



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees  
Finance and Facilities Committee Meeting  
FAIRWINDS Alumni Center  
June 17, 2020, 8:30-10:30 a.m.**

Conference call in phone number 1-408-418-9388, passcode 132 432 6474 #  
Livestream <https://ucf.webex.com/ucf/onstage/g.php?MTID=e287ebfdaff3c33ede04c4f2a6c53bdfc>

**AGENDA**

- |   |  |
|---|--|
| <b>I. CALL TO ORDER</b>   | Alex Martins<br><i>Chair, Finance and Facilities Committee</i>   |
| <b>II. ROLL CALL</b>  | Elizabeth Hamilton<br><i>Assistant Vice President for Strategic Initiatives</i>  |
| <b>III. MEETING MINUTES</b>   |  |
| <ul style="list-style-type: none"><li>• <a href="#">Approval of the May 13, 2020 Finance and Facilities Committee meeting minutes</a></li></ul> | Chair Martins  |
| <b>IV. REPORTS</b>  |  |
| <ul style="list-style-type: none"><li>• Discussion</li></ul>  | COVID-19 Update<br>Misty Shepherd<br><i>Interim Vice President for Administrative Affairs and Chief Operating Officer</i><br>Joseph Trubacz<br><i>Interim Vice President for Finance and Chief Financial Officer</i> |
| <b>V. NEW BUSINESS</b>  | Chair Martins  |
| <ul style="list-style-type: none"><li>• UCF Operating Budget Quarter Ended March 31, 2020 (<a href="#">INFO-1</a>)</li></ul>                    | Joseph Trubacz<br>Kristie Harris<br><i>Associate Vice President for Financial Affairs</i>  |

- FY 2020-21 Continuation Operating Budget ([FFC-1](#))  
Joseph Trubacz  
Kristie Harris
  
- Five-Year Capital Improvement Plan ([FFC-2](#))  
Misty Shepherd  
Duane Siemen  
*Interim Associate Vice President for Facilities and Safety*
  
- Direct Support Organizations' 2019-20 Third-Quarter Financial Reports ([INFO-2](#))  
Joseph Trubacz  
Christina Tant  
*Assistant Vice President for DSO Accounting and Reporting*
  - UCF Academic Health
  - UCF Athletics Association and UCF Stadium Corporation
  - UCF Convocation Corporation
  - UCF Finance Corporation
  - UCF Foundation
  - UCF Limbitless Solutions
  - UCF Research Foundation
  - Central Florida Clinical Practice Organization
  
- 2020-21 Direct Support Organizations' Budgets ([FFC-3](#))  
Joseph Trubacz  
Christina Tant
  - UCF Athletics Association  
Danny White  
*Vice President and Director of Athletics*
  
  - UCF Academic Health  
Deborah German  
*Vice President for Health Affairs and Dean of the UCF College of Medicine*
  
  - UCF Convocation Corporation  
Maribeth Ehasz  
*Vice President for Student Development and Enrollment Services*  
Misty Shepherd
  
  - UCF Finance Corporation  
Deborah German
  
  - UCF Foundation  
Michael J. Morsberger  
*Vice President for Advancement and CEO of the UCF Foundation*

- UCF Limbitless Solutions Deborah German
- UCF Research Foundation Elizabeth Klonoff  
*Vice President for Research and Dean of the College of Graduate Studies*
- UCF Stadium Corporation Michael J. Morsberger  
Misty Shepherd
- Central Florida Clinical Practice Organization Deborah German
- UCF Athletics Association Request to Participate in the CARES Act Payroll Tax Deferral Program (FFC-4) Joseph Trubacz  
Danny White  
Brad Stricklin  
*Executive Associate Athletics Director and Chief Financial Officer*  
Jordan Clark  
*Associate General Counsel*
- Release of Unrestricted UCF Stadium Corporation Revenues (FFC-5) Joseph Trubacz  
Danny White  
Brad Stricklin
- Renewal of Lines of Credit - Fifth Third Bank (FFC-6) Joseph Trubacz  
Danny White  
Brad Stricklin
- Lake Nona Cancer Center Amended and Restated Master Lease Agreement (FFC-7) Misty Shepherd  
Deborah German  
Jeanette Schreiber  
*Chief Legal Officer and Associate Vice President for Medical Affairs*  
Jennifer Cerasa  
*Senior Associate General Counsel*
- Lake Nona Cancer Center Amended And Restated UCFAH Sublease (FFC-8) Misty Shepherd  
Deborah German  
Jeanette Schreiber  
Jennifer Cerasa
- Post Investigation Action Plan Implementation Update (FFC-9) Joseph Trubacz  
Kathy Mitchell  
*Associate Vice President for Financial Initiatives*

- UCF Investments Quarterly Report Ended March 31, 2020 ([INFO-3](#))

Joseph Trubacz  
Danta White  
*Assistant Vice President and University  
Controller*

- UCF Investment Policy Manual Update ([FFC-10](#))

Joseph Trubacz  
Danta White

**VI. OTHER BUSINESS**

Chair Martins

**VII. CLOSING COMMENTS**

Chair Martins



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees  
Finance and Facilities Committee Meeting  
May 13, 2020  
Virtual Meeting

**MINUTES**

**CALL TO ORDER**

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 8:30 a.m. Committee members Harold Mills, Danny Gaekwad, Caryl McAlpin, David Walsh, and William Yeargin attended by teleconference. Board of Trustees Chair Beverly Seay attended by teleconference. Trustee Joseph Harrington attended by teleconference.

**MEETING MINUTES**

The minutes of the April 22, 2020 Finance and Facilities Committee meeting were unanimously approved as submitted.

**NEW BUSINESS**

Presidential Update (INFO-1)

President Cartwright provided the committee with a high-level summary of his thoughts and stated that he would provide more detail at the Board of Trustees Retreat. President Cartwright stated that he had met with his direct reports regarding the April Finance and Facilities Committee meeting and stressed the urgency of making the university more efficient and effective.

President Cartwright informed committee members that \$25.2 million received from the CARES Act will begin to be distributed to students in need. Approximately 20,000 students have applied to receive assistance. The deadline to apply for assistance is May 19, 2020.

President Cartwright tasked Michael Johnson, Interim Provost and Vice President for Academic Affairs, and Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer, with spearheading a taskforce to determine how to allocate the additional funds that will be received from the CARES Act. The funds may be used to cover costs that have a clear nexus to significant changes to the delivery of instruction due to COVID-19.

President Cartwright asked all areas to begin navigating through potential state budget cuts due to the uncertainty of COVID-19. He asked them to evaluate losses of 5, 10, and 20 percent from their E&G budgets to help evaluate efficiencies. He stated that the university has already saved \$13 million from hiring, expenditure, and travel freezes that were implemented at the beginning of the COVID-19 outbreak. Trustee Gaekwad asked for a dashboard with due dates for each item

on the plan, including metrics for research. President Cartwright replied that there would be a session devoted to research in the future.

President Cartwright informed the committee that the university also is monitoring enrollment trends because student fees make up the second largest part of the E&G budget. Thus far, there has been no impact to the budget; enrollment is currently up for the Summer semester and on a steady path for the Fall semester.

President Cartwright also provided the committee with a financial update of the top five auxiliaries: Parking, IT, Business Services, Student Health, and Housing.

- Parking has terminated all shuttle services except the grocery shuttle and shut down parking garages to ensure they will be in the positive.
- IT is set to break even.
- Business Services will suffer a loss of \$700,000 from food services and the closure of the bookstore. President Cartwright informed the committee that Business Services has \$5 million in reserves to help offset the loss of revenue incurred.
- Student Health will have a loss of \$1.3 million but has reserves to cover the loss.

President Cartwright emphasized the need to hire an outside firm to evaluate the housing challenges. He stated that housing will be reopened based on recommendations from the CDC and health professionals.

President Cartwright announced he will begin to build a permanent cabinet by starting national searches for the COO and CFO positions.

Chair Martins thanked President Cartwright for his transparency and expressed his disappointment that no hard plans had come to fruition regarding cost saving measures.

Trustee Yeargin seconded Chair Martins' comments and encouraged him to build a permanent cabinet. Yeargin also asked for clarification as to whether the enrollment trends for Fall were due to students not yet registering or if enrollment was down from this time last year. Interim Provost Johnson informed the committee that enrollment is down from this time last year.

#### Post Investigation Action Plan Implementation Update (INFO-2)

Kathy Mitchell, Associate Vice President for Financial Initiatives, gave a brief update on the Post Investigation Action Plan. Mitchell informed the committee that the target completion date of item 37 had been updated to June 2020. Mitchell also stated that all items on the Action Plan are projected to be completed by the required date.

The committee had no questions regarding the Post Investigation Action Plan Implementation

#### University Final Audited Statements (INFO-3)

Trubacz introduced Danta White, Assistant Vice President and University Controller. White informed the committee that there were no material changes in the financial statements from the draft statement that was presented at the December 11, 2019 Finance and Facilities Committee meeting.

The committee had no questions regarding the University Final Audited Statements.

Martins adjourned the Finance and Facilities Committee meeting at 9:03 a.m.

Reviewed by:

\_\_\_\_\_  
Alex Martins  
Chair, Finance and Facilities Committee

\_\_\_\_\_  
Date

Respectfully submitted:

\_\_\_\_\_  
Janet Owen  
Associate Corporate Secretary

\_\_\_\_\_  
Date

ITEM: INFO-1

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** Quarterly Operating Budget Report Ended March 31, 2020

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**Background:**

This item provides quarterly operating financial information to the trustees for information purposes only.

**Issues to be Considered:**

The attached reports include revenues and expenditures for the nine months ended March 31, 2020, compared to the operating budget. Overall, revenues and expenditures as a percent of the operating budget are 67.2 percent and 63.8 percent, respectively, compared to 76.3 percent and 69.8 percent in the prior year. Additionally, the attached reports include statistical information primarily related to student enrollment. Student credit hours are 3.4 percent higher than the enrollment plan and 1.9 percent higher than the prior year. Specific activities and variances in certain budget categories are described below.

**Alternatives to Decision:**

N/A

**Fiscal Impact and Source of Funding:**

N/A

**Recommended Action:**

For information only

**Authority for Board of Trustees Action:**

Specific trustee request

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President for Financial Affairs and Chief Financial Officer

**Supporting Documentation:**

Attachment A: UCF Operating Budget Quarterly Report

**Facilitators/Presenters:**

Joseph Trubacz, Interim Vice President and Chief Financial Officer

Kristie Harris, Associate Vice President for Financial Affairs

## Attachment A

# University of Central Florida Operating Budget Report

as of March 31, 2020 (75% of year)

**2019-20**

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 555,542,857	\$ 527,682,107	\$ 947,747,530	55.7%	58.6%	\$ 27,860,749	\$ 303,092,126
Medical School	38,991,691	34,417,495	60,508,900	56.9%	64.4%	4,574,196	12,116,561
Auxiliary Enterprises	216,624,324	189,728,398	302,385,900	62.7%	71.6%	26,895,926	95,265,230
Sponsored Research	126,201,068	121,016,284	188,528,000	64.2%	66.9%	5,184,783	16,347,664
Student Financial Aid	512,881,307	508,420,371	659,877,204	77.0%	77.7%	4,460,937	32,049,075
Student Activities	17,174,416	14,866,772	24,760,828	60.0%	69.4%	2,307,644	7,628,219
Concessions	148,457	256,697	800,000	32.1%	18.6%	(108,240)	1,291,908
Technology Fee	8,023,946	4,856,533	10,028,400	48.4%	80.0%	3,167,412	11,054,921
	<b>\$ 1,475,588,066</b>	<b>\$ 1,401,244,658</b>	<b>\$ 2,194,636,762</b>	<b>63.8%</b>	<b>67.2%</b>	<b>\$ 74,343,409</b>	<b>\$ 478,845,704</b>

**2018-19**

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 653,211,952	\$ 504,168,608	834,860,711	60.4%	78.2%	\$ 149,043,344	\$ 194,346,578
Medical School	34,278,524	34,025,337	57,861,680	58.8%	59.2%	253,187	12,469,224
Auxiliary Enterprises	196,118,257	208,597,405	293,773,719	71.0%	66.8%	(12,479,149)	171,012,351
Sponsored Research	121,083,261	118,935,468	171,988,000	69.2%	70.4%	2,147,793	17,262,602
Student Financial Aid	504,783,310	517,703,660	620,465,788	83.4%	81.4%	(12,920,350)	35,856,378
Student Activities	17,187,594	14,194,341	23,729,718	59.8%	72.4%	2,993,253	6,720,833
Concessions	527,048	277,637	750,000	37.0%	70.3%	249,411	1,127,274
Technology Fee	7,992,304	7,359,728	9,100,000	80.9%	87.8%	632,576	10,422,368
	<b>\$ 1,535,182,249</b>	<b>\$ 1,405,262,184</b>	<b>\$ 2,012,529,616</b>	<b>69.8%</b>	<b>76.3%</b>	<b>\$ 129,920,065</b>	<b>\$ 449,217,608</b>

# University of Central Florida Operating Expenditure Report

as of March 31, 2020 (75% of year)

## 2019-20

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 361,084,263	\$ 159,158,279	\$ 7,439,566	\$ -	\$ 527,682,107	68.4%	30.2%	1.4%	-	100.0%
Medical School	25,399,693	8,386,077	575,927	55,798	34,417,495	73.8%	24.4%	1.7%	0.2%	100.0%
Auxiliary Enterprises	79,039,849	96,545,597	2,019,406	12,123,546	189,728,398	41.7%	50.9%	1.1%	6.4%	100.0%
Sponsored Research	58,373,938	57,737,388	4,904,958	-	121,016,284	48.2%	47.7%	4.1%	-	100.0%
Student Financial Aid	4,735,113	503,685,258	-	-	508,420,371	0.9%	99.1%	-	-	100.0%
Student Activities	8,044,741	6,621,010	201,021	-	14,866,772	54.1%	44.5%	1.4%	-	100.0%
Concessions	2,774	253,924	-	-	256,697	1.1%	98.9%	-	-	100.0%
Technology Fee	115	3,840,593	1,015,826	-	4,856,533	0.0%	79.1%	20.9%	-	100.0%
	<b>\$ 536,680,485</b>	<b>\$ 836,228,126</b>	<b>\$ 16,156,703</b>	<b>\$ 12,179,343</b>	<b>\$ 1,401,244,658</b>	<b>38.3%</b>	<b>59.7%</b>	<b>1.2%</b>	<b>0.9%</b>	<b>100.0%</b>

## 2018-19

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 344,116,639	\$ 151,728,991	\$ 8,322,978	\$ -	\$ 504,168,608	68.3%	30.1%	1.7%	-	100.0%
Medical School	24,958,827	7,987,940	1,022,772	55,798	34,025,337	73.4%	23.5%	3.0%	0.0%	99.9%
Auxiliary Enterprises	72,406,287	125,582,458	1,264,417	9,344,243	208,597,405	34.7%	60.2%	0.6%	4.5%	100.0%
Sponsored Research	54,155,558	60,995,754	3,784,156	-	118,935,468	45.5%	51.3%	3.2%	-	100.0%
Student Financial Aid	4,091,355	513,612,305	-	-	517,703,660	0.8%	99.2%	-	-	100.0%
Student Activities	7,598,954	6,593,086	-	2,301	14,194,341	53.5%	46.4%	0.0%	0.0%	100.0%
Concessions	140	277,497	-	-	277,637	0.0%	99.9%	-	-	100.0%
Technology Fee	42,203	6,119,510	1,198,015	-	7,359,728	0.6%	83.1%	16.3%	-	100.0%
	<b>\$ 507,369,963</b>	<b>\$ 872,897,541</b>	<b>\$ 15,592,338</b>	<b>\$ 9,402,342</b>	<b>\$ 1,405,262,184</b>	<b>36.1%</b>	<b>62.1%</b>	<b>1.1%</b>	<b>0.7%</b>	<b>100.0%</b>

# University of Central Florida Operating Budget Report

as of March 31, 2020 (75% of year)

## Statistical Information

### *Student Credit Hours*<sup>1</sup>

#### *Actual Compared to UCF Plan*

	2019-20				2018-19			
	Actual	Plan	Difference	% Variance	Actual	Plan	Difference	% Variance
Summer	296,221	269,653	26,568	9.9%	278,485	267,046	11,439	4.3%
Fall	751,594	743,617	7,977	1.1%	741,315	724,314	17,001	2.3%
Spring <sup>2</sup>	712,466	689,301	23,165	3.4%	707,529	691,916	15,613	0.0%
	1,760,281	1,702,571	57,710	3.4%	1,727,329	1,683,276	44,053	2.6%

#### *Current Year Compared to Prior Year*

	2019-20				2018-19			
	2019-20	2018-19	Difference	% Variance	2018-19	2017-18	Difference	% Variance
Summer	296,221	278,485	17,736	6.4%	278,485	254,450	24,035	9.4%
Fall	751,594	741,315	10,279	1.4%	741,315	712,335	28,980	4.1%
Spring	712,466	707,529	4,937	0.7%	707,529	-	707,529	0.0%
	1,760,281	1,727,329	32,952	1.9%	1,727,329	966,785	760,544	78.7%

### *Additional Statistical Information*

	2019-20	2018-19	Difference	% Variance
Student headcount - Fall 2019 and 2018	69,525	68,558	967	1.4%
Percent in-state students - Fall 2019 and 2018	90.8%	90.7%	0.1%	
Foundation endowment - June 30, 2019 and 2018	\$ 162,816,774	\$ 161,573,513	\$ 1,243,261	0.8%
Foundation assets - June 30, 2019 and 2018	\$ 397,772,897	\$ 338,113,316	\$ 59,659,581	17.6%
On-campus housing, including Greek housing <sup>3</sup>	6,907			
Rosen Campus housing <sup>3</sup>	384			
Affiliated housing <sup>3</sup>	3,756			
Managed housing <sup>3</sup>	1,235			
Gross square footage - Orlando Campus <sup>3</sup>	10,832,105			
Acreage - Orlando Campus <sup>3</sup>	1,415			

<sup>1</sup> Medical students are not included in student credit hours.

<sup>2</sup> Spring 2020 data is preliminary.

<sup>3</sup> As of Fall 2019.

## **University of Central Florida Operating Budget Status**

**March 31, 2020**

### ***Year-to-Date Activity and Variances***

The attached reports include revenues and expenditures for the nine months ended March 31, 2020, compared to the operating budget. Overall, revenues and expenditures as a percent of the operating budget are 67.2 percent and 63.8 percent, respectively, compared to 76.3 percent and 69.8 percent in the prior year. Additionally, the attached reports include statistical information primarily related to student enrollment. Student credit hours are 3.4 percent higher than the enrollment plan and 1.9 percent higher than the prior year. Specific activities and variances in certain budget categories are described below.

#### Educational & General

Revenues decreased by \$97.7 million which is primarily driven by a decrease in return of funds (\$84.7 million returned in prior year) related to various construction projects. There was also a decrease of \$9.8 million in state appropriates due to reductions in base funding in current year and a timing difference in receiving lottery distributions.

Expenditures increased \$23.5 million primarily due to a \$17.0 million increase in Salaries and Benefits expenditures due to salary adjustments in fiscal year 2020 as well as one-time University-wide bonus payments in quarter 2. Additionally, there was a \$6.0 million increase in funding transfers to support Student Financial Aid due to an increase in Scholarship Investment Funds from the Provost.

#### Medical School

Revenues increased \$4.7 million primarily driven by a \$4.2 million increase in state appropriations for the Professional and Graduate Degree Excellence Program and to cover budget redistributions due to the implementation of composite fringe benefits rate.

No significant changes in expenditures.

#### Auxiliary

Revenues increased \$20.5 million primarily driven by a \$14.8 million net increase in investment earnings allocated to auxiliary and a \$6.1 million increase related to higher revenues from the medical residency programs, market rate programs and distant learning fees.

Expenditures decreased by \$18.9 million primarily driven by a \$37.3 million decrease in construction funding which was partially offset by increases of \$6.6 million in salaries and benefits, \$2.8 million in debt services payments (early payoff of Health Center bonds), \$3.5 million in utility increases, \$1.6 million related to telecommunications expenses, and \$3.0 million related to workers comp, parking services, taggable equipment and Educational Broadband Service funding increases.

## **University of Central Florida Operating Budget Status**

**March 31, 2020**

### Sponsored Research

Revenues increased by \$5.1 million primarily related to federal and private funding.

Expenditures increased \$2.1 million primarily due to a \$4.2 million increases in salaries and benefits expenses, \$1.1 million increase in capital purchases primarily related to CREOL and Psychology lab equipment, \$2.2 million increases in federal funded expenses, and \$2.3 million in transfers to overhead & unrestricted scholarships. These increases were partially offset by a decrease of \$7.7 million due to expenses in fiscal year 2019 used to replace E&G funds expended on nine additional repair/renovation projects.

### Student Financial Aid

Revenues increased \$8.1 million primarily due to increase in Scholarship Investment Funds transferred from E&G and an increase in Bright Futures funding partially offset by a decrease in federal loans.

Expenditures decreased \$9.3 million primarily due to decreases in federal (\$15 million) and institutional (\$14.2 million) funded awards partially offset by increases in state funded awards (\$15.1 million) and Athletics scholarships (\$4.1 million). Differences between revenues and expenditures by category are primarily related to timing differences between receipt and disbursement of funds, and a decrease in Stafford direct loans.

### Student Activities

There was no significant change in revenues.

Expenditures increased \$0.7 million driven by an increase in Salaries and Benefits of \$0.4 million due to additional bonus payments in fiscal year 2020 as well as increased salaries as a result of the Classification and Compensation project. Overall expenditure increase was also due to \$0.2 million in equipment and machineries purchased for the new Recreation Wellness Center gym located in Downtown campus.

### Concessions

Revenues decreased \$0.4 million primarily due to ongoing management review of how to best allocate the commissions earned from the Coke contract. The amount normally allocated to Concessions may be allocated elsewhere to meet other University needs.

There was no significant change in expenditures.

**University of Central Florida  
Operating Budget Status**

**March 31, 2020**

Technology Fee

There was no significant change in revenues.

Technology fee expenditure variances are due to timing differences in the progress of the various projects. Approximately 80 percent of 2018-19, 84 percent of 2017-18 and 94 percent of 2016-17 awarded funds have been spent or transferred to Computer Services and Telecommunications for projects completed or in progress. Fiscal year 2015-16 has been completely closed out.

## University of Central Florida Operating Budget Status

March 31, 2020

### *Budgets*

**Educational & General.** The Educational & General budget includes expenditures for operating activities (including general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment related operations). This budget is funded by general revenue, Educational Enhancement funds (Lottery), and student fees. E&G student fees include tuition and out-of-state fees.

**Auxiliary Enterprises.** Auxiliary enterprises include those activities that are not instructional in nature but support the operation of the university. The primary auxiliary areas include Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, and the Bookstore. The auxiliaries must generate adequate revenue to cover expenditures and allow for future renovations and building or equipment replacement, if applicable. Several of the auxiliaries are partially or wholly funded by student fees, including Student Health Services, Parking Services, and Material and Supply Fees.

**Sponsored Research.** Sponsored research includes research activities that are funded by federal, state, local, and private funds.

**Student Financial Aid.** The student financial aid budget largely represents scholarship, grant, and loan funds that are received by the university and subsequently disbursed to students. Large disbursements of these funds occur at the beginning of the Fall and Spring semesters. The expenditures in this budget will, therefore, not coincide with the months remaining in the year.

**Student Activities.** The student activities budget is funded by the Activity and Service Fee paid by the students and includes expenditures for student government and student clubs and organizations. This budget also includes expenditures for the Student Union and the Recreation and Wellness Center. Expenditures for these entities are funded by the Activity and Service Fee and by revenue generated through functions in the facilities.

**Concessions.** The concessions budget is funded from vending commissions and related sponsorship revenue. These funds are used for events and other expenditures that support the university.

**Technology Fee.** The revenue from this fee will be used to enhance instructional technology resources for students and faculty.

## University of Central Florida Operating Budget Status

March 31, 2020

### *Expenditure Categories*

**Salaries and Benefits.** Salaries and benefits include salary payments, along with employer benefit costs, including FICA, health insurance, life insurance, disability insurance, and pre-tax benefits. Benefits are approximately 30 percent of salaries for permanent employees.

**Expenses.** Expenses include office supplies, repairs, maintenance costs, contract services, and all other items not included as salaries, capital purchases, or debt service.

**Capital Purchases.** Capital purchases include personal property with a value of \$5,000 or more and library resources with a value of \$250 or more, and an expected life of one year or more.

**Debt Service.** Debt service includes principal and interest payments on bonds and other loans within the university.

ITEM: FFC-1

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** FY 2020-21 Continuation Operating Budget

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**Background:**

Board of Governors Regulation 9.007, *State University Operating Budgets*, requires the university to prepare an annual operating budget for approval by the university board of trustees, in accordance with instructions, guidelines, and standard formats provided by the Board of Governors.

**Issues to be Considered:**

In order to meet reporting requirements established by the State Comptroller for the release of university state appropriations starting July 1, 2020, the BOT must approve a preliminary operating budget for FY 21. The deadline to submit the preliminary operating budget to the BOG for the upcoming year is June 22, 2020.

At this time, the university requests approval of a continuation budget for FY 21 at the same funding levels approved by the Board on June 19, 2019 for the 2019-20 operating budget. Once the state budget has been finalized by the Governor, staff will prepare and submit a detailed operating budget to the BOG on or before the submission deadline of August 21, 2020. Additionally, the final budget will be presented to the BOT for approval at a future meeting.

**Fiscal Impact and Source of Funding:**

N/A

**Recommended Action:**

Approval of a Continuation Operating Budget for FY 2020-21. (Attachment A).

**Authority for Board of Trustees Action:**

Section 1001.40(2), Florida Statutes, provides that “each university board of trustees shall adopt an operating budget for the operation of the university as prescribed by law and rules of the Board of Governors.” The University has prepared the 2020-21 Proposed University Operating Budget in accordance with requirements set forth in Florida Board of Governors Regulation 9.007.

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President & Chief Financial Officer

**Supporting Documentation:**

Attachment A: Presentation of FY 2020-21 Continuation Operating Budget

**Facilitators/Presenters:**

Joseph Trubacz, Interim Vice President and Chief Financial Officer

Kristie Harris, Associate Vice President for Financial Affairs

## Attachment A

**University of Central Florida**  
**FY 2020-21 Continuation Operating Budget Summary**

	<b>2018-19 BOT Approved Budget</b>	<b>2019-20 BOT Approved Budget<sup>1</sup></b>	<b>2020-21 BOT Continuation Budget</b>
<b>Budgeted Revenues:</b>			
Education and General (E&G)	\$ 342,459,361	\$ 327,940,387	\$ 327,940,387
Lottery	\$ 38,581,028	\$ 48,209,374	\$ 48,209,374
Tuition (Budget Authority)	\$ 308,145,480	\$ 320,349,173	\$ 320,349,173
Interest	\$ 4,295,000	\$ 3,370,000	\$ 3,370,000
<b>Total E&amp;G Budget Entity</b>	<b>\$ 693,480,869</b>	<b>\$ 699,868,934</b>	<b>\$ 699,868,934</b>
Contracts and Grants	\$ 171,988,000	\$ 194,333,783	\$ 194,333,783
Auxiliaries	\$ 298,284,488	\$ 288,227,216	\$ 288,227,216
Student Activities	\$ 21,829,718	\$ 21,405,886	\$ 21,405,886
Financial Aid	\$ 620,465,788	\$ 659,877,204	\$ 659,877,204
Concessions	\$ 500,915	\$ 577,692	\$ 577,692
Athletics	\$ 51,663,055	\$ 67,388,208	\$ 67,388,208
Technology Fee	\$ 9,100,000	\$ 9,416,069	\$ 9,416,069
Self Insurance Plan	\$ 2,203,565	\$ 2,694,863	\$ 2,694,863
Faculty Practice Plan	\$ 9,912,765	\$ 9,603,362	\$ 9,603,362
<b>Total Non-E&amp;G Budget Entities</b>	<b>\$ 1,185,948,294</b>	<b>\$ 1,253,524,283</b>	<b>\$ 1,253,524,283</b>
<b>Total Budgeted Revenues<sup>2</sup></b>	<b>\$ 1,879,429,163</b>	<b>\$ 1,953,393,217</b>	<b>\$ 1,953,393,217</b>
<b>Budgeted Expenditures:</b>			
Salaries & Benefits	\$ 688,885,584	\$ 774,818,025	\$ 774,818,025
Expenses	\$ 518,300,199	\$ 349,130,450	\$ 349,130,450
Operating Capital Outlay	\$ -	\$ 9,819,361	\$ 9,819,361
Risk Management Insurance	\$ 2,421,707	\$ 3,014,591	\$ 3,014,591
Financial Aid	\$ 658,855,039	\$ 696,066,640	\$ 696,066,640
Library Resources	\$ 7,100,000	\$ 7,058,022	\$ 7,058,022
Debt Service	\$ 990,000	\$ 12,864,841	\$ 12,864,841
Carry Forward	\$ 44,055,073	\$ 132,551,201	\$ 132,551,201
Non-Operating Expenses	\$ -	\$ 124,609,812	\$ 124,609,812
<b>Total Budgeted Expenditures<sup>2</sup></b>	<b>\$ 1,920,607,602</b>	<b>\$ 2,109,932,943</b>	<b>\$ 2,109,932,943</b>

<sup>1</sup> The FY2019-20 BOT Approved E&G Budget included \$1.695M in state funding for the UCF Downtown campus that was subsequently vetoed by the Governor. The E&G budget reflects the final E&G budget after the veto was taken into consideration.

<sup>2</sup> The primary driver for expenditures exceeding revenues is due to the inclusion of carryforward as an expense category. To align with the reporting requirements established by the BOG, carryforward is not included in the budgeted revenue section of this presentation.

ITEM: FEC-2

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** Five-Year Capital Improvement Plan

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**Background:**

Pursuant to 1001.74(12), 1011.40(1), and 1013.60, Florida Statutes, each year the university must submit an updated Capital Improvement Plan (CIP) to the Board of Governors. This plan identifies projects that will be included in the three-year Public Education Capital Outlay (PECO) list, and provides information to the State Board of Education for its request for capital project funding for 2021-22.

**Issues to be Considered:**

The projects included in the CIP adhere to criteria prescribed by the Board of Governors:

**1. Remodeling/Renovation/Maintenance/Repair**

Funds will be requested from PECO pursuant to formula as required by section 1013.64(1)(a), Florida Statutes, and should not be included by the university on the CIP – this funding will be requested as the top system issue by the Board of Governors.

**2. Projects Previously Funded by the Legislature**

Projects previously funded by the Legislature, effective July 1, 2017, or later, should be listed next on the CIP; these are considered “Previously Funded”. If a university has more than one such project, priority should be given to those projects which can be most rapidly brought to completion.

**3. Capital Renewal and Stewardship of Existing Facilities**

- a) Subsystem Requests – Each board of trustees shall prioritize capital renewal and stewardship projects for individual subsystems of existing facilities which have failed or are functioning with substantial degradation in efficiency or performing at increased cost. This must be done on a line item basis.
- b) Multiple Subsystem Requests – Renovation of multiple subsystems of an existing facility may be requested only if approved pursuant to an Educational Plant Survey.
- c) Demolition – Funding for demolition of an existing facility may be requested only if approved pursuant to an Educational Plant Survey.

**4. New Facility Request**

A New Facility Request must address the following demand indicators:

- a) Will it improve the national ranking of a specific college; e.g. Music, Business, etc.?
- b) Will it allow for creation of a new academic program?
- c) Will it create both new research capability and capacity; requiring material institutional support?
- d) Will it expand current course offerings?
- e) Will it address campus-wide needs?

New Facility Requests **must also** be supported by an existing Educational Plant Survey, a business case study; and a Plant Operations and Maintenance (PO&M) Budget Amendment, showing in

detail how the existing operating budget will be adjusted to address the increased PO&M costs without additional state funds. Alternatively, identify non-state funding for the new facility.

**Alternatives to Decision:**

1. Not approve the Five-year Capital Improvement Plan.
2. Recommend changes to the Five-Year Capital Improvement Plan.

**Fiscal Impact and Source of Funding:**

The renovation projects listed in the CIP include updates that should provide for operating cost efficiencies. Once submitted the Board of Governors will evaluate all universities based on the criteria above and a newly established points based system to present a request for PECO funding to the Legislature. If the State does not approve the funds requested, the University may include the same projects on next year's CIP, or, if available may request authorization to utilize E&G carryforward funds.

**Recommended Action:**

Approve the Five-Year Capital Improvement Plan as presented.

**Authority for Board of Trustees Action:**

Florida Statute 1001.74

**Contract Reviewed/Approved by General Counsel:**

N/A

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer

**Supporting Documentation:**

Attachment A: Five-Year Capital Improvement Plan

**Facilitators/Presenters:**

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer  
Duane Siemen, Interim Associate Vice President for Facilities and Safety

Attachment A

**CIP-1 NARRATIVE OVERVIEW FOR AGENCY CAPITAL IMPROVEMENTS PLAN  
(NARRATIVE)**

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**AGENCY: University of Central Florida**

**AGENCY OBJECTIVES AND POLICIES AS THEY RELATE TO THE CAPITAL  
IMPROVEMENTS PROGRAM**

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The University of Central Florida (UCF) is a metropolitan university, which combines a contemporary and local role with one that is both traditional and universal. UCF seeks to serve its local, national, and international constituents by accelerating industry diversification, enhancing quality of life for our residents, and improving the world beyond our borders.

UCF is a leader in many academic, partnership, and research fields including optics and lasers, modeling and simulation, engineering and computer science, business administration, education, hospitality management, health care, and video game design. UCF's programs in communication and the fine arts help fulfill the cultural and entertainment needs of a growing metropolitan area. Through learning, discovery, and partnerships, UCF transforms lives and livelihood.

According to U.S. News & World Report's 2020 Best Colleges guide, UCF ranks among the nation's 20 most innovative universities. UCF is also ranked as a best-value university by Kiplinger and The Princeton Review, as well as one of the nation's most affordable colleges by Forbes.

UCF has a general education program designed to produce well-rounded graduates with a balance of communicative and mathematical skills; historical, social, and scientific knowledge; and ethical, aesthetic, and artistic sensitivity. UCF uses the power of scale and the pursuit of excellence to solve tomorrow's greatest challenges and to make a better future for our students and society. Students explore and address their personal and social responsibility in an interconnected world and become engaged global citizens. The university confers almost 17,000 degrees each year and benefits from a diverse faculty and staff who create a welcoming environment and opportunities for all students to grow, learn, and succeed, in order to lead productive and meaningful lives.

During our first 50 years of existence, the university experienced a tremendous growth period, with great demand and high expectations. With new residents still moving to Central Florida every week, the pressures to keep up with the region's higher education needs are immense.

The university has 13 colleges comprising: Arts and Humanities, Burnett Honors College Business, Community Innovation and Education, Engineering and Computer Science, Graduate Studies, Health Professions and Sciences, Medicine, Nursing, Optics and Photonics, Rosen College of Hospitality Management, Sciences, and Undergraduate Studies. The university will continue to implement new programs at both the

undergraduate and graduate levels to meet the needs of a rapidly-developing service area. The university is committed to maintaining the public's trust by offering high-quality programs of instruction, research, and service.

The construction and maintenance of facilities is fundamental to delivery of the university's programs, and requires land improvements and infrastructure improvements. Based on the results of the Educational Plant Survey, UCF is operating at a significant space deficit and is leasing space in locations such as the Central Florida Research Park.

### **HIGHLIGHTS OF CAPITAL IMPROVEMENTS PROGRAM**

This year, the university places a high priority on the renovation of building systems: Chemistry Renovation, Communication and Media Building Renovation (building envelope and roof), and Howard Phillips Hall Renovation. New projects include the Learning Laboratory, Research II, and the Arts Complex Phase II.

### **CURRENT STATUS OF FACILITY EFFORTS AND HIGHLIGHTS OF FACILITY PROGRAM OVER LAST FIVE YEARS**

Over the last five years, the university has upgraded a variety of existing facilities, identified a need for new facilities, and constructed new facilities. This past year, UCF completed construction of the CREOL Expansion Phase II on the Main Campus, and at the Downtown Campus: Dr. Phillips Academic Commons, Communications and Media Building Renovation, Downtown Energy Plant, and the Downtown Parking Garage.

Funding of facility maintenance is critical to enable campus buildings to continue to function effectively and safely. Life Safety items have been identified and extensive programs for fire alarm systems, fire code corrections, American Disabilities Act (ADA) requirements, and asbestos abatement projects are being performed as funding becomes available.

### **SUMMARY OF THE SIZE, USE AND CONDITION OF THE AGENCY'S FACILITIES OPERATIONS**

The university's facilities consist of more than 6.5+ million assignable square feet in more than 200 buildings located on 1,415 acres. Since 2012, the University has contracted with the ISES Corporation to benchmark and detail the condition of its E&G facilities. On a triennial basis, Facilities Condition Assessments are performed on each E&G building. Categories inspected include exterior structure and roof system, interior structure, ADA accessibility, energy/water conservation, health, fire/life safety, HVAC, electrical, plumbing, and elevators. This ongoing assessment helps the university prioritize and perform the most critical repairs in a cost-effective manner, therefore helping to avoid the accumulation of deferred maintenance on campus. These reports have become an invaluable tool when renovating existing buildings.

**IMPACT OF THE CURRENT AND PROPOSED FACILITIES OPERATIONS SIZE,  
USE AND CONDITION ON THE AGENCY'S OPERATING BUDGET**

Plant operations and maintenance costs to maintain our facilities are critical to the success of the university. By renovating buildings and infrastructure, UCF will be able to extend the lifecycles of its existing buildings, and upgrading the utilities will result in greater energy efficiency, offsetting ever-increasing utility costs.

**ALL PROPOSED DEBT OR P3 PROJECTS FOR FY 2021-22 THAT REQUIRE LEGISLATIVE APPROVAL**

College of Nursing	\$108,834,736	Construction of a new 150,000 GSF facility to serve College of Nursing academic programs; includes Classrooms, Teaching Labs (Simulation, Essential Skills, Health Assessment, Virtual Reality, Objective Structured Clinical Examination), Research Labs, Study Space, and Office/Conference Space.
McNamara Cove	\$2,600,000	Located on ~ 1.5 acres of land immediately adjacent to the southeast corner of Spectrum Stadium, the outdoor resort-style pool facility will feature a 495 ft. x 9 ft. long river and two small activity pools. In addition, the site will include a 1,800 square ft. restroom and dressing facility (unconditioned), sand volleyball courts, and a large concrete-paver deck. Added pavilion building and additional landscaping.
Wayne Densch Sports Center Renovation	\$750,000	Renovation and finish upgrades to interior spaces of the building (opened in 2003) to include the reallocation of space to create more efficient staff work and dressing-room and student-athlete areas.
Wayne Densch Sports Center Entry Atrium	\$1,000,000	Expansion of building to create new formal entry to the WDSC.
Champions Way Pedestrian Path @ Kenneth G. Dixon Athletics Village	\$2,500,000	Pedestrian pathway extending ~2,200 ft. from the Wayne Densch Center for Student-Athlete Leadership (east) to Addition Arena (west). Project will be done in phases as funding allows.
UCF Basketball Excellence Center	\$15,000,000	Comprehensive renovation of south sector of the three-story "The Venue" (the original UCF Arena opened in 1991) to create functional and efficient space for the intercollegiate sports of men's and women's basketball, and women's Volleyball.
Stadium Video Boards	\$1,000,000	New video display boards at baseball and softball stadiums.
Tennis Training Facility (courts)	\$1,500,000	Eight hard-surface tennis courts and teams' clubhouse.

