.	19,822.	796,323.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) HUGH MIGHTY, MD DEAN, COLLEGE OF MEDICINE	(i)	605,763.	0.	0.	16,200.	18,299.	640,262.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) ROBERT WILSON, MD ASSOCIATE PROFESSOR, ORTHOPEDIC SURG	(i)	632,583.	0.	0.	17,857.	6,136.	656,576.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) DAMIREZ FOSSETT, MD CHAIR OF NEUROSURGERY	(i)	506,005.	0.	0.	19,091.	9,950.	535,046.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) NAM NGUYEN, MD CHAIR OF RADIATION THERAPY	(i)	500,494.	0.	0.	21,600.	12,068.	534,162.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) SIDNEY RIBEAU, PH.D FORMER PRESIDENT	(i)	109,256.	0.	0.	8,094.	15,771.	133,121.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.



**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 on 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 aren't 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 in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(17) BARBARA GRIFFIN, PH.D FORMER VP STUDENT AFFAIRS	(i)	178,769.	0.	0.	14,800.	17,860.	211,429.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(18) ARTIS HAMPSHIRE-COWAN, ESQ. FORMER SENIOR VP AND SECRE	(i)	299,797.	0.	38,461.	21,200.	904.	360,362.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(19) CONSTANCE ELLISON, PH.D FORMER VP FOR STUDENT AFFAIR	(i)	180,306.	0.	750.	14,800.	7,861.	203,717.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(20) MS. CAROLYN BOSTICK FORMER VP OF HUMAN RESOURCES	(i)	141,043.	0.	183,750.	8,660.	2,582.	336,035.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**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:****QUESTIONS REGARDING COMPENSATION:****TRAVEL FOR COMPANIONS:**

THE UNIVERSITY REIMBURSES REASONABLE AND NECESSARY TRAVEL EXPENSES WHEN THE PRESIDENT'S SPOUSE'S PRESENCE IS IN THE BEST INTEREST OF THE UNIVERSITY ON BUSINESS RELATED TRIPS IN ACCORDANCE WITH PRESIDENT'S EMPLOYMENT AGREEMENT.

**TAX INDEMNIFICATION AND GROSS-UP PAYMENTS:**

THE UNIVERSITY PROVIDED A GROSS-UP PAYMENT TO THE PRESIDENT FOR PAYMENT OF A HOUSING ALLOWANCE FOR USE OF HIS PERSONAL RESIDENCE TO CONDUCT SIGNIFICANT UNIVERSITY RELATED BUSINESS.

**HOUSING ALLOWANCES OR RESIDENCE FOR PERSONAL USE:**

THE UNIVERSITY PROVIDES A HOUSING ALLOWANCE PAYMENT TO THE PRESIDENT FOR SIGNIFICANT USE OF HIS PERSONAL RESIDENCE FOR OFFICIAL UNIVERSITY RELATED BUSINESS TO DEFRAY COSTS RELATED TO THE UPKEEP, UTILIZATION AND MAINTENANCE OF HIS PERSONAL RESIDENCE. ALLOWANCE PAYMENT WAS INCLUDED IN THE PRESIDENT'S W-2 AS COMPENSATION AND IS REPORTED IN SCHEDULE J PART II AS

**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.

**OTHER REPORTABLE COMPENSATION.****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 BOTH 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 4A****SEVERANCE OR CHANGE OF CONTROL PAYMENTS:**

DURING THE YEAR ENDED JUNE 30, 2018, THE FOLLOWING INDIVIDUAL LISTED IN PART VII RECEIVED SEVERANCE PAYMENTS IN ACCORDANCE WITH THE PROVISIONS OF HER EMPLOYMENT AGREEMENT:

**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.

CAROLYN BOSTICK \$183,750

THE AMOUNT IS REPORTED AS OTHER REPORTABLE COMPENSATION

SCHEDULE J, PART I, LINE 4B

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN:

THE UNIVERSITY FUNDS A NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR THE

PRESIDENT IN THE AMOUNT OF \$75,000 ANNUALLY PLUS SIX PERCENT INTEREST.

AMOUNT FUNDED PLUS INTEREST FOR THE YEAR ENDED JUNE 30, 2018 TOTALED

\$79,500.

PART I, LINE 7:

THE UNIVERSITY PAID UNUSED VACATION LEAVE IN ACCORDANCE WITH THE ANNUAL

LEAVE POLICY TO THE FORMER SENIOR VICE PRESIDENT AND SECRETARY. THE AMOUNTS

ARE REPORTED ON SCHEDULE J-PART II AS OTHER COMPENSATION AS FOLLOWS:

ARTIS HAMPSHIRE-COWAN \$38,461

CURRENT AND FORMER OFFICERS

**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.

DURING CALENDAR YEAR 2017, CAROLYN BOSTICK RESIGNED AS VICE  
PRESIDENT/HUMAN RESOURCES OFFICER, EFFECTIVE JUNE 30, 2017. ARIANA ARNOLD  
WAS APPOINTED AS VICE PRESIDENT/HUMAN RESOURCES OFFICER, EFFECTIVE JUNE  
30, 2017.

**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.** ▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

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

<b>Part I Bond Issues</b>											
(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	10400000.	SEE PART VI		X		X		X
B DISTRICT OF COLUMBIA	53-6001131	25483VDK7	04/27/11	220245253.	SEE PART VI		X		X		X
C											
D											

<b>Part II Proceeds</b>										
	A		B		C		D			
1 Amount of bonds retired										
2 Amount of bonds legally defeased			33,105,000.							
3 Total proceeds of issue			169,163,175.							
4 Gross proceeds in reserve funds			9,813,813.							
5 Capitalized interest from proceeds			19,781,675.							
6 Proceeds in refunding escrows			2,258,491.							
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	10,400,000.		99,346,296.							
11 Other spent proceeds										
12 Other unspent proceeds			3,116,834.							
13 Year of substantial completion			2015							
	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							

<b>Part III Private Business Use</b>										
	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
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		X	X					
<b>b</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					
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? .....		X	X					
<b>d</b> 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					
<b>4</b> 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	%		%		%
<b>5</b> 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 .....		%		%		%		%
<b>6</b> Total of lines 4 and 5 .....		%	1.30	%		%		%
<b>7</b> Does the bond issue meet the private security or payment test? .....		X		X				
<b>8a</b> 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>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of .....		%		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....								
<b>9</b> 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
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? .....		X		X				
<b>2</b> If "No" to line 1, did the following apply? .....								
<b>a</b> Rebate not due yet? .....		X		X				
<b>b</b> Exception to rebate? .....		X		X				
<b>c</b> No rebate due? .....	X		X					
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed .....								
<b>3</b> Is the bond issue a variable rate issue? .....		X		X				
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....		X		X				
<b>b</b> Name of provider .....								
<b>c</b> Term of hedge .....								
<b>d</b> Was the hedge superintegrated? .....								
<b>e</b> 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?	X		X					
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 isn't 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 L**  
**(Form 990 or 990-EZ)**

**Transactions With Interested Persons**

OMB No. 1545-0047

**2017**

Open To Public Inspection

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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Name of the organization

THE HOWARD UNIVERSITY

Employer identification number

53-0204707

**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) 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.

1	(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.

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

Total ..... ▶ \$ \_\_\_\_\_

**Part III Grants or Assistance Benefiting Interested Persons.**

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

(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
GIBRALTOR PROMOTIONS	ALUMNI TRUSTEE, EUG	119,043.	ALUMNI TRUS		X

**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: GIBRALTOR PROMOTIONS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

ALUMNI TRUSTEE, EUGENE "ROCK" NEWMAN OWNS GIBRALTOR PROMOTIONS

(D) DESCRIPTION OF TRANSACTION: ALUMNI TRUSTEE, EUGENE "ROCK" NEWMAN OWNS GIBRALTOR PROMOTIONS. GIBRALTOR PROMOTIONS PRODUCES THE ROCK NEWMAN SHOW ON UNIVERSITY'S WHUT-TV.

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

Open to Public  
Inspection

Name of the organization

THE HOWARD UNIVERSITY

Employer identification number

53-0204707

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

THE ORGANIZATION CONTRACTED WITH PALADIN HEALTHCARE MANAGEMENT LLC FOR A  
MANAGEMENT SERVICES AGREEMENT. THE CEO OF THE HOSPITAL, JAMES A. DIEGEL IS  
EMPLOYEED BY PALADIN HEALTHCARE MANAGEMENT LLC.

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

REVIEW OF THE FORM 990 BY GOVERNING BOARD: A MEETING OF THE AUDIT AND LEGAL  
COMMITTEE (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:

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

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

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

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:

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 IX, LINE 11G, OTHER FEES:

OTHER:

PROGRAM SERVICE EXPENSES 73,899,954.

MANAGEMENT AND GENERAL EXPENSES 31,299,492.

FUNDRAISING EXPENSES 1,727,234.

TOTAL EXPENSES 106,926,680.

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A 106,926,680.

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

UNREALIZED CHANGE IN FUNDED STATUS OF DEFINED BENEFIT

PENSION PLAN 15,436,000.

Name of the organization <b>THE HOWARD UNIVERSITY</b>	Employer identification number <b>53-0204707</b>
--	---

<b>UNREALIZED CHANGE IN OBLIGATION FOR POST RETIREMENT BENEFIT</b>	
<b>PLAN</b>	<b>-6,746,000.</b>
<b>UNREALIZED CHANGE IN OBLIGATION FOR SUPPLEMENTAL RETIREMENT</b>	
<b>BENEFIT PLAN</b>	<b>78,000.</b>
<b>TOTAL TO FORM 990, PART XI, LINE 9</b>	<b>8,768,000.</b>

FORM 990, PAGE 1, PART I, LINE 7A AND 7B

THE ORGANIZATION PAID PRE-TAX TRANSPORTION BENEFITS TO THE EMPLOYEES  
FOR THE PERIOD FROM JANUARY 1, 2018 THROUGH JUNE 30, 2018. SUCH  
BENEFITS ARE REPORTED ON THE FORM 990-T AS UNRELATED BUSINESS INCOME.

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

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 2400 6TH STREET NW WASHINGTON, DC 20059	EDUCATION	NIGERIA	3,501,963.		HOWARD UNIVERSITY

**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
HOWARD UNIVERSITY INTERNATIONAL 2400 6TH STREET NW WASHINGTON, DC 20059	EDUCATION	DISTRICT OF COLUMBIA	501 (C)(3)		HOWARD UNIVERSITY		X

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

Schedule R (Form 990) 2017

**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	

**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

**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
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	X	
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	X	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....		X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....		X
<b>q</b> Reimbursement paid by related organization(s) for expenses .....		X
<b>r</b> Other transfer of cash or property to related organization(s) .....	X	
<b>s</b> 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) WASHINGTON RESEARCH LIBRARY CONSORTIUM HOWARD UNIVERSITY GLOBAL INITIATIVE -	M	416,863.	CASH
(2) NIGERIA	R	3,501,963.	CASH
(3)			
(4)			
(5)			
(6)			





**Part VII** Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Multiple horizontal lines for providing supplemental information.



1867

**HOWARD**  

---

**UNIVERSITY**

**The Howard University**

Consolidated Financial Statements

For Fiscal Years Ended June 30, 2018 and 2017

# Content

- 01 Report of the Treasurer on the Financial Statements
- 02 Independent Auditor's Report
- 04 Consolidated Statements of Financial Position
- 05 Consolidated Statements of Activities
- 06 Consolidated Statements of Cash Flows
- 07 Consolidated Notes to the Financial Statements

**OFFICE OF THE SENIOR VICE PRESIDENT  
CHIEF FINANCIAL OFFICER AND TREASURER**

December 19, 2018

**Report of Treasurer on Financial Statements**

The administration of The Howard University is responsible for the preparation, accuracy, integrity and objectivity of the 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 our best estimates and judgments. Actual amounts could differ from those estimates.

These financial statements have been prepared under my supervision. Based on my knowledge, these financial statements present fairly, in all material respects, the financial position, changes in net assets and cash flows of The 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 the respective financial covenants as of June 30, 2018, as described in Note 11 of the accompanying financial statements.



