

UNIVERSITY OF HOUSTON

*Independent Accountants' Report on the
Application of Agreed-Upon Procedures*

*National Collegiate Athletic Association
(NCAA) Compliance*

For the Fiscal Year Ended August 31, 2020

By:

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UNIVERSITY OF HOUSTON

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INDEPENDENT ACCOUNTANTS' REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

To the President and Management of the
Intercollegiate Athletics Department of the
University of Houston:

We have performed the procedures enumerated in Results of Agreed-Upon Procedures (Exhibit A) on the Statement of Revenues and Expenses of the Intercollegiate Athletics Department (Exhibit B) of the University of Houston (UH) for the year ended August 31, 2020.

UH has agreed to and acknowledged that the procedure performed are appropriate to meet the intended purpose of assisting in evaluating whether Exhibit B, is in compliance with the National Collegiate Athletic Association's (NCAA) bylaw 3.2.4.17.1 for the year ended August 31, 2020. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. UH's management is responsible for compliance with NCAA bylaws and Exhibit B.

Our results and findings related to the application of the agreed-upon procedures are included in Exhibit A.

We were engaged by UH to perform this engagement to apply agreed-upon procedures and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively on Exhibit B or internal control over financial reporting and compliance described above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be, and should not be, used by anyone other than these specified parties.

BELT HARRIS PECHACEK, LLLP

Certified Public Accountants
Houston, Texas
January 8, 2021

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
For the Year Ended August 31, 2020

General Revenue and Expenses

1. Comparison of the Statement of Revenues and Expenses to the General Ledger

Procedure(s):

Obtain the Statement of Revenues and Expenses of the Intercollegiate Athletics Department (the "Statement") for the fiscal year ending August 31, 2020, recalculate the addition of amounts reported in the Statement for mathematical accuracy, and compare the amounts reported on the Statement to the general ledger detail.

Result(s) and Finding(s):

No exceptions noted.

2. Identification of Accounts Within and Below Scope

Procedure(s):

From the Statement, identify specific reporting categories less than 4% of the total revenues or less than 4% of total expenses. (For these categories, no procedures are required for that specific category in accordance with *NCAA Agreed Upon Procedures – Appendix D.*)

Result(s) and Finding(s):

The revenue and expense categories of 4% or less of the respective category of revenues/expenses are noted in Exhibit B.

3. Sample

Procedure(s):

Compare and agree a sample of operating revenues and expenses obtained from the general ledger to adequate supporting documentation.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

4. Prior Year Comparison

Procedure(s):

Compare each major revenue and expense account that is 1) over 10% of the corresponding total revenues and total expenses in the Statement for fiscal year ending August 31, 2020, and 2) which the increase or decrease from the prior year is over 10%, and obtain explanations from Management regarding the reasons for the variances.

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RESULTS OF AGREED-UPON PROCEDURES
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Result(s) and Finding(s):

Categories exceeding the criteria and Management's responses are included in Exhibit D1.

5. Budget Comparison

Procedure(s):

Obtain a schedule of budgeted revenues and expenses. Compare each major revenue and expense account that is 1) over 10% of the corresponding total revenues and total expenses in the Statement for fiscal year ending August 31, 2020 and 2) which the increase or decrease from the budget is over 10%, and obtain explanations from Management regarding the reasons for the variations.

Result(s) and Finding(s):

Categories exceeding the criteria and Management's responses are included in Exhibits E1 and E2.

Revenue

6. Ticket Sales

Procedure(s):

Compare tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by UH in the Statement and the related attendance figures and recalculate totals.

