

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

For calendar year 2019 or other tax year beginning Sep 1, 2019, and ending Aug 31, 2020.

**2019**

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

<p><b>A</b> <input type="checkbox"/> Check box if address changed</p> <p><b>B</b> Exempt under section</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> 501(c) ( )</td> <td><input checked="" type="checkbox"/> 220(e)</td> </tr> <tr> <td><input type="checkbox"/> 408(a)</td> <td><input type="checkbox"/> 530(a)</td> </tr> <tr> <td><input type="checkbox"/> 529(a)</td> <td></td> </tr> </table> <p><b>C</b> Book value of all assets at end of year</p>	<input type="checkbox"/> 501(c) ( )	<input checked="" type="checkbox"/> 220(e)	<input type="checkbox"/> 408(a)	<input type="checkbox"/> 530(a)	<input type="checkbox"/> 529(a)		<b>Print or Type</b>	<p>Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.)</p> <p>University of Houston System</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions.</p> <p>Tax Department, 5000 Gulf Fwy Rm 109</p> <p>City or town, state or province, country, and ZIP or foreign postal code</p> <p>Houston, TX 77204-0907</p>	<p><b>D</b> Employer identification number (Employees' trust, see instructions.)</p> <p>74-6001399</p> <p><b>E</b> Unrelated business activity code (See instructions.)</p> <p>523000, 721000, 531120</p>
<input type="checkbox"/> 501(c) ( )	<input checked="" type="checkbox"/> 220(e)								
<input type="checkbox"/> 408(a)	<input type="checkbox"/> 530(a)								
<input type="checkbox"/> 529(a)									
<p><b>F</b> Group exemption number (See instructions.) ▶</p>		<p><b>G</b> Check organization type ▶</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> 501(c) corporation</td> <td><input type="checkbox"/> 501(c) trust</td> <td><input type="checkbox"/> 401(a) trust</td> <td><input type="checkbox"/> Other trust</td> </tr> </table>		<input type="checkbox"/> 501(c) corporation	<input type="checkbox"/> 501(c) trust	<input type="checkbox"/> 401(a) trust	<input type="checkbox"/> Other trust		
<input type="checkbox"/> 501(c) corporation	<input type="checkbox"/> 501(c) trust	<input type="checkbox"/> 401(a) trust	<input type="checkbox"/> Other trust						

**H** Enter the number of the organization's unrelated trades or businesses. ▶ Five Describe the only (or first) unrelated trade or business here ▶ Transportation & Warehousing - 48. If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . ▶  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation. ▶

**J** The books are in care of ▶ Telephone number ▶

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
<b>1a</b> Gross receipts or sales <u>35,751</u>			
<b>b</b> Less returns and allowances <u>                    </u> <b>c</b> Balance ▶ <b>1c</b>	35,751		
<b>2</b> Cost of goods sold (Schedule A, line 7) . . . . . <b>2</b>			
<b>3</b> Gross profit. Subtract line 2 from line 1c . . . . . <b>3</b>	35,751		35,751
<b>4a</b> Capital gain net income (attach Schedule D) . . . . . <b>4a</b>			
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) . . . . . <b>4b</b>			
<b>c</b> Capital loss deduction for trusts . . . . . <b>4c</b>			
<b>5</b> Income (loss) from a partnership or an S corporation (attach statement) . . . . . <b>5</b>			
<b>6</b> Rent income (Schedule C) . . . . . <b>6</b>			
<b>7</b> Unrelated debt-financed income (Schedule E) . . . . . <b>7</b>			
<b>8</b> Interest, annuities, royalties, and rents from a controlled organization (Schedule F) <b>8</b>			
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G) <b>9</b>			
<b>10</b> Exploited exempt activity income (Schedule I) . . . . . <b>10</b>			
<b>11</b> Advertising income (Schedule J) . . . . . <b>11</b>			
<b>12</b> Other income (See Instructions; attach schedule) . . . . . <b>12</b>			
<b>13</b> Total. Combine lines 3 through 12 . . . . . <b>13</b>	35,751		35,751