---

**Michael J. Masch**

Senior Vice President, Chief Financial Officer and Treasurer



---

**John D. Gordon, Jr. MS, CPA, CGMA**

Controller and Chief Accounting Office





Tel: 919-754-9370  
Fax: 919-754-9369  
www.bdo.com

421 Fayetteville Street  
Suite 300  
Raleigh, NC 27601

## Independent Auditor's Report

Board of Trustees  
The Howard University  
Washington, DC

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Howard University (the "University"), which comprise the consolidated statement of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

#### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidated financial position of the University as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited The Howard University's 2017 consolidated financial statements, and we expressed an unmodified opinion on those consolidated financial statements in our report dated November 21, 2017. In our opinion, the summarized comparative information presented herein as of and for the years ended June 30, 2017 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*BDO USA, LLP*

December 19, 2018

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(in thousands)</i>	June 30, 2018	June 30, 2017
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 32,998	\$ 28,900
Operating investments	39,940	39,851
Deposits with trustees	1,732	401
Receivables, net	89,771	89,730
Inventories, prepaids and other current assets	11,862	8,579
Restricted Investments	49,988	43,911
<b>Total Current Assets</b>	<b>226,291</b>	<b>211,372</b>
<b>Long Term Assets:</b>		
Deposits with trustees	13,386	15,058
Receivables, net	22,607	21,659
Inventories, prepaids and other noncurrent assets	18,420	22,695
Unexpended bond proceeds	3,117	3,038
Restricted investments	4,126	3,302
Endowment investments	688,562	646,556
Operating right of use assets	3,764	4,599
Finance right of use assets	56,085	25,930
Long-lived assets	510,261	517,955
<b>Total Long Term Assets</b>	<b>1,320,328</b>	<b>1,260,792</b>
<b>Total assets</b>	<b>\$1,546,619</b>	<b>\$ 1,472,164</b>
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 131,804	\$ 96,792
Deferred revenue	15,710	15,097
Other liabilities	15,206	13,581
Accrued post-retirement benefits	3,842	4,325
Reserves for self-insured liabilities	10,392	16,752
Operating lease obligations	211	251
Finance lease obligations	7,732	3,520
Bonds payable	11,200	12,101
<b>Total Current Liabilities</b>	<b>196,097</b>	<b>162,419</b>
<b>Long Term Liabilities:</b>		
Deferred revenue	4,495	762
Other liabilities	5,949	6,606
Accrued post-retirement benefits	44,599	50,670
Underfunded defined benefit pension plan	116,807	139,046
Reserves for self-insured liabilities	56,699	57,462
Operating lease obligations	3,637	3,848
Finance lease obligations	47,024	25,595
Bonds payable	397,444	398,865
Refundable advances under Federal Student Loan	6,333	6,341
<b>Total Long Term Liabilities</b>	<b>682,987</b>	<b>689,195</b>
<b>Total Liabilities</b>	<b>879,084</b>	<b>851,614</b>
<b>Net Assets:</b>		
Unrestricted	233,839	222,165
Temporarily restricted	291,409	265,935
Permanently restricted	142,287	132,450
<b>Total Net Assets</b>	<b>667,535</b>	<b>620,550</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,546,619</b>	<b>\$ 1,472,164</b>

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



CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2018 (with summarized comparative information for fiscal year ended June 30, 2017)					
<i>(in thousands)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	June 30, 2018	Summarized June 30, 2017
<b>Operating</b>					
<b>Revenues and reclassifications:</b>					
Academic services:					
Tuition and fees, net	\$ 143,631	\$ -	\$ -	\$ 143,631	\$ 147,867
Grants and contracts	53,251	-	-	53,251	53,763
Auxiliary services	37,445	-	-	37,445	38,901
Clinical services:					
Patient service - Hospital, net	207,977	-	-	207,977	231,499
Patient service - Faculty medical practice, net	23,047	-	-	23,047	12,854
Patient service - Dental clinic, net	2,049	-	-	2,049	1,972
Public support:					
Federal appropriation	226,439	3,405	-	229,844	221,821
Contributions	17,904	6,768	8,439	33,111	15,739
Endowment transfer	9,967	11,492	738	22,197	15,128
Operating investment income (loss)	4,541	-	-	4,541	5,270
Real Property	20,535	-	-	20,535	3,811
Other income	14,984	-	59	15,043	14,538
<b>Total revenues</b>	<b>761,770</b>	<b>21,665</b>	<b>9,236</b>	<b>792,671</b>	<b>763,163</b>
Net assets released from restrictions	10,523	(10,523)	-	-	-
<b>Total revenues and reclassifications</b>	<b>772,293</b>	<b>11,142</b>	<b>9,236</b>	<b>792,671</b>	<b>763,163</b>
<b>Expenses:</b>					
Program services:					
Instruction	180,761	-	-	180,761	200,737
Research	41,928	-	-	41,928	40,555
Public service	12,250	-	-	12,250	11,079
Academic support	39,202	-	-	39,202	36,441
Student services	35,562	-	-	35,562	30,037
Patient care	254,327	-	-	254,327	241,131
<b>Total program services</b>	<b>564,030</b>	<b>-</b>	<b>-</b>	<b>564,030</b>	<b>559,980</b>
Supporting services:					
Institutional support	162,424	-	-	162,424	169,186
Auxiliary enterprises	65,366	-	-	65,366	65,635
<b>Total supporting services</b>	<b>227,790</b>	<b>-</b>	<b>-</b>	<b>227,790</b>	<b>234,821</b>
<b>Total operating expenses</b>	<b>791,820</b>	<b>-</b>	<b>-</b>	<b>791,820</b>	<b>794,801</b>
Income from defeased bonds	-	-	-	-	33,105
<b>Operating revenues over (under) operating expenses</b>	<b>(19,527)</b>	<b>11,142</b>	<b>9,236</b>	<b>851</b>	<b>1,467</b>
<b>Non-operating</b>					
Investment income (loss) in excess of amount designated	31,406	27,323	467	59,196	80,705
Endowment transfer	(8,973)	(12,991)	(233)	(22,197)	(15,128)
Net unrealized gain in beneficial interest trust	-	-	367	367	513
Restructuring costs	-	-	-	-	118
Change in funded status of defined benefit pension plan	15,436	-	-	15,436	32,753
Change in obligation for post-retirement benefit plan	(6,746)	-	-	(6,746)	(100)
Change in funded status of supplemental retirement plan	78	-	-	78	107
<b>Increase (decrease) in non-operating activities</b>	<b>31,201</b>	<b>14,332</b>	<b>601</b>	<b>46,134</b>	<b>98,968</b>
<b>Change in net assets</b>	<b>11,674</b>	<b>25,474</b>	<b>9,837</b>	<b>46,985</b>	<b>100,435</b>
<b>Net assets, beginning of year</b>	<b>222,165</b>	<b>265,935</b>	<b>132,450</b>	<b>620,550</b>	<b>520,115</b>
<b>Net assets, end of year</b>	<b>\$ 233,839</b>	<b>\$ 291,409</b>	<b>\$ 142,287</b>	<b>\$ 667,535</b>	<b>\$ 620,550</b>

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

## CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands)</i>	June 30, 2018	June 30, 2017
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 46,985	\$ 100,435
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by/(used in) operating activities:		
Depreciation and amortization	39,814	50,154
Bonds defeased	-	(33,105)
Bond discount amortization	221	223
Bonds issuance costs	255	254
Net realized gain on sale of investment	(39,755)	(47,384)
Unrealized (gain) loss on investments	(23,982)	(38,591)
Donated long-lived asset	(12,727)	-
Loss (gain) on sale/disposal of long-lived assets	(16,306)	1,210
Change and/or remeasurement of leases	-	2,714
Change in deposits with trustees	341	(808)
Change in receivables (excluding notes)	(8,059)	105,464
Change in allowance for doubtful receivables	5,671	6,743
Change in inventory, prepaid expenses and other assets	991	3,347
Change in Operating right of use assets	835	(641)
Change in accounts payable and accrued expenses and other	35,012	288
Change in deferred revenue	4,346	(92,707)
Change in other liabilities	968	(6,581)
(Decrease) increase in pension/post retirement liability	(28,793)	(40,245)
Change in reserve for self-insured liabilities	(7,123)	(12,997)
Change in operating lease obligation	(251)	-
Change in refundable advances under Federal Student Loan Program	(8)	(49)
<b>Net cash and cash equivalents used in operating activities</b>	<b>(1,565)</b>	<b>(2,276)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	454,112	481,023
Purchases of investments	(439,371)	(476,131)
Return on unexpended bond proceeds	(79)	1,989
Proceeds from property/land sale	18,392	-
Purchases and renovations of long-lived assets	(16,503)	(12,248)
Restricted contributions	(8,439)	(2,881)
<b>Net cash and cash equivalents provided by/(used in) investing activities</b>	<b>8,112</b>	<b>(8,248)</b>
<b>Cash flows from financing activities</b>		
Proceeds from notes payable	45,000	15,000
Payment on notes payable	(45,000)	(15,000)
Proceeds from bonds payable	-	-
Payment on bonds payable	(2,798)	(2,545)
Payment on interest rate swap	-	-
Principal payments on financing lease obligations	(9,490)	(6,945)
Student loans issued	(483)	(825)
Student loans collected	1,883	1,564
Proceeds from restricted contributions	8,439	2,881
<b>Net cash and cash equivalents used in financing activities</b>	<b>(2,449)</b>	<b>(5,870)</b>
Net (decrease) increase in cash and cash equivalents	4,098	(16,394)
Cash and cash equivalents at beginning of year	28,900	45,294
<b>Cash and cash equivalents at end of period</b>	<b>\$ 32,998</b>	<b>\$ 28,900</b>
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 23,143	\$ 21,650
<b>Supplemental non-cash investing activities:</b>		
Acquisition of equipment under financing leases	34,942	6,784
Donated long-lived assets	12,727	-
Stock distributions	2,434	1,560

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

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

**1. Summary of Significant Accounting Policies**

(a) ***Description of the 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 also include the activities of Howard University International (HUI), Howard University Global Initiative – Nigeria, LTD/GTE. (HUGIN), Howard University Technical Assistance Program in Malawi Limited (HUTAP), and Howard University Global Initiative South Africa NPC (HUGISA), wholly-owned subsidiaries of the University. The activities and balances of these entities are reflected in the statements of activities and statements of position, and any intercompany balances have been eliminated in consolidation.

The University conveyed its fee simple interest in the properties known as the East Tower, the West Tower, Drew Hall and Cook Hall to Howard Dormitory Holdings 1, LLC by Special Warranty Deed recorded in January, 2017. The Howard SPE is wholly-owned by the University.

The Hospital 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, 2018, and 2017, Howard had no

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

unrelated business income and therefore had no deferred tax assets or liabilities. In addition, Howard analyzed its tax positions for the years ended June 30, 2018 and 2017 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 accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Howard has elected to show summarized comparative financial information with respect to the statement of activities for the year ended June 30, 2017. Such summarized information is prepared in a manner consistent with the statement of activities information from which it was derived.

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

The preparation of 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 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 environmental liabilities.

(d) ***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 certificates of deposit, short-term U.S. Treasury securities and other short-term, highly liquid investments and are carried at approximate fair value. Howard classifies any cash or money market accounts held by external managers as investments, as these amounts are not readily available for operations and are part of the long-term investment portfolio.

# THE HOWARD UNIVERSITY

## Notes to the Consolidated Financial Statements

(amounts in thousands)

### (e) *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.

The fair values of Howard’s investments are determined by the most relevant available and observable valuation inputs as defined in Note 5. 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.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

(f) **Receivables and Revenue Recognition**

- (1) **Contributions** 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. There were no conditional contributions in 2018 or 2017, respectively. 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 fiscal years ended June 30, 2018 and 2017 are shown below:

<b>CONTRIBUTIONS REVENUE</b>	<b>2018</b>	<b>2017</b>
Unrestricted	\$ 17,904	\$ 5,265
Temporarily restricted	6,768	7,578
Permanently restricted	8,439	2,896
<b>TOTAL</b>	<b>\$ 33,111</b>	<b>\$ 15,739</b>

Contributions 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.

**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 is deferred and recognized in the following fiscal year due to summer sessions between May and July crossing fiscal years. To incentivize students to earn their degree early or on-time, the University has established a tuition rebate, whereby on-time or early graduates are eligible to receive a 50 percent discount on their tuition for their final semester. The rebate is applicable to direct payments made to the University by the student or family toward the final semester's tuition.

<b>NET TUITION REVENUE</b>	<b>2018</b>	<b>2017</b>
<b>Gross tuition and fees</b>	<b>\$ 259,701</b>	<b>\$ 247,142</b>
Financial aid:		
Merit	68,463	57,775
Need	9,670	15,083
Talent	7,999	8,174
Other	29,938	18,243
<b>Total financial aid</b>	<b>\$ 116,070</b>	<b>\$ 99,275</b>
<b>TOTAL NET TUITION</b>	<b>\$ 143,631</b>	<b>\$ 147,867</b>

# THE HOWARD UNIVERSITY

## Notes to the Consolidated Financial Statements

(amounts in thousands)

**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, 2018 and 2017 was \$116,070 and \$99,275, respectively.

- (2) **Other income** represents income from activities other than those that are ongoing and central to Howard's core business operations and is recognized as revenue in the period it is earned and collectible.
- (3) **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 which is required to be held for 20 years. For fiscal years ended June 30, 2018 and 2017, Howard received 29% and 29%, respectively, of its revenue support from the Federal appropriation. The \$3,405 and \$3,405, receivable for the fiscal years ended June 30, 2018 and 2017, respectively, represents the portion to be collected on the Federal term endowment as defined in Note 13.
- (4) **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 amount due for patient care services rendered by the University's Faculty Practice Plan (FPP) and the Hospital.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

<b>NET PATIENT SERVICE REVENUE</b>	<b>2018</b>	<b>2017</b>
<b>Gross Revenues</b>	<b>\$ 713,815</b>	<b>\$ 682,710</b>
Third-party settlement revenue	60,309	63,702
Contractual allowances and adjustments	(488,292)	(444,653)
Charity services	(10,445)	(4,200)
Bad debt	(42,314)	(51,234)
<b>Total net patient service revenue</b>	<b>\$ 233,073</b>	<b>\$ 246,325</b>
<b>% of contractals and charity services of gross revenues</b>	<b>70%</b>	<b>66%</b>

**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 the amounts due from Federal, state, local, private grants, contracts and others.

<b>GRANTS AND CONTRACTS REVENUE</b>	<b>2018</b>	<b>2017</b>
Reimbursement of direct expenses	\$ 45,413	\$ 45,439
Recovery of indirect costs	7,838	8,324
<b>Total grants and contracts revenue</b>	<b>\$ 53,251</b>	<b>\$ 53,763</b>
<b>Indirect costs recovery as a % of direct costs</b>	<b>17%</b>	<b>18%</b>

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

<b>GRANTS AND CONTRACTS REVENUE BY TYPE</b>	<b>2018</b>	<b>2017</b>
Research	\$ 34,839	\$ 35,688
Training	11,665	9,490
Service/other	6,747	8,585
<b>Total grants and contracts revenue by type</b>	<b>\$ 53,251</b>	<b>\$ 53,763</b>



**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

- (5) **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 and bookstore vendors.

