

# **Finance and Facilities Committee Meeting**Board of Trustees

Jun 16, 2021 3:00 PM - 5:00 PM EDT

### **Table of Contents**

I. A	\genda	2
II. N	Minutes of the April 14, 2021 meeting	5
III.	Reports	
	A. Discussion Senior VP Update	10
IV.	New Business	
	A. FFC-1 Release of Unrestricted UCF Stadium Corporation Revenues	27
	B. FFC-2 Renewal of Reducing Revolving Line of Credit  Fifth Third Bank	31
	C. FFC-3 Renewal of the License for the Canvas Learning Management System Platform	54
	D. FFC-4 Direct Support Organizations' 2021-22 Budgets	57
	E. FFC-5 Five-Year Capital Improvement Plan	69
	F. FFC-6 FY 2020-21 Budget Authority Increase for Contracts and Grants (C&G)	95
	G. FFC-7 Proposed 2021-22 University Operating Budget	98
	H. INFO-1 Auxiliary Financial Report, Quarter Ended March 31, 2021 – Third Quarter	102
	I. INFO-2 DSOs' Financial Report, Quarter Ended March 31, 2021 – Third Quarter	109
	J. INFO-3 University Quarterly Investments Report, Quarter Ended March 31, 202  - Third Quarter	
	K. INFO-4 University Audited Annual Financial Statements 2019-20	132
	L. INFO-5 Knight Vision Enterprise Resource Planning (ERP) Status Update	211



UNIVERSITY OF CENTRAL FLORIDA

# Board of Trustees Finance and Facilities Committee Virtual Meeting June 16, 2021, 3:00-5:00 p.m.

#### Livestream:

https://ucf.zoom.us/j/97994455062?pwd=bGJma05UVTBqS1V0b3ZGVVY2aHg0Zz09

**Webinar ID:** 979 9445 5062 **Passcode:** 151696

**Conference Call Number:** 1-312-626-6799 **Meeting ID:** 979 9445 5062

### **AGENDA**

**1.** Call to order Harold Mills, *Chair, Finance and Facilities* 

Committee

**2.** Roll Call Elizabeth Hamilton, *Assistant Vice President* 

for Strategic Planning

**3.** Minutes of the April 14, 2021 Chair Mills

meeting

4. Reports Chair Mills

Discussion Senior VP Update

Gerald Hector, Senior Vice President for

Administration and Finance

**5.** New Business Chair Mills

FFC-1 Release of Unrestricted UCF Stadium Corporation

Revenues Gerald Hector

Christina Tant, Assistant Vice President for DSO

Accounting and Reporting

Brad Stricklin, Executive Associate Athletic Director and Chief Financial Officer for UCFAA

FFC-2	Renewal of Reducing Revolving Line of Credit—Fifth Third Bank Gerald Hector Christina Tant Brad Stricklin
FFC-3	Renewal of the License for the Canvas Learning Management System Platform Gerald Hector Thomas Cavanagh, Vice Provost for Digital Learning
FFC-4	Direct Support Organizations' 2021-22 Budgets Gerald Hector Christina Tant
FFC-5	Five-Year Capital Improvement Plan Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer Duane Siemen, Interim Associate Vice President for Facilities and Safety
FFC-6	FY 2020-21 Budget Authority Increase for Contracts and Grants (C&G) Gerald Hector Elizabeth Klonoff, Vice President for Research and Dean of the College of Graduate Studies
FFC-7	Proposed 2021-22 University Operating Budget Gerald Hector Kristie Harris, Associate Vice President for Financial Affairs
INFO-1	Auxiliary Financial Report, Quarter Ended March 31, 2021 – Third Quarter Gerald Hector Danta White, Assistant Vice President and University Controller
INFO-2	DSOs' Financial Report, Quarter Ended March 31, 2021 – Third Quarter Gerald Hector Christina Tant
INFO-3	University Quarterly Investments Report, Quarter Ended March 31, 2021 – Third Quarter Gerald Hector Danta White

INFO-4 University Audited Annual Financial Statements

2019-20 Gerald Hector Danta White

INFO-5 Knight Vision Enterprise Resource Planning (ERP)

Status Update Gerald Hector

Matt Hall, Chief Information Officer

Michael Sink, Associate Vice President and Chief

Operating Officer for UCF IT

Cherie Herrin, Knight Vision Program Director

**6.** Adjournment Chair Mills



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Finance and Facilities Committee Meeting
April 14, 2021
Virtual Meeting

#### **MINUTES**

#### **CALL TO ORDER**

Trustee Harold Mills, chair of the Finance and Facilities Committee, called the meeting to order at 2:35 p.m. Committee members Tiffany Altizer, Bill Christy, Jeff Condello, Caryl McAlpin, and Chair Beverly Seay (ex-officio) attended virtually.

Other Trustees attending the meeting virtually included Trustees Joseph Harrington, Alex Martins, and Michael Okaty.

### **MINUTES**

Trustee Altizer made a motion to approve the minutes from the February 10, 2021, Finance and Facilities Committee meeting. Trustee Condello seconded the motion.

The committee unanimously approved the minutes of the February 10, 2021, Finance and Facilities Committee Meeting as submitted.

#### **REPORTS**

Gerald Hector, Senior Vice President for Administration and Finance, provided an update to the committee on UCF Facilities. He advocated for applying a holistic approach to the management of UCF's physical plant that aligns with the strategic goals of the university. He explained Facilities' maintenance operations and capital renewal functions, as well as how they are funded. He then delineated which buildings UCF Facilities maintains on campus, and which they do not. He juxtaposed the buildings being maintained by Facilities, but over which they do not have any authority, with the capital renewal needs of those buildings. He highlighted that there is no central management of the university's portfolio of building and real estate assets and that a unified strategy needs to be applied to address funding for capital renewal and other facilities needs. Hector concluded that the path forward requires a holistic building management strategy and five-year capital plan, as well as the development of a funding strategy that addresses all of UCF's physical assets.

Hector then gave a financial update to the committee. He has increased the division's focus on treasury functions. He also discussed UCF's strategy to address its internal loans. He shared that

an assessment of the loans has been made and was presented to the senior leaders of the university. The next phase is to meet with campus constituents who will be impacted by the proposed change to address these loans. The solution cannot be accomplished in a single year because of cash flow constraints, but a three- to five-year view is attainable instead of the current eleven-year payback period that is currently in place.

The committee then heard information about CARES Act funding. He shared that the Department of Education relaxed some of the prior rules and that lost revenues may now be calculated from March of 2020 and UCF is looking at how to capitalize on the change. The second tranche of funds are also on hand and uses are being contemplated at this time. There is a possible third tranche of funds that has not yet been finalized but will be assessed once more information is known.

Hector then discussed the creation of a carryforward policy as part of a multi-pronged approach to budgeting. He noted that UCF is looking into strategies to address the annual return of Education and General (E&G) funds to carryforward at the end of each year. Strategies under consideration are the spending of E&G appropriations first in a budget year, and the more focused allocation of resources at the start of each fiscal year.

To close, Hector showed the committee draft financial dashboards that will be developed further and shared with the cabinet and trustees on a monthly basis. He noted that the dashboards are management tools to assist with overseeing the finances of the university in a more holistic way each year.

Misty Shepherd, Interim Vice President for Administrative Affair and Chief Operating Officer, updated trustees on UCF's negotiations with small independent retailers that were impacted by the pandemic.

### Trustees had the following comments:

- Trustee Condello asked for more information on external assessments of UCF's deferred maintenance needs. Hector responded that there are reports from a vendor Sightlines that does the assessments of the deferred maintenance needs of a campus, and he would forward to him the latest report that agreed with the approximate \$265 million total.
- Chair Mills asked about Facilities service agreements; that staff provide a timeline for presenting the space utilization study at the April 22, 2021, Board of Trustees meeting; and that the carryforward spending plan be presented to the committee twice, first as an information item and then as an approval item at consecutive meetings.
- Trustee Harrington asked whether the number of buildings coming up for major renovation would impede UCF's ability to build new or specialized space. Hector responded that at the current time it is difficult to answer that question until a full needs assessment is done and matched up with available resources, as Public Education Capital Outlay (PECO) and Plant Operations and Maintenance (PO&M) funds are not coming to UCF at this time. Shepherd indicated that such knowledge will be gained as UCF pursues the holistic approach to managing the campus' physical assets on a prospective basis.
- Trustee Christy asked how E&G carryforward funds would be managed in the future. He
  also asked for a timeline and evaluation of current space utilization on campus. Mr.
  Hector explained that the E&G funds are managed in line with BOG rules. They are
  invested in SPIA accounts and monitored throughout the course of the year. That
  process will continue to comply with the BOG

rules. Non-E&G funds do not have that restriction, and reviews are being done to see how UCF can maximize returns on those funds to assist with its cash flow needs.

### **NEW BUSINESS**

### FFC-1 John C. Hitt Library Renovation and Expansion Phase 2A.1 and 2A.2

Shepherd presented Phase 2A.1 and 2A.2 of the John C. Hitt Library renovation and expansion for approval.

Trustees Christy and Condello were appreciative of staff's detailed explanation of the project.

Trustee Christy made a motion to approve John C. Hitt Library Renovation and Expansion Phase 2A.1 and 2A.2. Trustee Condello seconded the motion. The motion was approved unanimously.

### FFC-2 2021-26 Educational Plant Survey

Shepherd presented the 2021-26 Educational Plant Survey for approval and explained UCF's overall capital planning process.

Trustee Christy asked for a master schedule of all capital renewal needs in a tick and tie format. Shepherd indicated that the holistic approach UCF is undertaking will provide a reconciliation between documents requested by the Board of Governors and the strategy around the physical plant needs of the university. That plan is being worked on currently.

Trustee Christy made a motion to approve the 2021-26 Educational Plant Survey. Trustee Altizer seconded the motion. The motion was approved unanimously.

### FFC-3 Proposed Second and Third Amendments to Sublease Agreement between UCF and Pegasus Hotel LLC

Shepherd presented the proposed second and third amendments to the sublease agreement between UCF and Pegasus Hotel LLC for approval. After providing background on the public-private partnership, she explained that the second amendment changes the commencement date of the sublease due to delays caused by the pandemic, and the third amendment modifies language regarding easements.

Trustee Christy made a motion to approve the amendments to the sublease. Trustee Altizer seconded the motion. The motion was approved unanimously.

### FFC-4 Amendment to the 2017 Elsevier Subscription Agreement

Hector provided the committee with information regarding UCF's Elsevier subscription extension for approval. The contract and amendment were negotiated University of Florida Board of Trustees for the benefit of the State University System of Florida.

Chair Mills asked for usage statistics by college for the Elsevier subscription. Hector indicated that there are statistics that are on hand and he would forward those to him.

Trustee Christy made a motion to approve the amendment to the Elsevier Subscription Agreement. Trustee Altizer seconded the motion. The motion was approved unanimously.

### INFO-1 Knight Vision Enterprise Resource Planning (ERP) Status Update

Michael Sink, Associate Vice President and Chief Operating Officer for UCF IT, provided a brief update on the progress of the Knight Vision Enterprise Resource Planning (ERP) project. He described activities that are occurring in parallel with the Workday ERP implementation to provide a full scope of activities, and presented a timeline, costs estimate, and budget update.

Trustees had the following comments:

- Board Chair Seay asked that UCF continue its not to exceed approach to negotiations in subsequent project phases and to include the entire scope in the management of the project. Sink indicated that all agreements going forward will have this measure noted within them.
- Chair Mills asked whether all of the current custom applications and integrations were necessary and to what extent they could be eliminated. Matthew Hall, Vice President for Information Technology and Chief Information Officer, provided greater detail and made the distinction between the applications and what needs to be completed. The assessment of custom applications and integrations is ongoing.
- Trustee Altizer asked how often UCF was updated on the vendor's progress and costs incurred to date. Sink indicated that discussions with the vendor are taking place on a regular basis, including bi-weekly calls and check-ins as on progress and costs.

### INFO-2 University Quarterly Investments, Ended December 31, 2020 – Second Quarter

Danta White, Assistant Vice President and University Controller, provided an update on the university's investment portfolio for the quarter ended December 31, 2020. The report is provided to the trustees quarterly for information purposes only. White noted that equity investments are starting to outpace fixed asset investments and that the university is thinking strategically about its investment policy going forward. He also mentioned that comparison benchmarks were added to the report.

Chair Mills commented that UCF is performing exactly to the benchmarks. Dave West, from AndCo Consulting, confirmed that the total pool is outperforming the total pool benchmark.

#### INFO-3 DSOs' Financial Report, Ended December 3, 2020 – Second Quarter

Christina Tant, Assistant Vice President for DSO Accounting and Reporting presented the second quarter financial statements for the university's direct support organizations and the Central Florida Clinical Practice Organization. These reports are provided to the committee on a quarterly basis for information purposes only. Tant stated that these reports were reviewed by each respective DSO board prior to this meeting and that all DSOs all remain in compliance with their scheduled debt payments.

Trustee Christy and Hector discussed changes to UCF Athletics Association's lines of credit.

Chair Mills asked for a cash flow forecast for the UCF Athletics Association that shows profit and loss relative to budget as well as projected profit and loss expectations.

### INFO-4 Auxiliary Financial Report, Ended December 3, 2020 – Second Quarter

Albert Francis, Assistant Vice President for Finance, presented the second quarter auxiliary financial reports. He noted that because the auxiliaries' budgets were set before the pandemic, there are variances, which are explained in the materials.

Chair Mills asked how expenses were reduced in the Research Foundation and whether anything critical to UCF's strategic vision was sacrificed, as well as why Business Services' expenses remained high.

### INFO-5 Refinancing of UCF Dormitory Revenue Bonds, Series 2012A

Hector provided the committee with background information regarding refinancing the outstanding UCF Dormitory Revenue Bonds, Series 2012A through the Florida Division of Bond Finance and the Florida State Board of Administration. The sole purpose of the refinancing is to receive interest rate savings. The refinancing is expected to be completed and closed by the end of the fiscal year.

### INFO-6 Campus Master Plan Neighborhood Meeting Public Comments

Shepherd presented as an information item the minutes from the January 20, 2021, Campus Master Plan Public Comment meeting.

### **OTHER BUSINESS**

Chair Mills asked for a timeline regarding the CARES Act funding plan. Hector stated that they would provide a plan after the governor's veto period.

### **ADJOURNMENT**

Chair Mills adjourned the Finance and Facilities Committee meeting at 4:29 p.m.

Reviewed by:		
•	Harold Mills	Date
	Chair, Finance and Facilities Committee	
Respectfully submitted:		
	Janet Owen Associate Corporate Secretary	Date

# "From Rocking to Rolling" The Accelerated Efforts in A&F June 16, 2021

### **Gerald Hector**

**Senior Vice President for Administration and Finance** 



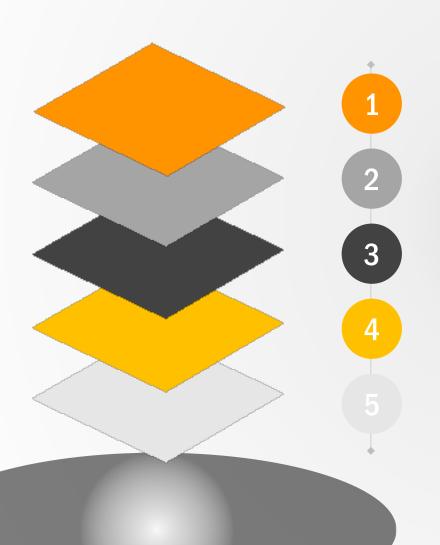


"A lot of great players are playing great in the dark. Somebody has to turn on the light."

Coach Deion Sanders, Jackson State University and NFL and MLB
 Hall of Famer



# **Topics for Discussion**



**Spending Authority Approval** 

Carryforward Projection thru 06/30/21

**Internal Loan Proposed Solution** 

**Personnel Updates** 

**Other Matters** 



# University of Central Florida 2021-22 Proposed Operating Budget All Budget Entities

Education and General (E&G) Budget Entities <sup>1</sup>	2020-21 BOT Approved Operating Budget	2020-21 Final Operating Budget	2021-22 Proposed Operating Budget	% Increase (Decrease)	\$ Increase (Decrease)
E&G, Main					
State Appropriations	\$ 336,391,302	\$ 329,001,670	\$ 335,794,312	2.1%	\$ 6,792,642
Student Tuition and Fees	304,640,516	304,640,516	318,133,474	4.4%	\$ 13,492,958
Interest and Other Revenue	3,070,000	3,070,000	3,070,000	0.0%	\$ -
Total E&G Main	644,101,818	636,712,186	656,997,786	3.2%	20,285,600
E&G, College of Medicine					
State Appropriations	30,773,894	30,995,142	30,781,275	-0.7%	(213,867)
Student Tuition and Fees	15,708,657	15,708,657	16,024,899	2.0%	316,242
Interest and Other Revenue	300,000	300,000	300,000	0.0%	-
Total E&G, College of Medicine	46,782,551	47,003,799	47,106,174	0.2%	102,375
E&G, Florida Center for Students with Unio	ue Abilities (FCSUA)				
State Appropriations	8,984,565	8,984,565	8,984,565	0.0%	-
Total E&G, FCSUA	8,984,565	8,984,565	8,984,565	-	
Total E&G Budget Entities	699,868,934	692,700,550	713,088,525	2.9%	20,387,975
Non-E&G Budget Entities					
Auxiliary Enterprises	302,385,900	302,385,900	305,999,077	1.2%	3,613,177
Contracts and Grants	188,528,000	271,000,000	319,991,191	18.1%	48,991,191
Local Funds					
Student Financial Aid	659,877,204	659,877,204	727,540,204	10.3%	67,663,000
Intercollegiate Athletics	68,086,641	65,781,150	74,209,459	12.8%	8,428,309
Student Activities	24,760,828	24,760,828	24,197,328	-2.3%	(563,500)
Technology Fee	10,028,400	10,028,400	11,863,810	18.3%	1,835,410
Self-Insurance Plan	576,878	576,878	563,167	-2.4%	(13,711)
Concessions	400,000	400,000	800,000	100.0%	400,000
Total Local Funds	763,729,951	761,424,460	839,173,968	10.2%	77,749,508
Faculty Practice Plan	9,603,362	9,603,362	8,246,368	-14.1%	(1,356,994
Total Non-E&G Budget Entities	1,264,247,213	1,344,413,722	1,473,410,604	9.60%	128,996,882
Total Proposed FY 2021-22 Budget	1,964,116,147	2,037,114,272	2,186,499,129	7.3%	149,384,857





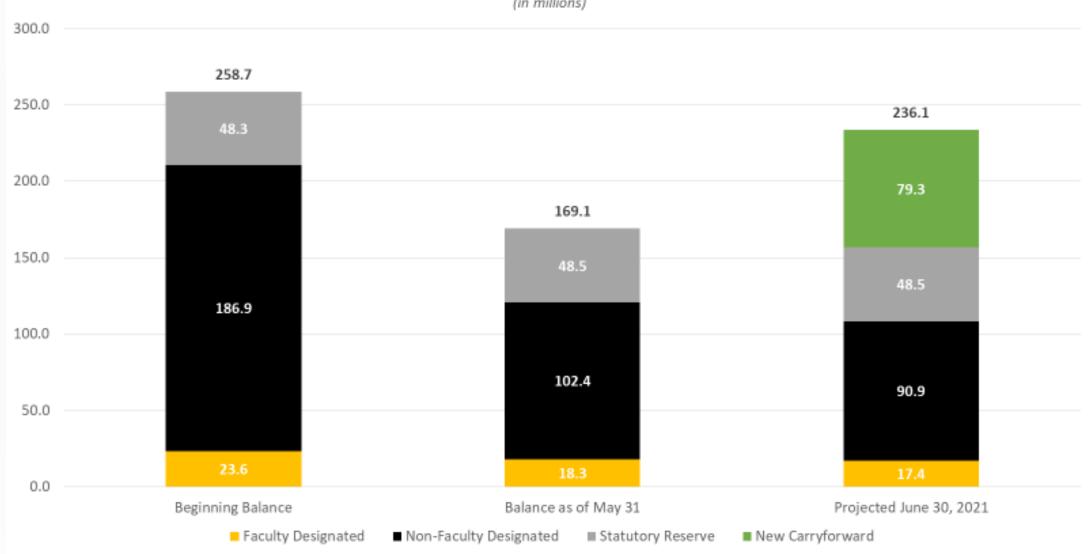
"Budgeting and annual objective setting processes are linked to ambitious, long term strategic goals."

- Leo Lambert



### **E&G** Reserve Balance Update

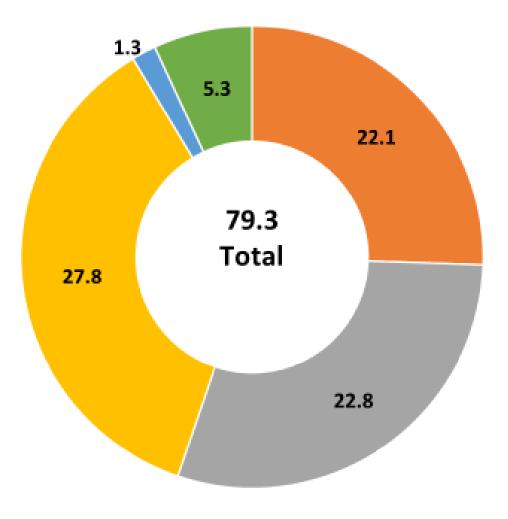
(in millions)





### **New Carryforward Summary**

(in millions)







"Noticing small changes early helps you adapt to the bigger changes that are to come."

- Spencer Johnson, M.D.



# **Auxiliary Internal Loans**

	<b>Funding Reversal</b>	Directly Funded <sup>1</sup>	Loan	Unfunded
Trevor Colburn Hall	38	(38)	-	-
Various projects identified by external investigation	68.5	(16.5)	39.6	12.4
Additional projects identified by UCF	7.8	(5.9)	1.9	-
Other unfunded projects	28.9	(11.8)	17.1	-
Total	143.2	(72.2)	58.7	12.4
			1	

\$71 million – total loan amount



<sup>&</sup>lt;sup>1</sup> Includes project savings and cash transferred from non-E&G sources

# **Auxiliary Internal Loans**

Loan Balance June 30, 2021

\$50,216,000

Accelerated Payback Schedule										
Payback Source	2022	2023	2024	2025	Total					
Auxiliary Late Fees	\$1.5	\$1.5	\$1.5	\$1.5	\$6.0					
Auxiliary Overhead	1.3	1.3	1.3	1.1	5.0					
Non-E&G Interest Earnings	2.5	2.5	2.5	2.5	10.0					
Cash on hand	27.2				27.2					
Projected savings			2.0		2.0					
Grand Total	\$32.5	<b>\$5.3</b>	\$7.3	<b>\$5.1</b>	\$50.2					



## **Office of Research Loans Summary**

Total	\$23,195,682
Lake Nona Land Purchase	\$7,637,325
ICAMR / BRIDG	\$9,000,000
Bennett Building <sup>1</sup>	\$6,558,357

<sup>&</sup>lt;sup>1</sup> The Bennett Building loan has a final balloon payment equal to the remaining balance due in June 2021.

These loans are collateralized against all unrestricted research funds, including PI balance accounts.



### **Research Internal Loans**

Loan Balance June 30, 2021

\$23,195,700

Payback Schedule								
Payback Source	2022	2023	2024	Total				
Cash on hand, 6/30/21	\$11.2			\$11.2				
Indirect Cost Recovery, pre-distribution	4.0	4.0	4.0	12.0				
Grand Total	\$15.0	\$4.0	\$4.0	\$23.2				





"Understanding your core values, and putting them into practice, truly produces a hidden profit margin."

Richard S. Gallagher

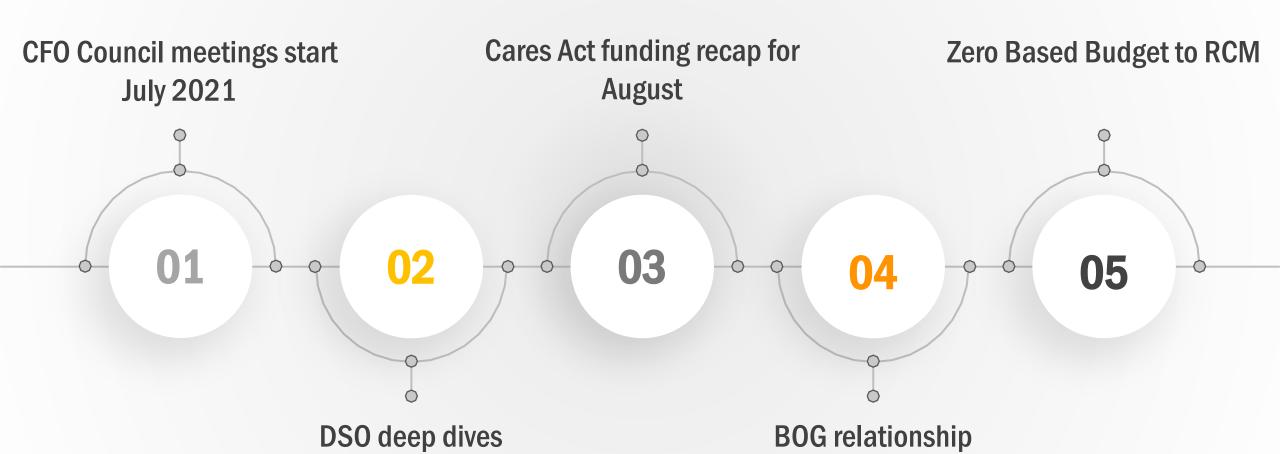


# **Personnel Updates**





### **Other Matters**



enhancements

continue through

summer

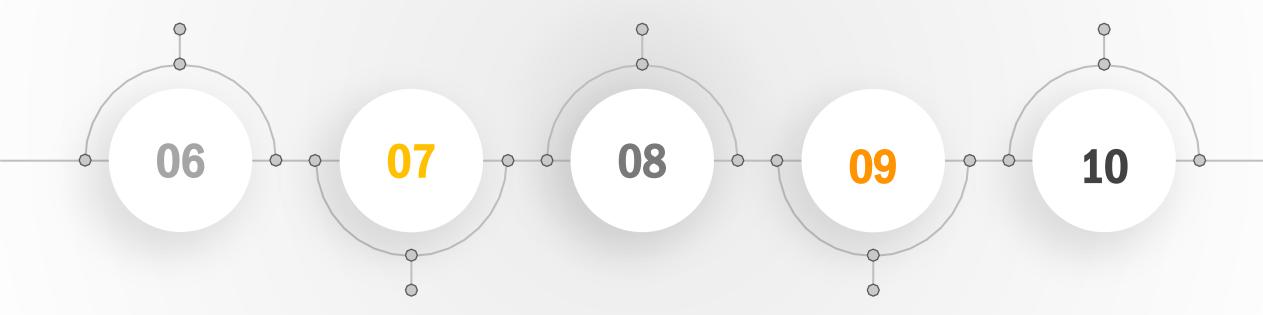


### **Other Matters**

Housing Bond Refinancing in final stages

WorkDay implementation on target

Kronos to WDTT decision made



**Bond ratings remain stable** 

SET discussions started on campus





"The typical goal that binds individuals together on guiding change coalitions is a commitment to excellence, a real desire to make their organizations perform to the very highest levels possible."

- John Kotter



ITEM: FFC-1

### **UCF BOARD OF TRUSTEES**

### **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

Title	e: Release of Unrestricted U	JCF S	Stadium Corporation Revenu	ies		
	Information		Information for upcomin		$\boxtimes$	Action
	Meeting Da	te for	· Upcoming Action:	June 17, 2021		
The refle projection fund	cts a projected net transfe ected unrestricted excess re	d bud r of \$ evenu (\$3,62	dget, approved by the UCF 88,095,237 to UCF Athletic les derived from revenues an 26,778), contributions to R&	s Association (UCF) d pledge revenue tran	AA). Tasfers	This represents the (\$12,266,127) less
The away supp arise antic	y game guarantees, confer fort agreement whereby the in the event the Corpora cipated to yield sufficient re-	ence of the ence o	ured by a pledge from UC distributions, and a guarant exersity will use legally avaits unable to make the minutes to fund the Corporation's afterred to UCFAA to fund it	eed royalty payment ilable revenues to fu imum bond paymen s debt service obligat	. Addi nd def ts. Ple	tionally, there is a iciencies that may dged revenues are
The	es to be Considered: UCFAA budget is depend maintain operations.	dent o	on receiving these unrestrict	red excess revenues	to cov	er operating costs
App	ommended Action: rove the release of all uni- poration to the UCF Athlet		eted surplus revenues above ssociation for 2021-22.	budgeted obligation	ns for	the UCF Stadium
	rnatives to Decision: approve the release of exce	ess un	restricted revenues.			
The such	1 1	rces o seatii	ing: f funding are pledged revenung, concessions, and merch			•
Resc Boar		thorit 1 any	y President, Miscellaneous transfer of funds to or amo			
Con	tract Reviewed/Approved	d by (	General Counsel   N/A	. 🛛		

### Committee Chair or Chair of the Board has approved adding this item to the agenda

### **Submitted by:**

Gerald Hector, Senior Vice President for Administration and Finance Christina Tant, Assistant Vice President for DSO Accounting and Reporting Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer.

### **Supporting Documentation:**

Attachment A: UCF Stadium Corporation 2021-22 budget

#### **Facilitators/Presenters:**

Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer

### Attachment A

#### UCF Stadium Corporation Proposed Annual Budget Fiscal 2021-22

	2020-21 APPROVED AMENDED BUDGET		2019-20 ACTUALS		-	2020-21 ROJECTED ACTUALS	2021-22 PROPOSED BUDGET <sup>1</sup>	
Operating revenues	_		_					
Premium seating - West Side	\$	703,130	\$	2,321,946	\$	708,130	\$	2,227,253
Premium seating - Field Cabanas		179,410		266,000		179,410		343,200
Concessions & catering		49,980		330,625		49,980		425,000
Merchandise sales		250,000		250,000		250,000		250,000
Excess revenues from beverage contract		180,000		180,000		180,000		180,000
Total operating revenues	\$	1,362,520	\$	3,348,571	\$	1,367,520	\$	3,425,453
Operating expenses								
Services & supplies	\$	50.000	\$	69.601	\$	45.000	\$	50,000
Transfer to R&R reserve		250,000		250,000		250,000		500,000
Rust remediation <sup>3</sup>		1,372,128		· <u>-</u>		1,323,908		48.220
Total operating expenses	\$	1,672,128	\$	319,601	\$	1,618,908	\$	598,220
Non-operating revenues (expenses)								
Ticket sales	\$	1.003.807	\$	4,399,535	\$	1,009,961	\$	4,444,674
UCFAA rent		2.121.000		2.121.000		2.121.000		2,121,000
Guaranteed royalty		1,850,000		1,800,000		1,850,000		1,900,000
Transfers to UCFAA		(2,868,721)		(8,281,433)		(3,123,999)		(8,095,237)
Interest income		65,000		121,287		54,124		54,108
Interest expense		(1,683,606)		(1,762,888)		(1,683,606)		(1,599,778)
Principal		(1,940,000)		(1,863,000)		(1,940,000)		(2,027,000)
Pledges for taxable debt issue		125,000		125,000		125,000		120,000
Pledges for Leadership Center <sup>2</sup>		265,000		18,300		515,000		255,000
Settlement Proceeds		-		1,400,000		-		-
Total non-operating revenues (expenses)	\$	(1,062,520)	\$	(1,922,199)	\$	(1,072,520)	\$	(2,827,233)
Net increase (decrease)	\$	(1,372,128)	\$	1,106,771	\$	(1,323,908)	\$	

ANNUAL DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL
Tax-exempt bonds	\$ 1,350,000	\$ 1,166,669	\$ 2,516,669
Taxable bonds	395,000	384,455	779,455
Leadership Center	282,000	 48,655	 330,655
Total debt service	\$ 2,027,000	\$ 1,599,778	\$ 3,626,778

	ESTIMATED Fiscal Year 2022 BALANCES							
R&R RESERVE ACTIVITY		BEGINNING OF YEAR		RESERVE FUNDING		ESTIMATED EXPENSES		BALANCE
Non-recurring maintenance	\$	818,782	\$	500,000	\$	(400,000)	\$	918,782
Rust remediation <sup>3</sup>		48,220		-		(48,220)		-
Total R&R reserve	\$	867,002	\$	500,000	\$	(448,220)	\$	918,782

<sup>&</sup>lt;sup>1</sup> Projected revenues are based on full game schedule for the football season as ticket sales are currently sold at 92% at the end of April 2021. These figures could be impacted with either a delay or shortened season, or if spectators are unable to attend games.

29

<sup>&</sup>lt;sup>2</sup> Leadership Center pledges are based on the current schedule from the UCF Foundation. Projected actuals includes a pledge of \$250,000 from prior year that was actually received in FY-21.

<sup>&</sup>lt;sup>3</sup> Includes \$48,220 estimated remaining from the use of the stadium settlement proceeds received in the fourth quarter of fiscal 2019-20 for engineering services and remediation of current steel corrosion and coatings failures. A substantial portion of the \$1.4M budget is anticipated to be spent during fiscal year 2021 with the remaining \$48K that is anticipated to be spent during fiscal year 2022.

Stadium Corp R&R FY2021-22	
	\$
Paint suite railings	5,000
Locks for interior tailgate restrooms	1,000
Repair perimeter fence base at gate 11/12	1,100
Repair chipped tile in UCF locker room	1,200
Add drink holders to ADA seats in premium seating areas	3,200
Seat cushions replaced as needed in Tower Club seats	4,000
Paint all exterior doors leading into stadium from fire lane	7,000
Replace restroom sink faucet heads	5,000
Replace hydraulic interior door closures (as needed)	4,000
Replace security cameras at Gates 17 & 18	4,600
Additional and replacement seating section signage	16,000
Elevator repairs	40,000
Power Upgrades to main concourse for operational needs	37,900
Allowance for MEP repairs	70,000
	200,000
Steel maintenance (continuing)	200,000
Grand total	\$ 400,000

ITEM: FFC-2

### UCF BOARD OF TRUSTEES

### **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

Title: Renewal of Reducing Revolving Line of Credit – Fifth Third Bank
☐ Information ☐ Information for upcoming action ☐ Action
Meeting Date for Upcoming Action: June 17, 2021
<b>Purpose and Issues to be Considered:</b> Construction Line: Interest rate is 79% of 30-day LIBOR Rate plus 1.34%; however, the LIBOR rate will n drop below 50 basis points (lowered from 75 basis points in the previous year's renewal for the purposes calculating the rate). Principal payment of \$305,000 will be due on July 15, 2021, and the principal owed of the note as of the July 18 renewal date will be \$4,775,000.
Background Information:  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 then increased to \$8.5 million in 2006 to help facilitate initial costs of the football stadium. Once the stadium bonds were issued, the line was reimbursed for the initial expenses and the amount remaining on the line was used to enhance or construct additional athletics facilities. 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 current balance owed i \$5,080,000.
This is a separate line of credit than the \$5 million revolving line of credit that was used to assist UCFAA with cash flow timing issues. That line was closed in March 2021.
UCFAA Board of Directors approved the renewal of the lines of credit on May 19, 2021
Recommended Action: Approval of loan renewal documents.
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 expension a timely manner.
<b>Fiscal Impact and Source of Funding:</b> UCFAA is budgeting \$435,000 for principal and interest on the note to be funded from the operating budget.
Authority for Board of Trustees Action: Florida BOG Regulation 1.001 University Board of Trustees Powers and Duties (6)(d) Each board of trustees shall engage in sound debt management practices for the issuance of debt by the university and its direct support organizations and shall comply with the guidelines established by the Board of Governors in connection with the authorization, issuance and sale of university and direct support organization debt.

Contract Reviewed/Approved by General Counsel N/A

### Committee Chair or Chair of the Board has approved adding this item to the agenda



### **Submitted by:**

Brad Stricklin, Executive Associate Athletics Director and CFO for UCFAA

### **Supporting Documentation:**

Attachment A: Fifth Third Loan Documents

### **Facilitators/Presenters:**

Gerald Hector, Senior Vice President for Administration and Finance Brad Stricklin, Executive Associate Athletics Director and CFO for UCFAA Christina Tant, Assistant Vice President for DSO Accounting and Reporting

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

Adopted as of [May 19], 2021

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 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, that certain Sixth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 20, 2019, and that certain Seventh Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 19, 2020 (collectively, as further amended, supplemented or otherwise modified at any time or from time to time, the "Reducing Revolving Loan Documents"); and

**WHEREAS**, the Reducing Revolving Loan is 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, the Reducing Revolving Loan has not matured and (a) the Association has requested the Bank to extend the maturity of the Reducing Revolving Loan to July 17, 2022, and to make certain other amendments to the Reducing Revolving Loan Documents as set forth in that certain Eighth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and other Loan Documents to be dated as of July 18, 2021 substantially in the form attached hereto as Exhibit A (the "Eighth Modification"), and (b) the Bank has agreed to do so provided (x) the Association agrees to execute and deliver to the Bank the Eighth Modification and to perform its obligations thereunder, including without limitation making an annual principal payment on the Reducing Revolving Loan in the amount of \$305,000.00 on or before

July 15, 2021, and making the other annual payments set forth in the principal payment schedule for each succeeding July 15 as set forth in the Eighth 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 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 as set forth in the Eighth Modification, (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 Terry Mohajir, 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, the renewal thereof and the amendments thereto set forth in the Eighth Modification, 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 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, 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 Amended and Restated 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 Eighth Modification

See Attached.