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

<b>14</b> Compensation of officers, directors, and trustees (Schedule K) . . . . . <b>14</b>		
<b>15</b> Salaries and wages . . . . . <b>15</b>		
<b>16</b> Repairs and maintenance . . . . . <b>16</b>		
<b>17</b> Bad debts . . . . . <b>17</b>		
<b>18</b> Interest (attach schedule) (see instructions) . . . . . <b>18</b>		
<b>19</b> Taxes and licenses . . . . . <b>19</b>		
<b>20</b> Depreciation (attach Form 4562) . . . . . <b>20</b>		
<b>21</b> Less depreciation claimed on Schedule A and elsewhere on return . . . . . <b>21a</b>		<b>21b</b>
<b>22</b> Depletion . . . . . <b>22</b>		
<b>23</b> Contributions to deferred compensation plans . . . . . <b>23</b>		
<b>24</b> Employee benefit programs . . . . . <b>24</b>		
<b>25</b> Excess exempt expenses (Schedule I) . . . . . <b>25</b>		
<b>26</b> Excess readership costs (Schedule J) . . . . . <b>26</b>		
<b>27</b> Other deductions (attach schedule) . . . . . <b>27</b>		
<b>28</b> Total deductions. Add lines 14 through 27 . . . . . <b>28</b>		
<b>29</b> Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13 <b>29</b>		35,751
<b>30</b> Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions) . . . . . <b>30</b>		
<b>31</b> Unrelated business taxable income. Subtract line 30 from line 29 . . . . . <b>31</b>		35,751

Part III Total Unrelated Business Taxable Income

Table with 3 columns: Line number, Description, and Amount. Includes lines 32-39 for unrelated business taxable income calculation.

Part IV Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 40-45 for tax computation.

Part V Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 46a-56 for tax and payments.

Part VI Statements Regarding Certain Activities and Other Information (see instructions)

Table with 3 columns: Line number, Description, and Yes/No. Includes lines 57-59 regarding foreign activities and tax-exempt interest.

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer (R. Keith Gould), Date (5-24-21), Title (Tax Director). Includes a box for 'May the IRS discuss this return with the preparer shown below?'.

Table for 'Paid Preparer Use Only' with columns for Print/Type preparer's name, Preparer's signature, Date, Check if self-employed, PTIN, Firm's name, Firm's EIN, and Firm's address.

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation ▶

<b>1</b> Inventory at beginning of year . . . . .	<b>1</b>		<b>6</b> Inventory at end of year . . . . .	<b>6</b>	
<b>2</b> Purchases . . . . .	<b>2</b>		<b>7</b> Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 . . . . .	<b>7</b>	
<b>3</b> Cost of labor . . . . .	<b>3</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? . . . . .		Yes No
<b>4a</b> Additional section 263A costs (attach schedule) . . . . .	<b>4a</b>				
<b>b</b> Other costs (attach schedule) . . . . .	<b>4b</b>				
<b>5</b> Total. Add lines 1 through 4b . . . . .	<b>5</b>				

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions)

<b>1. Description of property</b>		
(1)		
(2)		
(3)		
(4)		
<b>2. Rent received or accrued</b>		
<b>(a)</b> From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	<b>(b)</b> From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	<b>3(a)</b> Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	
<b>(c) Total income.</b> Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . . ▶		<b>(b) Total deductions.</b> Enter here and on page 1, Part I, line 6, column (B) ▶

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

<b>1. Description of debt-financed property</b>		<b>2. Gross income from or allocable to debt-financed property</b>	<b>3. Deductions directly connected with or allocable to debt-financed property</b>	
			<b>(a)</b> Straight line depreciation (attach schedule)	<b>(b)</b> Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
<b>4. Amount of average acquisition debt on or allocable to debt-financed property</b> (attach schedule)	<b>5. Average adjusted basis of or allocable to debt-financed property</b> (attach schedule)	<b>6. Column 4 divided by column 5</b>	<b>7. Gross income reportable</b> (column 2 x column 6)	<b>8. Allocable deductions</b> (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
<b>Totals</b> . . . . . ▶				
<b>Total dividends-received deductions</b> included in column 8 . . . . . ▶				

**Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)**

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

Totals

**Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)**

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).	Enter here and on page 1, Part I, line 9, column (B).	

Totals

**Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)**

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 25.