<b>AUXILIARY SERVICES REVENUE</b>	<b>2018</b>	<b>2017</b>
Student housing	\$ 7,358	\$ 12,925
Meal plans	16,457	12,841
Radio station	8,732	8,461
Bookstore	682	672
Parking fees	1,844	1,875
Vending sales and fees	1,006	888
Ticket sales	614	537
Licensing	150	109
Other	602	593
<b>Total auxiliary services revenue</b>	<b>\$ 37,445</b>	<b>\$ 38,901</b>

- (6) **Real property** revenue is comprised of income and gains from real estate transactions including lease income and is recognized as revenue in the period it is earned and collectible. Revenue recognition for real property lease income transactions is disclosed in further detail in Note 10.
- (7) **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. 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 guaranteed.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

(g) ***Changes in Accounting Principle***

*ASU 2015-03 – Interest – Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Costs* requires that debt issuance costs related to a recognized debt liability be presented in the statements of financial position as a direct deduction from the carrying amount of that debt liability. The ASU was effective for fiscal years beginning after December 15, 2015. This is a change from previous treatment where debt issuance costs were reported as an asset in the statement of financial position. In fiscal year 2017, Howard adopted the new principle and has in accordance, reclassified the debt issuance costs from other assets and deducted it from the bonds payable liability.

For fiscal years ending 2018 and 2017, Howard had debt issuance costs related to the 2010, 2011 and 2016 bonds of \$4,428 and \$4,683, respectively.

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

Inventories consist primarily of 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 deferred health charges, intellectual property, beneficial interest trust and investment interest in a dialysis joint venture (see Note 22).

(i) ***Long-Lived Assets***

Long-lived assets include property, plant and equipment balances for Howard. Property, plant and equipment are stated at cost or at 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. The useful lives for fiscal years reported are as follow:

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

Title to certain equipment purchased using funds provided by government grants or contracting agencies is vested with Howard, and therefore is included in

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

reported property balances. Such assets are subject to transfer or disposal by the relevant cognizant agency.

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 placed in service for their intended use.

The recorded values of certain properties include the fair value of any environmental remediation 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) ***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 fiscal years ended June 30, 2018 and 2017 the obligation was \$4,840 and \$4,444, respectively.

(k) ***Other Liabilities***

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

(l) ***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 either 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.

(m) ***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

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

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.

(n) ***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.

(o) ***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 to donor-imposed stipulations.

**Temporarily restricted** – Net assets subject to donor-imposed stipulations that either expire by the passage of time or 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 University 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.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

(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 gains and losses from real estate related transactions which were 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 credits and (costs) that do not pertain to continuing core program services.

(q) ***New Accounting Pronouncements***

In August 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) number 2018-13 Fair Value Measurement (Topic 820) *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*, based on the Concepts Statement, including the consideration of costs and benefits. Howard is currently evaluating the impact of this amendment on its financial statements.

In June 2018, the FASB issued ASU number 2018-08 (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this Update should assist entities in 1.) Evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-For-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and 2.) Determining whether a contribution is conditional. Howard is currently evaluating Topic 958 and its impact on its fiscal year 2019 financial statements.

In January 2018, the FASB issued ASU number 2018-01 (Topic 842), *Leases: Land Easement Practical Expedient for Transition to Topic 842*. The ASU provides optional transition practical expedient for the adoption of ASU 2016-02 Leases and clarifies that new or modified land easements should be evaluated under ASU 2016-02 once an entity has adopted the new standard. Howard early adopted ASU 2016-02 Leases in fiscal year 2016 and will apply the provisions of ASU 2018-01 in its current reporting where applicable.

In July 2017, the FASB issued ASU number 2017-11 (Topic 815), *Derivatives and Hedging*. The ASU addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Howard is currently evaluating Topic 815 and planning for the implementation in fiscal year 2019.

In May 2017, the FASB issued ASU number 2017-10 (Topic 853), *Service Concession Agreements: Determining the Customer of the Operations Services*. Topic 853 provides guidance for operating entities when they enter into a service concession arrangement with a public-sector grantor. Howard has reviewed the guidance under Topic 853 and has determined that its service concession agreements do not fall under this guidance and is not applicable to its operations.

In March 2017, the FASB issued ASU number 2017-07 (Topic 715), *Compensation—Retirement Benefits*, which provides guidance on the presentation of net benefit cost in the income statement and on the components eligible for capitalization in assets. The Update requires that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. It allows only the service cost component to be eligible for capitalization when applicable. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented. Howard is currently evaluating and assessing the implementation of this new pronouncement, which will be adopted in fiscal year 2019.

In February 2017, the FASB issued ASU number 2017-05 (Topic 610-20), *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets*, which provides clarity to the scope of Subtopic 610-20, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets, and to add guidance for partial sales of nonfinancial assets. The amendments define the term *in substance nonfinancial asset*, in part, as a financial asset promised to a counterparty in a contract if substantially all of the fair value of the assets (recognized and unrecognized) that are promised to the counterparty in the contract is concentrated in nonfinancial assets. If substantially all of the fair value of the assets that are promised to the counterparty in a contract is concentrated in nonfinancial assets, then all of the financial assets promised to the counterparty are in substance nonfinancial assets within the scope of Subtopic 610-20. Howard is currently evaluating and assessing ASU number 2017-05 to determine whether it applies to its operations.

In January 2017, the FASB issued ASU number 2017-02 (Subtopic 958-810), *Not-for-Profit Entities—Consolidation*. The ASU provides guidance on when a not-for-profit entity (NFP) that is a general partner or a limited partner should consolidate

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

a for-profit limited partnership or similar legal entity once the amendments in Accounting Standards Update No. 2015-02 are effective. Subtopic 958-810 provides general guidance in Subtopic 810-10 on when NFP limited partners should consolidate a limited partnership. The update applies to an NFP that is a general partner or a limited partner of a for-profit limited partnership or a similar legal entity. A similar legal entity is an entity such as a limited liability company that has governing provisions that are the functional equivalent of a limited partnership. In those entities, a managing member is the functional equivalent of a general partner, and a non-managing member is the functional equivalent of a limited partner. Howard is currently evaluating and assessing ASU number 2017-02 to determine whether it applies to its operations due to the entities created as part of the real estate transactions.

In December 2016, the FASB issued ASU number 2016-18 (Topic 230), *Statement of Cash Flows*. The ASU provides guidance on all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. The update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents. Howard is currently evaluating Topic 230 and planning for the implementation in fiscal year 2019.

In August 2016, the FASB issued ASU number 2016-15 (Topic 230), *Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments*. The ASU provides guidance on all entities, including both business entities and not-for-profit entities that are required to present a statement of cash flows under Topic 230. This Update provide guidance on the following eight specific cash flow issues: (1) Debt Prepayment or Debt Extinguishment Costs, (2) Settlement of Zero-Coupon Debt Instruments or Other Debt Instruments with Coupon Interest Rates That Are Insignificant in Relation to the Effective Interest Rate of the Borrowing, (3) Contingent Consideration Payments Made after a Business Combination, (4) Proceeds from the Settlement of Insurance Claims, (5) Proceeds from the Settlement of Corporate-Owned Life Insurance Policies, including Bank-Owned Life Insurance Policies, (6) Distributions Received from Equity Method Investees, (7) Beneficial Interests in Securitization Transactions, and (8) Separately Identifiable Cash Flows and Application of the Predominance Principle. Howard has assessed and evaluated ASU number 2016-15 and determined it is applicable to its operations. These new pronouncements will be adopted in fiscal year 2019.

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

In August 2016, the FASB issued ASU number 2016-14 (Topic 958), *Not-for-Profit Entities*. The ASU provides guidance improvements that address many, but not all, of the identified issues about the current financial reporting for not-for-profit entity's (NFP's) such as liquidity, financial performance, and cash flows so useful information can be provided to donors, grantors, creditors, and other users of financial statements. This Update makes several improvements to current reporting requirements that address, among others, the following problems: (1) Complexities about the use of the currently required three classes of net assets that focus on the absence or presence of donor-imposed restrictions and whether those restrictions are temporary or permanent, (2) Deficiencies in the transparency and utility of information useful in assessing an entity's liquidity caused by potential misunderstandings and confusion about the term *unrestricted net assets* and how restrictions or limits imposed by donors, grantors, laws, contracts, and governing boards affect an entity's liquidity, classes of net assets, and financial performance, (3) Inconsistencies in the type of information provided about expenses of the period, and (4) Impediment of preparing the indirect method reconciliation if an NFP chooses to use the direct method of presenting operating cash flows. This new pronouncement will be adopted in fiscal year 2019.

In January 2016, the FASB issued ASU number 2016-01 (Subtopic 825-10), *Financial Instruments—Overall*. The ASU provides guidance on certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The Board also is addressing measurement of credit losses on financial assets in a separate project. The updates affect all entities that hold financial assets or owe financial liabilities. The amendments in this Update make targeted improvements to generally accepted accounting principles (GAAP) as follows: (1) Require equity investments to be measured at fair value with changes in fair value recognized in net income, (2) Simplify the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment, (3) Eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities, (4) Eliminate the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet, (5) Require public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, (6) Require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments, (7) Require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or the accompanying notes to the financial statements, and (8)



**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

Clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. Howard is currently evaluating and assessing ASU number 2016-01 to determine whether it applies to its operations due to the entities that either hold investments or debt.

In April 2015, the FASB issued ASU number 2015-04 (Topic 715), *Compensation—Retirement Benefits: Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*. The ASU provides guidance on reducing the complexity in accounting standards by identifying, evaluating, and improving areas of generally accepted accounting principles (GAAP) for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. A reporting entity with a fiscal year-end that does not coincide with a month-end may incur more costs than other entities when measuring the fair value of plan assets of a defined benefit pension or other postretirement benefit plan. Howard has assessed and evaluated ASU number 2015-04 and determined it is applicable to its operations. This new pronouncement was adopted in fiscal year 2017.

(r) **Reclassifications**

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

**2. Receivables**

Accounts receivable, prior to adjustment for doubtful collections, are summarized as follows at fiscal years ended June 30, 2018 and 2017:

<b>RECEIVABLES</b>	<b>2018</b>	<b>2017</b>
Student	\$ 33,140	\$ 38,372
Notes	13,467	14,867
Federal appropriation	3,405	3,405
Patients and third-party payors - Hospital	87,493	86,729
Patients and third-party payors - FPP	6,656	7,552
Patients and third-party payors - Dental	1,908	2,401
Grants and contracts	16,477	13,283
Contributions	10,726	6,052
Insurance claims	3,954	-
Auxiliary services	5,190	5,600
Other	6,447	3,943
<b>Total</b>	<b>\$ 188,863</b>	<b>\$ 182,204</b>

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

Other receivables include checks pending deposit at year end, rent receivables and certain vendor credit balances.

Allowance for doubtful receivables is summarized as follows at fiscal years ended June 30, 2018 and 2017:

<b>ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>	<b>2018</b>	<b>2017</b>
Student Notes	\$ 12,520	\$ 20,531
Patients and third-party payors - Hospital	6,421	7,315
Patients and third-party payors - FPP	49,657	36,315
Patients and third-party payors - Dental	3,199	1,270
Grants and contracts	538	1,082
Contributions	616	616
Insurance claims	3,029	2,867
Auxiliary services	-	-
Other	506	819
<b>Totals</b>	<b>\$ 76,486</b>	<b>\$ 70,815</b>
<b>Total receivables, net</b>	<b>\$ 112,377</b>	<b>\$ 111,389</b>

Provision for bad debt is summarized as follows at fiscal years ended June 30, 2018 and 2017:

<b>PROVISION FOR BAD DEBT</b>	<b>2018</b>	<b>2017</b>
<b><i>Non-clinical services:</i></b>		
Student services	\$ 6,276	\$ (1,614)
Notes	(788)	1,532
Grants and contracts	-	(500)
Contributions	162	812
Other	22	(7)
<b>Total non-clinical</b>	<b>\$ 5,672</b>	<b>\$ 223</b>
<b><i>Clinical services:</i></b>		
Patients and third-party payors - Hospital	36,292	38,245
Patients and third-party payors - FPP	6,221	12,905
Patients and third-party payors - Dental	(199)	84
<b>Total clinical services</b>	<b>\$ 42,314</b>	<b>\$ 51,234</b>
<b>Total provision for bad debt</b>	<b>\$ 47,986</b>	<b>\$ 51,457</b>

Bad debt expense of \$5,672 and \$223 for fiscal years ended June 30, 2018 and 2017, respectively, reflected in total operating expenses under Institutional support on the statements of activities excludes bad debt expense related to certain clinical services determined to be uncollectible. Clinical services bad debt

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

expense, as shown in the table above, has been netted against patient service revenues.