**OTHER FACTORS AFFECTING THE AGENCY'S CAPITAL IMPROVEMENTS PROGRAM**

N/A

# Finance and Facilities Committee Meeting - New Business

**STATE UNIVERSITY SYSTEM**  
**Five-Year Capital Improvement Plan (CIP-2) and Legislative Budget Request**  
**Fiscal Years 2021-22 through 2025-26**  
**CIP-2A, Summary of Projects**

University of Central Florida

Contact Name: [Gina Seabrook](mailto:gina.seabrook@ucf.edu) Phone Number: (407) 823-5894 Email [gina.seabrook@ucf.edu](mailto:gina.seabrook@ucf.edu)

**PECO-ELIGIBLE PROJECT REQUESTS**

Priority No	Project Title	2021-22	2022-23	2023-24	2024-25	2025-26	Academic or Other Programs to Benefit from Projects	Net Assignable Square Feet (NASF)	Gross Square Feet (GSF)	Project Cost	Project Cost Per GSF (Proj. Cost/ GSF)	Educational Plant Survey Recommended Date/Rec No.
		Year 1	Year 2	Year 3	Year 4	Year 5						
1	LEARNING LABORATORY - ACTIVE LEARNING, TEACHING LAB AND MAKER SPACE FACILITY (P,C,E)	\$3,526,003	\$49,364,049	\$3,526,003			Total Campus	66000	100000	\$56,416,056	\$	564 12/5/2018 No. 14
2	RESEARCH II LABORATORY (P,C,E)		\$5,252,683	\$63,032,189	\$5,252,683		Total Campus	66000	100000	\$73,537,556	\$	735 6/2016 No. 16
3	CHEMISTRY RENOVATION (P,C)		\$1,000,000	\$9,000,000			Clge of Sciences	29336	49073	10,000,000	\$	204 6/2016 No. 10
4	COMMUNICATION AND MEDIA BUILDING RENOVATION - EXTERIOR - ROOF (P,C)		\$6,300,000				Clge of CAH			6,300,000	#DIV/0!	6/2016 No. 21
5	ARTS COMPLEX PHASE II (P,C)				\$3,164,520	\$67,170,960	CAS-CHPS	88310	122800	\$77,500,000	\$	631 6/2016 No. 7
6	HOWARD PHILLIPS HALL RENOVATION (P,C,E)				\$12,400,000		Total Campus	33577	64619	12,400,000	\$	192 6/2016 Rev. 5-24-2019 No. 26
<b>TOTAL</b>		<b>\$3,526,003</b>	<b>\$61,916,732</b>	<b>\$75,558,192</b>	<b>\$20,817,203</b>	<b>\$67,170,960</b>						

Finance and Facilities Committee Meeting - New Business

STATE UNIVERSITY SYSTEM  
 Five-Year Capital Improvement Plan (CIP-2) and Legislative Budget Request  
 Fiscal Years 2021-22 through 2025-26  
 CIP-2B, Summary of Projects

**CITF PROJECT REQUESTS**

Priority No	Project Title	Year 1	Year 2	Year 3	Year 4	Year 5
1	John C. Hitt Library Renovation Phase II	\$ 12,603,396				
2	Arts Complex Phase II	\$ 2,000,000				
<b>TOTAL</b>		<b>\$ 14,603,396</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Academic or Other Programs to Benefit from Projects	Net Assignable Square Feet (NASF)	Gross Square Feet (GSF)	Project Cost	Project Cost Per GSF (Proj. Cost/ GSF)	Committee Approval Date
Total Campus	144,097	226,506 \$	40,978,312 \$	181	5/2012, rev. 5/13/2019
Total Campus	88,310	122,800 \$	77,500,000 \$	631	11/26/19

State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

Project Detail

University: University of Central Florida Project Title: The Learning Laboratory – Active Learning, Teaching Laboratory, and Maker Space Facility

Project Address: TBD-Main Campus

**PROJECT NARRATIVE**

**PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES**

In 2017, a university-wide Facilities Budget Committee (FBC) was convened to assess space and facility needs across campus to refine planning for research, teaching laboratory, and classroom space. Deans and Vice Presidents presented their 5-year visions for academic and research needs to the FBC. Among the highest collective priorities was a need for more and better teaching laboratories and large active learning classrooms. UCF determined that two new innovative, interdisciplinary facilities would meet campus-wide needs for teaching laboratories and research laboratories for multiple colleges.

The "Analysis of Space Needs by Category" in the 2015 Educational Plant Survey confirmed the critical deficit of teaching and research laboratories, classrooms, and office space.

The proposed Learning Laboratory - Active Learning, Teaching Laboratory, and Maker Space Facility will be a 100,000 gross square foot facility. Several colleges will have space in this new facility; when the building is programmed, including but not limited to:

College of Sciences (COS): The new facility will replace chemistry and anthropology teaching laboratories currently located in the 50+ year-old Chemistry building. If feasible it will also replace Physics teaching labs in the 50+ year-old Mathematical Sciences Building. Teaching laboratories will also be added to address growth in chemistry, physics, and anthropology.

College of Community Innovation and Education (CCIE): The new facility will provide a science teaching laboratory and several flexible (active) learning studios to serve elementary and secondary education. These flexible studios will be classified as general-purpose classrooms; and, when not scheduled by CCIE, will be open to the university to remediate UCF's classroom space deficit.

General use space will include:

General Purpose Classrooms: A large general-purpose lecture hall will support active learning pedagogies for up to 250 students. Technology will also be included to support remote/distance learning. To address community needs and collaborations, the classroom will be available for the professional learning components of CCIE.

Maker Space: A collaborative Maker Space, managed by CCIE, will be available for making, learning, exploring, and sharing to support primary and secondary education programs in Science, Technology, Engineering, Arts, and Mathematics (STEAM).

Support space: The facility will also include breakout and queueing space, class-prep rooms, and office-hours rooms for use by teaching assistants who are officed in touchdown workspaces. Teaching materials storage and staging space will be provided for the convenience of the faculty. Critical personnel will be provided office space based on UCF's collaborative workspace model.

This project will result in the release of outdated teaching laboratory space in Chemistry and Mathematical Sciences, for renovation into classroom and office space to remediate UCF's space deficits in these space classifications.

**SUSTAINABILITY AND LEED**

The University of Central Florida is committed to sustainability and continued reduction of energy consumption in new construction projects. As energy costs and demands continue to escalate, achieving higher levels of efficiency has become increasingly important to the university's mission. Since 2007, UCF has mandated LEED certification, with most projects achieving Gold. UCF requires specific individual LEED credits that contribute to UCF's core principles including energy efficiency, water conservation, and indoor air quality for all projects. The Facilities Planning & Construction and Utilities & Energy Services departments provide oversight for all new construction and major renovation projects, and expedite the commissioning process with the latest industry standards to ensure that the university's sustainability goals are met and design parameters achieved.

**SPACE CLASSIFICATIONS**

The space classification is both teaching laboratory and classroom type. The project will achieve LEED Gold certification with the U.S. Green Building Council (USGBC). Energy consumption will be at least 30% less than the energy standards cited in ASHRAE 90.1-2010, and water consumption will be at least 30% less than that of a comparable building. Laboratories will have continuous variable air flow valves with air flow reset capabilities. Domestic and laboratory hot water needs shall be provided primarily by solar thermal energy. The project will utilize the district cooling loop for space cooling needs and will look at alternative measures to provide dehumidification with the classifications of lab spaces and related energy use, and all heating and reheating will be hydronic.

**EDUCATIONAL PLANT SURVEY**

The Educational Plant Survey was conducted October 6-7, 2015, and approved June, 2016. The Learning Laboratory – Active Learning, Teaching Laboratory, and Maker Space Facility received a spot survey supplemental approval on December 5, 2018.

**State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26**

**Project Detail**

University: University of Central Florida Project Title: The Learning Laboratory – Active Learning, Teaching Laboratory, and Maker Space Facility

Project Address: TBD-Main Campus

**1% RESERVE ESCROW [ per F.S. 1001.706 (12) c ]**

Building / project value: \$ 56,416,055  
 Basis / source of valuation: \_\_\_\_\_  
 1st Year escrow deposit: \$ 564,161  
 Escrow funding source: \_\_\_\_\_  
 Comments: \_\_\_\_\_

**BUILDING SPACE DESCRIPTION**

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost	Remodeling Projects <b>Only</b>	
						NASF BEFORE	NASF AFTER
<b>NEW CONSTRUCTION</b>							
Classroom	9,816	<u>1.5</u>	14,724	<u>341</u>	5,023,829	-	-
Teaching Lab	48,850	<u>1.5</u>	73,275	<u>373</u>	27,309,593	-	-
Office	5,000	<u>1.5</u>	7,500	<u>346</u>	2,499,000	-	-
Study	3,000	<u>1.4</u>	4,200	<u>333</u>	1,452,990	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>Total:</b>	<b>66,666</b>		<b>99,699</b>		<b>36,285,411</b>		
* Apply Unit Cost to total GSF based on Space Type							
<b>REMODELING / RENOVATION</b>							
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>Total:</b>	<b>-</b>		<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total New Const. &amp; Remodel / Renovation:</b>	<b>66,666</b>		<b>99,699</b>		<b>36,285,411</b>		

**State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26**

**Project Detail**

University: University of Central Florida Project Title: The Learning Laboratory – Active Learning, Teaching Laboratory, and Maker Space Facility

Project Address: TBD-Main Campus

**PROJECT COMPONENT COSTS & PROJECTIONS**

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
<b>Basic Construction Costs</b>							
Building Cost (from above)			36,285,411				36,285,411
Environmental Impacts/Mitigation							
Site Preparation			1,000,000				1,000,000
Landscape / Irrigation			816,055				816,055
Plaza / Walks			253,116				253,116
Roadway Improvements							
Parking : _____ spaces							
Telecommunication			1,200,000				1,200,000
Electrical Service			600,000				600,000
Water Distribution			300,000				300,000
Sanitary Sewer System			300,000				300,000
Chilled Water System			1,600,000				1,600,000
Storm Water System			900,000				900,000
Energy Efficient Equipment			600,000				600,000
Subtotal: Basic Const. Costs			43,854,582				43,854,582
<b>Other Project Costs</b>							
Land / existing facility acquisition							
Professional Fees		3,526,003					3,526,003
Fire Marshall Fees			122,385				122,385
Inspection Services			645,333				645,333
Insurance Consultant			23,387				23,387
Surveys & Tests			100,000				100,000
Permit / Impact / Environmental Fees			109,447				109,447
Artwork			100,000				100,000
Moveable Furnishings & Equipment			1,946,354	3,526,003			5,472,357
Project Contingency			2,462,561				2,462,561
Subtotal: Other Project Costs		3,526,003	5,509,467	3,526,003			12,561,473
<b>Total Project Cost:</b>			49,364,049				56,416,055

**PROJECT FUNDING**

Source	Funding to Date		Total Project Cost (from above)	Remaining Funding Need
	Fiscal Year	Amount		
.			-	
.			-	
.			-	
.			-	
<b>Total:</b>			<u>56,416,055</u>	<u>56,416,055</u>

State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

Project Detail

University: University of Central Florida Project Title: Research II

Project Address: TBD-Main Campus

**PROJECT NARRATIVE**

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

UCF has a critical need for research space that can contribute to driving Florida's innovation economy and assist our state in producing high paying jobs. Crosscutting research is a critical component in addressing many of the issues facing today's innovation-based economy. Interdisciplinary research, which crosses traditional academic disciplinary lines, has led the way in the discovery and creation of new and innovative technologies that fuel economic growth and prosperity in the U.S. UCF is building a strong base of faculty with extensive technological expertise in key areas of science and technology based on strong clusters in sectors vital to Florida. The ability to leverage the talents of faculty from various disciplines creates synergies, value, and opportunities well beyond the sum of the individual parts.

UCF aspires to be a preeminent state research university and has set strategic goals to be a top 50 research university by 2035. It is committed to a robust portfolio of research, scholarship, and creative activities across all disciplines, contributing to the creation of new knowledge. Specific metrics have been designed to meet preeminence, increasing research awards from \$133 million to at least \$250 million and achieving a level where at least 25% of graduate degrees awarded are research-focused. Strategies to meet these objectives include: reaching at least 200 post-doctoral research appointees; increasing undergraduate participation in research by 50%; winning ten proposals per year exceeding \$1M, five of which exceed \$3M; creating 16 start-up companies annually; executing 36 licenses and options for UCF intellectual property; and achieving 200 patents awarded over three years.

The enhanced capabilities of Research II – Science, Engineering, and Commercialization Facility (Research II) and its greater capacity will support advancement toward preeminence, based on increased research expenditures (impacting the institution's national ranking for research expenditures), patents awarded, doctoral degrees conferred, and post-doctoral appointments. In addition, an increase in STEM graduate degrees will strengthen UCF's metrics for performance-based funding.

UCF must accelerate the growth of its research enterprise in people, funded research expenditures, and facilities to expand the university's research scale and impact. The 2015 UCF Educational Plant Survey reported a laboratory space deficit of 629,057 NASF; however, the deficit had grown to 793,014 NASF in 2017, as updated on Form B using the Dynamic Capital Planning Model. Research II will reduce the deficit, and will be advantageous to the State of Florida and to UCF, as the institution strives to achieve status as a top-tier, preeminent state research university.

Based on the productivity measures that are used in determining national rankings (numbers of graduate students and graduate degrees, and research expenditures), the programs proposed for Research II will be enriched. Additionally, the enhanced visibility and reputations of the faculty and their research will positively affect the subjective ranking input from deans and industry leaders.

This facility will provide the infrastructure, environment, and culture necessary to build strong, creative, and innovative teams and programs in research, technology transfer, and commercialization. The facility will enable fundamental and applied research across traditional disciplines to create clusters, focusing on relevant technology in emerging areas. It will act as a bridge between technology development, technology transfer, and commercialization; and become an integral component of economic development activities in the region and state. The benefits of the research that will be conducted at UCF are not limited to economics; as cutting-edge research will also contribute to the enhanced quality of life in Florida.

Research II is envisioned as a multidisciplinary, highly collaborative building with space allocated for programs in multiple colleges and disciplines. The facility will expand opportunities for research growth in alignment with the current strategic goals of the university, similar to the recent consolidation of interdisciplinary faculty research clusters and the UCF Materials Characterization Facility in Research I. This facility will include space for research faculty from multiple STEM departments, and shared technical space for manufacturing and prototyping, including a central microfabrication facility (cleanroom) and a central mechanical manufacturing facility (machine shop).

In 2018, UCF began centralizing the operations and personnel of all research-support facilities on campus, combining machine shops, cleanrooms, cryogenic, nuclear magnetic resonance, and other facilities in the College of Sciences (COS), the College of Engineering and Computer Science (CECS), and the College of Optics and Photonics (CREOL). All such facilities will be managed by the Office of Research (OR). Research II will facilitate the collocation of all university cleanrooms, machine shops, and associated personnel. Collocation of state-of-the-art manufacturing and microfabrication facilities will result in the highly efficient operation, increasing the competitiveness of the diverse research faculty at the institution.

Research II will facilitate synergy among research teams from the most productive academic units at UCF, and will foster an increased emphasis on internal and external partnerships that, for more than twenty-five years, have been a cornerstone of UCF's success, impact, and rise toward pre-eminence. UCF's emphasis on partnerships has resulted in numerous research efforts in collaboration with, or at least supported by, industry. With additional research space and personnel, the funding from industry sponsors and the number of industry-sponsored projects will increase proportionally. Additionally, indirect benefits can be measured in terms of student internships and permanent employment opportunities for graduates with partner companies and others.

SUSTAINABILITY AND LEED

The University of Central Florida is committed to sustainability and continued reduction of energy consumption in new construction projects. As energy costs and demands continue to escalate, achieving higher levels of efficiency has become increasingly important to the university's mission.

Since 2007, UCF has mandated LEED certification, with most projects achieving Gold. UCF requires specific individual LEED credits that contribute to UCF's core principles including energy efficiency, water conservation, and indoor air quality for all projects. The Facilities Planning & Construction and Utilities & Energy Services departments provide oversight for all new construction and major renovation projects and expedite the commissioning process with the latest industry standards to ensure that the university's sustainability goals are met, and design parameters achieved.

Research/Laboratory

The space classification is predominately laboratory type, with office type minimized. The project will achieve LEED Gold certification with the U.S. Green Building Council (USGBC). Energy consumption will be at least 30% less than the energy standards cited in ASHRAE 90.1-2010, and water consumption will be at least 30% less than that of a comparable building. Laboratories will have continuous variable air flow valves with air flow reset capabilities. Domestic and laboratory hot water needs shall be provided primarily by solar thermal energy. The project will utilize the district cooling loop for space cooling needs and will look at alternative measures to provide dehumidification with the classifications of lab spaces and related energy use, and all heating and reheating will be hydronic.

EDUCATIONAL PLANT SURVEY

The Educational Plant Survey was conducted October 6-7, 2015 and approved June 2016.



**State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26**

**Project Detail**

University: University of Central Florida Project Title: Research II

Project Address: TBD-Main Campus

Surveys & Tests	100,000		100,000
Permit / Impact / Environmental Fees	116,872		116,872
Artwork	100,000		100,000
Moveable Furnishings & Equipment	1,807,002	5,252,683	7,059,685
Project Contingency		372,180	3,721,803
Subtotal: Other Project Costs	5,252,683	6,636,782	17,142,148
<b>Total Project Cost:</b>		<b>63,032,189</b>	<b>73,537,555</b>

**PROJECT FUNDING**

Source	Funding to Date		Total Project Cost (from above)	Remaining Funding Need
	Fiscal Year	Amount		
.		-		
.		-		
.		-		
.		-		
	<b>Total:</b>	<b>-</b>	<b>73,537,555</b>	<b>73,537,555</b>

State University System  
 5-Year Capital Improvement Plan (CIP)  
 FY 2021-22 through 2025-26

**Project Detail**

University: University of Central Florida Project Title: Chemistry Renovation

Project Address: 4104 Libra Dr, Orlando, FL 32816

**PROJECT NARRATIVE**

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

The Chemistry Building, a lab-sciences building constructed in 1969, is still serviced by its original building systems and is in grave need of a major renovation. The building currently serves as home to the Chemistry Department within the College of Sciences. In order for Chemistry to continue functioning as a lab-science building, it must be brought up to code and the labs modernized to ensure their compliance. The building is structurally sound; however, extensive remediation of critical and non-critical building infrastructure issues is required. Replacement of building systems will prolong the intended use of the building and avoid unnecessary and costly building system failures.

The building requires the following renovations:

- Replacement of 24 laboratory exhaust fans on the south side of the building with one dual fan system; the existing fans are obsolete, have reached end-of-life, and are not current to code.
- Replacement of 16 laboratory exhaust fans on the north side of the building with one dual fan system; the existing fans are obsolete, have reached end-of-life, and are not current to code.
- Update and modernization of lab controls to provide a more energy-efficient approach to controlling the amount of exhaust, makeup air, chilled water, and reheat required in the building.
- Replacement of all air handler units (AHU) and variable air volume systems (VAV); none meet current UCF standards.
- Replacement of boilers, pumps, and domestic hot water heat exchangers with premium efficient condensing boilers; current boilers do not meet UCF standards.
- Update electrical, generator, elevator, ADA restroom, egress stair, and limited finishes

Using deferred maintenance funds, the university has already renovated the following:

- Added fire sprinklers.
- Replaced the main electrical distribution panel.
- Repaired the domestic and acid waste piping.
- Replaced the exterior doors.
- Renovated AHU coils, recoated drain pans and floors in AHU mechanical rooms.

The following three assessments have been completed related to the Chemistry Building:

- ISES Corporation conducted a Facilities Condition Assessment (FCA) to benchmark the condition of its E&G facilities. The issues identified encompass deficiencies such as indoor air quality, fire alarms, potable water and plumbing systems, electrical service, asbestos, HVAC, lighting, building automation, utility service entrance, information technology upgrades, ADA compliance, building envelope, interior finishes, and flooring. Per ISES, the most critical issue in this building is the support systems for the teaching labs, which are outdated and need to be repaired or replaced.
- TLC Engineering conducted a life safety and building systems analysis on the building in 2015. The study evaluated the construction parameters and usage of the building's laboratories in order to assess and categorize the existing laboratories, based on their current conditions. This evaluation corroborates the FCA findings that the labs do not fully meet current codes. Specifically, they lack proper exhaust fans, gas shut off valves, generator capacity, fire suppression systems, smoke control systems, room exits, fire dampers, and have significant HVAC issues. These issues need to be addressed to ensure that the teaching and research labs meet code requirements.
- The 2015 Educational Plant Survey conducted October 6-7, 2015 and approved June, 2016 indicated that the university has a critical deficit of research labs, teaching labs, classrooms, and office space.

**SUSTAINABILITY AND LEED**

The University of Central Florida is committed to sustainability and continued reduction of energy consumption in new construction projects. As energy costs and demands continue to escalate, achieving higher levels of efficiency has become increasingly important to the university's mission. Since 2007, UCF has mandated LEED certification, with most projects achieving Gold. UCF requires specific individual LEED credits that contribute to UCF's core principles including energy efficiency, water conservation, and indoor air quality for all projects. The Facilities Planning & Construction and Utilities & Energy Services departments provide oversight for all new construction and major renovation projects, and expedite the commissioning process with the latest industry standards to ensure that the university's sustainability goals are met and design parameters achieved.

**Classroom/Office**

The space classification is predominately class laboratory, with research labs and minimal office space. The project will achieve Gold LEED certification from the U.S. Green Building Council (USGBC). Energy consumption will be at least 30% less than the energy standards cited in ASHRAE 90.1-2010, and water consumption will be at least 30% less than that of a comparable building. The project will utilize the district cooling loop for space cooling needs and look at alternative measures to provide dehumidification with the classifications of classroom and offices and related energy use. All heating and reheating will be hydronic.

**Research/Laboratory**

There are a significant number of research and teaching laboratories in the building. Laboratories should have continuous variable air flow valves with air flow reset capabilities and fume hoods should have SAV's, to properly track exhaust and maintain the labs slightly negative. The fume hoods should also be exhausted through high plume exhaust fans. Domestic and laboratory hot water needs shall be provided primarily by solar thermal energy.

**EDUCATIONAL PLANT SURVEY**

The Educational Plant Survey was conducted October 6-7, 2015 and approved January 28, 2016. See recommendation No. 2.6, Chemistry Renovation. The recommendation was for the renovation of Chemistry as a lab-sciences building.



State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

**Project Detail**

University: University of Central Florida Project Title: Chemistry Renovation

Project Address: 4104 Libra Dr, Orlando, FL 32816

**PROJECT COMPONENT COSTS & PROJECTIONS**

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
<b>Basic Construction Costs</b>							
Building Cost (from above)				8,206,200			8,206,200
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigation							
Plaza / Walks							
Roadway Improvements							
Parking : _____ spaces							
Telecommunication							
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System				233,278			233,278
Storm Water System				87,300			87,300
Energy Efficient Equipment							
Subtotal: Basic Const. Costs				8,526,778			8,526,778
<b>Other Project Costs</b>							
Land / existing facility acquisition							
Professional Fees			1,000,000				1,000,000
Fire Marshall Fees				21,825			21,825
Inspection Services				72,183			72,183
Insurance Consultant				43,214			43,214
Surveys & Tests				45,000			45,000
Permit / Impact / Environmental Fees				48,500			48,500
Artwork							
Moveable Furnishings & Equipment							
Project Contingency				242,500			242,500
Subtotal: Other Project Costs			1,000,000	473,222			1,473,222
<b>Total Project Cost:</b>				<b>9,000,000</b>			<b>10,000,000</b>

**PROJECT FUNDING**

Source	Funding to Date		Total Project Cost (from above)	Remaining Funding Need
	Fiscal Year	Amount		
.				
.				
.				
.				
		-		
		-		
<b>Total:</b>		-	<b>10,000,000</b>	<b>10,000,000</b>

State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

Project Detail

University: University of Central Florida Project Title: Communication and Media Building - Exterior and Roof

Project Address: 500 W. Livingston Street Orlando, FL 32801

**PROJECT NARRATIVE**

**PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES**

The Communications and Media Building (CMB), formerly known as the Center for Emerging Media (CEM) and the Orlando Expo Center, is a 130,000 GSF building that was acquired by the University of Central Florida in 2017. Constructed in 1934 and expanded in 1982, this three-story masonry and steel structure primarily contains offices, meeting rooms, classrooms, media production, and exhibition and work areas for the Florida Interactive Entertainment Academy (FIEA). In 2019, the Princeton Review ranked FIEA as the fifth-best grad game design program in the world. The building also houses the Gallery 500, the EA Sports Innovation Lab, Studio 500, and various film and digital media facilities for the UCF School of Visual Art and Design. Beginning in Fall 2019, CMB also will serve as a critical academic facility supporting UCF's brand-new Downtown campus, which is expected to enroll approximately 7,700 students upon opening. As an anchor for UCF Downtown, CMB will allow UCF to relocate programs that can leverage the university's existing facilities and academic strengths downtown.

This request is specifically to renovate the exterior building envelope. The multi-level built-up roofs are in poor condition and should be replaced, including upgrades to the failing gutters and downspouts. Although in adequate condition, the aging domed plastic skylights are also recommended for replacement with the proposed roofing upgrades. The exterior masonry and stucco facades are in poor condition, especially on the rear elevation. To improve the exterior aesthetic and restore a watertight exterior envelope, the cracked and damaged masonry/stucco must be repaired, including selective cleaning, repointing, waterproofing, caulking, and then repainting all elevations. While the newer exterior metal doors are in reasonable condition, all older metal egress and service doors are recommended for replacement. The metal-framed, glass egress doors are also expected to reach the end of their typical lifecycle within the report scope. All overhead service doors are showing their age and should be upgraded. The metal-framed, fixed, single-pane windows and curtain walls have deteriorating reflective coatings and water penetration problems that are damaging interior finishes. This window glazing is recommended for replacement in conjunction with the proposed exterior facade improvements.

Any renovations to CEM, as part of the UCF Downtown campus, will help promote a dynamic learning environment for students in strategically-selected programs, in addition to meeting the needs of growing occupations within the region and across the state.

**SUSTAINABILITY AND LEED**

The University of Central Florida is committed to sustainability and continued reduction of natural resource consumption in new construction projects, and renovations where applicable. As energy costs and demands continue to escalate, achieving higher levels of efficiency has become increasingly important to the university's mission. Since 2007, UCF has mandated LEED certification, with most projects achieving Gold. UCF requires specific individual LEED credits that contribute to UCF's core principles including energy efficiency, water conservation, and indoor air quality for all projects. The Facilities Planning & Construction and Utilities & Energy Services departments provide oversight for all new construction and major renovation projects, and expedite the commissioning process with the latest industry standards to ensure that the university's sustainability goals are met and operational efficiency is achieved.

**Classroom/Office**

The space classification is predominately classroom or office type, with research or laboratory type minimized.

**EDUCATIONAL PLANT SURVEY**

The Educational Plant Survey was conducted October 6-7, 2015, approved June 2016, and revised May 24, 2019.



**State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26**

**Project Detail**

University: University of Central Florida Project Title: Communication and Media Building - Exterior and Roof

Project Address: 500 W. Livingston Street Orlando, FL 32801

**PROJECT COMPONENT COSTS & PROJECTIONS**

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
<b>Basic Construction Costs</b>							
Building Cost (from above)			5,643,025				5,643,025
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigation							
Plaza / Walks							
Roadway Improvements							
Parking : _____ spaces							
Telecommunication							
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment							
Subtotal: Basic Const. Costs			5,643,025				5,643,025
<b>Other Project Costs</b>							
Land / existing facility acquisition							
Professional Fees			307,076				307,076
Fire Marshall Fees			13,750				13,750
Inspection Services							
Insurance Consultant							
Surveys & Tests			14,850				14,850
Permit / Impact / Environmental Fees			15,749				15,749
Artwork							
Moveable Furnishings & Equipment							
Project Contingency			305,550				305,550
Subtotal: Other Project Costs			656,975				656,975
<b>Total Project Cost:</b>			<b>6,300,000</b>				<b>6,300,000</b>

**PROJECT FUNDING**

Source	Funding to Date		Total Project Cost (from above)	Remaining Funding Need
	Fiscal Year	Amount		
		-		
		-		
		-		
		-		
		-		
		-		
		-		
<b>Total:</b>		<b>-</b>	<b>6,300,000</b>	<b>6,300,000</b>

State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

Project Detail

University: University of Central Florida Project Title: Arts Complex Phase II

Project Address: 12488 Centaurus Blvd, Orlando, FL 32816

**PROJECT NARRATIVE**

**PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO UNIVERSITY OBJECTIVES**

The Performing Arts Complex Phase II (PAC II) project is the second, and final, phase of the UCF Performing Arts Complex. UCF, the state university with the highest student enrollment in Florida, cannot meet the needs of the School of Performing Arts with its existing facilities. Currently, the Music and Theatre Departments reside in the Performing Arts Complex Phase I (PAC I), a classroom and studio structure that was constructed in 2010. Since PAC I was constructed without performance venues, PAC II will meet this critical need. Due to consistent growth of academic offerings and a substantial increase in student enrollment over the past 10 years, PAC I is operating above capacity. Performing Arts has contended with the lack of performance space in PAC I by utilizing inadequate on-campus spaces, such as lecture halls and Rehearsal Hall, a 167-seat dedicated music performance facility, and by borrowing larger and more up-to-date performance spaces from neighboring churches and schools.

In lieu of constructing multiple performance venue spaces in PAC II, the facility will be designed to provide a highly-flexible "Sound Stage," divisible and convertible into as many as four performance spaces to provide learning opportunities for traditional performances (proscenium theatre, concert hall, etc.), as well as for developing unique events for UCF's new Themed Experience program (experiential, immersive, interactive, and shareable activities). The Sound Stage will have mobile "seating wagons" and no fixed seating.

PAC II will provide teaching labs (sound stage, rehearsal studios, production shops, etc.), study space/gallery, storage, and supporting offices, and will establish a new cultural home for the School of Performing Arts. The learning spaces will be built to professional standards with the most advanced of technologies, enabling the teaching labs to be accessed, shared, and experienced on many different platforms, in addition to traditional live settings. By using technology to create an innovative laboratory experience for undergraduate and graduate students, UCF can attract and retain exceptional students, faculty, and staff, whose collective contributions will strengthen academic programs as well as promote partnerships within the community.

PAC II will enrich all UCF programs by emphasizing the critical importance of the arts in education and encouraging creativity and innovation across other academic disciplines. This convergence between the arts and other fields of academia is among the facility's most important contributions in support of UCF's vision to create opportunity through access, partnerships, interdisciplinary endeavors, and community engagement.

Students who graduate with degrees in the Performing Arts, at both the undergraduate and graduate levels, will possess the skill sets required to contribute to the local economy, by virtue of their marketability as employees in the field of entertainment. The College of Arts and Humanities has recently introduced a new Themed Experience track in the Theatre Masters of Fine Arts program. Located in the "Theme Park Capital of the World," UCF is uniquely positioned to meet a growing demand for a skilled workforce, forward-thinking research, and creative ideation in the Themed Experience industry.

The benefits of completing the Performing Arts Complex, with the construction of PAC II, will extend well beyond the UCF campus. The spaces will attract regional community activities to campus, a potential boon to the local economy.

- Because of Orlando's prominence as an international tourist destination, PAC II will help UCF students and faculty expand their reach, and promote greater international recognition for the university.
- PAC II will enhance collaborations with community-based industry partners, such as Disney World, Universal Studios, and Cirque du Soleil; and open the door to other creative partnerships.
- Community-based partner organizations, such as the Orlando Philharmonic, Orlando Shakespeare Theater, and Orlando Repertory Theatre will be able to use PAC II technologies and venues, as they support UCF's graduate programs.
- PAC II would assist UCF in meeting state performance goals (skilled graduates earning competitive wages) and align with the UCF Collective Impact Strategic Plan goal of transforming lives and livelihoods through UCF's impact on students and the communities it serves.

Space needs and project costs for PAC II were determined as follows: First, a preliminary needs-evaluation and design concept was prepared by a prominent local architecture firm and a theatrical consulting firm. UCF then developed a "summary of required spaces" that aligned with space categories used by the SUS. Finally, a local contracting firm prepared a detailed cost estimate, including "extraordinary costs that are not directly related to the facility" (utility extension from the UCF District Energy Plant and IT upgrades).

The space classifications proposed for PAC II are: Teaching Labs (49,335N ASF / 74,003 GSF @ 1.5 Net-to-Gross), Office (2,485 ASF / 3,728 GSF @ 1.5 Net-to-Gross), Study (6,400 ASF / 8,960 GSF @ 1.4 Net-to-Gross) and General Use (30,090 ASF / 36,108 GSF @ 1.2 Net-to-Gross).

The use of the performance space as Auditoria will be far less frequent than its use as learning space; therefore, performance, rehearsal, and production spaces will be classified as Instructional space (Teaching Labs) where students will learn all facets of the design, production, and staging of performances such as plays, musicals, concerts, and themed events. A large portion of lobby and gallery space will be used as Study space.

**SUSTAINABILITY AND LEED**

The University of Central Florida is committed to the efficient use of natural resources. As energy costs and demands continue to grow, achieving energy efficiency has become increasingly important to the university's mission. Appropriate policies and procedures that govern the use of environmental resources and facilities have enabled UCF to achieve the improvements necessary to ensure a productive environment for all and establish itself as a national leader in energy research, education, and stewardship.

The project will achieve LEED Gold certification with the U.S. Green Building Council. Energy consumption will be at least 30% less than a comparable building. Water consumption will be at least 50% less than a comparable building. The project will utilize the district cooling loop for space cooling needs.

**EDUCATIONAL PLANT SURVEY**

The most recent UCF Educational Plant Survey recommends Arts Complex Phase II – Performance as Project # 7 on Table 8 Analysis of Space Need by Category (Form B). The Educational Plant Survey was conducted October 6-7, 2015 and approved June 2016.



State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

**Project Detail**

University: University of Central Florida Project Title: Arts Complex Phase II

Project Address: 12488 Centaurus Blvd, Orlando, FL 32816

**PROJECT COMPONENT COSTS & PROJECTIONS**

	Costs Funded to Date	Projected Costs					Total	
		Year 1	Year 2	Year 3	Year 4	Year 5		
<b>Basic Construction Costs</b>								
Building Cost (from above)						51,038,948	51,038,948	
Environmental Impacts/Mitigation								
Site Preparation						1,500,000	1,500,000	
Landscape / Irrigation						800,000	800,000	
Plaza / Walks						587,550	587,550	
Roadway Improvements								
Parking : _____ spaces								
Telecommunication						1,500,000	1,500,000	
Electrical Service						600,000	600,000	
Water Distribution						350,000	350,000	
Sanitary Sewer System						350,000	350,000	
Chilled Water System						2,500,000	2,500,000	
Storm Water System						800,000	800,000	
Energy Efficient Equipment						700,000	700,000	
Subtotal: Basic Const. Costs						60,726,498	60,726,498	
<b>Other Project Costs</b>								
Land / existing facility acquisition								
Professional Fees				5,164,520			5,164,520	
Fire Marshall Fees						165,133	165,133	
Inspection Services						974,435	974,435	
Insurance Consultant						35,602	35,602	
Surveys & Tests						100,000	100,000	
Permit / Impact / Environmental Fees						119,292	119,292	
Artwork						100,000	100,000	
Moveable Furnishings & Equipment						1,200,000	1,200,000	
Project Contingency						3,750,000	3,750,000	
Subtotal: Other Project Costs						6,444,462	11,608,982	
<b>Total Project Cost:</b>						5,164,520	67,170,960	72,335,480

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**PROJECT FUNDING**

Source	Funding to Date		Total Project Cost (from above)	FY 26-27	Remaining Funding Need
	Fiscal Year	Amount			
.			-		
.			-		
.			-		
.			-		
<b>Total:</b>			<u>72,335,480</u>	5164520	<u>77,500,000</u> (Including Year 6 request)

State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

**Project Detail**

University: University of Central Florida Project Title: Howard Phillips Hall Renovation

Project Address: 4297 Andromeda Loop N. Orlando, FL 32816

**PROJECT NARRATIVE**

**PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES**

Howard Phillips Hall (HPH), a four-story concrete and masonry structure, was built in 1969 as one of the university's original buildings. It was partially remodeled in 1990 and 2000, but requires upgrades to its building systems as well as comprehensive reconfiguration of its interior spaces. Occupants of the building, in 2020, include:

- College of Sciences - Political Science, Sociology, Anthropology, and Global Perspectives
- SDES - University Testing Center, First Year Experience, Trio Programs
- Numerous offices have been provided for Academic Affairs, the Office of Research, and the departments of History, English, Modern Languages, Philosophy, Performing Arts, and Health Management Informatics

The university contracted with the ISES Corporation to conduct a Facilities Condition Assessment (FCA) to benchmark the condition of its E&G facilities. Howard Phillips Hall was inspected April 19, 2018. ISES reported the building's Facility Condition Needs Index (FCNI) at 0.34 (fair condition normal renovations required). This renovation project includes the replacement of above-ceiling HVAC air distribution systems, ceiling and lighting replacements, reconfiguration of select areas of the building to improve the space efficiency of the floor plan, the replacement of finishes such as carpet/tile/paint, and the replacement of vertical transportation. Code upgrades include the creation of accessible and all-gender restrooms, installation of ADA-compliant stairwell and exterior handrails, dual-level drinking fountains, lever handle door hardware, and signage. In addition to the ISIS report, UCF IT recommends significant infrastructure improvements including right-sized IT closets and equipment upgrades.

**SUSTAINABILITY AND LEED**

The University of Central Florida is committed to sustainability and continued reduction of natural resource consumption in new construction projects, and renovations where applicable. As energy costs and demands continue to escalate, achieving higher levels of efficiency has become increasingly important to the university's mission. Since 2007, UCF has mandated LEED certification, with most projects achieving Gold. UCF requires specific individual LEED credits that contribute to UCF's core principles including energy efficiency, water conservation, and indoor air quality for all projects. The Facilities Planning & Construction and Utilities & Energy Services departments provide oversight for all new construction and major renovation projects, and expedite the commissioning process with the latest industry standards to ensure that the university's sustainability goals are met and operational efficiency is achieved.

**Classroom/Office**

The space classification is predominately classroom or office type, with research or laboratory type minimized. The project will achieve Gold LEED certification from the U.S. Green Building Council (USGBC). Energy consumption will be at least 30% less than the energy standards cited in ASHRAE 90.1-2010, and water consumption will be at least 30% less than that of a comparable building. The project will utilize the district cooling loop for space cooling needs and look at alternative measures to provide dehumidification with the classifications of classroom and offices and related energy use. All heating and reheating will be hydronic.

**EDUCATIONAL PLANT SURVEY**

The Educational Plant Survey was conducted October 6-7, 2015, approved June 2016, and revised May 24, 2019.