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
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Result(s) and Finding(s):

We obtained a schedule of tickets, extended the total ticket price, and compared to the related amounts and noted the following variances:

	Ticket Detail	Per Statement	Variance
FOOTBALL	\$ 2,629,471	\$ 2,592,171	\$ 37,300
Ticket consignment	-	36,923	(36,923) ¹
	2,629,471	2,629,094	377
MEN'S BASKETBALL	1,237,363	1,254,329	(16,966) ²
Tickets consignment	13,824	-	13,824 ³
	1,251,187	1,254,329	(3,142)
WOMEN'S BASKETBALL	42,490	42,490	-
OTHER SPORTS			
Baseball	56,498	57,831	(1,333) ⁴
Soccer	4,225	4,225	-
Softball	26,901	26,772	129 ⁵
Swimming	12,460	12,460	-
Track	19,005	19,005	-
Volleyball	26,624	26,628	(4)
	145,713	146,921	(1,208)
NONPROGRAM SPECIFIC	726,746	728,218	(1,472) ⁶
	<u>\$ 4,795,607</u>	<u>\$ 4,801,052</u>	<u>\$ (5,445)</u>

¹ Includes ticket consignment guarantees payment not reflected in Ticket Detail.

² Includes \$20,872 in general ledger transaction detail as undistributed payments that are not reflected in Ticket Detail.

³ Includes StubHub direct check payments for ticket inventory not sold in ticket system.

⁴ Includes \$6,100 in general ledger transaction detail as internal department transfers and are not reflected in Ticket Detail as paid tickets.

⁵ Includes \$716 in general ledger transaction detail as undistributed payments that are not reflected in Ticket Detail.

⁶ Includes \$14,620 deposited from Ticket System included in Program, Novelty, Parking, and Concession Sales category, and \$9,223 recorded as deferred revenue in fiscal year 2019, which is not reflected in Ticket Detail for fiscal year 2020.

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
For the Year Ended August 31, 2020

7. Student Fees

Procedure(s):

- A. Obtain and document an understanding of UH's methodology for allocating student fees to intercollegiate athletics programs.
- B. Compare and agree student fees reported by UH in the Statement to student enrollments during the same reporting period and recalculate totals.

Result(s) and Finding(s):

- A. Management provided the following explanation:

Student fees allocated to athletics consist of two components: 1). Fees assessed in accordance with the Student Fee Referendum to cover specific annual debt service payments related to stadium construction and basketball arena renovation and 2) general student fees allocated by the Student Fee Advisory Committee (SFAC).

The SFAC is responsible for the establishment of student fees and oversight of the Student Fee Referendum approved by Students in 2012 designating \$45 per student semester to support a new stadium and basketball arena renovation. The SFAC is made up of seven (7) students, two (2) faculty and one (1) non-voting advisor and is charged with recommending funding allocations for Student Services Fees. SFAC meets several times during the latter half of the Fall semester and several more times in early Spring. In the late Summer or early Fall, members receive a comprehensive orientation designed to familiarize them with SFAC's operating and budget procedures. In the later Fall, departments and student organizations which receive Student Service Fees provide a written request following Program Questionnaire Guidelines. In addition, departments and student organizations requesting funds are then required to make a presentation to SFAC so that members have a clear understanding of what a department does and its goals for the next fiscal year. Following these presentations, SFAC goes into deliberation. Once the deliberations are finalized, SFAC forwards its allocation recommendations, as well as a recommendation on the amount of the SFAC Fee for the following year to the Vice President for Student Affairs and Enrollment Services and the President's received its authority via the [Texas Administrative Code](#) (Education Code; Chapter 54; Section 54.5062). As with other University Committees, Boards, and Task Forces, the SFAC has by-laws to ensure they are operating in an effective way to meet their goals and responsibilities. For your reference, you can view the [SFAC By-laws](#). SFAC plays a very important role, making recommendations on behalf of all students at UH. Their recommendations directly affect campus life and the futures of many departments and programs.

Pursuant to the SFAC Report covering funding for FY20, the SFAC provided Intercollegiate Athletics a base funding allocation of \$4,407,707 (equal to the FY19 base allocation). In its FY20 report, SFAC also provided an estimated base allocation for renovation and construction of athletics facilities equal to "approximately \$3,375,000". This "approximate" renovations and construction figure was calculated when the Referendum was passed by the students as an estimate based on \$45 per semester for a student body of 37,500. Given actual student attendance varies and the amount of support afforded is tied to the debt service requirements for that year, Student Fee Revenue associated with Athletics Debt Service for FY20 was \$4,375,586. That figure enters an Athletics cost center as revenue and is then transferred out as an expense.