Contributions receivable at June 30, 2018 and 2017 are expected to be received as follows:

<b>CONTRIBUTIONS RECEIVABLE</b>	<b>2018</b>	<b>2017</b>
Within one year	\$ 4,510	\$ 2,829
Between one and five years	6,960	3,355
Thereafter	394	552
Contributions receivable gross	11,864	6,736
Unamortized discount on contributions receivable (2%-6.5%)	(1,138)	(684)
Contributions receivable, net of discounts	10,726	6,052
Allowance for uncollectible contributions	(3,029)	(2,867)
Contributions receivable, net of discounts and allowance	\$ 7,697	\$ 3,185

**3. Inventories, Prepaids and Other Assets**

Components of inventories, prepaids and other assets accounts at fiscal years ended June 30, 2018 and 2017 are as follows:

<b>INVENTORIES, PREPAIDS, AND OTHER ASSETS</b>	<b>2018</b>	<b>2017</b>
Inventories - Hospital	\$ 3,784	\$ 4,097
Prepaid expenses	7,738	6,755
Dialysis joint venture interest	4,753	5,054
Beneficial interest trust	5,968	5,601
Self-insured assets	6,248	7,972
Intellectual property costs	1,240	1,337
Other	552	458
<b>Total</b>	<b>\$ 30,283</b>	<b>\$ 31,274</b>

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

**4. Deposits with Trustees and Self-insured Liabilities**

DEDICATED ASSETS		
	2018	2017
Debt service reserve	\$ 13,386	\$ 13,220
Professional liability	-	-
Workers' compensation	4	9
Health insurance trust	1,728	2,230
<b>Total</b>	<b>\$ 15,118</b>	<b>\$ 15,459</b>
LIABILITIES		
	2018	2017
Professional liability	\$ 46,979	\$ 53,976
Workers' compensation	14,442	15,861
Health insurance trust	5,670	4,377
<b>Total</b>	<b>\$ 67,091</b>	<b>\$ 74,214</b>

**(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) *Professional Liability***

Howard is involved in litigation arising in the ordinary course of business. Claims alleging malpractice that have been asserted against the Hospital and certain faculty physicians are currently in various stages of litigation. Additional claims may be asserted arising from services provided to patients through June 30, 2018. 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, 2018 and 2017 of approximately \$46,979 and \$53,976, respectively is adequate to provide for losses resulting from probable asserted and unasserted claims and pending or threatened litigation.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

Professional liability activity is summarized as follows for fiscal years ended June 30, 2018 and 2017 in the table below.

<b>PROFESSIONAL LIABILITY</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 53,976	\$ 59,127
Malpractice claims expense	6,153	6,081
Settlement payments	(13,150)	(11,232)
<b>Ending balance</b>	<b>\$ 46,979</b>	<b>\$ 53,976</b>

**(c) 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, 2018, workers' compensation liabilities are being satisfied as claims arise. For fiscal years ended June 30, 2018 and 2017, Howard maintained \$6,248 and \$7,972 in letters of credit, respectively, which serve as collateral for specific insurance carriers. 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, 2018 and 2017 expenses related to workers' compensation were \$2,318 and \$5,670, respectively and are reflected in employee benefits.

The total liability for future workers' compensation liability claims was approximately \$14,442 and \$15,861 at June 30, 2018 and 2017, 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 \$0 at June 30, 2018 and 2017, net of allowances for uncollectible amounts and are reflected in other receivables.

**(d) 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, 2018, health insurance claims are being funded as incurred. Deposits to the fund

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

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, 2018 and 2017, is approximately \$5,670 and \$4,377, respectively.

#### 5. 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 a hierarchy which consists of 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, 2018 and 2017 are subject to fair value accounting.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

Fair value as of June 30, 2018 is as follows:

<b>FAIR VALUE AS OF JUNE 30, 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Unexpended bond proceeds (6)	\$ -	\$ 3,117	\$ -	\$ 3,117
Deposits with trustees (7)	1,732	13,386	-	15,118
Other assets (8)	6,248	-	5,968	12,216
<b>Total assets (non investment)</b>	<b>\$ 7,980</b>	<b>\$ 16,503</b>	<b>\$ 5,968</b>	<b>\$ 30,451</b>
<b>Operating investments</b>				
Common Stock (3)	39,940	-	-	39,940
<b>Total operating investments</b>	<b>\$ 39,940</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,940</b>
<b>Restricted investments</b>				
Money Market Instrument (1)	-	1,036	-	1,036
Common Stock (3)	49,672	-	-	49,672
Private Equity (4)	-	-	3,156	3,156
Real Estate (4)	-	-	250	250
<b>Total restricted investments</b>	<b>\$ 49,672</b>	<b>\$ 1,036</b>	<b>\$ 3,406</b>	<b>\$ 54,114</b>
<b>Endowment investments</b>				
Money Market Fund (1)	8,870	50,901	-	59,771
<b>Comingled Funds</b>				
Emerging Market Equity (3)	-	35,128	-	35,128
Global Fixed Income Security (2)	-	38,588	-	38,588
International Equity Security (3)	-	118,435	-	118,435
Domestic Common Stock (3)	-	-	-	-
Commodity Inflation Hedging (8)	-	12,897	-	12,897
<b>Common Stock (3)</b>	<b>63,351</b>	<b>-</b>	<b>-</b>	<b>63,351</b>
<b>Fixed Income</b>				
Mortgage Backed Securities (2)	-	-	-	-
Corporate Bond (2)	-	12	-	12
Government Bond (2)	-	-	-	-
<b>Hedge Funds</b>				
Distressed Debt (4)	-	-	-	-
Equity Long/short (4)	-	20,777	-	20,777
Event driven (4)	-	-	12	12
Global opportunities (4)	-	5,832	-	5,832
Multi-strategy (4)	-	34,585	2	34,587
Credit Opportunities (4)	-	10,150	-	10,150
<b>Mutual Funds</b>				
Emerging Market Equity Security (3)	15,458	-	-	15,458
Domestic Common Stock (3)	36,527	-	-	36,527
Domestic Fixed Income (2)	83,341	-	-	83,341
International Equity Security (3)	10,069	-	-	10,069
<b>Private Equity and Venture Capital (4)</b>	<b>-</b>	<b>-</b>	<b>105,268</b>	<b>105,268</b>
<b>Real estate (4)</b>	<b>-</b>	<b>-</b>	<b>38,698</b>	<b>38,698</b>
<b>Total endowment investments</b>	<b>\$ 217,616</b>	<b>\$ 327,305</b>	<b>\$ 143,980</b>	<b>\$ 688,901</b>
<b>Total investments</b>	<b>\$ 307,228</b>	<b>\$ 328,341</b>	<b>\$ 147,386</b>	<b>\$ 782,955</b>
Assets not subject to fair value reporting	718	-	-	718
Liabilities not subject to fair value reporting	(1,057)	-	-	(1,057)
<b>Total assets and liabilities measured at fair value</b>	<b>\$ 314,869</b>	<b>\$ 344,844</b>	<b>\$ 153,354</b>	<b>\$ 813,067</b>

Level 3 investments were 19% of total investments.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

Fair value as of June 30, 2017 is as follows:

<b>FAIR VALUE AS OF JUNE 30, 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Unexpended bond proceeds (6)	\$ -	\$ 3,038	\$ -	\$ 3,038
Deposits with trustees (7)	2,239	13,220	-	15,459
Other assets (8)	7,972	-	5,601	13,573
<b>Total assets (non investment)</b>	<b>\$ 10,211</b>	<b>\$ 16,258</b>	<b>\$ 5,601</b>	<b>\$ 32,070</b>
<b>Operating investments</b>				
Common Stock (3)	39,851	-	-	39,851
<b>Total operating investments</b>	<b>\$ 39,851</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,851</b>
<b>Restricted investments</b>				
Money Market Instrument (1)	-	1,112	-	1,112
Common Stock (3)	42,799	-	-	42,799
Private Equity (4)	-	-	3,052	3,052
Real Estate (4)	-	-	250	250
<b>Total restricted investments</b>	<b>\$ 42,799</b>	<b>\$ 1,112</b>	<b>\$ 3,302</b>	<b>\$ 47,213</b>
<b>Endowment investments</b>				
Money Market Fund (1)	418	62,064	-	62,482
<b>Common/collective trusts</b>				
Emerging Market Equity (3)	-	54,433	-	54,433
Global Fixed Income Security (2)	-	33,743	-	33,743
International Equity Security (3)	-	118,895	-	118,895
Commodity Inflation Hedging (8)	-	11,471	-	11,471
<b>Common Stock (3)</b>	<b>60,552</b>	<b>-</b>	<b>-</b>	<b>60,552</b>
<b>Fixed income</b>				
Corporate Bond (2)	-	25	-	25
<b>Hedge funds</b>				
Equity Long/short (4)	-	13,244	-	13,244
Event driven (4)	-	-	12	12
Global opportunities (4)	-	6,332	-	6,332
Multi-strategy (4)	-	23,800	62	23,862
<b>Mutual funds investment</b>				
Emerging Market Equity Security (3)	34,904	-	-	34,904
Domestic Common Stock (3)	31,801	-	-	31,801
Domestic Fixed Income (2)	78,021	-	-	78,021
International Equity Security (3)	10,452	-	-	10,452
<b>Limited partnerships (4)</b>	<b>-</b>	<b>-</b>	<b>84,459</b>	<b>84,459</b>
<b>Real estate (4)</b>	<b>-</b>	<b>-</b>	<b>21,536</b>	<b>21,536</b>
<b>Total endowment investments</b>	<b>\$ 216,148</b>	<b>\$ 324,007</b>	<b>\$ 106,069</b>	<b>\$ 646,224</b>
<b>Total investments</b>	<b>\$ 298,798</b>	<b>\$ 325,119</b>	<b>\$ 109,371</b>	<b>\$ 733,288</b>
Assets not subject to fair value reporting (9)	1,239	-	-	1,239
Liabilities not subject to fair value reporting (9)	(907)	-	-	(907)
<b>Total assets and liabilities measured at fair value</b>	<b>\$ 309,341</b>	<b>\$ 341,377</b>	<b>\$ 114,972</b>	<b>\$ 765,690</b>

Level 3 investments were 15% of total investments.



**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

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 ASC 820, *Fair Value Measurement*, which governs the classification of certain investments with 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.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

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 underlying trust assets comprise of a variety of investments, primarily exchange-traded funds and corporate fixed income. 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

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

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.

- (9) Assets and liabilities not subject to fair value reporting represent exchanges between the University and its investment managers that have been entered into but not settled by the reporting date of June 30, 2018. These transactions are shown net with endowment investments.

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 period ended June 30, 2018 is as follows:

<b>CHANGES IN LEVEL 3 FOR THE PERIOD ENDED JUNE 30, 2018</b>	<b>Private Equity and Venture Capital</b>	<b>Hedge Funds</b>	<b>Real Estate</b>	<b>Other Assets</b>	<b>Total</b>
Balance July 1, 2017	\$ 87,511	\$ 74	\$ 21,786	\$ 5,601	\$ 114,972
Gain and Loss (Realized and unrealized)	11,881	(60)	5,082	367	17,270
Acquisitions	29,321	-	19,600	-	48,921
Sales	(20,289)	-	(7,520)	-	(27,809)
<b>Balance June 30, 2018</b>	<b>\$ 108,424</b>	<b>\$ 14</b>	<b>\$ 38,948</b>	<b>\$ 5,968</b>	<b>\$ 153,354</b>
<b>Change in unrealized investments held</b>	<b>\$ 11,353</b>	<b>\$ 2</b>	<b>\$ 9,050</b>	<b>\$ 367</b>	<b>\$ 20,772</b>

There were no transfers into or out of Level 3 during fiscal year ended June 30, 2018. Transfers, when made, are deemed to be made at the end of the fiscal year.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

Changes in Level 3 securities for the period ended June 30, 2017 is as follows:

<b>CHANGES IN LEVEL 3 FOR THE PERIOD ENDED JUNE 30, 2017</b>	<b>Private Equity and Venture Capital</b>	<b>Hedge Funds</b>	<b>Real Estate</b>	<b>Other Assets</b>	<b>Total</b>
Balance July 1, 2016	\$ 78,680	\$ 86	\$ 17,113	\$ 5,588	\$ 101,467
Gain and Loss (Realized and unrealized)	12,040	(12)	2,085	13	14,126
Acquisitions	23,008	-	9,885	-	32,893
Sales	(26,217)	-	(7,297)	-	(33,514)
<b>Balance June 30, 2017</b>	<b>\$ 87,511</b>	<b>\$ 74</b>	<b>\$ 21,786</b>	<b>\$ 5,601</b>	<b>\$ 114,972</b>
<b>Change in unrealized investments held</b>	<b>\$ 2,628</b>	<b>\$ 37</b>	<b>\$ 893</b>	<b>\$ 13</b>	<b>\$ 3,571</b>

There were no transfers into or out of Level 3 during fiscal year ended June 30, 2017. Transfers, when made, are deemed to be made at the end of the fiscal year.

Net investment income (loss) is summarized as follows for fiscal years June 30, 2018 and 2017:

<b>NET INVESTMENT INCOME (LOSS)</b>	<b>2018</b>	<b>2017</b>
Interest and dividends	\$ 9,728	\$ 13,559
Net realized gains	35,004	37,535
Net unrealized gains (losses)	23,982	38,591
Other investment income, net of expense	297	99
Investment expenses	(5,274)	(3,809)
<b>Net investment income (loss)</b>	<b>\$ 63,737</b>	<b>\$ 85,975</b>
<b>Current year unrestricted operating return (loss)</b>	<b>\$ 4,541</b>	<b>5,270</b>
Current year non-operating investment return (loss):		
Unrestricted	31,406	41,152
Restricted	27,790	39,553
<b>Total current year investment return</b>	<b>\$ 63,737</b>	<b>\$ 85,975</b>
Prior year return designated for current operations:		
Unrestricted	(9,967)	(6,954)
Restricted	(12,230)	(8,174)
<b>Total designated for current operation</b>	<b>\$ (22,197)</b>	<b>\$ (15,128)</b>
<b>Net non-operating investment return:</b>		
Unrestricted	21,439	34,198
Restricted	15,560	31,379

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

**Liquidity Terms and Unfunded Commitments** – The following tables represent Howard’s investments by asset class and their respective liquidity terms and unfunded commitments as of June 30, 2018 and 2017. Real estate funds and limited partnerships do not have readily ascertainable market values and may be subject to withdrawal restrictions.