**State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26**

**Project Detail**

University: University of Central Florida Project Title: Howard Phillips Hall Renovation

Project Address: 4297 Andromeda Loop N. Orlando, FL 32816

**PROJECT COMPONENT COSTS & PROJECTIONS**

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
<b>Basic Construction Costs</b>							
Building Cost (from above)					8,883,112		8,883,112
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigation							
Plaza / Walks							
Roadway Improvements							
Parking : _____ spaces							
Telecommunication							
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment							
Subtotal: Basic Const. Costs					8,883,112		8,883,112
<b>Other Project Costs</b>							
Land / existing facility acquisition							
Professional Fees					943,069		943,069
Fire Marshall Fees					26,127		26,127
Inspection Services					144,527		144,527
Insurance Consultant							
Surveys & Tests					5,330		5,330
Permit / Impact / Environmental Fees					52,499		52,499
Artwork							
Moveable Furnishings & Equipment					729,120		729,120
Project Contingency					1,616,216		1,616,216
Subtotal: Other Project Costs					3,516,888		3,516,888
<b>Total Project Cost:</b>					12,400,000		12,400,000

**PROJECT FUNDING**

Source	Funding to Date		Total Project Cost (from above)	Remaining Funding Need
	Fiscal Year	Amount		
.			-	
.			-	
.			-	
.			-	
<b>Total:</b>			<u>12,400,000</u>	<u>12,400,000</u>

State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

**Project Detail**

University: University of Central Florida Project Title: John C. Hitt Library Renovation Phase II

Project Address: 12701 Pegasus Drive Orlando, FL 32816

**PROJECT NARRATIVE**

**PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES**

The John C. Hitt Library, built in 1967 when enrollment was 1,948 students, and expanded in 1984, is woefully inadequate to meet the needs of current and future student populations. The existing Library, with a collection of over 1.3 million print volumes, is open 105 hours per week, and has a patron count of almost 1.25 million visits per year. During a typical midterm week, 41,000 people visit the library. The existing Library had 1,903 public seats pre-Phase IA construction, which represents about 4.9% of the main campus FTE, significantly less than the minimum requirements recommended by the Association of College and Research Libraries.

The university contracted with the ISES Corporation to conduct a Facilities Condition Assessment (FCA) to benchmark the condition of its E&G facilities. The Library renovation will address both critical and non-critical issues identified in the FCA. These issues encompass deficiencies such as indoor air quality, fire alarm modernization, potable water and plumbing distribution systems, electrical service, asbestos, HVAC modernization, lighting upgrades, building automation, ADA compliance, building envelope repairs, interior finishes, flooring, egress, exterior lighting, and utility service entrance upgrades. Information technology upgrades are also required in order to meet current and future requirements.

When completed, the renovated and expanded facility will include flexible interior spaces featuring greatly increased seating, more collaboration spaces, expanded library instruction rooms; triple the number of group study rooms; a 24/5 study area; a digital initiatives center; additional Special Collections and University Archives space; graduate study space; dedicated space for campus academic partners such as SARC and the Writing Center; quiet study areas; and more than twice the number of technology workstations. The building will integrate advances in technology seamlessly with library services and collections. The renovation will also upgrade existing HVAC, electrical, and water systems – most of which are original to the building.

The next phases of the Library project consist of the build-out of the remaining ARC aisles and the full renovation of the third floor of the Library - which requires the addition of a mechanical room to the first floor, and system replacements such as boilers and chilled water pumps. Future phases will renovate additional floors of the Library. When fully completed, this project will provide approximately 3,500 public seats, about 9.1% of main campus FTE.

**SUSTAINABILITY AND LEED**

The University of Central Florida is committed to sustainability and continued reduction of natural resource consumption in new construction projects, and renovations where applicable. As energy costs and demands continue to escalate, achieving higher levels of efficiency has become increasingly important to the university's mission. Since 2007, UCF has mandated LEED certification, with most projects achieving Gold. UCF requires specific individual LEED credits that contribute to UCF's core principles including energy efficiency, water conservation, and indoor air quality for all projects. The Facilities Planning & Construction and Utilities & Energy Services departments provide oversight for all new construction and major renovation projects, and expedite the commissioning process with the latest industry standards to ensure that the university's sustainability goals are met and operational efficiency is achieved.

**Classroom/Office**

The space classification is predominately open seating, group study rooms, stacks, or office type, with laboratory or research type minimized. The project will achieve Gold LEED certification from the U.S. Green Building Council (USGBC). Energy consumption will be at least 30% less than the energy standards cited in ASHRAE 90.1-2010, and water consumption will be at least 30% less than that of a comparable building. The project will utilize the district cooling loop for space cooling needs and look at alternative measures to provide dehumidification with the classifications of classroom and offices and related energy use. All heating and reheating will be hydronic.

**EDUCATIONAL PLANT SURVEY**

The Educational Plant Survey was conducted October 6-7, 2015 and approved June 2016.



Finance and Facilities Committee Meeting - New Business

State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

Project Detail

University: University of Central Florida Project Title: John C. Hitt Library Renovation Phase II

Project Address: 12701 Pegasus Drive Orlando, FL 32816

**PROJECT COMPONENT COSTS & PROJECTIONS**

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
<b>Basic Construction Costs</b>							
Building Cost (from above)	23,243,899	6,639,282					29,883,181
Environmental Impacts/Mitigation							
Site Preparation	673,900						673,900
Landscape / Irrigation		1,600,000					1,600,000
Plaza / Walks							
Roadway Improvements							
Parking : _____ spaces							
Telecommunication	936,370						936,370
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System	168,475						168,475
Storm Water System							
Energy Efficient Equipment							
Subtotal: Basic Const. Costs	25,022,644	8,239,282					33,261,926
<b>Other Project Costs</b>							
Land / existing facility acquisition							
Professional Fees	3,206,120	-					3,206,120
Fire Marshall Fees		84,237					84,237
Inspection Services		295,790					295,790
Insurance Consultant		18,018					18,018
Surveys & Tests	146,152	146,152					292,304
Permit / Impact / Environmental Fees		101,101					101,101
Artwork							
Moveable Furnishings & Equipment		2,121,208					2,121,208
Project Contingency		1,597,608					1,597,608
Subtotal: Other Project Costs	3,352,272	4,364,114					7,716,386
<b>Total Project Cost:</b>	<b>28,374,916</b>	<b>12,603,396</b>					<b>40,978,312</b>

**PROJECT FUNDING**

Source	Funding to Date		Total Project Cost (from above)	Remaining Funding Need
	Fiscal Year	Amount		
CITF	2017-18	1,710,066		
CITF	2018-19	7,701,673		
CITF	2019-20	9,337,817		
CITF	2020-21	9,625,360		
		-		
		-		
	<b>Total:</b>	<b>28,374,916</b>	<b>40,978,312</b>	<b>12,603,396</b>



Finance and Facilities Committee Meeting - New Business

State University System  
5-Year Capital Improvement Plan (CIP)  
FY 2021-22 through 2025-26

**Project Detail**

University: University of Central Florida Project Title: Arts Complex Phase II

Project Address: 12488 Centaurus Blvd, Orlando, FL 32816

**PROJECT COMPONENT COSTS & PROJECTIONS**

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
<b>Basic Construction Costs</b>							
Building Cost (from above)							
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigation							
Plaza / Walks							
Roadway Improvements							
Parking : spaces							
Telecommunication							
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment							
Subtotal: Basic Const. Costs							
<b>Other Project Costs</b>							
Land / existing facility acquisition							
Professional Fees		2,000,000					2,000,000
Fire Marshall Fees							
Inspection Services							
Insurance Consultant							
Surveys & Tests							
Permit / Impact / Environmental Fees							
Artwork							
Moveable Furnishings & Equipment							
Project Contingency							
Subtotal: Other Project Costs		2,000,000					2,000,000
<b>Total Project Cost:</b>							

**PROJECT FUNDING**

Source	Funding to Date		Total Project Cost (from above)	Remaining Funding Need
	Fiscal Year	Amount		
.				
.				
.				
.				
		-		
		-		
<b>Total:</b>		-		-

ITEM: INFO-2

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** Direct Support Organizations' 2019-20 Third-Quarter Financial Reports

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**Background:**

This item is provided to the trustees quarterly for information purposes only. The third-quarter financial statements for the university direct support organizations and the Central Florida Clinical Practice Organization are attached.

**Issues to be Considered:**

UCF Academic Health

UCF Academic Health, Inc supports planning and development of clinical initiatives and affiliated partnerships that serve the mission of the College of Medicine. It began operations in July 2019 with the leasing of space to outside tenants in the Lake Nona Cancer Center.

One lease started two months prior to the budget for FY2020, which accounts for the favorable variance in Real Estate revenue. The Common Area Maintenance and Sales Tax revenues associated with that lease account for the favorable variance in Other Revenue. The accrual for Common Area Maintenance expense and the actual Sales Tax expense account for the unfavorable variances in expenses but are expected due to the specific lease mentioned above.

UCF Athletics Association and UCF Stadium Corporation

The Corporation receives pledged revenues from the Association, premium seat revenue, and other revenues including concessions, merchandise, and interest. Any surplus remaining after debt service and operating expenses is transferred back to the Association to fund its operations. This combined view is intended to present gross revenues and expenditures of the Association and provide a fuller understanding of the impact that the Corporation has on the Association's financial results. Notable variances are as follows:

- University allocations increased over prior year due to increased scholarships provided by the University.
- Sponsorships revenue increased over prior year primarily due to the Association now managing all sponsorship sales directly, compared to previously receiving sponsorship distributions from the University's Knights Partnership Alliance Program.
- Contributions revenue increased over prior year due to per seat ticket donations. The fiscal 2020 budget shortfall is due to the delayed issuance of the debt for the Roth Athletic Center and not needing to use collected pledges to pay for a full year of debt service. Pledges have been collected and are accounted for in the Capital Projects Donations - Athletics row in the nonoperating section of the report. Those pledges, along with those collected in previous years, will be used as principal payments become due in future years.

- Employee compensation is higher than prior year primarily due to increases in coaches and larger support staff.
- Other expenses exceed budget primarily due to \$1.4 million of stadium enhancement projects (Carl Black & Gold Cabana expansion and Northwest Loge addition). These projects were expected to be funded with a bank loan. A decision not to proceed with the bank loan was made after the budget was finalized.

#### UCF Convocation Corporation

The Corporation operates four student residence halls (Towers Knights Plaza), the convocation center (Addition Financial Arena and The Venue), surrounding retail space (Knights Plaza), and adjacent parking. The operation of these facilities fund the debt service obligations related to the housing and arena bonds.

Housing revenues and expenses are tracking as projected through the third quarter. Retail income and expenses also performed as projected through the third quarter. Arena event income is below projections due to fewer ticketed events hosted than were planned.

#### UCF Finance Corporation

Transfers from University represents rent pursuant to the 2017 amended and restated operating lease agreement for the financing of facilities constructed on the health sciences campus in Lake Nona. An additional \$2.6 million has been received to fund principal on the building loan. These transfers and philanthropic pledges scheduled to be received during the year for the construction of the downtown campus fund the Corporation's debt service obligations and operating costs for the year.

Funds drawn on the UCF downtown construction note were transferred to the University to fund construction costs during fiscal 2020. No further draws on the note are planned. Transfers to UCF for construction of the downtown campus were significantly less than the \$11.1 million that was budgeted. The budget developed in the Spring of 2018 was based on the original \$20 million funding commitment reduced by the estimate of pledges available to transfer directly from the Foundation to the construction project. When funds were drawn on the note in the Fall of 2019, an additional \$1.1 million of pledges had been received. The amount drawn on the note was further reduced by a \$3.0 million in-kind pledge. UCF Foundation later reported that pledge converted from an in-kind pledge to a cash pledge.

Year to date debt service includes scheduled principal (\$2.6 million) and interest (\$1.4 million) payments on the building loan and repayments (\$3.0 million) on the UCF downtown construction note. The repayment of the construction note is based on the amount of pledges scheduled to be received during the year. As of the end of the quarter, approximately \$4.0 million was outstanding on the note. Pledges, net of reserves, scheduled to be received by the note's maturity date were \$6.8 million.

The net decrease from operations represents year to date pledges of \$3.2 million received less \$7.0 million of draws and interest expense on the downtown construction note. There will be offsetting increases in net position as scheduled pledge payments are received in future years.

#### UCF Foundation

For the nine months ended March 31, 2020, the Foundation dispersed \$20 million on behalf of the university in support of programs, scholarships, and other university priorities.

The market conditions as of March 31, 2020 resulted in -9% return on the Endowment Portfolio.

Savings have resulted from a hiring freeze, and the discontinuation of travel and stewardship events due to COVID 19.

UCF Limbitless Solutions

Limbitless produces artistic prosthetic medical devices, conducts research and promotes STEM/ STEAM education. In-kind philanthropic and sponsorship contributions are resulting in an increase in expenses.

UCF Research Foundation

Operating revenue and expenses include contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums.

Operating revenues and expenses are trending higher than prior year due to increases in contribution funding and other agreement proceeds along with an increase related to incubator costs that are being paid with excluded pre-recorded residual income.

Central Florida Clinical Practice Organization

CFCPO was formed to support the medical education program and clinical faculty within the College of Medicine. The financial performance for the nine months ended March 31, 2020 is unfavorable to budget because patient care revenues dropped sharply due to COVID-19. Revenue for the month was 65% of normal volume. Operating expenses show a negative variance to budget due to higher costs in medical supplies, which is in part due to the timing of purchases. Non-operating expenses are transfers the CFCPO makes to cover related expenses on College of Medicine accounts, primarily salaries and benefits. Transfers to the college will be reduced to not exceed total revenue and maintain close to a \$2 million net cash balance.

**Alternatives to Decision:**

N/A.

**Fiscal Impact and Source of Funding:**

N/A.

**Recommended Action:**

For information only.

**Authority for Board of Trustees Action:**

Specific trustee request.

**Contract Reviewed/Approved by General Counsel:**

N/A

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

**Supporting Documentation:**

Attachment A: UCF Academic Health

Attachment B: UCF Athletics Association and Stadium Corporation

Attachment C: UCF Convocation Corporation

Attachment D: UCF Finance Corporation

Attachment E: UCF Foundation

Attachment F: UCF Limbitless Solutions

Attachment G: UCF Research Foundation

Attachment H: Central Florida Clinical Practice Organization

**Facilitators/Presenters:**

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Christina Tant, Assistant Vice President for DSO Accounting and Reporting

## Attachment A

**UCF Academic Health, Inc.**  
**Statement of Operations**  
**Nine Months Ended March 31, 2020**

	<b>2019-20<sup>1</sup></b>			
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	
			<b>Favorable (Unfavorable)</b>	
<b>Revenues</b>				
Real Estate <sup>2</sup>	\$ 151,049	\$ 109,591	\$ 41,458	37.8 %
Other <sup>3 4</sup>	51,003	35,872	15,131	42.2 %
<b>Total Revenues</b>	<b>202,052</b>	<b>145,463</b>	<b>56,589</b>	<b>38.9 %</b>
<b>Operating Expenses</b>				
Professional Services	11,250	11,250	-	-
Facility Expense <sup>3</sup>	39,378	35,872	(3,506)	(9.8)%
Information Technology	5,250	5,250	-	-
Other Operating Expense <sup>4</sup>	27,466	17,400	(10,066)	(57.8)%
<b>Total Operating Expense</b>	<b>83,344</b>	<b>69,772</b>	<b>(13,572)</b>	<b>(19.5)%</b>
<b>Net increase (decrease) in operations</b>	<b>\$ 118,709</b>	<b>\$ 75,691</b>	<b>\$ 43,018</b>	<b>56.8 %</b>

**Notes:**

<sup>1</sup> FY2020 is the first year of financial activity

<sup>2</sup> Amicus lease began in July 2019 vs budgeted to begin in September 2019

<sup>3</sup> Additional CAM revenue and expense from leases

<sup>4</sup> Sales Tax revenue and expense were not budgeted, offset each other

Attachment B

UCF Athletic Association and The UCF Stadium Corporation  
Consolidated Statement of Operations  
Nine Months Ended March 31, 2020

	UCF Athletic Association	UCF Stadium Corporation	Combined	UCF Athletic Association	UCF Stadium Corporation	Combined	Variance to Budget		UCF Athletic Association	UCF Stadium Corporation	Combined	Variance to Prior Year	
	Actual	Actual	Actual	Budget	Budget	Budget	Favorable (Unfavorable)		Actual	Actual	Actual	Favorable (Unfavorable)	
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020			2018-2019	2018-2019	2018-2019		
<b>Operating revenues</b>													
Athletic events, including premium seating	\$ 7,363,000	\$ 2,307,753	\$ 9,670,753	\$ 7,544,660	\$ 2,443,231	\$ 9,987,891	\$ (317,137)	(3.18)%	7,496,265	\$ 2,233,942	\$ 9,730,207	\$ (59,454)	(0.61)%
University allocations <sup>1</sup>	28,396,428	-	28,396,428	28,681,287	-	28,681,287	(284,859)	(0.99)%	24,656,944	-	24,656,944	3,739,484	15.17 %
Sponsorship <sup>2</sup>	7,418,635	-	7,418,635	6,080,156	944,000	7,024,156	394,479	5.62 %	1,882,480	750,000	2,632,480	4,786,155	181.81 %
Contributions <sup>3</sup>	4,569,724	6,500	4,576,224	6,556,668	-	6,556,668	(1,980,444)	(30.21)%	3,180,531	26,320	3,206,851	1,369,373	42.70 %
Other	622,613	510,608	1,133,221	674,114	480,000	1,154,114	(20,892)	(1.81)%	350,120	448,238	798,358	334,863	41.94 %
<b>Total operating revenues</b>	<b>48,370,401</b>	<b>2,824,861</b>	<b>51,195,262</b>	<b>49,536,884</b>	<b>3,867,231</b>	<b>53,404,115</b>	<b>(2,208,854)</b>	<b>(4.14)%</b>	<b>37,566,340</b>	<b>3,458,500</b>	<b>41,024,840</b>	<b>10,170,422</b>	<b>24.79 %</b>
<b>Operating expenses</b>													
Scholarships	9,362,074	-	9,362,074	8,569,934	-	8,569,934	(792,140)	(9.24)%	7,908,367	-	7,908,367	(1,453,707)	(18.38)%
Employee compensation <sup>4</sup>	19,905,081	-	19,905,081	19,347,869	-	19,347,869	(557,213)	(2.88)%	14,643,287	-	14,643,287	(5,261,794)	(35.93)%
Sport operations	7,973,894	-	7,973,894	8,739,465	-	8,739,465	765,571	8.76 %	9,005,130	-	9,005,130	1,031,236	11.45 %
Support operations	10,020,130	-	10,020,130	9,258,315	-	9,258,315	(761,815)	(8.23)%	8,093,531	-	8,093,531	(1,926,599)	(23.80)%
Other <sup>5</sup>	2,946,214	286,415	3,232,629	1,097,936	300,000	1,397,936	(1,834,693)	(131.24)%	1,818,544	30,898	1,849,442	(1,383,187)	(74.79)%
<b>Total operating expenses</b>	<b>50,207,393</b>	<b>286,415</b>	<b>50,493,808</b>	<b>47,013,519</b>	<b>300,000</b>	<b>47,313,519</b>	<b>(3,180,290)</b>	<b>(6.72)%</b>	<b>41,468,859</b>	<b>30,898</b>	<b>41,499,757</b>	<b>(8,994,052)</b>	<b>(21.67)%</b>
<b>Net operating income</b>	<b>(1,836,993)</b>	<b>2,538,446</b>	<b>701,453</b>	<b>2,523,365</b>	<b>3,567,231</b>	<b>6,090,596</b>	<b>(5,389,143)</b>	<b>(88.48)%</b>	<b>(3,902,519)</b>	<b>3,427,602</b>	<b>(474,917)</b>	<b>1,176,370</b>	<b>(247.70)%</b>
<b>Nonoperating revenues (expenses)</b>													
Net transfers (to Stadium Corp) / from UCFAA	153,048	(153,048)	-	(4,769)	4,769	-	-	-	(1,440,742)	1,440,742	-	-	-
Transfer from UCF Foundation	-	750,000	750,000	-	-	-	750,000	100.00 %	-	-	-	750,000	100.00 %
Interest income	-	109,456	109,456	-	60,000	60,000	49,456	82.43 %	-	66,269	66,269	43,187	65.17 %
Interest expense	(266,594)	(1,762,888)	(2,029,482)	(379,217)	(1,769,000)	(2,148,217)	118,735	(5.53)%	(219,117)	(1,840,587)	(2,059,704)	30,222	1.47 %
Capital project donations - Athletics <sup>3</sup>	1,510,616	-	1,510,616	935,964	-	935,964	574,652	61.40 %	744,025	-	744,025	766,591	103.03 %
Restricted accounts revenue	356,294	-	356,294	375,000	-	375,000	(18,706)	(4.99)%	1,275,562	-	1,275,562	(919,268)	(72.07)%
Restricted accounts outlay	(584,126)	-	(584,126)	(375,000)	-	(375,000)	(209,126)	(55.77)%	(1,031,842)	-	(1,031,842)	447,716	43.39 %
Capital projects outlay	(225,216)	-	(225,216)	(375,000)	-	(375,000)	149,784	39.94 %	(723,786)	-	(723,786)	498,570	68.88 %
<b>Total nonoperating revenues (expenses)</b>	<b>944,023</b>	<b>(1,056,480)</b>	<b>(112,457)</b>	<b>176,978</b>	<b>(1,704,231)</b>	<b>(1,527,253)</b>	<b>1,414,796</b>	<b>92.64 %</b>	<b>(1,395,900)</b>	<b>(333,576)</b>	<b>(1,729,476)</b>	<b>1,617,019</b>	<b>(93.50)%</b>
<b>Net increase (decrease) from operations</b>	<b>\$ (892,970)</b>	<b>\$ 1,481,966</b>	<b>\$ 588,996</b>	<b>\$ 2,700,343</b>	<b>\$ 1,863,000</b>	<b>\$ 4,563,343</b>	<b>\$ (3,974,347)</b>		<b>\$ (5,298,419)</b>	<b>\$ 3,094,026</b>	<b>\$ (2,204,393)</b>	<b>\$ 2,793,389</b>	
<b>Debt service:</b>													
Principal	\$ 280,000	\$ 1,863,000	\$ 2,143,000	\$ 280,000	\$ 1,863,000	\$ 2,143,000	\$ -	0.00 %	\$ -	\$ 2,031,000	\$ 2,031,000	\$ (112,000)	(5.51)%
Interest	266,594	1,762,888	2,029,482	379,217	1,769,000	2,148,217	118,735	5.53 %	219,117	1,840,587	2,059,704	30,222	1.47 %
<b>Total Debt Service</b>	<b>\$ 546,594</b>	<b>\$ 3,625,888</b>	<b>\$ 4,172,482</b>	<b>\$ 659,217</b>	<b>\$ 3,632,000</b>	<b>\$ 4,291,217</b>	<b>\$ 118,735</b>	<b>2.77 %</b>	<b>\$ 219,117</b>	<b>\$ 3,871,587</b>	<b>\$ 4,090,704</b>	<b>\$ (81,778)</b>	<b>(2.00)%</b>

<sup>1</sup> University allocations increased over prior year due to increased scholarships provided by the University.

<sup>2</sup> Sponsorships revenue increased over prior year primarily due to the Association now managing all sponsorship sales directly, compared to previously receiving sponsorship distributions from the University's Knights Partnership Alliance Program.

<sup>3</sup> Contributions revenue increased over prior year due to per set ticket donations. The fiscal 2020 budget shortfall is due to the delayed issuance of the debt for the Roth Athletic Center and not needing to use collected pledges to pay for a full year of debt service. Pledges have been collected and are accounted for in the Capital Projects Donations - Athletics row in the nonoperating section of the report. Those pledges, along with those collected in previous years, will be used as principal payments become due in future years.

<sup>4</sup> Employee compensation is higher than prior year primarily due to increases in coaches and larger support staff.

<sup>5</sup> Other expenses exceed budget primarily due to \$1.4 million of stadium enhancement projects (Carl Black & Gold Cabana expansion and Northwest Loge addition). These projects were expected to be funded with a bank loan. A decision not to proceed with the bank loan was made after the budget was finalized.

Attachment C

UCF Convocation Corporation  
Statement of Operations  
Nine Months Ended March 31, 2020

	2019-2020				2018-2019				
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)		
<b>Housing Operations</b>									
<b>Revenues</b>									
Apartment rentals	\$ 15,969,242	\$ 15,737,500	\$ 231,742	1.5 %	\$ 15,892,441	\$ 15,737,500	\$ 154,941	1.0 %	
Parking	777,291	777,291	-	0.0 %	777,291	777,291	-	0.0 %	
Other	171,369	113,255	58,114	51.3 %	113,215	56,250	56,965	101.3 %	
<b>Total revenues</b>	<u>16,917,902</u>	<u>16,628,046</u>	<u>289,856</u>	1.7 %	<u>16,782,947</u>	<u>16,571,041</u>	<u>211,906</u>	1.3 %	
<b>Expenses</b>									
Operating	5,011,235	5,216,643	205,408	3.9 %	5,395,844	5,384,702	(11,142)	(0.2)%	
R&R expenses	252,802	400,232	147,430	36.8 %	394,936	459,803	64,867	14.1 %	
<b>Total expenses</b>	<u>5,264,037</u>	<u>5,616,875</u>	<u>352,838</u>	6.3 %	<u>5,790,780</u>	<u>5,844,505</u>	<u>53,725</u>	0.9 %	
<b>Net increase from housing operations</b>	<u>11,653,865</u>	<u>11,011,171</u>	<u>642,694</u>	5.8 %	<u>10,992,167</u>	<u>10,726,537</u>	<u>265,631</u>	2.5 %	
<b>Retail Operations</b>									
<b>Total revenues</b>	1,443,320	1,449,852	(6,532)	(0.5)%	1,410,981	1,448,784	(37,803)	(2.6)%	
<b>Total expenses</b>	<u>347,983</u>	<u>403,178</u>	<u>55,195</u>	13.7 %	<u>423,458</u>	<u>457,023</u>	<u>33,565</u>	7.3 %	
<b>Net increase from retail operations</b>	<u>1,095,337</u>	<u>1,046,674</u>	<u>48,663</u>	4.6 %	<u>987,523</u>	<u>991,761</u>	<u>(4,238)</u>	(0.4)%	
<b>Arena Operations</b>									
<b>Revenues</b>									
Event related	3,786,988	4,821,126	(1,034,138)	(21.5)%	5,497,871	5,249,773	248,098	4.7 %	
Premium seating and sponsorship	1,139,269	1,160,050	(20,781)	(1.8)%	1,051,423	1,129,700	(78,277)	(6.9)%	
Rental Income	2,601,241	2,601,250	(9)	(0.0)%	2,601,250	2,601,250	-	-	
Other	117,779	105,707	12,072	11.4 %	119,936	108,487	11,449	10.6 %	
<b>Total revenues</b>	<u>7,645,277</u>	<u>8,688,133</u>	<u>(1,042,856)</u>	(12.0)%	<u>9,270,480</u>	<u>9,089,210</u>	<u>181,270</u>	2.0 %	
<b>Expenses</b>									
Direct event	2,806,875	3,065,032	258,157	8.4 %	4,286,958	4,119,843	(167,115)	(4.1)%	
Operating and indirect event	2,876,998	2,874,557	(2,441)	(0.1)%	2,895,377	3,099,864	204,487	6.6 %	
Direct premium seating	38,131	282,860	244,729	86.5 %	222,739	274,092	51,353	18.7 %	
R&R expenses	643,282	777,230	133,948	17.2 %	274,907	847,427	572,520	67.6 %	
<b>Total expenses</b>	<u>6,365,286</u>	<u>6,999,679</u>	<u>634,393</u>	9.1 %	<u>7,679,981</u>	<u>8,341,226</u>	<u>661,245</u>	7.9 %	
<b>Net increase (decrease) from arena operations</b>	<u>1,279,991</u>	<u>1,688,454</u>	<u>(408,463)</u>	(24.2)%	<u>1,590,499</u>	<u>747,985</u>	<u>842,515</u>	112.6 %	
<b>Net increase (decrease) from total operations</b>	<u>\$ 14,029,193</u>	<u>\$ 13,746,299</u>	<u>\$ 282,895</u>	2.1 %	<u>\$ 13,570,189</u>	<u>\$ 12,466,282</u>	<u>\$ 1,103,907</u>	8.9 %	
<b>Debt Service</b>									
Principal	\$ 7,755,000				\$ 7,471,000				
Interest	3,209,387				3,474,168				
<b>Total Debt Service</b>	<u>\$ 10,964,387</u>				<u>\$ 10,945,168</u>				

Attachment D

**UCF Finance Corporation  
Statement of Operations  
Nine Months Ended March 30, 2020**

	2019-2020				2018-2019			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
Transfers from University	\$ 1,329,016	\$ 1,714,483	\$ (385,467)	(22.5)%	\$ 1,477,523	\$ 1,541,899	\$ (64,376)	(4.2)%
Transfers from Foundation - Downtown Pledges	3,197,439	3,200,000	(2,561)	(0.1)%	-	-	-	0.0 %
Interest	118,164	35,000	83,164	237.6 %	30,260	26,250	4,010	15.3 %
<b>Total revenues</b>	<u>4,644,619</u>	<u>4,949,483</u>	<u>(304,864)</u>	<u>(6.2)%</u>	<u>1,507,783</u>	<u>1,568,149</u>	<u>(60,366)</u>	<u>(3.8)%</u>
<b>Expenses</b>								
Operating	17,224	16,800	(424)	(2.5)%	17,143	21,740	4,597	21.1 %
Interest	1,455,120	1,732,683	277,563	16.0 %	1,490,640	1,546,409	55,769	3.6 %
Transfers to UCF - Downtown Construction <sup>1</sup>	7,000,000	11,132,136	4,132,136	37.1 %	-	-	-	0.0 %
<b>Total expenses</b>	<u>8,472,344</u>	<u>12,881,619</u>	<u>4,409,275</u>	<u>34.2 %</u>	<u>1,507,783</u>	<u>1,568,149</u>	<u>60,366</u>	<u>3.8 %</u>
<b>Net increase (decrease) from operations <sup>2</sup></b>	<u>\$ (3,827,725)</u>	<u>\$ (7,932,136)</u>	<u>\$ 4,104,411</u>	<u>(51.7)%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.0 %</u>
<b>Debt Service</b>								
Principal <sup>3</sup>	\$ 5,506,439				\$ 2,498,000			
Interest <sup>3</sup>	1,455,120				1,490,640			
<b>Total Debt Service</b>	<u>\$ 6,961,559</u>				<u>\$ 3,988,640</u>			

<sup>1</sup> Transfers to the UCF downtown construction project were funded by draws on the UCF downtown construction note. No additional transfers are planned and pledge receivables held by UCF Foundation exceed the balance remaining on the construction note. As of the end of the quarter, approximately \$4.0 million was outstanding on the note. Pledges, net of reserves, scheduled to be received by the note's maturity date were \$6.8 million.

Transfers to UCF for construction of the downtown campus are significantly less than the \$11.1 million that was budgeted. The budget developed in the Spring of 2018 was based on the original \$20 million funding commitment reduced by the estimate of pledges available to transfer directly from the Foundation to the construction project. When funds were drawn on the note in the Fall of 2019, an additional \$1.1 million of pledges had been received. The amount drawn on the note was further reduced by a \$3.0 million in-kind pledge. UCF Foundation later reported that pledge converted from an in-kind pledge to a cash pledge.

<sup>2</sup> Net decrease represents year to date pledges of \$3.2 million received less \$7.0 million of draws and interest expense on the downtown construction note. There will be offsetting increases in net position as scheduled pledge payments are received in future years.

<sup>3</sup> Year to date debt service payments include scheduled principal (\$2.6 million) and interest (\$1.4 million) payments on the building loan and principal (\$2.9 million) and interest (\$25k) on the UCF downtown construction note.

Attachment E

**UCF Foundation  
Unrestricted Operations  
Nine Months Ended March 31, 2020**

	2019 - 20				2018 - 19			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
<b>Unrestricted revenues</b>								
University and other related support	\$ 11,982,437	\$ 12,094,347	\$ (111,910)	(0.9)%	\$ 11,957,823	\$ 11,596,940	\$ 360,883	3.1%
Gifts, fees, and investment earnings	1,971,837	4,457,438	(2,485,601)	(55.8)%	4,455,987	4,754,063	(298,076)	-6.3%
Real estate operations	1,477,017	1,477,017	-	0.0 %	1,477,017	1,477,017	-	0.0%
<b>Total unrestricted revenue</b>	<u>15,431,291</u>	<u>18,028,802</u>	<u>(2,597,511)</u>	<u>(14.4)%</u>	<u>17,890,827</u>	<u>17,828,020</u>	<u>62,807</u>	<u>0.4%</u>
<b>Unrestricted expenses</b>								
Academic and university support	830,123	1,050,520	220,397	21.0 %	1,859,031	921,092	(937,939)	-101.8%
Development, alumni relations, and operations	13,950,055	14,848,835	898,780	6.1 %	13,531,879	14,118,485	586,606	4.2%
<b>Total unrestricted expenses</b>	<u>14,780,178</u>	<u>15,899,355</u>	<u>1,119,177</u>	<u>7.0 %</u>	<u>15,390,910</u>	<u>15,039,577</u>	<u>(351,333)</u>	<u>-2.3%</u>
<b>Net increase (decrease) from unrestricted operations</b>	<u>\$ 651,113</u>	<u>\$ 2,129,447</u>	<u>\$ (1,478,334)</u>	<u>69.4 %</u>	<u>\$ 2,499,917</u>	<u>\$ 2,788,443</u>	<u>\$ (288,526)</u>	<u>10.3 %</u>
<b>Debt Service</b>								
Principal	\$ 1,468,000				\$ 1,300,000			
Interest	420,931				360,092			
<b>Total Debt Service</b>	<u>\$ 1,888,931</u>				<u>\$ 1,660,092</u>			

The information provided above is a reflection of the foundation's unrestricted activity only and does not include income distribution from endowment or revenue for current operations with donor designations and restrictions.

For the period ending March 31, 2020, the foundation dispersed **\$20 million** on behalf of the university in support of programs, scholarships, and other university priorities. Resources for these expenditures comes in the form of spendable distributions from endowed funds as well as restricted and unrestricted gifts for current operations, provided as follows:

Unrestricted	\$ 830,123
Restricted (included endowment)	19,505,014
<b>Total Dispersed</b>	<u>\$ 20,335,137</u>

Attachment F

**Limbitless Solutions Inc.  
Statement of Operations  
Nine Months Ended March 31, 2020**

	<u>2019-20</u>				<u>2018-19</u>			
	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>		<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>Revenues</b>								
Donations <sup>1</sup>	\$ 310,672	\$ 262,500	\$ 48,172	18.4 %	\$ 230,045	\$ 562,500	\$ (332,455)	(59.1)%
Sponsorships <sup>1</sup>	90,809	100,000	(9,191)	(9.2)%	135,800	-	135,800	100.0 %
Other	17,023	65,000	(47,977)	(73.8)%	14,617	70,100	(55,483)	(79.1)%
<b>Total revenues</b>	<u>418,504</u>	<u>427,500</u>	<u>(8,996)</u>	<u>(2.1)%</u>	<u>380,462</u>	<u>632,600</u>	<u>(252,138)</u>	<u>(39.9)%</u>
<b>Expenses</b>								
Operating expenses <sup>1</sup>	386,978	211,171	(175,807)	(83.3)%	65,738	198,289	132,551	66.8 %
<b>Total expenses</b>	<u>386,978</u>	<u>211,171</u>	<u>(175,807)</u>	<u>(83.3)%</u>	<u>65,738</u>	<u>198,289</u>	<u>132,551</u>	<u>66.8 %</u>
<b>Net increase (decrease) from operations</b>	<u>\$ 31,526</u>	<u>\$ 216,329</u>	<u>\$ (184,803)</u>	<u>(85.4)%</u>	<u>\$ 314,724</u>	<u>\$ 434,311</u>	<u>\$ (119,587)</u>	<u>(27.5)%</u>

<sup>1</sup> Includes in-kind philanthropic and sponsorship contributions valued at \$243,617 resulting in an increase in expenses.

Attachment G

**UCF Research Foundation  
Statement of Operations  
Nine Months Ended March 31, 2020**

	2019-20				2018-19			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
Operating revenue <sup>1</sup>	\$ 9,308,353	\$ 9,022,500	\$ 285,853	3.1%	\$ 8,362,607	\$ 8,057,500	\$ 305,107	3.6 %
Management fees and other	830,594	675,000	155,594	18.7 %	583,071	482,917	100,154	17.2 %
<b>Total revenues</b>	<u>10,138,947</u>	<u>9,697,500</u>	<u>441,447</u>	4.4%	<u>8,945,678</u>	<u>8,540,417</u>	<u>405,261</u>	4.5 %
<b>Expenses</b>								
<b>Total operating expenses</b>	<u>9,889,853</u>	<u>9,663,750</u>	<u>(226,103)</u>	(2.3)%	<u>8,660,474</u>	<u>8,246,750</u>	<u>(413,724)</u>	(4.8)%
<b>Net increase from operations</b>	<u>\$ 249,094</u>	<u>\$ 33,750</u>	<u>\$ 215,344</u>	86.5%	<u>\$ 285,204</u>	<u>\$ 293,667</u>	<u>\$ (8,463)</u>	(3.0)%

<sup>1</sup> Operating revenue includes contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums.

Attachment H

Central Florida Clinical Practice Organization  
Statement of Operations  
Nine Months Ended March 31, 2020

	2019-20				2018-19			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
Patient Care	\$ 5,133,756	\$ 5,337,302	\$ (203,546)	-4%	\$ 4,565,174	\$ 4,804,681	\$ (239,508)	-5%
Other	636,719	643,425	(6,706)	-1%	704,212	832,262	(128,050)	-15%
<b>Total Revenues</b>	<b>5,770,475</b>	<b>5,980,727</b>	<b>(210,252)</b>	<b>-4%</b>	<b>5,269,386</b>	<b>5,636,943</b>	<b>(367,557)</b>	<b>-7%</b>
<b>Operating Expenses</b>								
Professional Services	463,658	460,801	(2,857)	-1%	553,378	383,187	(170,191)	-44%
Supplies and Repairs	810,588	763,719	(46,868)	-6%	789,919	690,303	(99,616)	-14%
Facility Expense	174,742	173,677	(1,066)	-1%	176,013	167,449	(8,564)	-5%
Information Technology	315,480	326,931	11,451	4%	585,182	342,133	(243,050)	-71%
Other Expense	77,204	98,221	21,017	21%	76,898	155,663	78,765	51%
<b>Total Operating Expense</b>	<b>1,841,672</b>	<b>1,823,349</b>	<b>(18,323)</b>	<b>-1%</b>	<b>2,181,391</b>	<b>1,738,735</b>	<b>(442,656)</b>	<b>-25%</b>
<b>Transfers to College of Medicine</b>								
Faculty Salaries and Benefits	1,657,725	1,628,504	(29,221)	-2%	1,596,189	1,651,607	55,417	3%
Staff Salaries and Benefits	3,839,998	3,927,491	87,493	2%	3,332,655	3,811,309	478,653	13%
Facility Rent	131,147	129,000	(2,147)	-2%	623,159	912,763	289,604	32%
Other	114,877	36,481	(78,395)	-215%	2,429	130,430	128,001	98%
<b>Total Transfers to College of Medicine</b>	<b>5,743,746</b>	<b>5,721,476</b>	<b>(22,270)</b>	<b>0%</b>	<b>5,554,432</b>	<b>6,506,108</b>	<b>951,676</b>	<b>15%</b>
<b>Total Expenses</b>	<b>7,585,418</b>	<b>7,544,825</b>	<b>(40,593)</b>	<b>-1%</b>	<b>7,735,824</b>	<b>8,244,843</b>	<b>509,019</b>	<b>6%</b>
<b>Net increase (decrease) in operations</b>	<b>\$ (1,814,943)</b>	<b>\$ (1,564,098)</b>	<b>\$ (250,845)</b>	<b>-16%</b>	<b>\$ (2,466,438)</b>	<b>\$ (2,607,900)</b>	<b>\$ 141,462</b>	<b>5%</b>
<b>Cash Balance</b>								
Beginning Balance for Fiscal Year Reported	\$ 3,925,770				\$ 6,565,885			
Change in Cash YTD	(1,916,661)				(614,478)			
<b>Ending Cash Balance for March 31, 2020</b>	<b>\$ 2,009,109</b>				<b>\$ 5,951,407</b>			

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** 2020-21 Direct Support Organizations’ Budgets

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**Background:**

The FY 2021 budgets for the UCF Direct Support Organizations and the Central Florida Clinical Practice Organization are attached. The budgets have been approved by the DSO boards and now need approval by the University of Central Board of Trustees.