# EIGHTH MODIFICATION OF RENEWAL REDUCING REVOLVING LINE OF CREDIT PROMISSORY NOTE AND OTHER LOAN DOCUMENTS

THIS EIGHTH MODIFICATION OF RENEWAL REDUCING REVOLVING LINE OF CREDIT PROMISSORY NOTE AND OTHER LOAN DOCUMENTS (this "Modification") is executed as of the 18<sup>th</sup> day of July, 2021, 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 a \$4,775,000.00 reducing 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, that certain Sixth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 20, 2019; and that certain Seventh Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 19, 2020 (collectively as modified, the "Note"), with a Maturity Date of July 18, 2021, 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 18, 2021 and the Borrower has requested the Lender to renew and extend the Loan through July 17, 2022 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. <u>Recitals</u>. 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 18, 2021, the outstanding principal balance of the Loan is \$4,775,000.00 plus accrued and unpaid interest, (c) the principal payment on the Loan, due on July 15, 2021, in the amount of \$305,000.00, 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. <u>Modification of Loan Documents</u>. 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 18, 2021" and inserting "July 17, 2022" 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 0.50% 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 (1st) 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) <u>Principal Payments</u>. 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
07/15/2022	\$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:

# "20. UNAVAILABILITY OF LIBOR RATE.

(i) <u>Temporary Inability</u>. In the event, prior to commencement of any Interest Period relating to the Loan, (a) Lender shall determine that deposits in Dollars (in the applicable amounts) are not being offered to it in the London

15242811v2 3

39

Interbank Offered Rate market for such Interest Period, (b) by reason of circumstances affecting the London Interbank Offered Rate Market adequate and reasonable methods do not exist for ascertaining the LIBOR Rate, (c) the LIBOR Rate as determined by Lender will not adequately and fairly reflect the cost to the Lender of funding the Loan for such Interest Period or (d) the making or funding of the Loan become impracticable;

then, Lender shall promptly provide notice of such determination to Borrower (which shall be conclusive and binding on Borrower), and (y) the Loan will automatically, on the last day of the then current Interest Period relating thereto, become a Base Rate Loan, and (z) the obligations of Lender to calculate the Interest Rate based on the LIBOR Rate 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.

# (ii) Permanent Inability.

Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document (and any Rate Management Agreement shall be deemed not to be a "Loan Document" for purposes of this Section 20(ii)), if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the "Benchmark Replacement" for such Benchmark of Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Note, the Loan Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, or in connection with an Early Opt-in Election, or if the Lender selects Daily Compounded SOFR as provided in the definition of Benchmark Replacement, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5<sup>th</sup>) Business Day after the date notice of such Benchmark Replacement is provided to the Borrower without any amendment to this Note, the Loan Agreement or any other Loan Document, or further action or consent of the Borrower.

Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting

of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Note, the Loan Agreement or any other Loan Document; <u>provided</u> that, the Benchmark Replacement as set forth in this paragraph shall not be effective unless the Lender has delivered a Term SOFR Notice to the Borrower.

- (b) <u>Benchmark Replacement Conforming Changes</u>. In connection with the implementation of a Benchmark Replacement, the Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of the Borrower.
- Notices; Standards for Decisions and Determinations. The (c) Lender will promptly notify the Borrower of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Lender pursuant to this Section 20(ii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from the Borrower, except, in each case, as expressly required pursuant to this Section 20(ii).
- (d) <u>Unavailability of Tenor of Benchmark</u>. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Lender may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was

removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Lender may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) <u>Benchmark Unavailability Period</u>. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may convert the Loan to a Base Rate Loan. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

# (f) <u>Certain Defined Terms</u>. As used in this <u>Section 20(ii)</u>:

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Note as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (d) of this Section 20(ii).

"Benchmark" means, initially, the LIBOR Rate; provided that if a Benchmark Transition Event, a Term SOFR Transition Event, or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the LIBOR Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (a) of this Section 20(ii).

"<u>Benchmark Replacement</u>" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Lender for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

- (2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate benchmark rate that has been selected by the Lender as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated or bilateral credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion; provided, further, notwithstanding anything to the contrary in this Note or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date, the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above), and Term SOFR and the related Benchmark Replacement Adjustment shall be the Benchmark Replacement for all purposes hereunder or under any Loan Document in respect of any Benchmark setting and any subsequent Benchmark setting.

Notwithstanding anything to the contrary in this Note or any other Loan Document, if at the time of a Benchmark Replacement Date applicable to a Benchmark Transition Event or Early Opt-In Election, the Borrower has a Rate Management Agreement in effect with respect to all or part of the Loan, in order to more closely align the floating interest rate under the Loan with the floating rate option under the Rate Management Agreement, if any, and giving due consideration to evolving standards and market practice, the Lender may, in its discretion, replace the Benchmark Replacement that would otherwise be selected pursuant to this definition of Benchmark Replacement with the sum of: (a) Daily Compounded SOFR and (b) the related Benchmark Replacement Adjustment. If Daily Compounded SOFR is selected for the Benchmark Replacement, Lender shall provide written notice of this election to the Borrower.

If the Benchmark Replacement as determined pursuant to this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Note and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

- (1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Lender:
  - (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;
  - (b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor;
- for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted

Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities; and

(3) if Daily Compounded SOFR is selected (as provided in the definition of Benchmark Replacement), the Lender may also select the Benchmark Replacement Adjustment in clause 1(b) above in lieu of the Benchmark Replacement Adjustment in clause 1(a) above.

<u>provided</u> that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Lender in its reasonable discretion.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day", the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods or observation shifts, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Note, the Loan Agreement and the other Loan Documents).

"<u>Benchmark Replacement Date</u>" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

- (2) in the case of clause (3) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein; or
- (3) in the case of an Early Opt-in Election or selection of Daily Compounded SOFR (as provided in the definition of Benchmark Replacement), the sixth (6<sup>th</sup>) Business Day after the date notice of such Early Opt-in Election or Benchmark Replacement selection is provided to the Borrower, so long as the Lender has not received, by 5:00 p.m. (New York City time) on the fifth (5<sup>th</sup>) Business Day after the date notice of such Early Opt-in Election or Benchmark Replacement selection is provided to the Borrower, written notice of objection to such Early Opt-in Election or Benchmark Replacement selection from Borrower.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the thencurrent Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, <u>provided</u> that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such

component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, <u>provided</u> that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the thencurrent Benchmark for all purposes hereunder and under any Loan Document in accordance with this Section 20(ii) and (y) ending at the time that a Benchmark Replacement has replaced the thencurrent Benchmark for all purposes hereunder and under any Loan Document in accordance with this Section 20(ii).

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Daily Compounded SOFR" means, for any day, SOFR, with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which may include compounding in arrears with a lookback or observation shift) being established by the Lender in accordance with a methodology and the conventions for this rate selected or recommended (x) by the Relevant Governmental Body for determining "Daily Compounded"

SOFR" for business loans or (y) by reference to the ISDA Definitions for derivatives comparable to any applicable Rate Management Agreement; <u>provided</u>, that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion.

"<u>Daily Simple SOFR</u>" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Lender in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; <u>provided</u>, that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion.

"<u>Early Opt-in Election</u>" means, if the then-current Benchmark is LIBOR, the occurrence of:

- (1) a determination by the Lender that at least five (5) currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such credit facilities are identified in the notice to the Borrower described in clause 2 below and are publicly available for review), and
- (2) the election by the Lender to trigger a fallback from LIBOR and the provision by the Lender of written notice of such election to the Borrower.

"<u>Floor</u>" means the benchmark rate floor as set forth in the definition of LIBOR Rate Minimum.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"Reference Time" with respect to any setting of the thencurrent Benchmark means (1) if such Benchmark is the LIBOR Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such

Benchmark is not LIBOR, the time determined by the Lender in its reasonable discretion.

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website on the immediately succeeding Business Day.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"<u>Term SOFR</u>" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"<u>Term SOFR Notice</u>" means a notification by the Lender to the Borrower of the occurrence of a Term SOFR Transition Event.

"Term SOFR Transition Event" means the determination by the Lender that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Lender and (c) a Benchmark Transition Event has previously occurred resulting in a Benchmark Replacement that is not Term SOFR.

"<u>Unadjusted Benchmark Replacement</u>" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

(g) <u>Necessity for Benchmark Replacement and Limitation of Liability</u>. The interest rate on this Loan is determined by reference to the LIBOR Rate, which is derived from the London interbank offered rate.

The LIBOR Rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer compel contributing banks to make rate submissions for purposes of setting the LIBOR Rate. As a result, it is possible that commencing in 2022 (or earlier), the LIBOR Rate may no longer be available or may no longer be deemed a reliable rate. Upon the occurrence of a Benchmark Transition Event or a Term SOFR Transition Event, the Lender will notify the Borrower of any change to the reference rate upon which the interest rate is based. However, the Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, or any other matter related to the LIBOR Rate or any alternative, successor, or replacement rate, including, without limitation, the implementation of any Benchmark Replacement or any Benchmark Replacement Conforming Changes or whether composition or characteristics of any alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBOR Rate or have the same volume or liquidity as did the LIBOR Rate prior to its discontinuance or unavailability."

- 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. <u>WAIVER OF JURY TRIAL</u>. BY THE EXECUTION HEREOF, BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE, THAT:
  - NEITHER THE BORROWER NOR LENDER, NOR ANY (a) 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 OR ANY THIS **MODIFICATION** LOAN **DOCUMENT** EVIDENCING. **SECURING** RELATING OR 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. <u>Miscellaneous</u>. 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 by 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

ITEM: FFC-3

# **UCF BOARD OF TRUSTEES**

# **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

Information	☐ Information for upcoming action ☐ Action
Me	eeting Date for Upcoming Action: June 17, 2021
Purpose and Issues	to be Considered:
the system behind W primary mechanism required by policy to measure progress thr including the UCF C	management system (LMS) from Instructure is a mission critical software platform. As febcourses@UCF, it is used by every section of every course across campus. It is the used to capture academic engagement for financial aid disbursement and faculty are keep grades in the Canvas gradebook as a consistent and proactive way for students to oughout the semester. It is the platform used to deliver online and blended learning, online virtual campus. It proved to be a key asset in the university's pivot to online see to the COVID-19 pandemic.
The existing Canvas	license expires at the end of June 2021 and must be renewed to continue its use.
of our membership in state of Florida ITN, best financial and val	as in 2012, UCF has licensed the platform through a contracting vehicle available as part in Internet2/Net+. Upon comparing the terms of a general license, a license through the and a license renewed through I2/Net+, the renewal through I2/Net+ offered UCF the ue terms.
•	tal Learning (DDL) recommends a five-year renewal, which offers the maximum of other license durations.
Alternatives to Decis UCF could renew the	sion: e license for a different duration (1-4 years). This would result in a higher per FTE cost.
_	ource of Funding: tal Learning will fund the license with a combination of Distance Learning auxiliary and ing. Below are the financial terms of the license:
Year 1:	\$11.35 x 59,349 IPEDS FTE (Canvas Cloud LMS) + 20% support + \$3.82 x 2,40 (Studio Cloud video add-on) + \$1,500 Studio setup (one time charge) = <b>\$819,001.38</b>
Year 2:	$$11.46 \times 59,349 + 20\% + $3.94 \times 2,400 = $825,623.45$
Year 3:	$$11.69 \times 59,349 + 20\% + $4.06 \times 2,400 = $842,291.77$
Year 4:	\$12.04 x 59,349 + 20% + \$4.18 x 2,400 = <b>\$867,506.35</b>
Year 5:	$12.40 \times 59,349 + 20\% + 4.30 \times 2,400 = 893,433.12$
TOTAL:	\$4,247,856.07

**Authority for Board of Trustees Action:** 

UCF BOT Resolution on Presidential Authority - Financial Management (4)(a)

Contract Reviewed/Approved by General Counsel N/A

# Committee Chair or Chair of the Board has approved adding this item to the agenda

# **Submitted by:**

Gerald Hector, Senior Vice President for Administration and Finance

# **Supporting Documentation:**

Attachment A: Contract Summary Form

- Renewal Service Order Form
- Original Contract
- Contract amendment
- Service Order Form for existing contract
- Internet2/Net+ terms for extra storage

## **Facilitators/Presenters:**

Gerald Hector, Senior Vice President for Administration and Finance Thomas Cavanagh, Vice Provost for Digital Learning

# Attachment A

# **Summary of Agreement**

Purpose/Background	Renew license for the Canvas learning management system for five years. Canvas is the platform behind Webcourses@UCF and is used in all sections taught at UCF in all modalities. UCF will be licensing the platform once again through Internet2/Net+ as that vehicle affords us the most favorable terms out of all contracting options.
Parties	Instructure (and Internet 2 as the contracting vehicle)
Term	5 years
Obligations of UCF	Payment of required amounts as set forth in the financial section below.
Obligations of other party	Provision and support of the Canvas cloud LMS, 24 x 7 support, and a limited subscription to the Studio video product. Additional storage per section provided as part of the I2/Net+ agreement.
Financial terms	Year 1: \$11.35 x 59,349 IPEDS FTE (Canvas Cloud) + 20% support + \$3.82 x 2,400 (Studio Cloud) + \$1,500 Studio setup (one time charge) = \$819,001.38 Year 2: \$11.46 x 59,349 + 20% + \$3.94 x 2,400 = \$825,623.45 Year 3: \$11.69 x 59,349 + 20% + \$4.06 x 2,400 = \$842,291.77 Year 4: \$12.04 x 59,349 + 20% + \$4.18 x 2,400 = \$867,506.35 Year 5: \$12.40 x 59,349 + 20% + \$4.30 x 2,400 = \$893,433.12 TOTAL: \$4,247,856.07
Termination rights	Defined in Section 12 of the original contract agreement (attached).
Additional terms	Additional storage per section per Internet2/Net+ agreement
Link to agreement	https://bot.ucf.edu/wp-content/uploads/sites/5/2021/06/FFC-4-Contract-for-Canvas-Learning-Management-System-Renewal.pdf

ITEM: FFC-4

#### **UCF BOARD OF TRUSTEES**

#### **Agenda Item Summary**

Finance and Facilities Committee June 16, 2021

Title: Direct S	Support Organiza	tions' 2021-22 Budgets			
☐ Inform	nation	☐ Information for upcom	ing action	★ Action	
	Meeting Da	te for Upcoming Action:	June 17, 2021		

# **Purpose and Issues to be Considered:**

Fiscal year 2022 budgets for the UCF Direct Support Organizations (DSO) and the Central Florida Clinical Practice Organizations (CFCPO) are attached. The budgets have been approved by each DSO board and are now being presented to the University Board of Trustees for approval.

#### **Background Information:**

The DSO and CFCPO proposed fiscal year 2022 budgets are attached and include assumptions consistent with the university's update on COVID-19 guidelines published in May 2021, based on guidance from the Board of Governors and in collaboration with other state universities. These include anticipations that campus will return to normal operations and allow full participation in athletic and social events across the campus community.

#### **Issues to be Considered:**

# UCF Athletics Association and UCF Stadium Corporation

The UCF Athletics Association (UCFAA) was organized to operate the university's intercollegiate athletics programs. The Stadium Corporation (Corporation) receives pledged revenues from UCFAA, premium seat revenue, and other revenues including concessions, merchandise, and interest to fund debt used to construct the football stadium. Any surplus remaining after debt service and operating expenses is transferred back to UCFAA to fund its operations. This combined view is intended to present gross revenues and expenditures of UCFAA and provide a more holistic view of the impact that the Corporation has on the UCFAA's financial results.

UCFAA's fiscal year 2022 budget was developed with the expectation that the campus will return to full spectator seating capacity and a full football home game schedule consistent with pre- pandemic conditions.

- Athletic events include ticket and per-seat revenues, NCAA and conference distributions, and game
  guarantees. These revenues are budgeted to reflect an increase over fiscal 2021 due to hosting seven
  home football games, full spectator capacity, and the projected sell out of football season tickets. The
  budget does not assume the implementation of dynamic pricing on premium home games to be
  conservative.
- The proposed budget for university allocations includes student athletic fees of \$25.1 million, scholarship support of \$10.3 million, and Title IX support of \$1.7 million. The proposed budget reflects increases of \$0.5 million in student fees, \$0.5 million in scholarship support, and an \$0.8 million in Title IX support over fiscal 2021 projected actuals.
- Sponsorship revenues are budgeted to be higher than fiscal 2021 projected actuals but are expected to remain below fiscal 2020 actuals due to the pandemic's impact on the economy.
- Contributions revenues are budgeted to be lower than fiscal 2021 due to the Keep Charging On Fund being a one-year initiative. This decrease is partially offset by an increase in capital donations for the Roth Athletics center that will be used for debt service in fiscal 2022. Other revenues are budgeted materially consistent with fiscal 2021 and are significantly less than fiscal 2021 projected actuals due to the exclusion on contract buyout payments received from the University of Tennessee in order to

- hire the previous Athletics Director and head football coach.
- Scholarship expenses (and scholarship support provided by the university) are budgeted to be higher than fiscal 2021 due to funding an additional year of eligibility for student-athletes whose fall 2020 and winter 2021 competitive seasons were interrupted by the pandemic.
- Compensation expenses are budgeted to be higher than fiscal 2021. This is primarily due to the inclusion of a severance payment for a former football coach. The remainder reflects the expansion of television and video production staff, nutrition and counseling programming for our student-athletes, and the expansion of the student-athlete leadership academy that includes and enhanced jobs program to help student-athletes obtain employment or acceptance into graduate school upon graduation.
- Sport and support operations expenses are budgeted to be higher than fiscal 2021 because full competitive playing seasons are anticipated.
- Other expenses reflect non-recurring expenses primarily focused on deferred maintenance for our facilities that are showing extensive wear-and-tear and replacement of aging equipment. Projects include painting, turf replacement, new windscreens, rust remediation, wall padding, new audio systems for baseball and softball, and power upgrades at the football stadium.
- UCFAA's debt service includes annual debt service on the Roth Athletics Center, funded by donations and the construction line of credit with Fifth Third Bank. The university agreed to defer its\$1 million loan repayment for fiscal 2021 and 2022. This allows the Association to offset lost revenues from fiscal 2021 and begin funding a reserve in fiscal 2022. The Association closed its operating lineof credit during the fiscal 2021 year further necessitating the need for cash reserves on hand. For the short-term, UCFAA has entered an agreement with the UCF Foundation to provide \$4 million to assist with cash flow needs. UCFAA plans to grow cash reserves by budgeting surpluses in the near term and is currently developing a policy where two percent of specific new revenues would be deposited into a separate reserve account.

# UCF Academic Health

UCF Academic Health, Inc. supports medical education, research, and patient care through the planning and development of clinical initiatives and affiliated partnerships that serve the educational, research, and clinical 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.

The proposed budget reflects anticipated increase in lease revenues and related costs resulting from three new executed tenant agreements that began in the current fiscal year. Only current executed lease agreements were included in fiscal year 2020 budget which represents seventy seven percent (77%) of total rentable square footage.

### **UCF** Convocation Corporation

The Convocation 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 funds the debt service obligations related to its housing and arena bonds. The proposed budget is expected to yield sufficient revenues to meet the debt service requirements for the year.

<u>Housing Operations</u> – The proposed budget includes an increase of approximately \$1.8 million in housing rental income over the prior year due to campus returning to normal operations. Conservatively budgeted at a 94% occupancy rate, which consistent with on-campus occupancy rates.

<u>Retail Operations</u> – Budgeted revenues are based on a return to full rents by all vendors for fiscal year 2022. Of the leased property there are 10 tenants that will have contractual rent increases during the year that equates to rental income growth of approximately \$29,000. The university's Business Services department will relocate some of its offices to the location used by former Convocation Corporation management and pay rent for the use of the space. This will be added rental revenue. Expenses are based on historical 3-year averages and reflect savings expected from the new management structure.

<u>Arena Operations</u> – Revenue forecasts are based on the expectation that there will be some lagging impact to event activity due to COVID-19, but that there will be a gradual return to more typical operations as the fiscal year progresses and as the university returns to normal athletic and social activities.

#### **UCF** Finance Corporation

The UCF Finance Corporation receives rent and philanthropic 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 \$2.7 million in rent will be received to fund principal on the underlying building loan. These transfers are sufficient to fund the related debt service and the Corporation's operating costs for the year.

Transfers from UCF Foundation are expected to be \$2.3 million based on verified outstanding pledges, net of reserves that are expected to be received during fiscal year 2022. Once received, these funds will be used to repay the construction loan on the downtown campus. Any receipts in excess of this amount will be transferred directly from UCF Foundation to the university.

#### **UCF** Foundation

The UCF Foundation's principal function is to provide charitable and educational aid to the University. Its sources of funding include personnel support from the university, rent from mostly university tenants in office buildings, endowment fees, and earnings from investments.

The proposed budget reflects endowment earnings higher than prior year due to strong performance. University and other related support revenues are expected to remain flat. Debt service interest is expected to be lower in fiscal year 2022 due to the loan being refinanced in fiscal year 2021.

#### **UCF Limbitless Solutions**

Limbitless produces artistic prosthetic medical devices, conducts research and promotes STEM/ STEAM education.

Fiscal year 2021 yielded a significant increase in revenue compared to fiscal year 2020 with fundraising and sponsorship largely focused on the facility upgrades for the program. The proposed budget builds on the momentum generated by the upcoming laboratory move. However, there is still uncertainty in predicting the current philanthropy appetite due to the economic impact of COVID-19. However, LSI anticipates an increase in philanthropic support from individual donors and has worked with the UCF Foundation to establish a mutually agreed upon fundraising goal.

The move to a new laboratory space will result in an increase in equipment, office furniture, rent, and promotional expenses. All other amounts are consistent with conservative yearly trends.

#### UCF Research Foundation

The Research Foundation promotes and supports the research activities of faculty, staff, and students. Its operating revenue and expenses include contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums.

The proposed budget reflects an overall 39% increase in net surplus over the prior budget and an overall 69% increase from the fiscal 2021 projected actuals. Both increases are due to the receipt of monies previously projected to be canceled as a result of global coronavirus pandemic.

Operating revenue and expenses for contracts and grants is expected to increase due to start of clinical trial agreements which will be handled solely by the Research Foundation. While contributions and other agreements, as well as conferences and workshops and rental revenues are all expected to be similar to the fiscal 2021 actuals due to uncertainty in the economy as a result of the continued global coronavirus pandemic.

## Central Florida Clinical Practice Organization

CFCPO is an affiliated organization formed to support the medical education program and clinical faculty within the College of Medicine. The prior year budget included a 30% reduction in revenue based on the uncertain impact of the Covid-19 pandemic. However, the clinic was able to quickly respond and put in place safety measures so that a return to "normal" clinical activity could occur. This resulted in the current year revenue exceeding budget, and therefore the proposed fiscal year 2022 budget is projecting higher revenues based on the level of current activity. It also includes an increase in revenue from the addition of three new faculty provider positions and an expected increase in HealthARCH activities.

With an increase in revenue, there are variable operating expenses that will also increase which is reflected in the proposed budget. In addition, budgeted expenses include facility rent for the Quadrangle now being recorded under the CFCPO and projected expenses related to the activities of the new providers and increased HealthARCH activities. Transfers from the CFCPO to the College of Medicine is budgeted at \$5.9 million for fiscal 2022, which is an increase of \$3.6 million over projected actuals for fiscal 2021, resulting in net income of \$500,000 for fiscal 2022. The transfers from the CFCPO cover budgeted activities at the College of Medicine.

## **Recommended Action:**

Approve the 2021-22 Direct Support Organizations' budgets.

#### **Alternatives to Decision:**

Not approve the 2021-22 Direct Support Organizations' budgets or approve with recommended changes.

# **Fiscal Impact and Source of Funding:**

Source of funding varies across all Direct Support Organizations.

## **Authority for Board of Trustees Action:**

Board Resolution on Presidential Authority, Miscellaneous Powers and Duties, 6(c) Recommend for Board of Trustees' approval annual operating and capital budgets for Related Entities.

<b>Contract Reviewed/Approved by General Counsel</b>	N/A	

# Committee Chair or Chair of the Board has approved adding this item to the agenda 🖂

## **Submitted by:**

Gerald Hector, Senior Vice President for Administration and Finance

# **Supporting Documentation:**

Attachment A: UCF Athletics Association and Stadium Corporation

Attachment B: UCF Academic Health

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:

Gerald Hector, Senior Vice President for Administration and Finance Christina Tant, Assistant Vice President for DSO Accounting and Reporting

# Attachment A

#### UCF Stadium Corporation and UCF Athletics Association Annual Budget Fiscal 2021-22

	UCF	Athletics Associat	ion	UCF	Stadium Corpora	tion	COMBINED			
	2020-21 PROJECTED ACTUALS	2020-21 APPROVED AMENDED BUDGET	2021-22 PROPOSED BUDGET	2020-21 PROJECTED ACTUALS	2020-21 APPROVED AMENDED BUDGET	2021-22 PROPOSED BUDGET	2020-21 PROJECTED ACTUALS	2020-21 APPROVED AMENDED BUDGET	2021-22 PROPOSED BUDGET	BUDGET INCREASE (DECREASE)
Revenues	ACTOALO	DODOLI	DODOLI	ACTUALO	DODOLI	DODGET	AOTOALO	DODOLI	BODOLI	(DEOREAGE)
Athletics events, including premium seating	\$ 11,595,787	\$ 12,247,473	\$ 19,752,049	\$ 887,540	\$ 882,540	\$ 2,570,453	\$ 12,483,327	\$ 13,130,013	\$ 22,322,502	\$ 9,192,489
University allocations	35,312,814	34,804,880	37,153,341	-	-	-	35,312,814	34,804,880	37,153,341	2,348,461
Sponsorship	6,278,000	6,325,000	8,025,000	479,980	479,980	855,000	6,757,980	6,804,980	8,880,000	2,075,020
Contributions	3,384,549	3,831,365	2,717,905	640,000	390,000	375,000	4,024,549	4,221,365	3,092,905	(1,128,460)
Other	6,032,710	228,600	385,600	-	-	-	6,032,710	228,600	385,600	157,000
Total revenues	62,603,860	57,437,318	68,033,895	2,007,520	1,752,520	3,800,453	64,611,380	59,189,838	71,834,348	12,644,510
Expenses										
Scholarships	10,314,915	10,264,915	10,822,154	-	-	-	10,314,915	10,264,915	10,822,154	557,239
Employee compensation	27,057,706	26,201,653	27,891,255	-	-	-	27,057,706	26,201,653	27,891,255	1,689,602
Sport Operations	5,776,954	6,275,481	10,507,790	-	-	-	5,776,954	6,275,481	10,507,790	4,232,309
Support Operations	9,769,998	10,548,118	13,580,241	-	-	-	9,769,998	10,548,118	13,580,241	3,032,123
Other	4,408,000	3,671,100	1,719,301	1,618,908	1,672,128	598,220	6,026,908	5,343,228	2,317,521	(3,025,707)
Total operating expenses	57,327,573	56,961,267	64,520,741	1,618,908	1,672,128	598,220	58,946,481	58,633,395	65,118,961	6,485,566
Net increase (decrease) from total operations	5,276,287	476,051	3,513,154	388,612	80,392	3,202,233	5,664,899	556,443	6,715,387	6,158,944
Non-operating revenues (expenses)										
Net transfers to Stadium Corp/ from UCFAA	(1,856,962)	(2,106,086)	(370,437)	1,856,962	2,106,086	370,437	-	-	-	-
Interest income	-	-	-	54,124	65,000	54,108	54,124	65,000	54,108	10,892
Interest expense	(361,703)	(435,940)	(444,664)	(1,683,606)	(1,683,606)	(1,599,778)	(2,045,309)	(2,119,546)	(2,044,442)	(75,104)
Capital project donations - Athletics	374,168	1,600,000	1,500,000	-	-	-	374,168	1,600,000	1,500,000	100,000
Restricted accounts revenue	1,200,000	600,000	1,018,812	-	-	-	1,200,000	600,000	1,018,812	(418,812)
Restricted accounts outlay	(400,000)	(100,000)	(819,812)	-	-	-	(400,000)	(100,000)	(819,812)	719,812
Capital projects outlay	(1,537,209)	(1,537,209)	(1,960,048)		-	-	(1,537,209)	(1,537,209)	(1,960,048)	422,839
Total non-operating revenues (expenses)	(2,581,706)	(1,979,235)	(1,076,149)	227,480	487,480	(1,175,233)	(2,354,226)	(1,491,755)	(2,251,382)	759,627
Net increase (decrease) in net position	\$ 2,694,581	\$ (1,503,184)	\$ 2,437,005	\$ 616,092	\$ 567,872	\$ 2,027,000	\$ 3,310,673	\$ (935,312)	\$ 4,464,005	\$ 6,918,571
Debt Service										
Principal	\$ 1,451,000	\$ 1,451,000	\$ 2,239,196	\$ 1,940,000	\$ 1,940,000	\$ 2,027,000	\$ 3,391,000	\$ 3,391,000	\$ 4,266,196	\$ (875,196)
Interest	361,703	435,940	444,664	1,683,606	1,683,606	1,599,778	2,045,309	2,119,546	2,044,442	75,104
Total Debt Service	\$ 1,812,703	\$ 1,886,940	\$ 2,683,860	\$ 3,623,606	\$ 3,623,606	\$ 3,626,778	\$ 5,436,309	\$ 5,510,546	\$ 6,310,638	\$ (800,092)

# Attachment B

# University of Central Florida Academic Health, Inc Annual Budget 2021-22

	2021-22	2020-21			2020-21	2020-21		
	Proposed Budget	Revised Budget	Variance Favorable (Unfavorable)		Projected Actual	Revised Budget	Variance Favorable (Unfav	
Revenues								
Real Estate (Rent, CAM, & Sales Tax Income) Other	2,644,288	1,188,310	1,455,978 -	122.5 % 	1,102,050 1,169	1,188,310 -	(86,260) 1,169	(7.3)%
Total Revenues	2,644,288	1,188,310	1,455,978	122.5 %	1,103,219	1,188,310	(85,092)	(7.2)%
Operating Expenses								
Professional Services	15,340	15,000	340	2.3 %	15,389	15,000	389	2.6 %
Supplies and Repairs	-	-	-	-	-	-	-	-
Facility Expense	2,451,492	1,092,409	1,359,083	124.4 %	999,134	1,092,409	(93,275)	(8.5)%
Information Technology	7,680	7,210	470	6.5 %	7,210	7,210	(0)	(0.0)%
Other Operating Expense	169,777	73,691	96,085	130.4 %	81,487	73,691	7,795	10.6 %
Total Expense	2,644,288	1,188,310	1,455,978	122.5 %	1,103,219	1,188,310	(85,092)	(7.2)%
Net increase (decrease)	-	<u> </u>	-		<u> </u>		-	-

# Attachment C

#### UCF Convocation Corporation Annual Budget 2021-22

	2021-2022 Proposed Budget	2020-2021 Amended Budget	Variano Favorable (Unf		2020-2021 Projected Actuals	2020-2021 Amended Budget	Varian Favorable (Un	
Housing Operations								
Revenues Apartment rentals	\$ 17,143,024	\$ 15,386,991	\$ 1,756,033	10.2 %	\$ 15,415,026	\$ 15,386,991	\$ 28,035	0.2 %
Housing Subsidy from UCF Parking	1,036,388	1,036,388	-	0.0 % 0.0 %	1,036,388	1,036,388	-	0.0 % 0.0 %
University support Other Total revenues	110,000 18,289,412	58,125 16,481,504	51,875 1,807,908	0.0 % 47.2 % 9.9 %	113,335 16,564,749	58,125 16,481,504	55,210 83,245	0.0 % 48.7 % 0.5 %
	,,	, ,	.,,		, ,	, ,	,	
Expenses Operating R&R expenses	5,085,077 620,000	4,497,782 672,410	587,295 (52,410)	11.5 % (8.5)%	4,873,107 520,000	4,497,782 672,410	375,325 (152,410)	7.7 % (29.3)%
Total expenses	5,705,077	5,170,192	534,885	9.4 %	5,393,107	5,170,192	222,915	4.1 %
Net increase from housing operations	12,584,335	11,311,312	(1,273,023)	(10.1)%	11,171,642	11,311,312	(139,670)	(1.3)%
Batail Onavations								
Retail Operations Total revenues	1,984,312	1,507,037	(477,275)	(24.1)%	1,507,037	1,507,037	-	0.0 %
Total expenses	391,492	333,126	(58,366)	(14.9)%	330,341	333,126	(2,785)	(0.8)%
Net increase from retail operations	1,592,820	1,173,911	(418,909)	(26.3)%	1,176,696	1,173,911_	2,785	0.2 %
Arena Operations								
Revenues								
Event related	3,394,180	1,473,464	(1,920,716)	(56.6)%	196,889	1,473,464	(1,276,575)	(648.4)%
Premium seating and sponsorship	1,311,500	813,750	(497,750)	(38.0)%	841,333	813,750	27,583	3.3 %
Rental Income University support	2,735,000	2,735,000	-	0.0 % 0.0 %	2,735,000	2,735,000	-	0.0 % 0.0 %
Other	132,596	- 88,917	(43,679)	(32.9)%	94,750	88,917	5,833	6.2 %
Total revenues	7,573,276	5,111,131	(2,462,145)	(32.5)%	3,867,972	5,111,131	(1,243,159)	(32.1)%
			, , , ,				,	
Expenses	2,574,225	1,042,343	1,531,882	50 F 0/	100,618	1,042,343	(044.705)	(025.0)0/
Direct Event Operating and indirect event	2,574,225 4,358,724	3,666,029	(692,696)	59.5 % (15.9)%	3,293,840	3.666.029	(941,725) (372,189)	(935.9)% (11.3)%
Direct premium seating	232,330	181,500	(50,830)	(21.9)%	102,000	181,500	(79,500)	(77.9)%
R&R expenses	272,000	329,668	57,668	21.2 %	271,599	329,668	(58,069)	(21.4)%
Transfer to UCF				0.0 %				
Total expenses	7,437,279	5,219,540	846,025	11.4 %	3,768,057	5,219,540	(1,451,483)	(38.5)%
Net increase (decrease) from arena operations	135,997	(108,409)	(244,406)	(179.7)%	99,915	(108,409)	208,324	208.5 %
Net increase from total operations	\$ 14,313,152	\$ 12,376,815	\$ (1,936,338)	(13.5)%	\$ 12,448,253	\$ 12,376,815	\$ 71,439	0.6 %
Debt Service								
Principal payments	8,290,000 5,767,155				\$ 8,025,000			
Interest payments Total Debt Service	5,767,155 <b>\$ 14,057,155</b>				6,042,140 <b>\$ 14,067,140</b>			
TOTAL DEDI SELVICE	<u>Ψ 14,007,155</u>				<u>Φ 14,007,140</u>			

## Attachment D

# UCF Finance Corporation Annual Budget Fiscal year ending June 30, 2022

	2021-22 Proposed Budget	2020-21 Approved Budget	Variance Favorable (Unfa		2020-21 Projected Actual	2020-21 Approved Budget	Variand Favorable (Unf	
Revenues  Transfers from University <sup>1</sup> Transfers from Foundation - Downtown Pledges <sup>2</sup> Interest  Total revenues	\$ 1,276,121 2,342,194 46,000 3,664,315	\$ 1,330,896 3,460,000 55,000 4,845,896	\$ (54,775) (1,117,806) (9,000) (1,181,581)	(4.1)% (32.3)% (16.4)% (24.4)%	\$ 1,340,157 1,703,205 45,683 3,089,044	\$ 1,330,896 3,460,000 55,000 4,845,896	\$ 9,261 (1,756,795) (9,318) (1,756,852)	0.7 % (50.8)% (16.9)% (36.3)%
Expenses Operating Interest Transfers to University - Downtown Construction <sup>3</sup> Total expenses	17,985 1,329,136 - 1,347,121	18,100 1,457,796 - - 1,475,896	115 128,660 - 128,775	0.6 % 8.8 % - 8.7 %	18,207 1,392,796 - 1,411,003	18,100 1,457,796 - 1,475,896	(107) 65,000 - 64,893	(0.6)% 4.5 % - 4.4 %
Net increase (decrease) from operations  Debt Service	\$ 2,317,194	\$ 3,370,000	\$ (1,052,806)		\$ 1,678,041	\$ 3,370,000	\$ (1,691,959)	
Principal Interest Total Debt Service	\$ 5,026,194 1,329,136 \$ 6,355,330	\$ 6,081,000 1,457,796 \$ 7,538,796			\$ 5,887,204 1,392,796 \$ 7,280,000			

<sup>&</sup>lt;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.

<sup>&</sup>lt;sup>2</sup> The fiscal 2022 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 exess will be transferred directly by UCF Foundation to the University. Anticipated pledges for fiscal year 2021 are over-budget due to a receipt from Orange County that was converted from an "in kind" pledge to a cash pledge.

<sup>&</sup>lt;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.

# UCF Foundation Annual Budget 2021 -22

	2021-22 Proposed Budget	2020-21 Approved Budget	Varian Favorable (Un		2020-21 Projected Actual	2020-21 Approved Budget	Variar Favorable (Ur	
Revenues				10 = 0/	4		<b>.</b>	24.2.24
Unrestricted gifts, fees, and investment earnings	\$ 7,303,250	\$ 6,163,800	\$ 1,139,450	18.5 %	\$ 9,937,427	\$ 6,163,800	\$ 3,773,627	61.2 %
Real estate	2,000,000	2,000,000	-	0.0 %	1,662,500	2,000,000	(337,500)	-
University and other related support	11,089,696	11,086,500	3,196	0.0 %	11,759,175	11,086,500	672,675	6.1 %
Total revenue	20,392,946	19,250,300	1,142,646	5.9 %	23,359,102	19,250,300	4,108,802	21.3 %
Expenses Academic and university support Development, alumni relations, and operations Total expenses Net increase (decrease) from total operations	1,081,647 19,149,899 20,231,546 \$ 161,400	1,031,647 18,218,653 19,250,300 \$ -	(50,000) (931,246) (981,246) \$ 161,400	(4.8)% (5.1)% (5.1)%	1,484,545 16,367,389 17,851,934 \$ 5,507,168	1,031,647 18,218,653 19,250,300 \$ -	(452,898) 1,851,264 1,398,366 \$ 5,507,168	(43.9)% 10.2 % 7.3 %
Debt Service								
Principal payments	\$ 2,427,000				\$ 2,240,000	187,000		
Interest payments	493,373				641,315	(147,942)		
Total Debt Service	\$ 2,920,373				\$ 2,881,315	,		

# Attachment F

# Limbitless Solutions, Inc. Annual Budget 2021-2022

	2021-22 Propose Budge	t	2020-21 Approved Budget	Variance Favorable (Unfav	orable)	2020-21 Projected Actual	2020-21 Approved Budget	Variance Favorable (Unfavorable)
Revenues Philanthropic Donations Sponsorships Other Total revenues	\$ 500,0 75,0 72,5 647,5	00 00	\$ 300,000 100,000 80,000 480,000	\$ 200,000 (25,000) (7,500) 167,500	66.7 % (25.0)% (9.4)% 34.9 %	\$ 360,000 196,000 13,000 569,000	\$ 300,000 100,000 80,000 480,000	\$ 60,000 20.0 % 96,000 96.0 % (67,000) (83.8)% 89,000 18.5 %
Expenses Operating expenses Total expenses	416,3 416,3		251,869 251,869	(164,502) (164,502)	(65.3)% (65.3)%	190,510 190,510	251,869 251,869	61,359 24.4 % 61,359 24.4 %
Nonoperating activity Renovation donations Renovation expense Net nonoperating activity			- - -	- - -	0.0 % 0.0 % 0.0 %	348,069 379,151 (31,082)	- - -	348,069 100.0 % (379,151) (100.0)% (31,082) 0.0 %
Net increase from operations	\$ 231,	29 3	\$ 228,131	\$ 2,998	1.3 %	\$ 347,408	\$ 228,131	\$ 119,277 52.3 %

#### Attachment G

#### UCF Research Foundation Annual Budget 2021-2022

	2021-2022 Proposed Budget	2020-2021 Approved Budget	Varianc Favorable (Unfa		2020-2021 Projected Actual	2020-2021 Approved Budget	Varianc Favorable (Unfa	-
Revenues								
Operating revenue <sup>2,3</sup>	\$ 12,460,000	\$ 11,085,000	\$ 1,375,000	11 %	\$ 12,089,280	\$ 11,085,000	\$ 1,004,280	8 %
Management fees and other 4	1,500,000	840,000	660,000	44 %	1,300,000	840,000	460,000	35 %
Total revenues	13,960,000	11,925,000	2,035,000	15 %	13,389,280	11,925,000	1,464,280	11 %
Expenses <sup>2,3,5</sup>								
Total operating expenses	13,603,750	11,708,201	(1,895,549)	(14)%	12,691,053	11,708,201	(982,852)	(8)%
Net increase (decrease) 1	\$ 356,250	\$ 216,799	\$ 139,451	39 %	\$ 698,227	\$ 216,799	\$ 481,428	69 %

<sup>&</sup>lt;sup>1</sup> The Research Foundation is recognizing an overall 39% net increase from the 2020-2021 approved budget as compared to the 2021-2022 proposed budget and an overall 69% increase from the 2020-2021 projected actual amounts as compared to the 2020-2021 approved budget. Both of these noted increases are due to the receipt of monies previously projected to be canceled as a result of global coronavirus pandemic.