<b>INVESTMENTS AS OF JUNE 30, 2018</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption/ Withdrawal Frequency</b>	<b>Redemption/ Withdrawal Notice Period</b>
Hedge funds	\$ 71,358	\$ -	Monthly - Annually	45 - 90 days
Real estate funds	38,948	16,934	-	2 - 10 years
Common/collective trusts	205,161	-	Monthly	-
Limited partnerships	108,424	67,330	-	≤ 10 years

<b>INVESTMENTS AS OF JUNE 30, 2017</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption/ Withdrawal Frequency</b>	<b>Redemption/ Withdrawal Notice Period</b>
Hedge funds	\$ 43,450	\$ -	Monthly - Annually	45 - 90 days
Real estate funds	21,786	11,473	-	2 - 10 years
Common/collective trusts	218,665	-	Monthly	-
Limited partnerships	87,511	59,381	-	≤ 10 years

**6. Endowment Fund**

Howard’s endowment includes approximately 900 individual accounts established to fund scholarships, professorships, student loans, general operations and other purposes. 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.

# THE HOWARD UNIVERSITY

## Notes to the Consolidated Financial Statements

(amounts in thousands)

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.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

As of fiscal years ended June 30, 2018 and 2017 total endowment funds classified as permanently restricted and temporarily restricted net assets were:

<b>RESTRICTED ENDOWMENT</b>	<b>2018</b>	<b>2017</b>
<b>Permanently Restricted Net Assets</b> The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA:	<b>\$ 94,720</b>	<b>\$ 90,663</b>
<b>Temporarily Restricted Net Assets</b> Time restricted funds The portion of perpetual endowment funds subject to a time restriction under DC UPMIFA:		
Without purpose restrictions	155,010	146,907
With purpose restrictions	4,543	4,048
	63,723	56,662
<b>Total endowment funds classified as temporarily restricted net assets</b>	<b>\$ 223,276</b>	<b>\$ 207,617</b>

The change in value and the composition of amounts classified as endowment as of June 30, 2018 is as follows:

<b>ENDOWMENT CHANGE IN VALUE FOR PERIOD ENDING JUNE 30, 2018</b>	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>PERMANENTLY RESTRICTED</b>	<b>TOTAL</b>
<b>Endowment net assets, beginning of year</b>	<b>\$ 351,681</b>	<b>\$ 207,617</b>	<b>\$ 90,663</b>	<b>\$ 649,961</b>
Adjustment to Beginning Balance	-	-	-	-
<b>Adjusted Beginning Balance</b>	<b>\$ 351,681</b>	<b>\$ 207,617</b>	<b>\$ 90,663</b>	<b>\$ 649,961</b>
Investment return:				
Investment income	3,965	4,893	151	9,009
Net appreciation (realized and unrealized)	20,039	22,768	285	43,092
<b>Total investment return</b>	<b>\$ 24,004</b>	<b>\$ 27,661</b>	<b>\$ 436</b>	<b>\$ 52,101</b>
Contributions	1,230	3,413	3,627	8,270
Appropriation of endowment assets for operations	(8,973)	(12,996)	(228)	(22,197)
Other changes:				
Match release	2,566	(2,566)	-	-
Transfer and other changes	3,463	147	222	3,832
<b>Endowment net assets, end of year</b>	<b>\$ 373,971</b>	<b>\$ 223,276</b>	<b>\$ 94,720</b>	<b>\$ 691,967</b>
Donor-restricted endowment funds	(3,209)	223,276	94,720	314,787
Board-designated endowment funds	377,180	-	-	377,180
<b>Endowment net assets, end of year</b>	<b>\$ 373,971</b>	<b>\$ 223,276</b>	<b>\$ 94,720</b>	<b>\$ 691,967</b>

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

The change in value and the composition of amounts classified as endowment as of June 30, 2017 is as follows:

<b>ENDOWMENT CHANGE IN VALUE FOR PERIOD ENDING JUNE 30, 2017</b>	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>PERMANENTLY RESTRICTED</b>	<b>TOTAL</b>
<b>Endowment net assets, beginning of year</b>	\$ 305,340	\$ 187,436	\$ 88,658	\$ 581,434
Investment return:				
Investment income	5,785	6,594	178	12,557
Net appreciation (realized and unrealized)	31,198	30,790	279	62,267
<b>Total investment return</b>	<b>\$ 36,983</b>	<b>\$ 37,384</b>	<b>\$ 457</b>	<b>\$ 74,824</b>
Contributions	162	3,424	1,710	5,296
Appropriation of endowment assets for operations	(6,257)	(8,709)	(162)	(15,128)
Other changes:				
Match release	11,985	(11,985)	-	-
Transfer and other changes	3,468	67	-	3,535
<b>Endowment net assets, end of year</b>	<b>\$ 351,681</b>	<b>\$ 207,617</b>	<b>\$ 90,663</b>	<b>\$ 649,961</b>
Donor-restricted endowment funds	(4,740)	207,617	90,663	293,540
Board-designated endowment funds	356,421	-	-	356,421
<b>Endowment net assets, end of year</b>	<b>\$ 351,681</b>	<b>\$ 207,617</b>	<b>\$ 90,663</b>	<b>\$ 649,961</b>

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, 2018 and 2017 receivables of \$3,405 and \$3,405, 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 \$3,209 and \$4,740 as of fiscal years ended June 30, 2018 and 2017, 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



## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

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 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 4 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.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

**7. Long-Lived Assets**

<b>LONG-LIVED ASSETS</b>	<b>2018</b>	<b>2017</b>
Land and land improvements	\$ 40,750	\$ 27,996
Buildings and building improvements	871,565	876,234
Property held for expansion	56,929	54,819
Property held under leases	28,773	28,236
Furniture and equipment	331,188	332,674
Library books	92,106	91,736
Software	115,988	118,532
Software in progress	369	111
Construction in progress	12,714	10,390
Long-lived assets, gross	1,550,382	1,540,728
Accumulated depreciation and amortization	(1,040,121)	(1,022,773)
<b>Long-lived assets, net</b>	<b>\$ 510,261</b>	<b>\$ 517,955</b>

For the fiscal year ended June 30, 2018 there were \$18,392 in sales, disposals and retirements and for the fiscal year ended June 30, 2017 there were \$1,210 in disposals.

Depreciation expense for the years ended June 30, 2018 and 2017 were \$40,491 and \$45,133, respectively. For fiscal years ended June 30, 2018 and 2017, respectively, net interest costs of \$0 and \$0 were incurred during construction and capitalized as part of the cost of capital projects.

Long-lived assets include property held for expansion, consisting 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.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

**8. Accounts Payable and Accrued Expenses**

Components of this liability account at fiscal years ended June 30, 2018 and 2017 are as follows:

<b>ACCOUNTS PAYABLE AND ACCRUED EXPENSES</b>	<b>2018</b>	<b>2017</b>
Vendor invoices	\$ 94,356	\$ 59,688
Accrued salaries and wages	24,268	23,652
Accrued employee benefits	3,807	3,261
Accrued annual leave	4,840	4,444
Accrued faculty retirement incentive payments	-	1,008
Accrued interest	4,475	4,649
Other	58	90
<b>Total</b>	<b>\$ 131,804</b>	<b>\$ 96,792</b>

**9. Other Liabilities and Deferred Revenue**

These obligations include the following at fiscal years ended June 30, 2018 and 2017:

<b>OTHER LIABILITIES</b>	<b>2018</b>	<b>2017</b>
Environmental liabilities	\$ 4,799	\$ 5,093
Residence halls	5,621	1,806
Unclaimed property	3,380	3,681
Student deposits and refunds	1,487	3,329
Reserve for legal contingencies	2,450	1,600
Deposits held in custody for others	1,309	703
Other	2,109	3,975
<b>Total</b>	<b>\$ 21,155</b>	<b>\$ 20,187</b>

<b>DEFERRED REVENUE</b>	<b>2018</b>	<b>2017</b>
Deferred tuition, room and board	\$ 1,727	\$ 3,145
Deferred grant revenue	13,186	11,190
Deferred savings incentive revenue	575	1,175
Other	4,717	349
<b>Total</b>	<b>\$ 20,205</b>	<b>\$ 15,859</b>

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

Amounts for the fiscal years ended June 30, 2018 and 2017, were as follows:

<b>ENVIRONMENTAL LIABILITIES</b>	<b>2018</b>	<b>2017</b>
Accumulated depreciation	\$ (4)	\$ -
Accretion expense	-	43
Environmental liabilities	4,799	5,093
<b>Total</b>	<b>\$ 4,795</b>	<b>\$ 5,136</b>

Howard incurred costs related to remediation during fiscal years ended June 30, 2018 and 2017 of \$294 and \$1,177, respectively.

## 10. Leases

### *Lease Obligations*

In fiscal year 2016, Howard University elected to adopt ASC 842 – *Leases*. The new standard defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant or equipment (the underlying asset) for a period of time in exchange for consideration.

The primary difference between accounting for leases under ASC 840 and the new guidance under ASC 842 is the recognition of lease assets and lease liabilities by lessees for those leases previously classified as operating leases. Accordingly, Howard has recognized all lease assets and liabilities, with certain exceptions, on its statements of financial position. Both financing leases and operating leases create an asset (right-of-use or ROU asset) and a liability measured at the present value of the lease payments.

The classification criteria in ASC 842 for distinguishing between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases under ASC 840. Under ASC 842, a lessee finance lease exists when any of the following criteria are met at lease commencement:

- a. The lease transfers ownership of the underlying asset to the lessee by the end of the lease term.
- b. The lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise.
- c. The lease term is for the major part of the remaining economic life of the underlying asset. However, if the commencement date falls at or near the end of the economic life of the underlying asset, this criterion shall not be used for purposes of classifying the lease.

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

- d. The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments in accordance with paragraph 842-10-30-5(f) equals or exceeds substantially all of the fair value of the underlying asset.
- e. The underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.

A lessor would classify a lease having any of the above characteristics as a sales-type lease.

If the lease has none of the above characteristics, then a lessee would classify the lease as an operating lease. A lessor would classify the lease as either an operating lease or a direct financing lease.

Howard measures its lease assets and lease liabilities using the discount rate implicit in the lease. If that rate is not available or readily determinable, Howard uses its incremental borrowing rate.

Howard has elected to use the practical expedient election under ASC 842-10-15-37. The Practical expedient election allows the lessee to elect by class to choose not to separate non-lease components from lease components and instead account for each lease component as a single lease.

#### ***Finance Leases***

In June 2017, Howard University entered into a seven-year network management service agreement with IBM, which commenced on August 1, 2017, for equipment that included an imbedded lease. The agreement is to achieve efficiencies and improvements to the University's IT services and infrastructure. Howard considered that the agreement grants the University the rights to control and direct the use of the equipment and software upon installation, as well as to obtain the economic benefits from the use of the equipment and software in determining that the contract contains a lease. Further, there is specific documentation that identifies the specific assets installed. Howard has elected to use the practical expedient election under ASC 842-10-15-37, which allows the lessee to not separate non-lease components from lease components and instead account for each lease component as a single lease.

Howard determined that the lease is a finance type lease as there is transfer of ownership of the underlying assets, and the lease term is equal to 75% or more of the economic life of the underlying assets. Howard has the right to terminate the IBM agreement upon at least 90 days written notice. There is no extension to the initial term unless a new statement of work is enacted. The contract covers all properties of the University including 75 buildings set forth in several phases

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

identified as the “transition and transformation phase.” The consideration for the lease consists of annual fixed lease payments. The discount used to calculate the present value of the lease asset and obligation was the incremental borrowing rate of 6.5% for the University.

Howard is obligated under other finance leases for office, technology and medical equipment that extend through 2024, and the chiller plant that extends through 2031, in the amounts of \$54,756 and \$29,115, respectively at fiscal years ended June 30, 2018 and 2017. Lease payments for the chiller plant include both fixed and variable payments. The variable payments are based upon consumption exceeding the threshold specified in the lease.

Howard considered the likelihood of exercising renewal or termination terms in measuring its right-of-use lease assets and lease liabilities. With the exception of leases for certain medical equipment that will expend its useful life by the end of the lease, Howard has included renewal periods in its assessment of lease terms. The right-of-use assets are amortized over their estimated useful lives. The finance lease right-of-use assets and accumulated amortization for the fiscal years ended June 30 are as follows:

<b>RIGHT OF USE ASSETS – FINANCE LEASE</b>	<b>2018</b>	<b>2017</b>
Right of use assets - financing	\$ 121,944	\$ 85,152
Accumulated amortization	(65,859)	(59,222)
<b>Right of use assets, net</b>	<b>\$ 56,085</b>	<b>\$ 25,930</b>

The discount rates used in measuring the finance right-of-use assets and liabilities are the rates as explicitly stated in each lease.

At June 30, 2018, the future minimum lease payments under finance leases (with initial or remaining lease terms in excess of one year) are as follows:

<b>LEASE OBLIGATIONS</b>	<b>FINANCE LEASES</b>
Future principal and interest years ending June 30	
2019	\$ 11,350
2020	10,003
2021	9,520
2022	8,871
2023	8,208
2024 and thereafter	26,663
Obligation, gross	74,615
Amounts representing interest rates from 2% to 10%	(19,859)
<b>Total Lease Obligations, net</b>	<b>\$ 54,756</b>

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

At June 30, 2018, the minimum interest payments under finance leases (with initial or remaining lease terms in excess of one year) for future years ending June 30, are as follows:

LEASE OBLIGATIONS - INTEREST	FINANCING LEASES	
Future principal and interest years ending June 30		
2019	\$	3,618
2020		3,155
2021		2,703
2022		2,257
2023		1,817
2024 and thereafter		6,309
<b>Total Lease Obligations interest</b>	<b>\$</b>	<b>19,859</b>

***Operating Leases***

Howard has several non-cancelable operating leases for broadcast antennas, equipment and a vehicle fleet that extend through 2029.