Dr. Cartwright, UCF President, provided scenario planning guidelines for the University and Direct Support Organizations (DSOs) to assist the university in planning for the operational and financial impacts of the COVID-19 pandemic. Each DSO presented its board with information about the DSO’s assessment of its strengths, the operational and financial impacts, challenges, uncertainties, innovative solutions, and planned responses. This assessment was performed for four potential scenarios with different assumptions about when campus activities will resume: Fall 2020, Partially Fall 2020, Spring 2021, and Fall 2021. Some of the key assumptions of each scenario are outlined below.

	Scenario 1: Resume Fall 2020	Scenario 1A: Partial Fall 2020	Scenario 2: Resume Spring 2021	Scenario 3: Resume Fall 2021
Students return to campus	Fall 2020	October	Spring 2021	Fall 2021
Employees return to campus	Summer A	Fall 2020	Some remote & some on campus Fall 2020	Spring 2021
Research activities	Allowed during Summer	Fall 2020	Case by case	
Athletics	Fall 2020 Spectators allowed	Fall August 2020 Spectators allowed October	Fall August 2020 No spectators	Suspended Fall 2020 Spring allowed no spectators
Residential housing	Special exceptions for Summer Fully reopens Fall	Special exceptions only Fully reopens October	Special exceptions only Summer & Fall Fully reopens Spring 2021	Fully reopens Fall 2021
Domestic travel	Some allowed in fall	October	Spring 2021	Fall 2021

**Issues to be Considered:**

UCF Athletics Association

The proposed budget is based on scenario 1 and assumes a full college football season with seven home games will be played with spectators. If the football season is delayed or shortened, or if there is a reduction in the number of spectators that can attend games, then ticket sales, away game guarantees, conference distributions, and the Athletics Association’s sponsorship revenue could be negatively impacted. To prepare for possible revenue shortfalls, the sports and support budgets were decreased by 7%. The units reduced their operating budgets by as much as 10%, but this was offset by increases in fixed overhead (insurance, leases, licensing contracts, etc.). This is a starting point for further reductions if necessary. The \$5.1 million net surplus from operations represents the initial buffer amount if needed. The Athletics Association is prepared to make additional adjustments to the budget.

A \$1.1 million surplus is projected for FY 2020. This is primarily due to receiving \$900K which represents approximately half of UCF’s signing bonus from the American Athletics Conference related to the new television rights agreement. This surplus includes a \$0.4m loss related to the COVID-19 pandemic resulting from \$1.4 million of revenue shortfalls due to the cancellation of the NCAA basketball tournament and all

baseball and softball games, offset by approximately \$1 million in savings from reducing operations in March through June. In addition to cancelling winter sports' championships and spring sports' regular and post-seasons, UCFAA implemented spending and hiring freezes mandated by the UCF President.

The proposed budget reflects:

- An increase in budgeted athletic events revenue is primarily driven by the new television rights agreement with ESPN expected to generate approximately \$3.5 million in FY 2021.
- An increase in budgeted sponsorship revenue is in line with FY 2020 revenues. Currently, it is anticipated there will not be a stadium naming partner for the 2020 football season.
- An increase in budgeted university allocations revenue is to support scholarships for seniors returning for another academic year as a result from the spring season cancellation. There is a corresponding increase in scholarship expense.
- An increase in budgeted employee compensation is due to existing enhanced contractual obligations.
- An increase in budgeted other expense is related to enhancements needed to produce live television broadcasts of sporting events required by the new television agreement. The FY 2020 projected expenses exceed budget due to funding two projects that were budgeted to be funded with a bank loan pending board approval. The decision not to proceed with the bank loan was made after the budget was finalized.
- Debt service includes scheduled payments on a construction line of credit and a loan from the University. In addition, a full year of debt service will be paid for the Roth Athletics Center loan in FY 2021 versus FY 2020 when only an interest payment was due.

#### UCF Academic Health

UCF Academic Health, Inc. began operations in July 2019, with the leasing of space to outside tenants in the Lake Nona Cancer Center. The FY 2021 budget is based on scenario 1 and expenses increased significantly as four long-term leases begin. The associated expenses of mortgage payments, common area maintenance, and sales tax will also increase, while other operating expenses will remain constant. Under the current budget scenario, Academic Health will only pay \$953,000 of FY 2021 scheduled mortgage payments totaling \$1.5 million.

#### UCF Convocation Corporation

The Corporation's operations have been significantly impacted by the COVID-19 pandemic. As a result, its ability to meet FY 2020 and FY 2021 debt service requirements is impaired. Significant reductions in operating expenses have been planned to offset lost revenue. However, additional support from the University will be needed. A support agreement obligates the University to provide support in the event the Corporation is unable to meet its debt service requirements to the extent the University has legally available revenues.

The proposed housing operations budget assumes scenario 1a, an October reopening with student athletes returning earlier. Operating expense reductions such as reduced staffing and furloughs, reduced energy consumption, termination of cable TV service are being implemented to mitigate revenue losses.

Remote work and learning negatively impacted retail tenant operations and their ability to pay rent. The proposed retail operations budget reflects rent deferrals for commercial tenants and reduced contractor costs and services suspended to on-call status.

Arena events will remain suspended through at least the end of October. The timeline for resuming normal operations remains unknown. The arena operations budget reflects significantly reduced event-related revenues and expenses.

The minimum contribution to the housing and parking bond R&R reserves and a \$0.5 million contribution to the arena R&R reserve is planned. This level of reserve funding and the deferral of needed maintenance may significantly increase future funding requirements and could impair the Convocation Corporation's ability to properly maintain its capital assets.

The proposed budget requests the University and its Board of Trustees approve an allocation from E&G carryforward, CARES funds, or other legally available revenues for the Convocation Corporation to meet its debt service requirements in both FY 2020 (\$3.5 million) and FY 2021 (\$2.05 million). It also reflects the deferral of the FY 2020 planned arena scoreboard contribution to the University (\$0.5 million) and no payment planned in FY 2021.

#### UCF Finance Corporation

The UCF Finance Corporation receives rent and pledges to repay construction loans on the Burnett Biomedical Sciences building at Lake Nona and the UCF Downtown Campus. The University pays rent under the operating lease on the Burnett Biomedical Sciences building. An additional \$2.6 million in rent will be received to fund principal on the underlying building loan. These transfers and philanthropic pledges scheduled to be received during the year for the construction of the downtown campus are sufficient to fund the Finance Corporation's debt and operating costs for the year.

The debt service budget includes scheduled principal (\$2.6 million) and interest (\$1.4 million) payments on the building loan and anticipated repayments (\$3.5 million) on the UCF downtown construction note. The repayment of the construction note is based on the amount of pledges scheduled to be received during the year.

Funds drawn on the UCF downtown construction note were transferred to the University to fund construction costs during FY 2020. No further draws on the note are planned.

#### UCF Foundation

The UCF Foundation's sources of funding include support from the university as salaries, rent from mostly University tenants in office buildings, endowment fees, and earnings from investments. The proposed budget is based on scenario 1a and assumes a 5% reduction in university support and 6% reduction in foundation-generated revenue, due to market volatility. As committed to the BOT Advancement Committee, this proposal assumes all license plate funding will be utilized towards student activities and sponsorship.

FY 2020 projections reflect a decline in investment performance due to COVID-19. A slight decline is anticipated in fiscal 2021, most of which will be made up by an increase in the investment base as campaign commitments are collected. Endowment fees and real estate revenue which are steady sources that are not immediately impacted by short term market volatility.

The Foundation implemented spending and hiring freezes mandated by the UCF President and is keeping 10 open positions vacant resulting in \$700K of savings. The Foundation also plans to delay or cancel \$400K of expenses related to donor stewardship and recognition and \$150K of travel, cancel all plans for professional development activities, and postpone any investment required to plan and implement new fundraising strategies.

#### UCF Limitless Solutions

The budget is based on scenario 1 and reflects a reduction in philanthropic support from individual donors and assumes support from private foundations and corporations will continue. Revenues from educational workshops and speaking engagements are expected to decline due to continued travel bans. The DSO has a healthy cash position through philanthropic support and low expenses. The landscape driving philanthropy, sponsorship, and in-person activities is being closely monitored by management and university leadership.

#### UCF Research Foundation

Operating revenue includes contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums. The proposed budget is based on scenario 3 and assumes an overall 11% reduction from projected actual amounts due to a downturn in the economy impacting incubators and commercialization activities and industry research funding and expenses.

The FY 2020 projected operating expenses include Gap Funding expenses related to FY 2019 in the amount of \$250,000. Gap Funding is granted to support the development of technology at an early readiness level with the goal of recovering these funds under any resulting license agreement. The Gap Funding for fiscal 2020 was not awarded nor will Gap Funding be awarded for fiscal 2021.

#### UCF Stadium Corporation

The Stadium Corporation receives pledged revenues from Athletics Association, premium seat revenue, and other revenues including concessions, merchandise, and interest. Any surplus remaining after debt service and operating expenses is transferred back to the Athletics Association to fund its operations. Pledged revenues include gross ticket sales, away game guarantees, conference distributions, as well as rent and guaranteed royalty payments from the Association. Away game guarantees and conference distributions are not reflected in the budget and are not required to be distributed from the Athletics Association to the Stadium Corporation unless they are needed to meet annual debt service obligations. All other pledged revenues are included in Athletics Association's transfers. Additionally, there is a support agreement obligating the University to use legally available revenues up to approximately \$4 million to fund bond payment deficiencies.

The proposed budget is based on scenario 1 and assumes a full college football season with seven home games will be played with spectators. If the football season is delayed or shortened, or if there is a reduction in the number of spectators that can attend games, then ticket sales, away game guarantees, conference distributions, and the Athletics Association's sponsorship revenue could be negatively impacted. However, the royalty payment and rent received would be sufficient to pay the Stadium Corporation's debt obligations

for the year. If football season is cancelled or if spectators are not allowed to attend games, then the university support agreement would need to be activated.

Currently, it is anticipated there will not be a stadium naming partner for the 2020 football season. However, there is an agreement with the Athletics Association that guarantees a royalty payment in the amount of \$1.85 million.

Central Florida Clinical Practice Organization

CFCPO was formed to support the medical education program and clinical faculty within the College of Medicine. The FY 2021 budget is based on scenario 1a and assumes a 30% reduction in patient care revenue due to COVID-19. The clinic implemented telehealth visits and in person clinical measures to ensure patient safety so that a return to a “normal” level of clinical activity will happen sometime in the fall of 2020. With reduced revenue, there are variable operating expenses that are also reduced, which is reflected in the proposed budget. Transfers to the college for staff and faculty salaries will be reduced to not exceed total revenue and maintain close to a \$2 million net cash balance. The college will absorb approximately \$1.5 million of expense in fiscal 2020 and an additional \$1.0 million in fiscal 2021.

**Alternatives to Decision:**

Not approve the 2020-21 Direct Support Organizations’ budgets or recommend changes to the 2020-21 Direct Support Organizations’ budgets.

**Fiscal Impact and Source of Funding:**

Source of funding varies across all Direct Support Organizations.

**Recommended Action:**

Approve the 2020-21 Direct Support Organizations’ budgets.

**Authority for Board of Trustees Action:**

Delegation of Authority to the President, Items requiring specific approval of the Board, 15. Annual operating and capital budgets for the University and Affiliated Entities and amendments to any line item of two million dollars or greater that exceeds 10% of the value of such line item.

**Contract Reviewed/Approved by General Counsel:**

N/A

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

**Supporting Documentation:**

- Attachment A: UCF Athletics Association
- Attachment B: UCF Academic Health
- Attachment C: UCF Convocation Corporation
- Attachment D: UCF Finance Corporation

Attachment E: UCF Foundation

Attachment F: UCF Limitless Solutions

Attachment G: UCF Research Foundation

Attachment H: UCF Stadium Corporation

Attachment I: Central Florida Clinical Practice Organization

**Facilitators/Presenters:**

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Christina Tant, Assistant Vice President for DSO Accounting and Reporting

Attachment A

UCF Athletics Association  
Annual Budget  
2020-21

	2020-21 Proposed Budget	2019-20 Approved Budget	Variance Favorable (Unfavorable)		2019-20 Projected Actual	2019-20 Approved Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
Athletic events, including premium seating	\$ 15,695,382	\$ 11,356,304	\$ 4,339,078	38.2 %	\$ 11,289,708	\$ 11,356,304	\$ (66,596)	(0.6)%
University allocations	34,464,900	33,742,690	722,210	2.1 %	33,873,797	33,742,690	131,107	0.4 %
Sponsorship	9,025,000	6,080,156	2,944,844	48.4 %	9,626,469	6,080,156	3,546,313	58.3 %
Contributions	7,886,365	8,120,057	(233,692)	(2.9)%	6,255,055	8,120,057	(1,865,002)	(23.0)%
Other	394,600	898,818	(504,218)	(56.1)%	452,965	898,818	(445,853)	(49.6)%
<b>Total revenues</b>	<b>67,466,247</b>	<b>60,198,025</b>	<b>7,268,222</b>	<b>12.1 %</b>	<b>61,497,994</b>	<b>60,198,025</b>	<b>1,299,969</b>	<b>2.2 %</b>
<b>Expenses</b>								
Scholarships	10,264,915	9,522,149	(742,766)	(7.8)%	9,755,149	9,522,149	(233,000)	(2.4)%
Employee compensation	26,992,700	25,797,158	(1,195,542)	(4.6)%	25,770,483	25,797,158	26,675	0.1 %
Sport operations	8,505,093	9,199,437	694,344	7.5 %	8,628,175	9,199,437	571,262	6.2 %
Support operations	11,443,847	12,344,420	900,573	7.3 %	11,458,320	12,344,420	886,100	7.2 %
Other	2,396,600	1,097,936	(1,298,664)	(118.3)%	3,189,625	1,097,936	(2,091,689)	(190.5)%
<b>Total operating expenses</b>	<b>59,603,155</b>	<b>57,961,101</b>	<b>(1,642,054)</b>	<b>(2.8)%</b>	<b>58,801,752</b>	<b>57,961,101</b>	<b>(840,651)</b>	<b>(1.5)%</b>
<b>Net increase (decrease) from total operations</b>	<b>7,863,092</b>	<b>2,236,924</b>	<b>5,626,168</b>	<b>251.5 %</b>	<b>2,696,242</b>	<b>2,236,924</b>	<b>459,318</b>	<b>20.5 %</b>
<b>Nonoperating revenues (expenses)</b>								
Net transfers - Stadium Corp	115,104	1,608,368	(1,493,265)	(92.8)%	(178,447)	1,608,368	(1,786,815)	(111.1)%
Interest income	-	-	-		-	-	-	
Interest expense	(1,739,440)	(1,355,803)	(383,637)	28.3 %	(519,972)	(1,355,803)	835,831	(61.6)%
Capital Project Donations - Athletics	656,005	1,247,952	(591,947)	(47.4)%	979,940	1,247,952	(268,012)	(21.5)%
Restricted Accounts Revenue	1,058,512	500,000	558,512	111.7 %	1,082,348	500,000	582,348	116.5 %
Restricted Accounts Outlay	(1,009,512)	(500,000)	(509,512)	101.9 %	(750,000)	(500,000)	(250,000)	50.0 %
Capital Projects Outlay	(715,928)	(500,000)	(215,928)	43.2 %	(513,528)	(500,000)	(13,528)	2.7 %
<b>Total nonoperating (expense) revenue</b>	<b>(1,635,259)</b>	<b>1,000,517</b>	<b>(2,635,777)</b>	<b>(263.4)%</b>	<b>100,341</b>	<b>1,000,517</b>	<b>(900,176)</b>	<b>90.0 %</b>
<b>Increase (decrease) in net position</b>	<b>\$ 6,227,832</b>	<b>\$ 3,237,441</b>	<b>\$ 2,990,391</b>	<b>92.4 %</b>	<b>\$ 2,796,583</b>	<b>\$ 3,237,441</b>	<b>\$ (440,858)</b>	<b>13.6 %</b>
<b>Debt Service</b>								
Principal	\$ 2,276,000	2,489,489	213,489	8.6 %	\$ 855,000	\$ 2,489,489	1,634,489	65.7 %
Interest	558,440	1,355,803	797,363	58.8 %	519,972	1,355,803	835,831	61.6 %
<b>Total Debt Service</b>	<b>\$ 2,834,440</b>	<b>\$ 3,845,292</b>	<b>\$ 1,010,852</b>	<b>26.3 %</b>	<b>\$ 1,374,972</b>	<b>\$ 3,845,292</b>	<b>\$ 2,470,320</b>	<b>64.2 %</b>
<b>Operations Budget Surplus (Shortfall)</b>	<b>\$ 5,143,755</b>	<b>\$ 0</b>	<b>\$ 5,143,755</b>	<b>100 %</b>	<b>\$ 1,142,823</b>	<b>\$ 0</b>	<b>\$ 1,142,823</b>	<b>100 %</b>
Operations + Net stadium transfers less debt service								

Attachment B

University of Central Florida Academic Health, Inc  
Annual Budget  
2020-21

	2020-21 Proposed Budget	2019-20 Approved Budget	Variance Favorable (Unfavorable)		2019-20 Projected Actual	2019-20 Approved Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
Real Estate (Rent Income & CAM)	\$ 1,164,779	\$ 221,120	\$ 943,659	426.8 %	\$ 281,266	\$ 221,120	\$ 60,146	27.2 %
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,164,779</b>	<b>221,120</b>	<b>943,659</b>	<b>426.8 %</b>	<b>281,266</b>	<b>221,120</b>	<b>60,146</b>	<b>27.2 %</b>
<b>Operating Expenses</b>								
Professional Services	15,000	15,000	-	0.0 %	15,000	15,000	-	0.0 %
Facility Expense	1,229,735	54,669	(1,175,066)	(2149.4)%	58,363	54,669	(3,694)	(6.8)%
Information Technology	7,210	7,000	(210)	(3.0)%	7,000	7,000	-	0.0 %
Other Operating Expense	90,537	23,200	(67,337)	(290.2)%	23,200	23,200	-	0.0 %
<b>Total Expense</b>	<b>1,342,482</b>	<b>99,869</b>	<b>(1,242,613)</b>	<b>(1244.2)%</b>	<b>103,563</b>	<b>99,869</b>	<b>(3,694)</b>	<b>(3.7)%</b>
<b>Net increase (decrease) in operations</b>	<b>\$ (177,703)</b>	<b>\$ 121,251</b>	<b>\$ (298,954)</b>	<b>(246.6)%</b>	<b>\$ 177,703</b>	<b>\$ 121,251</b>	<b>\$ 52,758</b>	<b>43.5 %</b>
<b>Cash Balance</b>								
Beginning Balance for Fiscal Year Reported	\$ 177,703				\$ -			
Change in Cash YTD	(177,703)				177,703			
<b>Ending Cash Balance</b>	<b>\$ -</b>				<b>\$ 177,703</b>			

Note: COVID-19 has impacted the timing of receiving lease revenue and the timing of preparing the building for multi-tenant occupancy.

Attachment C

UCF Convocation Corporation  
Annual Budget  
2020-2021

	2020-2021 Proposed Budget	2019-2020 Approved Budget	Variance Favorable (Unfavorable)		2019-2020 Projected Actuals	2019-2020 Approved Budget	Variance Favorable (Unfavorable)	
<b>Housing Operations</b>								
<b>Revenues</b>								
Apartment rentals	\$ 13,826,028	\$ 17,986,410	\$ (4,160,382)	(23.1)%	\$ 15,969,242	\$ 17,986,410	\$ (2,017,168)	(11.2)%
Parking	1,036,388	1,036,388	-	0.0 %	1,036,388	1,036,388	-	0.0 %
University support	700,000	-	700,000	100.0 %	-	-	-	0.0 %
Other	58,125	151,000	(92,875)	(61.5)%	191,369	151,000	40,369	26.7 %
<b>Total revenues</b>	<u>15,620,541</u>	<u>19,173,798</u>	<u>(3,553,257)</u>	<u>(18.5)%</u>	<u>17,196,999</u>	<u>19,173,798</u>	<u>(1,976,799)</u>	<u>(10.3)%</u>
<b>Expenses</b>								
Operating	5,090,506	6,619,261	1,528,755	23.1 %	6,341,061	6,619,261	278,200	4.2 %
R&R expenses	785,290	533,643	(251,647)	(47.2)%	300,000	533,643	233,643	43.8 %
<b>Total expenses</b>	<u>5,875,796</u>	<u>7,152,904</u>	<u>1,277,108</u>	<u>17.9 %</u>	<u>6,641,061</u>	<u>7,152,904</u>	<u>511,843</u>	<u>7.2 %</u>
<b>Net increase from housing operations</b>	<u>9,744,746</u>	<u>12,020,894</u>	<u>(2,276,148)</u>	<u>(18.9)%</u>	<u>10,555,938</u>	<u>12,020,894</u>	<u>(1,464,956)</u>	<u>(12.2)%</u>
<b>Retail Operations</b>								
<b>Total revenues</b>	1,747,507	1,946,203	(198,695)	(10.2)%	1,899,670	1,946,203	(46,533)	(2.4)%
<b>Total expenses</b>	<u>391,725</u>	<u>525,098</u>	<u>133,373</u>	<u>25.4 %</u>	<u>468,346</u>	<u>525,098</u>	<u>56,752</u>	<u>10.8 %</u>
<b>Net increase from retail operations</b>	<u>1,355,782</u>	<u>1,421,105</u>	<u>(65,322)</u>	<u>(4.6)%</u>	<u>1,431,324</u>	<u>1,421,105</u>	<u>10,219</u>	<u>0.7 %</u>
<b>Arena Operations</b>								
<b>Revenues</b>								
Event related	3,815,557	5,874,989	(2,059,432)	(35.1)%	4,268,534	5,874,989	(1,606,455)	(27.3)%
Premium seating and sponsorship	1,304,300	1,216,500	87,800	7.2 %	1,184,824	1,216,500	(31,676)	(2.6)%
Rental Income	2,735,000	2,735,000	-	0.0 %	2,735,000	2,735,000	-	0.0 %
University support	1,350,000	-	1,350,000	100.0 %	3,500,000	-	3,500,000	100.0 %
Other	113,421	150,596	(37,175)	(24.7)%	156,443	150,596	5,847	3.9 %
<b>Total revenues</b>	<u>9,318,278</u>	<u>9,977,085</u>	<u>(658,807)</u>	<u>(6.6)%</u>	<u>11,844,801</u>	<u>9,977,085</u>	<u>1,867,716</u>	<u>18.7 %</u>
<b>Expenses</b>								
Direct Event	2,976,764	4,492,059	1,515,295	33.7 %	3,293,341	4,492,059	1,198,718	26.7 %
Operating and indirect event	3,940,138	3,983,925	43,787	1.1 %	3,846,800	3,983,925	137,125	3.4 %
Direct premium seating	310,210	325,360	15,150	4.7 %	285,748	325,360	39,612	12.2 %
R&R expenses	288,362	1,036,307	747,945	72.2 %	650,000	1,036,307	386,307	37.3 %
Transfer to UCF	-	500,000	500,000	100.0 %	-	500,000	500,000	100.0 %
<b>Total expenses</b>	<u>7,515,474</u>	<u>10,337,651</u>	<u>2,822,177</u>	<u>27.3 %</u>	<u>8,075,889</u>	<u>10,337,651</u>	<u>2,261,762</u>	<u>21.9 %</u>
<b>Net decrease from arena operations</b>	<u>1,802,804</u>	<u>(360,566)</u>	<u>2,163,370</u>	<u>600.0 %</u>	<u>3,768,912</u>	<u>(360,566)</u>	<u>4,129,478</u>	<u>1145.3 %</u>
<b>Net increase from total operations</b>	<u>\$ 12,903,332</u>	<u>\$ 13,081,433</u>	<u>\$ (178,101)</u>	<u>(1.4)%</u>	<u>\$ 15,756,174</u>	<u>\$ 13,081,433</u>	<u>\$ 2,674,741</u>	<u>20.4 %</u>
<b>Debt Service</b>								
Principal payments	\$ 8,025,000				\$ 7,755,000			
Interest payments	6,042,140				6,296,846			
<b>Total Debt Service</b>	<u>\$ 14,067,140</u>				<u>\$ 14,051,846</u>			

## Attachment D

**UCF Finance Corporation  
Annual Budget  
2020-21**

	<b>2020-21 Proposed Budget</b>	<b>2019-20 Approved Budget</b>	<b>Variance</b>		<b>2019-20 Projected Actual</b>	<b>2019-20 Approved Budget</b>	<b>Variance</b>		
			<b>Favorable (Unfavorable)</b>				<b>Favorable (Unfavorable)</b>		
<b>Revenues</b>									
Transfers from University <sup>1</sup>	\$ 1,330,896	\$ 1,715,183	\$ (384,287)	(22.4)%	\$ 1,325,056	\$ 1,715,183	\$ (390,127)	(22.7)%	
Transfers from Foundation - Downtown Pledges <sup>2</sup>	3,460,000	3,983,269	(523,269)	(13.1)%	4,697,439	3,983,269	714,170	17.9 %	
Interest	55,000	35,000	20,000	57.1 %	122,500	35,000	87,500	250.0 %	
<b>Total revenues</b>	<u>4,845,896</u>	<u>5,733,452</u>	<u>(887,556)</u>	<u>(15.5)%</u>	<u>6,144,995</u>	<u>5,733,452</u>	<u>411,543</u>	<u>7.2 %</u>	
<b>Expenses</b>									
Operating	18,100	17,500	(600)	(3.4)%	17,600	17,500	(100)	(0.6)%	
Interest	1,457,796	1,732,683	274,887	15.9 %	1,455,120	1,732,683	277,563	16.0 %	
Transfers to University - Downtown Construction <sup>3</sup>	-	11,132,136	11,132,136	100.0 %	7,000,000	11,132,136	4,132,136	37.1 %	
<b>Total expenses</b>	<u>1,475,896</u>	<u>12,882,319</u>	<u>11,406,423</u>	<u>88.5 %</u>	<u>8,472,720</u>	<u>12,882,319</u>	<u>4,409,599</u>	<u>34.2 %</u>	
<b>Net increase (decrease) from operations</b>	<u>\$ 3,370,000</u>	<u>\$ (7,148,867)</u>	<u>\$ 10,518,867</u>		<u>\$ (2,327,725)</u>	<u>\$ (7,148,867)</u>	<u>\$ 4,821,142</u>		
<b>Debt Service</b>									
Principal	\$ 6,081,000	\$ 5,559,000			\$ 7,006,439				
Interest	1,457,796	1,732,683			1,455,120				
<b>Total Debt Service</b>	<u>\$ 7,538,796</u>	<u>\$ 7,291,683</u>			<u>\$ 8,461,559</u>				

<sup>1</sup> Represents rent pursuant to the 2017 amended and restated operating lease agreement for the financing of facilities constructed on the health sciences campus in Lake Nona. This amount funds interest on the building loan and operating expenses. An additional \$2.6 million will be received to fund principal on the building loan.

<sup>2</sup> The fiscal 2021 budget is based on the amount of pledges scheduled to be received during the year for the construction of the downtown campus. The amount of pledges needed to fund the remaining principal on the note will be received and any excess will be transferred directly by UCF Foundation to the University.

<sup>3</sup> Transfers to the UCF downtown construction project were funded by draws on the UCF downtown construction note. No additional transfers are planned and pledge receivables held by UCF Foundation exceed the balance remaining on the construction note.

Transfers to UCF for construction of the downtown campus are significantly less than the \$11.1 million that was budgeted in fiscal 2020. The budget developed in the Spring of 2018 was based on the original \$20 million funding commitment reduced by the estimate of pledges available to transfer directly from UCF Foundation to the construction project. When funds were drawn on the note in the Fall of 2019, an additional \$1.1 million of pledges had been received. The amount drawn on the note was further reduced by a \$3.0 million in-kind pledge. UCF Foundation later reported that pledge converted from an in-kind pledge to a cash pledge.

Attachment E

UCF Foundation  
Annual Budget  
2020 -21

	2020-21 Proposed Budget	2019-20 Approved Budget	Variance Favorable (Unfavorable)		2019-20 Projected Actual	2019-20 Approved Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
Unrestricted gifts, fees, and investment earnings	\$ 6,163,800	\$ 5,943,250	\$ 220,550	3.7 %	\$ 4,335,802	\$ 5,943,250	\$ (1,607,448)	(27.0)%
Real estate	2,000,000	1,969,356	30,644	1.6 %	1,969,356	1,969,356	-	-
University and other related support	11,686,500	12,745,553	(1,059,053)	(8.3)%	12,622,948	12,745,553	(122,605)	(1.0)%
<b>Total revenue</b>	<u>19,850,300</u>	<u>20,658,159</u>	<u>(807,859)</u>	<u>(3.9)%</u>	<u>18,928,106</u>	<u>20,658,159</u>	<u>(1,730,053)</u>	<u>(8.4)%</u>
<b>Expenses</b>								
Academic and university support	1,631,647	1,739,189	107,542	6.2 %	1,609,320	1,739,189	129,869	7.5 %
Development, alumni relations, and operations	18,218,653	18,918,970	700,317	3.7 %	17,932,444	18,918,970	986,526	5.2 %
<b>Total expenses</b>	<u>19,850,300</u>	<u>20,658,159</u>	<u>807,859</u>	<u>3.9 %</u>	<u>19,541,764</u>	<u>20,658,159</u>	<u>1,116,395</u>	<u>5.4 %</u>
<b>Net increase (decrease) from total operations</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (613,658)</u>	<u>\$ -</u>	<u>\$ (613,658)</u>	
<b>Debt Service</b>								
Principal payments	\$ 3,631,000				\$ 2,131,000			
Interest payments	949,078				949,078			
<b>Total Debt Service</b>	<u>\$ 4,580,078</u>				<u>\$ 3,080,078</u>			

Attachment F

**Limbitless Solutions, Inc.  
Annual Budget  
2020-2021**

	<b>2020-21 Proposed Budget</b>	<b>2019-20 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2019-20 Projected Actual</b>	<b>2019-20 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>Revenues</b>								
Philanthropic Donations	\$ 300,000	\$ 350,000	\$ (50,000)	(14.3)%	\$ 350,000	\$ 350,000	\$ -	0.0 %
Sponsorships	100,000	150,000	(50,000)	(33.3)%	100,000	150,000	(50,000)	(33.3)%
Other	80,000	95,000	(15,000)	(15.8)%	19,000	95,000	(76,000)	(80.0)%
<b>Total revenues</b>	<u>480,000</u>	<u>595,000</u>	<u>(115,000)</u>	<u>(19.3)%</u>	<u>469,000</u>	<u>595,000</u>	<u>(126,000)</u>	<u>(21.2)%</u>
<b>Expenses</b>								
Operating expenses	<u>251,869</u>	<u>284,831</u>	<u>32,962</u>	11.6 %	<u>420,500</u>	<u>284,831</u>	<u>(135,669)</u>	(47.6)%
<b>Total expenses</b>	<u>251,869</u>	<u>284,831</u>	<u>32,962</u>	11.6 %	<u>420,500</u>	<u>284,831</u>	<u>(135,669)</u>	(47.6)%
<b>Net increase from operations</b>	<u>\$ 228,131</u>	<u>\$ 310,169</u>	<u>\$ (82,038)</u>	(26.4)%	<u>\$ 48,500</u>	<u>\$ 310,169</u>	<u>\$ (261,669)</u>	(84.4)%

Attachment G

**UCF Research Foundation  
Annual Budget  
2020-2021**

	<b>2020-2021 Proposed Budget</b>	<b>2019-2020 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2019-2020 Projected Actual</b>	<b>2019-2020 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>Revenues</b>								
Operating revenue <sup>1</sup>	\$ 11,085,000	\$ 12,730,000	\$ (1,645,000)	-14.8%	\$ 12,411,137	\$ 12,730,000	\$ (318,863)	-2.6%
Management fees and other	840,000	800,000	40,000	4.8%	957,459	800,000	157,459	16.4%
<b>Total revenues</b>	<u>11,925,000</u>	<u>13,530,000</u>	<u>(1,605,000)</u>	<u>-13.5%</u>	<u>13,368,596</u>	<u>13,530,000</u>	<u>(161,404)</u>	<u>-1.2%</u>
<b>Expenses</b>								
<b>Total operating expenses</b> <sup>2</sup>	<u>11,708,201</u>	<u>13,280,000</u>	<u>1,571,799</u>	<u>13.4%</u>	<u>13,103,298</u>	<u>13,280,000</u>	<u>176,702</u>	<u>1.3%</u>
<b>Net increase (decrease) from operations</b>	<u>\$ 216,799</u>	<u>\$ 250,000</u>	<u>\$ (33,201)</u>	<u>-15.3%</u>	<u>\$ 265,298</u>	<u>\$ 250,000</u>	<u>\$ 15,298</u>	<u>5.8%</u>

<sup>1</sup> Operating revenue includes contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums. The Research Foundation is recognizing an overall 11% reduction from projected actual amounts due to a downturn in the economy.

<sup>2</sup> Operating expenses projected actual amounts include Gap Funding expenses related to Fiscal Year 2019 in the amount of \$250,000. The Gap Funding for Fiscal 2020 was not awarded nor will Gap Funding be awarded for Fiscal 2021.

Attachment H

**UCF Stadium Corporation  
Annual Budget  
2020-21**

	<b>2020-21 Proposed Budget</b>	<b>2019-20 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2019-20 Projected Actual</b>	<b>2019-20 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>Revenues</b>								
Premium seating	\$ 2,768,000	\$ 2,443,231	\$ 324,769	13.3 %	\$ 2,493,595	\$ 2,443,231	\$ 50,364	2.1 %
Naming rights <sup>1</sup>	-	1,550,000	(1,550,000)	(100.0)%	-	1,550,000	(1,550,000)	(100.0)%
Athletic transfers <sup>2</sup>	8,412,315	7,006,446	1,405,869	20.1 %	8,325,719	7,006,446	1,319,273	18.8 %
Other	1,270,709	1,414,000	(143,291)	(10.1)%	1,259,958	1,414,000	(154,042)	(10.9)%
<b>Total revenues</b>	<u>12,451,024</u>	<u>12,413,677</u>	<u>37,347</u>	0.3 %	<u>12,079,272</u>	<u>12,413,677</u>	<u>(334,405)</u>	(2.7)%
<b>Expenses</b>								
Operating	50,000	50,000	-	0.0 %	45,000	50,000	5,000	10.0 %
R&R expenses	250,000	250,000	-	0.0 %	250,000	250,000	-	0.0 %
<b>Total expenses</b>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	0.0 %	<u>295,000</u>	<u>300,000</u>	<u>5,000</u>	1.7 %
<b>Net increase (decrease) from total operations <sup>3</sup></b>	<u>\$ 12,151,024</u>	<u>\$ 12,113,677</u>	<u>\$ 37,347</u>	0.3 %	<u>\$ 11,784,272</u>	<u>\$ 12,113,677</u>	<u>\$ (329,405)</u>	(2.7)%
<b>Debt Service</b>								
Principal	\$ 1,940,000				\$ 1,863,000			
Interest	1,683,606				1,768,000			
<b>Total Debt Service</b>	<u>\$ 3,623,606</u>				<u>\$ 3,631,000</u>			

<sup>1</sup> Naming rights and advertising revenues were replaced by a \$1.8 million annual guaranteed royalty payment pursuant to an agreement executed during the year. The Corporation transferred its rights for sponsorships and naming rights opportunities in exchange for this payment from UCF Athletics Association which is reflected in Athletic transfers in the fiscal 2020 projections and proposed fiscal 2021 budget.

<sup>2</sup> Athletic transfers include football ticket sales as well as rent and guaranteed royalty payments from UCF Athletics Association. Excludes football game guarantees and conference distributions which are pledged to the Stadium, but are not required to be distributed from UCFAA to the Corporation if not needed for debt service.

<sup>3</sup> The amount remaining after debt service is available for transfer back to UCF Athletics Association.

Attachment I

Central Florida Clinical Practice Organization  
Annual Budget  
2020-21

	2020-21 Proposed Budget	2019-20 Approved Budget	Variance Favorable (Unfavorable)		2019-20 Projected Actual	2019-20 Approved Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
Patient Care	\$ 6,041,174	\$ 7,530,349	\$ (1,489,175)	(19.8)%	\$ 6,070,049	\$ 7,530,349	\$ (1,460,300)	(19.4)%
Other	796,182	865,798	(69,616)	(8.0)%	617,157	865,798	(248,641)	(28.7)%
<b>Total revenues</b>	<u>6,837,356</u>	<u>8,396,147</u>	<u>(1,558,791)</u>	<u>(18.6)%</u>	<u>6,687,206</u>	<u>8,396,147</u>	<u>(1,708,941)</u>	<u>(20.4)%</u>
<b>Operating Expenses</b>								
Professional Services	417,579	405,381	(12,198)	(3.0)%	493,424	405,381	(88,043)	(21.7)%
Supplies and Repairs	935,007	1,352,640	417,633	30.9 %	983,880	1,352,640	368,760	27.3 %
Facility Expense	230,378	192,305	(38,073)	(19.8)%	218,926	192,305	(26,621)	(13.8)%
Information Technology	341,581	636,174	294,593	46.3 %	375,011	636,174	261,163	41.1 %
Other Expense	101,016	283,989	182,973	64.4 %	94,633	283,989	189,356	66.7 %
<b>Total Operating Expense</b>	<u>2,025,561</u>	<u>2,870,489</u>	<u>844,928</u>	<u>29.4 %</u>	<u>2,165,875</u>	<u>2,870,489</u>	<u>704,614</u>	<u>24.5 %</u>
<b>Total Transfer to College of Medicine</b>	<u>4,811,795</u>	<u>7,000,000</u>	<u>2,188,205</u>	<u>31.3 %</u>	<u>5,883,363</u>	<u>7,000,000</u>	<u>1,116,637</u>	<u>16.0 %</u>
<b>Total expenses</b>	<u>6,837,355</u>	<u>9,870,489</u>	<u>3,033,134</u>	<u>30.7 %</u>	<u>8,049,238</u>	<u>9,870,489</u>	<u>1,821,251</u>	<u>18.5 %</u>
<b>Net increase (decrease) in operations</b>	<u>\$ 0</u>	<u>\$ (1,474,342)</u>	<u>\$ 1,474,342</u>	<u>100.0 %</u>	<u>\$ (1,362,032)</u>	<u>\$ (1,474,342)</u>	<u>\$ 112,310</u>	<u>7.6 %</u>
<b>Cash Balance</b>								
Beginning Balance for Fiscal Year Reported	\$ 1,935,574				\$ 3,925,770			
Change in Cash YTD	0				(1,990,196)			
<b>Ending Cash Balance</b>	<u>\$ 1,935,574</u>				<u>\$ 1,935,574</u>			

ITEM: FFC-4

**UCF Board of Trustees  
Finance and Facilities Committee  
June 17, 2020**

**Title:** UCF Athletics Association Request to Participate in the CARES Act Payroll Tax Deferral Program

**Background:**

The Coronavirus Aid, Relief and Economic Security (“CARES”) Act, signed into law on March 27<sup>th</sup>, includes significant provisions to encourage employers to retain and continue paying their employees. The CARES Act provides new payroll tax credits and deferrals and favorably modifies some of the payroll tax provisions of the Family First Act passed into law on March 18<sup>th</sup>.