<sup>&</sup>lt;sup>2</sup> Operating revenue and expenses includes contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums.

<sup>&</sup>lt;sup>3</sup> Operating revenue and expenses for contracts and grants is expected to increase due to start of clinical trial agreements which will be handled solely by UCFRF. While contributions and other agreements, as well as conferences and workshops and rental revenues are all expected to be similar to the 2020-2021 projected actual amount due to uncertainty in the economy as a result of the continued global coronavirus pandemic.

<sup>&</sup>lt;sup>4</sup> Management fees and F&A are expected to increase due to the start of clinical trial agreements mentioned above as well as the new fiscal agent agreement with ASEMFL for which activity is expected to begin during Quarter Four of Fiscal Year 2021.

<sup>&</sup>lt;sup>5</sup> Other operating expenses includes funding for research foundation payroll and operating expenses plus offset for technology transfer related expenses. The budgeted amount takes into account the Quarter Four Fiscal Year 2021 hiring of a Federal Contract Manager and Contract Accountant. Additionally, assumes the hiring of a Budget Development Manager during the second quarter of Fiscal Year 2022 along with the hiring of a Clinical Trials Contract Manager mid-year Fiscal Year 2022. Further Gap Fund expenses included in the 2020-2021 projected actual amounts are related to Fiscal Year 2019 award. The Gap Funding for Fiscal Year 2021 was not awarded but is budgeted to be awarded in Fiscal 2022.

# Attachment H

# Central Florida Clinical Practice Organization Annual Budget 2021-22

	2021	-22	2020-21			2020-21	2020-21		
	Propo Bud		Approved Budget	Variand Favorable (Unfa		Projected Actual	Approved Budget	Variance Favorable (Unfav	
Revenues Patient Care Other Total revenues	9	81,723 64,645 <b>46,368</b>	\$ 6,041,174 796,182 <b>6,837,356</b>	\$ 1,740,549 168,463 1,909,012	29% 21% <b>28%</b>	\$ 6,877,585 767,345 <b>7,644,930</b>	\$ 6,041,174 796,182 <b>6,837,356</b>	\$ 836,411 (28,837) <b>807,574</b>	14% -4% <b>12%</b>
Operating Expenses Professional Services	•	24,547	417,579	(306,968)	-74%	404,755	417,579	12,824	3%
Supplies and Repairs Facility Expense Information Technology	5	48,160 601,390 87,095	935,007 230,378 341,581	286,847 (271,012) (45,514)	31% -118% -13%	858,509 488,644 363,553	935,007 230,378 341,581	76,498 (258,266) (21,972)	8% -112% -6%
Other Expense  Total Operating Expense		90,280 <b>51,472</b>	101,016 <b>2,025,561</b>	10,736 <b>(325,911)</b>	11% <b>-16%</b>	84,080 <b>2,199,541</b>	101,016 <b>2,025,561</b>	16,936 <b>(173,980)</b>	17% - <b>9%</b>
Total Transfer to College of Medicine	5,8	94,896	4,811,795	(1,083,101)	-23%	2,338,984	4,811,795	2,472,811	51%
Total expenses	8,2	46,368	6,837,356	(1,409,012)	-21%	4,538,524	6,837,356	2,298,832	34%
Net increase (decrease)	\$ 5	00,000	\$ -	\$ 500,000	-	\$ 3,106,406	\$ -	\$ 3,106,406	-

ITEM: FFC-5

## **UCF BOARD OF TRUSTEES**

#### **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

Title: Five-Year Capital Improvement Plan					
Information	☐ Information for upcoming action		<b>△</b> Action		
Meeting I	Date for Upcoming Action:	June 17, 2021			
Dumaga and Iggues to be C	anaidanad.				

#### Purpose and Issues to be Considered:

The projects included in the Capital Improvement Plan (CIP) adhere to criteria prescribed by the Board of Governors:

# 1. Remodeling/Renovation/Maintenance/Repair

Funds will be requested from Public Education Capital Outlay (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 lineitem 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.

#### **Background Information:**

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 2022-23. The new buildings listed in the CIP represent the highest university priorities for new construction based on critical need for research space. 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. This document represents the university request for state funding for new construction based on highest priority, it does not represent a comprehensive Capital Plan, which would take into account all appropriate funding sources and capital renewal needs.

#### **Recommended Action:**

Approve the Five-Year Capital Improvement Plan as presented.

#### **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 two highest priority projects are estimated to be \$157,445,120 and we are requesting PECO funds to support the total costs. In addition, approval of the projects will require university commitment to fund an escrow equal to 1% of the project, for these two buildings that represents a commitment of \$1,547,451. The university will also be committed to reallocate existing funding sufficient to cover all building operations and maintenance costs, estimated to be approximately \$3,500,000 annually.

The Plan also requests approval to spend up to \$27,646,087 from available Capital Improvement Trust Funds (CITF).

Authority for Board of Trustees Action: Florida Statutes s. 1001.74
Contract Reviewed/Approved by General Counsel N/A 🖂
Committee Chair or Chair of the Board has approved adding this item to the agenda 🗵
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

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

**AGENCY: University of Central Florida** 

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

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 2021 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.

UCF is the No. 1 supplier of graduates to U.S. aerospace and defense industries for the sixth consecutive year, according to Aviation Week Network, and ranks second in the nation for teaching the critical skills needed by employers.

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, Biological Sciences Renovation. New projects include the Learning Lab, Research II, and the Performing 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 John C. Hitt Library Renovation Phase IA, Student Union Expansion, and the Roth Athletic Center.

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 2022-23 THAT REQUIRE LEGISLATIVE APPROVAL

College of Nursing	\$63,781,430	Construction of a new90,000 GSF facility to serve College of Nursing academic programs; includes Classrooms, Teaching Labs (Simulation, Essential Skills, Health Assessment, Virtual Reality, Objective Structured Clinical Examination), Study Space, and Office/Conference Space.
Spectrum Stadium expansion (Phase I)	\$48,700,000	Increase of approximately 10,000 in seating capacity in three separate seating sections.
Spectrum Stadium expansion (Phase II)	\$43,500,000	Addition of premium seating tower in southwest sector of stadium.
McNamara Cove	\$2,900,000	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 an 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	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/Audio Boards	\$1,500,000	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

## **Summary of Projects - PECO-Eligible Projects**

University University of Central Florida

Contact: Gina Seabrook
(name) (phone) (email)

PECO	ELIGIBLE PROJECT REQUESTS (ONLY)	<del>.</del>							Academic or	Net	:	<u> </u>	:	: :
Priority No.	Project Title	2022-23	i	2023	<b>Pro</b> j 3-24	ed Annual Fu 2024-25	g 2025-26	2026-27	Other Programs to Benefit from Project		Square Feet	Project Cost		Educational Plant Survey Recommended? (Date & Rec. #)
1	LEARNING LABORATORY - ACTIVE LEARNING, TEACHING LAB AND MAKER SPACE FACILITY (P,C,E)	\$ 5,319,956	\$	58,5	519,519	\$ 5,319,956			Total Campus	100,000	150,000	\$ 69,159,431	\$461	6/22/2021 No. 5.2
2	RESEARCH II LABORATORY (P,C,E)		\$	6,7	791,207	\$ 74,703,275	\$ 6,791,207		Total Campus	92,000	138,000	\$ 88,285,689	\$640	6/22/2021 No. 5.3
3	CHEMISTRY BUILDING RENOVATION (P,C)		\$	1,0	000,000	\$ 9,000,000			Clge of Sciences	29,336	49,073	\$ 10,000,000	\$204	6/22/2021 No. 3.2 & 4.3
4	BIOLOGICAL SCIENCES BUILDING RENOVATION (P,C,E)	_	\$	2,1	163,000	17,304,000	2,163,000		Clge of Sciences		116,607	\$ 21,630,000	\$185	6/22/2021 No. 3.1 and 4.1
5	PERFORMING ARTS COMPLEX PHASE II (P,C,E)	_				\$ 3,164,520	\$ 67,170,960 \$	5,164,520	CAS-CHPS	88,310	122,800	\$ 77,500,000	\$631	6/22/2021 No. 5.1
		_												
	Tota	l: \$ 5,319,956	· \$	68.4	473.726	\$ 109.491.751	\$ 76,125,167 \$	5,164,520						

## **Summary of Projects - CITF Projects**

Universi	ty University of Central Florida		Contact:	Gina Seabroo	(name)		407-823-58 (phone)		gin	na.seabrook@ucf. (email)	edu	
CITF	PROJECT REQUESTS (ONLY)											
Priority				d Annual Fu	-		Academic or Other Programs to Benefit from	Net Assignabl e Square Feet	Square Feet			University Approval
No.	Project Title	2022-23	2023-24	2024-25	2025-26	2026-27	Project	(NASF)	(GSF)	Project Cost	GSF	Date
1	John C. Hitt Library Renovation Phase II	\$ 7,301,087					Total Campus	144,097	226,506	\$ 42,978,312	\$190	5/2012, rev. 5/13/2019
2	John C. Hitt Library Renovation Phase IIB	\$ 20,345,000					Total Campus	30,000	45,000	\$ 20,345,000	\$452	4/29/21

Total: **\$ 27,646,087 \$** 

## **Summary of Projects - Supplemental Funding**

University L	Jniversity of Central Florida		Contact:	Gina Seabi	rook		407-82	3-5894	gin	a.seabrook@uct	.edu
		E DECO AND		TE DDO	(name)	ONI W	(pho	one)		(email)	
Priority No.	EMENTAL FUNDING O	Year 1	Projec	cted Annua	l Funding		Academic of Other Programs Benefit fro Project	Assignable o Square	Square Feet	Project Cost	Project Cost Per GSF
	Т	Гоtal: <b>\$</b>	\$ -	- \$	- \$	- \$	<u> </u>				

#### **Project Detail**

University:	Univer	sity of Central Florida	Project Title:	Learning Laboratory
Proiect Addr	ress:	Main Campus - TBD		

#### **PROJECT NARRATIVE**

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

In late 2017, UCF's Office of the Provost and Academic Affairs convened a university-wide committee to assess academic space and facility needs across campus, and to refine planning for research laboratories, teaching laboratories, and classroom space. Deans and Vice Presidents presented their 5-year visions for academic needs to the committee. Among the highest collective priorities was a need for more and better teaching laboratories and classrooms to support Science, Technology, Engineering, and Math (STEM).

UCF determined that a new innovative, interdisciplinary STEM facility could meet campus-wide needs for teaching laboratories and active learning classrooms for multiple colleges. The UCF 2021-2026 Educational Plant Survey "Needs Assessment" confirms that there remains a deficit of teaching laboratories and classrooms at UCF.

The proposed Learning Laboratory (LL) will be a 150,000 gross square foot (GSF) facility. The facility will provide 100,000 net assignable square feet (NASF) of classrooms, teaching laboratories, and office space to meet the needs of several colleges.

TEACHING LABORATORIES. New state-of-the-art Teaching Labs will replace aging, crowded teaching labs in other buildings, and provide additional space for growth and new programs. The Teaching Labs will provide an appropriate quantity of space per student station, in keeping with current code and recommendations in the Florida State Requirements for Educational Facilities (SREF).

#### COLLEGE OF SCIENCES (COS)

- •Chemistry Teaching Laboratories (10) will be provided to replace those currently located in the 1967 Chemistry building (CHEM); and additional Chemistry Teaching Labs (2) will address current needs.
- •Introductory Physics Teaching Labs (4) will replace those currently located in the 1969 Mathematical Sciences Building (MSB); and additional Physics Teaching Labs (2) will address current needs. Physics will retain several Teaching Labs in MSB to support upper level courses.
- •A Mixed-Use Teaching Lab will serve both Chemistry and Biology.
- •Chemistry Teaching Lab Service will be provided to replace all Teaching Lab Service in CHEM.
- •Physics Teaching Lab Service will be provided to support new Physics Teaching Labs in LL. Physics will retain some Teaching Lab Service to support retained Teaching Labs in MSB.

#### COLLEGE OF MEDICINE, Burnett School of Biomedical Sciences (BSBS)

- •Molecular Microbiology Teaching Laboratories (4) will support current needs; and additional Teaching Laboratories (2) will offset any loss of capacity that would result from even the most minor future renovations to existing BSBS Teaching Laboratories (6) located in the 20-year-old Health Sciences II building (HS II).
- •Teaching Lab Service will be provided to support BSBS Teaching Labs in LL.

#### COLLEGE OF ENGINEERING and COMPUTER SCIENCES (CECS)

- •Teaching Labs (3) will support the new Bachelor of Science in Materials Science and Engineering (MSE), introduced in Summer of 2019.
- •Teaching Lab Service for MSE will be provided.

#### COLLEGE of COMMUNITY INNOVATION and EDUCATION (CCIE)

- •A new MakerSpace will serve K-12 education programs in Science, Technology, Engineering, Arts, and Mathematics (STEAM.)
- •The LL will provide a collaborative Science Teaching Laboratory for teacher education.
- •See CLASSROOMS regarding the provision of Flexible Learning Studios, where active learning pedagogies can be practiced by future teachers.

#### GENERAL PURPOSE

- An Open Laboratory will serve as a Tutoring Center for the participating colleges; and replace a small tutoring room in CHEM.
- •Additional Teaching Labs (4) will be available to serve STEM colleges that require space.

CLASSROOMS. All classrooms in the facility will be designed to support active learning pedagogies, with furniture and technology to facilitate collaboration and generous space per student station. All classrooms in the facility will be classified as General Purpose, open to the university to partially remediate UCF's classroom space deficit.

Flexible Learning Studios (7) were requested by the College of Community Innovation and Education (CCIE) for teacher education. To improve utilization, the University will use these rooms as General Purpose Classrooms when they are not in use by CCIE.

Large Lecture Halls (2) will support collaborative learning for 200 and 240 students.

- •One lecture hall will be tiered to facilitate chemistry and physics demonstrations, with teaming tables oriented toward the instructor area. The students will be arranged in teams of six, with easy circulation around the tables.
- •One lecture hall should be will be furnished to support teaming at round tables. This room may be divisible into two rooms by use of a mobile partition.
- •Technology will support distance learning, interactive teaching, and Assistive Listening Devices (ALD) to comply with the Americans with Disabilities Act (ADA).

The large lecture hall(s) will address university and community needs for colloquia, collaboration, and public talks; as well as serving the professional learning components of CCIE.

Classrooms will be served by a shared Storeroom for use by the participating colleges, as well as Breakout and Queueing space to support the comings and goings of large numbers of students.

OFFICE. The facility will not serve as the primary home for any of the participating colleges. Office space will be provided only for personnel who are critical to the success and

#### safety of the facility.

•Critical Personnel (lab managers, lab techs) from all four colleges will be provided dedicated office space. Workspace will also be provided for support staff, such as a facility manager, Information Technology, and the Office of Instructional Resources.

- •Touchdown workspace will be provided for teaching assistants (TAs) and faculty working in the facility but officed elsewhere.
- \*Several Conference Rooms will be available, including some for use as Office-Hours Rooms by TAs from the participating colleges.

This project will result in the release of outdated Teaching Laboratory and Teaching Laboratory Service space in CHEM, for renovation into classroom and office space to partially remediate UCF's deficits in these space classifications. Further, it will facilitate the release of Teaching Laboratory and Teaching Laboratory Service in MSB, to support other academic units.

#### 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 ANSI/ASRHAE/IES Standard 90.1-2016 Energy Standard for Buildings, 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 2021-2026 Educational Plant Survey was conducted March 5, 2021 and approved by the UCF Board of Trustees on April 22, 2021. Approval by the SUS Board of Governors is anticipated at their June 22, 2021 meeting.

The most recent UCF Educational Plant Survey (EPS) recommended the Learning Laboratory as Project 5.2.

18/ RESERVE ESCROW | From E.S. 1004 706 (12) o 1. This portains to RECO projects only not CITE

Building / project value:   \$ 69,159.431	6 RESERVE ESCROW [per F.S. 1001.	.706 (12) c. ] Th	is pertains to P	ECO projects on	ly, not CITF			
1st Year escrow deposit:	Building / project value:	\$	69,159,431					
SuilDing SPACE DESCRIPTION   Net Assignable   Net-to-Gross   Space Type   Sq. Ft.   Conversion   Gross Sq. Ft.   (per GSF)   Building Cost	Basis / source of valuation:							
Escrow funding source:	1st Year escrow deposit:	\$	691,594					
Net Assignable								
Net Assignable   Net-to-Gross   Space Type (per FICM)   (NASF)   Factor (GSF)   (per GSF)   Building Cost	· ·							
Net Assignable   Net-to-Gross   Sq. Ft.   Conversion   Gross Sq. Ft.   Unit Cost								
Net Assignable   Sq. Ft.   Conversion   Gross Sq. Ft.   Unit Cost	III DING SPACE DESCRIPTION							
Space Type	SILDING SPACE DESCRIPTION							
Classroom   23,900   1.5   35,850   355   12,717,429   Teaching Lab   68,600   1.5   11,250   360   4,046,400   1.5   11,250   360   4,046,400   1.5   11,250   360   4,046,400   1.5   11,250   360   4,046,400   1.5   11,250   360   4,046,400   1.5   11,250   360   4,046,400   1.5   11,250   360   4,046,400   1.5   11,250   360   4,046,400   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5   11,250   1.5								
Classroom   23,900   1.5   35,850   355   12,717,429   Teaching Lab   68,600   1.5   102,900   387   39,872,721   Office   7,500   1.5   11,250   360   4,046,400						Puilding Cost		
Classroom   23,900   1.5   35,850   355   12,717,429   Teaching Lab   68,600   1.5   102,900   387   39,872,721   Office   7,500   1.5   11,250   360   4,046,400	<u> </u>	(NASE)	racioi	(63F)	(per GSF)	Building Cost		
Teaching Lab 68,600 1.5 102,900 387 39,872,721 Office 7,500 1.5 11,250 360 4,046,400		23 900	1.5	35 850	355	12 717 429		
Total: 100,000 150,000 56,636,550  * Apply Unit Cost to total GSF based on Space Type  REMODELING / RENOVATION	Teaching Lab		<u>1.5</u>			39,872,721		
* Apply Unit Cost to total GSF based on Space Type  REMODELING / RENOVATION	Office	7,500	<u>1.5</u>	11,250	<u>360</u>	4,046,400		
* Apply Unit Cost to total GSF based on Space Type  REMODELING / RENOVATION		-		-		-		
* Apply Unit Cost to total GSF based on Space Type  REMODELING / RENOVATION		-		-		-		
* Apply Unit Cost to total GSF based on Space Type  REMODELING / RENOVATION		-		-		-		
* Apply Unit Cost to total GSF based on Space Type  REMODELING / RENOVATION		-		-		-		
* Apply Unit Cost to total GSF based on Space Type  REMODELING / RENOVATION		-		-		-		
REMODELING / RENOVATION			F based on Space			56,636,550	Remodelina P	roiects Only
				71.			NASF	NASF
	REMODELING / RENOVATION	_		_		_	BEFORE -	AFIER -
		-		-		-	-	-
		-		-		-	-	-
		-		-		-	-	-
		-		-		-	-	-
		-		-		-	-	-
		-		-			-	-
Total:	Total:	-		-		-	-	<u> </u>
Total New Const. and/or								
Remodel / Renovation: 100,000 150,000 56,636,550	Total New Const. and/or							

## PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded		Р	rojected Costs			
	to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)			56,636,550				56,636,550
Environmental Impacts/Mitigation							
Site Preparation		1,000,000					1,000,000
Landscape / Irrigaiton				500,000			500,000
Plaza / Walks							
Roadway Improvements							
Parking :spaces							
Telecommunication				1,200,000			1,200,000
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment							
Subtotal: Basic Const. Costs		1,000,000	56,636,550	1,700,000			59,336,550
Other Project Costs							
Land / existing facility acquisition							
Professional Fees		3,239,407					3,239,407
Fire Marshall Fees		122,385					122,385
Inspection Services		273,410					273,410
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			-	2,938,870			2,938,870
Project Contingency		451,920	1,882,969	581,086			2,915,975
Subtotal: Other Project Costs		4,319,956	1,882,969	3,619,956			9,822,881
Total Project Cost:		5,319,956	58,519,519	5,319,956			69,159,431

## PROJECT FUNDING

	Funding to Date			
Source *	Fiscal Year	<u>Amount</u>		
		<u>-</u>		
		<del>-</del>	Total Project	
		-	Cost	Remaining Funding Need
		<u> </u>	(from above)	
	Total:	<del>-</del>	69,159,431	69,159,431

List any prior PECO funding. Also, for non-PECO funding sources (i.e. donations, auxiliary, C&G, etc), list each source and the entire anticipated (\$) amount. See Instructions for further detail.

## **Project Detail**

University:	Univer	sity of Central Florida	Project Title:	Research II
Proiect Addre	ess:	Main Campus - TBD		

#### **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.

In late 2017, UCF's Office of the Provost and Academic Affairs convened a university-wide committee to assess academic space and facility needs across campus, and 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 committee. Among the highest collective priorities was a need for more and better research laboratories, teaching laboratories, and classrooms.

UCF determined that a new innovative, interdisciplinary research facility could address campus-wide research space needs for multiple colleges. While the 2015 UCF Educational Plant Survey reported a laboratory space deficit of 629,057 NASF, the deficit has grown to 855,618 NASF in the 2021-2026 Educational Plant Survey.

The proposed Research II (Bldg. 0166) will be a 138,000 gross square foot facility 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. The new facility will provide 92,000 net assignable square feet (NASF) of research laboratories and office space to reduce space deficits and serve three UCF colleges and the Office of Research.

The enhanced capabilities of 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.

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 in three colleges

- •COLLEGE OF SCIENCES (COS) Chemistry, Physics, Biology and Anthropology, Wet, Damp and Dry Research Labs
- •COLLEGE OF ENGINEERING AND COMPUTER SCIENCE (CECS) Wet and Dry Research Labs for seven CECS Departments (CECE, ECE, MAE, MSE, CECE, CS, and IEMS
- •COLLEGE OF OPTICS AND PHOTONICS (CREOL) Laser Optics & Research Labs. See also Cleanroom, under OFFICE OF RESEARCH space
- •OFFICE OF RESEARCH (OR) SHARED SPACE technical space for manufacturing and prototyping, including a Central Microfabrication Facility (cleanroom) and a Central Mechanical Manufacturing Facility (machine shop).
- •OFFICE Office space will be provided for personnel who are critical to the success and safety of the facility, based on the workspace model in Research I. The facility will not serve as the primary home for any of the participating colleges.
- •Researchers and critical personnel will be provided with dedicated offices.
- Open Office suites will provide cubicles for research assistants (RAs)
- •Touchdown workspaces may be provided for researchers and RAs who are officed elsewhere, need to work in the facility intermittently.
- •Several Conference Rooms will be available for team meetings.

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 COS, CECS, and CREOL. All such facilities will be managed by the Office of Research. 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.

#### SPACE CLASSIFICATIONS

The space classification is predominately Research 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 ANSI/ASRHAE/IES Standard 90.1-2016 Energy Standard for Buildings, 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 2021-2026 Educational Plant Survey was conducted March 5, 2021 and approved by the UCF Board of Trustees on April 22, 2021. Approval by the SUS Board of Governors is anticipated at their June 22, 2021 meeting.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c.] This pertains to PECO projects only, not CITF

Building / project value:	\$	88,285,689						
Basis / source of valuation:								
1st Year escrow deposit:	\$	882,857						
Escrow funding source:								
Comments:								
BUILDING SPACE DESCRIPTION								
	Net Assignable	Net-to-Gross						
Space Type (per FICM)	Sq. Ft. (NASF)	Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost			
NEW CONSTRUCTION	(10.01)	1 40.01	(55. )	(poi 00i)	Lunding Cook			
Research Lab Office	72,350 19,650	<u>1.5</u> 1.5	108,525 29,475	<u>534</u> <u>399</u>	57,952,350 11,751,093			
	-		-		-			
	-		-		-			
	-		-		-			
	-		-		-			
	-		-		-			
Total:	92,000		138,000		69,703,443			
* Apply U	nit Cost to total GS	F based on Space				Remodeling F	Projects Only NASF	
REMODELING / RENOVATION						BEFORE	AFTER	
	-		-		-	-	-	
	-		-		-	-	-	
	-		-		-	-	-	
	-		-		-	-	-	
	-		-		-	-	-	
	-		-		-	-	-	
Total:	-		-		-	<u>-</u>	<u>-</u>	_
Total New Const. and/o	•							
Remodel / Renovation:			138,000		69,703,443			
PROJECT COMPONENT COSTS & PROJE	CTIONS							

## Basic Construction Costs

Building Cost (from above)
Environmental Impacts/Mitigation
Site Preparation
Landscape / Irrigaiton
Plaza / Walks
Improvements

4				
1 Year 2	Year 3	Year 4	Year 5	Total
	69,703,443			69,703,443
579,90	7			579,907
	816,055			816,055
		69,703,443 579,907	69,703,443 579,907	69,703,443 579,907

82

Darking : anaece				
Parking :spaces Telecommunication		500,000		500,000
Electrical Service		600.000		600,000
Water Distribution		100,000		100,000
Sanitary Sewer System		158,023		158,023
Chilled Water System		200,000		200,000
·	500,594	200,000		,
Storm Water System	500,594	000 000		500,594
Energy Efficient Equipment		600,000		600,000
Subtotal: Basic Const. Costs	1,080,501	72,677,521		73,758,022
Other Project Costs				
Land / existing facility acquisition				
Professional Fees	3,902,729			3,902,729
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	116,872			116,872
Artwork		100,000		100,000
Moveable Furnishings & Equipment		-	5,681,797	5,681,797
Project Contingency	700,000	1,925,754	1,109,410	3,735,164
Subtotal: Other Project Costs	5,610,706	2,025,754	6,791,207	14,427,667
Total Project Cost:	6,691,207	74,703,275		88,185,689

## PROJECT FUNDING

Cost	Total Project - Cost Fu		Funding to Date			
Total Project - Cost	Total Project - Cost Framadove)	Source *	Fiscal Year	<u>Amount</u>		
- Total Project - Cost	- Total Project - Cost - (from above)			-		
- Total Project - Cost Fu	- Total Project F - Cost Fu - (from above)					
- Cost Fu	- Cost Fu				Total Project	_
	- (trom above)			-	Cost	

List any prior PECO funding. Also, for non-PECO funding sources (i.e. donations, auxiliary, C&G, etc), list each source and the entire anticipated (\$) amount. See Instructions for further detail.

#### **Project Detail**

University:	Univer	sity of Central Florida	Project Title:	Performing Arts Complex Phase II
Project Addr	ess.	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 as well as the Masters of Science 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 building program for the facility has been approved by the university President. In 2019, student government expressed their support for the project, as evidenced by the student led CITF committee allocating \$2M of CITF funds to the design efforts of the project. The UCF Board of Trustees has also approved the use of these funds, as well as \$750K of donations, to be spent on design and preconstruction efforts.

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 2021-2026 Educational Plant Survey was conducted March 5, 2021 and approved by the UCF Board of Trustees on April 22, 2021. Approval by the SUS Board of Governors is anticipated at their June 22, 2021 meeting.

The most recent UCF Educational Plant Survey recommends the Performing Arts Complex Phase II as Project 5.1.

1% RESERV	VE ESCROW [per F.S. 1001	.706 (12) c. ]	This pertains to PE	ECO projects only, not CITF
	Building / project value:	\$	77,500,000	
	Basis / source of valuation:			
84				

1st Year escrow deposit: \$ 775,000

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		
NEW CONS	TRUCTION							
	Teaching Lab Study	49,335 6,400	<u>1.5</u> 1.4	74,003 8,960	<u>435</u> <u>333</u>	32,191,088 2,985,472		
	Office Audio/Exhib.	2,485 28,060	1.5 1.4 1.5 1.2 1.2	3,728 33,672	346 410	1,289,529 13,805,520		
	Other	2,030	1.2	2,436	315	767,340		
		-		-		-		
		-		-		-		
	Total:	88,310		122,798		51,038,948		
	* Apply U	Jnit Cost to total GS	F based on Space	е Туре			Remodeling Pr	ojects <u>Only</u> NASF
REMODELI	NG / RENOVATION						BEFORE	AFTER
		-		-		-	-	-
		-		-		-	-	-
		-		-		-	-	
		_		-		-	-	_
		-		-		-	-	-
		-		-		-	-	-
		-		-		-	-	-
		-		-			-	_
	Total:	-		-		-	-	-
	Total New Const. and/o Remodel / Renovation	r						

## PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded	Projected Costs					
	to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)				51,038,948			51,038,948
Environmental Impacts/Mitigation							
Site Preparation				1,500,000			1,500,000
Landscape / Irrigaiton				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
Other Project Costs							
Land / existing facility acquisition							
Professional Fees	2,750,000		2,414,520				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	5,164,520		6,364,520
Project Contingency				3,750,000			3,750,000
otal: Other Project Costs	2,750,000	·	2,414,520	6,444,462	5,164,520		16,773,502

Page 2

Total Project Cost:	67,170,960	77,500,000
---------------------	------------	------------

## PROJECT FUNDING

## **Funding to Date**

<u> </u>	Source *	Fiscal Year	<u>Amount</u>		
	CITF	2021-22	2,000,000		
	Donations	2021-22	750,000		
			-		
			-	Total Project	Remaining
			-	Cost	Funding Need
			<u> </u>	(from above)	
		Total:	2,750,000	77,500,000	74,750,000

List any prior PECO funding. Also, for non-PECO funding sources (i.e. donations, auxiliary, C&G, etc), list each source and the entire anticipated (\$) amount. See Instructions for further detail.

86

## **Project Detail**

University:	University of Central Florida	Project Title: Chemistry Building Renovation
Project Addre	ess: 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.

#### 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 ANSI/ASRHAE/IES Standard 90.1-2016 Energy Standard for Buildings, 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 2021-2026 Educational Plant Survey was conducted March 5, 2021 and approved by the UCF Board of Trustees on April 22, 2021. Approval by the SUS Board of Governors is anticipated at their June 22, 2021 meeting.

	1.706 (12) c. ] This pertains to PECO projects only, not CITF
Building / project value:	\$
Basis / source of valuation:	
1st Year escrow deposit:	\$ -
Escrow funding source:	
Comments:	
87	

## **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		
NEW CONSTRUCTION							
	-		-		-		
	-		-		-		
	- -		-		- -		
	-		-		-		
	-		-		-		
	-		-		-		
	-		-		-		
	-		-		-		
Total:			-		-		
* Apply	Unit Cost to total GS	F based on Space	e Type			Remodeling F	rojects <u>Only</u> NASF
REMODELING / RENOVATION						BEFORE	AFTER
	-		-		-	-	-
	-		-		-	-	-
	-		-		-	-	-
	-		-		-	-	-
	-		-		-	-	-
	-		-		-	-	-
	-		-		-	-	-
Total:	-		-		-	<u> </u>	<u> </u>
Total.	-					_	_
Total New Const. and/ Remodel / Renovatio			-		-		

## PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded		ı	Projected Costs			
	to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)				8,206,200			8,206,200
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigaiton							
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
Other Project Costs							
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
Total Project Cost:				9,000,000			10,000,000

## PROJECT FUNDING

Source - Fiscal Year	Amount		
	-		
	-	T. 15	
	-	Total Project Cost	Remaining
	<u>-</u>	(from above)	Funding Need
Total:	<u> </u>	10,000,000	10,000,000

List any prior PECO funding. Also, for non-PECO funding sources (i.e. donations, auxiliary, C&G, etc), list each source and the entire anticipated (\$) amount. See Instructions for further detail.

#### **Project Detail**

University:	University of Central Florida	Project Title: Biological Sciences Renovation
Project Addre	ess: 4110 Libra Dr, Orlando, FL 32816	

#### **PROJECT NARRATIVE**

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

The Biological Sciences Building is a reinforced concrete and masonry five-story structure (including the sub-level basement) and was built in 1975. With the addition of the annex in 2002, its size doubled to 116,607 gross square feet. This building houses two general-purpose classrooms with a combined seating capacity of 110 seats, and nine specialized teaching laboratories (BIO-COS) with a combined seating capacity of 300 seats. Research laboratories and research support spaces facilitate the sponsored research of 40 principal investigators and numerous graduate and undergraduate students from Biological Sciences (COS), Burnett School of Biomedical Sciences (COM) Genomics and Bioinformatics Cluster (OR-FCI), and Kinesiology and Physical Therapy (CHPS). Researchers in this building were awarded \$12.5M in sponsored-research grants in the past three years. The rest of the building contains faculty and staff offices and conference rooms.

The Department of Biology is the greatest user of the building's instructional spaces, and has the 8th largest undergraduate program on campus, with 1,871 students in Fall 2018. In addition, the department serves thousands of non-majors through its teaching of introductory biology. The department has a well-recognized graduate program which currently supports 64 graduate students. Overall, the department comprises a balanced blend of research scientists and classroom lecturers who are committed to maintaining a diverse undergraduate curriculum and a dynamic graduate program, and engaging in contemporary research. Biology faculty have successfully trained thousands of undergraduate students for a range of biology careers, including botanists, zoologists, ecologists, and health care professionals. Furthermore, the department's broad-based curriculum provides excellent preparation for post-graduate education (e.g., medical, dental, veterinary, and graduate school). Its competitive MS and PhD programs provide contemporary training in a diverse academic environment. Many state and federal agencies, colleges, universities, environmental consulting firms, and NGOs have consistently employed its students. The Biology Department would make an even greater impact on the Central Florida region with up-to-date, optimized facilities designed to support its ability to provide broad-based science education in an engaging manner.

The university contracted with the ISES Corporation to conduct a Facilities Condition Assessment (FCA) to benchmark the condition of its E&G facilities. The ISES Corporation inspected Biological Sciences May 15, 2018 and reported the building's Facility Condition Needs Index (FCNI) at 0.47 (below average condition with major renovation required). This project request includes renovation costs for the entire building. These costs include the following scope items:

- ·Planning, design, permitting, and inspections
- •Painting of public areas and labs
- •Fire pump and controller replacement
- •Fire alarm replacement, including peripherals and radio communications
- •Restroom upgrades for ADA compliance
- Interior lighting replacement including ceiling grid and tile replacement
- Flooring replacement
- Building envelope repairs
- •Stair egress and entrance repairs
- Exterior door replacement
- •Compressed air system replacement
- •Walk-in cooler condenser and evaporator replacement
- •Information Technology air conditioner replacement
- •Electrical panel replacement and upgrades
- •Elevator modernization
- •Boiler and hot water replacement and upgrades
- •Replacement of building automation control systems
- •Replacement or repair of HVAC distribution systems, sealing, ductwork, dampers, diffusers, etc.
- •Replacement of furniture, fixtures, and equipment where necessary
- ${}^{\bullet}\text{Lab}$  upgrades where needed, such as countertop, cabinetry, and sink replacement
- •Temporary staff relocation when necessary

#### 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.

#### Research/Laboratory

The space classification is predominately research or laboratory type, with standard classroom and 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

#### **EDUCATIONAL PLANT SURVEY**

The 2021-2026 Educational Plant Survey was conducted March 5, 2021 and approved by the UCF Board of Trustees on April 22, 2021. Approval by the SUS Board of Governors is anticipated at their June 22, 2021 meeting.