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
For the Year Ended August 31, 2020

- B. We obtained a copy of the SFAC report for FY 2020 noting that \$4,407,707 was approved for UH Athletics, along with a dedicated fee of \$3,375,000. We obtained the undergraduate enrollment data by semester and recalculated the fee for the year. We noted a total variance of \$1,000,586 between the SFAC budget and actual amount recorded on the Statement. We noted a variance of \$431,291 between the recalculated student fees and the actual amount recorded on the Statement. UH Athletics attributed the difference to the manner that UH System records transactions based on estimates.

	SFAC Committee	Recalculated by Accountant
	<u> </u>	<u> </u>
Undergraduate student enrolment		
Fall 2019		37,689
Spring 2020		34,466
Summer 2020		<u>15,496</u>
Total recalculated enrollment	75,000 *	<u>87,651</u>
Student fee	\$ 45	\$ 45
	<u>\$ 3,375,000 *</u>	<u>\$ 3,944,295</u>
Budget approved by SFAC	\$ 4,407,707	\$ 4,407,707
Dedicated fee	<u>3,375,000 *</u>	<u>3,944,295</u>
Total	<u>7,782,707</u>	<u>8,352,002</u>
Actual	<u>8,783,293</u>	<u>8,783,293</u>
Variance	<u>\$ 1,000,586</u>	<u>\$ 431,291</u>

* Based on projected enrollment

Management provided the following explanation:

Variance from SFAC Report

The SFAC report does not accurately state the Memorandum of Understanding that was entered into in connection with the issuance of debt to finance the facilities. The amounts presented in the SFAC reflect the original estimated enrollment and debt service, but have not been revised for increases in both. Management will be working with SFAC for the 2021 Report to more accurately reflect the Memorandum of Understanding.

Variance from Accountants Recalculation

Management is aware of computational oversight and is working to refine the enrollment and fee calculations to reduce the overall variance.

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
For the Year Ended August 31, 2020

8. Direct Institutional Support*Procedure(s):*

Compare the direct institutional support recorded by UH in FY 2020 with UH's supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

9. Contributions*Procedure(s):*

From the general ledger detail of all contributions received during the reporting period, review the listing to determine if any contributor's total contribution was 10% or more of total contributions.

Result(s) and Finding(s):

We did not note any contributions which exceed the 10% threshold.

Expenses**10. Athletic Student Aid***Procedure(s):*

- A. Select a sample of 10% of the student-athletes for UH who have used NCAA's Compliance Assistance (CA) software to prepare athletic aid detail.
- B. Obtain individual student account detail for each selection and compare total aid in UH's student system to the student's detail in CA or UH report that ties directly to the NCAA Membership Financial Reporting System. Perform a check of each student selected to ensure their information was reported accurately in the NCAA's CA software.
- C. Recalculate totals for each sport and overall.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
For the Year Ended August 31, 2020

11. Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

Procedure(s):

Obtain and inspect a listing of coaches employed by UH Athletics and related entities during the reporting period and select a sample of coach's contracts that must include football and men's and women's basketball from the listing. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by UH Athletics and related entities in the Statement during the reporting period. In addition, obtain and inspect payroll summary registers for the reporting year for each selection. Compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits, and bonuses paid by UH and related entities expense recorded by UH in the Statement during the reporting period and recalculate totals.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

12. Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities

Procedure(s):

- A. Select a sample of support staff/administrative personnel employed by UH Athletics and related entities during the reporting period.
- B. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll register to the related support staff administrative salaries, benefits, and bonuses paid by UH Athletics and related entities expense recorded by UH Athletics in the Statement during the reporting period and recalculate totals.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

13. Team Travel

Procedure(s):

- A. Obtain and document an understanding of UH Athletics' team travel policies.
- B. Compare and agree to existing UH Athletics and NCAA related policies.
- C. From the general ledger detail, select three transactions and obtain supporting documentation.
- D. Compare and agree related amounts expensed by UH Athletics to the general ledger detail and the Statement and recalculate amounts.