**Issues to be Considered:**

By participating in this program UCFAA may defer payment of payroll taxes (6.2% of employer wages up to \$137,700) beginning upon Board of Trustees approval through December 31, 2020. The deferred taxes would be paid in 50% installments by December 31, 2021 and by December 31, 2022 with no interest being charged. This would provide UCFAA additional cash flow, interest free, for the summer and fall at a time when most of the football related revenue is used to pay the debt obligations for the football stadium.

**Alternatives to Decision:**

To deny the request.

**Fiscal Impact and Source of Funding:**

The projected amount of deferred taxes would be approximately \$315,000.

**Recommended Action:**

Approve UCFAA to participate in the program.

**Authority for Board of Trustees Action:**

UCF Athletics Association, Inc. Bylaws

UCF Regulation 4.034 Direct Support Organizations

Approved by UCFAA Board of Directors on May 14, 2020

Section 2302 of The CARES Act, Pub. L. 116-136, § 2302, 134 Stat. 281, 282 (2020)

**Approved by the Associate Vice President for Direct Support Organizations:**

Reviewed by Margaret Jarrell-Cole, Esq., Associate Vice President for Direct Support Organizations

**General Counsel Approval:**

Approved by Jordan Clark, Associate General Counsel

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President and Chief Financial Officer

Danny White, Vice President and Director of Athletics

Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer

Jordan Clark, Associate General Counsel

**Supporting Documentation:**

Attachment A: Section 2302 of The CARES Act, Pub. L. 116-136, § 2302, 134 Stat. 281, 282 (2020)

**Facilitators/Presenters:**

Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer

Jordan Clark, Associate General Counsel

Attachment A

SEC. 2302. DELAY OF PAYMENT OF EMPLOYER PAYROLL TAXES.

(a) In General.--

(1) Taxes.--Notwithstanding any other provision of law, the payment for applicable employment taxes for the payroll tax deferral period shall not be due before the applicable date.

(2) Deposits.--Notwithstanding section 6302 of the Internal Revenue Code of 1986, an employer shall be treated as having timely made all deposits of applicable employment taxes that are required to be made (without regard to this section) for such taxes during the payroll tax deferral period if all such deposits are made not later than the applicable date.

(3) Exception.--This subsection shall not apply to any taxpayer if such taxpayer has had indebtedness forgiven under section 1106 of this Act with respect to a loan under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102 of this Act, or indebtedness forgiven under section 1109 of this Act.

(b) SECA.--

(1) In general.--Notwithstanding any other provision of law, the payment for 50 percent of the taxes imposed under section 1401(a) of the Internal Revenue Code of 1986 for the payroll tax deferral period shall not be due before the applicable date.

(2) Estimated taxes.--For purposes of applying section 6654 of the Internal Revenue Code of 1986 to any taxable year which includes any part of the payroll tax deferral period, 50 percent of the taxes imposed under section 1401(a) of such Code for the payroll tax deferral period shall not be treated as taxes to which such section 6654 applies.

(c) Liability of Third Parties.--

(1) Acts to be performed by agents.--For purposes of section 3504 of the Internal Revenue Code of 1986, in the case of any person designated pursuant to such section (and any regulations or other guidance issued by the Secretary with respect to such section) to perform acts otherwise required to be performed by an employer under such Code, if such employer directs such person to defer payment of any applicable employment taxes during the payroll tax deferral period under this section, such employer shall be solely liable for the payment of such applicable employment taxes before the applicable date for any wages paid by such person on behalf of such employer during such period.

(2) Certified professional employer organizations.--For purposes of section 3511, in the case of a certified professional employer organization (as defined in subsection (a) of section 7705 of the Internal Revenue Code of 1986) that has entered into a service contract described in subsection (e)(2) of such section with a customer, if such customer directs such organization to defer payment of any applicable employment taxes during the payroll tax deferral period under this section, such customer shall, notwithstanding subsections (a) and (c) of section 3511, be solely liable for the payment of such applicable employment taxes before the applicable date for any wages paid by such organization to any work site employee performing services for such customer during such period.

(d) Definitions.--For purposes of this section--

(1) Applicable employment taxes.--The term ``applicable employment taxes'' means the following:

(A) The taxes imposed under section 3111(a) of the Internal Revenue Code of 1986.

(B) So much of the taxes imposed under section 3211(a) of such Code as are attributable to the rate in effect under section 3111(a) of such Code.

(C) So much of the taxes imposed under section 3221(a) of such Code as are attributable to the rate in effect under

section 3111(a) of such Code.

(2) Payroll tax deferral period.--The term ``payroll tax deferral period'' means the period beginning on the date of the enactment of this Act and ending before January 1, 2021.

(3) Applicable date.--The term ``applicable date'' means--

(A) December 31, 2021, with respect to 50 percent of the amounts to which subsection (a) or (b), as the case may be, apply, and

(B) December 31, 2022, with respect to the remaining such amounts.

(4) Secretary.--The term ``Secretary'' means the Secretary of the Treasury (or the Secretary's delegate).

(e) Trust Funds Held Harmless.--There are hereby appropriated (out of any money in the Treasury not otherwise appropriated) for each fiscal year to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) and the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(a)) an amount equal to the reduction in the transfers to such fund for such fiscal year by reason of this section. Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

(f) Regulatory Authority.--The Secretary shall issue such regulations or other guidance as necessary to carry out the purposes of this section, including rules for the administration and enforcement of subsection (c).

ITEM: FEC-5

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** Release of Unrestricted UCF Stadium Corporation Revenues

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**Background:**

The attached 2020-21 budget, approved by the UCF Stadium Corporation's board, reflects a projected \$12,151,024 net increase from operations. Of that amount, \$3,623,606 is budgeted for debt service payments, leaving projected unrestricted excess revenues of \$8,527,418 to be available for transfer to the UCF Athletics Association.

**Issues to be Considered:**

The UCF Athletics Association budget is dependent on receiving these unrestricted excess revenues.

**Alternatives to Decision:**

The board could elect not to approve the release of unrestricted excess revenues.

**Fiscal Impact and Source of Funding:**

The Stadium Corporation's primary sources of funding are derived from UCF football games in areas such as ticket sales, premium seating, rent and guaranteed royalty payments from the Association, and concessions and merchandise sales.

**Recommended Action:**

Approve the release of revenues above budgeted obligations from the UCF Stadium Corporation to the UCF Athletics Association for 2020-21.

**Authority for Board of Trustees Action:**

Delegation of Authority to the President, Items requiring specific approval of the board, 32. Transfer of university funds to, from, or among Affiliated Entities.

**Contract Reviewed/Approved by General Counsel:**

N/A

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

**Supporting Documentation:**

Attachment A: UCF Stadium Corporation 2020-21 Budget

**Facilitators/Presenters:**

Danny White, Vice President and Director of Athletics

Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer

Attachment A

**UCF Stadium Corporation  
Annual Budget  
2020-21**

	<b>2020-21 Proposed Budget</b>	<b>2019-20 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2019-20 Projected Actual</b>	<b>2019-20 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>Revenues</b>								
Premium seating	\$ 2,768,000	\$ 2,443,231	\$ 324,769	13.3 %	\$ 2,493,595	\$ 2,443,231	\$ 50,364	2.1 %
Naming rights <sup>1</sup>	-	1,550,000	(1,550,000)	(100.0)%	-	1,550,000	(1,550,000)	(100.0)%
Athletic transfers <sup>2</sup>	8,412,315	7,006,446	1,405,869	20.1 %	8,325,719	7,006,446	1,319,273	18.8 %
Other	1,270,709	1,414,000	(143,291)	(10.1)%	1,259,958	1,414,000	(154,042)	(10.9)%
<b>Total revenues</b>	<u>12,451,024</u>	<u>12,413,677</u>	<u>37,347</u>	0.3 %	<u>12,079,272</u>	<u>12,413,677</u>	<u>(334,405)</u>	(2.7)%
<b>Expenses</b>								
Operating	50,000	50,000	-	0.0 %	45,000	50,000	5,000	10.0 %
R&R expenses	250,000	250,000	-	0.0 %	250,000	250,000	-	0.0 %
<b>Total expenses</b>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	0.0 %	<u>295,000</u>	<u>300,000</u>	<u>5,000</u>	1.7 %
<b>Net increase (decrease) from total operations <sup>3</sup></b>	<u>\$ 12,151,024</u>	<u>\$ 12,113,677</u>	<u>\$ 37,347</u>	0.3 %	<u>\$ 11,784,272</u>	<u>\$ 12,113,677</u>	<u>\$ (329,405)</u>	(2.7)%
<b>Debt Service</b>								
Principal	\$ 1,940,000				\$ 1,863,000			
Interest	1,683,606				1,768,000			
<b>Total Debt Service</b>	<u>\$ 3,623,606</u>				<u>\$ 3,631,000</u>			

<sup>1</sup> Naming rights and advertising revenues were replaced by a \$1.8 million annual guaranteed royalty payment pursuant to an agreement executed during the year. The Corporation transferred its rights for sponsorships and naming rights opportunities in exchange for this payment from UCF Athletics Association which is reflected in Athletic transfers in the fiscal 2020 projections and proposed fiscal 2021 budget.

<sup>2</sup> Athletic transfers include football ticket sales as well as rent and guaranteed royalty payments from UCF Athletics Association. Excludes football game guarantees and conference distributions which are pledged to the Stadium, but are not required to be distributed from UCFAA to the Corporation if not needed for debt service.

<sup>3</sup> The amount remaining after debt service is available for transfer back to UCF Athletics Association.

ITEM: FFC-6

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** Renewal of Lines of Credit – Fifth Third Bank

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**Background:**

**Reducing Revolving Line (Construction):**

This line of credit was originally opened in 2004 for the purpose of constructing facilities for women's sports. The original amount of the line was \$4.5 million and was increased to \$8.5 million in 2006 to help facilitate initial costs of Spectrum Stadium and then additional needs once the stadium bonds were issued and the line was reimbursed for the initial expenses. Each year, the line is renewed and includes a negotiated principal payment. The interest rate on this line is tax-exempt. There are no more draws available on the line and the balance owed is \$5,080,000.

**Revolving Line (Operating):**

This line of credit is to assist UCFAA with cash flow timing issues and opened in 2012. This line is currently in the amount of \$5,000,000 but must "rest" with a zero balance for fourteen consecutive days. The line was rested this year in March. The interest rate on this line is at taxable rate.

**Issues to be Considered:**

Construction Line: Interest rate is 79% of 30-day LIBOR Rate plus 1.34%; however, the LIBOR rate will not drop below 75 basis points for the purposes of calculating the rate. Principal payment of \$295,000 will be due on July 15, 2020.

Operating Line: Interest rate is 30-day LIBOR Rate plus 2.0%; however, the LIBOR rate will not drop below 75 basis points for the purposes of calculating the rate. The line is automatically paid down as deposits are made into UCFAA's operating accounts. UCFAA pays an unused fee of .45% on the average unused balance every quarter.

**Alternatives to Decision:**

Deny the renewal and allow the lines to expire. UCFAA would not have the funds available to pay off the reducing line and would be unable to take draws on the revolving line limiting the ability to pay for expenses in a timely manner.

**Fiscal Impact and Source of Funding:**

UCFAA budgets from its operating budget approximately \$295,000 in principal on the reducing line and \$230,000 in interest on both notes, and the unused fee on the operating line.

**Recommended Action:**

Approval of loan renewals.

**Authority for Board of Trustees Action:**

UCFAA Bylaws

UCFAA Board of Directors approved the renewal of the lines of credit on May 14, 2020

**Approved by the Associate Vice President for Direct Support Organizations:**

Reviewed by Margaret Jarrell-Cole, Esq., Associate Vice President for Direct Support Organizations

**General Counsel Approval:**

Reviewed by Jordan Clark, Associate General Counsel

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer

**Supporting Documentation:**

Attachment A: Fifth Third Loan Documents

**Facilitators/Presenters:**

Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer

## Attachment A

**RESOLUTIONS OF THE  
BOARD OF DIRECTORS  
OF  
UCF ATHLETICS ASSOCIATION, INC,**

Adopted as of May 14, 2020

**“WHEREAS, FIFTH THIRD BANK, NATIONAL ASSOCIATION** (hereinafter referred to as the “Bank”) previously extended to **UCF ATHLETICS ASSOCIATION, INC.**, a Florida not-for-profit corporation (the “Association”), extensions of credit pursuant to (i) that certain Amended and Restated Loan Agreement dated as of December 31, 2013 (as further amended, supplemented or otherwise modified at any time or from time to time, the “Reducing Revolving Loan Agreement”) and the loans thereunder with a current outstanding principal amount of \$[5,080,000.00] (the “Reducing Revolving Loan”) evidenced by that certain Renewal Reducing Revolving Line of Credit Promissory Note dated December 31, 2013 in the original principal amount of \$6,774,999.53 made by the Association payable to the Bank (as further amended, supplemented, renewed or otherwise modified at any time or from time to time, the “Reducing Revolving Loan Note”), each are modified by that certain First Modification and Renewal of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 3, 2014, that certain Second Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 5, 2015, that certain Third Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of July 4, 2016, that certain Fourth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of July 3, 2017, that certain Fifth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of June 30, 2018, and that certain Sixth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 20, 2019 (collectively, as further amended, supplemented or otherwise modified at any time or from time to time, the “Reducing Revolving Loan Documents”), and (ii) that certain revolving loan (the “Operating Revolving Loan”) evidenced by that certain Revolving Note dated as of December 31, 2009 in the original principal amount of \$1,200,000.00 made by the Association and payable to the Bank, as amended and increased by that certain Renewal and Increase Revolving Note dated as of July 27, 2012 in the principal amount of \$2,000,000.00, as modified by that certain First Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 12, 2013, by that certain Second Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of December 31, 2013, by that certain Third Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 11, 2014, by that certain Fourth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 10, 2015, by that certain Fifth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 20, 2016, as modified and increased to the principal amount of \$5,000,000.00 by that certain Sixth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of July 3, 2017, as modified by that certain Seventh Modification of Renewal Revolving Note and Other Loan Documents dated as of June 30, 2018, and as modified by that certain Eighth Modification of Renewal Revolving Note and Other Loan Documents dated as of July 20, 2019 (as further amended, supplemented, renewed or otherwise modified at any time or from time to time, the “Operating Revolving Loan Note”, and collectively with the Reducing Revolving Loan Documents, the “Loan Documents”); and

**WHEREAS**, the Reducing Revolving Loan and the Operating Revolving Loan are currently secured, *inter alia*, by 100% of the student athletic fee receipts received by the Borrower from the University of Central Florida which are imposed by the University on its students pursuant to Florida law, and specifically Section 1009.24, Florida Statutes; and

**WHEREAS**, neither the Reducing Revolving Loan and the Operating Revolving Loan have matured and (a) the Association has requested the Bank to (i) extend the maturity of the Reducing Revolving Loan to July 18, 2021, and to make certain other amendments to the Reducing Revolving Loan Documents as set forth in that certain Seventh Modification of Renewal Reducing Revolving Line of Credit Promissory Note and other Loan Documents to be dated as of July 19, 2020 substantially in the form attached hereto as Exhibit A (the "Seventh Modification"), and (ii) extend the maturity of the Operating Revolving Loan to July 18, 2021, and to make certain other amendments to the Operating Revolving Loan Note as set forth in that certain Ninth Modification of Renewal Revolving Note and other Loan Documents to be dated as of July 19, 2020 substantially in the form attached hereto as Exhibit B (the "Ninth Modification"), and (b) the Bank has agreed to do so provided (x) the Association agrees to execute and deliver to the Bank the Seventh Modification and to perform its obligations thereunder, including without limitation making an annual principal payment on the Reducing Revolving Loan in the amount of \$295,000.00 on or before July 15, 2020, and making the other annual payments set forth in the principal payment schedule for each succeeding July 15 as set forth in the Seventh Modification, with the entire outstanding principal balance and all accrued interest due and payable on the maturity date (as the same may be further extended from time to time by the Bank), and (y) the Association agrees to execute and deliver to the Bank the Ninth Modification and to perform its obligations thereunder, including without limitation making the modified annual unused fees as set forth in the Ninth Modification, and (z) the Association agrees to execute and deliver to the Bank such other documents, instruments or agreements as may be requested or required by the Bank in connection therewith (collectively, the "Amendment Documents"); and

**WHEREAS**, it is in the best interests of the Association that the Loan Documents be so amended, modified and restated.

**NOW, THEREFORE:**

**BE IT RESOLVED THAT** this Association (a) ratifies and approves the modifications to the Reducing Revolving Loan and the Operating Revolving Loan as set forth in the Seventh Modification and the Ninth Modification, respectively, (b) agrees to execute and deliver with and to the Bank the Amendment Documents and such other documents, instruments or agreements as the Bank may request or require in connection therewith, and (c) authorizes the payment of the fees and expenses of the Bank charged or incurred in connection with the Amendment Documents and the transactions described therein and/or contemplated thereby; and

**BE IT FURTHER RESOLVED THAT** Dr. Daniel J. White, as the President of the Association, and Dr. Alexander Cartwright, as the Chairman of the Board of Directors of the Association (each, an "Authorized Representative") be and they hereby each and all are authorized, empowered and directed in the name and on behalf of this Association, and with or without its corporate seal, to make, enter into, execute and deliver with and to the Bank the

Amendment Documents and any other instruments, documents or agreements which such Authorized Representative in his/her sole discretion deems necessary or appropriate and which may be requested or required by the Bank in connection with the Reducing Revolving Loan and the Operating Revolving Loan, the respective renewals thereof and the amendments thereto set forth in the Seventh Modification and the Ninth Modification, respectively, and to carry out and fulfill the purposes and intent of the Resolutions contained herein including, but not limited to, the documents and instruments set forth in these Resolutions; and

**BE IT FURTHER RESOLVED THAT** in regard to the matters set forth in these Resolutions, any one or more of the persons authorized to act on behalf of the Association pursuant to these Resolutions may continue to act on behalf of the Association in the future as to all matters relating to the Reducing Revolving Loan and the Operating Revolving Loan and the matters set forth in these Resolutions, including, without limitation, the execution and delivery of any additional documents to the Bank in connection with any further amendment, modification, renewal or extension of the Reducing Revolving Loan and the Operating Revolving Loan, without any requirement on the part of the Bank to obtain any additional certificate from any officer of the Association or for any further actions to be taken by this Board of Directors; and

**BE IT FURTHER RESOLVED THAT** the Secretary of the Association and/or any other officer of this Association be, and he or she hereby is, authorized and directed to furnish the Bank with a copy of the foregoing Resolutions and to certify the same, and to certify that the provisions of said Resolutions are in conformity with the Articles of Incorporation and Bylaws of this Association and that said Resolutions are in full force and effect and have not been rescinded or modified; and the Bank shall be indemnified and saved harmless by this Association from any and all claims, demands, expenses, costs and damages resulting from or growing out of honoring or relying on the signature or other authority (whether or not properly used) of any officer whose name and signature was so certified, or refusing to honor any signature or authority not so certified; and

**BE IT FURTHER RESOLVED THAT** the foregoing Resolutions are adopted in addition to, and not in replacement or limitation of, and shall not be limited by, any and all other Resolutions heretofore adopted by this Association governing any transaction with or involving the Bank, and the foregoing Resolutions contained herein shall continue in force until express written notice of their prospective rescission or modification, as to future transactions not then existing or committed for by the Bank, has been furnished to and received by the Bank; and

**BE IT FURTHER RESOLVED THAT** any and all prior and existing agreements and transactions by or on behalf of this Association with the Bank be and the same hereby are in all respects ratified, approved and confirmed.

Exhibit A to Resolutions

Form of Seventh Modification

See Attached.

Exhibit B to Resolutions

Form of Ninth Modification

See Attached.

**SEVENTH MODIFICATION OF  
RENEWAL REDUCING REVOLVING LINE OF CREDIT PROMISSORY NOTE  
AND OTHER LOAN DOCUMENTS**

**THIS SEVENTH MODIFICATION OF RENEWAL REDUCING REVOLVING LINE OF CREDIT PROMISSORY NOTE AND OTHER LOAN DOCUMENTS** (this “Modification”) is executed as of the 19<sup>th</sup> day of July, 2020, by and between **FIFTH THIRD BANK, NATIONAL ASSOCIATION** (“Lender”), whose address is 200 East Robinson Street, Suite 1000, Orlando, Florida 32801, and **UCF ATHLETICS ASSOCIATION, INC.**, a not-for-profit Florida corporation (“Borrower”), whose address is 4465 Knights Victory Way, Building 135, Orlando, Florida 32816.

**WITNESSETH:**

**WHEREAS**, Borrower is indebted to Lender under an \$[5,080,00.00] revolving line of credit loan (the “Loan”) as evidenced by that certain Renewal Reducing Revolving Line of Credit Promissory Note by Borrower in favor of Lender, effective as of December 31, 2013, as modified by that certain First Modification and Renewal of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 3, 2014, that certain Second Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 5, 2015, that certain Third Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of July 4, 2016, that certain Fourth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of July 3, 2017, that certain Fifth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of June 30, 2018, and that certain Sixth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 20, 2019 (collectively as modified, the “Note”), with a Maturity Date of July 19, 2020, pursuant to that certain Amended and Restated Loan Agreement, effective as of December 31, 2013 (as amended, supplemented or otherwise modified at any time or from time to time, the “Loan Agreement”) and other related loan documents (as the same may be amended, supplemented or otherwise modified at any time or from time to time, collectively, the “Loan Documents”); and

**WHEREAS**, the Loan is scheduled to mature on July 19, 2020 and the Borrower has requested the Lender to renew and extend the Loan through July 18, 2021 and the Lender has agreed to do so, provided the Borrower executes this Modification, including without limitation agreeing to the amendments set forth herein, and reaffirms the pledge of certain revenues available to the Borrower in favor of Lender for the payment of the Loan; and

**WHEREAS**, the Borrower and the Lender have agreed to modify the Note, the Loan Agreement and the Loan Documents upon the terms and conditions hereinafter set forth.

**NOW THEREFORE**, in consideration of the premises hereof, and the mutual covenants contained herein, and the sum of TEN AND 00/100 DOLLARS (\$10.00) in hand paid by the Borrower to the Lender, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. All of the foregoing recitations are true and correct and are hereby incorporated herein and made a part hereof.
2. Representations of Borrower. In order to induce Lender to enter into this Agreement, Borrower does hereby acknowledge, represent and warrant to and in favor of Lender that: (a) the indebtedness represented by the Note is due from Borrower to Lender in accordance with the terms of the Note as modified, free from any defense, claim, or right to set-off; (b) as of July 19, 2020, the outstanding principal balance of the Loan is \$[5,080,000.00] plus accrued and unpaid interest, (c) the principal payment on the Loan, due on July 15, 2020, in the amount of \$295,000.00, was paid by the Borrower on or before such date, and (d) there are no suits, judgments, bankruptcies or executions pending against Borrower in any court which could in any way materially affect Borrower's ability to make payments of obligations due on the Loan.
3. Modification of Loan Documents. The Note the Loan Agreement and/or the other Loan Documents are hereby modified as follows:
  - (a) The definition of the term "Maturity Date" in the first line of Section 1 of the Note is hereby amended by deleting "July 19, 2020" and inserting "July 18, 2021" in place thereof.
  - (b) The first paragraph of Section 2 of the Note is hereby amended and restated in its entirety as follows:

"2. INTEREST RATE. The principal sum outstanding shall bear interest at a floating rate per annum equal to 79% of the LIBOR Rate plus 1.34 percent (1.34%) (the "Interest Rate"). The term LIBOR Rate" means the rate of interest rounded upwards (the "Rounding Adjustment"), if necessary, to the next 1/8 of 1% (and adjusted for reserves if Lender is required to maintain reserves with respect to relevant advances) fixed by ICE Benchmark Administration Limited (or any successor thereto, or replacement thereof, approved by Lender, each, an "Alternate LIBOR Source") at approximately 11:00 a.m., London, England time (or the relevant time established by ICE Benchmark Administration Limited, an Alternate LIBOR Source, or Lender, as applicable), two (2) Business Days prior to such date of determination, relating to quotations for the one (1) month London InterBank Offered Rates on U.S. Dollar deposits, as displayed by Bloomberg LP (or any successor thereto, or replacement thereof, as approved by Lender, each an "Approved Bloomberg Successor"), or, if no longer displayed by Bloomberg LP (or any Approved Bloomberg Successor), such rate as shall be determined in good faith by Lender from such sources as it shall determine to be comparable to Bloomberg LP (or any Approved Bloomberg Successor), all as determined by Lender in accordance with this Note and Lender's loan systems and procedures periodically in effect. Notwithstanding anything to the contrary contained herein, in no event shall the LIBOR Rate be less

than 0.75% as of any date (the “LIBOR Rate Minimum”); *provided* that, at any time during which a Rate Management Agreement with Lender is then in effect with respect to all or a portion of the Obligations, the LIBOR Rate Minimum, the Rounding Adjustment and the Adjustment Protocol (as defined below) shall all be disregarded and no longer of any force and effect with respect to such portion of the Obligations subject to such Rate Management Agreement. Each determination by Lender of the LIBOR Rate shall be binding and conclusive in the absence of manifest error. The LIBOR Rate shall be determined as of the first day of the Interest Period and shall be effective until the last day of the Interest Period (the “First Adjustment Date”). The interest rate based upon the LIBOR Rate shall be adjusted automatically on the First Adjustment Date and on the first (1<sup>st</sup>) day of each month thereafter (the “Adjustment Protocol”). "Interest Period" shall mean a period of one (1) month, provided that no Interest Period shall extend beyond the Maturity Date.”

(c) Section 3(b) of the Note is hereby amended and restated in its entirety as follows:

“(b) Principal Payments. Principal shall be payable on the following dates, in the following amounts (assuming the Maturity Date continues to be extended for successive Extension Periods as hereinafter provided):

DATE	AMOUNT
07/15/2021	\$305,000
07/15/2022	\$320,000
07/15/2023	\$330,000
07/15/2024	\$345,000
07/15/2025	\$360,000
07/15/2026	\$370,000
07/15/2027	\$385,000
07/15/2028	\$400,000
07/15/2029	\$420,000
07/15/2030	\$435,000
07/15/2031	\$450,000
07/15/2032	\$470,000
07/15/2033	\$490,000”

(d) Section 20 of the Note is hereby amended and restated in its entirety as follows:

“21. **LIBOR REPLACEMENT PROVISIONS**. In the event that the LIBOR Rate ceases to be published or made available, the Interest Rate hereunder will be based on the Base Rate or other replacement index, and any applicable margin adjusted, in each case as determined in accordance with the following provisions.

(A) Temporary Inability: In the event, prior to commencement of any Interest Period, Lender shall determine that: (i) deposits in U.S. Dollars (in the applicable

amounts) are not being offered to it in the London Interbank Offered Rate market for such Interest Period, (ii) by reason of circumstances affecting the London Interbank Offered Rate Market adequate and reasonable methods do not exist for ascertaining the LIBOR Rate, (iii) the LIBOR Rate as determined by Lender will not adequately and fairly reflect the cost to Lender of funding Borrowings evidenced by this Note for such Interest Period, or (iv) the making or funding of Borrowings evidenced by this Note become impracticable; then, Lender shall promptly provide notice of such determination to Borrower (which shall be conclusive and binding on Borrower), and (x) any request for a Borrowing under this Note or for a continuation of an outstanding Borrowing evidenced by this Note shall be automatically withdrawn and shall be deemed a request for a Borrowing or continuation based on the Base Rate, (y) each outstanding Borrowing evidenced by this Note will automatically, on the last day of the then current Interest Period relating thereto, accrue interest at the Interest Rate based on the Base Rate, and (z) the obligations of Lender to make Borrowings under this Note shall be suspended until Lender determines that the circumstances giving rise to such suspension no longer exist, in which event Lender shall so notify Borrower,

(B) Permanent Inability: (i) In the event, Lender shall determine (which determination shall be deemed presumptively correct absent manifest error) that:

- (a) the circumstances set forth in the immediately preceding paragraph have arisen and such circumstances are unlikely to be temporary;
- (b) a public statement or publication of information (1) by or on behalf of ICE Benchmark Administration Limited (or any Alternate LIBOR Source) (the "LIBOR Administrator"); or by the regulatory supervisor for the LIBOR Administrator, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the LIBOR Administrator, a resolution authority with jurisdiction over the LIBOR Administrator, or a court or an entity with similar insolvency or resolution authority over the LIBOR Administrator; in each case which states that such LIBOR Administrator has ceased or will cease to provide the LIBOR Rate, permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor LIBOR Administrator that will continue to provide the LIBOR Rate, (2) by the LIBOR Administrator that it has invoked or will invoke, permanently or indefinitely, its insufficient submissions policy, or (3) by the regulatory supervisor for the LIBOR Administrator or any Governmental Authority having jurisdiction over Lender announcing that the LIBOR Rate is no longer representative or may no longer be used;
- (c) a LIBOR Rate is not published by the LIBOR Administrator for five (5) consecutive Business Days and such failure is not the result of a temporary moratorium, embargo or disruption declared by the LIBOR Administrator or by the regulatory supervisor for the LIBOR Administrator; or
- (d) a new index rate has become a widely-recognized replacement benchmark rate for the LIBOR Rate in newly originated loans denominated in U.S. Dollars in the U.S. market;

then Lender may, in its sole discretion, amend this Note and any other applicable Loan Document as described below to replace the LIBOR Rate with an alternative benchmark rate, and to modify the applicable margins and make other related amendments, in each case giving due consideration to any evolving or then existing convention for similar US Dollar-denominated credit facilities, or any selection, endorsement or recommendation by a relevant governmental body with respect to such facilities.

(ii) Lender shall provide notice to Borrower of an amendment of this Note and any other applicable Loan Document to reflect the replacement index, adjusted margins and such other related amendments as may be appropriate, in the sole discretion of Lender, for the implementation and administration of the replacement index-based rate. Notwithstanding anything to the contrary in this Note or the other Loan Documents, such amendment shall become effective without any further action or consent of any other party to this Note or other applicable Loan Document upon delivery of notice to Borrower.

(iii) For the avoidance of doubt, following the date when a determination is made pursuant to clause (B)(i), above, and until a replacement index has been selected and implemented in accordance with the terms and conditions of clause (B)(i) and (ii), at Lender's election, all outstanding Borrowings under this Note shall accrue interest at, and the Interest Rate shall be, equal to the Base Rate.

(C) Notwithstanding anything to the contrary contained herein, if at any time the replacement index is less than 0.75%, then at such times, such index shall be deemed to be 0.75% for purposes of this Note.

“Base Rate” means, for any day, a rate per annum equal to the greater of (i) the Prime Rate in effect on such day and (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Prime Rate” means the rate of interest quoted in the print edition of *The Wall Street Journal*, Money Rates Section, as the U.S. Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

“Federal Funds Effective Rate” means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such

transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Lender on such day on such transactions as determined by Lender.”

4. Reaffirmation of Revenue Pledge. The Borrower hereby reaffirms the pledge of the Collateral as defined in the Loan Documents, including without limitation all student athletic fee revenues from the University of Central Florida, and agrees and confirms that said pledge remains in full force and effect and continues to secure the Loan. Further, the Borrower represents to the Lender that the Board of Trustees of the University of Central Florida has not rescinded or modified the pledge by the Borrower of the Collateral to the repayment of the Loan.
5. **WAIVER OF JURY TRIAL. BY THE EXECUTION HEREOF, BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE, THAT:**
  - (a) **NEITHER THE BORROWER NOR LENDER, NOR ANY ASSIGNEE, SUCCESSOR, HEIR OR LEGAL REPRESENTATIVE OF ANY OF THE SAME SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS MODIFICATION OR ANY LOAN DOCUMENT EVIDENCING, SECURING OR RELATING TO THE OBLIGATIONS OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES THERETO;**
  - (b) **NEITHER THE BORROWER NOR LENDER SHALL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;**
  - (c) **THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS;**
  - (d) **NEITHER THE BORROWER NOR LENDER HAS IN ANY WAY AGREED WITH OR PRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND**
  - (e) **THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS MODIFICATION AND SHALL RUN TO THE BENEFIT OF LENDER AND BORROWER ONLY AND SHALL NOT BENEFIT ANY THIRD PARTIES.**

6. Fees. Borrower agrees that all costs and expenses associated with the execution and delivery of this Agreement, including, but not limited to, the Lender's attorney's fees, and documentary stamp fee and intangible taxes, if applicable, (together with all interest and penalties thereon, if any) and other related expenses, plus accrued interest on the Loan, shall be paid by Borrower on or before the effective date of this Modification. Borrower agrees to defend, indemnify, and hold harmless the Lender from and against any and all such costs and expenses, and agrees that the Lender shall not in any way be held liable for such costs and expenses.
7. Conditions to Effectiveness. This Modification and the effectiveness of the provisions hereof shall be conditioned upon (i) the accuracy of the representations of the Borrower set forth in Section 2 above and each of the other representations and warranties set forth in the other Loan Documents, in each case as of the effective date hereof, (ii) payment of the fees and expenses set forth in Section 6 above, (iii) receipt by the Lender of a certificate of status issued by the Secretary of State of Florida not earlier than fifteen (15) business days prior to the effective date hereof and satisfactory results of lien searches and other due diligence conducted by the Lender in its discretion, (iv) execution and delivery by the Borrower of this Modification and the Certificate of Organizational Documents, Resolutions and Incumbency as of the date of execution of this Modification, and (v) any other agreement, certificate, instrument or other document reasonably required by the Lender.
8. Miscellaneous. Except for the changes and modifications effected hereby, it is expressly agreed that the Loan Documents shall remain in full force and effect in strict accordance with the terms thereof, and nothing herein contained shall affect or be construed to affect the other Loan Documents, or to release or affect the liability of any party or parties who may now or hereafter be liable under or on account of the Loan Documents. This Modification constitutes the complete agreement between the parties hereto and incorporates all prior discussions, agreements and representations made in regard to the matters set forth herein. This Modification shall be binding upon and shall inure to the benefit of, the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto. This Modification shall be governed by and interpreted in accordance with the laws of the State of Florida.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties to this Modification have executed this Modification in a manner and form sufficient to bind them as of the day and year first above written.

**LENDER:**

**FIFTH THIRD BANK, NATIONAL ASSOCIATION**

By: \_\_\_\_\_

Name: Steven Wortman

Title: Vice President

**BORROWER:**

**UCF ATHLETICS ASSOCIATION, INC., a**

Florida not-for-profit corporation

By: \_\_\_\_\_

Name: Dr. Alexander Cartwright

Title: Chairman

**NINTH MODIFICATION OF  
RENEWAL REVOLVING NOTE  
AND OTHER LOAN DOCUMENTS**

**THIS NINTH MODIFICATION OF RENEWAL REVOLVING NOTE AND OTHER LOAN DOCUMENTS** (this “Modification”) is executed as of the 19<sup>th</sup> day of July, 2020, by and between **FIFTH THIRD BANK, NATIONAL ASSOCIATION** (“Lender”), whose address is 200 East Robinson Street, Suite 1000, Orlando, Florida 32801, and **UCF ATHLETICS ASSOCIATION, INC.**, a Florida not-for-profit corporation (“Borrower”), whose address is 4465 Knights Victory Way, Building 135, Orlando, Florida 32816.

**WITNESSETH:**

**WHEREAS**, Borrower is indebted to Lender under a \$5,000,000.00 revolving line of credit loan (the “Loan”) as evidenced by that certain Renewal and Increase Revolving Note executed by Borrower in favor of Lender, effective as of July 27, 2012, as modified by that certain First Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 12, 2013, by that certain Second Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of December 31, 2013, by that certain Third Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 11, 2014, by that certain Fourth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 10, 2015, by that certain Fifth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 20, 2016, by that certain Sixth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of July 3, 2017, by that certain Seventh Modification of Renewal Revolving Note and Other Loan Documents dated as of June 30, 2018, and by that certain Eighth Modification of Renewal Revolving Note and Other Loan Documents dated as of July 20, 2019 (collectively as modified, the “Note”), with a Maturity Date of July 19, 2020, and other related loan documents (as the same may be amended, supplemented or otherwise modified at any time or from time to time, collectively, the “Loan Documents”); and

**WHEREAS**, in accordance with the terms of the Note, the Borrower has requested the Lender to renew and extend the Loan for an additional Extension Period to July 18, 2021, and the Lender has agreed to do so, provided the Borrower executes this Modification and reaffirms and amends the pledge of collateral securing the Loan as set forth herein.

**NOW THEREFORE**, in consideration of the premises hereof, and the mutual covenants contained herein, and the sum of TEN AND 00/100 DOLLARS (\$10.00) in hand paid by Borrower to Lender, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. All of the foregoing recitations are true and correct and are hereby incorporated herein and made a part hereof.
2. Representations of Borrower. In order to induce Lender to enter into this Agreement, Borrower does hereby acknowledge, represent and warrant to and in favor of Lender that: (a) the indebtedness represented by the Note is due from

Borrower to Lender in accordance with the terms of the Note as modified, free from any defense, claim, or right to set-off; (b) as of July 19, 2020, the outstanding principal balance was \$[●], and (c) there are no suits, judgments, bankruptcies or executions pending against Borrower in any court which could in any way materially affect Borrower's ability to make payments of obligations due on the Loan.

3. Amendments to Note. The Note and the other Loan Documents are hereby amended as of the date of this Modification as follows:
  - (a) The definition of the term “Maturity Date” in the first line of Section 1 of the Note is hereby amended by deleting “July 19, 2020” and inserting “July 18, 2021” in place thereof.
  - (b) The fourth (4<sup>th</sup>) paragraph of Section 4 of the Note is hereby amended and restated in its entirety as follows:

“The principal sum outstanding shall bear interest at a floating rate per annum equal to the LIBOR Rate plus 2.0 percent (2.0%) (the “Interest Rate”). The term “LIBOR Rate” means the rate of interest rounded upwards (the “Rounding Adjustment”), if necessary, to the next 1/8 of 1% (and adjusted for reserves if Lender is required to maintain reserves with respect to relevant advances) fixed by ICE Benchmark Administration Limited (or any successor thereto, or replacement thereof, approved by Lender, each an “Alternate LIBOR Source”) at approximately 11:00 a.m., London, England time (or the relevant time established by ICE Benchmark Administration Limited, an Alternate LIBOR Source, or Lender, as applicable), two (2) Business Days prior to such date of determination, relating to quotations for the one month London InterBank Offered Rates on U.S. Dollar deposits, as displayed by Bloomberg LP (or any successor thereto, or replacement thereof, as approved by Lender, each an “Approved Bloomberg Successor”), or, if no longer displayed by Bloomberg LP (or any Approved Bloomberg Successor), such rate as shall be determined in good faith by Lender from such sources as it shall determine to be comparable to Bloomberg LP (or any Approved Bloomberg Successor), all as determined by Lender in accordance with this Note and Lender’s loan systems and procedures periodically in effect. Notwithstanding anything to the contrary contained herein, in no event shall the LIBOR Rate be less than 0.75% as of any date (the “LIBOR Rate Minimum”); provided that, at any time during which a Rate Management Agreement with Lender is then in effect with respect to all or a portion of the Obligations, the LIBOR Rate Minimum, the Rounding Adjustment and the Adjustment Protocol (as defined below) shall all be disregarded and no longer of any force and effect with respect to such portion of the Obligations subject to such Rate Management Agreement. Each determination by Lender of the LIBOR Rate shall be binding and conclusive in the absence of manifest error. The LIBOR Rate shall be initially determined as of the date of the initial advance of funds to Borrower under this Note and shall be effective until the first (1<sup>st</sup>) Business Day of the month following the period commencing on the date of such initial advance

(such first (1<sup>st</sup>) Business Day being the “First Adjustment Date”). The interest rate based upon the LIBOR Rate shall be adjusted automatically on the First Adjustment Date and on the first (1<sup>st</sup>) Business Day of each month thereafter (the “Adjustment Protocol”).”