1% RESERVE ESCROW [per F.S. 1001	706 (12) c. ] This pertains to PECO projects only, not CITF
Building / project value:	\$ -
Basis / source of valuation:	
1st Year escrow deposit:	\$ -

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		
NEW CONS	TRUCTION							
		-		-		-		
		-		-		-		
		-		-		-		
		-		-		-		
		-		-		-		
		-		-		-		
		-		-		-		
		-		-				
	Total:	-	F	-		-	Demandalia a De	
	* Apply Ur	nit Cost to total GS	F based on Space	e Type			Remodeling Pr	ojects <u>Only</u> NASF
REMODELII	NG / RENOVATION						BEFORE	AFTER
	Classroom	1,515	1.5 1.5 1.5 1.5	2,273		-	-	-
	Teaching Lab Research Lab	13,266 41,057	1.5 1.5	19,899 61,586		-	-	-
	Office	12,790	1.5	19,185		-	-	-
	Other	74	1.4	104		-	-	-
		-		-		-	-	-
		-		-		-	-	-
		-		-		-	-	-
	Total:	68,702		103,046		-	<u>-</u>	-
	Total New Const. and/or Remodel / Renovation:	68,702		103,046		_		

## PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded		Р	rojected Costs			
	to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)				16,438,000			16,438,000
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigaiton							
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				16,758,578			16,758,578
Other Project Costs							
Land / existing facility acquisition							
Professional Fees			1,790,345				1,790,345
Fire Marshall Fees			43,260	21,825			65,085
Inspection Services			86,087				86,087
Insurance Consultant					43,214		43,214
Surveys & Tests				45,000			45,000
Permit / Impact / Environmental Fees			80,617				80,617
Artwork							
Moveable Furnishings & Equipment					1,895,874		1,895,874
Project Contingency			162,691	478,597	223,912		865,200
Subtotal: Other Project Costs			2,163,000	545,422	2,163,000		4,871,422
Total Project Cost:				17,304,000			21,630,000

#### 

List any prior PECO funding. Also, for non-PECO funding sources (i.e. donations, auxiliary, C&G, etc), list each source and the entire anticipated (\$) amount. See Instructions for further detail.

## **Project Detail**

University: University of Central Florida			Project Title: _	John C. Hitt Lib	rary Renovation Phas	se II
Project Address: 12701 Pegasus Driv	ve Orlando, FL 328	316				
PROJECT NARRATIVE						
PURPOSE, NEED, SCOPE, RELATIONSHIP OF	PROJECT TO AGEN	CY OBJECTIVES				
The John C. Hitt Library, built in 1967 when enropopulations. The existing library, with a collection typical midterm week, 41,000 people visit the library library less than the minimum requirements	on of over 1.3 million library. The existing	print volumes, is of library had 1,903 p	open 105 hours per oublic seats pre-Ph	week, and has a ase IA construct	a patron count of almost	1.25 million visits per year. During
The university contracted with the ISES Corporate enovation will address both critical and non-critical and plumbing distribution systems, electrical inishes, flooring, egress, exterior lighting, and universely the state of the contract o	cal issues identified cal service, asbesto	in the FCA. These s, HVAC moderniza	issues encompass ation, lighting upgra	deficiencies sud des, building aut	ch as indoor air quality, formation, ADA compliance	fire alarm modernization, potable e, building envelope repairs, interio
When completed, the renovated and expanded fooms; triple the number of group study rooms; dedicated space for campus academic partners will integrate advances in technology seamlessly are original to the building.	a 24/5 study area; a such as SARC and t	digital initiatives c he Writing Center;	enter; additional Sp quiet study areas;	ecial Collections and more than to	and University Archives wice the number of techn	s space; graduate study space; nology workstations. The building
The next phases of the Library project consist of mechanical room to the first floor, and system recompleted, this project will provide approximately	eplacements such as	boilers and chilled	d water pumps. Fut		•	•
SUSTAINABILITY AND LEED						
The University of Central Florida is committed to applicable. As energy costs and demands continues mandated LEED certification, with most projection, water conservation, and indoor air que construction and major renovation projects, and and operational efficiency is achieved.  Classroom/Office The space classification is predominately open secrification from the U.S. Green Building Councemergy Standard for Buildings, and water consumeds and look at alternative measures to proving the content of the U.S. Green Building Councemergy Standard for Buildings, and water consumeds and look at alternative measures to proving the content of the content of the U.S. Green Buildings.	inue to escalate, act ects achieving Gold. ality for all projects. expedite the commis seating, group study il (USGBC). Energy mption will be at leas	nieving higher level UCF requires spe The Facilities Plan ssioning process we rooms, stacks, or consumption will be t 30% less than the	s of efficiency has ecific individual LEE ining & Construction with the latest industriant the latest industriant office type, with late at least 30% less nat of a comparable	become increasi D credits that con and Utilities & try standards to boratory or resertant the energy building. The pro-	ingly important to the uni- partribute to UCF's core p Energy Services departnensure that the university arch type minimized. The standards cited in ANSI roject will utilize the distr	iversity's mission. Since 2007, UC principles including energy nents provide oversight for all new ty's sustainability goals are met a project will achieve Gold LEED /ASRHAE/IES Standard 90.1-2016 ict cooling loop for space cooling
EDUCATIONAL PLANT SURVEY 1% RESERVE ESCROW [per F.S. 1001	l.706 (12) c. ] Th	is pertains to Pl	ECO projects on	ly, not CITF		
Building / project value:	\$					
Basis / source of valuation:	<del>- •</del>					
1st Year escrow deposit:	\$	_				
Escrow funding source:	·					
Comments:						
BUILDING SPACE DESCRIPTION						
BUILDING SPACE DESCRIPTION						
_	Net Assignable	Net-to-Gross				
Space Type (per FICM)	Sq. Ft. (NASF)	Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost	
NEW CONSTRUCTION	,		,	,	<u>_</u>	
	-		-		-	
	-		-		<u>-</u> -	
	-		-		- -	
	-		-		-	
	-		-		-	
	-		-		-	

Total:	-		-	_		
* Apply Unit	Cost to total GSF b	ased on Space	Туре		Remodeling P	rojects Only
					NASF	NASF
REMODELING / RENOVATION					BEFORE	AFTER
Classroom	5,525	<u>1.5</u>	8,288	-	-	-
Study	113,536	<u>1.4</u>	158,950	-	-	-
Instruct. Media	10,000	<u>1.5</u>	15,000	-	-	-
Office	29,512	1.5 1.5	44,268	-	-	-
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	-	-
Total:	158,573		226,506	-	-	-
Total New Const. and/or						
Remodel / Renovation:	158,573		226,506	-		

## PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded			Projected Costs			
	to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)	27,656,798	4,226,383					31,883,181
Environmental Impacts/Mitigation							
Site Preparation	673,900						673,900
Landscape / Irrigaiton		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	29,435,543	5,826,383					35,261,926
Other Project Costs							
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	292,304						292,304
Permit / Impact / Environmental Fees	101,101						101,101
Artwork							
Moveable Furnishings & Equipment	2,121,208						2,121,208
Project Contingency	140,922	1,456,686					1,597,608
Subtotal: Other Project Costs	6,241,682	1,474,704					7,716,386
Total Project Cost:	35,677,225	7,301,087					42,978,312

## PROJECT FUNDING

			ding to Date	Fur
		<u>Amount</u>	Fiscal Year	Source *
		1,710,066	2017-18	CITF
		7,701,673	2018-19	CITF
Remaini	Total Project	9,337,817	2019-20	CITF
	Cost	9,625,360	2020-21	CITF
Funding N	(from above)	7,302,309	2021-22	CITF
7,301,	42,978,312	35,677,225	Total:	
			=	

List any prior PECO funding. Also, for non-PECO funding sources (i.e. donations, auxiliary, C&G, etc), list each source and the entire anticipated (\$) amount. See Instructions for further detail.

ITEM: FFC-6

#### **UCF BOARD OF TRUSTEES**

### **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

<b>Fitle:</b> FY 2020-21 Budget Author	ty Increase for Contracts and Grants (C	&G)
--	---	-----

☐ Information ☐ Information for upcoming action ☐	<b>Action</b>
Meeting Date for Upcoming Action: June 17, 2021	_
Purpose and Issues to be Considered:	
An increase in C&G spending authority of \$82.5 million (from \$188.5 million to \$271 n	nillion) is requested as
follows:	
One-time National Science Foundation (NSF) funds for Arecibo Observatory cleanup	20,000,000
FY 2021 increases in C&G award expenditures	20,472,000
CARES Act Higher Education Emergency Relief Fund (HEERF) grants	42,000,000
Total Anticinated C&G Expenditure Increase	82.472.000

- According to a National Science Foundation (NSF) report published in early March as required by Congress, the cost of cleaning up the collapsed radio telescope site at the iconic Arecibo Observatory in Puerto Rico is estimated between \$30 million and \$50 million. This cost will be split between fiscal year 2021 and 2022. This \$20 million requested increase in C&G spending authority is intended to cover the FY 2020-21 anticipated expenses from the first NSF installment.
- UCF continues to excel at moving ideas to innovation and realization, and despite a national pandemic has once again achieved growth in external funding. As examples, expenditures in the College of Optics and Photonics through March 31, 2021 have increased by 25% or \$1.25M from FY 2019-20. Similarly, the Florida Space Institute's expenses have increased by 68% or \$6.3M from FY 2019-20.
- The requested increase of FY 2020-21 spending authority is the amount needed to cover an estimated \$10 million of HEERF I reimbursements in progress, and \$32 million of HEERF II funding specifically allocated to replace lost revenues.

#### **Background Information:**

The Board of Trustees approved a Continuation Operating Budget for FY 2020-21 at the same funding levels approved on June 19, 2019, for FY 2019-20. The approved continuation budget of \$1,964,116,147 included a budget for Contracts and Grants (C&G) of \$188,528,000. The 2020-21 C&G operating budget totaled \$188.5 million, therefore the proposed increase to \$271 million is a 44 percent increase. At this time, UCF requests BOT approval to amend the FY 2020-21 C&G operating budget by \$82.5 million to \$271 million to accommodate anticipated end of year expenditures.

## **Recommended Action:**

Approve an increase in FY 2020-21 C&G spending authority of \$82.5 million.

## **Alternatives to Decision:**

The university would be unable to meet the obligation of supporting anticipated expenditures at year end if sufficient spending authority is not granted.

Fiscal Impact and Source of Fundi	ng
-----------------------------------	----

The use of \$82.5 million in additional support for C&G for FY 2020-21.

## **Authority for Board of Trustees Action:**

University of Central Florida BOT Delegation of Authority to the President states specific approval of the Board is required for operating and capital budget amendments for "any changes to the operating budget in an amount greater than the lower of \$5 million or .5 percent of the budget."

Contract Reviewed/Approved by General Counsel  N/A
Committee Chair or Chair of the Board has approved adding this item to the agenda $\ igtriangledown$
Submitted by: Gerald Hector, Senior Vice President for Administration and Finance

## **Supporting Documentation:**

Attachment A: FY 2020-21 Contracts and Grants Budget Amendment

## **Facilitators/Presenters:**

Gerald Hector, Senior Vice President for Administration and Finance Elizabeth Klonoff, Vice President for Research and Dean of the College of Graduate Studies

## Attachment A

# University of Central Florida 2020-21 Proposed Operating Budget Amendment

For Board of Trustees (BOT) Approval

Budget Entity	2020-21 BOT-approved + Budget <sup>1</sup>	2020-21 State/University + Adjustments	2020-21 Proposed Amendment <sup>2</sup>	2020-21 = Revised Budget	Percent Increase/ Decrease
Education and General (E&G), Main	644,101,818	(7,389,632)		636,712,186	-1.15%
Education and General (E&G), College of Medicine	46,782,551	221,248		47,003,799	0.47%
Education and General (E&G), Fl. Center for Students with Unique Abilities	8,984,565	-		8,984,565	0.00%
Contracts and Grants (C&G)	188,528,000		82,472,000	271,000,000	43.75%
Auxiliaries	302,385,900			302,385,900	0.00%
Local Funds Non-add Local Funds Detail	763,729,951	(2,305,491)		761,424,460	-0.30%
Student Financial Aid (SFA)	659,877,204			659,877,204	0.00%
Intercollegiate Athletics (ICA) <sup>3</sup>	68,086,641	(2,305,491)		65,781,150	-3.39%
Student Activities	24,760,828			24,760,828	0.00%
Technology Fee	10,028,400			10,028,400	0.00%
Concession Funds	400,000			400,000	0.00%
Self Insurance Plan (SIP)	576,878			576,878	0.00%
Faculty Practice Plan	9,603,362			9,603,362	0.00%
Total Operating Expenditures	1,964,116,147	(9,473,875)	82,472,000	2,037,114,272	3.72%

#### Highlights

82,472,000

CARES Act Higher Education Emergency Relief Fund (HEERF) grant (\$10M for HEERFI estimated expenditure reimbursements + \$32M estimated transfers for lost revenues).

One-time National Science Foundation (NSF) funds for The Arecibo Observatory cleanup.

20,000,000

Office of Research estimated FY 2021 increase in C&G award expenditures.

20,472,000

<sup>3</sup> On January 18, 2021, the Board of Trustees approved an amended budget for Intercollegiate Athletics.

<sup>&</sup>lt;sup>1</sup> On June 18, 2020, the Board of Trustees approved a FY 2021 continuation operating budget (OB) equal to FY 2020 for all budget entities. The OB was exclusive of possible revenue increases/decreases, such as, but not limited to, research awards, state appropriations, and tuition and fees.

<sup>&</sup>lt;sup>2</sup> The proposed C&G amendment is due to the following anticipated year-end expenditures:

ITEM: FFC-7

## **UCF BOARD OF TRUSTEES**

### **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

Title: Proposed 2021-22 University Operating Budget							
Information	★ Action						
Meeting	g Date for Upcoming Action:	June 17, 2021					

### **Purpose and Issues to be Considered:**

Proviso language included annually in the General Appropriations Act (Senate Bill 2500 for FY 2021-22) states in part "Funds...shall be expended in accordance with operating budgets that must be approved by each university's board of trustees." In order to ensure compliance with proviso requirements, the University is required to submit a proposed operating budget approved by the university board of trustees to the Board of Governors prior to the beginning of the new fiscal year.

The Proposed Operating Budget for FY 2021-22 in the amount of \$2,186,499,129 is due for submission to the Board of Governors on June 22, 2021.

The following budget entities are included for BOT approval:

- 1. Education and General (E&G)
  - a. E&G Main
  - b. E&G College of Medicine
  - c. Florida Center for Students with Unique Abilities
- 2. Auxiliary Enterprises
- 3. Contracts and Grants
- 4. Local Funds
  - a. Student Activity and Service
  - b. Student Financial Aid
  - c. Athletics
  - d. Concessions
  - e. Technology Fee
  - f. Self-Insurance Program
- 5. Faculty Practice Plan

Authority for the President to amend the budget is necessary to accommodate changes in revenues, expenditures, and statutory budget amendments that may occur throughout the upcoming year. During FY 2021-22, the President shall keep the university board of trustees informed of the status of the operating budget through quarterly updates.

#### **Background Information:**

On June 18, 2020, the Board approved a continuation budget for FY 2020-21 in the amount of \$1,964,116,147. The primary reason for the continuation budget was due to the timeframe in which the Governor signed the state budget into law, which finally occurred on June 29, 2020. Because of uncertainties around the pandemic and the impact on state revenue collections, it was highly anticipated that a Special Session was forthcoming in early Fall 2020 to adjust agency budgets for FY 2020-21. Additionally, discussions were held during regular Session regarding the possibility of adjusting current year budgets. On April 30, 2021, Session concluded without budget adjustments proposed by the Legislature for FY 2020-21.

The Revised Operating Budget for FY 2020-21 totaled \$2,037,114,272 and takes into account the state allocations signed into law after the Board approved the continuation budget plus budget adjustments made for Contracts and Grants (C&G) and Athletics.

For E&G – Main, the revised budget represents a decrease of \$7.4M (1.1 percent) from the continuation budget. As a recap, below are the four major variances:

- Budget Reduction Based on Carryforward Balances: (\$7.3M)
- Advance Manufacturing Governor Veto: (\$5M)
- Performance Funding Reduction: (\$1.6M)
- State Health Insurance Adjustment: \$5.5M

For FY 2021-22, the university's total E&G budget represents the state appropriations proposed by the Legislature during the 2021 Florida Legislative Session. On June 2, 2021, the Governor signed the state budget for FY 2021-22, with no vetoes impacting the university.

The university's total operating budget of \$2,186,499,129 represents a \$149.4M (7.3 percent) increase over the current year revised budget. Major highlights of the variances are as follows:

- Post-traumatic Stress Disorder Clinic of Florida Veterans/First Responders: \$1.05M
- Eliminate Excess Faculty Salaries Over \$200K: (\$3.9M)
- Return of Non-Recurring General Revenue Reduction from Prior Year: \$7.3M
- State Health Insurance Premium Annualization: \$1.9M
- 2019-20 and 2020-21 Tuition and Fees growth to BOG authority: \$13.8M
- Anticipated non-E&G increases, particularly in C&G and Student Financial Aid budget entities due to federal stimulus funds received to support the fight against the coronavirus.

#### **Recommended Action:**

Recommend approval of FY 2021-22 Proposed University Operating Budget and authorize the President, or his designee, to amend the budget consistent with Legislative, Board of Governors' and BOT directives and guidelines.

#### **Alternatives to Decision:**

The approval of a preliminary operating budget before the beginning of a fiscal year is required by law. Therefore, the university would be in non-compliance if the decision is made to not submit a preliminary plan before the upcoming year.

## **Fiscal Impact and Source of Funding:**

The proposed operating budget for FY 2021-22 is \$2,186,499,129.

#### **Authority for Board of Trustees Action:**

Florida Statute 1011.40(2) 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."

Florida Board of Governors Regulation 9.007(1) states that each university president shall prepare an operating budget for approval by the university board of trustees in accordance with the instructions, guidelines and standard formats provided by the Board of Governors.

<b>Contract Reviewed/Approved by General Counsel</b>		N/A	$\boxtimes$
--	--	-----	-------------

## Committee Chair or Chair of the Board has approved adding this item to the agenda

## **Submitted by:**

Gerald Hector, Senior Vice President for Administration and Finance

## **Supporting Documentation:**

Attachment A: FY 2021-22 Proposed Operating Budget

## **Facilitators/Presenters:**

Gerald Hector, Senior Vice President for Administration and Finance Kristie Harris, Associate Vice President for Financial Affairs

## University of Central Florida 2021-22 Proposed Operating Budget

All Budget Entities

Education and General (E&G) Budget Entities <sup>1</sup>	2020-21 BOT Approved Operating Budget	BOT Approved Final		% Increase (Decrease)	\$ Increase (Decrease)
E&G, Main					
State Appropriations	\$ 336,391,302	\$ 329,001,670	\$ 335,794,312	2.1%	\$ 6,792,642
Student Tuition and Fees	304,640,516	304,640,516	318,133,474	4.4%	\$ 13,492,958
Interest and Other Revenue	3,070,000	3,070,000	3,070,000	0.0%	\$ -
Total E&G Main	644,101,818	636,712,186	656,997,786	3.2%	20,285,600
E&G, College of Medicine					
State Appropriations	30,773,894	30,995,142	30,781,275	-0.7%	(213,867)
Student Tuition and Fees	15,708,657	15,708,657	16,024,899	2.0%	316,242
Interest and Other Revenue	300,000	300,000	300,000	0.0%	
Total E&G, College of Medicine	46,782,551	47,003,799	47,106,174	0.2%	102,375
E&G, Florida Center for Students with Uniq	ue Abilities (FCSUA)				
State Appropriations	8,984,565	8,984,565	8,984,565	0.0%	-
Total E&G, FCSUA	8,984,565	8,984,565	8,984,565	-	-
Total E&G Budget Entities	699,868,934	692,700,550	713,088,525	2.9%	20,387,975
Non-E&G Budget Entities					
Auxiliary Enterprises	302,385,900	302,385,900	305,999,077	1.2%	3,613,177
Contracts and Grants	188,528,000	271,000,000	319,991,191	18.1%	48,991,191
Local Funds Student Financial Aid	659,877,204	659,877,204	727,540,204	10.3%	67,663,000
Intercollegiate Athletics	68,086,641	65,781,150	74,209,459	12.8%	8,428,309
Student Activities	24,760,828	24,760,828	24,197,328	-2.3%	(563,500)
Technology Fee	10,028,400	10,028,400	11,863,810	18.3%	1,835,410
Self-Insurance Plan	576,878	576,878	563,167	-2.4%	(13,711)
Concessions	400,000	400,000	800,000	100.0%	400,000
Total Local Funds	763,729,951	761,424,460	839,173,968	10.2%	77,749,508
Faculty Practice Plan	9,603,362	9,603,362	8,246,368	-14.1%	(1,356,994)
Total Non-E&G Budget Entities	1,264,247,213	1,344,413,722	1,473,410,604	9.60%	128,996,882
Total Proposed FY 2021-22 Budget	1,964,116,147	2,037,114,272	2,186,499,129	7.3%	149,384,857

#### Highlights

Excludes E&G carryforward funds. Per Board of Governors (BOG) Regulation 9.007, State University Operating Budgets and Requests, university budgeted E&G carryforward funds shall be reported separately in the E&G Carryforward Spending Plan Report. This report will be due for submission to the BOG for approval by a date established by the Chancellor of the State University System after the upcoming fiscal year.

ITEM: INFO-1

## **UCF BOARD OF TRUSTEES**

## **Agenda Item Summary**

Finance and Facilities Committee June 16, 2021

Title: Auxiliary Financial Report, Quarter Ended March 31, 2021 – Third Quarter

$\boxtimes$	Information		Information	for upco	ming actio	n		Action	
Meeting Date for Upcoming Action:									
Purp	ose and Issues to be Cor	sider	ed:						
Each	major auxiliary enterprise	e of th	ne University	is presentii	ng quarterl	y budget t	to actual	financial	results for
truste	e information purposes.	The	third-quarter	financial	results fo	or certain	major	university	auxiliary
enter	prises are attached								

## **Background Information:**

## **UCF Parking Services:**

- Net income is generally flat compared to prior year, primarily due to a \$3.8 million decrease in revenue offset by \$3.5 million in operating expense reductions. Contracted shuttle service savings are approximately \$3.4 million due to a reduction in routes and service hours from the depopulation of campus.
- Budget to actuals demonstrates a \$900,000 unfavorable variance in net income from operations. This is primarily due to a \$4 million unfavorable revenue variance offset by a \$3.2 million favorable variance for shuttle and other operating expense savings due to COVID-19 related reductions. The FY21 budget assumed campus would be fully operational.
- Budget to actuals demonstrates a \$500,000 unfavorable variance in non-operating expense. This is due to a \$900,000 unanticipated capital outlay expense for the Downtown office buildout. The project was expected to occur in FY20 but was not completed until August 2020 due to COVID-19. This is offset by favorable variances due to vehicles equipped with license plate recognition devices not purchased as originally planned, and investment earnings exceeded expectations.

## **UCF** Housing and Residence Life:

The Housing and Residence Life second quarter Budget to Actual update is comprised of 4,608 beds in UCF Owned facilities (which includes Apollo, Libra, Nike, Hercules, Neptune, and Lake Claire communities, along with 4 Greek homes).

• Operating revenues are down as a result of lower occupancy than budgeted and a decrease in conference revenue.

Fall Occupancy	2019	2020	<b>Spring Occupancy</b>	2020	2021
Capacity	4,608	4,608	Capacity	4,608	4,608
Bookings	4,573	3,483	Bookings	4,538	3,790
Occupancy	99.2%	75.6%	Occupancy	98.5%	82.3%

- An increased spring occupancy by 6.7% over fall occupancy generated an additional \$874,278 in spring revenue compared to fall.
- Savings in operating expenses are the result of reduced staffing, the elimination of cable television services, and an overall reduction in expenditures.

## **UCF Business Services:**

- Revenue is down \$3 million compared to the prior year due to COVID-19, including commissions on dining, meal plan, and bookstore sales. Sales were also down for the Print Shop, The SPOT, and copier services. A request was submitted for CARES funds to reimburse Business Services for lost revenue which is estimated at \$3.86 million from April 2020 – December 2020.
- Operating expense reductions included less food service equipment purchases, minimal repairs and maintenance, and decreased replenishment of resale items.
- Budget to actuals demonstrates a \$2.1 million unfavorable variance from operations. The FY21 budget was prepared in February 2020 (pre-COVID) and assumed a normal operating year.
- Annual capital outlay budget of \$5 million primarily consists of \$1.1 million for John T. Washington Center roof construction and \$3.7 million for Student Union expansion. \$550,000 has been paid this year for John T. Washington Center with final close out and payment expected by year end. The project is expected to come in under budget. For the Student Union expansion, an unexpected \$1 million payment was made at the end of FY20, thereby changing the FY21 projection to \$2.7 million which is expected to be paid in Q4.

## **UCF Health Services:**

- Health Services units have provided ongoing medical, counseling, and preventative services to our students throughout this pandemic. We were creative and resourceful in providing telehealth, direct patient care, curbside and mail order delivery services of prescriptions, dental, mental health and crisis counseling, online stress management and many other services to our students. From a public health perspective, SHS continues to provide significant and critical guidance to campus leadership regarding this pandemic. Our contact tracers have provided ongoing counseling and guidance to approximately 3,800 students, faculty, and staff.
- Revenue is down \$1.1 million compared to the prior year due to COVID-19, which resulted in a decrease in auxiliary services such as laboratory, radiology, and medical procedural billing.
- Budget to actuals demonstrates a \$2.7 million favorable variance from operations. Health Services
  units strategically saved over \$1.3 million by not filling 8 full time vacant positions and reducing the
  number of OPS staff by 82 employees. Additional operating expense savings were realized due to
  exercising cost containment of medical and office supplies, as well as resaleable medications,
  sundries, and ancillary products.

## **Recommended Action:**

For information only.

#### **Alternatives to Decision:**

N/A

Fiscal Impact and Source of Funding: N/A
Authority for Board of Trustees Action: N/A
Contract Reviewed/Approved by General Counsel  N/A
Committee Chair or Chair of the Board has approved adding this item to the agenda $igtii$
Submitted by:
Gerald Hector, Senior Vice President for Administration and Finance
Supporting Documentation:
Attachment A: UCF Parking Services
Attachment B: UCF Housing and Residence Life
Attachment C: UCF Business Services
Attachment D: UCF Health Services
Facilitators/Presenters:
Gerald Hector, Senior Vice President for Administration and Finance

Danta White, Assistant Vice President and University Controller

## Attachment A

## UCF Parking Services Statement of Operations Through Quarter ended March 31, 2021

	FY 21 Annual Budget	FY 21 Q3 Budget	FY 21 Q3 Actuals	Variance - Favorable (Unfavorable)	FY 20 Q3 Actuals	Variance - Favorable (Unfavorable)
Operating Revenue	11 21 Ailliuai Buuget	11 21 Q3 budget	1121Q3 Actuals	(Olliavorable)	11 20 Q3 Actuals	(Omavorable)
Student Fees - Transportation	15,345,690	12,783,809	12,891,571	107,762	12,591,705	299,866
Decal Sales	5,536,596	5,199,032	2,136,754	(3,062,278)	5,280,894	(3,144,140)
Meters and Daily Permits	950,000	670,722	199,049	(471,673)	636,147	(437,098)
Fines and Citations	1,100,000	837,862	317,399	(520,463)	786,292	(468,893)
Other Revenues	180,000	151,448	49,565	(101,883)	71,296	(21,732)
Total Operating Revenue	23,112,286	19,642,873	15,594,338	(4,048,535)	19,366,335	(3,771,997)
Operating Expenditures						
Faculty and Staff Compensation and Benefits	1,641,688	1,195,413	1,307,603	(112,190)	1,429,082	121,479
OPS Compensation and Benefits	566,176	402,156	179,367	222,789	414,239	234,871
Salary Charges on Work Orders	300,000	217,000	175,108	41,892	241,137	66,028
Utilities and Communications	428,542	322,274	273,540	48,734	294,054	20,515
Furniture and Equipment	-	-	58,317	(58,317)	64,688	6,371
Facility Rent	1,461,388	1,096,041	986,366	109,675	893,944	(92,423)
Materials and Supplies	407,000	333,029	201,072	131,957	130,383	(70,689)
Contracted Shuttle Service	9,051,000	5,775,329	3,309,064	2,466,265	6,719,234	3,410,170
Repairs and Maintenance	777,952	765,935	660,931	105,004	485,862	(175,069)
Travel	-	-	859	(859)	10,659	9,801
Auxiliary Overhead	1,190,817	893,112	819,333	73,779	836,289	16,956
Other Expenses	224,574	138,537	10,152	128,385	2,200	(7,952)
Total Operating Expenditures	16,049,137	11,138,826	7,981,711	3,157,115	11,521,770	3,540,059
Net increase (decrease) from operations	7,063,149	8,504,047	7,612,627	(891,420)	7,844,564	(231,937)
Debt Service						
Principal	2,190,000	2,190,000	2,190,000	-	2,776,250	586,250
Interest	688,000	688,000	688,000	<u> </u>	919,185	231,185
Total Debt Service	2,878,000	2,878,000	2,878,000	-	3,695,435	817,435
Nonoperating Revenue (Expenses)						
Capital Outlay	(176,196)	(132,147)	(896,757)	(764,610)	(112,118)	(784,639)
Transfers To - Internal Loans	(176,000)	(132,000)	(129,584)	2,416	(132,079)	2,495
Interest and Investment Earnings	623,854	467,892	695,841	227,949	2,326,968	(1,631,127)
Interest and Invest Earnings Tsfr to Central	(623,854)	(467,892)	(427,414)	40,478	(2,326,968)	1,899,554
Total Nonoperating Revenue (Expenses)	(352,196)	(264,147)	(757,914)	(493,767)	(244,197)	(513,717)
Total Ending Net Income (Loss)	3,832,953	5,361,900	3,976,713	(1,385,187)	3,904,932	71,781

## Attachment B

## UCF Housing and Residence Life Statement of Operations Through Quarter ended March 31, 2021

	FY 21 Annual Budget	FY 21 Q3 Budget	FY 21 Q3 Actuals	Variance - Favorable (Unfavorable)	FY 20 Q3 Actuals	Variance - Favorable (Unfavorable)
Operating Revenue						
Rental Revenues:						
Fall	12,570,195	12,570,195	9,726,524	(2,843,671)	12,829,881	(3,103,357)
Spring	12,570,195	12,570,195	10,600,802	(1,969,393)	12,618,659	(2,017,857)
Summer	2,582,961	-	(1,015)	(1,015)	(148,385)	147,369
Misc. Rental Revenues (Cancellations, late fees, other charges)	650,000	520,000	522,650	2,650	306,277	216,373
Other Revenues	1,870,000	1,496,000	487,649	(1,008,351)	1,242,168	(754,519)
Total Operating Revenue	30,243,351	27,156,390	21,336,610	(5,819,780)	26,848,600	(5,511,990)
Operating Expenditures						
Faculty and Staff Compensation and Benefits	8,686,381	6,514,786	5,317,339	1,197,447	6,360,307	1,042,968
OPS Compensation and Benefits	1,721,463	1,291,097	1,023,180	267,917	1,296,975	273,795
Labor Reimbursements	218,000	163,500	285,306	(121,806)	255,165	(30,141)
Utilities and Communications	2,850,416	2,137,812	2,327,436	(189,624)	2,537,223	209,788
Furniture and Equipment	1,572,639	1,435,000	160,426	1,274,574	264,428	104,001
Facility Rent	83,000	62,250	70,256	(8,006)	77,096	6,840
Materials and Supplies	800,000	600,000	40,399	559,601	631,202	590,803
Professional Services	1,215,000	911,250	931,498	(20,248)	848,232	(83,266)
Repairs and Maintenance	3,102,000	1,440,000	885,324	554,676	853,668	(31,656)
Travel	90,000	65,000	2,560	62,440	66,673	64,112
Auxiliary Overhead	1,739,968	1,304,976	1,304,244	732	1,313,201	8,957
Other Expenses	80,000	60,000	79,711	(19,711)	83,986	4,276
Total Operating Expenditures	22,158,867	15,985,671	12,427,678	3,557,993	14,588,156	2,160,477
Net increase (decrease) from operations	8,084,484	11,170,719	8,908,932	(2,261,787)	12,260,445	(3,351,513)
Debt Service						
Principal	5,270,000	5,270,000	5,270,000	-	5,030,000	(240,000)
Interest	3,064,025	3,064,025	3,064,025	-	3,307,251	243,226
Total Debt Service	8,334,025	8,334,025	8,334,025	-	8,337,251	3,226
Nonoperating Revenue (Expenses)						
Capital Outlay Savings	-	-	259,451	259,451	157,702	101,749
Transfers To - Internal Loans	(260,032)	(195,024)	(339,901)	(144,877)	(185,692)	(154,209)
Transfers To - Academic Support	(525,988)	(394,491)	(262,994)		(262,994)	
Transfers From - Telecom Prepaids	-	-	-	-	-	-
Interest and Investment Earnings	525,480	394,110	556,176	162,066	2,079,831	(1,523,655)
Interest and Invest Earnings Tsfr to Central	(525,480)	(394,110)	(296,099)	98,011	(2,079,831)	1,783,732
Total Nonoperating Revenue (Expenses)	(786,020)	(589,515)	(83,366)	374,651	(290,983)	207,617
Total Ending Net Income (Loss)	(1,035,561)	2,247,179	491,540	(1,887,136)	3,632,210	(3,147,122)

## Attachment C

#### UCF Business Services Statement of Operations Through Quarter ended March 31, 2021

	FY 21 Annual Budget	FY 21 Q3 Budget	FY 21 Q3 Actuals	Variance - Favorable (Unfavorable)	FY 20 Q3 Actuals	Variance - Favorable (Unfavorable)
Operating Revenue						_
Student Fees - ID Card	798,238	353,959	347,358	(6,602)	348,353	(995)
Commissions	4,633,356	4,216,354	1,788,732	(2,427,622)	3,914,865	(2,126,134)
Aramark Contract Revenue	2,506,864	1,127,086	1,044,867	(82,219)	353,483	691,384
Sales and Services	2,672,188	1,926,438	885,391	(1,041,047)	2,041,771	(1,156,380)
Space Rentals	1,125,751	895,147	508,263	(386,884)	951,144	(442,881)
Other Revenues	90,840	70,286	43,232	(27,054)	70,698	(27,465)
Total Operating Revenue	11,827,237	8,589,270	4,617,843	(3,971,427)	7,680,313	(3,062,470)
Operating Expenditures						
Faculty and Staff Compensation and Benefits	2,315,395	1,577,664	1,535,504	42,160	1,599,363	63,859
OPS Compensation and Benefits	128,000	97,331	7,146	90,185	123,754	116,608
Salary Charges for Work Orders	100,000	75,000	110,674	(35,674)	164,403	53,729
Utilities and Communications	813,000	627,238	607,798	19,440	662,421	54,623
Furniture and Equipment	273,439	131,631	23,972	107,659	157,832	133,860
Facility Rentals	1,017,565	763,816	761,131	2,685	740,702	(20,429)
Materials and Supplies	4,700	3,032	39,047	(36,015)	42,792	3,744
Resale Equipment and Supplies	1,327,000	999,903	470,246	529,657	942,764	472,518
Professional Services	80,000	60,641	71,685	(11,044)	86,318	14,633
Repairs and Maintenance	201,840	151,880	(93,516)	245,396	46,264	139,780
Travel	-			-	7,260	7,260
Auxiliary Overhead	621,080	465,810	408,273	57,537	418,233	9,960
Other Expenses	1,232,001	1,127,005	327,898	799,107	236,918	(90,980)
Total Operating Expenditures	8,114,020	6,080,951	4,269,859	1,811,092	5,229,024	959,165
Net increase (decrease) from operations	3,713,217	2,508,319	347,984	(2,160,335)	2,451,289	(2,103,305)
Nonoperating Revenue (Expenses)						
Capital Outlay	(4,975,000)	(4,006,250)	(590,381)	3,415,869	(523,499)	(66,882)
Transfers To - Internal Loans	(76,020)	(57,015)	(55,864)	1,151	(57,269)	1,405
Total Nonoperating Revenue (Expenses)	(5,051,020)	(4,063,265)	(646,245)	3,417,020	(580,768)	(65,477)
Total Ending Net Income (Loss)	(1,337,803)	(1,554,946)	(298,261)	1,256,685	1,870,521	(2,168,781)

## Attachment D

#### UCF Health Services Statement of Operations Through Quarter ended March 31, 2021

	FY 21 Annual Budget	FY 21 Q3 Budget	FY 21 Q3 Actuals	Variance - Favorable (Unfavorable)	FY 20 Q3 Actuals	Variance - Favorable (Unfavorable)
Operating Revenue						
Student Fees - Health Fee	18,561,620	15,300,000	15,347,350	47,350	14,999,360	347,989
Sales and Services	5,336,700	3,887,569	1,904,186	(1,983,383)	3,366,943	(1,462,757)
Other Revenues	6,582	6,250	41,923	35,673	29,577	12,345
Total Operating Revenue	23,904,902	19,193,819	17,293,458	(1,900,361)	18,395,880	(1,102,422)
Operating Expenditures						
Faculty and Staff Compensation and Benefits	14,200,000	10,486,870	9,574,199	912,671	9,785,585	211,386
OPS Compensation and Benefits	2,100,000	1,534,516	1,136,794	397,722	1,107,056	(29,738)
Labor Reimbursements	60,000	45,000	45,518	(518)	45,902	384
Utilities and Communications	500,000	353,492	353,329	163	341,591	(11,738)
Furniture and Equipment	105,000	75,000	158,277	(83,277)	75,593	(82,684)
Facility Rent	95,000	75,000	12,817	62,184	76,121	63,305
Materials and Supplies	600,000	494,982	341,085	153,897	475,093	134,008
Resale Equipment and Supplies	1,500,000	1,125,000	465,497	659,503	968,828	503,331
Professional Services	1,100,000	825,000	537,464	287,536	645,330	107,866
Repairs and Maintenance	259,199	150,000	69,662	80,338	51,827	(17,835)
Travel	50,000	37,500	1,914	35,586	37,411	35,496
Auxiliary Overhead	1,894,621	1,420,966	1,194,069	226,897	1,212,916	18,847
Other Expenses	126,000	100,000	73,960	26,040	68,800	(5,160)
Total Operating Expenditures	22,589,820	16,723,326	13,964,584	2,758,742	14,892,053	927,469
Net increase (decrease) from operations	1,315,082	2,470,493	3,328,874	858,381	3,503,827	(174,954)
Nonoperating Revenue (Expenses)						
Capital Outlay	(25,000)	(15,535)	(16,839)	(1,304)	2,185	(19,024)
Transfers To - Internal Loans	(244,424)	(189,786)	(188,637)	1,149	(187,890)	(747)
Transfers To - Computer Services and Telecom	(550,300)	(412,725)	(382,950)	29,775	(382,950)	-
Transfers To - Academic Support	(80,788)	(60,591)	(40,394)	20,197	(40,394)	-
Interest and Investment Earnings	-	-	196,728	196,728	1,419,375	(1,222,647)
Interest and Invest Earnings Tsfr to Central	(316,997)	(237,748)	(36,281)	201,467	(1,419,375)	1,383,094
Total Nonoperating Revenue (Expenses)	(1,217,509)	(916,385)	(468,373)	448,012	(609,049)	140,676
Total Ending Net Income (Loss)	97,573	1,554,108	2,860,501	1,306,393	2,894,779	(34,278)

ITEM: INFO-2

#### UCF BOARD OF TRUSTEES

### **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

Title: Direct Support Organizations' Financial Report, Quarter Ended March 31, 2021 – Third Quarter

$\boxtimes$	Information	Information for u	apcoming action	☐ Action
	Meeting Da	for Upcoming Action	:	

# Purpose and Issues to be Considered:

In keeping with UCF's Presidential goals to improve internal communications methods and channels to provide timely, relevant and transparent information to faculty and staff, this item is provided to the trustees quarterly for information purposes only.