Totals

**Schedule J – Advertising Income (see instructions)**

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						

Totals (carry to Part II, line (5))

**Part II** **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation Income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I . . . . .</b> ▶						
	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 26.
<b>Totals, Part II (lines 1-5) . . . . .</b> ▶						

**Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)**

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14 . . . . . ▶			

**SCHEDULE M  
(Form 990-T)**

**Unrelated Business Taxable Income from an  
Unrelated Trade or Business**

OMB No. 1545-0047

**2019**

For calendar year 2019 or other tax year beginning Sep 1, 2019, and ending Aug 31, 2020.

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.  
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for  
501(c)(3) Organizations Only

Name of the organization University of Houston System Employer identification number 74-6001399

Unrelated Business Activity Code (see instructions) ▶ 52

Describe the unrelated trade or business ▶ Finance & Insurance

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1 a</b>	Gross receipts or sales			
<b>b</b>	Less returns and allowances			
	<b>c Balance ▶</b>	<b>1 c</b>		
<b>2</b>	Cost of goods sold (Schedule A, line 7)	<b>2</b>		
<b>3</b>	Gross profit. Subtract line 2 from line 1c	<b>3</b>		
<b>4 a</b>	Capital gain net income (attach Schedule D)	<b>4 a</b>		
<b>b</b>	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4 b</b>		
<b>c</b>	Capital loss deduction for trusts	<b>4 c</b>		
<b>5</b>	Income (loss) from a partnership or an S corporation (attach statement) . . . . (see Statement 1)	<b>5</b>	(893,857)	(893,857)
<b>6</b>	Rent income (Schedule C)	<b>6</b>		
<b>7</b>	Unrelated debt-financed income (Schedule E)	<b>7</b>		
<b>8</b>	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	<b>8</b>		
<b>9</b>	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>		
<b>10</b>	Exploited exempt activity income (Schedule I)	<b>10</b>		
<b>11</b>	Advertising income (Schedule J)	<b>11</b>		
<b>12</b>	Other income (See instructions; attach schedule)	<b>12</b>		
<b>13</b>	<b>Total.</b> Combine lines 3 through 12	<b>13</b>	(893,857)	(893,857)

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

<b>14</b>	Compensation of officers, directors, and trustees (Schedule K)	<b>14</b>		
<b>15</b>	Salaries and wages	<b>15</b>		6,543
<b>16</b>	Repairs and maintenance	<b>16</b>		
<b>17</b>	Bad debts	<b>17</b>		
<b>18</b>	Interest (attach schedule) (see instructions)	<b>18</b>		
<b>19</b>	Taxes and licenses	<b>19</b>		
<b>20</b>	Depreciation (attach Form 4562)	<b>20</b>		
<b>21</b>	Less depreciation claimed on Schedule A and elsewhere on return	<b>21 a</b>		
<b>22</b>	Depletion	<b>22</b>		
<b>23</b>	Contributions to deferred compensation plans	<b>23</b>		
<b>24</b>	Employee benefit programs	<b>24</b>		2,356
<b>25</b>	Excess exempt expenses (Schedule I)	<b>25</b>		
<b>26</b>	Excess readership costs (Schedule J)	<b>26</b>		
<b>27</b>	Other deductions (attach schedule)	<b>27</b>		
<b>28</b>	<b>Total deductions.</b> Add lines 14 through 27	<b>28</b>		8,899
<b>29</b>	Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13	<b>29</b>		(902,756)
<b>30</b>	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	<b>30</b>		
<b>31</b>	<b>Unrelated business taxable income.</b> Subtract line 30 from line 29	<b>31</b>		(902,756)

For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

University of Houston System  
E.I.N. 74-6001399  
Form 990-T, Schedule M, Finance & Insurance - #52  
For Fiscal Year Ended August 31, 2020

Part I, Line 5 -  
Income (loss) from Partnerships:

Partnerships	Income (Loss)	Deductions	Total Income (Loss)
Advent International GPE VIII-B L.P.	2,362	3,001	(639)
ASF VIII-B, L.P.	193,360	129,290	64,070
Commonfund Capital International Partners VI LP	10,809	128	10,681
Commonfund Capital Private Equity Partners VII LP	74,372	5,577	68,795
Commonfund Capital Venture Partners VIII LP	1	22	(21)
Davidson Kempner Institutional Partners L.P.	1,979	0	1,979
Denham Oil & Gas Fund LP	517,272	517,673	(401)
Encap Energy Capital Fund X, L.P.	410,957	878,672	(467,715)
Encap Energy Capital Fund XI, L.P.	(76,319)	142,552	(218,871)
Encap Flatrock Midstream Fund IV, LP	(232,147)	73,488	(305,635)
Enervest EEIF XIV-A, L.P.	364,860	393,726	(28,866)
Energy Spectrum Partners VIII LP	(97,763)	31	(97,794)
Fisher Lynch Buyout Partnership II, LP	15,993	4	15,989
Great Hill Equity Partners VI, LP	6,949	107,302	(100,353)
Great Hill Equity Partners VII, LP	0	13,791	(13,791)
Great Hill Equity Partners VI-A, LP c/o Co Services Cayman Limited	12	4,329	(4,317)
Insight Equity III LP	(58,670)	0	(58,670)
Kia X (Watchtower), L.P.	8,900	32,004	(23,104)
KiaX (IFS), L.P.	3,209	4,897	(1,688)
LB LITIGATION TRUST	(3)	0	(3)
LCP IX (AIV I), L.P.	15,462	4,676	10,786
LCP VIII (AIV I), LP	(5,231)	5,708	(10,939)
Lexington Capital Partners VIII, L.P.	216,665	44,560	172,105
Lexington Capital Partners IX LP	315,079	211,581	103,498
Newlin Realty Partners II, LP	554	0	554
Newlin Realty Partners, LP	182	0	182
Penzance DC Real Estate und LP	(9,857)	0	(9,857)
Truebridge Capital Partners Fund V, LP	(540)	0	(540)
Truebridge-Kauffman Fellows EndowmentFund III LP	208	19	189
Truebridge-Kauffman Fellows EndowmentFund IV LP	643	0	643
Truebridge-Kauffman Fellows EndowmentFund II LP	(123)	0	(123)
Truebridge-Kauffman Fellows EndowmentFund VI, LP	(1)	0	(1)
<b>Total</b>	<u>1,679,174</u>	<u>2,573,031</u>	<u>(893,857)</u>

**SCHEDULE M  
(Form 990-T)**

**Unrelated Business Taxable Income from an  
Unrelated Trade or Business**

OMB No. 1545-0047

**2019**

For calendar year 2019 or other tax year beginning Sep 1, 2019, and ending Aug 31, 2020.

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Open to Public Inspection for  
501(c)(3) Organizations Only

Name of the organization

University of Houston System

Employer identification number

74-6001399

Unrelated Business Activity Code (see instructions) ▶ 53

Describe the unrelated trade or business ▶ Real Estate, Rental, Leasing

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1a</b>	Gross receipts or sales <u>808,941</u>			
<b>b</b>	Less returns and allowances			
	<b>c</b> Balance ▶	<b>1c</b>		
		<u>808,941</u>		
<b>2</b>	Cost of goods sold (Schedule A, line 7)	<b>2</b>		
<b>3</b>	Gross profit. Subtract line 2 from line 1c	<b>3</b>		<u>808,941</u>
<b>4a</b>	Capital gain net income (attach Schedule D)	<b>4a</b>		
<b>b</b>	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4b</b>		
<b>c</b>	Capital loss deduction for trusts	<b>4c</b>		
<b>5</b>	Income (loss) from a partnership or an S corporation (attach statement)	<b>5</b>		
<b>6</b>	Rent income (Schedule C)	<b>6</b>		
<b>7</b>	Unrelated debt-financed income (Schedule E)	<b>7</b>		
<b>8</b>	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	<b>8</b>		
<b>9</b>	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>		
<b>10</b>	Exploited exempt activity income (Schedule I)	<b>10</b>		
<b>11</b>	Advertising income (Schedule J)	<b>11</b>		
<b>12</b>	Other income (See instructions; attach schedule)	<b>12</b>		
<b>13</b>	<b>Total.</b> Combine lines 3 through 12	<b>13</b>	<u>808,941</u>	<u>808,941</u>