(c) Section 21 of the Note is hereby amended and restated in its entirety as follows:

“21. **LIBOR REPLACEMENT PROVISIONS.** In the event that the LIBOR Rate ceases to be published or made available, the Interest Rate hereunder will be based on the Base Rate or other replacement index, and any applicable margin adjusted, in each case as determined in accordance with the following provisions.

(A) **Temporary Inability:** In the event, prior to commencement of any Interest Period, Lender shall determine that: (i) deposits in U.S. Dollars (in the applicable amounts) are not being offered to it in the London Interbank Offered Rate market for such Interest Period, (ii) by reason of circumstances affecting the London Interbank Offered Rate Market adequate and reasonable methods do not exist for ascertaining the LIBOR Rate, (iii) the LIBOR Rate as determined by Lender will not adequately and fairly reflect the cost to Lender of funding Borrowings evidenced by this Note for such Interest Period, or (iv) the making or funding of Borrowings evidenced by this Note become impracticable;

then, Lender shall promptly provide notice of such determination to Borrower (which shall be conclusive and binding on Borrower), and (x) any request for a Borrowing under this Note or for a continuation of an outstanding Borrowing evidenced by this Note shall be automatically withdrawn and shall be deemed a request for a Borrowing or continuation based on the Base Rate, (y) each outstanding Borrowing evidenced by this Note will automatically, on the last day of the then current Interest Period relating thereto, accrue interest at the Interest Rate based on the Base Rate, and (z) the obligations of Lender to make Borrowings under this Note shall be suspended until Lender determines that the circumstances giving rise to such suspension no longer exist, in which event Lender shall so notify Borrower,

(B) **Permanent Inability:** (i) In the event, Lender shall determine (which determination shall be deemed presumptively correct absent manifest error) that:

(a) the circumstances set forth in the immediately preceding paragraph have arisen and such circumstances are unlikely to be temporary;

(b) a public statement or publication of information (1) by or on behalf of ICE Benchmark Administration Limited (or any Alternate LIBOR Source) (the “LIBOR Administrator”); or by the regulatory supervisor for the LIBOR Administrator, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the LIBOR Administrator, a resolution authority with jurisdiction over the LIBOR Administrator, or a court or an entity with similar insolvency or resolution authority over the LIBOR Administrator; in each case which states that such LIBOR Administrator has ceased or will cease to provide the LIBOR Rate, permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor LIBOR Administrator that will

continue to provide the LIBOR Rate, (2) by the LIBOR Administrator that it has invoked or will invoke, permanently or indefinitely, its insufficient submissions policy, or (3) by the regulatory supervisor for the LIBOR Administrator or any Governmental Authority having jurisdiction over Lender announcing that the LIBOR Rate is no longer representative or may no longer be used;

(c) a LIBOR Rate is not published by the LIBOR Administrator for five (5) consecutive Business Days and such failure is not the result of a temporary moratorium, embargo or disruption declared by the LIBOR Administrator or by the regulatory supervisor for the LIBOR Administrator; or

(d) a new index rate has become a widely-recognized replacement benchmark rate for the LIBOR Rate in newly originated loans denominated in U.S. Dollars in the U.S. market;

then Lender may, in its sole discretion, amend this Note and any other applicable Loan Document as described below to replace the LIBOR Rate with an alternative benchmark rate, and to modify the applicable margins and make other related amendments, in each case giving due consideration to any evolving or then existing convention for similar US Dollar-denominated credit facilities, or any selection, endorsement or recommendation by a relevant governmental body with respect to such facilities.

(ii) Lender shall provide notice to Borrower of an amendment of this Note and any other applicable Loan Document to reflect the replacement index, adjusted margins and such other related amendments as may be appropriate, in the sole discretion of Lender, for the implementation and administration of the replacement index-based rate. Notwithstanding anything to the contrary in this Note or the other Loan Documents, such amendment shall become effective without any further action or consent of any other party to this Note or other applicable Loan Document upon delivery of notice to Borrower.

(iii) For the avoidance of doubt, following the date when a determination is made pursuant to clause (B)(i), above, and until a replacement index has been selected and implemented in accordance with the terms and conditions of clause (B)(i) and (ii), at Lender's election, all outstanding Borrowings under this Note shall accrue interest at, and the Interest Rate shall be, equal to the Base Rate.

(C) Notwithstanding anything to the contrary contained herein, if at any time the replacement index is less than 0.75%, then at such times, such index shall be deemed to be 0.75% for purposes of this Note.

“Base Rate” means, for any day, a rate per annum equal to the greater of (i) the Prime Rate in effect on such day and (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Prime Rate” means the rate of interest quoted in the print edition of *The Wall Street Journal*, Money Rates Section, as the U.S. Prime Rate (currently defined as

the base rate on corporate loans posted by at least 75% of the nation's thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

"Federal Funds Effective Rate" means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Lender on such day on such transactions as determined by Lender."

4. Reaffirmation of Pledge. Borrower hereby acknowledges, agrees and reaffirms that the following collateral secures Borrower's obligations under the Loan: 100% of the student athletic fee receipts received by the Borrower from the University of Central Florida which are imposed by the University on its students pursuant to Florida law, and specifically Section 1009.24, Florida Statutes (which collateral also secures the Borrower's obligations under that certain Renewal Reducing Revolving Line of Credit Promissory Note by Borrower in favor of Lender, effective as of December 31, 2013, as amended and modified (the "Renewal Reducing Note")). Borrower hereby agrees and confirms that said pledge remains in full force and effect and continues to secure the Renewal Reducing Note and the Loan. Further, the Borrower represents to the Lender that the Board of Trustees of the University of Central Florida has not rescinded or modified the pledge by the Borrower of the Collateral to the repayment of the Renewal Reducing Note and the Loan.

5. **WAIVER OF JURY TRIAL. BY THE EXECUTION HEREOF, BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE, THAT:**

- (A) **NEITHER THE BORROWER NOR LENDER, NOR ANY ASSIGNEE, SUCCESSOR, HEIR OR LEGAL REPRESENTATIVE OF ANY OF THE SAME SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS MODIFICATION OR ANY LOAN DOCUMENT EVIDENCING, SECURING OR RELATING TO THE OBLIGATIONS OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES THERETO;**

- (B) **NEITHER THE BORROWER NOR LENDER SHALL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;**
  - (C) **THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS;**
  - (D) **NEITHER THE BORROWER NOR LENDER HAS IN ANY WAY AGREED WITH OR PRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND**
  - (E) **THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS MODIFICATION AND SHALL RUN TO THE BENEFIT OF LENDER AND BORROWER ONLY AND SHALL NOT BENEFIT ANY THIRD PARTIES.**
6. Fees. Borrower agrees that all costs and expenses associated with the execution and delivery of this Agreement, including, but not limited to, attorney's fees, loan fees, and documentary stamp and intangible tax, if applicable, (together with all interest and penalties thereon, if any) and other related expenses, plus accrued interest on the Loan, shall be paid by Borrower on or before the effective date of this Modification. Borrower agrees to defend, indemnify, and hold harmless the Lender from and against any and all such costs and expenses, and agrees that the Lender shall not in any way be held liable for such costs and expenses.
7. Conditions to Effectiveness. This Modification and the effectiveness of the provisions hereof shall be conditioned upon (i) the accuracy of the representations of the Borrower set forth in Section 2 above and each of the other representations and warranties set forth in the other Loan Documents, in each case as of the effective date hereof, (ii) payment of the fees and expenses set forth in Section 6 above, (iii) receipt by the Lender of a certificate of status issued by the Secretary of State of Florida not earlier than fifteen (15) business days prior to the effective date hereof and satisfactory results of lien searches and other due diligence conducted by the Lender in its discretion, (iv) execution and delivery by the Borrower of this Modification and the Certificate of Organizational Documents, Resolutions and Incumbency as of the date of execution of this Modification, and (v) any other agreement, certificate, instrument or other document reasonably required by the Lender.
8. Miscellaneous. Except for the changes and modifications effected hereby, it is expressly agreed that the Loan Documents shall remain in full force and effect in strict accordance with the terms thereof, and nothing herein contained shall affect or be construed to affect the other Loan Documents, or to release or affect the liability of any party or parties who may now or hereafter be liable under or on

account of the Loan Documents. This Modification constitutes the complete agreement between the parties hereto and incorporates all prior discussions, agreements and representations made in regard to the matters set forth herein. This Modification shall be binding upon and shall inure to the benefit of, the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto. This Modification shall be governed by and interpreted in accordance with the laws of the State of Florida. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Note.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties to this Modification have executed this Modification in a manner and form sufficient to bind them as of the day and year first above written.

**LENDER:**

**FIFTH THIRD BANK, NATIONAL ASSOCIATION**

By: \_\_\_\_\_

Name: Steven Wortman

Title: Vice President

**BORROWER:**

**UCF ATHLETICS ASSOCIATION, INC., a**

Florida not-for-profit corporation

By: \_\_\_\_\_

Name: Dr. Alexander Cartwright

Title: Chairman

**CERTIFICATE OF ORGANIZATIONAL DOCUMENTS,  
RESOLUTIONS AND INCUMBENCY**

As of July 19, 2020

This Certificate is delivered in connection with the renewal, extension and modification of certain existing extensions of credit by **FIFTH THIRD BANK**, an Ohio banking corporation (the "Bank") to **UCF ATHLETICS ASSOCIATION, INC.**, a Florida not-for-profit corporation (the "Association") pursuant to (i) that certain Amended and Restated Loan Agreement dated as of December 31, 2013 (as further amended, supplemented or otherwise modified at any time or from time to time, the "Reducing Revolving Loan Agreement") and the loans thereunder with a current outstanding principal amount of \$[5,080,000.00] (the "Reducing Revolving Loan") evidenced by that certain Renewal Reducing Revolving Line of Credit Promissory Note dated December 31, 2013 in the original principal amount of \$6,774,999.53 made by the Association payable to the Bank (as further amended, supplemented, renewed or otherwise modified at any time or from time to time, the "Reducing Revolving Loan Note"), each are modified by that certain First Modification and Renewal of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 3, 2014, that certain Second Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 5, 2015, that certain Third Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of July 4, 2016, that certain Fourth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of July 3, 2017, that certain Fifth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated to be effective as of June 30, 2018, and that certain Sixth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 20, 2019 (collectively, as further amended, supplemented or otherwise modified at any time or from time to time, the "Reducing Revolving Loan Documents"), and (ii) that certain revolving line of credit loan (the "Operating Revolving Loan") evidenced by that certain Revolving Note dated as of December 31, 2009 in the principal amount of \$1,200,000.00 made by the Association and payable to the Bank, as amended and increased by that certain Renewal and Increase Revolving Note dated as of July 27, 2012 in the principal amount of \$2,000,000.00, as modified by that certain First Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 12, 2013, by that certain Second Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of December 31, 2013, by that certain Third Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 11, 2014, by that certain Fourth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 10, 2015, by that certain Fifth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of June 20, 2016, as modified and increased to the principal amount of \$5,000,000.00 by that certain Sixth Modification of Renewal and Increase Revolving Note and Other Loan Documents dated as of July 3, 2017, as modified by that certain Seventh Modification of Renewal Revolving Note and Other Loan Documents dated as of June 30, 2018, and as modified by that certain Eighth Modification of Renewal Revolving Note and Other Loan Documents dated as of July 20, 2019 (as further amended, supplemented, renewed or otherwise modified at any time or from time to time, the "Operating Revolving Loan Note"), and collectively with the Reducing Revolving Loan Documents, the "Loan Documents").

The undersigned hereby certify that, as of the date hereof, they hold the offices of the Association set forth underneath their names, that they have the authority to execute this Certificate on behalf of the Association and that:

1. The copy of the Articles of Incorporation of the Association attached hereto as **Exhibit "A"** is a true, correct and complete copy of the Articles of Incorporation of the Association, and except as reflected in **Exhibit "A"** has not been further amended, modified or supplemented as of the date hereof;

2. The copy of the Bylaws of the Association attached hereto as **Exhibit “B”** is a true, correct and complete copy of the Bylaws of the Association, and except as reflected in **Exhibit “B”** has not been further amended, modified or supplemented as of the date hereof;
3. Said Articles of Incorporation and Bylaws have not been rescinded or modified and continue in full force and effect as of the date hereof and no proceedings are pending for the forfeiture of said Articles of Incorporation or for the Association's dissolution, voluntarily or involuntarily;
4. The Association is duly organized and its status is active under the laws of the State of Florida and attached hereto as **Exhibit “C”** is a certificate of the Secretary of the State of the State of Florida attesting to the active status of the Association;
5. Attached hereto as **Exhibit “D”** is a true, correct and complete copy of the resolutions (the “**Resolutions**”), duly adopted by the Board of Directors of the Association on May 14, 2020; that said resolutions were adopted in conformity with the Articles of Incorporation and Bylaws of the Association; that said Resolutions have not been amended, modified or rescinded and remain in full force and effect as of the date hereof; that there is no provision in the Articles of Incorporation or Bylaws of the Association limiting the power of the Board of Directors to pass the Resolutions; and that we can certify to the minutes of the Board of Directors;
6. All franchise and other taxes required to maintain the Association's corporate existence have been paid when due and none of such taxes are delinquent; the Association has all requisite power to carry on its business as it presently being conducted and as proposed to be conducted;
7. The Association has not been served with notice of any suits or proceedings pending in any court of law or before any regulatory agency, commission, board or other administrative governmental agency against or affecting the Association which would have a materially adverse effect on the Association's ability to meet its obligations under the terms of the documents executed or to be executed in connection with the transactions contemplated in the Resolutions and to the best knowledge of the undersigned, none are threatened that have not been reflected on the most recent financial statements of the Association provided to the Bank;
8. To the best knowledge of the undersigned, the Association is not the subject of any judgment or order of any governmental agency or entity or any court of law, which would have a materially adverse effect on the Association's ability to meet its obligations hereunder or under any of the Loan Documents;
9. The Association has, as of the date hereof, complied with all of its duties and obligations and all of the conditions set forth in the Reducing Revolving Loan Agreement, the Operating Revolving Loan Note and each of the other Loan Documents executed by the Association in connection therewith;
10. That no default or event of default under the Reducing Revolving Loan Documents, the Operating Revolving Loan Note or any of the other Loan Documents executed and delivered by the Association to and in favor of the Bank and no condition, event, act or omission which, with the giving of notice or the lapse of time or both, would constitute a default or event of default under the Reducing Revolving Loan Documents, the Operating Revolving Loan Note or any of such other Loan Documents has occurred and is continuing or exists as of the date hereof; and
11. Each of the following persons listed below is the duly elected, qualified and acting incumbent of the office of the Association set forth opposite his name below, and the signature appearing opposite his name is his true and genuine signature, as the same may appear on documents executed pursuant to the Resolutions:

<u>Name</u>	<u>Signature</u>	<u>Office</u>
Dr. Daniel J. White	_____	President
Dr. Alexander Cartwright	_____	Chairman

[Signature Page Follows]

**IN WITNESS WHEREOF**, we have hereunto set our hands as President and Secretary, respectively, of the Association, effective as of the date first written above.

**UCF ATHLETICS ASSOCIATION, INC.**

By: \_\_\_\_\_  
Name: Dr. Daniel J. White  
Title: President

By: \_\_\_\_\_  
Name: Dr. Alexander Cartwright  
Title: Chairman

*[Signature Page to Certificate of Organizational Documents, Resolutions and Incumbency]*

**EXHIBIT "A"**

**Articles of Incorporation**

See Attached.

**EXHIBIT "B"**

**Bylaws**

See Attached.

**EXHIBIT "C"**

**Certificate of Good Standing**

See Attached.

**EXHIBIT "D"**

**Resolutions**

See Attached.

ITEM: FEC-7

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** UCF Lake Nona Cancer Center: Amended and Restated Master Lease

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**Background:**

On August 27, 2018, the University of Central Florida Real Estate Foundation, L.L.C. (UCFREF) purchased from Orange County the former Sanford Burnham Prebys property in Lake Nona, now named the UCF Lake Nona Cancer Center. Through a “Master Lease,” UCFREF immediately leased the property to the University of Central Florida (UCF) for the development of a comprehensive cancer research and treatment center, which will include wet lab space for UCF COM cancer research, with clinical research and oncology services to be provided by private partners. On December 1, 2018, UCF sublet approximately 80,000 rentable square feet of the building to UCF Academic Health, Inc. (UCFAH) so that UCFAH could develop partnerships and sub-subleases with private sub-tenants. The UCF Board of Trustees approved the original Master Lease on August 21, 2018. The administrative teams of UCFREF, UCF and UCFAH have worked together to propose amended and restated terms of the Master Lease.

The purpose of the proposed amendments to the Master Lease between UCFREF and UCF are:

- to provide a structure for UCF to pay Annual Rent and Operating Expenses to UCFREF for the portion of the UCF Lake Nona Cancer Center occupied by UCF, which funds will be used by UCFREF to cover the expenses of managing and maintaining the property
- to clarify the insurance language in Master Lease
- to make other minor changes to align language throughout the Master Lease

**Issues to be Considered:**

The Master Lease is being updated and amended to clarify owner responsibilities and to provide a new structure to ensure appropriate use of E&G funds.

Approval of a proposed Amended and Restated Sublease between UCF and UCFAH is simultaneously being presented for approval.

**Alternatives to Decision:**

The Finance and Facilities Committee can choose to not approve the proposed Amended and Restated Master Lease or suggest alternative additional amendments to the Master Lease.

**Fiscal Impact and Source of Funding:**

Under the Amended and Restated Master Lease, for the period from August 27, 2018 through June 30, 2021, the base rent for space in the building occupied by UCF will be \$22.58 per rentable square foot, and the Operating Expense payments will be \$15.00 per rentable square foot. This is in addition to the rent received from the UCFAH sub-subtenants that is intended to fund UCFREF’s annual mortgage obligation to the County (\$2 million annually).

**Recommended Action:**

Review and recommend approval by the BOT of the Amended and Restated Master Lease, including any minor modifications approved by the President of UCFREF and the Interim Chief Operating Officer of UCF; and authorize UCFREF and UCF to take such actions as are necessary and appropriate regarding executing and implementing the Amended and Restated Master Lease.

**Authority for Board of Trustees Action:**

Policy BOT-4, Delegation of Authority to the President

**Contract Reviewed/Approved by General Counsel:**

Reviewed by Jeanette C. Schreiber, Senior Associate Vice President for Health Affairs, Deputy General Counsel for Health Affairs

Reviewed by Jennifer F. Cerasa, Senior Associate General Counsel

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer

Deborah C. German, Chair, UCF Academic Health, Inc. and Vice President for Health Affairs and Dean of the UCF College of Medicine

**Supporting Documentation:**

Attachment A: Summary of Amended and Restated Master Lease between UCFREF and UCF

Attachment B: PowerPoint – Proposed Amended and Restated Master Lease, Proposed Amended and Restated UCFAH Sublease

**Facilitators/Presenters:**

Jeanette Schreiber, Secretary, UCF Academic Health, Inc. and Deputy General Counsel for Health Affairs

Jennifer Cerasa, Senior Associate General Counsel

Attachment A

**Summary of Amended and Restated Master Lease between  
University of Central Florida Real Estate Foundation, L.L.C. and  
University of Central Florida Board of Trustees**

<p><b>Purpose/Background</b></p>	<p>University of Central Florida Real Estate Foundation, L.L.C. (“UCFREF” or “Landlord”) and University of Central Florida Board of Trustees (“UCF” or “Tenant”) are amending and restating the terms of their Master Lease arrangement in the UCF Lake Nona Cancer Center. The UCF Lake Nona Cancer Center property is owned by UCFREF and is leased in its entirety to UCF pursuant to a Master Lease dated August 27, 2018. Pursuant to a Sublease, a portion of the building containing approximately 80,000 rentable square feet is subleased to UCF Academic Health, Inc., which is sub-subleasing space to partners/tenants in the UCF Lake Nona Cancer Center.</p> <p>The purpose of the proposed amendments is to provide a structure for UCF to pay Annual Rent and Operating Expenses to UCFREF for the portion of the UCF Lake Nona Cancer Center occupied by UCF, which funds will be used by UCFREF to cover the expenses of managing and maintaining the property; to clarify the insurance language in the Master Lease; and to make other minor changes to align language throughout the Master Lease.</p>
<p><b>Parties to Leases</b></p>	<p>University of Central Florida Real Estate Foundation, L.L.C. and University of Central Florida Board of Trustees</p>
<p><b>Term</b></p>	<p>The term continues for at least 30 years from the fixed annual rent commencement date (defined below), with 3 optional ten-year extensions, for a total of 60 years.</p>
<p><b>Obligations of UCF</b></p>	<p>Tenant will keep the premises in clean condition.          Tenant will repair any damage to the premises it causes.          Tenant will maintain insurance coverage for its property at the premises and for general liability.          Tenant to remove its equipment and fixtures at expiration or termination.</p>
<p><b>Obligations of Other Party</b></p>	<p>Landlord is responsible for interior and exterior maintenance, repairs and cleaning.</p>

<p><b>Financial terms</b></p>	<p><u>Annual Rent and Operating Expenses:</u> Beginning August 27, 2018 and continuing until June 30, 2021, the Annual Rent will be \$22.58 per rentable square foot and the Annual Operating Expenses will be \$15 per rentable square foot. The parties will meet no later than April 15, 2021 to determine the Annual Rent and Annual Operating Expense payment to begin on July 1, 2021.</p> <p><u>Fixed Rent:</u> Beginning December 1, 2020 or when Landlord starts making mortgage payments to the County (“fixed annual rent commencement date”), Tenant will make quarterly payments (or will guarantee payment by a subtenant) of \$500,000 (totaling \$2 million annually) for the first 20 years. Quarterly payments of \$250,000 (totaling \$1 million annually) will be due for years 21 through 30 (for a cumulative total of \$50 million). Once \$50 million has been paid in Fixed Rent, the only rent obligation will be Annual Rent and Operating Expenses and Additional Rent.</p> <p><u>Additional Rent:</u> It is intended that Landlord will not incur any unfunded financial liabilities related to the premises. Additional Rent is intended to supplement Annual Rent and Operating Expenses and Fixed Rent where necessary. Additional Rent may include but is not limited to real estate taxes, assessments for public improvements, Landlord’s property insurance premiums, and any other expenses the Landlord incurs carrying out the lease terms that are not otherwise covered.</p>
<p><b>Termination rights</b></p>	<p>For default, Landlord may terminate with 30 days notice.</p>
<p><b>Additional terms</b></p>	<p>Use of the property is subject to the restrictions set forth in the County Deed and to the restrictions imposed by the Master Developer, Lake Nona Land Company, LLC.</p> <p>Tenant has broad rights to assign lease to a related entity or further sublet any or all of the Premises.</p> <p>Tenant is allowed to make alterations, additions or improvements to the building without Landlord’s consent.</p>
<p><b>Link to Agreement</b></p>	<p><a href="https://bot.ucf.edu/files/2020/06/FFC-7-Amended-and-Restated-Master-Lease.pdf">https://bot.ucf.edu/files/2020/06/FFC-7-Amended-and-Restated-Master-Lease.pdf</a></p>

**Attachment B**

# **UCF Lake Nona Cancer Center**

## **Proposed Amended and Restated Master Lease Proposed Amended and Restated UCFAH Sublease**

**June 17, 2020**

**Misty Shepherd, Interim Vice President for Administration and Finance, Chief Operating Officer**

**Jeanette C. Schreiber, JD, MSW, Sr. Associate Vice President for Health Affairs and Deputy General Counsel for Health Affairs**

**Jennifer Cerasa, JD, Legal Counsel for UCF Foundation, Inc. and Senior Associate General Counsel, UCF**

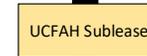
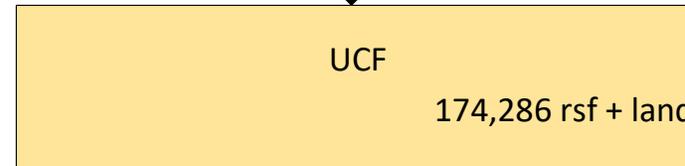


# UCF Lake Nona Cancer Center: Ownership and Lease Structure

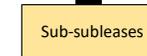
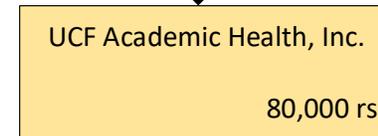
Owner



Tenant



Subtenant



Sub-subtenants



# Responsibilities

## **UCF Real Estate Foundation (UCFREF), as Owner:**

- Pays Mortgage to Orange County
- Responsible for facility/property management, operations and capital improvements

## **UCF, as Tenant:**

- Pays Annual Rent and Operating Expenses to UCFREF for areas of building occupied by UCF
- Coordinates with UCFAH to ensure payment of Fixed Rent collected by UCFAH from sub-subtenants

## **UCF Academic Health (UCFAH), as Subtenant:**

- Collects rent from sub-subtenants and transfers to UCFREF to cover mortgage payments
- Collects operating expenses and sales tax from sub-subtenants and transfers to UCFREF to support operating costs and tax obligations
- Manages sub-subtenant partner relationships

# Proposed Amended and Restated Master Lease

- New structure ensures appropriate use of E&G funds
- Establishes payment by UCF of Annual Rent and Operating Expenses for areas occupied by UCF
- Provides for base rate and Operating Expense payments per rentable square feet
- For initial period, August 27, 2018 through June 30, 2021:
  - Area occupied by UCF: 94,286 rsf
  - Base rate: \$22.58 / rsf
  - Operating Expenses: \$15.00 / rsf
  - Total for initial period: \$10,630,140

## Proposed Amended and Restated Master Lease cont.

- Will work together to pursue cost savings opportunities and additional sources of revenue and to determine Annual Rent base rate and Operating Expense payments for period beginning July 1, 2021
- Retains other payment provisions
  - Fixed Rent – to cover mortgage payments
  - Additional Rent – for other costs not otherwise covered
- Clarifies insurance provision and UCFREF owner responsibilities

# Proposed Amended and Restated UCFAH Sublease

- Conforming changes re owner obligations to align with Amended and Restated Master Lease
- Clarifies the rent commencement date
- Updates insurance requirements for sub-subtenants
- Updates to incorporate previous amendments to the UCFAH Sublease
- Attaches Amended and Restated Master Lease

# Proposed Actions

## For Proposed Amended and Restated Master Lease:

- Recommend approval by Board of Trustees of Amended and Restated Master Lease, including any minor modifications approved by the President of the UCF Real Estate Foundation and the UCF Interim Chief Operating Officer, and
- Authorize the President of the UCF Real Estate Foundation and the UCF Interim Chief Operating Officer to take such actions as are necessary and appropriate for executing and implementing the Amended and Restated Master Lease

## For Proposed Amended and Restated UCFAH Sublease:

- Recommend approval by Board of Trustees of Amended and Restated UCFAH Sublease, including any minor modifications approved by the Chair of UCF Academic Health and the UCF Interim Chief Operating Officer, and
- Authorize the Chair of UCF Academic Health and the UCF Interim Chief Operating Officer to take such actions as are necessary and appropriate for executing and implementing the Amended and Restated UCFAH Sublease

# Questions / Discussion



ITEM: FEC-8

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** UCF Lake Nona Cancer Center: Amended and Restated UCFAH Sublease

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**Background:**

On August 27, 2018 the University of Central Florida Real Estate Foundation, L.L.C. (UCFREF) purchased from Orange County the former Sanford Burnham Prebys property in Lake Nona, now named the UCF Lake Nona Cancer Center. Through a “Master Lease,” UCFREF immediately leased the property to the University of Central Florida (UCF) for the development of a comprehensive cancer research and treatment center, which will include wet lab space for UCF COM cancer research, with clinical research and oncology services to be provided by private partners. On December 1, 2018, UCF sublet approximately 80,000 rentable square feet of the building to UCF Academic Health, Inc. (UCFAH) so that UCFAH could develop partnerships and sub-subleases with private sub-tenants (“UCFAH Sublease”). The UCF Board of Trustees approved the initial UCFAH Sublease on August 21, 2018. The administrative teams of UCF and UCFAH have worked together to propose amended and restated terms of the UCFAH Sublease.

The purpose of the proposed amendments to the UCFAH Sublease are:

- to make conforming changes to align with amendments being proposed to the Master Lease between UCFREF and UCF regarding the role of UCFREF as owner
- to clarify the rent commencement date
- to clarify insurance requirements for sub-subtenants
- to attach the Amended and Restated Master Lease

**Issues to be Considered:**

Approval of a proposed Amended and Restated Master Lease is simultaneously being presented for approval. The UCFAH Sublease is being updated and amended to align with changes in the Master Lease.

The proposed Amended and Restated UCFAH Sublease was approved by the UCFAH Board of Directors on May 14, 2020.

Long-term sub-subleases between UCFAH and its subtenants were fully executed and became effective May 1, 2020.

**Alternatives to Decision:**

The Finance and Facilities Committee can choose to not approve the proposed amendments or suggest alternative or additional amendments to the UCFAH Sublease.

**Fiscal Impact and Source of Funding:**

Rent collected from UCFAH's subtenants will continue to be applied towards UCFREF's mortgage obligation to Orange County. Operating and maintenance expenses collected from UCFAH's subtenants will be used to defray the costs of operating and maintaining the property.

**Recommended Action:**

Review and recommend approval by the BOT of the Amended and Restated UCFAH Sublease, including any minor modifications approved by the Chair of UCFAH and the Interim Chief Operating Officer of UCF; and authorize UCF and UCFAH to take such actions as are necessary and appropriate regarding executing and implementing the Amended and Restated Sublease.

**Authority for Board of Trustees Action:**

UCF Regulation 4.034, University Direct Support Organizations  
Policy BOT-4, Delegation of Authority to the President

**Contract Reviewed/Approved by General Counsel:**

Reviewed by Jeanette C. Schreiber, Senior Associate Vice President for Health Affairs, Deputy General Counsel for Health Affairs

Reviewed by Jennifer F. Cerasa, Senior Associate General Counsel

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer  
Deborah C. German, Chair, UCF Academic Health, Inc and Vice President for Health Affairs and Dean of the UCF College of Medicine

**Supporting Documentation:**

Attachment A: Summary of Amended and Restated Sublease between UCF and UCFAH

*Note an overview of both UCF Lake Nona Cancer Center leases is provided as Attachment B on FFC-7.*

**Facilitators/Presenters:**

Jeanette Schreiber, Secretary, UCF Academic Health, Inc. and Deputy General Counsel for Health Affairs

Jennifer Cerasa, Senior Associate General Counsel

Attachment A

**Summary of Amended and Restated Sublease between  
University of Central Florida Board of Trustees and UCF Academic Health, Inc.**

<p><b>Purpose/Background</b></p>	<p>University of Central Florida Board of Trustees (“UCF” or “Landlord”) and UCF Academic Health, Inc. (“UCFAH” or “Tenant”) are amending and restating the terms of their sublease arrangement in the UCF Lake Nona Cancer Center. The UCF Lake Nona Cancer Center property is owned by the University of Central Florida Real Estate Foundation (“UCFREF” or “Owner”) and is leased to UCF pursuant to a Master Lease dated August 27, 2018. Pursuant to the UCFAH Sublease, a portion of the building containing approximately 80,000 square feet is subleased to UCFAH. UCFAH is sub-subleasing the space to partners/tenants in the UCF Lake Nona Cancer Center.</p> <p>The purpose of the proposed amendments is to make conforming changes to align with amendments being proposed to the Master Lease between UCFREF and UCF regarding the role of UCFREF as Owner; to clarify the rent commencement date; to clarify insurance requirements for sub-subtenants; and to attach the Amended and Restated Master Lease.</p> <p>The proposed Amended and Restated UCFAH Sublease was approved by the UCFAH Board of Directors on May 14, 2020.</p>
<p><b>Parties to Leases</b></p>	<p>University of Central Florida Board of Trustees and UCF Academic Health, Inc.</p>
<p><b>Term</b></p>	<p>The term continues for 30 years beginning December 1, 2018. Landlord and Tenant may extend the lease for additional terms at any time upon mutual agreement.</p>
<p><b>Obligations of UCFAH</b></p>	<p>Insure that sub-subtenants use premises for permitted uses.</p> <p>Require sub-subtenants to carry insurance in the amounts required by the Amended and Restated Sublease.</p> <p>Indemnification of Landlord for third party claims that could arise from alterations and improvements to the premises.</p> <p>Repair of damage done to premises from alterations, additions or improvements, or from removal of tenant’s or subtenants’ improvements.</p> <p>Deliver and surrender premises in good repair and condition upon expiration or termination.</p>
<p><b>Obligations of Other Party</b></p>	<p>Shall ensure Owner keeps and maintains premises in good repair.</p> <p>Shall insure Owner pays all utility charges including electricity, water, gas and sewage for the Premises.</p>

<p><b>Financial terms</b></p>	<p>Payment of base rent will begin on the date that owner (UCFREF) is obligated to make its first mortgage payment. This is a net lease with Landlord to receive base rent and additional rent.</p> <p><u>Base Rent</u>            The base rent shall be the amount received by Tenant from its subtenants, payable quarterly, up to the amount of rent due by Landlord to Owner (UCF Real Estate Foundation) under the Master Lease. Once Tenant has paid a total of \$50 million in base rent, Tenant will have no further base rent obligation.</p> <p><u>Additional Rent</u>    Tenant shall pay as additional rent any sums received from its subtenants for operating and maintenance expenses, including common area maintenance charges, utility assessments or similar charges.</p>
<p><b>Termination rights</b></p>	<p>Landlord shall terminate and assume all rights in any subleases if Tenant fails to cure a default within the cure period.</p>
<p><b>Additional terms</b></p>	<p>In accordance with the Master Lease, use of the property is subject to the restrictions set forth in the County Deed and to the restrictions imposed by the Master Developer, Lake Nona Land Company, LLC.</p>
<p><b>Link to Agreement</b></p>	<p><a href="https://bot.ucf.edu/files/2020/06/FFC-8-Amended-and-Restated-Sublease.pdf">https://bot.ucf.edu/files/2020/06/FFC-8-Amended-and-Restated-Sublease.pdf</a></p>

ITEM: FEC-9

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** Post Investigation Action Plan for Items with Finance and Facilities Committee Oversight

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**Background:**

The Audit and Compliance committee was charged by the Chairman of the Board of Trustees to develop a board plan for oversight of the implementation of recommendations from the inappropriate transfer of E&G funds to construction.

As requested by the Board of Trustees, University Audit and University Compliance, Ethics, and Risk accumulated all recommendations, sorted them by similarity, assigned a theme, ranked them by risk, and worked with leadership to assign the appropriate university staff and obtain an action plan with target completion dates for each recommendation. This plan was approved by the Board of Trustees on July 18, 2019. The action items in this plan have been sorted by board committee and distributed to the chair of each committee with oversight. Attachment A includes those items which are assigned to the Finance and Facilities Committee.

**Issues to be Considered:**

Item 43 on the attached spreadsheet states, "Office of the General Counsel, Compliance, Ethics and Risk Office, and Internal Audit will develop updated policies and procedures for the board's consideration to further ensure proper use of state appropriated E&G funds." An Expenditure of University Funds policy has been created and posted to the university policy website; detailed Expenditure Guidelines have been created and posted to the Finance and Accounting website.

Item 44 states, "The University should require F&A to consult with the University's General Counsel, Compliance, Ethics, and Risk Office, Internal Audit, and the BOG, as appropriate, to develop specific written policies and procedures designed to reasonably ensure the proper use of state-appropriated E&G funding. These policies and procedures should, at a minimum, clearly identify those persons and/or bodies within the university with responsibility to approve and oversee expenditures of E&G." An Expenditure of University Funds policy has been created and posted to the university policy website; detailed Expenditure Guidelines have been created and posted to the Finance and Accounting website.

Item 45 states, "The policies and procedures should also describe the documentation necessary to support certain funding-related requests, such as budget transfer requests above a certain threshold, and provide clear instructions to employees charged with the responsibility to approve such requests." An Expenditure of University Funds policy has been created and posted to the university policy website; detailed Expenditure Guidelines have been created and posted to the Finance and Accounting website.

Item 48 states, "Enhance procedures to ensure and demonstrate that E&G carryforward funds are only used for authorized purposes. Such enhancements may include appropriate training to ensure that University management responsible for approving the use of E&G funding understand the restrictions for such use and documenting support for allowable uses of the funding." Training has been developed related to the allowable expenditure of university funds, including E&G carryforward funds. An Expenditure of

University Funds policy has been created and posted to the university policy website; detailed Expenditure Guidelines have been created and posted to the Finance and Accounting website.

Continue to review the proposed action plans and determine if they are the right approach for the board to meet its fiduciary duties in protecting the university against future risks of this nature.

**Alternatives to Decision:**

Not mark items 43, 44, 45, and 48 as complete.

Propose alternative approach for ensuring the board meets its fiduciary duties with respect to the recommendations.

**Fiscal Impact and Source of Funding:**

N/A

**Recommended Action:**

1. Mark items 43, 44, 45, and 48 as complete.
2. The board, through the appropriate board committee assigned oversight for the respective action plans, should continue to actively monitor the progress under way, request status updates on a periodic basis, and work with UCF management and the Board of Governors to implement remediation efforts.