#### **Background Information:**

The third quarter financial reports for the university direct support organizations and the Central Florida Clinical Practice Organization are attached and have been previously presented to each of the respective organization's board of directors.

#### **Issues to be Considered:**

### UCF Academic Health

UCF Academic Health, Inc. supports medical education, research, and patient care through the planning and development of clinical initiatives and affilitated partnerships that serve the educational, research, and clinical 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.

Revenues are tracking as expected with the budget for third quarter and better than the same period prior year due to three new lease tenants coming on-board during the current reporting period.

# UCF Athletics Association and UCF Stadium Corporation

The Athletics Association was organized to operate the university's intercollegiate athletic programs. The Stadium Corporation receives pledged revenues from the Association, premium seat revenue, and other revenues including concessions, merchandise, and interest to fund debt used to construct the football stadium. 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 more holistic view and enable a better understanding of the impact that the Corporation has on the Association's financial results. Notable variances in the third quarter financial results are as follows:

Athletic events, including premium seating are materially consistent with the amended budget. The \$5.6 million unfavorable variance to prior year was primarily due to only hosting 4 home football games as opposed to the 7 that were budgeted for the 2020 season and the 6 home games that were played in the 2019 season. In addition, only 25 percent spectator capacity was permitted for the 2020 season due to social distancing protocols.

Sponsorships are \$1.7 million favorable to the amended budget due to receiving \$1.8 million from Orlando Health earlier than anticipated. A significant variance is not projected at year end. The unfavorable variance to prior year is due to the economic impact of the global pandemic.

Contributions are unfavorable against both the amended budget and prior year actuals by \$1.0 million and \$1.1 million, respectively. The unfavorable variances are primarily due to the decrease in conference distributions as well as the lower than anticipated bowl distribution. The American Athletic Conference advised its members to anticipate an approximate \$1 million shortfall from television revenue. In the more recent conversations with conference staff, the outlook has improved and, while there is still an anticipated shortfall, expense reductions by the conference are expected to positively impact the distributions to be received in June of this year.

The \$5.9 million variance in other revenues is due to the collection of unbudgeted contract buyout fees from the University of Tennessee. These funds are being used to offset the transition costs associated with the hiring of a new athletics director and new head football coach. Any funds remaining afterwards will be used to reduce the overall unrestricted net deficit position of the Association.

The decrease in sport and support operations expense was an intentional reduction to lessen the impact the pandemic is having on the budget. Savings in this area is the result of reducing competition schedules, regionalizing contests where possible, limiting game guarantees/multi-team events, the dead period extension in recruiting, and decreasing administrative expenses such as event operations, marketing/promotions, and shifting to electronic ticketing to save on printing and mailing costs.

The increase in other operations expense over the prior year is primarily related to stadium rust and remediation repairs funded by settlement proceeds received by Stadium Corporation in the prior year. The favorable variance against budget is due to the timing of the spending on this project which is now expected to occur in the fourth quarter.

Pledged revenues transferred from the Association to Stadium Corporation were sufficient to fund its September 1st and March 1st debt service payment and annual operating costs. Ticket sales revenues were transferred on a game-by-game basis due to the pandemic to manage cash flows. This is unique to fiscal year 2021.

# **UCF Convocation Corporation**

The Convocation 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 its housing and arena bonds.

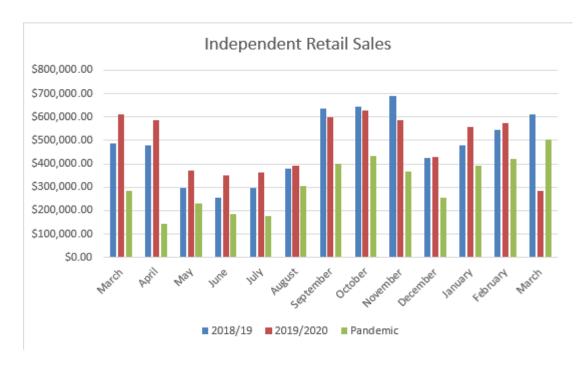
This report compares year to date operating results against the amended budget previously approved by this board. The corporation has been successful in meeting its debt service obligations. Highlights are as follows:

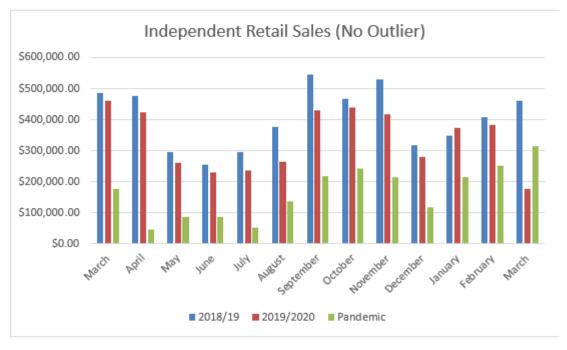
<u>Housing Operations</u> – Due to numerous livestream informational events, spring 2021 occupancy increased 6.6% over the fall to 93.6%. Off campus private student occupancy is at a weighted average of 91.4%. Summer housing agreements are tracking along projections, as such, housing revenues are on track to meet current year projections.

<u>Student Housing Market</u> – Off campus private student pre-lease for fall 2021 is at 67.5%, as of 4/25/2021, compared to 107% for Towers.

<u>Retail Operations</u> – Since the pandemic began in March 2020, sales at the independent retail locations have been down to date 36%. There has been one outlier of the eight independent retailers that has been able to work through the current change in campus environment to lessen the impact through their delivery business with DoorDash and UberEats. This service accounted for approximately 33% of their total sales but resulted in an increase in expenses with a 25-30% revenue share. Removing this outlier reflects an average drop in sales of 51% for the other seven retailers. March 2021 is the first month to have a prior year COVID comparison. March was the first month to have an increase in sales over prior year since the pandemic began.

Currently, there are agreements with 7 of the 8 independent retail vendors. Final discussions are in progress with the last vendor. All tenants will return to normal rent at the beginning of the next fiscal year. The independent retail rent concessions represent a revenue impact of 15% of the total pre-amended retail revenue budget. This is in large part due to other locations remaining at full rent throughout the pandemic. Also, there are continued expense savings with decreases in Management Fee expense and Common Area Maintenance.





<u>Arena Operations</u> – Arena revenues continue to be limited by UCF Policy restricting indoor gatherings to no more than 250 attendees, to contain the spread of the coronavirus pandemic. Management remains optimistic about the future as the university return to full capacity for the Summer B term, with full participation in athletic and social activities across campus.

# **UCF** Finance Corporation

The Finance Corporation holds debt related to the construction of the Burnett Biomedical Sciences building on the health sciences campus in Lake Nona and the construction of the UCF downtown campus.

Transfers from University represents rent due pursuant to the 2017 amended and restated operating lease agreement and used to pay down the Burnett Biomedical Sciences building loan. This report reflects the amount received to cover the related debt service plus operating costs reduced by interest income for the nine months ended March 31, 2021.

Transfers from UCF Foundation represents the receipt of donor pledges used to secure and pay down the UCF downtown construction note. Transfers and principal payments for the nine months ended March 31, 2021 were approximately \$1.7 million, or \$1.6 million less than budget. This variance is primarily due to the timing of receipts that are now expected to be collected next fiscal year. At the end of the third quarter, approximately \$2.3 million was outstanding on the UCF downtown construction note. Pledges, net of reserves, scheduled to be received by the March 2023 maturity date were \$4.5 million.

The net increase from operations represents year to date pledges received for the construction of the downtown campus. Net increases are anticipated to continue as scheduled pledge payments are received to offset the net decrease recorded in fiscal year 2020 resulting from the \$7 million transferred to the University for the construction of the downtown campus. No further draws on the note are planned.

Year to date debt service includes scheduled principal (\$2.6 million) and interest (\$1.4 million) payments on the Burnett building loan and principal (\$1.7 million) and interest (\$25 thousand) on the UCF downtown construction note.

# **UCF** Foundation

The UCF Foundation's principal function is to provide charitable and educational aid to the University. The information provided in the quarterly reports 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, 2021 the Foundation dispersed \$18.9 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 \$819,758 and Restricted \$18,121,985.

# **UCF Limbitless Solutions**

Limbitless produces artistic prosthetic medical devices, conducts research and promotes STEM/ STEAM education.

Philanthropic donations have exceeded expectations for the current fiscal year budget due to several unanticipated donations. Sponsorship revenue has resulted in a significant positive variance due to timing on partner commitments. LSI is set to receive new 3D printers in Q4 from a partner which will result in a positive variance in sponsorship revenue. Management continues to pursue research grant opportunities. A possible research grant that would satisfy the current fiscal budget amount is currently under review, however, it is uncertain when an award would be claimed.

The delayed start of additional clinical trials for bionic arms due to COVID-19 resulted in a reduction in medical research study expenses. Addition of in-kind printer maintenance resulted in a negative variance in materials. LSI projected the transition from Knights Plaza to the new space in Research Park would happen sooner but approvals for new space lease improvements have taken longer than anticipated, leading to the lease costs of both spaces being incurred.

Non-operating activity includes donations collected and specifically designated to the Limbitless Solutions' new lab space renovation project, in addition to the expenses incurred to complete the project with an approved budget of \$379,151. A revenue shortfall will be covered with the utilization of general donation funds.

# **UCF Research Foundation**

The Research Foundation promotes and supports the research activities of faculty, staff, and students. Its operating revenue and expenses include contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums.

The Research Foundation is recognizing an overall 71% net increase from the fsical year 2021 approved budget compared to actuals due to the receipt of monies previously projected to be canceled as a result of global coronavirus pandemic. An overall 86% net increase from the fiscal year 2020 approved budget compared to actuals specifically due to the receipt of monies related to contributions and other agreements exceeding expectations.

# Central Florida Clinical Practice Organization

Attachment D: UCF Finance Corporation

Attachment F: UCF Limbitless Solutions Attachment G: UCF Research Foundation

Attachment H: Central Florida Clinical Practice Organization

Attachment E: UCF Foundation

CFCPO is an affiliated organization formed to support the medical education program and clinical faculty within the College of Medicine. Notable variances are as follows;

Actual facility expenses are higher than budget due to the Quadrangle interest only payment initially budgeted through UCF Health auxiliary to be funded by the transfers from CFCPO. The conversion from a loan to a long-term lease, resulted in CFCPO paying the university directly from its operating account.

Transfers to the College of Medicine are lower than budgeted, and lower than fiscal year 2020. This is expected

to continue for the remainder of the current fiscal year.
Recommended Action: For information only.
Alternatives to Decision: Not applicable.
Fiscal Impact and Source of Funding: For information only.
Authority for Board of Trustees Action: N/A
Contract Reviewed/Approved by General Counsel  N/A
Committee Chair or Chair of the Board has approved adding this item to the agenda $\ \Box$
Submitted by: Gerald Hector, Senior Vice President for Administration and Finance
Supporting Documentation: Attachment A: UCF Academic Health
Attachment B: UCF Athletics Association and Stadium Corporation
Attachment C: UCF Convocation Corporation

# **Facilitators/Presenters:**

Gerald Hector, Senior Vice President for Administration and Finance Christina Tant, Assistant Vice President for DSO Accounting and Reporting

# Attachment A

# University of Central Florida Academic Health, Inc. Statement of Operations For the Nine Months Ended March 31, 2021

2020-21

2019-20

	Actual	l	Budget	F	Varianco avorable (Unfa			Actual	Budget	Fá	Varian avorable (Uni	
Revenues Real Estate Other Total Revenues	\$ 494,751 - <b>494,751</b>	\$	559,128 - 559,128	\$	(64,377) - (64,377)	(11.5)% - (11.5)%	\$	202,052	\$ 145,463 - 145,463	\$	56,589 - <b>56,589</b>	38.9 % - 38.9 %
Operating Expenses Professional Services	11,639		11,250		(389)	(3.5)%		11,250	11,250		-	0.0 %
Supplies and Repairs Facility Expense	435,800		491,095		- 55,295	11.3 %		39,378	35,872		(3,506)	(9.8)%
Information Technology Other Operating Expense Total Operating Expense	 5,408 41,904 <b>494,751</b>		5,408 51,375 <b>559,128</b>		9,471 <b>64,377</b>	0.0 % 18.4 % <b>11.5 %</b>		5,250 27,466 <b>83,344</b>	 5,250 17,400 <b>69,772</b>		(10,066) (13,572)	0.0 % (57.9)% <b>(19.5)%</b>
Net increase (decrease)	\$ -	\$	-	\$	-	-	\$	118,708	\$ 75,691	\$	43,017	56.8 %

# Attachment B

#### UCF Athletic Association and The UCF Stadium Corporation Consolidated Statement of Operations Nine Months Ended March 31, 2021

	UCF Athletic Association Actual 2020-2021	UCF Stadium Corporation Actual 2020-2021	Combined Actual 2020-2021	UCF Athletic Association Amended Budget 2020-2021	UCF Stadium Corporation Amended Budget 2020-2021	Combined Amended Budget 2020-2021	Variance to Budget Favorable (Unfavorable)		UCF Athletic Association Actual 2019-2020	UCF Stadium Corporation Actual 2019-2020	Combined  Actual 2019-2020	Variance to P Favorable (Unf	
Operating revenues Athletic events, including premium seating University allocations	\$ 3,138,926 29,031,809	\$ 891,940	4,030,866 29,031,809	\$ 2,833,500 29,011,796	\$ 882,540 \$	3,716,040 29,011,796	\$ 314,826 20,013	8.47 % 0.07 %	\$ 7,363,000 \$ 28,396,428	S 2,307,753	\$ 9,670,753 28,396,428	\$ (5,639,887) 635,381	(58.32)% 2.24 %
Sponsorship Contributions Other	6,031,461 3,233,708 6,141,744	250,000 250,000 42,540	6,281,461 3,483,708 6,184,284	4,297,500 4,212,905 160,550	430,000 390,000 49,980	4,727,500 4,602,905 210,530	1,553,961 (1,119,197) 5,973,754	32.87 % (24.32)% 2837.48 %	7,418,635 4,569,724 622,613	- 6,500 510,608	7,418,635 4,576,224 1,133,221	(1,137,174) (1,092,516) 5,051,063	(15.33)% (23.87)% 445.73 %
Total operating revenues	47,577,648	1,434,480	49,012,128	40,516,251	1,752,520	42,268,771	6,743,357	15.95 %	48,370,400	2,824,861	51,195,261	(2,183,133)	(4.26)%
Operating expenses Scholarships Employee compensation	8,956,265 19,590,949	-	8,956,265 19,590,949	9,238,423 20,270,425	-	9,238,423 20,270,425	282,158 679,476	3.05 % 3.35 %	9,362,074 19,905,081	<u>-</u>	9,362,074 19,905,081	405,809 314,132	4.33 % 1.58 %
Sport operations Support operations Other	3,714,762 6,408,577 2,955,853	- - 928,155	3,714,762 6,408,577 3,884,008	5,298,574 8,690,598 3,007,350	- - 1,672,128	5,298,574 8,690,598 4,679,478	1,583,812 2,282,021 795,470	29.89 % 26.26 % 17.00 %	7,973,894 10,020,130 2,946,214	- - 286,415	7,973,894 10,020,130 3,232,629	4,259,132 3,611,553 (651,379)	53.41 % 36.04 % (20.15)%
Total operating expenses	41,626,406	928,155	42,554,561	46,505,370	1,672,128	48,177,498	5,622,937	11.67 %	50,207,393	286,415	50,493,808	7,939,247	15.72 %
Net operating income	5,951,242	506,325	6,457,567	(5,989,119)	80,392	(5,908,727)	12,366,294	(209.29)%	(1,836,993)	2,538,446	701,453	5,756,114	820.60 %
Nonoperating revenues (expenses)  Net transfers (to Stadium Corp) / from UCFAA  Transfer from UCF Foundation Interest income Interest expense  Capital project donations - Athletics  Restricted accounts revenue  Restricted accounts outlay  Capital projects outlay	(2,281,005) - (305,197) 273,889 921,703 (205,784) (72,128)	2,281,005 - 38,283 (1,683,606) - -	38,283 (1,988,803) 273,889 921,703 (205,784) (72,128)	(2,106,086) - (463,750) 492,004 1,224,170 (757,134) (536,946)	2,106,086 - 65,000 (1,683,606) - -	- 65,000 (2,147,356) 492,004 1,224,170 (757,134) (536,946)	(26,717) 158,553 (218,115) (302,467) 551,350 464,818	(41.10)% (7.38)% (44.33)% (24.71)% 72.82 % 86.57 %	153,048 - (266,594) 1,510,616 356,294 (584,126) (225,216)	(153,048) 750,000 109,456 (1,762,888) - - -	750,000 109,456 (2,029,482) 1,510,616 356,294 (584,126) (225,216)	(750,000) (71,173) 40,679 (1,236,727) 565,409 378,342 153,088	(100.00)% (65.02)% 2.00 % (81.87)% 158.69 % 64.77 % 67.97 %
Total nonoperating revenues (expenses)	(1,668,522)	635,682	(1,032,840)	(2,147,742)	487,480	(1,660,262)	627,422	37.79 %	944,022	(1,056,480)	(112,458)	(920,382)	818.42 %
Net increase (decrease) from operations  Debt service: Principal Interest (and bank fees)	\$ 4,282,720 \$ 1,451,000 305,197	\$ 1,142,007 S \$ 1,940,000 S 1,683,606		\$ (8,136,861) 1,314,440 463,750		\$ 3,254,440 2,147,356	\$ 12,993,716 \$ (136,560) 158,553	(4.20)% 7.38 %	\$ (892,971) \$ \$ 280,000 \$ 266,594		\$ 588,995 \$ 2,143,000 2,029,482	\$ 4,835,732 \$ (1,248,000) 40,679	(58.24)% 2.00 %
Total Debt Service	\$ 1,756,197	\$ 3,623,606	5,379,803	\$ 1,778,190	\$ 3,623,606	5,401,796	\$ 21,993	0.41 %	\$ 546,594	3,625,888	\$ 4,172,482	\$ (1,207,321)	(28.94)%

# Attachment C

#### UCF Convocation Corporation Statement of Operations Nine Months Ended March 31, 2021

		2020-20	021		2019-2020					
	Actual	Amended Budget	Variand Favorable (Unf		Actual	Budget	Variand Favorable (Unf			
Housing Operations										
Revenues										
Apartment rentals	\$ 13,012,097	\$ 12,930,503	\$ 81,594	1 %	\$ 15,969,242	\$ 15,737,500	\$ 231,742	1 %		
Parking	777,291	777,291	-	0 %	777,291	777,291	-	0 %		
Other	110,335	56,536	53,799	95 %	171,369	113,255	58,114	51 %		
Total revenues	13,899,723	13,764,330	135,393	1 %	16,917,902	16,628,046	289,856	2 %		
Expenses										
Expenses - operations	3,895,052	3,683,152	(211,900)	(6)%	5,011,235	5,216,643	205,408	4 %		
Expenses - R&R	517,416	785,290	267,874	34 %	252,802	400,232	147,430	37 %		
Total expenses	4,412,468	4,468,442	55,974	1 %	5,264,037	5,616,875	352,838	6 %		
Net increase (decrease) from housing operations	9,487,255	9,295,888	191,367	2 %	11,653,865	11,011,171	642,694	6 %		
Retail Operations										
Total revenues	1,313,027	1,152,239	160,788	14 %	1,443,320	1,449,852	(6,532)	(0)%		
Total expenses	240,724	281,597	40,873	15 %	347,983	403,178	55,195	14 %		
Net increase (decrease) from retail operations	1,072,303	870,642	201,661	23 %	1,095,337	1,046,674	48,663	5 %		
Arena Operations										
Revenues										
Event related	240,067	558,789	(318,722)	(57)%	3,786,988	4,821,126	(1,034,138)	(21)%		
Premium seating and sponsorship	716,333	660,000	56,333	9 %	1,139,269	1,160,050	(20,781)	(2)%		
Rental Income	2,601,250	2,601,250	-	0 %	2,601,241	2,601,250	(9)	(0)%		
Other	40,799	35,105	5,694	16 %	117,779	105,707	12,072	11′%		
Total revenues	3,598,449	3,855,144	(256,695)	(7)%	7,645,277	8,688,133	(1,042,856)	(12)%		
Expenses										
Direct event	176,546	403,241	226,695	56 %	2,806,875	3,065,032	258,157	8 %		
Operating and indirect event	2,217,278	2,550,617	333,339	13 %	2,876,998	2,874,557	(2,441)	(0)%		
Direct premium seating	12,765	81,999	69,234	84 %	38,131	282,860	244,729	87 %		
R&R expenses	21,599	288,362	266,763	93 %	643,282	777,230	133,948	17 %		
Total expenses	2,428,188	3,324,219	896,031	27 %	6,365,286	6,999,679	634,393	9 %		
Net increase (decrease) from arena operations	1,170,261	530,925	639,336	120 %	1,279,991	1,688,454	(408,463)	(24)%		
Net increase (decrease)	\$ 11,729,819	\$ 10,697,455	\$ 1,032,364		\$ 14,029,193	\$ 13,746,299	\$ 282,895			
Debt Service Principal Interest Total Debt Service	\$ 8,025,000 3,087,458 \$ 11,112,458				\$ 7,755,000 3,209,387 <b>\$ 10,964,387</b>					

#### Attachment D

#### UCF Finance Corporation Statement of Operations Nine Months Ended March 31, 2021

		2020-20	21		2019-2020						
	Actual	Budget	Variance Favorable (Unfav		Actual	Budget	Variand Favorable (Unfa				
Revenues											
Transfers from University - Burnett Loan <sup>1</sup>	\$ 1,339,290	\$ 1,330,896	\$ 8,394	1%	\$ 1,329,016	\$ 1,714,483	\$ (385,467)	-22%			
Transfers from Foundation - Downtown Pledges <sup>2</sup>	1,703,205	3,335,000	(1,631,795)	-49%	3,197,439	3,200,000	(2,561)	100%			
Investment Income	41,129	41,250	(121)	0%	118,164	35,000	83,164	238%			
Total revenues	3,083,624	4,707,146	(1,623,522)	-34%	4,644,619	4,949,483	(304,864)	-6%			
Expenses											
Operating	12,623	15,250	2,627	17%	17,224	16,800	(424)	-3%			
Interest	1,392,781	1,457,796	65,015	4%	1,455,120	1,732,683	277,563	16%			
Transfers to UCF - Downtown Construction <sup>3</sup>				0%	7,000,000	11,132,136_	4,132,136	37%			
Total expenses	1,405,404	1,473,046	67,642	5%	8,472,344	12,881,619	4,409,275	34%			
Net increase (decrease)	\$ 1,678,220	\$ 3,234,100	\$ (1,555,880)	-48%	\$ (3,827,725)	\$ (7,932,136)	\$ (4,104,411)	<u>52%</u>			
Debt Service											
Principal <sup>4</sup>	\$ 4,324,205				\$ 5,506,439						
Interest <sup>4</sup>	1,392,781				1,455,120						
Total Debt Service	\$ 5,716,986				\$ 6,961,559						

<sup>&</sup>lt;sup>1</sup> Transfers from University represents rent pursuant to the 2017 amended and restated operating lease agreement related to the financing of the Burnett Biomedical Sciences building constructed on the health sciences campus in Lake Nona.

<sup>&</sup>lt;sup>2</sup> Transfers from UCF Foundation represent pledges received for the construction of the UCF Downtown Campus and are used to pay principal on the UCF Downtown construction note. Prior year principal payments of approximately \$3.2 million did not include any payments on the downtown construction note. Prior year principal payments of \$3.2 million were made on the construction note from pledges received from the UCF Foundation. The current year total is \$1.7M which in lower than anticipated by \$1.6 million due to timing of receipts.

<sup>&</sup>lt;sup>3</sup> Transfers to the UCF downtown construction project were funded by draws on the UCF downtown construction note during fiscal year 2020. No additional transfers are anticipated, and outstanding pledges held by UCF Foundation exceed the balance remaining on the construction note. At December 31, 2020, \$2.3 million was outstanding on the note. Pledges, net of reserves, scheduled to be received by the note's March 2023 maturity date are \$4.5 million, exceeding the outstanding loan balance by approximately 92%.

<sup>&</sup>lt;sup>4</sup> Year to date debt service payments include scheduled principal (\$4.3 million) and interest (\$1.4 million) payments on the Burnett building loan and principal (\$1.7 million) on the UCF Downtown construction note.

# Attachment E

### UCF Foundation Unrestricted Operations Nine months ended March 31, 2021

		2020-2	:1		2019-20					
	Actual	Budget	Variand Favorable (Unf		Actual	Budget	Variand Favorable (Unfa			
Unrestricted revenues University and other related support	\$ 10,745,214	\$ 11,518,320	\$ (773,106)	(7)%	\$ 11,982,437	\$ 12,094,347	\$ (111,910)	(1)%		
Gifts, fees, and investment earnings Real estate operations	8,357,582 1,162,500	4,596,732 1,500,000	3,760,851 (337,500)	82 % (23)%	1,971,837 1,477,017	4,457,438 1,477,017	(2,485,601)	(56)% 0 %		
Total unrestricted revenue	20,265,296	17,615,052	2,650,245	15 %	15,431,291	18,028,802	(2,597,511)	(14)%		
Unrestricted expenses										
Academic and university support	819,758	966,859	147,101	15 %	830,123	1,050,520	220,397	21 %		
Development, alumni relations, and operations	12,135,059	13,744,150	1,609,091	12 %	13,950,055	14,848,835	898,780	6 %		
Total unrestricted expenses	12,954,817	14,711,009	1,756,192	12 %	14,780,178	15,899,355	1,119,177	7 %		
Net increase (decrease) from unrestricted operations	\$ 7,310,479	\$ 2,904,043	\$ 4,406,437	(152)%	\$ 651,113	\$ 2,129,447	\$ (1,478,334)	69 %		
Debt Service										
Principal	\$ 1,542,000				\$ 1,468,000					
Interest	415,589				420,931					
Total Debt Service	\$ 1,957,589				\$ 1,888,931					

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, 2021 the Foundation dispersed **\$18.9 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:

Total Dispersed	\$ 18,941,743
Restricted (included endowment)	18,121,985
Unrestricted	\$ 819,758

#### Attachment F

# Limbitless Solutions Inc. Statement of Operations Nine Months Ended March 31, 2021

2020-21 2019-20 Variance Variance **Actual Budget** Actual Favorable (Unfavorable) Favorable (Unfavorable) **Budget Operating Revenues Donations** 299,914 33.3 % 310,672 \$ 48,172 18 % 225,000 74,914 262,500 0 % 100,000 100 % Sponsorships 80,000 25,000 55,000 90,809 (9,191)Other 4,902 61,250 (92)% 17,023 65,000 (47,977)(74)% (56,348)Total operating revenues 384,816 311,250 73,566 24 % 418,504 427,500 (8,996)(2)% Operating Expenses Operating expenses 1 111,428 182,581 71,153 39 % 386,978 211,171 (175,807)(83)% 182,581 71,153 Total operating expenses 111,428 39 % 386,978 211,171 (175,807)(83)% Nonoperating activity <sup>2</sup> 0 % Renovation donations 348,069 348,069 100 % Renovation expense 0 % 0 % 20,580 (20,580)Net nonoperating activity 327,489 368,649 0 % 0 % Net increase (decrease) 600,876 \$ 128,669 472,207 367 % 31,526 \$ 216,329 \$ (184,803) (85)%

<sup>&</sup>lt;sup>1</sup> Additional clinical trials for bionic arms have been delayed due to COVID-19 resulting in a reduction in expense.

<sup>&</sup>lt;sup>2</sup> Nonoperating activity includes donations collected and specifically designated to the LSI lab renovation project and expenses incurred to complete the project.

#### Attachment G

# UCF Research Foundation Statement of Operations Nine months ended March 31, 2021

2020-21 2019-20 Variance Variance Actual Budget Favorable (Unfavorable) Actual Budget Favorable (Unfavorable) Revenues Operating revenue 2,3,4 9,955,528 8,143,750 1,811,778 18 % 9,308,353 9,022,500 285,853 3 % Management fees and other 5 1,037,605 750,000 287,605 28 % 830,594 675,000 155,594 19 % Total revenues 10.993.133 8.893.750 2,099,383 19 % 10.138.947 441,447 4 % 9,697,500 Expenses 2,3,4 Total operating expenses 10,228,316 8,668,750 (1,559,566)(15)% 9,889,853 9,663,750 (226,103)(2)% Net increase (decrease) 1 225,000 539,817 71 % 249,094 33,750 86 % 764,817 \$ \$ 215,344

<sup>&</sup>lt;sup>1</sup> The Research Foundation is recognizing an overall 71% net increase from the 2020-2021 approved budget compared to actuals due to the receipt of monies previously projected to be canceled as a result of global coronavirus pandemic. An overall 86% net increase from the 2019-2020 approved budget compared to actuals specifically due to the receipt of monies related to contributions and other agreements exceeding expectations.

<sup>&</sup>lt;sup>2</sup> Operating revenue and expenses includes contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums.

<sup>&</sup>lt;sup>3</sup> Operating revenue and expenses for contracts and grants is trending higher than both budgeted and prior year due to the receipt of monies that were due in the fourth quarter of fiscal 2020, but delayed due to the global coronavirus pandemic. While contributions and other agreements, as well as conferences and workshops and rental revenues are trending higher than budgeted due to the receipt of monies previously projected to be canceled as a result of global coronavirus pandemic.

<sup>&</sup>lt;sup>4</sup> Operating revenue for royalties and licensing fees and operating expenses for royalties and licensing allocations/expense are trending higher than both budgeted and prior year due to the fulfilment of the sublicense related to Kiadis Pharma (formally Cyto-Sen Therapeutics, Inc.).

<sup>&</sup>lt;sup>5</sup> Management Fee and F&A revenue is trending higher than budgeted due to \$200,000 received from BRIDG under our Fiscal Agent Agreement prior to its termination August 7, 2020.

#### Attachment H

# Central Florida Clinical Practice Organization Statement of Operations For the Nine Months Ended March 31, 2021

2020-21 2019-20 **Variance** Variance **Actual** Favorable (Unfavorable) Actual Favorable (Unfavorable) Budget **Budget** Revenues **Patient Care** 4,426,044 5,337,302 -4% 5,170,618 \$ 744,574 17% 5,133,756 (203,546)Other 44,615 8% 636,719 -1% 638,196 593,581 643,425 (6,706)**Total Revenues** 5,808,815 5,019,625 789,189 16% 5,770,475 5,980,727 (210, 252)-4% **Operating Expenses Professional Services** 292,937 313,233 20,296 6% 463,658 460,801 (2,857)-1% Supplies and Repairs 736.704 685,553 (51,151)-7% 810.588 763,719 (46,868)-6% Facility Expense 1 365,399 176,447 (188,952)-107% 174,742 173,677 (1,066)-1% Information Technology 271,899 257.956 (13,942)-5% 315,480 326,931 11,451 4% Other Operating Expense 58,745 75,290 16,544 22% 77,204 98,221 21,017 21% 1,725,683 1,508,479 -14% 1,841,672 1,823,349 -1% **Total Operating Expense** (217,204)(18,323)Transfers Out 2,250,442 3,511,146 1,260,705 36% 0% 5,743,745 5,721,476 (22,269)**Total Expenses** 3,976,125 5,019,625 1,043,501 21% 7,585,418 7,544,825 (40,592)-1% 1,832,690 **Net increase (decrease)** 1,832,690 (1,814,942) \$ (1,564,098) (250,844)-16%

<sup>&</sup>lt;sup>1</sup> Quadrangle interest only payment was budgeted through UCF Health auxiliary to be funded by the transfers from CFCPO. Conversion from a loan to a long term lease, resulted in CFCPO paying the university directly from its operating account.

ITEM: INFO-3

# UCF BOARD OF TRUSTEES Agenda Item Summary

Finance and Facilities Committee
June 16, 2021

<b>Title:</b> University Quarterly Investment Report, Ended March 31, 2021	- Third Quarter
	n Action
Meeting Date for Upcoming Action:	
Purpose and Issues to be Considered: This item is provided to the trustees quarterly for information purposes	only
<b>Background Information:</b> This item is provided to the trustees quarterly for information purposes an update on the university's investment portfolio for the quarter ended	• • •
As of March 31, 2021, the university had the following cash and investigation	ment balances:
Bank of America operating account State of Florida Special Purpose Investment Account (SPIA) Bank of New York Structured Investment Portfolio Total Cash and Investments	\$ 2,522,547 \$ 311,162,000 \$ 340,563,809 \$ 654,248,356
The structured investment portfolio earned quarterly net gains totaling S	\$3,587,790.
Recommended Action: For information only.	
Alternatives to Decision: N/A	
Fiscal Impact and Source of Funding: $\ensuremath{\mathrm{N/A}}.$	
Authority for Board of Trustees Action: Sections 1011.42(5) and 218.415, Florida Statutes; UCF-4.014 Investm	ents; UCF Investment Policy Manual
Contract Reviewed/Approved by General Counsel  N/A	
Committee Chair or Chair of the Board has approved adding this i	tem to the agenda $igtigtigtigtigtigtigtigta$
Submitted by: Gerald Hector, Senior Vice President for Administration and Finance	
Supporting Documentation: Attachment A: UCF Investments Quarterly Report as of December 31,	2020
Facilitators/Presenters: Gerald Hector, Senior Vice President for Administration and Finance	

Danta White, Assistant Vice President and University Controller

Cash & Non-Investment Portfolio	09/30/2020 Reported Value	12/31/2020 Reported Value
Bank of America	\$11,561,248	\$60,697,701
SPIA	\$353,583,869	\$249,256,836
Total Cash & Non-Investment Portfolio	\$365,145,117	\$309,954,537

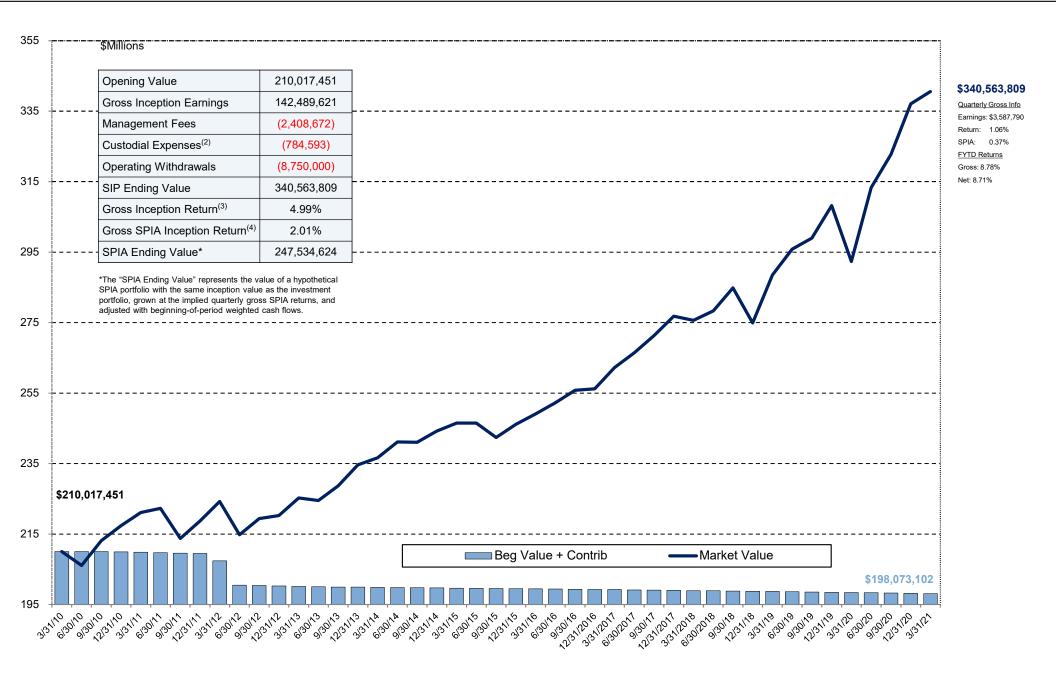
03/31/2021 Reported Value
\$2,522,547
\$311,162,000
\$313,684,547

Structured Investment Portfolio (BNY)	09/30/2020 Reported Value	12/31/2020 Reported Value	2nd Quarter Gain/(Loss)	03/31/2021 Reported Value	3rd Quarter Gain/(Loss)	Inception Gain/(Loss) <sup>(2)</sup>
Pool I	\$0	<b>\$0</b>	<b>\$0</b>	\$0	<b>\$0</b>	\$85,789
Pool II	\$54,492,359	\$54,548,817	\$74,108	\$54,551,043	\$33,225	\$5,026,762
Fixed Income (Pool III) <sup>(3)</sup>	\$128,248,617	\$128,620,896	\$410,487	\$127,679,794	(\$905,089)	\$25,464,388
Domestic Equity (Pool III)	\$23,553,330	\$26,414,316	\$2,860,986	\$28,025,342	\$1,631,026	\$28,647,945
Total Pool III	\$151,801,948	\$155,035,212	\$3,271,473	\$155,705,136	\$725,936	\$54,112,257
Fixed Income (Pool IV) <sup>(4)</sup>	\$40,651,238	\$41,160,083	\$525,607	\$39,997,011	(\$1,165,723)	\$12,197,177
Domestic Equity (Pool IV)	\$58,944,151	\$66,104,003	\$7,159,852	\$70,145,952	\$4,081,949	\$60,562,756
International Equity (Pool IV)	\$16,883,567	\$20,252,264	\$3,368,697	\$20,164,668	(\$87,596)	\$10,504,880
Total Pool IV	\$116,478,956	\$127,516,350	\$11,054,156	\$130,307,631	\$2,828,629	\$83,264,810
Total Structured Investment Portfolio	\$322,773,262	\$337,100,379	\$14,399,737	\$340,563,809	\$3,587,790	\$142,489,622