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

<b>14</b>	Compensation of officers, directors, and trustees (Schedule K)	<b>14</b>		
<b>15</b>	Salaries and wages	<b>15</b>		<u>92,382</u>
<b>16</b>	Repairs and maintenance	<b>16</b>		<u>101,909</u>
<b>17</b>	Bad debts	<b>17</b>		
<b>18</b>	Interest (attach schedule) (see instructions)	<b>18</b>		
<b>19</b>	Taxes and licenses	<b>19</b>		
<b>20</b>	Depreciation (attach Form 4562)	<b>20</b>		
<b>21</b>	Less depreciation claimed on Schedule A and elsewhere on return	<b>21a</b>		
<b>22</b>	Depletion	<b>22</b>		
<b>23</b>	Contributions to deferred compensation plans	<b>23</b>		
<b>24</b>	Employee benefit programs	<b>24</b>		<u>24,581</u>
<b>25</b>	Excess exempt expenses (Schedule I)	<b>25</b>		
<b>26</b>	Excess readership costs (Schedule J)	<b>26</b>		
<b>27</b>	Other deductions (attach schedule) (see Statement 2)	<b>27</b>		<u>625,505</u>
<b>28</b>	<b>Total deductions.</b> Add lines 14 through 27	<b>28</b>		<u>844,377</u>
<b>29</b>	Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13	<b>29</b>		<u>(35,436)</u>
<b>30</b>	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	<b>30</b>		
<b>31</b>	<b>Unrelated business taxable income.</b> Subtract line 30 from line 29	<b>31</b>		<u>(35,436)</u>

For Paperwork Reduction Act Notice, see Instructions.

Schedule M (Form 990-T) 2019



University of Houston System  
E.I.N. 74-6001399  
Form 990-T, Scheule M, Real Estate, Rental, Leasing - #53  
For Fiscal Year Ended August 31, 2020

Part II, Line 27 -  
Other Deductions :

	<u>Total</u>
Advertising	30
Athletic Special Events	0
Communications & Postage	112
Contract Services	169,859
Departmental Admin. Charge	19,943
General Supplies	0
Interest Expense	0
Miscellaneous Services	145
Miscellaneous Supplies	780
Operating Expenses	67,133
Other Institutional Activities	292,278
Portfolio Deductions	0
Printing	87
Professional Services	35,283
Rentals & Leases	74
Travel	112
Utilities / Sanitation	39,669
Other Deductions	<u><u>625,505</u></u>

**SCHEDULE M  
(Form 990-T)**

**Unrelated Business Taxable Income from an  
Unrelated Trade or Business**

OMB No. 1545-0047

**2019**

For calendar year 2019 or other tax year beginning Sep 1, 2019, and ending Aug 31, 2020.

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for  
501(c)(3) Organizations Only

Name of the organization

University of Houston System

Employer identification number

74-6001399

Unrelated Business Activity Code (see instructions) ▶ 71

Describe the unrelated trade or business ▶ Arts, Entertainment, Recreation

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1 a</b>	Gross receipts or sales <u>1,042,966</u>			
<b>b</b>	Less returns and allowances			
<b>c</b>	Balance ▶	<b>1 c</b>		
		<u>1,042,966</u>		
<b>2</b>	Cost of goods sold (Schedule A, line 7) . . . . .	<b>2</b>		
<b>3</b>	Gross profit. Subtract line 2 from line 1c . . . . .	<b>3</b>		<u>1,042,966</u>
<b>4 a</b>	Capital gain net income (attach Schedule D) . . . . .	<b>4 a</b>		
<b>b</b>	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) . . . . .	<b>4 b</b>		
<b>c</b>	Capital loss deduction for trusts . . . . .	<b>4 c</b>		
<b>5</b>	Income (loss) from a partnership or an S corporation (attach statement) . . . . .	<b>5</b>		
<b>6</b>	Rent income (Schedule C) . . . . .	<b>6</b>		
<b>7</b>	Unrelated debt-financed income (Schedule E) . . . . .	<b>7</b>		
<b>8</b>	Interest, annuities, royalties, and rents from a controlled organization (Schedule F) . . . . .	<b>8</b>		
<b>9</b>	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G) . . . . .	<b>9</b>		
<b>10</b>	Exploited exempt activity income (Schedule I) . . . . .	<b>10</b>		
<b>11</b>	Advertising income (Schedule J) . . . . .	<b>11</b>		
<b>12</b>	Other income (See instructions; attach schedule) . . . . .	<b>12</b>		
<b>13</b>	<b>Total.</b> Combine lines 3 through 12 . . . . .	<b>13</b>	<u>1,042,966</u>	<u>1,042,966</u>