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
For the Year Ended August 31, 2020

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

14. Athletic Facility Debt Service, Leases, and Rental Fees

Procedure(s):

Obtain a listing of debt service schedules, lease payments, and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements). Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

15. Direct Overhead and Administrative Expenses

Procedure(s):

From the general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate the existence of transaction and accuracy of recording and recalculate totals.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

Additional Minimum Procedures

16. Sports Sponsorships

Procedure(s):

- A. Obtain UH Athletics' Sports Sponsorship and Demographics Forms Report for the reporting year.
- B. Validate that the countable sports reported by UH Athletics meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement.
- C. Once countable sports have been confirmed, ensure that UH has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
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17. Pell Grants*Procedure(s):*

Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award and the total value of the Pell Grants reported in the NCAA Membership Financial Reporting System to a report generated out of UH financial aid records of all student-athletes receiving Pell Grants.

Compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variances greater than +/- 20 grants.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures. No variances greater than +/- 20 grants were noted.

Additional Minimum Agreed-Upon Procedures Other Reporting Items**18. Athletic Related Debt***Procedure(s):*

- A. Obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period and recalculate annual maturities provided in the schedules obtained.
- B. Agree the total annual maturities and total outstanding athletic related debt to supporting documentation in UH's general ledger.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

19. Total Debt*Procedure(s):*

Agree the total outstanding UH debt to the supporting documentation and UH general ledger.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

20. Value of Athletics Related Endowments*Procedure(s):*

Obtain a schedule of all athletics dedicated endowments maintained by athletics, UH, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation and the general ledger.

UNIVERSITY OF HOUSTON
RESULTS OF AGREED-UPON PROCEDURES
For the Year Ended August 31, 2020

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

21. Value of Institutional Endowments

Procedure(s):

Agree the total fair market of the institutional endowments to supporting documentation and the UH general ledger.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

22. Total Athletics Related Capital Expenditures

Procedure(s):

Obtain a schedule of athletics related capital expenditures made by UH Athletics during the report period. Obtain general ledger detail and compare the total expense reported. Select a sample of transactions to validate existence of transactions and accuracy of recording and recalculated totals.

Result(s) and Finding(s):

No exceptions were noted in applying these procedures.

UNIVERSITY OF HOUSTON

Statement of Revenues and Expenses of the Intercollegiate Athletics Department Year Ended August 31, 2020