Total Operating Portfolio	\$687,918,379	\$647,054,916
---------------------------	---------------	---------------

\$654,248,356 Total Equity Allocation 18.09%







<sup>25</sup> contributions include cash flows associated with management fees, portfolio expenses and physical cash flows odial expense figure is reduced by commission recapture income received

s. Annualized performance number. Net of management fees inception earnings = \$140,080,950. Net inception return = 4.90%

<sup>4.</sup> The gross SPIA inception return corresponds with the 3/31/10 inception of UCF's investment portfolio. Net inception SPIA return = 1.89%

	QTR		FYTI	ס	1 YR	1	3 YR		5 YR		Incept	ion	Inceptior Date
Pool II	0.06	(52)	0.44	(57)	1.76	(53)	2.38	(39)	1.82	(53)	1.03	(71)	04/01/2010
Pool II Policy IM U.S. Cash Fixed Income (SA+CF) Median	0.06 0.08	(54)	0.17 0.48	(80)	0.16 1.83	(99)	1.98 2.29	(61)	1.44 1.83	(84)	0.82 1.35	(83)	
Galliard (Pool II)	0.06	(52)	0.44	(57)	1.76	(53)	2.38	(39)	1.82	(53)	1.03	(71)	04/01/2010
Pool II Policy IM U.S. Cash Fixed Income (SA+CF) Median	0.06 0.08	(54)	0.17 0.48	(80)	0.16 1.83	(99)	1.98 2.29	(61)	1.44 1.83	(84)	0.82 1.35	(83)	



	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inceptior Date
Domestic Equity							
Vanguard Instl (Pool III)	6.18 (9)	29.70 (8)	56.34 (7)	16.76 (8)	16.27 (6)	14.65 (5)	07/01/2013
S&P 500 Index	6.17 (10)	29.71 (7)	56.35 (6)	16.78 (4)	16.29 (3)	14.68 (2)	
IM S&P 500 Index (MF) Median	6.08	29.41	55.85	16.39	15.89	14.20	
Fixed Income							
Galliard (Pool III)	-0.74 (99)	0.30 (85)	2.98 (55)	3.93 (15)	2.65 (31)	2.49 (32)	04/01/2010
BofA Merrill Lynch 1-5 Yr Gov/Corp A Rated & Above	-0.53 (88)	-0.14 (99)	0.89 (96)	3.47 (41)	2.13 (78)	2.02 (61)	
IM U.S. Short Duration Fixed Income (SA+CF) Median	-0.06	0.90	3.21	3.34	2.41	2.17	
Sawgrass (Pool III)	-0.66 (98)	-0.19 (100)	1.31 (93)	3.52 (35)	2.40 (53)	2.23 (45)	04/01/2010
BofA Merrill Lynch 1-5 Yr Gov/Corp A Rated & Above	-0.53 (88)	-0.14 (99)	0.89 (96)	3.47 (41)	2.13 (78)	2.02 (61)	
IM U.S. Short Duration Fixed Income (SA+CF) Median	-0.06	0.90 ` ´	3.21	3.34	2.41	2.17	



	QTR		FYTD	)	1 YR		3 YR		5 YR		Incepti	on	Inception Date
Domestic Equity													
Vanguard Instl (Pool IV)	6.18	(9)	29.70	(8)	56.34	(7)	16.76	(8)	16.27	(6)	14.65	(5)	07/01/2013
S&P 500 Index	6.17	(10)	29.71	(7)	56.35	(6)	16.78	(4)	16.29	(3)	14.68	(2)	
IM S&P 500 Index (MF) Median	6.08		29.41		55.85		16.39		15.89		14.20		
International Equity													
Europacific Growth (Pool IV)	-0.43	(99)	30.98	(17)	60.78	(6)	10.20	(3)	12.87	(1)	8.10	(5)	04/01/2010
MSCI AC World ex USA	3.60	(54)	29.01	(26)	50.03	(36)	7.02	(14)	10.28	(9)	6.13	(34)	
IM International Multi-Cap Core Equity (MF) Median	3.71		26.65		46.43		5.46		8.62		5.82		
Fixed Income													
Galliard Broad (Pool IV)	-3.04	(40)	-1.28	(61)	3.07	(56)	5.39	(42)	3.78	(51)	4.29	(39)	04/01/2010
Blmbg. Barc. U.S. Aggregate Index	-3.38	(68)	-2.13	(87)	0.71	(92)	4.65	(92)	3.10	(93)	3.59	(93)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-3.21		-0.97		3.52		5.30		3.78		4.13		
Dodge & Cox Income (Pool IV)	-2.52	(22)	1.38	(12)	7.44	(12)	5.61	(12)	4.68	(4)	3.95	(4)	11/01/2014
Blmbg. Barc. U.S. Aggregate Index	-3.38	(74)	-2.13	(89)	0.71	(91)	4.65	(60)	3.10	(67)	3.10	(52)	
IM U.S. Broad Market Core Fixed Income (MF) Median	-3.04		-0.52		4.37		4.80		3.40		3.13		



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.	✓	<u> </u>	<u> </u>
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA+" or higher.	✓	<u> </u>	
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 year 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 Income:	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.	✓	<u> </u>	<u> </u>
Pool IV Equity:	Yes	No	N/A
		NO	INIT
Investment in equity securities shall not exceed seventy-five percent (75%) of the market value of Operating Pool IV's assets.	<b>√</b>	<del></del>	+
Foreign securities shall not exceed twenty-percent (20%) of the market value of Operating Pool IV's assets.	<b>✓</b>		$\vdash$
Pool IV Fixed Income:	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 uninted everage quality of the fived income partfelia shall maintain a voting of "A." or higher	<b>✓</b>		
The weighted average quality of the fixed income portfolio shall maintain a rating of "A-" or higher.			

<sup>\*</sup>As previously disclosed on 3/16/2021, the Galliard Pool III portfolio holds two AT&T Corporate bonds rated BBB/Baa2/BBB+.



	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

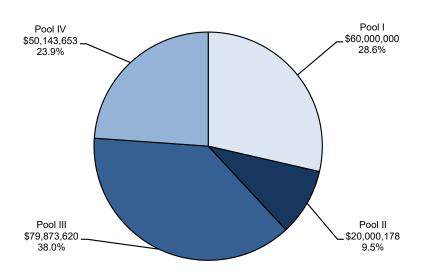
Pool I	\$0	Current Allocation
Cash & Equivalents	<b>\$0</b>	100.0%
Fidelity Money Market	\$0	

Pool II	\$54,551,043	Current Allocation
Short-Term Fixed Income	\$54,551,043	100.0%
Galliard Capital Management	\$54,551,043	

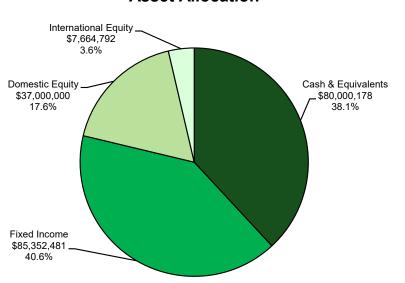
Pool III	\$155,705,136	Current Allocation
Intermediate Fixed Income (85%)	\$127,679,794	82.0%
Galliard Capital Management <sup>(1)</sup>	\$69,855,508	
Sawgrass Asset Management	\$57,824,287	
Domestic Equity (15%)	\$28,025,342	18.0%
Vanguard Institutional Index	\$28,025,342	

Pool IV	\$130,307,631	Current Allocation
Broad Market Fixed Income (35%)	\$39,997,011	30.7%
Galliard Capital Management <sup>(2)</sup>	\$24,116,981	
Dodge & Cox Income	\$15,880,030	
Domestic Equity (50%)	\$70,145,952	53.8%
Vanguard Institutional Index	\$70,145,952	
International Equity (15%)	\$20,164,668	15.5%
Europacific Growth	\$20,164,668	

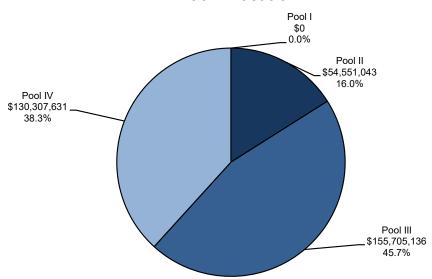
3/31/2010: \$210,017,451 Pool Allocation



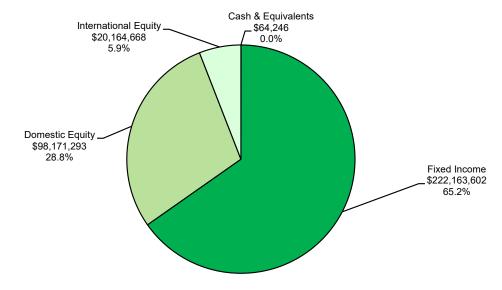
# **Asset Allocation**



# 03/31/2021: \$340,563,809 Pool Allocation



# **Asset Allocation**





ITEM: INFO-4

# **UCF BOARD OF TRUSTEES**

# **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

Title	e: University Audited Ann	nual Fi	inanc	cial Stateme	nts 2019-20			
$\boxtimes$	Information		Inf	formation f	or upcoming a	action		Action
	Meeting D	ate for	r Up	coming Act	tion:			
	pose and Issues to be Co item is provided annually			s for inform	ation purposes			
The pres	kground Information: Auditor General releases ented to the committee at a eral has completed its aud	the No	ovem	ber 19, 2020	), Finance and I	Facilities Comm	ittee me	
The restr	re were no material change most notable changes we cuctured note with the uni- versity and Osceola Cou elopment Gap" (BRIDG).	vere two iversity anty \$	wo a ty all	dditional su owing defer	ibsequent ever ral of two ann	nts notes: (1) U ual payments to	CF Atlotaling \$	nletics Association §2 million; and (2)
supp	Auditor General issued an olemental report on internatify any material weaknes	al con	ntrols	over finan	cial reporting	and compliance	and oth	ner matters did not
	ommended Action: information only.							
Alte N/A	ernatives to Decision:							
Fisc N/A	al Impact and Source of	Fund	ling:					
	hority for Board of Trus olution on Presidential Au							
Con	tract Reviewed/Approve	ed by (	Gene	eral Counse	el 🗌 N/A 🛭			
Con	nmittee Chair or Chair o	of the l	Boar	d has appr	oved adding t	his item to the a	ıgenda	$\boxtimes$
	mitted by: ald Hector, Senior Vice Pr	esiden	nt for	· Administra	tion and Finan	ce		
	porting Documentation: chment A: University Au	dited A	Annu	al Financial	Report 2019-2	20		
	ilitators/Presenters: ald Hector, Senior Vice Pr	esiden	nt for	· Administra	tion and Finan	ce		

Danta White, Assistant Vice President and University Controller

Report No. 2021-134 February 2021

# **UNIVERSITY OF CENTRAL FLORIDA**

For the Fiscal Year Ended June 30, 2020



# **Board of Trustees and President**

During the 2019-20 fiscal year, Dr. Alexander Cartwright served as President of the University of Central Florida from April 13, 2020, and Dr. Thad Seymour Jr. served as Interim President before that date. The following individuals served as Members of the Board of Trustees:

Beverly J. Seay, Chair from 7-18-19
Alex Martins, Vice Chair from 7-18-19 a
Robert Garvy, Chair through 7-17-19 b
Kenneth Bradley
Joseph D. Conte
Danny Gaekwad
Kyler Gray through 5-6-20 c
Dr. Joseph Harrington from 4-16-20 d
Sabrina La Rosa from 5-7-20 c

John Lord through 1-6-20 Caryl McAlpin from 1-7-20 Harold Mills from 10-30-19 <sup>e</sup> Michael Okaty from 1-7-20 Dr. William Self through 4-15-20 <sup>d</sup> John R. Sprouls David Walsh

William E. Yeargin

- <sup>a</sup> Vice Chair position vacant through 7-17-19.
- <sup>b</sup> Trustee served through 1-6-20.
- <sup>c</sup> Student Body President.
- d Faculty Senate Chair.
- e Trustee position vacant through 10-29-19.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Jeffrey M. Brizendine, CPA, and the audit was supervised by Brenda C. Racis, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Manager, by e-mail at <a href="mailto:jaimehoelscher@aud.state.fl.us">jaimehoelscher@aud.state.fl.us</a> or by telephone at (850) 412-2868.

This report and other reports prepared by the Auditor General are available at:

FLAuditor.gov

Printed copies of our reports may be requested by contacting us at:

**State of Florida Auditor General** 

Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722

# UNIVERSITY OF CENTRAL FLORIDA TABLE OF CONTENTS

	Page <u>No.</u>
SUMMARY	i
INDEPENDENT AUDITOR'S REPORT	1
Report on the Financial Statements	1
Other Reporting Required by Government Auditing Standards	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	16
Statement of Revenues, Expenses, and Changes in Net Position	18
Statement of Cash Flows	20
Notes to Financial Statements	22
OTHER REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability	67
Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan	68
Schedule of University Contributions – Florida Retirement System Pension Plan	68
Schedule of the University's Proportionate Share of the Net Pension Liability – Health	
Insurance Subsidy Pension Plan	70
Schedule of University Contributions – Health Insurance Subsidy Pension Plan	
Notes to Required Supplementary Information	72
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	73
Internal Control Over Financial Reporting	
Compliance and Other Matters	
Purpose of this Report	

### SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the University of Central Florida (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

#### SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, issued by the Comptroller General of the United States.

#### AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to determine whether the University of Central Florida and its officers with administrative and stewardship responsibilities for University operations had:

- Presented the University's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.

The scope of this audit included an examination of the University's basic financial statements as of and for the fiscal year ended June 30, 2020. We obtained an understanding of the University's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

An examination of Federal awards administered by the University is included within the scope of our Statewide audit of Federal awards administered by the State of Florida.

# **AUDIT METHODOLOGY**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States.



# AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74 111 West Madison Street Tallahassee, Florida 32399-1450



Phone: (850) 412-2722 Fax: (850) 488-6975

The President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee

#### INDEPENDENT AUDITOR'S REPORT

# **Report on the Financial Statements**

We have audited the accompanying financial statements of the University of Central Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

# Management's Responsibility for the Financial Statements

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

# Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the blended and aggregate discretely presented component units. The financial statements of the blended component units, represent 0.6 percent, 6.3 percent, and 0.4 percent, respectively, of the assets, liabilities, and net position reported for the University of Central Florida. The financial statements of the aggregate discretely presented component units represent 100 percent of the transactions and account balances of the discretely presented component units columns. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the blended and aggregate discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller

General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

# **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University of Central Florida and of its aggregate discretely presented component units as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that MANAGEMENT'S DISCUSSION AND ANALYSIS, the Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability, Schedule of the University's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan, Schedule of University Contributions - Florida Retirement System Pension Plan, Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of University Contributions - Health Insurance Subsidy Pension Plan, and Notes to Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

# Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2021, on our consideration of the University of Central Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University of Central Florida's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman, CPA

Tallahassee, Florida February 23, 2021

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2020, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2020, and June 30, 2019.

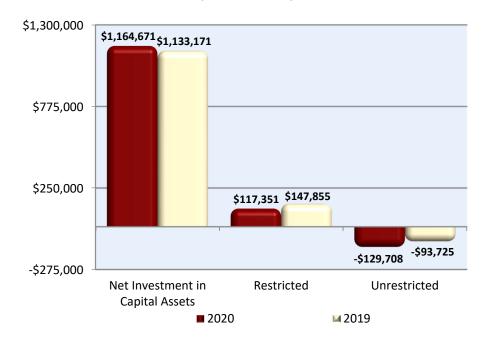
#### FINANCIAL HIGHLIGHTS

The University's assets and deferred outflows of resources totaled \$2.3 billion at June 30, 2020. This balance reflects a \$82.4 million, or 3.8 percent, increase as compared to June 30, 2019, primarily from an increase of deferred outflows related to postemployment benefits. Liabilities and deferred inflows of resources increased by \$117.4 million, or 12 percent, totaling \$1.1 billion at June 30, 2020, resulting primarily from annual changes in actuarial determined amounts for other postemployment benefits and pensions. As a result, the University's net position decreased by \$35 million, resulting in a year-end balance of \$1.2 billion.

The University's operating revenues totaled \$566.3 million for the 2019-20 fiscal year, representing a 1.3 percent increase compared to the 2018-19 fiscal year. Operating expenses totaled \$1.3 billion for the 2019-20 fiscal year, representing an increase of 6.4 percent as compared to the 2018-19 fiscal year due mainly to increases in compensation and employee benefits and scholarships, fellowships, and waivers.

Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2020, and June 30, 2019, is shown in the following graph:

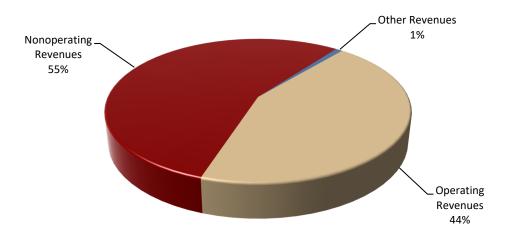
# **Net Position** (In Thousands)



The deficit unrestricted net position for 2020 and 2019 can be attributed primarily to the full recognition of certain long-term liabilities (i.e., compensated absences payable, other postemployment benefits payable and net pension liabilities) in the current unrestricted funds that are expected to be paid over time. Additional information about the University's deficit position in individual funds is presented in Note 3. in the accompanying notes to financial statements.

The following chart provides a graphical presentation of University revenues by category for the 2019-20 fiscal year:

**Total Revenues** 2019-20 Fiscal Year



#### OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. These component units include:

- **Blended Component Units** 
  - UCF Finance Corporation
  - University of Central Florida College of Medicine Self-Insurance Program
- Discretely Presented Component Units
  - University of Central Florida Foundation, Inc.
  - University of Central Florida Research Foundation, Inc.
  - o UCF Athletics Association, Inc.
  - UCF Convocation Corporation
  - UCF Stadium Corporation
  - Central Florida Clinical Practice Organization, Inc.
  - UCF Academic Health, Inc.

Information regarding these component units, including summaries of the blended and discretely presented component units' separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. For those component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.

# The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

# Condensed Statement of Net Position at June 30 (In Thousands)

	2020	2019
Assets		
Current Assets	\$ 623,245	\$ 601,080
Capital Assets, Net	1,302,709	1,286,116
Other Noncurrent Assets	91,445	128,598
Total Assets	2,017,399	2,015,794
Deferred Outflows of Resources	234,747	153,916
Liabilities		
Current Liabilities	124,556	141,798
Noncurrent Liabilities	889,696	759,988
Total Liabilities	1,014,252	901,786
Deferred Inflows of Resources	85,580	80,623
Net Position		
Net Investment in Capital Assets	1,164,671	1,133,171
Restricted	117,351	147,855
Unrestricted	(129,708)	(93,725)
Total Net Position	\$ 1,152,314	\$ 1,187,301

Total liabilities as of June 30, 2020, increased by \$112.4 million, or 12.5 percent. Deferred outflows of resources increased by \$80.8 million, or 52.5 percent. Deferred inflows of resources increased by \$5 million, or 6.1 percent. These changes were primarily related to annual changes in actuarial determined amounts for other postemployment benefits and pensions.

# The Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2019-20 and 2018-19 fiscal years:

# Condensed Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Years

# (In Thousands)

	2019-20	2018-19
Operating Revenues Less, Operating Expenses	\$ 566,256 1,278,481	\$ 558,896 1,201,207
Operating Loss Net Nonoperating Revenues	(712,225) 666,127	(642,311) 627,432
Loss Before Other Revenues Other Revenues	(46,098) 11,111	(14,879) 104,394
Net Increase (Decrease) In Net Position Net Position, Beginning of Year	(34,987) 1,187,301	89,515 1,097,786
Net Position, End of Year	\$ 1,152,314	\$ 1,187,301

# **Operating Revenues**

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2019-20 and 2018-19 fiscal years:

# **Operating Revenues** For the Fiscal Years

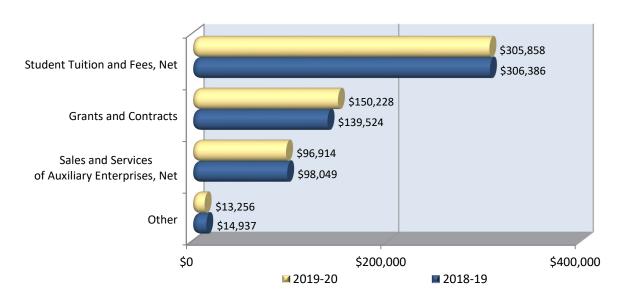
(In Thousands)

	2019-20	2018-19
Student Tuition and Fees, Net Grants and Contracts Sales and Services of Auxiliary Enterprises, Net Other	\$ 305,858 150,228 96,914 13,256	\$ 306,386 139,524 98,049 14,937
Total Operating Revenues	\$ 566,256	\$ 558,896

The following chart presents the University's operating revenues for the 2019-20 and 2018-19 fiscal years:

# **Operating Revenues**

(In Thousands)



### **Operating Expenses**

Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2019-20 and 2018-19 fiscal years:

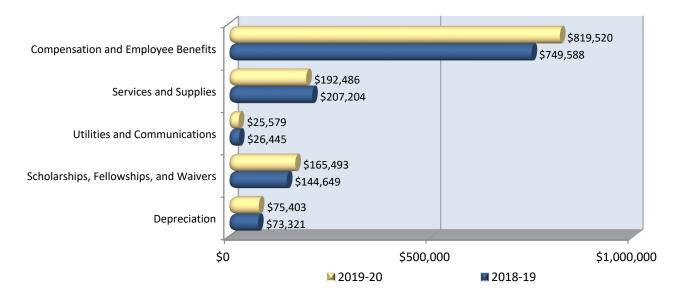
# **Operating Expenses** For the Fiscal Years

(In Thousands)

	2019-20	2018-19	
Compensation and Employee Benefits Services and Supplies Utilities and Communications	\$ 819,520 192,486 25,579	\$ 749,588 207,204 26,445	
Scholarships, Fellowships, and Waivers Depreciation	165,493 75,403	144,649 73,321	
Total Operating Expenses	\$ 1,278,481	\$ 1,201,207	

The following chart presents the University's operating expenses for the 2019-20 and 2018-19 fiscal years:

# **Operating Expenses** (In Thousands)



Operating expenses increased \$77.3 million, or 6.4 percent, over the 2018-19 fiscal year. Compensation and employee benefits increased by \$70 million. Salaries increased \$25.6 million due to investments in the University faculty hiring plan including support personnel, growth in post-doctoral medical resident programs, and annual salary increases. Retirement and benefit expenses including actuarial determined pension expenses and healthcare expenses increased \$44.4 million. Services and supplies decreased by \$14.7 million, or 7.1 percent, due to a decrease in startup costs related to the Downtown Campus and decreased travel expenses because of a travel freeze in response to the COVID-19 pandemic. Scholarships, fellowships, and waivers increased by \$20.8 million, or 14.4 percent, resulting from increased awards for the Florida Bright Futures Scholarship Program and Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

#### **Nonoperating Revenues and Expenses**

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs The following summarizes the University's nonoperating revenues and related to capital assets. expenses for the 2019-20 and 2018-19 fiscal years:

### **Nonoperating Revenues (Expenses)** For the Fiscal Years

(In Thousands)

	2019-20	2018-19
State Noncapital Appropriations	\$ 378,429	\$ 383,229
Federal and State Student Financial Aid	264,065	231,707
Investment Income	28,695	31,338
Other Nonoperating Revenues	40,405	24,131
Loss on Disposal of Capital Assets	(323)	(614)
Interest on Capital Asset-Related Debt	(5,952)	(6,678)
Other Nonoperating Expenses	(39, 192)	(35,681)
Net Nonoperating Revenues	\$ 666,127	\$ 627,432

Net nonoperating revenues increased by \$38.7 million, or 6.2 percent, primarily due to a rise in Federal and State student financial aid of \$32.4 million. The University received Federal CARES Act funding for emergency student financial aid awards in response to the COVID-19 pandemic and additional funds for the Florida Bright Futures Scholarship Program in the 2019-20 fiscal year.

# **Other Revenues**

This category is composed of State capital appropriations, capital grants, contracts, donations, and fees. The following summarizes the University's other revenues for the 2019-20 and 2018-19 fiscal years:

## Other Revenues For the Fiscal Years

(In Thousands)

2040 20

2040 40

	2019-20	2010-19	
State Capital Appropriations Capital Transfers In	\$ 9,338	\$ 13,849 78.269	
Capital Grants, Contracts, Donations, and Fees	1,773	12,276	
Total	\$ 11,111	\$ 104,394	

Other revenues were \$11.1 million for the 2019-20 fiscal year. This represents a \$93.3 million decrease compared to the 2018-19 fiscal year due primarily to the transfer of the convocation center residential, parking, and retail assets from the UCF Convocation Corporation to the University in the 2018-19 fiscal year and a decrease in donations related to the Downtown Campus.

#### The Statement of Cash Flows

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and

use of cash related to purchasing or selling investments and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2019-20 and 2018-19 fiscal years:

# **Condensed Statement of Cash Flows** For the Fiscal Years

(In Thousands)

	2019-20	2018-19
Cash Provided (Used) by:		
Operating Activities	\$ (587,238)	\$ (524,569)
Noncapital Financing Activities	632,128	602,054
Capital and Related Financing Activities	(82,972)	(100,304)
Investing Activities	75,155	25,309
Net Increase in Cash and Cash Equivalents Cash and Cash Equivalents, Beginning of Year	37,073 28,274	2,490 25,784
Cash and Cash Equivalents, Deginning of Teal	20,214	25,704
Cash and Cash Equivalents, End of Year	\$ 65,347	\$ 28,274

Cash and cash equivalents increased \$37.1 million. Cash used by operating activities increased by \$62.7 million compared to the 2018-19 fiscal year primarily due to an increase in cash payments to and on behalf of employees for compensation and benefits and payments to students for scholarships and fellowships. Cash inflows from noncapital financing activities increased by \$30.1 million primarily due to an increase in cash received from Federal and State student financial aid and State appropriations net of pass-through disbursements and CARES Act funding. Cash used by capital and related financing activities decreased by \$17.3 million primarily due to decreased construction activities as many large projects such as the Downtown Campus were completed. Cash provided by investing activities increased by \$49.8 million primarily due to the liquidation of equity investments.

Major sources of funds came from State noncapital appropriations (\$379.2 million), net student tuition and fees (\$302.9 million), Federal and State student financial aid (\$264.1 million), grants and contracts (\$150.4 million), and net sales and services of auxiliary enterprises (\$100.5 million). Major uses of funds were for payments made to and on behalf of employees (\$769.5 million), payments to suppliers (\$219.2 million), payments to students for scholarships and fellowships (\$165.5 million), and payments related to the purchase or construction of capital assets totaling (\$100 million).

> CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

#### **Capital Assets**

At June 30, 2020, the University had \$2.3 billion in capital assets, less accumulated depreciation of \$963.5 million, for net capital assets of \$1.3 billion. Depreciation charges for the current fiscal year totaled \$75.4 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

# Capital Assets, Net at June 30 (In Thousands)

	2020	2019	
Land	\$ 43,016	\$ 43,016	
Construction in Progress	34,516	113,518	
Buildings	1,100,552	1,016,409	
Infrastructure and Other Improvements	44,199	36,052	
Furniture and Equipment	39,974	42,003	
Library Resources	28,768	27,452	
Leasehold Improvements	11,173	7,088	
Works of Art and Historical Treasures	511	578	
Capital Assets, Net	\$1,302,709	\$1,286,116	

Additional information about the University's capital assets is presented in the notes to financial statements.

#### **Capital Expenses and Commitments**

Major capital expenses through June 30, 2020, were incurred on projects completed: UCF Downtown Academic Building, the John C. Hitt Library Renovations Phase 1A, UCF Downtown Parking Garage, UCF Downtown Central Energy Plant, and projects currently in progress: Partnership IV, Roth Athletic Center, and Student Union Expansion. The University's major construction commitments at June 30, 2020, are as follows:

	-	Amount (In Thousands)		
Total Committed Completed to Date	\$	43,306 (34,516)		
Balance Committed	\$	8,790		

Additional information about the University's construction commitments is presented in the notes to financial statements.

#### **Debt Administration**

As of June 30, 2020, the University had \$158.5 million in outstanding capital improvement debt payable, and loans and notes payable, representing a decrease of \$10.8 million, or 6.4 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

# Long-Term Debt at June 30 (In Thousands)

	2020	2019
Capital Improvement Debt Loans and Notes Payable	\$ 96,126 62,347	\$ 108,453 60,861
Total	\$ 158,473	\$ 169,314

Additional information about the University's long-term debt is presented in the notes to financial statements.

# **ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

The University's economic condition is closely tied to that of the State of Florida. Because of limited economic growth and increased demand for State resources, a modest increase in State funding is anticipated in the 2020-21 fiscal year. The University manages this through the continual efficient and strategic use of resources and entrepreneurial efforts by academic, administrative, and auxiliary departments. The budget that the Florida Legislature adopted for the 2020-21 fiscal year included \$32.3 million in base funding increases for the State University System of which the University received \$1.5 million.

In addition to State funding, the University relies on other revenue streams to maintain the open access to, and high quality of, its academic programs. Net tuition and fee revenue decreased 0.2 percent from the 2018-19 fiscal year to the 2019-20 fiscal year. The decrease was primarily due to a 11 percent increase in tuition scholarship allowance. Overall, enrollment increased 1.4 percent with a student count of approximately 69,525. The change was primarily due to a 917 headcount increase in undergraduate students entering college for the first time and a 305 headcount increase in students pursuing a Master's degree. The University continues to invest in recruitment, retention, and academic advising initiatives to manage enrollment and support students' success.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and resulted in governments enacting emergency measures such as travel bans, quarantine periods and social distancing requirements to combat the spread of the virus. In response to the State University System of Florida Board of Governors directive, the University asked students to vacate University housing residences in March 2020 and moved to an online learning platform for the remainder of the Spring academic term then extended through the summer academic term. In June 2020, the State University System Board of Governor's approved the University's Fall 2020 reopening plan that included enhanced cleaning and disinfecting, required face coverings, modified classroom capacity for face-to-face instruction, increased online instruction, COVID-19 testing and contact tracing, and reopening of student housing at reduced occupancy levels to allow for social distancing and quarantine space. The University's financial results for the 2020-21 fiscal year are anticipated to be affected as follows:

Possible reduction of State funding; however, at this time these potential funding reductions are uncertain.

- No expected negative impact to net tuition and fee revenues as Fall 2020 enrollment slightly increased compared to Fall 2019.
- Cost increases related to increased online instruction and safety measures taken to keep students, faculty, and staff safe. These costs will be partially covered by Federal CARES Act funding awarded to the University for institutional costs incurred in response to COVID-19.
- Reduced fall Housing revenues, however, these reduced revenues will be partially offset by Housing cost savings. Additionally, the University has reserved cash to cover the full 2020-21 fiscal year Housing debt service payments.
- In order to provide additional support to students, faculty, and staff, the University extended existing parking permits originally expiring in August 2020 to December 2020. The reduction in parking permit revenue will be partially offset by cost savings and is not expected to have a material impact on the University's Parking segment. Additionally, the University has reserved cash to cover the full 2020-21 fiscal year Parking debt service payments.

Management continues to monitor the extent to which the coronavirus may impact University operations, but the extent of the financial impact will depend on future developments, which are highly uncertain and cannot be predicted.

#### REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the University Controller, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, Florida 32826-3249.

## **UNIVERSITY OF CENTRAL FLORIDA** A Component Unit of the State of Florida Statement of Net Position

June 30, 2020

Julie 33, 2023		
	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 49,198,478	\$ 15,329,610
Restricted Cash and Cash Equivalents	3,328,814	17,819,875
Investments	462,046,580	-
Accounts Receivable, Net	72,814,320	18,427,373
Loans and Notes Receivable, Net	477,611	-
Due from State	24,626,543	-
Due from Component Units	929,807	851,183
Due from University	-	25,157,084
Inventories	3,417,493	-
Other Current Assets	6,405,408	2,749,208
Total Current Assets	623,245,054	80,334,333
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	12,819,495	8,638,512
Restricted Investments	66,586,608	236,494,025
Loans and Notes Receivable, Net	3,104,605	12,614,980
Depreciable Capital Assets, Net	1,224,959,624	85,744,738
Nondepreciable Capital Assets	77,749,820	78,157,447
Due from Component Units	5,198,890	-
Other Noncurrent Assets	3,735,014	515,375
Total Noncurrent Assets	1,394,154,056	422,165,077
Total Assets	2,017,399,110	502,499,410
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	99,782,263	-
Pensions	123,390,111	-
Deferred Amount on Debt Refundings	11,575,149	4,539,859
Total Deferred Outflows of Resources	234,747,523	4,539,859
LIABILITIES		
Current Liabilities:		
Accounts Payable	13,480,150	6,467,580
Construction Contracts Payable	13,879,047	-
Salary and Wages Payable	8,945,639	-
Deposits Payable	7,146,083	-
Due to Component Units	25,157,084	851,183
Due to University	-	929,807
Unearned Revenue	31,421,704	15,904,897
Other Current Liabilities Long Torm Liabilities Current Portion:	3,340,699	2,182,567
Long-Term Liabilities - Current Portion:	7 460 000	
Capital Improvement Debt Payable Bonds Payable	7,460,000	9,965,000
Loans and Notes Payable	2,621,000	5,175,000
Compensated Absences Payable	4,779,149	106,123
Other Postemployment Benefits Payable	5,172,704	100, 123
Net Pension Liability	1,152,956	-
Total Current Liabilities	124,556,215	41,582,157
		,,

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Capital Improvement Debt Payable	88,665,838	-
Bonds Payable	-	198,911,527
Loans and Notes Payable	59,726,398	80,237,000
Compensated Absences Payable	56,914,453	653,327
Other Postemployment Benefits Payable	394,825,270	-
Net Pension Liability	284,486,662	-
Unearned Revenue	-	14,013
Due to University	-	5,198,890
Other Noncurrent Liabilities	5,077,523	318,973
Total Noncurrent Liabilities	889,696,144	285,333,730
Total Liabilities	1,014,252,359	326,915,887
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	67,971,397	_
Pensions	17,608,935	
Total Deferred Inflows of Resources	85,580,332	
NET POSITION		
Net Investment in Capital Assets	1,164,671,394	81,243,326
Restricted for Nonexpendable:		
Endowment	-	143,793,755
Restricted for Expendable:		
Debt Service	6,426	-
Loans	3,117,611	-
Capital Projects	82,874,539	4,387,079
Other	31,351,813	111,905,685
Unrestricted	(129,707,841)	(161,206,463)
TOTAL NET POSITION	\$ 1,152,313,942	\$ 180,123,382

The accompanying notes to financial statements are an integral part of this statement.