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

<b>14</b>	Compensation of officers, directors, and trustees (Schedule K) . . . . .	<b>14</b>		
<b>15</b>	Salaries and wages . . . . .	<b>15</b>		<u>167,072</u>
<b>16</b>	Repairs and maintenance . . . . .	<b>16</b>		<u>100</u>
<b>17</b>	Bad debts . . . . .	<b>17</b>		
<b>18</b>	Interest (attach schedule) (see instructions) . . . . .	<b>18</b>		
<b>19</b>	Taxes and licenses . . . . .	<b>19</b>		
<b>20</b>	Depreciation (attach Form 4562) . . . . .	<b>20</b>		
<b>21</b>	Less depreciation claimed on Schedule A and elsewhere on return . . . . .	<b>21 a</b>		
<b>22</b>	Depletion . . . . .	<b>22</b>		
<b>23</b>	Contributions to deferred compensation plans . . . . .	<b>23</b>		
<b>24</b>	Employee benefit programs . . . . .	<b>24</b>		<u>49,615</u>
<b>25</b>	Excess exempt expenses (Schedule I) . . . . .	<b>25</b>		
<b>26</b>	Excess readership costs (Schedule J) . . . . .	<b>26</b>		
<b>27</b>	Other deductions (attach schedule) . . . . . (see Statement 3)	<b>27</b>		<u>1,493,442</u>
<b>28</b>	<b>Total deductions.</b> Add lines 14 through 27 . . . . .	<b>28</b>		<u>1,710,229</u>
<b>29</b>	Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13 . . . . .	<b>29</b>		<u>(667,263)</u>
<b>30</b>	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions) . . . . .	<b>30</b>		
<b>31</b>	<b>Unrelated business taxable income.</b> Subtract line 30 from line 29 . . . . .	<b>31</b>		<u>(667,263)</u>

For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

**University of Houston System**

**E.I.N. 74-6001399**

**Form 990-T, Schedule M, Arts, Entertainment, Recreation - #71**

**For Fiscal Year Ended August 31, 2020**

**Part II, Line 27 -**

**Other Deductions :**

	<u>Total</u>
Advertising	35,447
Athletic Special Events	0
Communications & Postage	316
Contract Services	21
Departmental Admin. Charge	9,078
General Supplies	0
Interest Expense	0
Miscellaneous Services	12
Miscellaneous Supplies	10,359
Operating Expenses	833,508
Other Institutional Activities	587,997
Portfolio Deductions	0
Printing	736
Professional Services	14,395
Rentals & Leases	67
Travel	1,009
Utilities / Sanitation	497
Other Deductions	<u><u>1,493,442</u></u>

**SCHEDULE M  
(Form 990-T)**

**Unrelated Business Taxable Income from an  
Unrelated Trade or Business**

OMB No. 1545-0047

**2019**

For calendar year 2019 or other tax year beginning Sep 1, 2019, and ending Aug 31, 2020.

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for  
501(c)(3) Organizations Only

Name of the organization

University of Houston System

Employer identification number

74-6001399

Unrelated Business Activity Code (see instructions) ▶ 72

Describe the unrelated trade or business ▶ Accommodation & Food Services

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1 a</b>	Gross receipts or sales <u>730</u>			
<b>b</b>	Less returns and allowances			
<b>c Balance ▶</b>		<b>1 c</b> 730		
<b>2</b>	Cost of goods sold (Schedule A, line 7) . . . . .	<b>2</b>		
<b>3</b>	Gross profit. Subtract line 2 from line 1c . . . . .	<b>3</b> 730		730
<b>4 a</b>	Capital gain net income (attach Schedule D) . . . . .	<b>4 a</b>		
<b>b</b>	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) . . . . .	<b>4 b</b>		
<b>c</b>	Capital loss deduction for trusts . . . . .	<b>4 c</b>		
<b>5</b>	Income (loss) from a partnership or an S corporation (attach statement) . . . . .	<b>5</b>		
<b>6</b>	Rent income (Schedule C) . . . . .	<b>6</b>		
<b>7</b>	Unrelated debt-financed income (Schedule E) . . . . .	<b>7</b>		
<b>8</b>	Interest, annuities, royalties, and rents from a controlled organization (Schedule F) . . . . .	<b>8</b>		
<b>9</b>	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G) . . . . .	<b>9</b>		
<b>10</b>	Exploited exempt activity income (Schedule I) . . . . .	<b>10</b>		
<b>11</b>	Advertising income (Schedule J) . . . . .	<b>11</b>		
<b>12</b>	Other income (See instructions; attach schedule) . . . . .	<b>12</b>		
<b>13</b>	<b>Total.</b> Combine lines 3 through 12 . . . . .	<b>13</b> 730		730