**Authority for Board of Trustees Action:**

BOG Regulation 1.001 (3)(a)

**Contract Reviewed/Approved by General Counsel:**

N/A

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President for Financial Affairs and Chief Financial Officer  
Kathy Mitchell, Associate Vice President for Financial Affairs

**Supporting Documentation:**

Attachment A: Post Investigation Action Plan for Items with Finance and Facilities Committee Oversight

**Facilitators/Presenters:**

Joseph Trubacz, Interim Vice President for Financial Affairs and Chief Financial Officer  
Kathy Mitchell, Associate Vice President for Financial Affairs

Attachment A

**Pending Recommendation List**  
*Post Investigation Action Plan*  
 As of May 18, 2020

Item #	Summary Source	Source Detail	Recommendation	Risk Rating	Theme	Responsible Office	Responsible Person	Responsible BOT Committee	Action Plan	Action Plan Completion	Status	Completion Date
43	Board of Trustees	Board of Trustees January 24, 2019 Meeting	Office of the General Counsel, Compliance, Ethics and Risk Office, and Internal Audit will develop updated policies and procedures for the board's consideration to further ensure proper use of state appropriated E&G funds.	Medium	Policies & Procedures	CFO	Joseph Trubacz	Finance and Facilities Committee	F&A will consult with the Office of the General Counsel, Compliance, Ethics and Risk Office, and Internal Audit to develop updated policies and procedures to further ensure proper use of state appropriated E&G funds. An Expenditure of University Funds policy has been drafted and is currently under review. The Expenditure of University Funds Policy was approved by the University Policies and Procedures Committee on April 30 and forwarded to the President for his approval and signature. Corresponding Expenditure Guidelines were posted on the F&A website.	The approval of the Expenditure of University Funds Policy and corresponding Expenditure Guidelines posted to the F&A website satisfies this corrective action item. This action item had a proposed completion date in June 2020 but was completed in May, 2020.	Completed	May-20
44	Bryan Cave Investigation	Bryan Cave January 17, 2019 Report	The University should require F&A to consult with the University's General Counsel, Compliance, Ethics, and Risk Office, Internal Audit, and the BOG, as appropriate, to develop specific written policies and procedures designed to reasonably ensure the proper use of state-appropriated E&G funding. These policies and procedures should, at a minimum, clearly identify those persons and/or bodies within the university with responsibility to approve and oversee expenditures of E&G.	Medium	Policies & Procedures	CFO	Joseph Trubacz	Finance and Facilities Committee	F&A will consult with the University's General Counsel, Compliance, Ethics, and Risk Office, Internal Audit, and the BOG, as appropriate, to develop specific written policies and procedures designed to reasonably ensure the proper use of state-appropriated E&G funding. These policies and procedures will, at a minimum, clearly identify those persons and/or bodies within the university with responsibility to approve and oversee expenditures of E&G. An Expenditure of University Funds policy has been drafted and is currently under review. The Expenditure of University Funds Policy was approved by the University Policies and Procedures Committee on April 30 and forwarded to the President for his approval and signature. Corresponding Expenditure Guidelines were posted on the F&A website.	The approval of the Expenditure of University Funds Policy and corresponding Expenditure Guidelines posted to the F&A website satisfies this corrective action item. This action item had a proposed completion date in June 2020 but was completed in May, 2020.	Completed	May-20
45	Bryan Cave Investigation	Bryan Cave January 17, 2019 Report	The policies and procedures should also describe the documentation necessary to support certain funding-related requests, such as budget transfer requests above a certain threshold, and provide clear instructions to employees charged with the responsibility to approve such requests.	Medium	Policies & Procedures	CFO	Joseph Trubacz	Finance and Facilities Committee	F&A will consult with the University's General Counsel, Compliance, Ethics, and Risk Office, Internal Audit, and the BOG, as appropriate, to develop specific written policies and procedures designed to reasonably ensure the proper use of state-appropriated E&G funding. These policies and procedures will also describe the documentation necessary to support certain funding-related requests, such as budget transfer requests above a certain threshold, and provide clear instructions to employees charged with the responsibility to approve such requests. The drafted Expenditure of University Funds policy with corresponding guidelines include a description of the documentation necessary to support certain funding-related requests and provides clear instructions to employees charged with the responsibility to approve such requests. The Expenditure of University Funds Policy was approved by the University Policies and Procedures Committee on April 30 and forwarded to the President for his approval and signature. Corresponding Expenditure Guidelines were posted on the F&A website.	The approval of the Expenditure of University Funds Policy and corresponding Expenditure Guidelines posted to the F&A website satisfies this corrective action item. This action item had a proposed completion date in June 2020 but was completed in May, 2020.	Completed	May-20

Finance and Facilities Committee Meeting - New Business

**Pending Recommendation List**  
*Post Investigation Action Plan*  
 As of May 18, 2020

Item #	Summary Source	Source Detail	Recommendation	Risk Rating	Theme	Responsible Office	Responsible Person	Responsible BOT Committee	Action Plan	Action Plan Completion	Status	Completion Date
48	Auditor General	Florida Auditor General January 4, 2019 Report	Enhance procedures to ensure and demonstrate that E&G carryforward funds are only used for authorized purposes. Such enhancements may include appropriate training to ensure that University management responsible for approving the use of E&G funding understand the restrictions for such use and documenting support for allowable uses of the funding.	Medium	Training & Awareness	CFO	Joseph Trubacz	Finance and Facilities Committee	Training will be developed and provided to budget and finance decision makers to ensure E&G carryforward funds are used for authorized purposes. Working with other SUS institutions, F&A is developing funds use guidelines that will be posted on F&A's website. Training materials and guidelines will be developed with a timeline for implementation by June 2020. Training on the proper use of funds was provided to the BOT on 5/17/19 and to university VPs and Deans on 5/31/19. Guidelines have been drafted and will be posted on a newly developed website with the implementation of the Expenditure of University Funds policy once approved. The Expenditure of University Funds Policy was approved by the University Policies and Procedures Committee on April 30 and forwarded to the President for his approval and signature. Corresponding Expenditure Guidelines were posted on the F&A website.	The approval of the Expenditure of University Funds Policy and corresponding Expenditure Guidelines posted to the F&A website satisfies this corrective action item. This action item had a proposed completion date in June 2020 but was completed in May, 2020.	Completed	May-20
14	Bryan Cave Investigation	Bryan Cave January 17, 2019 Report	The University should require all newly hired F&A and Facilities department employees, and other employees with budgetary responsibilities, to undergo education and training regarding the proper use of state-appropriated funds, the relevant state statutes, regulations and BOG guidance, and should provide for regular training and education of all such employees regarding these matters. The University should also implement periodic education and training on the key concepts regarding the budgeting process and the appropriation of state funds for members of the BOT and University leaders.	High	Training & Awareness	CFO	Joseph Trubacz	Finance and Facilities Committee	A process is being developed to provide initial training on the proper use of funds to new F&A and Facilities employees, with periodic refreshes provided to existing employees and BOT members. Training on the proper use of funds was provided to the BOT on 5/17/19 and to university VPs and Deans on 5/31/19. Additional training materials will be developed with a timeline for implementation by June 2020. Four mandatory training sessions have been scheduled in May for F&A staff. Budget Directors and FFG training will follow. A separate training for facilities and construction accounting will be developed and delivered as well.		In Progress	June-20
12	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	E&G funds should not be transferred or encumbered except as authorized in budgets and carry forward commitment lists approved by the Board of Trustees.	High	Policies & Procedures	CFO	Joseph Trubacz	Finance and Facilities Committee	An internal process was developed based on BOG guidance and the BOT Delegation of Authority. A formalized policy/procedure is in progress. Targeted completion date changed from March 2020 to June 2020 to align with proposed completion dates for all policies and procedures.		In Progress	June-20
13	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	University investment policies and accounting of investment shares of various university accounts should disclose the source and possible use of all funds commingled in investment programs. Care should be taken to avoid risking University reserves or endowments through internal allocation practices that are not fully accountable to the BOT's	High	Policies & Procedures	CFO	Joseph Trubacz	Finance and Facilities Committee	Procedures are being developed that will clarify the sources of funding in each of the university's investment vehicles.		In Progress	June-20
16	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	The General Counsel, audit, and other compliance offices should help train budget, finance and accounting staff, and their administrative superiors, in applicable laws and regulations	High	Training & Awareness	CFO	Joseph Trubacz	Finance and Facilities Committee	A process is being developed to provide initial training on the proper use of funds to new F&A and Facilities employees, with periodic refreshes provided to existing employees and BOT members. Training on the proper use of funds was provided to the BOT on 5/17/19 and to university VPs and Deans on 5/31/19. Additional training materials will be developed with a timeline for implementation by June 2020. Four mandatory training sessions have been scheduled in May for F&A staff. Budget Directors and FFG training will follow. A separate training for facilities and construction accounting will be developed and delivered as well.		In Progress	June-20

Finance and Facilities Committee Meeting - New Business

**Pending Recommendation List**

*Post Investigation Action Plan*

As of May 18, 2020

Item #	Summary Source	Source Detail	Recommendation	Risk Rating	Theme	Responsible Office	Responsible Person	Responsible BOT Committee	Action Plan	Action Plan Completion	Status	Completion Date
31	Accenture	Accenture January 17, 2019 Report	Reporting Relationship of Academic/DSO Financial Leads and CFO - We recommend that each unit's designated finance lead (sometimes this is a single role that combines finance/operations at the unit level) serve as a dual report to the CFO organization (potentially reporting in to an AVP of Finance).	Medium	Internal Control Redesign & Process Enhancements	President, Provost & CFO	Alex Cartwright, Michael Johnson & Joseph Trubacz	Finance and Facilities Committee	The Division of Finance, led by the CFO, is in the process of hiring a new Assistant VP for Budget, Planning, and Administration. When this position is filled, the reporting structure for the college/division/unit Budget Directors will be re-evaluated to ensure consistency in training, work product, and communication. The new AVP/Budget starts on November 18. The planned reorganization with a timeline for completion will follow. The DSOs will have a dotted line to the AVP/Budget and either a dotted or straight line to the AVP/Controller. Athletics DSO financial accounting and reporting staff moved to F&A in January. Additional changes to reporting structure continues to be evaluated.		In Progress	June-20
32	Accenture	Accenture January 17, 2019 Report	CFO Role in Budgeting - UCF would benefit from formalizing the CFO's role to include setting the overall fiscal constraint in the budget process (e.g. revenue, expenditure, liquidity and debt targets). From a practicable standpoint, this translates into the President, Provost and the CFO "stacking hands" on fiscal capacity, with the Provost driving the budget allocation process thereafter.	Medium	Internal Control Redesign & Process Enhancements	President, Provost & CFO	Alex Cartwright, Michael Johnson & Joseph Trubacz	Finance and Facilities Committee	The Division of Finance will draft a University Budgets policy, which will include the CFO's responsibility for establishing the total available funding from all sources to be allocated in the university's budget. After this amount is set, the CFO, Provost, and President will jointly determine the allocation to the academic and non-academic units across campus. The Provost, working with the deans and vice provosts, will take the lead on allocations to the academic units reporting to the Provost, the CFO, working with the other vice presidents, will take the lead on allocations to the non-academic units. When the allocation process is completed, the CFO, Provost, and President will review and sign the final allocation document. F&A is working with Huron Consulting to develop a new budget model to be implemented fiscal year 2021. The plan is on target for development and approval by target completion date of June 2020.		In Progress	June-20
21	Association of Governing Boards	AGB January 17, 2019 Memo	The UCF budget should be developed with appropriate engagement of the Board through its Finance Committee as institution priorities are being shaped with a focus on the strategic plan of the University.	Medium	BOT & Staff Interaction	CFO	Joseph Trubacz	Finance and Facilities Committee	Annual budgets for the university and DSOs were presented at the June 2019 BOT meeting. Going forward, UCF will need to determine budget approval workflow including use of various internal committees such as the Budget Committee and how the BOT will be involved in the decision making process prior to formal presentation of the proposal. F&A is working with Huron Consulting to develop a new budget model to be implemented fiscal year 2021. The plan is on target for development and approval by target completion date of June 2020.		In Progress	June-20
37	Bryan Cave Investigation	Bryan Cave January 17, 2019 Report	The University should develop, as a supplement to the budgeting documents and reports required to be submitted to the BOT and/or BOG by Florida law and BOG regulations, a clear and consistent reporting package to be presented to the BOT on a periodic basis, designed to appropriately inform the Board regarding the funding of capital projects.	Medium	Monitoring Post-Transaction Activities	CFO	Joseph Trubacz	Finance and Facilities Committee	Budget reporting templates were developed and presented to the Finance and Facilities Committee (FFC) on September 18, 2019 and full BOT on September 19. Adjustments were made and resubmitted to the FFC at October 16, 2019 meeting and then presented to the BOG Facilities Committee on October 30, 2019. A board policy/procedure that outlines the final budget reporting package and frequency for submitting to the BOT and BOG will be developed and presented for Board approval. Targeted completion date changed to June 2020 to coincide with action item #46 which contains similar recommendation.		In Progress	June-20

Finance and Facilities Committee Meeting - New Business

**Pending Recommendation List**

*Post Investigation Action Plan*

*As of May 18, 2020*

Item #	Summary Source	Source Detail	Recommendation	Risk Rating	Theme	Responsible Office	Responsible Person	Responsible BOT Committee	Action Plan	Action Plan Completion	Status	Completion Date
46	Public Integrity and Ethics Committee	Public Integrity and Ethics Committee March 14, 2019 Report	All SUS leadership should jointly search for best practices in budgeting and accountability. Each Board of Trustees should adopt policies to ensure adherence to budget and planning laws and regulations.	Medium	Policies & Procedures	CFO	Joseph Trubacz	Finance and Facilities Committee	Budget reporting templates were developed and presented to the Finance and Facilities Committee (FFC) on September 18, 2019 and full BOT on September 19. Adjustments were made and resubmitted to the FFC at October 16, 2019 meeting and then presented to the BOG Facilities Committee on October 30, 2019. A board policy/procedure that outlines the final budget reporting package and frequency for submitting to the BOT and BOG will be developed and presented for Board approval.		In Progress	June-20
57	Accenture	Accenture January 17, 2019 Report	Benchmarking of A&F Services for Efficiency & Effectiveness - UCF has the opportunity to establish a new culture of performance. Benchmarking cost and quality of transaction processing areas in Finance, Procurement, HR, IT and Facilities would provide UCF with a fact based approach to staffing and performance improvement.	Low	Internal Control Redesign & Process Enhancements	CFO and COO	Joseph Trubacz and Misty Shepherd	Finance and Facilities Committee	The Division of Finance and the Division of Administration will benchmark transaction processing in areas such as Finance & Accounting, Procurement, Facilities, Police, HR, and Parking. This information will be utilized to reassess staffing needs in those units.		In Progress	June-20

ITEM: INFO-3

**UCF BOARD OF TRUSTEES  
Finance and Facilities Committee  
June 17, 2020**

**Title:** Investments Quarterly Report Ended March 31, 2020

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**Background:**

This item is provided to the trustees quarterly for information purposes only. The attached report provides an update on the university's investment portfolio for the quarter ended March 31, 2020 (Attachment A).

At March 31, 2020, the university had the following cash and investment balances:

Bank of America operating account	\$ 12,760,238
State of Florida Special Purpose Investment Account (SPIA)	\$ 256,257,806
Bank of New York Structured Investment Portfolio	<u>\$ 292,343,076</u>
Total Cash and Investments	<u>\$ 561,361,120</u>

The structured investment portfolio had quarterly net losses totaling \$15,834,279.

**Issues to be Considered:**

N/A

**Alternatives to Decision:**

N/A

**Fiscal Impact and Source of Funding:**

N/A

**Recommended Action:**

For information only.

**Authority for Board of Trustees Action:**

Specific trustee request.

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President and Chief Financial Officer

**Supporting Documentation:**

Attachment A: UCF Investments Quarterly Report as of March 31, 2020

**Facilitators/Presenters:**

Joseph Trubacz, Interim Vice President and Chief Financial Officer  
Danta White, Assistant Vice President and University Controller

Attachment A

University of Central Florida  
Total Operating Portfolio Summary<sup>(1)</sup>  
As of March 31, 2020

Cash & Non-Investment Portfolio	09/30/2019 Reported Value	12/31/2019 Reported Value	03/31/2020 Reported Value
Bank of America	\$7,389,071	\$13,251,291	\$12,760,238
SPIA	\$352,220,312	\$245,655,156	\$256,257,806
<b>Total Cash &amp; Non-Investment Portfolio</b>	<b>\$359,609,383</b>	<b>\$258,906,447</b>	<b>\$269,018,044</b>

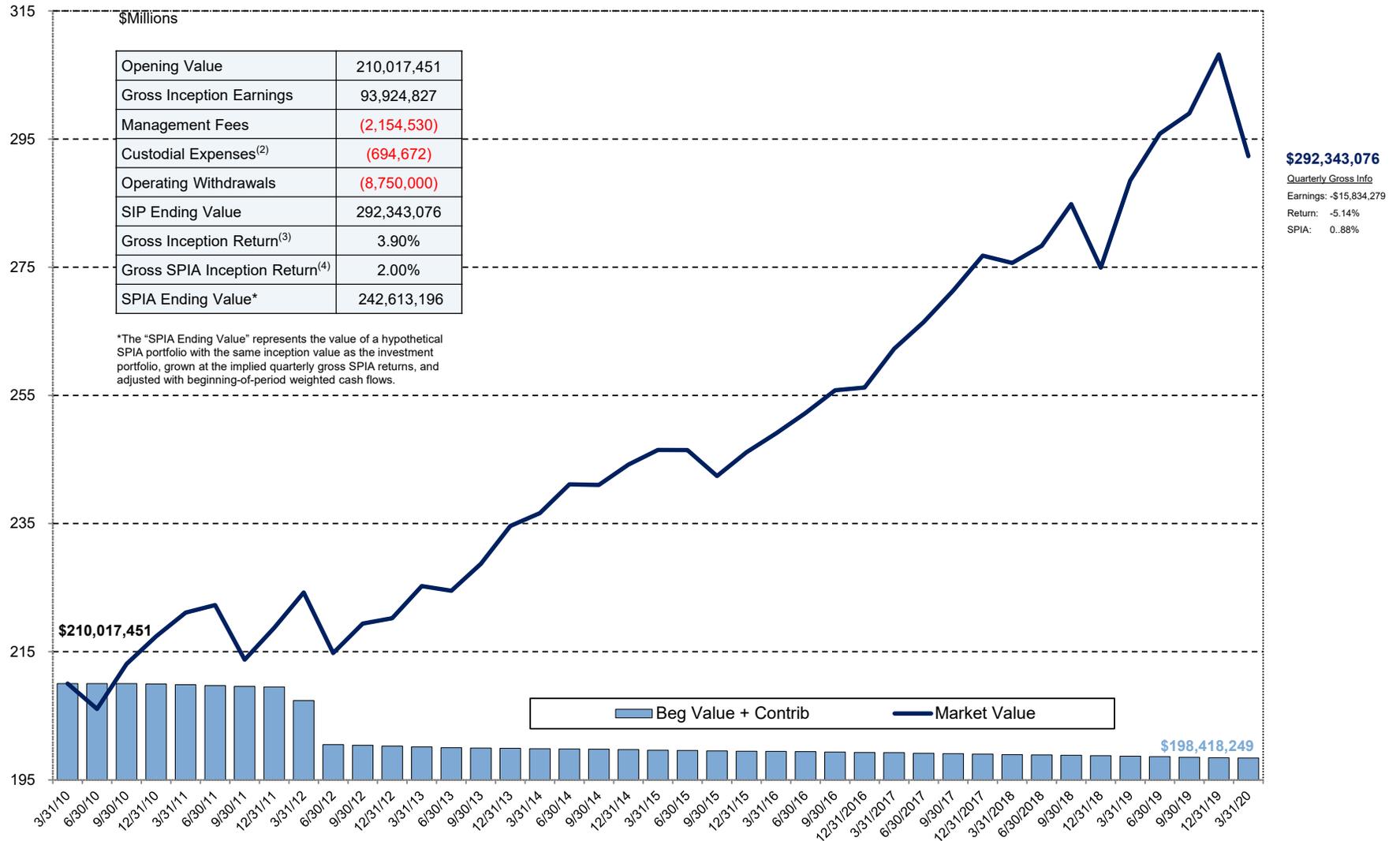
Structured Investment Portfolio (BNY)	09/30/2019 Reported Value	12/31/2019 Reported Value	4th Quarter Gain/(Loss)	03/31/2020 Reported Value	1st Quarter Gain/(Loss)	Inception Gain/(Loss) <sup>(2)</sup>
Pool I	\$0	\$0	\$0	\$0	\$0	\$85,789
Pool II	\$53,148,892	\$53,442,937	\$311,435	\$53,689,498	\$250,391	\$4,081,722
Fixed Income (Pool III) <sup>(3)</sup>	\$120,235,857	\$120,753,795	\$553,686	\$125,051,644	\$2,317,745	\$22,688,208
Domestic Equity (Pool III)	\$22,209,206	\$24,221,345	\$2,012,140	\$17,938,490	(\$4,282,856)	\$18,541,019
<b>Total Pool III</b>	<b>\$142,445,063</b>	<b>\$144,975,141</b>	<b>\$2,565,825</b>	<b>\$142,990,134</b>	<b>(\$1,965,111)</b>	<b>\$41,229,247</b>
Fixed Income (Pool IV) <sup>(4)</sup>	\$35,766,990	\$35,874,676	\$126,626	\$38,228,900	\$362,093	\$10,376,512
Domestic Equity (Pool IV)	\$52,948,019	\$57,745,076	\$4,797,057	\$44,892,548	(\$10,852,527)	\$35,269,353
International Equity (Pool IV)	\$14,687,067	\$16,171,119	\$1,484,052	\$12,541,995	(\$3,629,124)	\$2,882,203
<b>Total Pool IV</b>	<b>\$103,402,076</b>	<b>\$109,790,870</b>	<b>\$6,407,734</b>	<b>\$95,663,444</b>	<b>(\$14,119,558)</b>	<b>\$48,528,069</b>
<b>Total Structured Investment Portfolio</b>	<b>\$298,996,032</b>	<b>\$308,208,949</b>	<b>\$9,284,995</b>	<b>\$292,343,076</b>	<b>(\$15,834,279)</b>	<b>\$93,924,827</b>

<b>Total Operating Portfolio</b>	<b>\$658,605,415</b>	<b>\$567,115,396</b>	<b>\$561,361,120</b>	<b>Total Equity Allocation</b>	<b>13.43%</b>
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1. The portfolio gain/(loss) data is presented gross of management fees and portfolio expenses but net of physical cash flows.  
 2. The inception date for analysis is 3/31/10. The actual funding of the various portfolios occurred during March 2010.  
 3. Pool III's fixed Income market value includes the \$11,930 cash balance held in the Pool III mutual fund account.  
 4. Pool IV's fixed Income market value includes the \$19,891 cash balance held in the Pool IV mutual fund account.



**University of Central Florida**  
**Structured Investment Portfolio vs. Net Contributions<sup>(1)</sup>**  
 As of March 31, 2020



1. Net contributions include cash flows associated with management fees, portfolio expenses and physical cash flows  
 2. Custodial expense figure is reduced by commission recapture income received  
 3. Annualized performance number. Net of management fees inception earnings = \$91,770,297. Net inception return = 3.80%  
 4. The gross SPIA inception return corresponds with the 3/31/10 inception of UCF's investment portfolio. Net inception SPIA return = 1.88%



**University of Central Florida**  
**Structured Investment Portfolio Investment Policy Compliance Checklist<sup>(1)</sup>**  
 As of March 31, 2020

Pool I:	Yes	No	N/A
Investments limited to registered 2a-7 mutual funds, CDARS, and or/SPIA.			✓

Pool II:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA+" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the Merrill Lynch 1-Year Treasury index by 25%.	✓		
The maximum average effective maturity of any single security shall not exceed 3 years.	✓		
Operating Pool II shall maintain a dollar-weighted average effective maturity of 1 years or less.	✓		

Pool III Equity:	Yes	No	N/A
Investments in equity securities shall not exceed twenty percent (20%) of the market value of Operating Pool III's assets.	✓		

Pool III Fixed:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA-" or higher.	✓		
The duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		
Operating Pool III shall maintain a dollar-weighted average effective maturity of 7 years or less.	✓		

Pool IV Equity:	Yes	No	N/A
Investment in equity securities shall not exceed seventy-five percent (75%) of the market value of Operating Pool IV's assets.	✓		
Foreign securities shall not exceed twenty-percent (20%) of the market value of Operating Pool IV's assets.	✓		

Pool IV Fixed:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "investment grade" or higher by a major credit rating service.*		✓	
The weighted average quality of the fixed income portfolio shall maintain a rating of "A-" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		

\*As previously disclosed, Occidental Petroleum (OXY) was downgraded on March 25, 2020 to BB+. Galliard's recommendation was to hold, and UCF accepted the recommendation for the time being.

1. Taken as an excerpt from the UCF quarterly performance evaluation report. Individual managers are also measured on an ongoing basis against a combination of 15 quantitative and qualitative criteria.



Target Policy Summary	
Pool I	100% 90 Day US T-Bills
Pool II	75% ML 1-Year Treasury + 25% 90 Day US T-bills
Pool III	85% ML 1-5 Year G/C A or Better + 15% S&P 500
Pool IV	35% Barclays Agg + 50% S&P 500 + 15% MSCI-ACWxUS

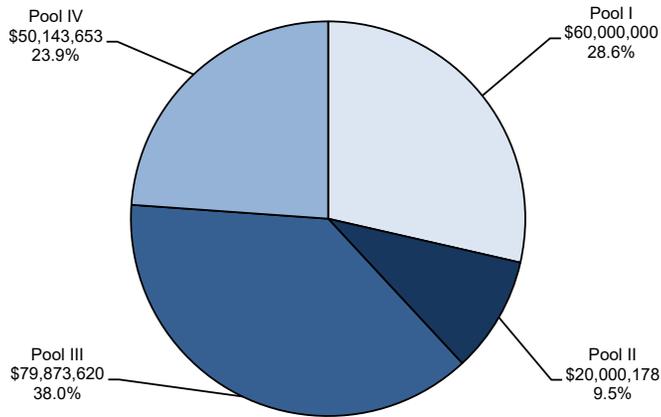
<b>Pool I</b>	<b>\$0</b>	<b>Current Allocation</b>	<b>Pool II</b>	<b>\$53,689,498</b>	<b>Current Allocation</b>
<b>Cash &amp; Equivalents</b>	<b>\$0</b>	<b>100.0%</b>	<b>Short-Term Fixed Income</b>	<b>\$53,689,498</b>	<b>100.0%</b>
Fidelity Money Market	\$0		Galliard Capital Management	\$53,689,498	
<b>Pool III</b>	<b>\$142,990,134</b>	<b>Current Allocation</b>	<b>Pool IV</b>	<b>\$95,663,444</b>	<b>Current Allocation</b>
<b>Intermediate Fixed Income (85%)</b>	<b>\$125,051,644</b>	<b>87.5%</b>	<b>Broad Market Fixed Income (35%)</b>	<b>\$38,228,900</b>	<b>40.0%</b>
Galliard Capital Management <sup>(1)</sup>	\$67,921,388		Galliard Capital Management <sup>(2)</sup>	\$23,449,146	
Sawgrass Asset Management	\$57,130,257		Dodge & Cox Income	\$14,779,754	
<b>Domestic Equity (15%)</b>	<b>\$17,938,490</b>	<b>12.5%</b>	<b>Domestic Equity (50%)</b>	<b>\$44,892,548</b>	<b>46.9%</b>
Vanguard Institutional Index	\$17,938,490		Vanguard Institutional Index	\$44,892,548	
			<b>International Equity (15%)</b>	<b>\$12,541,995</b>	<b>13.1%</b>
			Europacific Growth	\$12,541,995	

1. Pool III's Galliard Asset Management's market value includes the \$11,930.37 cash balance held in the Pool III mutual fund account.  
 2. Pool IV's Galliard market value includes the \$19,890.66 cash balance held in the Pool IV mutual fund account.

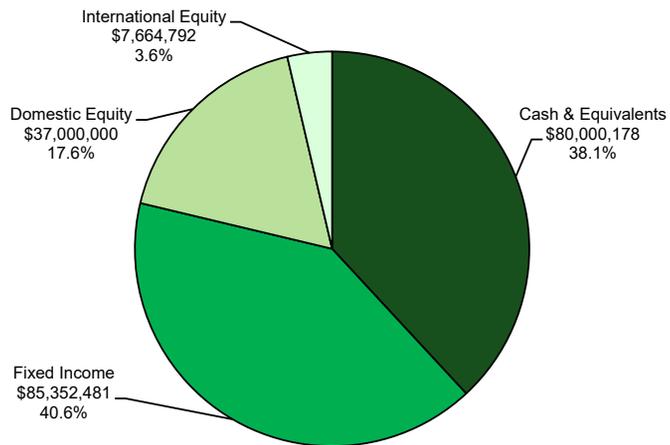


**University of Central Florida**  
**Initial Pool & Asset Allocation vs. Current Structured Investment Portfolio**  
 As of March 31, 2020

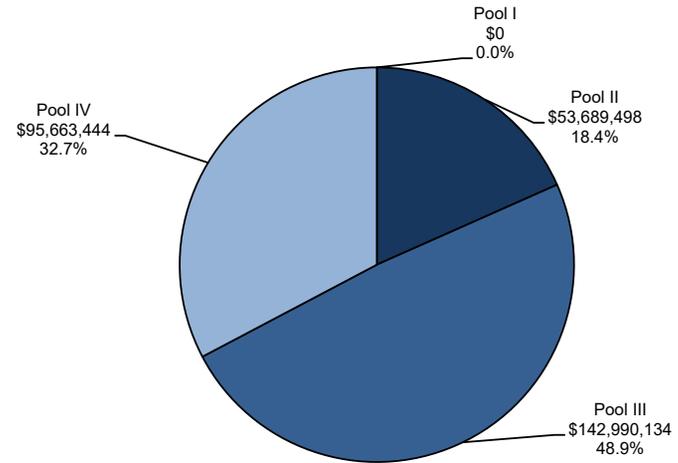
**3/31/2010: \$210,017,451**  
**Pool Allocation**



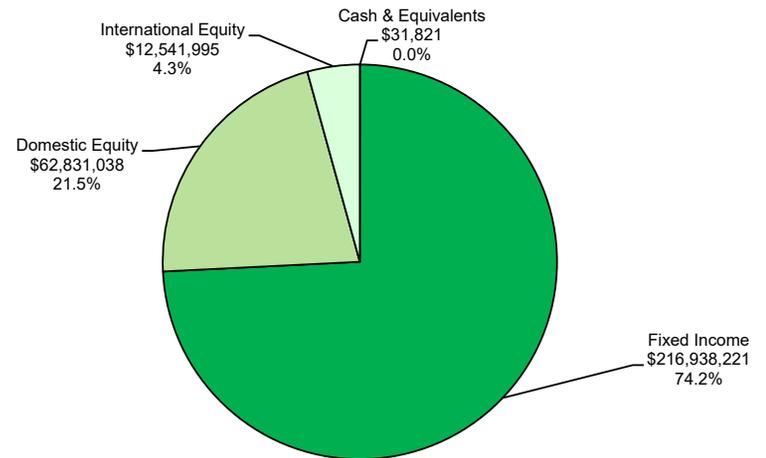
**Asset Allocation**



**03/31/2020: \$292,343,076**  
**Pool Allocation**



**Asset Allocation**



ITEM: **FFC-10**

**UCF BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**June 17, 2020**

**Title:** UCF Investment Policy Manual Update

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**Background:**

The university establishes its investment parameters in accordance with sections 1011.42(5) and 218.415, Florida Statutes, and the UCF Investment Policy Manual (policy), including its supplement and operating pool sub-sections. The Vice President for Finance and Chief Financial Officer or designee will consolidate, where practicable and allowable, cash balances and investments from all funds covered by this policy to minimize risk exposure and maintain liquidity while maximizing investment earnings.

This policy is applicable to the University of Central Florida funds being held to meet current expenses and the excess of funds required to meet current expenses. This policy is also applicable to the university's various Direct Support Organizations that do not have an investment policy or manual approved by its board.

As required by section 218.415, Florida Statutes, the investment objectives of the University for invested funds shall be to provide for safety of capital, liquidity of funds, and investment income, in that order. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. In addition to funds invested in the authorized State Treasurer's Special Purpose Investments Account (SPIA) and State Board of Administration's Local Government Investment Pool (SBA), excess funds may be divided in four different pools for the structured portfolio as follows: Pool I will be designated as cash reserves for operational expenses; Pool II will be designated to cover the University's medium term requirements such as debt service for the next year; Pool III will be considered excess cash reserves that may be invested in longer term investments (up to seven years). Safety and optimization of investment returns may be the investment objectives of funds invested in Pool IV only (liquidity is secondary).

**Issues to be Considered:**

Suggested changes to the policy include:

- revisions to the Vice President and Chief Financial Officer's title and division name,
- proper citation of statutory requirements,
- clarification that Education and General funds must be invested first in the State Treasurer's Special Purpose Investments Account (SPIA) and State Board of Administration's Local Government Investment Pool (SBA); and additional Education and General funds may only be invested in fixed income investments.
- expansion of persons authorized to complete continuing education in subjects related to investments, and
- correction of grammatical errors.

Suggested changes to the supplement and operating pool sub-sections include

- updates for changes in the name of the Finance and Facilities Committee, title of the Vice President and Chief Financial Officer, and the Division of Finance
- corrections to investment index nomenclature

**Alternatives to Decision:**

Not approve the suggested changes or make other changes to the UCF Investment Policy Manual.

**Fiscal Impact and Source of Funding:**

N/A

**Recommended Action:**

Approval of the revisions to the University of Central Florida Investment Policy and Manual.

**Authority for Board of Trustees Action:**

The UCF Investment Policy Manual requires an annual review by the Finance and Facilities Committee and was last updated at the July 23, 2015, Board of Trustees meeting.

**Contract Reviewed/Approved by General Counsel:**

N/A

**Committee Chair or Chair of the Board approval:**

Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**

Joseph Trubacz, Interim Vice President for Financial Affairs and Chief Financial Officer

Kathy Mitchell, Associate Vice President for Financial Affairs

**Supporting Documentation:**

Attachment A - Investment Policy Manual

Attachment B - UCF Operating Funds Supplement

Attachment C - UCF Operating Pool I Sub-Section (May 2020)

Attachment D - UCF Operating Pool II Sub-Section

Attachment E - UCF Operating Pool III Sub-Section

Attachment F - UCF Operating Pool IV Sub-Section

**Facilitators/Presenters:**

Joseph Trubacz, Interim Vice President for Financial Affairs and Chief Financial Officer

Danta White, Assistant Vice President and University Controller

Attachment A



UNIVERSITY OF CENTRAL FLORIDA

INVESTMENT POLICY MANUAL

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TABLE OF CONTENTS

**INVESTMENT POLICY**..... 2

**INVESTMENT OBJECTIVES** ..... 2

**PERFORMANCE MEASUREMENT** ..... 3

**PRUDENCE AND ETHICAL STANDARDS** ..... 3

**BROKER DEALERS, SAFEKEEPING AND CUSTODY** ..... 4

**AUTHORIZED INVESTMENTS** ..... 4

**UNIVERSITY ENDOWMENT**..... 7

**RISK AND DIVERSIFICATION** ..... 8

**QUALIFIED PUBLIC DEPOSITORIES, INVESTMENT INSTITUTIONS AND DEALERS**..... 8

**THIRD PARTY CUSTODIAL AGREEMENTS** ..... 8

**MASTER REPURCHASE AGREEMENT**..... 8

**BID REQUIREMENT** ..... 9

**INTERNAL CONTROLS**..... 9

**CONTINUING EDUCATION** ..... 9

**REPORTING**..... 9

**ANNUAL REVIEW** ..... 9

**GLOSSARY**..... 11

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 INVESTMENT OBJECTIVES - 2<sup>1</sup>  
 PERFORMANCE MEASUREMENT - 3<sup>1</sup>  
 PRUDENCE AND ETHICAL STANDARDS - 3<sup>1</sup>  
 BROKER DEALERS, SAFEKEEPING AND CUSTODY - 4<sup>1</sup>  
 AUTHORIZED INVESTMENTS - 4<sup>1</sup>  
 UNIVERSITY ENDOWMENT - 7<sup>1</sup>  
 RISK AND DIVERSIFICATION - 8<sup>1</sup>  
 QUALIFIED PUBLIC DEPOSITORIES, INVESTMENT INSTITUTIONS AND DEALERS - 8<sup>1</sup>  
 THIRD PARTY CUSTODIAL AGREEMENTS - 8<sup>1</sup>  
 MASTER REPURCHASE AGREEMENT - 8<sup>1</sup>  
 BID REQUIREMENT - 9<sup>1</sup>  
 INTERNAL CONTROLS - 9<sup>1</sup>  
 CONTINUING EDUCATION - 9<sup>1</sup>  
 REPORTING - 9<sup>1</sup>  
 ANNUAL REVIEW - 10<sup>1</sup>  
 GLOSSARY - 11<sup>1</sup>

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**Investment Policy**

The University establishes its investment parameters in accordance with sections 1011.42(5) and 218.415, Florida Statutes, and complies with all applicable state ordinances and covenants. The Vice President for Finance and Chief Financial Officer (Vice President) or designee will consolidate, where practicable and allowable, cash balances and investments from all funds covered by this policy to minimize risk exposure and maintain liquidity while maximizing investment earnings.

This policy and manual is applicable to the University of Central Florida funds being held to meet current expenses and the excess of funds required to meet current expenses. This policy and manual is also applicable to the university's various Direct Support Organizations that do not have an investment policy or manual approved by its board.

**Investment Objectives**

As required by [section 218.415, Florida Statutes](#), the investment objectives of the University for invested funds shall be to provide for safety of capital, liquidity of funds, and investment income, in that order. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. In addition to funds invested in the authorized State Treasurer's Special Purpose Investments Account (SPIA) and State Board of Administration's Local Government Investment Pool (SBA), excess funds may be divided in four different pools for the structured portfolio as follows: Pool I will be designated as cash reserves for operational expenses; Pool II will be designated to cover the University's medium term requirements such as debt service for the next year; Pool III will be considered excess cash reserves that may be invested in longer term investments (up to seven years). Safety and optimization of investment returns may be the investment objectives of funds invested in Pool IV only (liquidity is secondary).

1. Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks the preservation of capital in the overall portfolio. The objective will be to limit credit risk and interest rate risk to a level commensurate with the risks associated with prudent investment practices and the performance benchmarks stated herein, if applicable.
2. Credit Risk - The University will limit credit risk (the risk of loss due to the failure of the security issuer or backer) by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings.
3. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature to meet anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). The portfolio may be placed in local government investment pools, money market mutual funds or similar funds that perform similar to money market funds that offer same-day liquidity for short-term funds.

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4. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return, as measured by specified benchmarks, throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
  - A. A security with declining credit risk may be sold early to minimize loss of principal.
  - B. A security swap that would improve the quality, yield, or target duration in the portfolio.
  - C. Liquidity needs of the portfolio require that the security be sold.
  - D. Adverse market or economic conditions.
5. Transparency - The University shall operate its portfolio in a transparent manner, making its periodic reports both available for public inspection and designed in a manner which communicates clearly and fully information about the portfolio, including market pricing, adjusted book value, and yields.

[To the extent possible Education and General funds will be invested in the State Treasurer's Special Purpose Investment Account \(SPIA\) and State Board of Administration's Local Government Investment Pool \(SBA\); any excess Education and General funds may be invested in fixed income investments.](#)

#### **Performance Measurement**

As a benchmark for investment returns, the University's investment portfolio, net of fees, should strive to equal or exceed the returns provided by the State Treasurer's Special Purpose Investment Account (SPIA). However, achieving this benchmark is secondary to the requirements for safety and liquidity.

#### **Prudence and Ethical Standards**

1. Prudence - The standard of prudence to be used by investment officials shall be the Prudent Person Rule and shall be applied in the context of managing an overall portfolio. University personnel, acting in accordance with this investment policy shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the University's governing board in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The Prudent Person Rule states that: "Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

2. Ethics and Conflicts of Interest - The Vice President and other authorized personnel shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. These investment officials shall disclose annually, in a written statement, any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. They shall refrain from undertaking personal investment transactions with the same individual(s) with whom business is conducted on behalf of the University.
3. Delegation of Authority - Authority to manage the investment program is granted to the Vice President. The Vice President may delegate authority to the Associate Vice President for [Financial Affairs](#) (Associate Vice President). Additional authorized personnel include any other person or position approved by the University's governing board. The University may seek professional advice and therefore may contract with a federally registered investment advisory firm that specializes in public funds fixed income management, and it may also seek advice and counsel from the Finance and Facilities Committee to assist with investment decisions. The Finance and Facilities Committee will approve and, from time to time as they deem necessary, amend this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy. The Vice President shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

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#### **Broker Dealers, Safekeeping and Custody**

1. Authorized Financial Dealers and Institutions – For assets not delegated to the fiduciary management of a professional third party investment organization, the University shall list financial institutions consisting of banks and other depository institutions authorized to provide depository and investment services. In addition, a list will be maintained of security broker/dealers consisting of "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule) that are providing services to the University or that the University contemplates using.
2. Delivery vs. Payment - Securities transactions between a broker-dealer and the safekeeping agent or custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.
3. Safekeeping, Custody & Perfection of Interest - Securities shall be held with a third party; and all securities purchased by, and all collateral obtained by, the University should be properly designated as an asset of the University. No withdrawal of securities, in whole or in part, shall be made from safekeeping or custody, except by an authorized staff member of the University.

#### **Authorized Investments**

This investment policy is authorized by the University's Board of Trustees. The following investments are authorized to be utilized in achieving the objectives of this policy. Investments

not listed are prohibited. The investment portfolio must be structured in such manner as to provide sufficient safety and liquidity to pay obligations as they come due. Investment maturities should anticipate cash flow requirements.