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON-PROGRAM SPECIFIC	TOTAL	Below 4% of Total
REVENUES							
1. Ticket Sales	\$ 2,592,171	\$ 1,275,201	\$ 42,490	\$ 157,787	\$ 713,598	\$ 4,781,247	No
2. Direct State or Other Gov't Support	-	-	-	-	-	-	Yes
3. Student Fees	-	-	-	-	8,783,293	8,783,293	No
4. Direct Institutional Support	-	-	-	-	37,920,460	37,920,460	No
5. Less-Transfers to Institution	-	-	-	-	-	-	Yes
6. Indirect Institutional Support	-	-	-	-	-	-	Yes
6A. Indirect Institutional Support - Athletic Facility Debt Service	-	-	-	-	-	-	Yes
7. Guarantees	941,780	-	5,000	-	-	946,780	Yes
8. Contributions	395,806	315,199	31,754	573,817	3,512,578	4,829,154	No
9. In Kinds	-	-	-	-	-	-	Yes
10. Compensation and Benefits Provided by 3rd party	-	-	-	-	-	-	Yes
11. Media Rights	-	-	-	-	-	-	Yes
12. NCAA Distributions	-	-	-	-	49,139	49,139	Yes
13. Conf Distributions	-	-	-	-	4,956,868	4,956,868	No
13A. Conference Distributions - Bowl Generated Revenues	-	-	-	-	-	-	Yes
14. Program, Novelty, Parking and Concession Sales	173,188	6,445	-	-	125,898	305,531	Yes
15. Royalties, Licensing, Advertisement, and Sponsorship	-	-	-	-	2,664,043	2,664,043	Yes
16. Sports Camps Revenues	-	-	-	-	-	-	Yes
17. Athletics Restricted Endowment and Investments Income.	16,443	10,724	-	41,518	182,922	251,607	Yes
18. Other Operating Revenue	44,005	(665)	-	397,785	1,453,735	1,894,860	Yes
19. Bowl Revenues	-	-	-	-	-	-	Yes
	<u>4,163,393</u>	<u>1,606,904</u>	<u>79,244</u>	<u>1,170,907</u>	<u>60,362,534</u>	<u>67,382,982</u>	
EXPENSES							
20. Athletic Student Aid	2,996,969	443,266	474,246	3,641,685	490,443	8,046,609	No
21. Guarantees	400,000	429,396	41,260	22,228	-	892,884	Yes
22. Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	8,545,275	4,842,768	734,354	3,230,042	-	17,352,439	No
23. Coaching Salaries, Benefits, and Bonuses Paid by a 3rd party	-	-	-	-	-	-	Yes
24. Support Staff/Admin. Compensation, Benefits and Bonuses Paid by the University and Related Entities	1,265,147	287,016	253,846	676,440	8,129,554	10,612,003	No
25. Support Staff/Admin. Compensation, benefits and Bonuses Paid by a 3rd party	-	-	-	-	-	-	Yes
26. Severance Payments	-	-	-	-	-	-	Yes
27. Recruiting	213,878	29,290	25,422	195,263	-	463,853	Yes
28. Team Travel	913,723	705,080	405,952	930,485	138,361	3,093,601	No
29. Sports Equipment, Uniforms and Supplies	851,028	188,448	82,018	661,032	177,345	1,959,871	Yes
30. Game Expenses	905,009	297,194	67,576	428,151	371,861	2,069,791	Yes
31. Fund Raising, Marketing and Promotion	14,861	30,944	1,916	37,813	354,802	440,336	Yes
32. Sports Camps Expenses	-	-	-	-	-	-	Yes
33. Spirit Groups	-	-	-	-	-	-	Yes
34. Athletic Facilities Debt Service, Leases and Rental Fee	-	-	-	-	5,273,172	5,273,172	No
35. Direct Overhead and Administrative Expenses	523,131	326,904	152,586	676,008	10,395,949	12,074,578	No
36. Indirect Institutional Support	-	-	-	-	-	-	Yes
37. Medical Expenses and Insurance	15,765	1,897	300	21,752	1,308,699	1,348,413	Yes
38. Memberships and Dues	7,720	530	971	3,315	24,090	36,626	Yes
39. Student-Athlete Meals (non-travel)	1,471,182	133,486	79,931	180,117	67,596	1,932,312	Yes
40. Other Operating Expenses	53,423	10,037	4,292	595,065	110,842	773,659	Yes
41. Bowl Expenses	-	-	-	-	-	-	Yes
41.A. Bowl Expenses - Coaching Compensation/Bonuses	-	-	-	-	-	-	Yes
	<u>\$ 18,177,111</u>	<u>\$ 7,726,256</u>	<u>\$ 2,324,670</u>	<u>\$ 11,299,396</u>	<u>\$ 26,842,714</u>	<u>\$ 66,370,147</u>	

See accompanying independent accountants' report on application of agreed-upon procedures.

UNIVERSITY OF HOUSTON
NOTES TO THE STATEMENT OF REVENUES AND EXPENSES
OF THE INTERCOLLEGIATE ATHLETICS DEPARTMENT
For the Year Ended August 31, 2020

NOTE 1: ORGANIZATION AND BASIS FOR PRESENTATION

The University of Houston Intercollegiate Athletic Department (UH Athletics) is a department of the University of Houston (UH) and, therefore, is under the control of the Board of Regents of UH, which administers intercollegiate athletic programs. UH is an agency of the State of Texas (the “State”).

The Statement of Revenues and Expenses of the Intercollegiate Athletics Department (the “Statement”) has been prepared on the accrual basis of accounting and is presented to report all activity of UH Athletics.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Certain expenses, such as depreciation, are recorded at the University level and not accounted for in the Statement.