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

<b>14</b>	Compensation of officers, directors, and trustees (Schedule K) . . . . .	<b>14</b>		
<b>15</b>	Salaries and wages . . . . .	<b>15</b>		
<b>16</b>	Repairs and maintenance . . . . .	<b>16</b>		
<b>17</b>	Bad debts . . . . .	<b>17</b>		
<b>18</b>	Interest (attach schedule) (see instructions) . . . . .	<b>18</b>		
<b>19</b>	Taxes and licenses . . . . .	<b>19</b>		
<b>20</b>	Depreciation (attach Form 4562) . . . . .	<b>20</b>		
<b>21</b>	Less depreciation claimed on Schedule A and elsewhere on return . . . . .	<b>21 a</b>		
<b>22</b>	Depletion . . . . .	<b>22</b>		
<b>23</b>	Contributions to deferred compensation plans . . . . .	<b>23</b>		
<b>24</b>	Employee benefit programs . . . . .	<b>24</b>		
<b>25</b>	Excess exempt expenses (Schedule I) . . . . .	<b>25</b>		
<b>26</b>	Excess readership costs (Schedule J) . . . . .	<b>26</b>		
<b>27</b>	Other deductions (attach schedule) . . . . .	<b>27</b>		
<b>28</b>	<b>Total deductions.</b> Add lines 14 through 27 . . . . .	<b>28</b>		
<b>29</b>	Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13 . . . . .	<b>29</b>		730
<b>30</b>	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions) . . . . .	<b>30</b>		
<b>31</b>	<b>Unrelated business taxable income.</b> Subtract line 30 from line 29 . . . . .	<b>31</b>		730

For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

**University of Houston System**  
**E.I.N. 74-6001399**  
**Form 990-T**  
**For Fiscal Year Ended August 31, 2020**

**Part III, Page 2, Line 36 -**  
**Pre-2018 Net Operating Loss Carryover**

<u>Year-End</u>	<u>Loss</u>	<u>NOL Deductions</u>	<u>Remaining Loss Carryover</u>
8-31-89	(98,104)		(98,104)
8-31-90	0		0
8-31-91	(177,313)		(177,313)
8-31-92	(281,806)		(281,806)
8-31-93	0		0
8-31-94	(1,978)		(1,978)
8-31-95	(7,283)		(7,283)
8-31-96	(21,750)		(21,750)
8-31-97	(315,370)		(315,370)
8-31-98	N/A	<u>71,951</u> <'88>	71,951
		<u>71,951</u>	
8-31-99	N/A	<u>26,153</u> <'88>	26,153
8-31-99	N/A	<u>90,610</u> <'90>	90,610
		<u>116,763</u>	
8-31-00	N/A	<u>86,703</u> <'90>	86,703
8-31-00	N/A	<u>184,439</u> <'91>	184,439
		<u>271,142</u>	
8-31-01	(72,617)		(72,617)
8-31-02	N/A	97,367 <'91>	97,367
	N/A	1,978 <'93>	1,978
	N/A	7,283 <'94>	7,283
	N/A	21,750 <'95>	21,750
	N/A	<u>3,044</u> <'96>	3,044
		<u>131,422</u>	
8-31-03	(203,170)		(203,170)
8-31-04	(276,221)		(276,221)
8-31-05	(283,681)		(283,681)
8-31-06	N/A	312,326 <'96>	312,326
	N/A	72,617 <'00>	72,617
	N/A	203,170 <'02>	203,170
	N/A	276,221 <'03>	276,221
	N/A	<u>244,269</u> <'04>	244,269
		<u>1,108,603</u>	

(continued)