## **UNIVERSITY OF CENTRAL FLORIDA** A Component Unit of the State of Florida Statement of Revenues, Expenses, and Changes in Net Position

# For the Fiscal Year Ended June 30, 2020

Path		University	Component Units
Allowances of \$221,585,494 (Pledged for Capital Improvement Debt. \$12,628,110 for Parking)   \$ 305,858,103   \$ - 1	REVENUES		
Allowances of \$221,585,494 (Pledged for Capital Improvement Debt: \$12,628,110 for Parking)   \$ 305,858,103   \$ - Pederal Grants and Contracts   111,049,095   - Pederal Grants and Contracts   10,729,938   - Pederal Grants and Contracts   28,449,358   - Pederal Grants and Services of Auxiliary Enterprises, Net (Pledged for Capital improvement Debt: \$24,992,916 for Housing and \$5,076,165 for Parking)   96,914,456   - 24,305,465   Interest on Loans and Notes Receivable   145,074   - Pederal Grants and Remployee Benefits   145,074   - Pederal Grants and Remployee Benefits   145,074   - Pederal Grants and Remployee Benefits   181,090,047   - Pederal Grants and Remployee Benefits   181,090,047   - Pederal Grants and Communications   25,579,391   - Pederal Grants and Communications   27,548,484   - Pederal and State Student Financial Aid   264,065,349   - Pederal and State	, ,		
Pederal Grants and Contracts			
Federal Grants and Contracts		Ф 20E 0E0 102	¢
State and Local Grants and Contracts         10,729,938         -           Nongovermental Grants and Contracts         28,449,358         -           Sales and Services of Auxiliary Enterprises, Net (Pledged for Capital improvement Debt:         24,305,465           Gifts and Donations         -         24,305,465           Interest on Loans and Notes Receivable         145,074         -           Other Operating Revenues:         -         127,265,484           Housing and \$800,551 for Parking)         13,109,647         127,265,484           Total Operating Revenues         566,255,671         151,570,949           EXPENSES         -         -         22,108,092           Operating Expenses:         -         22,108,092           Compensation and Employee Benefits         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NoNOPERATING REVEN	•		φ - -
Nongovernmental Grants and Contracts   Sales and Services of Auxiliary Enterprises, Net   Sales and Services of Auxiliary Enterprises, Net   Pedged for Capital improvement Debt:   \$24,992,916 for Housing and \$6,076,165 for Parking)   96,914,456   24,305,465   Interest on Loans and Notes Receivable   145,074   - Other Operating Revenues:     145,074   - Other Operating Revenues   13,109,647   127,265,484     13,109,647   127,265,485     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     13,109,647   127,265,484     127,265,484     127,265,484     127,265,484     127,265,484     127,265,484     127			_
Sales and Services of Auxiliary Enterprises, Net         (Pledged for Capital improvement Debt:         324,992,916 for Housing and \$0,076,165 for Parking)         96,914,456         -         24,305,465           Gifts and Donations         145,074         -         24,305,465           Interest on Loans and Notes Receivable         145,074         -         -           Other Operating Revenues:         (Pledged for Capital Improvement Debt: \$534,864 for         -         13,109,647         127,265,484           Total Operating Revenues         566,255,671         151,570,949           EXPENSES         -         -         151,570,949           Compensation and Employee Benefits         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         1           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         378,428,621         -           State Noncapital Appropriations         378,428,621         -			_
Pleaged for Capital improvement Debt:   \$24,992,916 for Housing and \$6,076,165 for Parking)   96,914,456		20,110,000	
\$24,992,916 for Housing and \$6,076,165 for Parking)         96,914,456         24,305,465           Gifts and Donations         145,074         -           Interest on Loans and Notes Receivable         145,074         -           Cher Operating Revenues:         -         -           (Pledged for Capital Improvement Debt: \$534,864 for Housing and \$800,551 for Parking)         13,109,647         127,265,484           Total Operating Revenues         566,255,671         151,570,949           EXPENSES         Services         -           Operating Expenses:         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895 <td></td> <td></td> <td></td>			
Gifts and Donations         24,305,465           Interest on Loans and Notes Receivable         145,074         -           Other Operating Revenues:         (Pledged for Capital Improvement Debt: \$534,864 for Housing and \$800,551 for Parking)         13,109,647         127,265,484           Total Operating Revenues         566,255,671         151,570,949           EXPENSES         Operating Expenses:         22,108,092           Compensation and Employee Benefits         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         1-           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         (712,225,604)         6,219,465           NOMPERATING REVENUES (EXPENSES)         State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         (323,191)         -           Other Nonoperating Revenues         (39,191,726)         (6,210,183)           Net Nonoperating Expenses		96,914,456	-
Other Operating Revenues:         (Pledged for Capital Improvement Debt: \$534,864 for Housing and \$800,551 for Parking)         13,109,647         127,265,484           Total Operating Revenues         566,255,671         151,570,949           EXPENSES         Compensation and Employee Benefits         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Assets         (323,191)         -           Other Nonoperating Expenses         (39,919,726)         (6,210,183) <td></td> <td>-</td> <td>24,305,465</td>		-	24,305,465
(Pledged for Capital Improvement Debt: \$534,864 for Housing and \$800,551 for Parking)         13,109,647         127,265,484           Total Operating Revenues         566,255,671         151,570,949           EXPENSES           Operating Expenses:         Compensation and Employee Benefits         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         378,428,621         -           State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,895,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,071)         (6,210,183)	Interest on Loans and Notes Receivable	145,074	-
Housing and \$800,551 for Parking)         13,109,647         127,265,484           Total Operating Revenues         566,255,671         151,570,949           EXPENSES           Operating Expenses:         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         378,428,621         -           State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Cother Nonoperating Revenues         (323,191)         -           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183) </td <td>Other Operating Revenues:</td> <td></td> <td></td>	Other Operating Revenues:		
Total Operating Revenues         566,255,671         151,570,949           EXPENSES         Coperating Expenses:           Compensation and Employee Benefits         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         378,428,621         -           State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Revenues         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         <			
EXPENSES           Operating Expenses:         22,108,092           Compensation and Employee Benefits         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         378,428,621         -           State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Revenues         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         (66,127,856         8,978,995	Housing and \$800,551 for Parking)	13,109,647	127,265,484
Operating Expenses:         S19,520,266         22,108,092           Compensation and Employee Benefits         819,520,266         118,919,140           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         378,428,621         -           State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         (323,191)         -           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before	Total Operating Revenues	566,255,671	151,570,949
Compensation and Employee Benefits         819,520,266         22,108,092           Services and Supplies         192,485,669         118,919,140           Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         156,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         378,428,621         -           State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460	EXPENSES		
Services and Supplies         192,485,669 (billity)         118,919,140 (billities and Communications)         25,579,391 (billity)         1 - 25,579,391 (billity)         - 25,513,484 (billity)         - 25,	Operating Expenses:		
Utilities and Communications         25,579,391         -           Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         (712,225,604)         6,219,465           State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         (323,191)         -           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         - <t< td=""><td>Compensation and Employee Benefits</td><td>819,520,266</td><td>22,108,092</td></t<>	Compensation and Employee Benefits	819,520,266	22,108,092
Scholarships, Fellowships, and Waivers         165,492,540         -           Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,	Services and Supplies	192,485,669	118,919,140
Depreciation         75,403,409         4,324,252           Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         1,772,786         -           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment	Utilities and Communications	25,579,391	-
Total Operating Expenses         1,278,481,275         145,351,484           Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid Investment Income         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         c.         (333,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         (34,987,145)         19,812,276           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106	Scholarships, Fellowships, and Waivers	165,492,540	-
Operating Income (Loss)         (712,225,604)         6,219,465           NONOPERATING REVENUES (EXPENSES)         State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year	Depreciation	75,403,409	4,324,252
NONOPERATING REVENUES (EXPENSES)           State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning Of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106 <td>Total Operating Expenses</td> <td>1,278,481,275</td> <td>145,351,484</td>	Total Operating Expenses	1,278,481,275	145,351,484
State Noncapital Appropriations         378,428,621         -           Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106	Operating Income (Loss)	(712,225,604)	6,219,465
Federal and State Student Financial Aid         264,065,349         -           Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106	NONOPERATING REVENUES (EXPENSES)		
Investment Income         28,695,380         1,276,895           Other Nonoperating Revenues         40,405,495         22,298,159           Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106	State Noncapital Appropriations	378,428,621	-
Other Nonoperating Revenues       40,405,495       22,298,159         Loss on Disposal of Capital Assets       (323,191)       -         Interest on Capital Asset-Related Debt       (5,952,072)       (8,385,876)         Other Nonoperating Expenses       (39,191,726)       (6,210,183)         Net Nonoperating Revenues       666,127,856       8,978,995         Income (Loss) Before Other Revenues       (46,097,748)       15,198,460         State Capital Appropriations       9,337,817       -         Capital Grants, Contracts, Donations, and Fees       1,772,786       -         Additions to Permanent Endowments       -       4,613,816         Increase (Decrease) in Net Position       (34,987,145)       19,812,276         Net Position, Beginning of Year       1,187,301,087       145,174,106         Adjustment to Beginning Net Position       -       15,137,000         Net Position, Beginning of Year, as Restated       1,187,301,087       160,311,106	Federal and State Student Financial Aid	264,065,349	-
Loss on Disposal of Capital Assets         (323,191)         -           Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106		28,695,380	
Interest on Capital Asset-Related Debt         (5,952,072)         (8,385,876)           Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106	•		22,298,159
Other Nonoperating Expenses         (39,191,726)         (6,210,183)           Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106		, ,	- (0.005.050)
Net Nonoperating Revenues         666,127,856         8,978,995           Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106			, , ,
Income (Loss) Before Other Revenues         (46,097,748)         15,198,460           State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106	Other Nonoperating Expenses		(6,210,183)
State Capital Appropriations         9,337,817         -           Capital Grants, Contracts, Donations, and Fees         1,772,786         -           Additions to Permanent Endowments         -         4,613,816           Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106	Net Nonoperating Revenues	666,127,856	8,978,995
Capital Grants, Contracts, Donations, and Fees       1,772,786       -         Additions to Permanent Endowments       -       4,613,816         Increase (Decrease) in Net Position       (34,987,145)       19,812,276         Net Position, Beginning of Year       1,187,301,087       145,174,106         Adjustment to Beginning Net Position       -       15,137,000         Net Position, Beginning of Year, as Restated       1,187,301,087       160,311,106	Income (Loss) Before Other Revenues	(46,097,748)	15,198,460
Additions to Permanent Endowments       - 4,613,816         Increase (Decrease) in Net Position       (34,987,145)       19,812,276         Net Position, Beginning of Year       1,187,301,087       145,174,106         Adjustment to Beginning Net Position       - 15,137,000         Net Position, Beginning of Year, as Restated       1,187,301,087       160,311,106	State Capital Appropriations	9,337,817	-
Increase (Decrease) in Net Position         (34,987,145)         19,812,276           Net Position, Beginning of Year         1,187,301,087         145,174,106           Adjustment to Beginning Net Position         -         15,137,000           Net Position, Beginning of Year, as Restated         1,187,301,087         160,311,106	Capital Grants, Contracts, Donations, and Fees	1,772,786	-
Net Position, Beginning of Year       1,187,301,087       145,174,106         Adjustment to Beginning Net Position       -       15,137,000         Net Position, Beginning of Year, as Restated       1,187,301,087       160,311,106	Additions to Permanent Endowments		4,613,816
Adjustment to Beginning Net Position - 15,137,000  Net Position, Beginning of Year, as Restated 1,187,301,087 160,311,106	Increase (Decrease) in Net Position	(34,987,145)	19,812,276
Adjustment to Beginning Net Position - 15,137,000  Net Position, Beginning of Year, as Restated 1,187,301,087 160,311,106	Net Position, Beginning of Year	1,187,301,087	145,174,106
		<u> </u>	
Net Position, End of Year         \$ 1,152,313,942         \$ 180,123,382	Net Position, Beginning of Year, as Restated	1,187,301,087	160,311,106
	Net Position, End of Year	\$ 1,152,313,942	\$ 180,123,382

The accompanying notes to financial statements are an integral part of this statement.

THIS PAGE INTENTIONALLY LEFT BLANK

# **UNIVERSITY OF CENTRAL FLORIDA** A Component Unit of the State of Florida Statement of Cash Flows

# For the Fiscal Year Ended June 30, 2020

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 302,948,635
Grants and Contracts	150,434,449
Sales and Services of Auxiliary Enterprises, Net	100,541,191
Interest on Loans and Notes Receivable	147,924
Payments to Employees	(769,482,938)
Payments to Suppliers for Goods and Services	(219,209,679)
Payments to Students for Scholarships and Fellowships	(165,492,540)
Collection on Loans to Students	1,366,788
Other Operating Receipts	11,508,360
Net Cash Used by Operating Activities	(587,237,810)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	379,237,888
Federal and State Student Financial Aid	264,065,349
Federal Direct Loan Program Receipts	219,797,295
Federal Direct Loan Program Disbursements	(219,797,295)
Net Change in Funds Held for Others	2,270,819
Other Nonoperating Disbursements	(13,446,463)
Net Cash Provided by Noncapital Financing Activities	632,127,593
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Debt and Leases	14,339,312
State Capital Appropriations	20,210,120
Capital Grants, Contracts, Donations and Fees	1,898,266
Other Receipts for Capital Projects	12,298,686
Purchase or Construction of Capital Assets	(100,046,248)
Principal Paid on Capital Debt and Leases	(25,678,794)
Interest Paid on Capital Debt and Leases	(5,993,957)
Net Cash Used by Capital and Related Financing Activities	(82,972,615)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,008,223,848
Purchases of Investments	(950,917,978)
Investment Income	17,849,402
Net Cash Provided by Investing Activities	75,155,272
Net Increase in Cash and Cash Equivalents	37,072,440
Cash and Cash Equivalents, Beginning of Year	28,274,347
Cash and Cash Equivalents, End of Year	\$ 65,346,787

		University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss Adjustments to Reconcile Operating Loss	\$	(712,225,604)
to Net Cash Used by Operating Activities:  Depreciation Expense Changes in Assets, Liabilities, Deferred Outflows of Resources,		75,403,409
and Deferred Inflows of Resources:		
Receivables, Net		(3,967,904)
Inventories		(856,087)
Other Assets		(1,418,237)
Accounts Payable		(385,559)
Salaries and Wages Payable		(18,851,853)
Deposits Payable		193,071
Compensated Absences Payable		2,438,509
Unearned Revenue		4,522,237
Other Liabilities		1,459,536
Other Postemployment Benefits Payable		106,664,974
Net Pension Liability		36,340,029
Deferred Outflows of Resources Related to Other Postemployment Benefits		(93,563,263)
Deferred Inflows of Resources Related to Other Postemployment Benefits		8,903,397
Deferred Outflows of Resources Related to Pensions		12,051,301
Deferred Inflows of Resources Related to Pensions		(3,945,766)
NET CASH USED BY OPERATING ACTIVITIES	\$	(587,237,810)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES		
Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$	24,725,020
Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	æ	(222.404)
	\$	(323,191)
Donations of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$	256,967
	Ψ	200,001
Capital transfers from a component unit were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$	1,000,000

The accompanying notes to financial statements are an integral part of this statement.

# 1. Summary of Significant Accounting Policies

**Reporting Entity**. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations, and selecting the University President. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

Blended Component Units. Based on the application of the criteria for determining component units, the UCF Finance Corporation (Corporation) and the University of Central Florida College of Medicine Self-Insurance Program (Program) are included within the University's reporting entity as blended component units, and are therefore reported as if they are part of the University. The Corporation's purpose is to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. The Program's purpose is to provide comprehensive general liability and professional liability coverage for the University's Trustees and students for claims and actions arising from clinical activities of the College of Medicine, College of Nursing, UCF Health Services, College of Health Professions and Sciences (previously included in the College of Health and Public Affairs), and the Central Florida Clinical Practice Organization, Inc., faculty, staff, and resident physicians. Condensed financial statements for the University's blended component units are shown in a subsequent note. The condensed financial statements are reported net of eliminations.

Discretely Presented Component Units. Based on the application of the criteria for determining component units, the following direct-support organizations (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) and the Central Florida Clinical Practice Organization, Inc. (an affiliated organization), are included within the University reporting entity as discretely presented component units. These legally separate, not-for-profit, corporations are organized and operated to assist the University in achieving excellence by providing supplemental resources from private gifts and bequests and valuable education support services and are governed by separate boards.

Florida Statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- University of Central Florida Foundation, Inc. is a not-for-profit Florida Corporation whose principal function is to provide charitable and educational aid to the University.
- University of Central Florida Research Foundation, Inc. was organized to promote and encourage, as well as assist in, the research activities of the University's faculty, staff, and students.
- UCF Athletics Association, Inc. was organized to promote intercollegiate athletics to benefit the University and surrounding communities.
- UCF Convocation Corporation was created to finance and construct a convocation center, and to manage the Towers student housing and its related retail space on the north side of campus.
- UCF Stadium Corporation was created to finance, build, and administer an on-campus football stadium.
- Central Florida Clinical Practice Organization, Inc. is an affiliated organization component unit of the University and was formed for the purpose of supporting the medical education program and clinical faculty within the College of Medicine.
- UCF Academic Health, Inc. is a not-for-profit Florida Corporation whose purpose is to promote and support medical education, research, and patient care through the planning and development of clinical initiatives and affiliated partnerships that serve the education, research and clinical mission and objectives of the College of Medicine.
- Limbitless Solutions, Inc. is a not-for-profit Florida Corporation whose purpose is to develop affordable open source 3D printed bionic solutions for individuals with disabilities, increase accessibility with art infused bionics, and to promote access and engagement in STEM/STEAM education. Financial activities of this component unit are not included in the University's financial statements as the total assets related to this component unit represent less than one percent of the total aggregate component units' assets.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual reports are submitted to the Auditor General and the University Board of Trustees. Additional information on the University's discretely presented component units, including copies of audit reports, is available by contacting the University Controller. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position

- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to Financial Statements
- Other Required Supplementary Information

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's discretely presented component units use the economic resources measurement focus and the accrual basis of accounting, and follow GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income (net of unrealized gains or losses on investments). Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third party making payment on behalf of the student. The University applied the "Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, using a ratio of total aid to aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand and cash in demand accounts, money market funds, and investments with original maturities of 3 months or less. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The University also holds \$17,013,865 in money market funds and short-term investments. The money market funds and investments are permissible under the current investment policy; the primary portion of these investments are held in Rule 2a-7 mutual funds and securities rated AAA (or its equivalent) by a nationally recognized statistical rating organization. The Corporation, a blended component unit, holds \$3,328,814 in money market funds. The money market funds are uninsured, but collateralized by securities held by the financial institutions, not in the name of the Corporation. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

Cash and Cash Equivalents - Discretely Presented Component Units. Cash and cash equivalents for the University's discretely presented component units are reported as follows:

Component Unit	Ca	Money Market Cash in Bank Funds		-	 Total
University of Central Florida					
Foundation, Inc.	\$	8,935,962	\$	7,781,497	\$ 16,717,459
University of Central Florida					
Research Foundation, Inc.		424,132		-	424,132
UCF Athletics Association, Inc.		3,769,974		-	3,769,974
UCF Convocation Corporation		404,288		17,752,866	18,157,154
UCF Stadium Corporation		-		116,473	116,473
UCF AcademicHealth, Inc.		298,764		-	298,764
Central Florida Clinical					
Practice Organization, Inc.		2,304,041			 2,304,041
Total Component Units	\$	16,137,161	\$	25,650,836	\$ 41,787,997

The University holds certain cash balances for various discretely presented component units. Cash amounts held for University of Central Florida Research Foundation, Inc., UCF Convocation Corporation, and UCF Stadium Corporation were \$17,794,537, \$3,525,391, and \$3,571,957, respectively.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the component unit will not be able to recover deposits.

University of Central Florida Foundation, Inc. – Cash deposits consist of non-interest-bearing demand deposits, money market, and cash deposits. At June 30, 2020, approximately \$8,559,721 in cash deposits were not insured by Federal deposit insurance and were not collateralized.

- **UCF Athletics Association, Inc.** The Association does not have a deposit policy for custodial credit risk, although all demand deposits with banks are insured up to the Federal Deposit Insurance Corporation (FDIC) limits. As of June 30, 2020, no part of the Association's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.
- UCF Convocation Corporation At June 30, 2020, the Convocation Corporation held \$17,752,866 in a government money market fund. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name.
- UCF Stadium Corporation At June 30, 2020, the Stadium Corporation held \$116.473 in a government money market fund. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name.
- Central Florida Clinical Practice Organization, Inc. At June 30, 2020, the Central Florida Clinical Practice Organization, Inc. had deposits in banking institutions. A portion of the deposits, totaling \$2,126,940, were in excess of the Federal deposit insurance limit as of June 30, 2020.

Capital Assets. University capital assets consist of land, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, leasehold improvements, works of art and historical treasures, computer software, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$4 million for intangible assets, which includes computer software, \$5,000 for tangible personal property, and \$250 for library resources. New buildings and improvements have a \$100,000 capitalization threshold. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings 20 to 50 years
- Infrastructure and Other Improvements 12 to 50 years
- Furniture and Equipment 5 to 10 years
- Library Resources 10 years
- Leasehold Improvements the lessor of the remaining lease term, or the estimated useful life of the improvement.
- Works of Art and Historical Treasures 5 to 15 years
- Computer Software 5 to 10 years

Noncurrent Liabilities. Noncurrent liabilities include capital improvement debt payable, loans and notes payable, compensated absences payable, other postemployment benefits payable, net pension liabilities, and other noncurrent liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premium or discount. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans.

Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

# 2. Adjustment to Beginning Net Position

The UCF Academic Health, Inc. (UCFAH) commenced operations during the 2019-20 fiscal year. The beginning net position of the discretely presented component unit column was increased by \$15,137,000 due to the inclusion of an equity investment from a prior year when UCFAH entered into an agreement with Hospital Corporation of America to form Central Florida Health Services for the purpose of constructing and operating a new hospital and medical center facility.

#### 3. Deficit Net Position in Individual Funds

The University reported an unrestricted net position at June 30, 2020, which included a deficit in the current funds - unrestricted as shown below:

Fund	Net Position					
Current Funds - Unrestricted Auxiliary Funds	\$	(211,044,491) 81,336,650				
Total	\$	(129,707,841)				

As shown in the following schedule, this deficit can be attributed primarily to the full recognition of certain long-term liabilities (i.e., compensated absences payable, OPEB payable, and net pension liabilities) in the current unrestricted funds that are expected to be paid over time:

	 Amount
Total Unrestricted Net Position Before Recognition of Certain Long-Term Liabilities, Deferred Outflows and Deferred Inflows of Resources	\$ 480,031,311
Amount Expected to be Paid in Future Years:	
Compensated Absences Payable	61,693,602
Other Postemployment Benefits Payable and Related Deferred Outflows	
and Deferred Inflows of Resources	368,187,108
Net Pension Liability and Related Deferred Outflows and Deferred	
Inflows of Resources	 179,858,442
Total Amount Expected to be Paid in Future Years	609,739,152
Total Unrestricted Net Position	\$ (129,707,841)

### 4. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA) and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the Board of Trustees as authorized by law.

Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the University's recurring fair value measurements as of June 30, 2020, are valued using quoted market prices (Level 1 inputs), with the exception of corporate, municipal and other bonds, certain Federal agency obligations and certificates of deposit which are valued using a matrix pricing models which may consider quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable (Level 2 inputs) and investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

The University's investments at June 30, 2020, are reported as follows:

		Fair Value Measurements Using					ing
Investments by fair value level	Amount	ı	uoted Prices in Active Markets for entical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant nobservable Inputs (Level 3)
External Investment Pool:							
State Treasury Special Purpose Investment Account	\$ 225,515,595	\$	-	\$	-	\$	225,515,595
SBA Debt Service Accounts	6,426		6,426		-		-
Certificates of Deposit	250,527		-		250,527		-
Obligations of United States Government							
Agencies and Instrumentalities	48,921,119		48,921,119		-		-
Federal Agency Obligations	33,579,576		202,956		33,376,620		-
Bonds and Notes	105,999,528		-		105,999,528		-
Mutual Funds							
Equities	93,819,702		93,819,702		-		-
Bonds	20,540,715		20,540,715				<u>-</u>
Total investments by fair value level	\$ 528,633,188	\$	163,490,918	\$	139,626,675	\$	225,515,595

Investments held by the University's component units at June 30, 2020, are reported as follows:

					Fair Value Measurements Using			ng		
Investments by fair value level	University of Central Florida Foundation, Inc.	University of Central Florida Research Foundation, Inc.	University of Central Florida Academic Health, Inc.	Total	ı	uoted Prices in Active Markets for entical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant observable Inputs (Level 3)
Equity - Domestic Equity - International Domestic - Fixed Income Global All Assets Real Assets	\$ 4,054,381 29,925,457 48,333,690 10,598,666 5,000,000	\$ 306,508 - - - -	\$ - - - -	\$ 4,360,889 29,925,457 48,333,690 10,598,666 5,000,000	\$	4,267,316 29,925,457 48,333,690 10,598,666	\$	62,797	\$	30,776
Total investments by fair value level	97,912,194	306,508		 98,218,702	\$	93,125,129	\$	62,797	\$	5,030,776
Investments measured at the net asset value (NAV)										
Equity - Domestic Equity - International Domestic - Fixed Income International Fixed Income Global All Assets Private Equity Funds Private Debt Funds Hedge Funds: Credit Event Driven Global Macro Long/Short Equity Linked Real Assets	13,859,603 43,934,533 3,100,083 16,979,591 4,617,615 9,866,378 7,129,644 7,835,923 7,297,978 4,923,700 118,654 2,353,655 1,120,966		- - - - - - - - -	13,859,603 43,934,533 3,100,083 16,979,591 4,617,615 9,866,378 7,129,644 7,835,923 7,297,978 4,923,700 118,654 2,353,655 1,120,966						
Total investments measured at the NAV	123,138,323			123,138,323						
Investments measured using the equity method			15,137,000	 15,137,000						
Total investments	\$ 221,050,517	\$ 306,508	\$ 15,137,000	\$ 236,494,025						

All of the University's component units' recurring fair value measurements as of June 30, 2020, are valued using quoted market prices (Level 1 inputs), with the exception of equity investments valued quarterly by respective fund managers (Level 2 inputs) and real assets valued based on an appraisal utilizing recent sale and property comparisons of like assets (Level 3 inputs).

For the University's component units, the valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

Investments measured at the net asset value (NAV)	Ce	niversity of ntral Florida indation, Inc.	Jnfunded mmitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity - Domestic	\$	13,859,603	\$ -	Immediate	
Equity - International		43,934,533	-	Immediate	
Domestic - Fixed Income		3,100,083	-	Immediate	
International Fixed Income		16,979,591	-	Monthly	30 Days
Global All Assets		4,617,615	-	Immediate	
Private Equity Funds		9,866,378	9,564,116		
Private Debt Funds		7,129,644	3,820,017		
Hedge Funds:					
Credit		7,835,925	-	Monthly/Quarterly	30-90 Days
Event Driven		7,297,976	632,261	Monthly/Quarterly	60-90 Days
Global Macro		4,923,700	-	Monthly/Quarterly	30-62 Days
Long/Short		118,654	-	Monthly	30 Days
Equity Linked		2,353,655	-	Quarterly	60 Days
Real Assets		1,120,966	3,917,988	•	-
Total investments measured at the NAV	\$	123,138,323	\$ 17,934,382		

### Net Asset Value.

GASB Statement No. 72, Fair Value Measurement and Application, permits the fair value of certain equity and debt investments that do not have readily determinable fair values to be based on their net asset value (NAV) per share. The investments held at net asset value reflect:

Domestic Equity and International Equity: These funds are operated by money managers and can be actively managed or passively managed to an index. These funds are privately placed and the fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair values of both funds are provided by the money managers which use a quoted price in active markets for the underlying assets.

Domestic Fixed Income: The fund is operated by a money manager and is passively managed to an index. The fund is privately placed, and its fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair value of the fund is provided by the money manager which uses a quoted price in the active markets for the underlying assets.

International Fixed Income: Two of the funds invest in fixed income bonds ranging in credit ratings focused on domestic and international investments. One fund utilizes a focus on credit driven strategies for the underlying investments and can contain both domestic and international investments in the portfolio. These funds are privately placed and the fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair values of the three funds are provided by the money managers which use a quoted price in active markets for the underlying assets.

Global All Assets: The fund invests in a global strategy including domestic, international, and global companies and is privately placed, and the fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair value of this fund is provided by the money manager which uses a quoted price in active markets for the underlying assets.

Private Equity and Private Debt Funds: Private equity and private debt includes distinct limited partnerships or limited liability companies. The investments can never be redeemed with these funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets or notes of the fund. Private equity and private debt are not traded on a public, primary exchange. Private equity can include equity rights to private companies, capital lent to companies, or other privately held securities. Private equity commitments are not drawn immediately, therefore the capital deployed at any one time is likely less than the total contractual commitment. Private debt funds aim to take advantage of structural imbalances between demand and supply of credit for consumers, small and medium enterprises, and trade finance consisting of private notes and bonds with equity components. In this portfolio, private equity capital and private debt are invested with general partners of a legally formed limited partnership, whereby several investors pool their capital as limited partners. The fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

Credit Hedge Funds: The credit linked class of hedge funds seeks to profit from the mispricing of related debt securities. Returns are not generally dependent on the general direction of market movements. This strategy utilizes quantitative and qualitative analysis to identify securities or spreads between securities that deviate from their fair value and/or historical norms. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Event Driven Hedge Funds: The event driven hedge funds class includes investments in hedge funds that invest across the capital structure in equity and debt securities. Managers invest in situations with the expectation that a near term event will act as a catalyst changing the market's perception of a company, thereby increasing or decreasing the value of its equity or debt. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Global Macro Hedge Funds: The global macro hedge fund class includes hedge funds that trade highly liquid instruments, long and short, including currencies, commodities, fixed income instruments and equity indices. Two types of strategies are employed in this portfolio: discretionary strategies that employ broad analysis of economic, financial and political data to identify themes, and systematic strategies that use algorithmic models to analyze historical data, both technical and fundamental. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Long/Short Hedge Funds: The equity long/short hedge fund class includes investments in hedge funds that invest both long and short stocks and equity indices. Management of the hedge funds has the ability to shift investments across a variety of stocks, equity indices, and to a lesser extent other securities from a net long position to a net short position. In this portfolio, the managers are focused primarily on the United States, Europe, and Asia. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Equity Linked Hedge Funds: The equity linked class of hedge funds includes investments in debt instruments and options on equities. The equities options provide investors with principal protection while providing exposure to equities. Returns are dependent on performance of the equities options. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Real Assets: Real assets include two investment vehicles consisting of a distinct limited liability company. The investments can never be redeemed with these funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets or notes of the fund. Real assets consist of capital not traded on a public, primary exchange. For purposes of this portfolio, real assets include private holdings in domestic and international real estate. Real asset commitments are not drawn immediately, therefore the capital deployed at any one time is likely less than the total contractual commitment. In this portfolio, real assets capital is invested with general partners of a legally formed limited partnership, whereby several investors pool their capital as limited partners. The fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

#### **External Investment Pools.**

The University reported investments at fair value totaling \$225,515,595 at June 30, 2020, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the

State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 0.43 years, and fair value factor of 1.0291 at June 30, 2020. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

## State Board of Administration Debt Service Accounts.

The University reported investments totaling \$6,426 at June 30, 2020, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of 6 months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

#### Other Investments.

The University and its discretely presented component units invested in various debt and equity securities, mutual funds, and certificates of deposit. The following risks apply to the University's and its discretely presented component units' investments other than external investment pools.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), Florida Statutes, the University's investments in securities must provide sufficient liquidity to pay obligations as they come due. Investments of the University and its component units in debt securities, bond mutual funds, and debt related hedge funds, and their future maturities at June 30, 2020, are as follows:

# **University Debt Investments Maturities**

		Investments Maturities (in Years)				
	Fair	Less		More		
Investment Type	Value	Than 1	1 - 5	Than 5		
United States Government and						
Federally-Guaranteed Obligations	\$ 48,921,119	\$ 6,193,647	\$ 35,019,557	\$ 7,707,915		
Federal Agency Obligations	33,579,576	1,808,450	13,025,027	18,746,099		
Bonds and Notes	105,999,528	10,080,812	71,963,898	23,954,818		
Mutual Funds - Bonds	20,540,715	828,852	10,516,974	9,194,889		
Total	\$ 209,040,938	\$ 18,911,761	\$ 130,525,456	\$ 59,603,721		

## **Component Units' Debt Investments Maturities**

**Investments Maturities (In Years)** 

Investment Type	Fair Value	Less Than 1	1 - 5	More Than 5	Investments Not Directly Subject To Interest Rate Risk (1)
Domestic Fixed Income	\$ 51,433,773	\$ -	\$34,450,417	\$13,883,273	\$ 3,100,083
International Fixed Income	16,979,591	-	-	-	16,979,591
Global All Assets	15,216,280	-	4,895,734	5,702,931	4,617,615
Private Debt	7,129,644	-	-	-	7,129,644
Hedge Funds	7,835,923				7,835,923
Total	\$ 98,595,211	\$ -	\$39,346,151	\$19,586,204	\$ 39,662,856

<sup>(1)</sup> Certain UCF Foundation alternative investments are held in funds and are not directly subject to credit risk. Alternative investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The investments listed above with quality ratings reflect the credit risk related to debt-type securities that are directly held by the Foundation.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the United States government or obligations explicitly guaranteed by the United States government are not considered to have credit risk and do not require disclosure of credit quality. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's component units' investment policies provide information on asset classes, target allocations, and ranges of acceptable investment categories. The following schedule represents the ratings at June 30, 2020, of the University's and its component units' debt instruments using Moody's and Standard & Poor's nationally recognized rating agencies:

#### **University Debt Investments Quality Ratings**

Investment Type	Fair Value	AAA	AA	A	Less Than A
Federal Agency Obligations Bonds and Notes	\$ 33,579,576 105,999,528	\$ 28,157,648 36,801,434	\$ 5,421,928 21,377,018	\$ - 44,689,534	\$ - 3,131,542
Mutual Funds - Bonds	20,540,715		4,084,001	793,177	15,663,537
Total	\$ 160,119,819	\$ 64,959,082	\$ 30,882,947	\$ 45,482,711	\$ 18,795,079

## Component Units' Debt Investments Quality Ratings

Investment Type	Fair Value	AAA	AA	A	Less Than A	Not Directly Subject To Credit Risk (1)
Domestic Fixed Income	\$51,433,773	\$ 2,871,720	\$29,860,149	\$15,601,821	\$ -	\$ 3,100,083
International Fixed Income	16,979,591	-	-	-	-	16,979,591
Global All Assets	15,216,280	-	5,702,931	-	4,895,734	4,617,615
Private Debt	7,129,644	-	-	-	-	7,129,644
Hedge Funds	7,835,923					7,835,923
Total	\$ 98,595,211	\$ 2,871,720	\$35,563,080	\$15,601,821	\$ 4,895,734	\$ 39,662,856

<sup>(1)</sup> Certain UCF Foundation alternative investments are held in funds and are not directly subject to credit risk. Alternative investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The investments listed above with quality ratings reflect the credit risk related to debt-type securities that are directly held by the Foundation.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's or its component units' investments in a single issuer. The University's and its component units' investment policies require diversification sufficient to reduce the potential of a single security, single sector of securities, or single style of management having a disproportionate or significant impact on the portfolio. The University's investment policy states that not more than five percent of the investment portfolio's assets shall be invested in securities in any one issuing company, and no single corporate bond issuer shall exceed five percent of the portfolio. Guidelines for individual sectors of the portfolio further indicate percentage limitations.

#### 5. Receivables

Accounts Receivable. Accounts receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2020, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	\$ 37,421,677
Contracts and Grants	26,511,182
Other	8,881,461
Total Accounts Receivable	\$ 72,814,320

**Loans and Notes Receivable**. Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs.

Allowance for Doubtful Receivables. Allowances for doubtful accounts and loans and notes receivable are reported based on management's best estimate as of fiscal year end considering type, age, collection history, and other factors considered appropriate. Accounts receivable and loans and notes receivable are reported net of allowances of \$2,877,899 and \$991,133, respectively, at June 30, 2020.

Investments

# 6. Due From State

The amount due from State consists of \$24,626,543 of Public Education Capital Outlay, Capital Improvement Fee Trust Fund, or other allocations due from the State to the University for construction or purchase of University facilities.

# 7. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2020, is shown in the following table:

	Beginning			Ending
Description	Balance	Additions	Reductions	Balance
Nondepreciable Capital Assets:				
Land	\$ 43,016,240	\$ -	\$ -	\$ 43,016,240
Works of Art and Historical Treasures	218,000	-	-	218,000
Construction in Progress	113,517,972	60,301,782	139,304,174	34,515,580
Total Nondepreciable Capital Assets	\$ 156,752,212	\$ 60,301,782	\$ 139,304,174	\$ 77,749,820
Depreciable Capital Assets:				
Buildings	\$ 1,540,042,497	\$ 132,456,108	\$ -	\$ 1,672,498,605
Infrastructure and Other Improvements	70,894,787	11,167,660	-	82,062,447
Furniture and Equipment	239,974,070	15,690,825	6,838,486	248,826,409
Library Resources	146,093,373	6,347,143	-	152,440,516
Leasehold Improvements	17,436,155	5,677,678	-	23,113,833
Works of Art and Historical Treasures	1,677,354	-	-	1,677,354
Computer Software and Other				
Capital Assets	7,850,435			7,850,435
Total Depreciable Capital Assets	2,023,968,671	171,339,414	6,838,486	2,188,469,599
Less, Accumulated Depreciation:				
Buildings	523,633,312	48,313,573	-	571,946,885
Infrastructure and Other Improvements	34,843,222	3,020,294	-	37,863,516
Furniture and Equipment	197,970,880	17,380,293	6,498,597	208,852,576
Library Resources	118,641,687	5,030,917	-	123,672,604
Leasehold Improvements	10,348,422	1,592,206	-	11,940,628
Works of Art and Historical Treasures	1,317,205	66,126	-	1,383,331
Computer Software and Other				
Capital Assets	7,850,435			7,850,435
Total Accumulated Depreciation	894,605,163	75,403,409	6,498,597	963,509,975
Total Depreciable Capital Assets, Net	\$ 1,129,363,508	\$ 95,936,005	\$ 339,889	\$ 1,224,959,624

#### 8. Unearned Revenue

Unearned revenue at June 30, 2020, includes grant and contract prepayments, auxiliary prepayments, and student tuition and fees received prior to fiscal year-end related to subsequent accounting periods. As of June 30, 2020, the University reported the following amounts as unearned revenue:

Description	Amount
Auxiliary Prepayments Grant and Contracts	\$ 21,997,419 8,411,665
Student Tuition and Fees	1,012,620
Total Unearned Revenue	\$ 31,421,704

#### 9. Deferred Outflow / Inflow of Resources

The deferred outflows and inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Total deferred outflows of resources related to pensions were \$123,390,111 and deferred inflows of resources related to pensions were \$17,608,935 for the year ended June 30, 2020. Note 11. includes a complete discussion of defined benefit pension plans.

The deferred outflows and inflows related to Other Postemployment Benefits (OPEB) are an aggregate of items related to OPEB as calculated in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program. Total deferred outflows of resources related to OPEB were \$99,782,263 and deferred inflows of resources related to OPEB were \$67,971,397 for the year ended June 30, 2020. Note 10. includes a complete discussion of Other Postemployment Benefits.

The total deferred outflows of resources related to the deferred loss on debt refunding's were \$11,575,149 for the year ended June 30, 2020. The deferred loss was created as a result of the UCF Finance Corporation debt refinancing and will be amortized as a component of interest expense over the remaining life of the UCF Finance Corporation's Series 2017 refunding term loan. Note 10. includes a complete discussion of the UCF Finance Corporation's debt refinancing.

## 10. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2020, include capital improvement debt payable, loans and notes payable, compensated absences payable, other postemployment benefits payable, net pension liability, and other noncurrent liabilities. Long-term liabilities activity for the fiscal year ended June 30, 2020, is shown in the following table:

Decemination	Beginning	A dd:4: a m a	Dodustions	Ending	Current
Description	Balance	Additions	Reductions	Balance	Portion
Capital Improvement Debt Payable	\$ 108,452,833	\$ 7,339,312	\$ 19,666,307	\$ 96,125,838	\$ 7,460,000
Loans and Notes Payable	60,861,000	7,000,000	5,513,602	62,347,398	2,621,000
Compensated Absences Payable	59,255,093	6,741,634	4,303,125	61,693,602	4,779,149
Other Postemployment					
Benefits Payable	293,333,000	182,219,858	75,554,884	399,997,974	5,172,704
Net Pension Liability	249,299,589	189,390,377	153,050,348	285,639,618	1,152,956
Other Noncurrent Liabilities	8,821,367	-	3,743,844	5,077,523	-
Total Long-Term Liabilities	\$ 780,022,882	\$ 392,691,181	\$ 261,832,110	\$ 910,881,953	\$ 21,185,809

Capital Improvement Debt Payable. The University had the following capital improvement debt payable outstanding at June 30, 2020:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Student Housing Debt:				
2012A - Housing	\$ 66,640,000	\$ 55,990,260	3 to 5	2042
2018A - Housing	23,255,000	22,518,610	5	2030
Total Student Housing Debt	89,895,000	78,508,870		
Parking Garage Debt:				
2011A - Parking Garage	11,005,000	1,176,272	3 to 4	2022
2012A - Parking Garage	7,860,000	5,800,215	3 to 5	2032
2018A - Parking Garage	4,790,000	3,628,100	5	2024
2019A - Parking Garage	6,120,000	7,012,381	5	2029
Total Parking Garage Debt	29,775,000	17,616,968		
Total Capital Improvement Debt	\$ 119,670,000	\$ 96,125,838		

<sup>(1)</sup> Amount outstanding includes unamortized discounts and premiums.