Rent expense is recognized on a straight-line basis and is allocated in the statements of activities by function. Rent expense related to building space and equipment for fiscal years ended June 30, 2018 and 2017 was \$6,837 and \$9,626, respectively. Howard considered the likelihood of exercising renewal or termination terms in measuring its right-of-use lease assets and lease liabilities, and has included renewal periods in its assessment of lease terms. The right-of-use assets are amortized over their estimated useful lives. The operating lease right-of-use assets and accumulated amortization for the fiscal years ended June 30 are as follows:

RIGHT OF USE ASSETS – OPERATING LEASE	2018	2017
Right of use assets - operating	\$ 3,764	\$ 4,599
<b>Right of use assets, net</b>	<b>\$ 3,764</b>	<b>\$ 4,599</b>

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

At June 30, 2018, the minimum future payments under operating leases (with initial or remaining lease terms in excess of one year) for future years ending June 30, are as follows:

LEASE OBLIGATIONS	OPERATING LEASES
Future principal and interest years ending June 30	
2019	\$ 455
2020	453
2021	467
2022	482
2023	500
2024 and thereafter	3,063
Obligation, gross	\$ 5,420
Amounts representing interest rates from 2% to 10%	(1,572)
<b>Total Operating Lease Obligations, net</b>	<b>\$ 3,848</b>

LEASE OBLIGATIONS - INTEREST	OPERATING LEASES
Future interest years ending June 30	
2019	\$ 244
2020	230
2021	215
2022	197
2023	178
2024 and thereafter	509
<b>Total Lease Obligations Interest</b>	<b>\$ 1,573</b>

***Lease Income***

***Sales-Type Lease***

In August 2017, Howard entered into lease contracts related to the Carver Hall transaction and the Slove Hall transactions and determined the leases were sales-type leases under ASC 842. The ground leases were assessed as sales-type leases due to the length of the term (99 years) and the fair value of the land and building relative to the consideration received. Because of these factors, the net investment in the leases were determined to be zero. There are no residual value guarantees, renewal options, or variable lease payments.

As a result of both ground leases, Howard recognized gains of \$6,891 and \$9,415, respectively, in its statements of activities for the year ended June 30, 2018 and removed the related land and building assets from its books.



**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

***Lessor Operating Leases***

Howard has assessed all contracts that convey control of its assets to third parties as lessor leases. Lessors recognize an unbilled lease receivable for their operating leases. Such treatment results in the recognition of lease income on a straight-line basis, while the underlying leased asset remains on the lessor’s statement of financial position and is continuously depreciated.

Howard has several operating leases for retail and commercial space for which rent payments are fixed at the time of lease commencement. Howard considered the likelihood of its tenants exercising renewal or termination terms in its leases, based upon prior renewals or extensions, sales and revenue forecasts, etc. in determining the ultimate term of the lease. Some tenants have the option of re-negotiating a new agreement upon the termination of the lease or extending the terms in the current lease for another couple of years or go on a month-to-month lease. Termination terms are explicitly stated in each lease agreement as both the Lessor and Lessee can exercise rights to terminate the agreement. Lease payments are governed by the lease agreement and are generally fixed, although some lease agreements provide for payment escalations based on CPI. Howard only includes consideration for lease components in its determination of lease payments.

Howard’s leased properties are comprised of (1) the Wonder Plaza Building, (2) land dedicated to use as parking lots, (3) space available on the top of certain buildings, and (4) ground leases (Provident and Barry Place). Other standalone buildings owned by Howard are leased to private companies such as (5) a public charter school, (6) a car rental company, and (7) a pharmacy. Howard also leases space in the Hospital to a large private pharmacy. Howard’s leases do not have any provisions for tenants to purchase the underlying asset being leased at the end of the lease term, or that provide for residual value guarantees.

Howard University receives rental income under these lease agreements, which have termination dates through 2024 and thereafter. The total lease income received for fiscal years ended June 30, 2018 and 2017 was \$3,965 and \$2,059, respectively and are reported in real property revenue on the statements of activities.

LEASE INCOME	2018	2017
<i>Sales Type Lease Income</i>		
Lease Payments	\$ 18,392	\$ -
Less: Leased Assets Book Values	\$ 2,086	\$ -
Total Sales Type Lease Income	\$ 16,306	\$ -
<i>Operating Lease Income</i>	\$ 3,965	\$ 2,059
<b>Total Lease Income</b>	<b>\$ 20,271</b>	<b>\$ 2,059</b>

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

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

<b>FUTURE MINIMUM LEASE INCOME</b>	<b>JUNE 30</b>
2019	\$ 1,809
2020	1,830
2021	1,872
2022	1,932
2023	1,960
2024 and thereafter	18,004
<b>Total Minimum Lease Income Receipts</b>	<b>\$ 27,407</b>

Certain additional supplemental quantitative information as required under ASC 842 is as follows for the fiscal years ended June 30:

<b>LEASE EXPENSE</b>	<b>2018</b>	<b>2017</b>
Finance lease expense:		
<i>Amortization of right of use assets</i>	\$ (676)	\$ 7,526
<i>Interest on lease liabilities</i>	3,951	2,345
Operating lease expense	542	456
<b>Total</b>	<b>\$ 3,817</b>	<b>\$ 10,327</b>
<b>Other information</b>	<b>2018</b>	<b>2017</b>
Cash paid for amounts included in the measurements of lease liabilities for finance leases:		
Operating cash flows	\$ 3,951	\$ 2,345
Financing cash flows	9,490	6,945
Cash paid for amounts included in the measurement of lease liabilities for operating leases:		
Operating cash flows	835	409
Right of use (ROU) assets obtained in exchange for lease liabilities:		
Finance leases	34,942	6,784
Operating leases	-	2,818
Weighted-average remaining lease term (in years):		
Finance leases	8.38	10.22
Operating leases	10.44	11.48
Weighted-average discount rate:		
Finance leases	7.14%	7.57%
Operating leases	6.50%	6.50%

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

**11. Bonds and Notes Payable**

(a) **Bonds Payable**

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

<b>BONDS PAYABLE</b>	<b>2018</b>	<b>2017</b>
<b><i>District of Columbia issues:</i></b>		
2010 Revenue bonds, 5.05% Serial due 2010 through 2025	\$ 6,161	\$ 6,847
2011A Revenue bonds 5.00% to 6.50% Serial due 2020 through 2041	192,145	192,145
2011B Revenue bonds 4.31% to 7.63% Serial due 2015 through 2035	59,639	61,750
2016 Revenue bonds 1.98% Serial due 2015 through 2031	160,000	160,000
<b>Total bonds payable, gross</b>	<b>\$ 417,945</b>	<b>\$ 420,742</b>
Unamortized bond premium (discount)	(4,873)	(5,093)
Unamortized bond issuance costs	(4,428)	(4,683)
<b>Total bonds payable, net</b>	<b>\$ 408,644</b>	<b>\$ 410,966</b>

(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 the fiscal year ended June 30, 2018 the fund balance was \$13,386.

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 HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

In fiscal year 2017, Howard University entered into a Service Concession Agreement with Corvias Campus Living – HU, LLC. resulting in a bond defeasance of \$33,105 for the 2011A Bonds. The defeased bonds are deemed to be paid and no longer outstanding bonds of the District of Columbia. This is reported as a part of income from continuing operations on the statement of activities after total operating expenses. See Note 22 for a description of the Service Concession Agreement.

MATURITY DATE REFUNDED BONDS	REDEEMED PRINCIPAL	RATE	CALL DATE
10/1/2027	\$ 8,645	5.75%	4/1/2021
10/1/2032*	22,755	6.25%	4/1/2021
10/1/2037*	440	6.50%	4/1/2021
10/1/2041*	1,265	6.50%	4/1/2021
<b>Total</b>	<b>\$ 33,105</b>		

*\*The amounts shown for these maturities represent a portion of the principal amount of the bonds originally issued. Only the specified portions of the principal amounts provided in this notice have been defeased as of the defeasance 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 were used to create a deposit for capitalized interest. The remaining balance of this fund is \$0 at June 30, 2018 and 2017.

**(3) 2016 Revenue Bonds**

In June 2016, Howard issued \$162,420 of taxable private placement bonds (“the 2016 Revenue Bonds”). The Bonds will bear interest at a weekly rate with a maximum bond rate of 12%. The 2016 Revenue Bonds are repayable by August 2031.

**(4) Fair Value of Bonds**

Currently the estimated fair value of Howard’s bonds is determined based on quoted market prices. At fiscal years ended June 30, 2018 and 2017, the estimated fair value was approximately \$436,340 and \$437,210, 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

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

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**

In June 2016, Howard entered into a \$75,000 JP Morgan Chase Revolving Credit Agreement. There was no outstanding balance at June 30, 2018 and 2017. The initial agreement terminates in June 2019. Howard is obligated to pay a quarterly non-refundable commitment fee. The Commitment fee shall be payable upon availability of funds commencing on October 1, 2016.

(c) **Compliance with Contractual Covenants**

The 2011 Bond, 2016 Revenue Bonds and Revolving Credit Agreement contain restrictive financial covenants as summarized in the table below as of June 30, 2018.

COVENANT	INSTRUMENT	MEASUREMENT DATE	CRITERIA
Debt Service Coverage Ratio	2011 Revenue Bonds	June 30 each year	1.10:1.00
Debt Service Coverage Ratio	2016 Revenue Bonds	June 30 each year	1.10:1.00
Liquidity Ratio	Revolving Credit Agreement	Quarterly	\$160 million

At June 30, 2018 and 2017, Howard was compliant with the Liquidity Ratio measurements and with the Debt Service Coverage Ratio measurements for the 2011 and 2016 Revenue Bonds and the Revolving Credit Agreement.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

(d) ***Scheduled Bond and Note Repayments***

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

<b>AGGREGATE ANNUAL MATURITIES</b>	<b>2018</b>	<b>2017</b>
2018	\$ -	\$ 12,101
2019	11,675	12,079
2020	13,736	14,148
2021	14,502	14,957
2022	15,316	15,786
2023	16,148	16,643
2024 and thereafter	346,568	335,028
Subtotal	417,945	420,742
Bond premiums/(discounts)	(4,873)	(5,093)
Bond issuance costs	(4,428)	(4,683)
<b>Total</b>	<b>\$ 408,644</b>	<b>\$ 410,966</b>

**12. Retirement Plans**

**Employee Retirement Plan** - Howard had a noncontributory defined benefit pension plan (the Plan) that was 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 and is closed to new participants.

**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.

During fiscal year 2017 there was a reduction to the life insurance benefits of future retirees for Howard plans which created a new prior service cost base of

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

\$8,635 to be recognized starting in fiscal year 2018. Howard stopped including the value of fully-insured premium payments in both Employee contributions and Benefits paid from plan because the non-Class I post-65 retirees moved out of the Howard plan into an exchange. This had no impact on net obligations or net payments from the plan.

**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 \$1,383 and \$1,533 at fiscal years ended June 30, 2018 and 2017, respectively. The amounts not yet reflected in operating expenses, but included in unrestricted net assets pertain to accumulated losses of \$921 and \$999 at June 30, 2018 and 2017, 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, 2018 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 active financial administrators: Teachers Insurance and Annuity Association/College Retirement Equities Fund, American International Group – Variable Annuity Life Insurance Company, and Voya Financial. Effective July 1, 2011 Lincoln Financial was replaced as a financial administrator by Voya Financial. While Lincoln Financial is no longer an active financial administrator of Howard, employees with investments with Lincoln are still allowed to hold their investments with Lincoln Financial. 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 \$18,231 and \$22,052 for fiscal years ended June 30, 2018 and 2017, respectively. The fair value of plan assets for the savings plan for fiscal years ended June 30, 2018 and 2017 were \$982,470 and \$970,291, 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.

Howard recognizes a plan's overfunded or underfunded status as an asset or liability, with an offsetting adjustment to unrestricted net assets. The

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

reconciliation of the Plan's funded status to amounts recognized in the consolidated financial statements at fiscal years ended June 30, 2018 and 2017 are as follows:

Retirement Benefits	Pension		Medical and Life Insurance		Supplemental	
	2018	2017	2018	2017	2018	2017
<b>Change in benefit obligation</b>						
Projected benefit obligation at beginning of year	\$ 679,561	\$ 701,879	\$ 54,995	\$ 67,608	\$ 1,533	\$ 1,711
Service Cost	-	-	223	588	-	-
Interest Cost	26,610	26,375	2,140	2,588	57	62
Actuarial (gain)/loss	(8,085)	(11,013)	(6,110)	(3,445)	37	4
Benefits paid	(41,294)	(37,680)	(3,624)	(4,676)	(244)	(244)
Medicare Part D subsidy	-	-	-	72	-	-
Employee contributions	-	-	817	895	-	-
Plan curtailments	-	-	-	-	-	-
Plan amendments	-	-	-	(8,635)	-	-
<b>Projected benefit obligation at end of period</b>	<b>\$ 656,792</b>	<b>\$ 679,561</b>	<b>\$ 48,441</b>	<b>\$ 54,995</b>	<b>\$ 1,383</b>	<b>\$ 1,533</b>
<b>Change in plan assets:</b>						
Fair value of plan assets at beginning of year	540,515	535,201	-	-	-	-
Actual return on plan assets	29,531	42,994	-	-	-	-
Employer contributions	11,233	-	2,807	3,709	-	-
Employee contributions	-	-	817	895	244	244
Medicare Part D subsidy	-	-	-	72	-	-
Benefits paid	(41,294)	(37,680)	(3,624)	(4,676)	(244)	(244)
<b>Fair value of plan assets at end of period</b>	<b>\$ 539,985</b>	<b>\$ 540,515</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total</b>	<b>\$ (116,807)</b>	<b>\$ (139,046)</b>	<b>\$ (48,441)</b>	<b>\$ (54,995)</b>	<b>\$ 1,383</b>	<b>\$ 1,533</b>

Components of net periodic benefit cost and other amounts recognized in unrestricted net assets at fiscal years ended June 30, 2018 and 2017:

Retirement Benefits	Pension		Medical and Life Insurance		Supplemental	
	2018	2017	2018	2017	2018	2017
<b>Recognized in Statement of Activities</b>						
Amortization of transition obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of prior service cost	100	100	-	-	-	-
Amortization of net actuarial loss	8,695	9,467	458	581	115	112
<b>Total amortization</b>	<b>\$ 8,795</b>	<b>\$ 9,567</b>	<b>\$ 458</b>	<b>\$ 581</b>	<b>\$ 115</b>	<b>\$ 112</b>
Service Cost	-	-	223	588	-	-
Interest Cost	26,610	26,375	2,140	2,588	57	62
Curtailement recognition of prior service credit	-	-	(13,314)	(11,825)	-	-
Expected return on plan assets	(30,975)	(30,821)	-	-	-	-
<b>Recognized in operating expenses</b>	<b>\$ 4,430</b>	<b>\$ 5,121</b>	<b>\$ (10,493)</b>	<b>\$ (8,068)</b>	<b>\$ 172</b>	<b>\$ 174</b>
Amortization of transition obligation	-	-	-	-	-	-
Amortization of prior service cost	(100)	(100)	-	-	-	-
Amortization of net actuarial loss	(8,695)	(9,467)	(458)	(581)	(115)	(112)
<b>Total amortization</b>	<b>\$ (8,795)</b>	<b>\$ (9,567)</b>	<b>\$ (458)</b>	<b>\$ (581)</b>	<b>\$ (115)</b>	<b>\$ (112)</b>
Net actuarial (gain) loss during the year	(6,641)	(23,187)	(6,110)	(2,509)	37	4
Curtailement recognition of prior service credit	-	-	13,314	11,825	-	-
New prior service costs arising during period	-	-	-	(8,635)	-	-
<b>Total recognized in other changes in unrestricted net assets</b>	<b>\$ (15,436)</b>	<b>\$ (32,754)</b>	<b>\$ 6,746</b>	<b>\$ 100</b>	<b>\$ (78)</b>	<b>\$ (108)</b>
<b>Total recognized in Statements of Activities</b>	<b>\$ (11,006)</b>	<b>\$ (27,633)</b>	<b>\$ (3,747)</b>	<b>\$ (7,968)</b>	<b>\$ 94</b>	<b>\$ 66</b>



**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

Amounts included in unrestricted net assets at fiscal years ended June 30, 2018 and 2017:

Retirement Benefits	Pension		Medical and Life Insurance	
	2018	2017	2018	2017
Net actuarial loss	\$ (252,754)	\$ (268,089)	\$ 303	\$ (6,265)
Prior service cost	(2,301)	(2,401)	13,296	26,610
<b>Total</b>	<b>\$ (255,055)</b>	<b>\$ (270,490)</b>	<b>\$ 13,599</b>	<b>\$ 20,345</b>

The estimated net actuarial loss, 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 next fiscal year are \$8,296, \$100, and \$0, respectively.

Contributions to the pension plan of \$11,234 and \$0, were made in fiscal years ended June 30, 2018 and 2017, respectively. Contributions of \$14,264 are projected for fiscal year 2019.

The weighted average assumptions used to determine the benefit obligation in the actuarial valuations for fiscal years ended June 30, 2018 and 2017 were as follows:

Actuarial Assumptions	Pension Benefits		Post-retirement Benefits	
	2018	2017	2018	2017
Discount rate	4.39%	4.05%	4.40%	4.05%
Expected return on plan assets	7.00%	7.00%	0.00%	0.00%
Rate of compensation increase	-	-	3.50%	3.50%

The weighted average assumptions used to determine net periodic cost in the actuarial valuations for fiscal years ended June 30, 2018 and 2017 were as follows:

Actuarial Assumptions	Pension Benefits		Post-retirement Benefits	
	2018	2017	2018	2017
Discount rate	4.05%	3.88%	4.05%	3.96%
Expected return on plan assets	7.00%	7.00%	0.00%	0.00%
Rate of compensation increase				
To age 35	-	-	3.50%	3.50%
Thereafter	-	-	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

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

correlation between asset classes and the anticipated real rate of return and was added to the anticipated long-term rate of inflation.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

Pension plan investments as of June 30, 2018 were as follows:

<b>PENSION PLAN INVESTMENTS AS OF JUNE 30, 2018</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>	<b>TOTAL</b>
<b>Pension Plan Investments</b>				
<b>Assets:</b>				
Money Market Instrument (1)	\$ -	\$ 28,762	\$ -	\$ 28,762
Commingled Funds				
Emerging Market Equity (3)	-	7,212	-	7,212
International Equity-Developed (3)	-	94,556	-	94,556
Domestic Common Stock (3)	-	-	-	-
Commodity Inflation Hedging (8)	-	11,901	-	11,901
Common Stock (3)	54,189	-	-	54,189
Fixed Income	-	-	-	-
Mortgage Backed Securities (2)	-	4,481	-	4,481
Corporate Bond (2)	-	50,405	-	50,405
Government Bond (2)	54,573	-	-	54,573
Hedge Fund	-	-	-	-
Distressed Debt (4)	-	-	-	-
Credit Opportunities (4)	-	7,111	-	7,111
Equity Long/short (4)	-	9,991	-	9,991
Event Driven (4)	-	-	10	10
Global opportunities (4)	-	6,220	-	6,220
Multi-strategy (4)	-	-	2	2
Mutual Fund	-	-	-	-
Emerging Market Equity Security (3)	8,682	-	-	8,682
Domestic Common Stock (3)	40,289	-	-	40,289
International Equity Security (3)	-	-	-	-
Domestic Fixed Income (2)	70,970	-	-	70,970
Private Equity and Venture Capital (4)	-	-	66,827	66,827
Real Estate (4)	-	-	27,611	27,611
<b>Total assets</b>	<b>\$ 228,703</b>	<b>\$ 220,639</b>	<b>\$ 94,450</b>	<b>\$ 543,792</b>
<b>Liabilities:</b>				
Financial Derivatives – Option Contracts	\$ -	\$ 247	\$ -	\$ 247
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 247</b>	<b>\$ -</b>	<b>\$ 247</b>
<b>Total pension plan investments</b>	<b>\$ 228,703</b>	<b>\$ 220,886</b>	<b>\$ 94,450</b>	<b>\$ 544,039</b>
Operating asset not subjected to fair value reporting	30,627	-	-	30,627
Operating liabilities not subjected to fair value reporting	(32,993)	-	-	(32,993)
<b>Total plan assets</b>	<b>\$226,337</b>	<b>\$ 220,886</b>	<b>\$ 94,450</b>	<b>\$ 541,673</b>

Level 3 investments were 17% of total plan investments.

Refer to Note 5 – Fair Value Measurements for explanation of financial instrument classifications.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

Pension plan investments as of June 30, 2017 were as follows:

<b>PENSION PLAN INVESTMENTS AS OF JUNE 30, 2017</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>	<b>TOTAL</b>
<b>Pension Plan Investments</b>				
<b>Assets:</b>				
Money Market Instrument (1)	\$ -	\$ 6,121	\$ -	\$ 6,121
Common/Collective Trusts				
Emerging Market Equity (3)	-	13,184	-	13,184
International Equity-Developed (3)	-	97,236	-	97,236
Commodity Inflation Hedging (8)	-	10,590	-	10,590
Common Stock (3)	51,869	-	-	51,869
Fixed Income				
Mortgage Backed Securities (2)	-	4,488	-	4,488
Corporate Bond (2)	-	45,832	-	45,832
Government Bond (2)	87,410	-	-	87,410
Hedge Fund				
Equity Long/short (4)	-	5,773	-	5,773
Global opportunities (4)	-	7,786	-	7,786
Multi-strategy (4)	-	-	45	45
Mutual Fund				
Emerging Market Equity Security (3)	19,197	-	-	19,197
Domestic Common Stock (3)	35,611	-	-	35,611
Domestic Fixed Income (2)	103,504	-	-	103,504
Private Equity and Venture Capital (4)	-	-	67,921	67,921
Real Estate (4)	-	-	15,867	15,867
<b>Total assets</b>	<b>\$ 297,591</b>	<b>\$ 191,010</b>	<b>\$ 83,833</b>	<b>\$ 572,434</b>
<b>Liabilities:</b>				
Financial Derivatives – Option Contracts	\$ -	\$ 681	\$ -	\$ 681
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 681</b>	<b>\$ -</b>	<b>\$ 681</b>
<b>Total pension plan investments</b>	<b>\$ 297,591</b>	<b>\$ 191,691</b>	<b>\$ 83,833</b>	<b>\$ 573,115</b>
Operating asset not subjected to fair value reporting (9)	8,901	-	-	8,901
Operating liabilities not subjected to fair value reporting (9)	(41,501)	-	-	(41,501)
<b>Total plan assets</b>	<b>\$264,991</b>	<b>\$191,691</b>	<b>\$ 83,833</b>	<b>\$540,515</b>

Level 3 investments were 16% of total plan investments.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

The following table presents changes in amounts for financial instruments classified within Level 3 of the valuation hierarchy as previously defined, at June 30, 2018.

<b>CHANGES IN LEVEL 3 FOR THE PERIOD ENDED JUNE 30, 2018</b>	<b>PRIVATE EQUITY AND VENTURE CAPITAL</b>	<b>HEDGE FUNDS</b>	<b>REAL ESTATE</b>	<b>TOTAL</b>
Balance July 1, 2017	\$ 67,921	\$ 46	\$ 15,867	\$ 83,333
Gain and loss (realized and unrealized)	6,252	(34)	3,775	9,993
Purchases	9,444	-	13,190	22,634
Transfer out and sales	(16,790)	-	(5,222)	(22,011)
<b>Balance at June 30, 2018</b>	<b>\$ 66,827</b>	<b>\$ 12</b>	<b>\$ 27,611</b>	<b>\$ 94,450</b>
<b>Change in unrealized investments held</b>	<b>\$ 2,885</b>	<b>\$ (21)</b>	<b>\$ 2,702</b>	<b>\$ 5,566</b>

The following table presents changes in amounts for financial instruments classified within Level 3 of the valuation hierarchy as previously defined, at June 30, 2017.

<b>CHANGES IN LEVEL 3 FOR THE PERIOD ENDED JUNE 30, 2017</b>	<b>PRIVATE EQUITY AND VENTURE CAPITAL</b>	<b>HEDGE FUNDS</b>	<b>REAL ESTATE</b>	<b>TOTAL</b>
Balance July 1, 2016	\$ 71,620	\$ 57	\$ 10,790	\$ 82,467
Gain and loss (realized and unrealized)	10,653	(12)	1,451	12,092
Purchases	5,331	-	8,031	13,362
Transfer out and sales	(19,683)	-	(4,405)	(24,088)
<b>Balance at June 30, 2017</b>	<b>\$ 67,921</b>	<b>\$ 45</b>	<b>\$ 15,867</b>	<b>\$ 83,833</b>
<b>Change in unrealized investments held</b>	<b>\$ 55</b>	<b>\$ (24)</b>	<b>\$ 435</b>	<b>\$ 466</b>

**Pension Plan Liquidity Terms and Unfunded Commitments** – The following tables represent Howard’s investments by asset class and their respective liquidity terms and unfunded commitments as of June 30, 2018 and 2017. Real estate funds and limited partnerships do not have readily ascertainable market values and may be subject to withdrawal restrictions.

<b>INVESTMENTS AS OF JUNE 30, 2018</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption/ Withdrawal Frequency</b>	<b>Redemption/ Withdrawal Notice Period</b>
Hedge funds	\$ 24,333	\$ -	Monthly - Annually	45 - 90 days
Real estate funds	27,611	28,128	-	2 - 10 years
Common/collective trusts	113,686	-	Monthly	-
Limited partnerships	66,827	30,335	-	≤ 10 years

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

<b>INVESTMENTS AS OF JUNE 30, 2017</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption/ Withdrawal Frequency</b>	<b>Redemption/ Withdrawal Notice Period</b>
Hedge funds	\$ 13,621	\$ -	Monthly - Annually	45 - 90 days
Real estate funds	15,867	7,766	-	2 - 10 years
Common/collective trusts	121,028	-	Monthly	-
Limited partnerships	67,921	23,656	-	≤ 10 years

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:

<b>PENSION PLAN ASSET ALLOCATION</b>	<b>2018</b>	<b>2017</b>	<b>Allowable Range</b>
Mid-Large Cap U.S. Equity	9.7%	10.2%	7-23%
Small Cap U.S. Equity	3.8%	2.6%	1-5%
International Equity - Developed	16.8%	18.2%	7-17%
Private Equity/Venture Capital	11.7%	11.7%	2-20%
Hedge Funds	4.5%	2.5%	1-5%
Inflation Hedging	6.9%	8.9%	1-5%
Emerging Markets Equity	3.4%	6.1%	2-8%
Real Estate	4.5%	0.0%	3-11%
Liability Hedging Assets	36.9%	39.3%	25-45%
Cash and Cash Equivalents	1.7%	0.5%	0-5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	

The trend rate for growth in health care costs, excluding dental, used in the calculation for fiscal year 2018 is 6.69%. This growth rate was assumed to decrease gradually to 4.5% in 2038 and to remain at this level thereafter. The health care cost trend rate assumption has a significant effect on the obligations reported for the health care plans.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

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:				
2019	\$ 46,885	\$ 3,987	\$ 145	\$ 4,132
2020	47,003	3,931	141	4,072
2021	46,720	3,851	136	3,987
2022	46,519	3,777	130	3,907
2023	45,993	3,672	123	3,795
Years 2024-2028	218,014	16,945	511	17,456
<b>Total</b>	<b>\$ 451,134</b>	<b>\$ 36,163</b>	<b>\$ 1,186</b>	<b>\$ 37,349</b>

The mortality retirement rates base table used MRP-2007 (Actuary adaptation of the Society of Actuaries' RP2014 table).