**University of Houston System**  
**E.I.N. 74-6001399**  
**Form 990-T**  
**For Fiscal Year Ended August 31, 2020**

**Part III, Page 2, Line 36 -**  
**Pre-2018 Net Operating Loss Carryover**

<u>Year-End</u>	<u>Loss</u>	<u>NOL Deductions</u>	<u>Remaining Loss Carryover</u>
8-31-07	(778,585)		(778,585)
8-31-08	(614,492)		(614,492)
8-31-09	(700,655)		(700,655)
8-31-10	(436,265)		(436,265)
8-31-11	(699,964)		(699,964)
8-31-12	(103,854)		(103,854)
8-31-13	(218,501)		(218,501)
8-31-14	(125,014)		(125,014)
8-31-15	(233,995)		(233,995)
8-31-16	(80,076)		(80,076)
8-31-17	(448,344)		(448,344)
8-31-18	N/A	1,591,045	1,591,045
8-31-18	N/A	(1,495,225) (Note 1)	(1,495,225)
8-31-19	N/A	76,272	76,272
8-31-20	N/A	36,481	36,481
Cumulative	<u>(6,179,038)</u>	<u>1,908,454</u>	<u>(4,270,584)</u>

An organization whose total deductions (Part II, line 29 of Form 990-T) exceed its unrelated business income (Part I, line 13) has a net operating loss (NOL) equal to the amount of such excess (IRC Secs. 512(b)(6) and 172(c)). This NOL may be carried back two years and forward for up to 20 years from the year of the loss. The NOL is allowed as a deduction in computing unrelated business taxable income in the year (or years) to which it is carried, up to the amount of the organization's taxable income in those years (IRC Sec. 172(b)(1); Treas. Reg. Sec. 1.512(b)-1(e)). An NOL deduction may be claimed only in the years the organization is subject to the unrelated business income tax.

(Note 1 - Section 512(a)(7), enacted as part of the 2017 tax law (Pub. L.No. 115-97, the law that is often referred to as the "Tax Cuts Jobs Act" (TCJA) included in unrelated related business taxable income (UBTI) amounts paid or incurred for qualified transportation fringes (e.g. reserved parking) after December 31,2017. The Further Consolidated Appropriations Act, 2020 (Pub. L.No. 116-94), enacted on December 20, 2019, retroactively repealed section 512(a)(7) back to its date of enactment. The taxpayer is not eligible for a refund or credit. However, the University has adjusted its Pre-TCJA NOL for the retroactive repeal.)

University of Houston System  
 E.I.N. 74-6001399  
 Form 990-T  
 For Fiscal Year Ended August 31, 2020

Part II, Page 1, Line 30 -  
 Post-2017 Net Operating Loss Carryover (Note 1)

Year-End	48	2 Digit NAICS (Note 2) Sector Codes			72
		52	53	71	
Generated:					
8/31/2019		(2,542,251)	(33,207)	(295,670)	
8/31/2020		(902,756)	(35,436)	(667,263)	
Utilized:					
Remaining Loss Carryover:	<u>0</u>	<u>(3,445,007)</u>	<u>(68,643)</u>	<u>(962,933)</u>	<u>0</u>

(Note 1 - According to IRS Notice 2018-67, for the first taxable year beginning after December 31, 2017, a deduction may be taken against total UBTI calculated for such year under Section 512(a)(6)(B) if there are pre-2018 NOLs. In the following years where there are possibly both pre-2018 NOLs and post-2017 NOLs, post-2017 NOLs will be calculated and taken before pre-2018 NOLs, because the UBTI with respect to each trade or business is calculated under Section 512(a)(6)(A) before calculating total UBTI under Section 512(a)(6)(B). In addition, Section 172(a) limits post-2017 NOLs to 80% of unrelated business taxable income for the year. Also, post-2017 NOLs can be carried forward indefinitely.)

However, in March 2020, the Cares Act temporarily repealed the 80% of taxable income limitation on the utilization of net operating loss (NOL) carryovers imposed by the Tax Cuts and Jobs Act. Thus, for a taxable year beginning before January 1, 2021, an exempt organization can fully offset its UBTI in that year with NOLs permitted to be carried to that year from other years, subject to the requirement to separately compute its UBTI for each separate trade or business under section IRC 512 (a)(6).

(Note 2 - North American Industry Classification System)

2 DIGIT NAICS SECTOR CODES :

- 48 Transportation and Warehousing
- 52 Finance and Insurance
- 53 Real Estate and Rental and Leasing
- 71 Arts, Entertainment, and Recreation
- 72 Accommodation and Food Services