Buildings, facilities, and equipment represent capital assets acquired primarily for the operation of UH Athletics. Title to capital assets utilized by UH Athletics rests with the State in the name of UH and, therefore, such assets can be transferred to or from UH Athletics at the discretion of UH. The threshold for capitalization of equipment is \$5,000. Capital assets are stated at cost at the date of acquisition. Donated capital assets are recorded at acquisition value at the date of donation. Depreciation is recorded on a straight-line basis over the useful lives of the assets. Useful lives are established by a uniform classification system maintained by the State and are measured from the date of acquisition.

UNIVERSITY OF HOUSTON
NOTES TO THE STATEMENT OF REVENUES AND EXPENSES
OF THE INTERCOLLEGIATE ATHLETICS DEPARTMENT
For the Year Ended August 31, 2020

NOTE 3: LONG-TERM DEBT

Future debt service payments for the revenue bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,956,150	\$ 2,552,216	\$ 6,508,366
2022	3,986,695	2,421,528	6,408,223
2023	4,126,140	2,282,053	6,408,193
2024	4,275,585	2,132,497	6,408,082
2025	4,439,475	1,973,551	6,413,026
2026	4,598,920	1,812,456	6,411,376
2027	4,762,810	1,648,774	6,411,584
2028	4,946,700	1,473,230	6,419,930
2029	5,125,590	1,284,762	6,410,352
2030	4,774,480	1,127,542	5,902,022
2031	4,893,925	1,004,950	5,898,875
2032	4,730,000	881,667	5,611,667
2033	4,850,000	756,513	5,606,513
2034	4,980,000	623,424	5,603,424
2035	5,125,000	482,121	5,607,121
2036	4,460,000	343,293	4,803,293
2037	4,595,000	209,173	4,804,173
2038	2,015,000	109,008	2,124,008
2039	1,275,000	57,989	1,332,989
2040	1,315,000	19,527	1,334,527
	<u>\$ 83,231,470</u>	<u>\$ 23,196,274</u>	<u>\$ 106,427,744</u>

UNIVERSITY OF HOUSTON
Schedule of Variance - Current to Budget - Revenues
Statement of Revenues and Expenses of the Intercollegiate Athletics Department
Year Ended August 31, 2020

	2020	Budget	\$ Variance	Management's Response for Variances Greater Than 10% and 10% of Total
REVENUES				
4. Direct Institutional Support	\$ 37,920,460	\$ 32,133,804	\$ 5,786,656	Like so many, the COVID-19 pandemic had serious effects on our revenue generation abilities. One area heavily affected was our Contributions line and more specifically, our seat donation programs in football and men's basketball. In FY2019, Contributions, in total, were \$9.602 million. In FY2020, that total, in large part due to COVID-19 related non-renewal of football and basketball season seat donations, dropped to \$4.829 million, representing a year over year loss of \$4.773 million. As the seat donation program has historically served as the largest funding source for payment of student-athlete scholarship expenses, and as those fundraised dollars were not available in FY2020 to cover these scholarship expenses, additional, one-time, Direct University Support was needed to offset the loss in the seat donation programs.

See accompanying independent accountants' report on application of agreed-upon procedures.

UNIVERSITY OF HOUSTON
Schedule of Variance - Current to Budget - Expenses
Statement of Revenues and Expenses of the Intercollegiate Athletics Department
Year Ended August 31, 2020

	2020	Budget	\$ Variance	Management's Response for Variances Greater Than 10% and 10% of Total
EXPENSES				
35. Direct Overhead and Administrative Expenses	\$ 12,074,578	\$ 14,366,381	\$ (2,291,803)	Using historical revenue/expense estimates to budget our fundraising accounts, \$2.115 million in expenses was budgeted for FY2020. With the COVID-19 pandemic negatively affecting our ability to fundraise, related spending (against these fundraised dollars) was also heavily impacted. FY2020 spending for these purposes was only \$684,000, a reduction versus expense budget of \$1.431 million. Other notable COVID-19 affected lines, resulting in less spending versus budget included: Administrative Fees of \$480,000 and Utilities of \$150,000.

See accompanying independent accountants' report on application of agreed-upon procedures.