If eligible, participants are assumed to retire according to the following schedule:

RETIREMENT AGE	ASSUMED RATE OF RETIREMENT
55 - 60	5%
61 - 63	12%
64	16%
65	25%
66 - 69	16%
70+	100%

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

**13. Net Assets**

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

<b>TEMPORARILY RESTRICTED NET ASSETS</b>	<b>2018</b>	<b>2017</b>
Scholarships	\$ 61,011	\$ 54,494
Professorships	39,412	36,232
Student loans	2,220	1,987
Federal term endowment	144,119	132,739
General operations and other	44,647	40,483
<b>Total</b>	<b>\$ 291,409</b>	<b>\$ 265,935</b>

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, 2018 and 2017, the transfer amounts were \$719 and \$11,985, respectively.

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

<b>PERMANENTLY RESTRICTED NET ASSETS</b>	<b>2018</b>	<b>2017</b>
Scholarships	\$ 60,979	\$ 58,465
Professorships	27,538	25,783
Student loans	36,076	35,287
General operations and other	17,694	12,915
<b>Total</b>	<b>\$ 142,287</b>	<b>\$ 132,450</b>

Release from restrictions of temporarily restricted net assets 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, 2018 and 2017 are as follows:



**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>2018</b>	<b>2017</b>
Federal term	\$ 2,566	\$ 11,985
Restrictions released based on purpose:		
Scholarships and fellowships	3,491	3,596
Professorships	1,513	1,522
Student loans	162	128
General operations and other	2,791	2,234
<b>Total</b>	<b>\$ 10,523</b>	<b>\$ 19,465</b>

#### 14. 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 2017-2018  
Medicaid 2017-2018

Final settlements and changes in estimates related to Medicare and Medicaid third-party cost reports for prior years resulted in a decrease in net patient service revenues of approximately \$1,163 for the fiscal year ended June 30, 2018 and an increase in net patient service revenues of approximately \$9,368 for fiscal year ended June 30, 2017.

<b>THIRD-PARTY SETTLEMENT REVENUE</b>	<b>2018</b>	<b>2017</b>
Medicare pass-through	\$ 11,519	\$ 11,091
Disproportionate Share Hospital	38,755	36,171
Graduate and Indirect Medical Education	9,682	6,793
Other	353	9,647
<b>Total third-party settlement revenue</b>	<b>\$ 60,309</b>	<b>\$ 63,702</b>

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

**15. Fundraising Expenses**

For fiscal years ended June 30, 2018 and 2017, Howard incurred expenses of approximately \$5,105 and \$6,386, respectively, in connection with its fundraising activities. These amounts are reflected on the accompanying consolidated statements of activities within Institutional support.

**16. 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 costs foregone for services furnished under the Hospital's charity care policy and the DC Alliance program were \$3,620 and \$4,200 for fiscal years ended June 30, 2018 and 2017, respectively.

Total uncompensated care costs under all of Howard's clinical services which includes bad debt write offs as well as charity care, for fiscal years ended June 30, 2018 and 2017 were \$52,759 and \$55,434, respectively.

**17. Operating Expenses**

Howard presents its statements of activities by function. 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.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

Expenses were incurred for the following categories for the years ended June 30, 2018 and 2017:

<b>OPERATING EXPENSES (IN THOUSANDS)</b>	<b>2018</b>	<b>2017</b>
Salaries and wages	\$ 343,558	\$ 333,842
Employee benefits other than retirement plans	59,586	72,857
Retirement plans excluding amortization	5,956	8,301
<b>Total employment expenses</b>	<b>409,100</b>	<b>415,000</b>
Telecommunications	6,852	9,305
Utilities	24,858	24,446
Medical and office supplies	31,916	29,574
Repairs and maintenance	28,656	25,033
Food service costs	19,693	16,179
Grant subcontracts	15,035	13,053
Insurance and risk management	22,246	27,389
Professional and administrative services	155,756	152,568
Provision for bad debts	5,672	223
<b>Total operating expenses exclusive of interest, depreciation and amortization expense</b>	<b>719,784</b>	<b>712,770</b>
Interest expense	22,969	21,618
Depreciation and amortization	39,814	50,154
Amortization of retirement plan actuarial losses	9,253	10,260
<b>Total operating expenses</b>	<b>\$ 791,820</b>	<b>\$ 794,802</b>

## 18. 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. Through December 31, 2015, Pinnacle reinsured 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 reinsured general liability and automobile liability risks of its shareholders. On January 1, 2016, Genesis merged into Pinnacle. At June 30, 2018, Howard had an approximate 6% interest in Pinnacle. Howard's interest in 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.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

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:

<b>INSURANCE AND RISK MANAGEMENT</b>	<b>2018</b>	<b>2017</b>
Malpractice claims expense	\$ 6,153	\$ 6,081
Malpractice excess insurance	1,430	1,710
Student sickness	11,004	9,727
General and other	3,659	9,871
<b>Totals</b>	<b>\$ 22,246</b>	<b>\$ 27,389</b>

**19. 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 year 2017, 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 \$118. 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, 2018, \$0 remains accrued, reflecting \$19,816 of cumulative payment activity.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

**20. Concentration of Risks**

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 cash account as of June 30, 2018.

Aggregate cash and cash equivalent balances maintained at financial institutions exceed the amount guaranteed by federal agencies, but Howard has not experienced any loss due to this risk. Concentrations of credit risk with respect to receivables pertain mainly to self-pay patients of Howard's clinical services, and to students. Financial instruments that potentially subject Howard to market risk consist primarily of investments. Howard attempts to mitigate this risk through its investment strategy.

**21. 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, 2018 and 2017 Howard reserved \$2,450 and \$1,600, 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 1,207 employees. Certain of these agreements are in negotiations and have been extended beyond the stated expiration date.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
(amounts in thousands)

**22. Related Party Transactions**

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

The 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. For fiscal years ended June 30, 2018 and 2017, Howard has contributed to the Middle School as follows:

<b>RELATED PARTY TRANSACTIONS</b>	<b>2018</b>	<b>2017</b>
Cash operating support	\$ 500	\$ 1,000
Facility leased (market value)	1,451	1,451
<b>Total</b>	<b>\$ 1,951</b>	<b>\$ 2,451</b>

(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 jointly guarantees 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 fiscal years ending June 30, 2018 and 2017, the consolidated statements of financial position for the LLC are as follows:

<b>HOWARD DIALYSIS CENTER, LLC STATEMENTS OF FINANCIAL POSITION</b>	<b>2018</b>	<b>2017</b>
<b>Total Assets</b>	\$ 10,625	\$ 11,389
<b>Total Liabilities</b>	\$ 925	\$ 1,075
<b>Equity</b>		
Partner	5,086	5,586
Retained earning	4,615	4,729
<b>Total Equity</b>	<b>\$ 9,701</b>	<b>\$ 10,315</b>
<b>ARA interest</b>	\$ 4,948	\$ 5,261
<b>Howard interest</b>	\$ 4,753	\$ 5,054

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

(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 the College Hall North and South dormitory facilities (“dorms”) for the benefit of the University. The Owner issued \$113,900 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 dorm are the responsibility of the Owner. The bonds will be repaid solely from revenues from the dorms. A management fee and ground lease payment will be paid to the University only upon the settlement of various expenses and if minimum cash requirements are made. Reimbursement of utilities expense will be subordinate to debt service. Ownership of the dorms will revert to Howard upon termination of the Ground Lease and full repayment of the debt. The University has not recorded any transactions related to potential future title to or ownership in the dorms for the year ended June 30, 2018.

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

The University 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.

(e) ***Campus Apartments***

In August 2014, The University 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.

(f) ***Paladin Healthcare***

Howard signed a five year Management Service Agreement (MSA) with Paladin Healthcare, effective October 1, 2014, with an option to extend the agreement for an additional five years. On that date, 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.

(g) ***Corvias Campus Living – HU, LLC***

In January, 2017, the University, Howard Dormitory Holdings 1, LLC, a wholly-owned subsidiary of Howard University and Corvias Campus Living – HU, LLC entered into a 40 year term service concession agreement. Under this agreement, Corvias Campus Living – HU, LLC will handle the financing, design, engineering,

## THE HOWARD UNIVERSITY

### Notes to the Consolidated Financial Statements

(amounts in thousands)

renovation, management, operation, maintenance, and repair of the East Tower, the West Tower, Drew Hall and Cook Hall. The University and Howard SPE pledged all revenues from these properties to Corvias Campus Living.

- (1) **Residence Life Service Provider** – In January 2017, as part of the aforementioned service concession agreement, Corvias Campus Living – HU, LLC entered into a 40 year term Residence Life Management Agreement with Corvias Campus Management, Inc., an independent contractor, to manage on its behalf, any and all of the residence life duties and responsibilities relating to the East Tower, the West Tower, Drew Hall and Cook Hall. In compensation for the performance of its duties under this Agreement, the Residence Life Service Provider will be paid the Residence Life Management Fee as set forth in Section 6.3 of the Service Concession Agreement escalating by three percent (3%) per annum on the first day of each Fiscal Year of the Term. In August 2018, this relationship was expanded such that Corvias will manage any and all residence life duties and responsibilities for the University’s central office of residence life (inclusive of the Annex).
  - (2) **Renovation of Howard Plaza Towers** – In January 2017, as part of the aforementioned service concession agreement, Corvias Campus Living – HU, LLC, entered into a construction contract with Gilbane Building Company for the renovation of the East Tower and the West Tower.
- (h) **211 Elm Street, LLC**  
In August 2017, the University (Lessor) entered into a ninety-nine (99) year Ground Lease related to land under the Carver Hall dormitory with 211 Elm Street, LLC (Lessee) for the conversion of the dormitory into a rental apartment building with supporting indoor amenity spaces and enhanced outdoor amenity spaces. The lessee prepaid all Ground Rent for the ninety-nine (99) year term of the Ground Lease. If, over the term of the Ground Lease there is a substantial change in use of the Property, the parties will negotiate a reset of the lease based on the incremental value derived from the new project. The lessee will assume all risks associated with zoning, historic preservation and other regulatory approvals.
- (i) **1919 3<sup>rd</sup> Street, LLC**  
In August 2017, the University (Lessor) entered into a ninety-nine (99) year Ground Lease related to land under the Slowe Hall Dormitory with 1919 3<sup>rd</sup> Street, LLC (Lessee) for the conversion of the dormitory into a rental apartment building with supporting indoor amenity spaces and enhanced outdoor amenity spaces. The lessee prepaid all Ground Rent for the ninety-nine (99) year term of the Ground Lease. If, over the term of the Ground Lease there is a substantial change in use of the Property, the parties will negotiate a reset of the lease based on the



# THE HOWARD UNIVERSITY

## Notes to the Consolidated Financial Statements

(amounts in thousands)

incremental value derived from the new project. The lessee will assume all risks associated with zoning, historic preservation and other regulatory approvals.

### 23. Subsequent Events

(a) ***Steam Plant Repair and Modernization***

In October 2018, Howard entered into a term loan agreement with ENGIE North America Inc. to provide bridge financing for up to \$9,700 to cover costs in connection with repairs to the steam distribution tunnel and temporary boiler rental costs incurred for the temporary heating solutions during the 2017-2018 academic year.

In October 2018, Howard entered into a Consulting Services Agreement with ENGIE Development, LLC (EDL). EDL will provide advisory and consulting services related to the design and, in collaboration with Howard, implementation of a temporary heating solution for Howard's main campus for the 2018-2019 school year as part of its Short Term Solution. As part of the agreement, EDL will provide a proposal for the long-term overhaul, modernization and ongoing operation of the steam plant and its related facilities including a financing plan for implementation.

(b) ***Howard Center Project***

Howard owns improved property known as Howard Center. As part of the Howard Center Project ("Project") Howard is dividing a total of thirteen (13) air tracts and tax lots and leasing seven (7) of those tracts of Howard Center.

(1) ***Lease Agreement*** - In November 2018, Howard entered into a 50 year lease with Provident Group-Howard Center, Inc. ("Lessee"). The Lessee will design, develop, construct and furnish approximately 176 dormitory/residential units and associated amenities and improvements on the seven (7) leased tracts, for the use and benefit of the students, faculty, staff and associates of Howard. The Lessee issued \$33,175 in revenue bonds through the District of Columbia to finance the Project. In general, revenues and expenses including management fees and rental payments associated with the Project are the responsibility of the Lessee. The bonds will be repaid from revenues generated from the Project. On the effective date of the lease, the Lessee made a one-time initial rent payment that Howard will use to finance a portion of its capital plan with respect to its facilities on the Central Campus.

**THE HOWARD UNIVERSITY**  
**Notes to the Consolidated Financial Statements**

(amounts in thousands)

The Howard Center Project is expected to be completed and available for occupancy in August 2019 in time for Fall 2019 move-in. Howard will retain exclusive ownership of lots described in the lease.

(2) **Management Agreement** - In November 2018, Howard and Provident Group-Howard Center, Inc. entered into a management agreement such that the University will manage the day-to-day operation, management, maintenance and repair of the Howard Center Project. Under a submanagement agreement, Howard assigned and delegated its management rights and responsibilities for the Howard Center Project to Corvias Management, LLC.

(c) **Bond Downgrade**

On October 12, 2018, S&P Global Ratings lowered its long-term and underlying ratings on Howard's Series 2011A and 2011B bonds from BBB to BBB-.

The rating action reflects Howard's placement on Heightened Cash Monitoring 2 (HCM2) status by the U.S. Department of Education (DOE) so that it can closely monitor the institution's federal financial aid management.

Howard performed an evaluation of subsequent events through December 17, 2018, which is the date the financial statements were available to be issued, noting no additional events which affect the consolidated financial statements as of June 30, 2018.