Prior to conducting transactions as authorized by this policy the Vice President shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investments, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the bid deemed to best meet the investment objectives shall be selected.

Investments shall be limited to securities selected from the following types:

1. The United States Treasury and Agency securities - Securities that are issued by the United States Treasury or those for which the full faith and credit of the United States government guarantees fully all principal and interests payments.
  - A. Credit Ratings  
Ratings are not required for U.S. Treasury securities. Agencies backed by the full faith and credit of the United States government, such as Government National Mortgage Association (GNMA), must have at least one AAA (or its equivalent) long-term credit rating from a Nationally Recognized Statistical Rating Organization (NRSRO). The Finance and Facilities Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.
  - B. Interest Rate Risk Restrictions  
The United States Treasury and Agency securities backed by the full faith and credit of the United States government. At the time of purchase, securities must have an average effective maturity no greater than seven years from the date of settlement. The forward delivery period on such securities may not exceed 60 days.
2. Government Sponsored Enterprises (GSE) - Securities issued by the Federal Farm Credit Bank, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Federal National Mortgage Association, or the Federal Agricultural Mortgage Corporation. Any other GSE shall be considered as corporate debt for the purposes of this policy and shall be authorized under the criteria set forth in section 7, Corporations.
  - A. Credit Ratings  
Authorization of the listed GSE in section 7 is predicated upon these institutions maintaining at least one AAA (or its equivalent) long-term credit rating from a NRSRO. The Finance and Facilities Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.
  - B. Interest Rate Risk Restrictions  
At the time of purchase, securities must have an average effective maturity no greater than seven years from the date of settlement. The forward delivery period on such securities may not exceed 60 days.

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3. The State Board of Administration's Local Government Investment Pool (SBA), the State Treasurer's Special Purpose Investments Account (SPIA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in [Section 163.01, Florida Statutes](#).

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A. Credit Rating

Local Government Investment Pools - At the time of purchase, the local government investment pool must carry an Af (or its equivalent) rating from a NRSRO (if applicable). The Finance and Facilities Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

4. Money Market Mutual Funds - Shares of any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended.

A. Credit Rating

At the time of purchase, money market funds must carry an A1 (or its equivalent) rating from a NRSRO. The Finance and Facilities Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

B. Interest Rate Risk Restrictions

At the time of purchase, shares in the money market fund must be fully redeemable on the next business day.

5. Interest-bearing time deposits or savings accounts in Qualified Public Depositories (QPD) as defined in [Section 280.02, Florida Statutes](#).

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A. Credit Rating or Limitations

Bank deposits for the University must comply with [Section 280.16, Florida Statutes](#). Such deposits in QPD's must be collateralized according to the statutory requirements.

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6. Repurchase Agreements - Securities referred to in section 4 or 5 and that can otherwise be purchased under this policy may be subject to a repurchase agreement. Such securities subject to this agreement must have a coupon rate that is fixed from the time of settlement until its maturity date, and must be marketable. Such securities must be delivered to the University or to a third-party custodian or third-party trustee for safekeeping on behalf of the public entity. The collateral securities of any repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in the master repurchase agreement. All repurchase agreement transactions shall adhere to the requirements of the master repurchase agreement.

A. Credit Ratings

At the time of purchase the counter-party to any such agreement must carry short-term credit ratings which conform to those required by section 7.

B. Interest Rate Risk Restrictions

For repurchase agreements, at the time of purchase such agreement must have a maturity no greater than one year from the date of settlement. The forward delivery period on such securities may not exceed 60 days.

7. Corporations - United States dollar denominated debt instruments issued by a corporation or bank which is organized and operated within the United States.

- A. Credit Ratings

At the time of purchase, all non-money market instruments must carry at least one "investment grade" (or its equivalent) long-term credit ratings from a NRSRO. For money market instruments, which comply with rule 2a7 at the time of purchase, such securities must carry at least two short-term credit ratings and no short-term credit rating may fall below A1+ from Standard & Poor's, P1 from Moody's, or F1+ from Fitch. The Finance and Facilities Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

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Should a security's credit rating drop below these standards after purchase, the University's authorized personnel shall act as Prudent Persons in managing the risks associated with this security, and shall timely notify the Finance and Facilities Committee of such an event.

- B. Interest Rate Risk Restrictions

At the time of purchase, such securities must have an average effective maturity no greater than seven years from the date of settlement. The forward delivery period on such securities may not exceed 60 days.

8. Other investments authorized by law or by ordinance for a county or a municipality.
9. Other investments authorized by law or by resolution for a school district or a special district.
10. Direct Support Organizations (DSO) duly authorized by the University's Board of Trustees - An agreement or memorandum of understanding must be executed prior to the placement of funds with any DSO.
11. Mutual funds, unit investment trusts or professionally managed securities or other investment vehicles specifically authorized by the Finance and Facilities Committee.

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#### University Endowment

The preferred recipient of gifts for the University is the UCF Foundation, Inc. However, there may be special circumstances whereby a monetary gift or other asset is received by the University directly, or the University may choose to establish a quasi-endowment with funds available for such purpose from other sources. In these instances, the University may choose to enter into an agreement with the UCF Foundation, Inc. to manage the investment of a portion or all of a particular University endowment or quasi-endowment. The Foundation has several investment options. The decision as to which of the options to be utilized for University funds would be specified in a contractual document between the University and the Foundation, with specific

instructions as to the authorization and manner in which receipts and disbursements would be processed. The University's assets may be pooled with Foundation assets for investment purposes, but with procedures in place for detailed accounting and reporting of the University's shares in the pool. These investments may deviate from the balance of this policy's direction to limit investments to no more than five years duration.

#### **Risk and Diversification**

The University portfolio shall be diversified to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. The diversification strategies laid out in this policy shall be reviewed and revised periodically, as deemed necessary by the Vice President and any revisions shall require the approval of the Finance and Facilities Committee.

Investments that vary in length to maturity will be made to correlate with the University's cash flow projections. The correlation will be made conservatively, considering the University's projected need for liquidity. Cash flow information will be used as a basis for informed decisions regarding the allocation of cash balances into categories of investments with varying maturities. The investment vehicles used in the four categories will be determined by the Vice President in consultation with an investments consultant, the chair of the Finance and Facilities Committee and other appropriate University staff.

In order to ensure liquidity and diversify risk to principal, multiple depository banks, in addition to the bank(s) currently under contract with the University to provide treasury services, may be utilized to hold and invest short term cash.

#### **Qualified Public Depositories, Investment Institutions and Dealers**

The Associate Vice President will maintain the current approved list of qualified public depositories (as defined in [Section 280.02, Florida Statutes](#)).

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#### **Third Party Custodial Agreements**

Securities will be held with a third party; and all securities purchased by, and all collateral obtained by the University will be properly designated as an asset of the University. If a bank serves in the capacity of Investment Manager, said bank could also perform the required custodial and reporting services. No withdrawal of securities, in whole or in part, shall be made from safekeeping, except by those designated within the Investment Management and Custodial Agreement between the Custodian and the University. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

#### **Master Repurchase Agreement**

The Associate Vice President or the Investment Manager, if applicable, will maintain a master repurchase agreement and require all approved institutions and dealers transacting repurchase agreements to adhere to the requirements of the master repurchase agreement. The master repurchase agreement is a separate document.

**Bid Requirement**

For assets not delegated to the fiduciary management of a professional third party investment organization, the University shall require purchases and sales to be executed in a competitive bid environment wherein at least three (3) offers or bids are requested for each security. Exceptions to this approach may be made when (1) prices for purchases or sales are compared to systems providing current market prices and deemed reasonable, (2) when the security to be purchased is unique to one institution or (3) the security has recently been issued and is trading at the same price by all financial institutions.

**Internal Controls**

The Associate Vice President shall establish a system of internal controls and operational procedures, which will be documented in writing. The internal controls will be reviewed by the University Audit staff and are subject to audit by the Auditor General of the State of Florida. The controls will be designed to prevent losses of public funds arising from fraud, employee error, imprudent actions by employees and misrepresentation by third parties. The internal controls and operational procedures is a separate document.

**Continuing Education**

The Vice President, Associate Vice President, or designee, will annually (during each calendar year) complete eight hours of continuing education in subjects or courses of study related to investment practices and products.

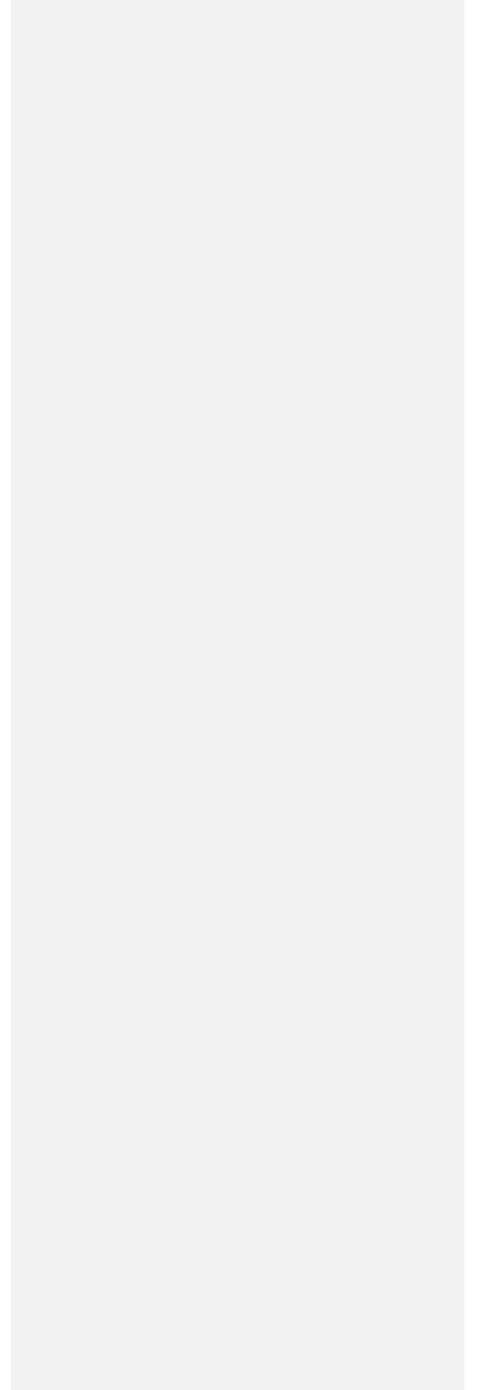
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**Reporting**

1. Methods - The Vice President, or designee, shall or shall have prepared and provide to the Finance and Facilities Committee an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. An outside investment advisor or other third party may be utilized to prepare the report. The management summary will be prepared in a manner that will allow the University to ascertain whether investment activities during the reporting period have conformed to the investment policy. This investment report shall include securities in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.
2. Compliance – If any investment held does not meet the guidelines of this policy, it shall be temporarily exempted from the requirements of the policy until appropriate disposition of the security is agreed upon with the University’s investment advisory firm.

**Annual Review**

This policy shall be reviewed on an annual basis. Any changes or amendments to the manual, operating funds supplement or operating pool sub-sections must be approved by the Finance and Facilities Committee.



## Glossary

**Benchmark.** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**Bid.** The price offered by a buyer of securities.

**Collateral.** Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Delivery vs. Payment.** Delivery versus payment is delivery of securities to a third party with an exchange of money for the securities. The transaction is not complete until both parties provide their commitments.

**Diversification.** Dividing investment funds among a variety of securities offering independent returns.

**Direct Support Organization (DSO).** [An organization](#) pursuant to Section 1004.28, Florida Statutes, as certified by the University Board of Trustees.

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**Federal Deposit Insurance Corporation (FDIC).** A federal agency that insures bank deposits, currently up to [\\$250,000](#) per deposit.

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**Federal Farm Credit Bank (FFCB).** The Federal Farm Credit Banks Funding Corporation issues debt securities as fiscal agent for the Farm Credit System, which is a nationwide network of borrower-owned lending institutions and service organizations specializing in agricultural and rural America. The mission of this government-sponsored enterprise is to ensure the availability of sound, dependable funding for agricultural producers, cooperatives, and certain farm related business.

**Federal Home Loan Bank (FHLB).** Government sponsored wholesale banks that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district bank.

**Federal Home Loan Mortgage Corporation (FHLMC).** FHLMC, commonly referred to as Freddie Mac, is a government sponsored enterprise that provides liquidity to the mortgage markets, much like FNMA and FHLB.

**Federal National Mortgage Association (FNMA).** FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The Corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities

are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**LIBOR.** London Interbank Offer Rate.

**Liquidity.** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Market Value.** The price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase Agreement.** A written contract covering all future transactions between the parties to repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity.** The date upon which the principal or stated value of an investment becomes due and payable.

**Portfolio.** Collection of securities held by an investor.

**Prudent Person Standard.** An investment standard in which investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**Qualified Public Depository.** Any bank, savings bank, or savings association that is organized under the laws of the United States or the State of Florida; has its principal place of business or a branch office to receive deposits in Florida; has deposit insurance under the provisions of the Federal Deposit Insurance Act; meets the requirements of Chapter 280, Florida Statutes (Florida Security for Public Deposits Act); and has been designated by the Chief Financial Officer of the State of Florida as a qualified public depository.

**Repurchase agreement (REPO).** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use REPOs extensively to finance their positions. Exception: When the Fed is said to be doing REPOs, it is lending money that is increasing bank reserves.

**Safekeeping.** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Spread.** (1) The yield or price difference between the bid and offer on an issue. (2) The yield or price difference between different issues.

**State Board of Administration's Local Government Investment Pool (SBA).** The aggregate of all funds from political subdivisions that are placed in the custody of the State Board of Administration for investment and reinvestment.

**State Treasury Special Purpose Investment Account (SPIA).** The aggregate of all funds from governmental entities that are placed in the custody of the State Treasury for investment and reinvestment.

**Treasury Bills.** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in one month, three months, or six months.

**Yield.** The rate of annual income return on an investment, expressed as a percentage. (1) Income yield is obtained by dividing the current dollar income by the current market price for the security. (2) Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

## Attachment B

**OPERATING FUNDS SUPPLEMENT**  
to the  
**University of Central Florida Investment Policy Manual**

This Operating Funds Supplement (Supplement) and its sub-sections are part of the University of Central Florida Investment Policy Manual and are intended only to complement the objectives and guidelines outlined therein. The purpose of this Supplement is to set forth the specific investment objectives and parameters for the management of financial assets of the University of Central Florida Operating Funds (4 internally segmented portfolios collectively referred to as the Fund). This Supplement is designed to ensure the prudent management of financial assets, the availability of operating and capital funds when needed, and to earn an investment return competitive with comparable funds and appropriate measurement benchmarks.

This document will be used to identify and convey the specific objectives and restrictions of each of the four (4) Operating Fund Pools, which shall be designated as Operating Pools I-IV in sub-sections to this Supplement. Whereas individual guidelines and objectives will be defined for each Pool, the following criteria will apply collectively to all of the Operating Pools.

**I. Investment Guidelines**

A. Authorized Investments

Pursuant to the investment powers of the Finance and Facilities Committee as set forth in the Florida Statutes and the delegation of authority granted by the University Board of Trustees, the Finance and Facilities Committee sets forth the following general investment guidelines and limitations for all Operating Pools where the listed security type is an allowable investment.

1. Equities

- a. Securities must be traded on a national exchange or electronic network.
- b. Not more than 5% of the Fund's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company.
- c. All securities must be readily marketable.
- d. Additional criteria may be outlined in the specific Operating Pool guidelines and/or a manager's addendum.

2. Fixed Income

- a. Not more than 5% of the Fund's assets, at the time of purchase, shall be invested in bonds issued by any single corporation.
- b. All securities must be readily marketable.
- c. Additional criteria may be outlined in the specific Operating Pool guidelines and/or a manager's addendum.

3. Cash & Equivalents

- a. The money market fund(s) or short-term investment fund (STIF) options provided by the Fund's custodian.

- b. Securities must be rated in one of the two (2) highest credit quality categories for short-term securities by at least two nationally recognized rating services.
- c. The maturity of any single security shall not exceed 180 days and shall maintain a dollar-weighted average effective maturity of 90 days or less.
- d. All securities must be readily marketable.

4. Pooled Investment Funds

- a. Investments made by the Fund may include pooled investment funds. For purposes of this Supplement, pooled investment funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and private equity.
- b. Pooled investment funds may be governed by separate documents which may include investments not expressly permitted in this Supplement. In the event of investment by the Fund into a pooled investment fund, the Finance and Facilities Committee will adopt the prospectus or governing policy of that pooled investment fund as the stated addendum to this Supplement.

B. Absolute Restrictions

No investments shall be permitted in:

- 1. Any investment prohibited by State or Federal Law.
- 2. Any investment not specifically allowed as part of this Supplement or its subsections.
- 3. Direct investment in 'Scrutinized Companies' identified in the periodic publication by the State Board of Administration ("SBA list", updated on their website [www.sbafla.com/fsb/](http://www.sbafla.com/fsb/)), is prohibited. Any security identified as non-compliant on or before January 1, 2010 must be divested by September 1, 2010. Securities identified after January 1, 2010, are subject to the provisions of Section II-C below. However, if divestiture of business activities is accomplished and the company is subsequently removed from the SBA list, the manager can continue to hold that security. Indirect investment in 'Scrutinized Companies' (through pooled investment funds) are governed by the provisions of Section II-E below.

**II. Portfolio Communications & Compliance**

- A. It is the direction of the Finance and Facilities Committee that the Fund assets are held by a third party custodian, and that all securities purchased by, and all collateral obtained by the Fund shall be properly designated as Fund assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the Board of Trustees or their designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to insure that the custodian will have the security or money in hand at conclusion of the transaction.
- B. On a monthly basis, the custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.

- C. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the provisions outlined in this Supplement, the respective sub-section and the Investment Manager's addendum (collectively referred to as "Permitted Provisions Documents"). If an Investment Manager owns an investment that complied with Permitted Provisions Documents at the time of purchase, which subsequently exceeds the applicable limit or does not satisfy the Permitted Provisions Documents, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent man standard of care. However, no additional assets may be allocated to the designated investment unless authorized in writing by the Finance and Facilities Committee. Investment Managers will provide immediate written notice to the Finance and Facilities Committee of any deviation from the standards set forth in the Permitted Provisions Documents and are also required to provide an action plan outlining the investment 'hold or sell' strategy.
- D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return net of investment fees and relative performance of the Fund.
- E. The Investment Consultant, on behalf of the Fund, shall send a letter to any pooled investment fund referring the investment manager to the listing of 'Scrutinized Companies' by the State Board of Administration ('SBA list'), on their website [www.sbafla.com/fsb/](http://www.sbafla.com/fsb/). This letter shall request that they consider removing such companies from the pooled investment fund or create a similar actively managed pooled investment fund devoid of such companies. If the manager creates a similar pooled investment fund, the Fund shall replace all applicable investments with investments in the newly offered pooled investment fund in an expedited timeframe consistent with prudent investing standards. Once sending the required correspondence, the Fund is not required to sell or limit additional purchases of the pooled investment fund.
- F. At least annually, the Finance and Facilities Committee shall provide the Investment Managers with projected disbursement needs of the Fund so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash-flow requirements.

### III. Investment Manager Responsibilities

- A. Within the guidelines and restrictions set forth herein, it is the intention of the Finance and Facilities Committee to give each Investment Manager full investment discretion with respect to assets under its management.
- B. Each Investment Manager is expected to provide any reasonable information requested by the Finance and Facilities Committee. At a minimum, each manager shall provide a quarterly report detailing their investment activity, the portfolio's current value and any changes in investment philosophy or strategy. Each Investment Manager is expected to meet with the Finance and Facilities Committee or their designated representatives periodically to review investment performance and philosophy.
- C. It will be the responsibility of each Investment Manager to review the monthly valuations provided by the Fund's custodian and to note, in writing, any significant discrepancies from the valuations provided in their own reports.

- D. When feasible and appropriate, all securities shall be competitively bid. Except as otherwise required by law, the most economically advantageous bid shall be selected. Commissions paid for purchase of securities must meet the prevailing best-execution rates. The responsibility of monitoring best price and execution of trades placed by each Investment Manager on behalf of the Fund will be governed by the Portfolio Management Agreement between the Fund and the Investment Manager.
- E. Investment Managers shall vote any and all proxies solicited in connection with securities held by the Fund. Investment Managers shall produce a written proxy voting policy statement, and shall keep records with respect to its voting decisions and submit an annual report to the Finance and Facilities Committee summarizing votes cast. Voting of proxies must be done solely in the interests of the Fund.
- F. Investment Managers must promptly provide to the Finance and Facilities Committee information about changes in the management, ownership and key personnel in a timely fashion, which is not to exceed one month from the change.
- G. Unless otherwise provided by the Fund's custodian, each Investment Manager will monitor portfolio activity to minimize uninvested cash balances.

#### IV. Criteria for Investment Manager Review

The Finance and Facilities Committee wishes to adopt standards by which judgments of the ongoing performance of an Investment Manager may be made. If, at any time, any three (3) of the following is breached, the Investment Manager may be warned of the Finance and Facilities Committee's serious concern for the Fund's continued safety and performance. If any five (5) of these are violated the consultant may recommend a manager search for that mandate.

- Four (4) consecutive quarters of relative under-performance verses the benchmark.
- Three (3) year trailing return below the top 40<sup>th</sup> percentile within the appropriate peer group and under performance verses the benchmark.
- Five (5) year trailing return below the top 40<sup>th</sup> percentile and under performance verses the benchmark.
- Three (3) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the IPS or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC).
- Significant asset flows into or out of the company.
- Merger or sale of firm.
- Fee increases outside of the competitive range.

- Servicing issues – key personnel stop servicing the account without proper notification.
- Failure to attain a 60% vote of confidence by the Finance and Facilities Committee.

Nothing in this section shall limit or diminish the Finance and Facilities Committee's right to terminate the manager at any time for any reason.

**V. Review and Amendments**

It is the Finance and Facilities Committee's intention to review this document at least annually and to amend it to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Finance and Facilities Committee should be notified in writing.

By signing this document, the Vice President for Finance and Chief Financial Officer attests that this Supplement has been recommended by the Investment Consultant, reviewed by the Fund's legal counsel for compliance with applicable law, and approved by the Chairman of the Finance and Facilities Committee of the Board of Trustees.

University of Central Florida

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 Vice President for Finance \_\_\_\_\_ Date \_\_\_\_\_  
 Chief Financial Officer

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Attachment C

**OPERATING POOL I SUB-SECTION**

**to the  
Operating Funds Supplement to the University of Central Florida Investment Policy  
Manual**

This Sub-Section is a part of the Operating Funds Supplement to the University of Central Florida Investment Policy Manual and is intended only to complement the objectives and guidelines outlined therein. The purpose of this Sub-Section is to set forth the specific investment objectives and parameters for the management of financial assets of Operating Pool I.

Operating Pool I will be designated as cash reserves for operational expenses. In addition to compliance with the provisions of the Operating Funds Supplement to the University of Central Florida Investment Policy Manual, Operating Pool I investments must comply with the following guidelines and objectives.

**I. Investment Objectives**

- A. Operating Pool I should be structured to provide immediate liquidity for the University's daily operating requirements. Investments shall be made subject to the University's cash flow needs in accordance with the schedule provided by the Finance and Facilities Committee, and shall be subject to any revisions thereafter.
- B. Investments shall be undertaken in a manner that seeks the preservation of capital and immediate liquidity in the portfolio. The objective will be to limit credit risk and interest rate risk to a level commensurate with prudent investment practices of such short-term cash reserve portfolios.

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**II. Guidelines**

**A. Authorized Investments**

Pursuant to the investment powers of the Finance and Facilities Committee as set forth in the Florida Statutes and the delegation of authority granted by the University Board of Trustees, the Finance and Facilities Committee sets forth the following investment guidelines and limitations.

- 1. Cash & Equivalents
- 2. Pooled investment funds
  - a. For purposes of Operating Pool I, pooled investment funds will be limited to registered 2a-7 mutual funds, CDARS, SPIA.
  - b. Holdings in pooled Investment funds shall be prudently diversified based on current market conditions as well as the current level of Pool I assets. Such pooled funds should be guaranteed as to timely payment of principal and interest by the Federal Government or its Agencies. Maximum Investments shall be limited to applicable guarantee coverage amounts (if any).

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**III. Target Allocations**

In order to provide for a diversified and liquidity focused portfolio, the Finance and Facilities Committee will employ a number of professionally managed short-term strategies to manage and administer Operating Pool I. The Finance Committee has established the following target asset allocation for Operating Pool I.

Asset Group	Target	Range	Comparison
Cash & Equivalents	100%	N/A	90 Day US T-Bills / SPIA

**IV. Investment Performance Objectives**

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

**A. Total Portfolio Performance**

1. The performance of Operating Pool I will be measured for rolling three (3) and five (5) year periods. The performance of the portfolio will be compared to the return of the target index comprised of the 90-day U.S. Treasury Bill. In addition, the performance of the portfolio will be compared to the return of the Special Purpose Investment Account (SPIA).
2. On an absolute basis, the objective is that Operating Pool I will provide the necessary stability and liquidity to meet the University's daily operating needs.

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**V. Review and Amendments**

It is the Finance and Facilities Committee's intention to review this Sub-Section at least annually and to amend it to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Finance and Facilities Committee should be notified in writing.

By signing this document, the Vice President for Finance and Chief Financial Officer attests that this Sub-Section has been recommended by the Investment Consultant, reviewed by the Fund's legal counsel for compliance with applicable law, and approved by the Chairman of the Finance and Facilities Committee of the Board of Trustees.

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University of Central Florida

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 Vice President for Finance \_\_\_\_\_ Date \_\_\_\_\_  
 Chief Financial Officer

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Attachment D

## OPERATING POOL II SUB-SECTION

### to the Operating Funds Supplement to the University of Central Florida Investment Policy Manual

This Sub-Section is a part of the Operating Funds Supplement to the University of Central Florida Investment Policy Manual and is intended only to complement the objectives and guidelines outlined therein. The purpose of this Sub-Section is to set forth the specific investment objectives and parameters for the management of financial assets of Operating Pool II.

Operating Pool II will be designated to cover the University's medium-term requirements such as debt service for the next year. In addition to compliance with the provisions of the Operating Funds Supplement to the University of Central Florida Investment Policy Manual, Operating Pool II investments must comply with the following guidelines and objectives.

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#### I. Investment Objectives

A. Operating Pool II should be structured to provide adequate liquidity and current income. Investments shall be made subject to the debt service cash flow needs of the University in accordance with the schedule provided by the Finance and Facilities Committee, and shall be subject to any revisions thereafter.

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B. Investments shall be undertaken in a manner that seeks the preservation of capital and adequate liquidity in the portfolio. The objective will be to limit credit risk and interest rate risk to a level commensurate with prudent investment practices of such debt service reserve portfolios.

#### II. Guidelines

##### A. Authorized Investments

Pursuant to the investment powers of the Finance and Facilities Committee as set forth in the Florida Statutes and the delegation of authority granted by the University Board of Trustees, the Finance and Facilities Committee sets forth the following investment guidelines and limitations.

##### 1. Fixed Income

- a. All fixed income investments shall maintain a minimum rating of A- or higher by a major credit rating service.
- b. The weighted average quality of the fixed income portfolio shall maintain a rating of AA+ or higher.
- c. Duration of the fixed income portfolio shall not exceed the effective duration of the ICE BofAML 1-Year Treasury index by 25%.
- d. The maturity of any single security at the time of purchase shall not exceed an average effective maturity of 3 years.
- e. Operating Pool II shall maintain a dollar-weighted average effective maturity of 1 year or less.

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- 2. Cash & Equivalents
- 3. Pooled investment funds
  - a. For purposes of Operating Pool II, pooled investment funds may include CDARS, SPIA, mutual funds, commingled funds, and exchange-traded funds.
  - b. Investments in any single pooled investment fund shall be limited to 50% of the market value of the Operating Pool II's assets.

**III. Target Allocations**

In order to provide for a diversified portfolio, the Finance and Facilities Committee will engage investment professionals to manage and administer Operating Pool II. Each Investment Manager retained will be responsible for the assets and allocation of their mandate only and, where applicable, will be provided an addendum to this Sub-Section with their specific performance objectives and investment evaluation criteria. The Finance and Facilities Committee has established the following target asset allocation for Operating Pool II:

Asset Group	Target	Range	Comparison
Fixed Income	75%	50% - 100%	<u>ICE BofAML</u> 1-year Treasury
Cash & Equivalents	25%	0%-50%	90 Day US T-Bills

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The Finance and Facilities Committee will monitor the aggregate asset allocation of the portfolio and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, cash contributions into and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Finance and Facilities Committee does not intend to exercise short-term changes to the target allocation.

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**IV. Investment Performance Objectives**

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

- A. Total Portfolio Performance
  - 1. The performance of Operating Pool II will be measured for rolling three (3) and five (5) year periods. The performance of the portfolio will be compared to the return of the target index consisting of 75% ICE BofAML 1-Year Treasury and 25% 90 Day US T-Bill index.
  - 2. On an absolute basis, the objective is that the return of the Operating Pool II portfolio will provide liquidity and current income.

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Attachment E

**OPERATING POOL III SUB-SECTION**

**to the  
Operating Funds Supplement to the University of Central Florida Investment Policy  
Manual**

This Sub-Section is a part of the Operating Funds Supplement to the University of Central Florida Investment Policy Manual and is intended only to complement the objectives and guidelines outlined therein. The purpose of this Sub-Section is to set forth the specific investment objectives and parameters for the management of financial assets of Operating Pool III.

Operating Pool III will be considered excess cash reserves that may be invested in longer term investments (up to 7 years). In addition to compliance with the provisions of the Operating Funds Supplement to the University of Central Florida Investment Policy Manual, Operating Pool III investments must comply with the following guidelines and objectives.

**I. Investment Objectives**

- A. Operating Pool III should be structured to provide the moderate growth and a reasonable safety of principal while generating an above benchmark total rate of return. Investments shall be made subject to the University reserve needs in accordance with the schedule provided by the Finance and Facilities Committee, and shall be subject to any revisions thereafter.
- B. Investments shall be undertaken in a manner that seeks to balance the growth of the portfolio against the limited time horizon of Operating Pool III. Given the limited time horizon of Operating pool III, reasonable liquidity should be maintained as a primary objective.

**II. Guidelines**

**A. Authorized Investments**

Pursuant to the investment powers of the Finance and Facilities Committee as set forth in the Florida Statutes and the delegation of authority granted by the University Board of Trustees, the Finance and Facilities Committee sets forth the following investment guidelines and limitations.

- 1. Equity
  - a. Investments in equity securities shall not exceed twenty percent (20%) of the market value of Operating Pool III's assets.
- 2. Fixed Income
  - a. All fixed income investments shall maintain a minimum rating of A- or higher by a major credit rating service.
  - b. The weighted average quality of the fixed income portfolio shall maintain a rating of AA- or higher.
  - c. The duration of the fixed income portfolio shall not exceed the effective duration of the ICE BofAML 1-5 Year Government/Corporate A or Better Index by 50%.

Commented [A1]: Operating Pool III should be 7 years. Manager addendum allows for "effective maturity" to 7 years  
Commented [A2R1]: Changed to 7

Commented [A3]: maturity should remain at 7 years. Manager addendum allows for effective maturity of 7 years. Approved at manager's request.

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Commented [A5]: Investment policy manual says up to 7 years; however, approved OP III sub-section is 5 years. I changed the policy manual to agree with supplement. DW 5/15/20

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- d. The maturity of any single security at the time of purchase shall not exceed an average effective maturity of 7 years.
- 3. Cash & Equivalents
- 4. Pooled Investment Funds
  - a. For purposes of Operating Pool III, pooled investment funds may include mutual funds, commingled funds, and exchange-traded funds.

**III. Target Allocations**

In order to provide for a diversified portfolio, the Finance and Facilities Committee will engage investment professionals to manage and administer Operating Pool III. Each Investment Manager retained will be responsible for the assets and allocation of their mandate only and, where applicable, will be provided an addendum to this Sub-Section with their specific performance objectives and investment evaluation criteria. The Finance and Facilities Committee has established the following target asset allocation for Operating Pool III.

Asset Group	Target	Range	Comparison
Domestic Equity	15%	10% - 20%	S&P 500
Intermediate Fixed Income	85%	75% - 95%	ICE BofAML 1-5yr G/C A or Better
Cash & Equivalents	0%	0% - 15%	90 Day US T-Bills

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The Finance and Facilities Committee will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, cash contributions into and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Finance and Facilities Committee does not intend to exercise short-term changes to the target allocation.

**IV. Investment Performance Objectives**

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

**A. Total Portfolio Performance**

- 1. The performance of Operating Pool III will be measured for rolling three (3) and five (5) year periods. The performance of the portfolio will be compared to the return of the target index consisting of 15% S&P 500 and 85% ICE BofAML 1-5 Year Government/Corporate A or Better index.
- 2. On a relative basis, it is expected that Operating Pool III's performance will rank in the top 40<sup>th</sup> percentile of the appropriate peer universe over three (3) and five (5) year time periods.

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- 3. On an absolute basis, the objective is that the return of Operating Pool III will provide a total return that exceeds the Consumer Price Index plus 2%.

B. Equity Performance

- 1. The combined equity portion of the portfolio is expected to perform at a rate at least equal to the S&P 500 index.
- 2. On a relative basis, the equity portfolio is expected to rank in the top 40<sup>th</sup> percentile of the appropriate peer universe over three (3) and five (5) year time periods.
- 3. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum.

C. Fixed Income Performance

- 1. The combined fixed income portion of the portfolio is expected to perform at a rate at least equal to the ICE BofAML 1-5 Year Government/Corporate A or Better index.
- 2. On a relative basis, the fixed income portfolio is expected to rank in the top 40<sup>th</sup> percentile of the appropriate peer universe over three (3) and five (5) year time periods.
- 3. Individual components of the fixed income portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum.

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V. Review and Amendments

It is the Finance and Facilities Committee's intention to review this Sub-Section at least annually and to amend it to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Finance and Facilities Committee should be notified in writing.

By signing this document, the Vice President for Finance and Chief Financial Officer attests that this Sub-Section has been recommended by the Investment Consultant, reviewed by the Fund's legal counsel for compliance with applicable law, and approved by the Chairman of the Finance Committee of the Board of Trustees.

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University of Central Florida

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 Vice President for Finance, \_\_\_\_\_ Date  
 Chief Financial Officer

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Attachment F

**OPERATING POOL IV SUB-SECTION**

**to the  
Operating Funds Supplement to the University of Central Florida Investment Policy  
Manual**

This Sub-Section is a part of the Operating Funds Supplement to the University of Central Florida Investment Policy Manual and is intended only to complement the objectives and guidelines outlined therein. The purpose of this Sub-Section is to set forth the specific investment objectives and parameters for the management of financial assets of Operating Pool IV.

Operating Pool IV will be designated for long term investments. In addition to compliance with the provisions of the Operating Funds Supplement to the University of Central Florida Investment Policy Manual, Operating Pool IV investments must comply with the following guidelines and objectives.

**I. Investment Objectives**

- A. Operating Pool IV should be structured to maximize the long-term growth of the portfolio while generating an above benchmark total rate of return.
- B. Investments shall be undertaken in a manner that seeks to create a diversified portfolio of long-term assets without consideration for current income or pending expenditure. While reasonable liquidity should be maintained, it will be considered a secondary objective.

**II. Guidelines**

A. Authorized Investments

Pursuant to the investment powers of the Finance and Facilities Committee as set forth in the Florida Statutes and the delegation of authority granted by the University Board of Trustees, sets forth the following investment guidelines and limitations.

1. Equity

- a. Collective investment in equity and equivalent securities (domestic and international) shall not exceed sixty-five percent (75%) of the market value of Operating Pool IV's assets.
- b. Foreign securities shall not exceed twenty percent (20%) of the market value of Operating Pool IV's assets.

2. Fixed Income

- a. All fixed income investments shall maintain a minimum rating of "investment grade" or higher by a major credit rating service.
- b. The weighted average quality of the fixed income portfolio shall maintain a rating of "A" or higher.
- c. Duration of the fixed income portfolio shall not exceed the effective duration of the Bloomberg Barclays Aggregate Bond index by 50%.

Pool IV – May 2020

Page 14

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- 3. Cash & Equivalents
- 4. Pooled Funds
  - a. For purposes of Operating Pool IV, pooled investment funds may include mutual funds, commingled funds, and exchange-traded funds, limited partnerships and private equity.

**III. Target Allocations**

In order to provide for a diversified portfolio, the Finance and Facilities Committee will engage investment professionals to manage and administer Operating Pool IV. Each Investment Manager retained will be responsible for the assets and allocation of their mandate only and may be provided an addendum to this Sub-Section with their specific performance objectives and investment evaluation criteria. The Finance and Facilities Committee has established the following asset allocation targets for the total fund:

Asset Group	Target	Range	Comparison
Domestic Equity	45%	40% - 50%	S&P 500
International Equity	15%	10% - 20%	MSCI-ACWxUS
Alternative Assets*	5%	0% - 10%	TBD
<i>Total Equity &amp; Equivalents</i>	<b>65%</b>	55% - 75%	
Broad Market Fixed Income	30%	25% - 35%	Bloomberg Barclays Capital Aggregate
TIPS*	5%	0% - 10%	Bloomberg Barclays TIPS
<i>Total Fixed Income</i>	<b>35%</b>	30% - 40%	
Cash & Equivalents	0%	0% - 5%	90 Day US T-Bills

\*Benchmark will default to domestic equity and broad market fixed income, respectively, if these portfolios are not funded. Targets and ranges above are based on market value of total Operating Pool IV assets.

The Finance and Facilities Committee will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Finance and Facilities Committee does not intend to exercise short-term changes to the target allocation.

**IV. Investment Performance Objectives**

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

A. Total Portfolio Performance

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1. The performance of Operating Pool IV will be measured for rolling three (3) and five (5) year periods. The performance of the portfolio will be compared to the return of the target index comprised of 45% S&P 500, 15% MSCI-All Country World excluding U.S., 5% Alternative Assets, 30% Bloomberg Barclays Aggregate Bond and 5% Bloomberg Barclays TIPS Index.
2. On a relative basis, it is expected that Operating Pool IV's performance will rank in the top 40<sup>th</sup> percentile of the appropriate peer universe over three (3) and five (5) year time periods.
3. On an absolute basis, the objective is that the return of Operating Pool IV will provide a total return that exceeds the Consumer Price Index plus 4.5%.

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**B. Equity Performance**

1. The combined equity portion of the portfolio is expected to perform at a rate at least equal to a combined target index consisting of 70% S&P 500, 23% MSCI All Country World excluding U.S. Index and 7% Alternative Investments.
2. On a relative basis, the equity portfolio is expected to rank in the top 40<sup>th</sup> percentile of the appropriate peer universe over three (3) and five (5) year time periods.
3. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum.

**C. Fixed Income Performance**

1. The combined fixed income portion of the portfolio is expected to perform at a rate at least equal to a combined target index consisting of 85% Barclays Capital U.S. Aggregate Bond and 15% Barclays TIPS index.
2. On a relative basis, the fixed income portfolio is expected to rank in the top 40<sup>th</sup> percentile of the appropriate peer universe over three (3) and five (5) year time periods.

**D. Alternative and Other Asset Performance**

1. The overall objective of the alternative and/or "other asset" portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and enhance returns. This portion of the fund will be benchmarked as outlined in the Investment Manager addendum.

**V. Review and Amendments**

It is the Finance and Facilities Committee's intention to review this Sub-Section at least annually and to amend it to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Finance and Facilities Committee should be notified in writing.

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