The University has pledged a portion of future housing rental and parking revenues to repay \$119,670,000 in capital improvement revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct student housing and parking garages. The bonds are payable solely from housing rental revenues and parking and transportation fees and are payable through 2042. The University has committed to appropriate each year amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$121,217,713, and principal and interest paid for the current year totaled \$23,307,293. During the 2019-20 fiscal year, operating revenues generated from housing rentals and parking revenues totaled \$25,527,780 and \$19,504,826, respectively. During the 2019-20 fiscal year, the University paid the remaining principal balance for the Student Health Center Series 2004A debt and Series 2010B Parking Facility Revenue Refunding Capital Improvement debt, which legally defeased both issuances.

On February 6, 2020, the Florida Board of Governors issued \$6,120,000 of University of Central Florida Parking Facility Revenue Refunding Capital Improvement Bonds, Series 2019A, with a net premium of \$1,219,312, and an interest rate of 5 percent. The University's portion of the refunding bonds, \$7,339,312, in addition to the release of the Parking Facility, Series 2010B, debt service reserve funds of \$1,288,672, plus \$488,740 of sinking funds held by the State Board of Administration on behalf of the University Parking Facility, were used to defease \$8,980,000 of the outstanding Capital Improvement Parking Facility Revenue Bonds, Series 2010B. Securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. As a result of the refunding, the University reduced its capital improvement debt service requirement by \$2,563,127 over the next 9 years and obtained an economic gain of \$1,089,273.

In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the bonds are not subject to any acceleration clauses.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 7,460,000	\$ 3,752,025	\$ 11,212,025
2022	6,600,000	3,408,250	10,008,250
2023	6,380,000	3,083,250	9,463,250
2024	6,700,000	2,762,600	9,462,600
2025	6,065,000	2,454,100	8,519,100
2026-2030	29,825,000	8,594,981	38,419,981
2031-2035	11,565,000	4,361,644	15,926,644
2036-2040	10,765,000	2,241,769	13,006,769
2041-2042	4,985,000	214,094	5,199,094
Subtotal Net Discounts and	90,345,000	30,872,713	121,217,713
Premiums	5,780,838		5,780,838
Total	\$ 96,125,838	\$ 30,872,713	\$ 126,998,551

Loans and Notes Payable. During the 2017-18 fiscal year, one of the University's blended component units, the UCF Finance Corporation (Corporation), issued a \$63,359,000 Refunding Term Loan, Series 2017, with a bank. The proceeds from the term loan were used to extinguish the Corporation's Series 2007 bonds and terminate an interest rate swap liability. The loan will mature on July 1, 2037, and bear interest at a fixed rate of 2.4 percent per annum with a 15-year interest put option. The loan is secured by the University's indirect cost revenues received by the University from Federal, State, and private grants.

The University agreed to use a ground sublease to lease to its blended component unit, the Corporation, a parcel of property located in Orange County, Florida, where approximately 198,000 square feet of classroom, laboratory, and administrative office space, together with related infrastructure was constructed. The facilities are used solely for education and research purposes and are operated and managed by the University. The University and the Corporation entered into an agreement whereby the Corporation leases the facilities to the University for the occupancy of the facilities. The University has agreed to pay a base rent equal to all amounts due and payable under the term loan.

In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the loan is not subject to any acceleration clauses.

Annual requirements to amortize the outstanding term loan as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 2,621,000	\$ 1,367,796	\$ 3,988,796
2022	2,684,000	1,304,136	3,988,136
2023	2,750,000	1,238,928	3,988,928
2024	2,816,000	1,172,136	3,988,136
2025	2,885,000	1,103,724	3,988,724
2026-2030	15,511,000	4,432,740	19,943,740
2031-2035	17,489,000	2,454,972	19,943,972
2036-2038	11,546,000	420,072	11,966,072
Total	\$ 58,302,000	\$ 13,494,504	\$ 71,796,504

During the 2017-18 fiscal year, the Corporation entered into a note with a bank for up to \$20,000,000 to secure the construction commitments for a new University Downtown campus education facility. The note bears a variable rate of interest equal to a per annum rate of 81 percent multiplied by the sum of the LIBOR plus 0.50 percent and is subject to adjustment to reflect changes in the LIBOR rate. The rate on June 30, 2020, was 0.55 percent. The balance of the note was \$4,045,398 as of June 30, 2020. Payments are made on an annual basis on March 8 of each year beginning March 8, 2020, with a final maturity date of March 8, 2023. The note is secured by an assignment of philanthropic pledges received by the University of Central Florida Foundation, Inc. and the outstanding balance on the note cannot exceed the total pledges receivable. At June 30, 2020, the Foundation carried a pledge receivable balance of \$7,914,431.

In the event of default, no further draws would be permissible, and the Noteholder shall be entitled to sue for any amounts adjudged or decreed to be payable, and the interest rate shall increase to the lesser of the sum of the Prime Rate plus 4 percent, or the maximum lawful rate. The note is not subject to any acceleration clauses.

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors' Regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2020, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$61,693,602. The current portion of the compensated absences liability, \$4,779,149, is the amount expected to be paid in the coming fiscal year and is based on actual payouts over the last 3 years calculated as a percentage of those years' total compensated absences liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

#### General Information about the OPEB Plan

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

#### Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of \$399,997,974 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2019. At June 30, 2019, the University's proportionate share, determined by its proportion of total benefit payments made, was 3.16 percent, which was a slight increase from its proportionate share measured as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.60 percent 3.25 percent Salary increases Discount rate 2.79 percent

Healthcare cost trend rates

PPO Plan 6.7 percent for 2020, decreasing to an

ultimate rate of 5.4 percent for 2071 and later

**HMO Plan** 5.2 percent for 2020, increasing to an

ultimate rate of 5.4 percent for 2071 and later

Retirees' share of benefit-related

100 percent of projected health insurance

costs

premiums for retirees

The discount rate was based on the S&P Municipal 20-year High Grade Rate Index.

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The demographic actuarial assumptions for retirement, withdrawal, disability and salary merit scales used in the July 1, 2019 valuation are consistent with the assumptions used in the July 1, 2018 valuation of the FRS Plan.

The following changes have been made since the prior valuation:

- The census data reflects changes in status for the 24-month period since July 1, 2019.
- The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. Due to the change in benchmark used as well as the market environment changes between June 20, 2018, and June 30, 2019, the discount rate decreased from 3.87 percent to 2.79 percent, resulting in higher liabilities to be reported for the reporting period ending June 30, 2020.
- In addition, the liability was increased by approximately 12 percent due to the full impact of the Excise Tax that will come into effect in 2022. There is a reasonable chance that this tax will be repealed before it actually takes effect.
- The assumed claims and premiums reflect the actual claims information as well as the premiums that are actually being charged to participants. These updates resulted in lower liabilities as of June 30, 2019.
- The medical trend assumption is updated each year based on the Getzen Model. The medical trend rates used are consistent with the August 2019 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment. The impact of the trend rate changes is a decrease in the liability, due primarily to lower trend rates in the first several years.
- The mortality rates were updated to those required by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumption used in either of the two most recent valuations of the FRS. The rates are those outlined in Milliman's July 1, 2018 FRS valuation report. The impact of this change was very small and does not materially impact the results.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using

a discount rate that is 1 percentage point lower (1.79 percent) or 1 percentage point higher (3.79 percent) than the current rate:

	1% Decrease <u>(1.79%)</u>	Current Discount Rate (2.79%)	1% Increase (3.79%)
University's proportionate share	ΦΕ40 442 62E	¢200 007 074	<b>6047 004 474</b>
of the total OPEB liability	\$510,113,625	\$399,997,974	\$317,231,171

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
University's proportionate share of the total OPEB liability	\$305,492,937	\$399,997,974	\$533,710,886

# OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the fiscal year ended June 30, 2020, the University recognized OPEB expense of \$28,667,192. At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience Change of assumptions Changes in proportionate share Transactions subsequent to the measurement date	\$	50,152,269 44,332,616 5,297,378	\$	10,298,209 56,564,312 1,108,876
Total	\$	99,782,263	\$	67,971,397

Of the total amount reported as deferred outflows of resources related to OPEB, \$5,297,378 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount	
2021	\$ 1,426,376	
2022	1,426,376	
2023	1,426,376	
2024	1,426,376	
2025	1,426,376	
Thereafter	19,381,608	
Total	\$ 26,513,488	

Net Pension Liability. As a participating employer in the Florida Retirement System (FRS), the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2020, the University's proportionate share of the net pension liabilities totaled \$285,639,618. Note 11. includes a complete discussion of defined benefit pension plans.

Other Noncurrent Liabilities. Other noncurrent liabilities primarily consist of the liability for the Federal Capital Contribution (advance) provided to fund the University's Federal Perkins Loan Program. Under the Perkins Loan program, the University receives Federal capital contributions that must be returned to the Federal Government if the program has excess cash or the University ceases to participate in the program. Federal capital contributions held by the University totaled \$4,926,728 as of June 30, 2020.

# Certificate of Participation Payable and Bonds Payable - Component Units.

# **UCF** Convocation Corporation

During the 2013-14 and 2014-15 fiscal years, the UCF Convocation Corporation issued two refunding certificates of participation, Series 2014A for \$58,645,000, and Series 2014B for \$58,930,000 related to the construction of four residential housing towers, two adjacent parking facilities, and certain surrounding commercial retail space during the 2004-05 and 2005-06 fiscal years. During the 2018-19 fiscal year, UCF Convocation Corporation issued \$104,636,000 Refunding Revenue Bonds, Series 2018 to prepay the outstanding Series 2014A and Series 2014B certificates of participation. The bonds will mature on October 1, 2035, and bears interest at a fixed rate of 3.52 percent per annum. The extinguishment of the defeased certificates terminated the ground lease between the UCF Convocation Corporation and the University. All related building and building improvement assets on the leased land transferred to the University.

During the 2015-16 fiscal year, the UCF Convocation Corporation issued a \$48,385,000 Refunding Revenue Bond, Series 2015A, and a \$34,775,000 Taxable Refunding Revenue Bond, Series 2015B, related to the acquisition, construction, and installation of a new convocation center, renovation of the existing University Arena, and construction of related infrastructure during the 2005-06 fiscal year. The 2015A bonds will mature on October 1, 2035 and bear interest at fixed rates ranging from 3 to 5 percent per annum and the 2015B bonds will mature on October 1, 2026 and bear interest at fixed rates ranging from 2 to 4.3 percent per annum.

The outstanding balance of UCF Convocation Corporation revenue bonds at June 30, 2020, was \$95,670,000 related to direct borrowings and was \$70,525,000 related to non-direct borrowings before an unamortized premium of \$862,900.

With the Refunding Revenue Bonds debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of 30 days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the Refunding Revenue Bonds are not subject to any acceleration clauses.

The University entered into an operating agreement with the UCF Convocation Corporation whereby the UCF Convocation Corporation will be solely responsible for management and operations of the convocation center and related facilities. The University assigned its rights, title, and interest in revenues generated from use of the facilities to the UCF Convocation Corporation and granted it the right to pledge revenues to secure repayment of the refunding revenue bonds. The University retained the right for priority use of the facilities for a period of at least 100 days annually. In exchange, the University agreed to pay UCF Convocation Corporation \$2,200,000 per year for the term of the agreement. The term of the agreement ends in 2036 and cannot be terminated prior to the time that all related bonds have been paid in full. Amounts paid to UCF Convocation Corporation for the fiscal year ended June 30, 2020, totaled \$2,200,000.

The University entered into a support agreement with the UCF Convocation Corporation such that it will fund certain deficiencies that may arise in the event the corporation is unable to make the minimum payments on the certificates or bonds. The University is obligated only to the extent it has legally available revenues to cover the unpaid amounts. In the event of certain deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to defer collecting certain expenditures to cover any such deficiencies. The University is obligated only to the extent that it has legally available revenues to cover the unpaid amounts.

In the 2019-20 fiscal year, the UCF Convocation Corporation met requirements necessary to release certain restricted funds held by the trustee. The Corporation's governing board made the decision to remit a portion of these funds back to the University. Transfers to the University totaled \$270,480 for the fiscal year ended June 30, 2020.

#### **UCF Stadium Corporation**

During the 2015-16 fiscal year, the UCF Stadium Corporation issued Series 2015A tax-exempt refunding revenue bonds for \$33,995,000 with a net premium of \$2,332,576, Series 2015B taxable refunding revenue bonds for \$10,250,000, and a Series 2015C non-taxable refunding revenue bond for \$3,810,000. to a bank, related to the construction of a football stadium on the campus at the University. The bonds include both term and serial bonds and are secured by a pledge from the UCF Athletics Association, Inc. of gross ticket revenues, rent, away game guarantees, conference distributions, and sponsorship revenues. The bonds bear fixed interest rates that range from 2.49 percent to 5.15 percent, and maturity dates that range from March 2029 to March 2036.

The outstanding balance of all UCF Stadium Corporation revenue bonds at June 30, 2020, was \$40,014,000, including \$2,229,000 of direct borrowings, before an unamortized premium of \$1,804,627.

The University entered into a support agreement with the UCF Stadium Corporation such that it will fund certain deficiencies that may arise in the event either corporation is unable to make the minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent it has legally available revenues to cover the unpaid amounts.

With each of the UCF Stadium Corporation's debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of 30 days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the UCF Stadium Corporation's debt is not subject to any acceleration clauses.

#### Loans and Notes Payable - Component Units.

#### UCF Foundation, Inc.

During the 2004-05 fiscal year, the University of Central Florida Foundation, Inc. entered into a note with a bank for the purchase of land and buildings. The note is secured by the buildings valued at \$6,072,206, and lease revenues. In May 2017, the note was refinanced to a 3.34 percent fixed rate. The principal balance at the time of the refinance was \$7,535,000 with the note still maturing on April 1, 2029. As of June 30, 2020, the remaining outstanding principal was \$5,920,000.

During the 2009-10 fiscal year, the University of Central Florida Foundation, Inc. entered into a note with a bank for \$19,925,000. The note is comprised of a tax-exempt portion with a fixed rate of 4.96 percent and a taxable portion with a fixed rate of 5.83 percent which matures on October 1, 2025. The note is secured by buildings valued at \$12,264,572 and lease revenue. As of June 30, 2020, the taxable note was fully repaid and the remaining outstanding principal for the tax-exempt note was \$9,775,000. The taxable series was paid in full during the 2017-18 fiscal year.

During the 2018-19 fiscal year, the University of Central Florida Foundation, Inc. entered into a \$50,000,000 30-year interest free and tax-exempt note with Orange County, Florida for the purchase of a building and related land. The note is secured by a mortgage on the land, a building valued at \$46,689,000, and the lease revenue generated has been pledged for debt repayment. The maturity date of the loan is the thirtieth anniversary of the first principal payment date. As of June 30, 2020, the remaining outstanding principal was \$50,000,000.

During the 2018-19 fiscal year, the University of Central Florida Foundation, Inc. entered into a 20-year tax-exempt note with a bank for \$6,000,000 for the purchase of a building and related land. The note matures on October 1, 2038, at a fixed rate of 3.93 percent. The purchased property, valued at \$5,919,395, represents security for the loan, and lease revenues generated from this building have been pledged for debt repayment. As of June 30, 2020, the remaining outstanding principal was \$5,792,000.

In the event of default of the notes, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. The notes are subject to acceleration if the lender reasonably deems itself insecure for any reason.

#### UCF Athletics Association, Inc.

During the 2014-15 fiscal year, the UCF Athletics Association, Inc. modified a construction line of credit with a local bank to a line of credit promissory note. The note matures June 2033, and the repayment schedule assumes the agreement is renewed annually. If the agreement is not renewed, the entire balance will be due in full at that time. In July 2020, the UCF Athletics Association, Inc. renewed the agreement until July 2033, which carries interest at 67 percent of LIBOR plus 1.34 percent (1.45 percent at June 30, 2020). The note is secured by an amount not to exceed 5 percent of the prior year's collection of student athletic fees and conference payments from the American Athletic Conference. In the event of default, the lender may declare the loan and all obligations to be fully due and payable in their aggregate amount, together with accrued interest and all prepayment premiums, fees, and charges. The note is subject to acceleration if the lender reasonably deems itself insecure for any reason. As of June 30, 2020, the amount outstanding on the note was \$5,375,000.

During the 2018-19 fiscal year, the UCF Athletics Association, Inc. renewed an operating line of credit agreement with a local bank for \$5,000,000. The line carries an interest rate of LIBOR plus 2 percent (2.17 percent at June 30, 2020). The line is secured by all contract royalties under multimedia rights agreements, as well as, all NCAA grant-in-aid and sports sponsorship distributions. As of June 30, 2020, there was \$0 outstanding, leaving \$5,000,000 available on the operating line of credit.

On October 2, 2019, the UCF Athletics Association, Inc. entered into a direct borrowing loan from a financial institution in the amount of \$8,550,000 to complete the buildout of phase two of the Roth Athletics Center located on the UCF campus. Principal payments are required by September 1st each year to reduce the loan balance to an agreed-upon amount negotiated annually. Interest on the loan is payable semi-annually at a fixed interest rate of 2 percent. The loan matures September 1, 2024 and is secured by certain pledged revenues of the Association.

#### **Due to University - Component Units.**

Four of its component units reported moneys due to the University totaling \$6,128,697. UCF Athletics Association, Inc. received several loans from the University between 2004 and 2007. In 2009, those loans were consolidated into one loan. In July 2015, the Board of Trustees approved an amendment to the previous payment schedule. A payment of \$750,000 was made during the 2019-20 fiscal year with future years' payments ranging from \$1,000,000 to \$1,500,000, contingent on interest rates. The loan matures in the 2024-25 fiscal year and bears interest at a variable rate equal to the preceding fiscal year's average SPIA rate of return (2.32 percent for the 2019-20 fiscal year interest calculations). In the event of a default, after 30 days the entire principal sum and accrued interest becomes due at the option of the University and the interest rate shall increase to the highest rate allowable under Florida law. As of June 30, 2020, the amount outstanding, including interest, totaled \$5,198,890.

#### 11. Retirement Plans - Defined Benefit Pension Plans

#### General Information about the Florida Retirement System (FRS).

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The University's FRS and HIS pension expense totaled \$69,145,560 for the fiscal year ended June 30, 2020.

#### **FRS Pension Plan**

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- Regular Class Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) Members in senior management level positions.
- Special Risk Class Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of creditable service. Employees enrolled in the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit

by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019-20 fiscal year were:

	Percent of Gross Salary	
Class	<b>Employee</b>	Employer (1)
FRS, Regular	3.00	8.47
FRS, Senior Management Service	3.00	25.41
FRS, Special Risk	3.00	25.48
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	14.60
FRS, Reemployed Retiree	(2)	(2)

<sup>(1)</sup> Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

The University's contributions to the Plan totaled \$21,542,453 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the University reported a liability of \$225,344,748 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The University's proportionate share of the net pension liability was based on the University's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the University's proportionate share was 0.654337567 percent, which was an increase of 0.013769135 from its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the University recognized pension expense of \$62,914,577. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources				erred Inflows f Resources
Differences between expected					
and actual experience	\$	13,365,841	\$ 139,846		
Change of assumptions		57,878,227	-		
Net difference between projected and					
actual earnings on FRS Plan investments		-	12,467,248		
Changes in proportion and differences between					
University contributions and proportionate share					
of contributions		14,646,430	-		
University FRS contributions subsequent to the					
measurement date		21,542,453	_		
Total	\$	107,432,951	\$ 12,607,094		

<sup>(2)</sup> Contribution rates are dependent upon retirement class in which reemployed.

The deferred outflows of resources totaling \$21,542,453, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2021	\$ 26,640,050
2022 2023	9,840,405 18,238,032
2024 2025	13,704,346 3,937,525
Thereafter	923,046
Total	\$ 73,283,404

Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

> Inflation 2.60 percent

Salary increases 3.25 percent, average, including inflation Investment rate of return 6.90 percent, net of pension plan investment

expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns. but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic <u>Return</u>	Compound Annual (Geometric) Return	Standard <u>Deviation</u>
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate (Property)	10%	6.7%	6.1%	11.7%
Private Equity	11%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
Total	100%	<u> </u>		
Assumed inflation - Mean		-	2.6%	1.7%

<sup>(1)</sup> As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.90 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2019 valuation was updated from 7.00 percent to 6.90 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90 percent) or 1 percentage point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)	
University's proportionate share of the net pension liability	\$389,546,030	\$225,344,748	\$88,208,904	

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

#### **HIS Pension Plan**

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a

State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled \$3,157,543 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the University reported a liability of \$60,294,870 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within one year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, and update procedures were used to determine liabilities as of June 30, 2019. The University's proportionate share of the net pension liability was based on the University's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the University's proportionate share was 0.538876355 percent, which was an increase of 0.006407919 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the University recognized pension expense of \$6,230,983. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		 erred Inflows Resources
Differences between expected			
and actual experience	\$	732,349	\$ 73,829
Change of assumptions		6,981,576	4,928,012
Net difference between projected and actual			
earnings on HIS Plan investments		38,907	-
Changes in proportion and differences between University HIS contributions and proportionate			
share of HIS contributions		5,046,785	-
University HIS contributions subsequent to the			
measurement date		3,157,543	 
Total	\$	15,957,160	\$ 5,001,841

The deferred outflows of resources totaling \$3,157,543, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount	
2021 2022	\$	2,778,928 2,395,866
2023		1,544,342
2024		247,046
2025		281,058
Thereafter		550,536
Total	\$	7,797,776

Actuarial Assumptions. The total pension liability at July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

> Inflation 2.60 percent

Salary Increases 3.25 percent, average, including inflation

Municipal Bond Rate 3.50 percent

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.50 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2019 valuation was updated from 3.87 percent to 3.50 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.50 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
University's proportionate share of the net pension liability	\$68,829,687	\$60,294,870	\$53,186,337

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report.

#### 12. Retirement Plans - Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2019-20 fiscal year were as follows:

	Percent of
Class	Gross Compensation
FRS, Regular	6.30
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University's Investment Plan pension expense totaled \$5,109,581 for the fiscal year ended June 30, 2020.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant's salary to the participant's account, 3.56 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 8.71 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled \$22,663,538, and employee contributions totaled \$12,600,879 for the 2019-20 fiscal year.

#### 13. Construction Commitments

The University's major construction commitments at June 30, 2020, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Student Union Expansion Partnership IV Roth Athletic Center	\$ 11,665,817	\$ 10,224,227	\$ 1,441,590
	8,097,396	6,625,086	1,472,310
	8,079,142	5,290,150	2,788,992
Subtotal Other Projects (1)	27,842,355	22,139,463	5,702,892
	15,462,794	12,376,117	3,086,677
Total	\$ 43,305,149	\$ 34,515,580	\$ 8,789,569

<sup>(1)</sup> Individual projects with a current balance committed of less than \$1 million at June 30, 2020.

#### 14. Operating Lease Commitments

The University leased buildings under operating leases, which expire in the 2054-55 fiscal year. These leased assets and the related commitments are not reported on the University's statement of net position. Operating lease payments are recorded as expenses when paid or incurred. Outstanding commitments resulting from these lease agreements are contingent upon future appropriations. Future minimum lease commitments for these noncancelable operating leases are as follows:

Fiscal Year Ending June 30	Amount	
2021	\$	14,448,804
2022		15,746,190
2023		15,307,890
2024		14,936,647
2025		9,931,340
2026-2030		16,118,390
2031-2035		14,045,993
2036-2040		14,113,426
2041-2045		5,000,005
2046-2050		5,000,005
2051-2055		1,000,005
Total Minimum Payments Required	\$	125,648,695

The University of Central Florida Foundation, Inc. (Foundation) receives rents and reimbursement for certain operating expenses from the University for various buildings owned by the Foundation and occupied by the University. The Foundation and University are also parties to a long-term 99-year ground lease for use of the land at Lake Nona for the Health Sciences Campus. Rents and reimbursements paid by the University for the year ended June 30, 2020, were \$16,493,758.

The University has also entered into rental agreements with the UCF Convocation Corporation for use of various retail spaces surrounding the arena. Rents paid to the UCF Convocation Corporation for the year ended June 30, 2020, totaled \$1,397,355.

The University has entered into a 40-year lease for the use of a research and development center, with base rent of \$1 per year, and is responsible for all operating and maintenance charges for the center. The University has entered into a 5-year management services agreement with another entity to manage and operate the center. The entity will be responsible for payment of all operating and maintenance costs with some allowable costs reimbursed by the University.

#### 15. State Self-Insurance Program

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2019-20 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$68.5 million for named windstorm and flood through February 14, 2020, and decreased to \$62.75 million starting February 15, 2020. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$225 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services. Division of State Group Insurance.

#### 16. University Self-Insurance Program

The University of Central Florida, College of Medicine Self-Insurance Program (Program) was established pursuant to Section 1004.24, Florida Statutes, on September 25, 2008. The Program's purpose is to provide comprehensive general liability and professional liability (malpractice) coverage for the University of Central Florida Board of Trustees and students for claims and actions arising from the clinical activities of the College of Medicine, College of Nursing, UCF Health Services, College of Health Professions and Sciences (previously included in the College of Health and Public Affairs), and the Central Florida Clinical Practice Organization, Inc., faculty, staff and resident physicians. The Program provides legislative claims bill protection. The Program is distinct from and entirely independent of the self-insurance programs administered by the State described in Note 15.

The University is protected for losses that are subject to Section 768.28, Florida Statutes, to the extent of the waiver of sovereign immunity as described in Section 768.28(5), Florida Statutes. The Program also provides \$1,000,000 per legislative claims bills inclusive of payments made pursuant to Section 768.28, Florida Statutes; \$250,000 per occurrence of protection for the participants that are not subject to the provisions of Section 768.28, Florida Statutes; \$250,000 per claim protection for participants who engage in approved community service and act as Good Samaritans; and student protections of \$200,000 for a claim arising from an occurrence for any one person, \$300,000 for all claims arising from an occurrence and professional liability required by a hospital or other healthcare facility for educational purposes not to exceed a per occurrence limit of \$1,000,000.

The Program's estimated liability for unpaid claims at fiscal year-end is the result of management and actuarial analysis and includes an amount for claims that have been incurred but not reported. Changes in the balances of claims liability for the Program during the 2018-19 and 2019-20 fiscal years are presented in the following table:

Fiscal Year	ims Liability nning of Year	and	rent Claims Changes in stimates	Claim Payments	_	im Liabilities nd of Year
June 30, 2019 June 30, 2020	\$ 601,495 836,042	\$	245,169 363,037	\$ (10,622) (163,998)	\$	836,042 1,035,081

#### 17. Litigation

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's legal counsel and management, should not materially affect the University's financial position.

#### 18. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Instruction	\$ 425,959,751
Research	167,808,449
Public Services	20,764,334
Academic Support	108,304,946
Student Services	58,503,928
Institutional Support	102,418,674
Operation and Maintenance of Plant	72,313,423
Scholarships, Fellowships, and Waivers	165,492,540
Depreciation	75,403,409
Auxiliary Enterprises	81,300,376
Loan Operations	 211,445
Total Operating Expenses	\$ 1,278,481,275

#### 19. Segment Information

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are required to be accounted for separately. The following financial information for the University's Housing and Parking facilities represents identifiable activities for which one or more bonds are outstanding:

#### **Condensed Statement of Net Position**

	Housing Capital	Parking Capital		
	Improvement Debt	Improvement Debt		
Assets				
Current Assets	\$ 9,518,503	\$ 11,477,268		
Capital Assets, Net	84,021,709	68,282,272		
Other Noncurrent Assets	10,264,313	7,681,005		
Total Assets	103,804,525	87,440,545		
Liabilities				
Current Liabilities	7,818,495	3,016,088		
Noncurrent Liabilities	73,238,870	15,426,968		
Total Liabilities	81,057,365	18,443,056		
Net Position				
Net Investment in Capital Assets	5,512,840	46,629,566		
Restricted - Expendable	9,987,334	8,283,376		
Unrestricted	7,246,986	14,084,547		
Total Net Position	\$ 22,747,160	\$ 68,997,489		

# Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Im	Housing Capital aprovement Debt	lm	Parking Capital provement Debt
Operating Revenues	\$	25,563,780	\$	19,504,826
Depreciation Expense		(4,380,268)		(2,860,618)
Other Operating Expenses		(18,880,077)		(11,798,982)
Operating Income		2,303,435		4,845,226
Nonoperating Revenues (Expenses):				
Nonoperating Revenue		1,229,586		1,360,000
Interest Expense		(2,991,322)		(616, 139)
Other Nonoperating Expense		(5,787,693)		(9,942)
Net Nonoperating Revenues (Expenses)		(7,549,429)		733,919
Other Revenues, Expenses, Gains				
and Losses		6,185,789		(2,994,314)
Increase in Net Position		939,795		2,584,831
Net Position, Beginning of Year		21,807,365		66,412,658
Net Position, End of Year	\$	22,747,160	\$	68,997,489

#### **Condensed Statement of Cash Flows**

	lm	Housing Capital provement Debt	lm	Parking Capital oprovement Debt
Net Cash Provided (Used) by:				
Operating Activities	\$	6,693,533	\$	8,038,129
Noncapital Financing Activities		394,838		(2,895,664)
Capital and Related Financing Activities		(10,514,347)		(14,917,760)
Investing Activities		3,213,180		8,772,098
Net Decrease in Cash and Cash				
Equivalents		(212,796)		(1,003,197)
Cash and Cash Equivalents, Beginning of Year		3,625,613		4,291,631
Cash and Cash Equivalents, End of Year	\$	3,412,817	\$	3,288,434

#### 20. Blended Component Units

The University has two blended component units as discussed in Note 1. The following financial information is presented net of eliminations for the University's blended component units:

#### **Condensed Statement of Net Position**

	Blended Cor	nponent Units				
	UCF Finance Corporation	University of Central Florida College of Medicine Self-Insurance Program	Total Blended Component Units	University	Eliminations	Total Primary Government
Assets:						
Other Current Assets	\$ 3,331,017	\$ 9,057,634	\$ 12,388,651	\$ 610,856,403	\$ -	\$ 623,245,054
Capital Assets, Net Due From University / Blended CU	- 44,466,741	-	- 44,466,741	1,302,709,444	- (44,466,741)	1,302,709,444
Other Noncurrent Assets	-		-	91,444,612	-	91,444,612
Total Assets	47,797,758	9,057,634	56,855,392	2,005,010,459	(44,466,741)	2,017,399,110
Deferred Outflows of Resources	11,575,149		11,575,149	223,172,374		234,747,523
Liabilities: Other Current Liabilities Due To University / Blended CU Noncurrent Liabilities	3,355,503 - 59,726,399	1,133,263 - -	4,488,766 - 59,726,399	120,067,449 44,466,741 829,969,745	(44,466,741)	124,556,215 - 889,696,144
Total Liabilities	63,081,902	1,133,263	64,215,165	994,503,935	(44,466,741)	1,014,252,359
Deferred Inflows of Resources	-	-		85,580,332		85,580,332
Net Position: Net Investment in Capital Assets Restricted - Expendable Unrestricted	- (3,708,995) -	7,924,371 -	4,215,376 	1,164,671,394 113,135,013 (129,707,841)	- - -	1,164,671,394 117,350,389 (129,707,841)
Total Net Position	\$ (3,708,995)	\$ 7,924,371	\$ 4,215,376	\$1,148,098,566	\$ -	\$1,152,313,942

#### Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Blended Con  UCF Finance Corporation	С	university of entral Florida College of Medicine ielf-Insurance Program	<b>C</b>	Total Blended component Units	University	EI	liminations	Total Primary Government
Operating Revenues	\$ -	\$	1,881,607	\$	1,881,607	\$ 566,255,671	\$	(1,881,607)	\$ 566,255,671
Depreciation Expense	-		-		-	(75,403,409)		-	(75,403,409)
Other Operating Expenses	(21,642)	_	(903,893)		(925,535)	(1,202,154,606)		2,275	(1,203,077,866)
Operating Income (Loss)	(21,642)	_	977,714		956,072	(711,302,344)		(1,879,332)	(712,225,604)
Nonoperating Revenues (Expenses):									
Nonoperating Revenue	(1,688,769)		409,170		(1,279,599)	714,847,545		(1,973,101)	711,594,845
Interest Expense	(2,140,183)		-		(2,140,183)	(3,811,889)		_	(5,952,072)
Other Nonoperating Expense		_	_			(43,367,350)		3,852,433	(39,514,917)
Net Nonoperating Revenues (Expenses)	(3,828,952)	_	409,170		(3,419,782)	667,668,306		1,879,332	666,127,856
Other Revenues	-		-		-	11,110,603		-	11,110,603
Increase (Decrease) in Net Position	(3,850,594)		1,386,884		(2,463,710)	(32,523,435)		-	(34,987,145)
Net Position, Beginning of Year	141,599		6,537,487		6,679,086	1,180,622,001		-	1,187,301,087
Net Position, End of Year	\$ (3,708,995)	\$	7,924,371	\$	4,215,376	\$1,148,098,566	\$	-	\$1,152,313,942

#### **Condensed Statement of Cash Flows**

	UC	Blended Com F Finance propration	Ce	nent Units University of entral Florida College of Medicine elf-Insurance Program		Total Blended omponent Units		University	EI	iminations	G	Total Primary Government
Net Cash Provided (Used) by: Operating Activities Noncapital Financing Activities Capital and Related Financing Activities Investing Activities	\$	(21,642) - (75,080) 133,600	\$	1,409,017 - - (2,119,462)	\$	1,387,375 - (75,080) (1,985,862)	\$	(586,743,578) 626,490,120 (79,141,669) 77,141,134	\$	(1,881,607) 5,637,473 (3,755,866)	\$	(587,237,810) 632,127,593 (82,972,615) 75,155,272
Net Increase (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents, Beginning of Year Cash and Cash Equivalents, End of Year		36,878 3,291,936 3,328,814		(710,445) 2,205,523 1,495,078	•	(673,567) 5,497,459 4,823,892	•	37,746,007 22,776,888 60,522,895	\$	<u>-</u>		37,072,440 28,274,347 65,346,787

#### 21. Discretely Presented Component Units

The University has seven discretely presented component units as discussed in Note 1. These component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

#### **Condensed Statement of Net Position**

		Direct-Support Organizations					
	University of Central Florida Foundation, Inc.	University of Central Florida Research Foundation, Inc.	UCF Athletics Association, Inc.	UCF Convocation Corporation	UCF Stadium Corporation		
Assets:							
Current Assets	\$ 27,867,971	\$ 21,010,868	\$ 3,908,901	\$ 19,705,224	\$ 4,124,587		
Capital Assets, Net	131,946,506	-	31,068,125	732,883	-		
Other Noncurrent Assets	237,090,054	306,508	2,753,142	2,802,606			
Total Assets	396,904,531	21,317,376	37,730,168	23,240,713	4,124,587		
Deferred Outflows of Resources				3,940,226	599,633		
Liabilities:							
Current Liabilities	6,599,576	12,659,424	6,653,456	10,585,108	4,266,047		
Noncurrent Liabilities	68,095,986		18,326,217	159,032,900	39,878,627		
Total Liabilities	74,695,562	12,659,424	24,979,673	169,618,008	44,144,674		
Deferred Inflows of Resources							
Net Position:							
Net Investment in Capital Assets	60,459,505	-	19,896,267	732,883	-		
Restricted Nonexpendable	143,793,755	-	-	-	-		
Restricted Expendable	93,875,472	1,821,076	4,387,079	16,209,137	-		
Unrestricted	24,080,237	6,836,876	(11,532,851)	(159,379,089)	(39,420,454)		
Total Net Position	\$ 322,208,969	\$ 8,657,952	\$ 12,750,495	\$ (142,437,069)	\$ (39,420,454)		

UCF Academic Health, Inc.	Total Direct-Support Organizations	Other Central Florida Clinical Practice Organization, Inc.	Total
\$ 298,764	\$ 76,916,315 163,747,514	\$ 3,418,018 154,671	\$ 80,334,333 163,902,185
15,137,000	258,089,310	173,582	258,262,892
15,435,764	498,753,139	3,746,271	502,499,410
-	4,539,859		4,539,859
298,764	41,062,375 285,333,730	519,782	41,582,157 285,333,730
298,764	326,396,105	519,782	326,915,887
-	-		-
- - - 15,137,000	81,088,655 143,793,755 116,292,764 (164,278,281)	154,671 - - 3,071,818	81,243,326 143,793,755 116,292,764 (161,206,463)
\$ 15,137,000	\$ 176,896,893	\$ 3,226,489	\$ 180,123,382

#### Condensed Statement of Revenues, Expenses, and Changes in Net Position

			Direct	t-Support Organiz	ations
	University of Central Florida Foundation, Inc.	University of Central Florida Research Foundation, Inc.	UCF Athletics Association, Inc.	UCF Convocation Corporation	UCF Stadium Corporation
Operating Revenues	\$ 39,814,391	\$ 13,090,824	\$ 61,677,514	\$ 25,860,702	\$ 3,348,571
Depreciation Expense	(2,876,157)	-	(1,183,772)	(196,448)	-
Operating Expenses	(53,101,852)	(12,512,165)	(58,449,925)	(14,306,192)	(38,015)
Operating Income (Loss)	(16,163,618)	578,659	2,043,817	11,358,062	3,310,556
Net Nonoperating Revenues (Expenses): Nonoperating Revenues Interest Expense Other Nonoperating Expenses	12,094,794 - (34,780)	1,244,909 - -	2,593,811 (288,656)	6,134,380 (6,437,673) (293,802)	1,363,574 (1,659,547)
Net Nonoperating Revenues (Expenses)	12,060,014	1,244,909	2,305,155	(597,095)	(295,973)
Other Revenues, Expenses, Gains, and Losses	4,613,816				
Increase (Decrease) in Net Position	510,212	1,823,568	4,348,972	10,760,967	3,014,583
Net Position, Beginning of Year Adjustment to Beginning Net Position (1)	321,698,757	6,834,384	8,401,523	(153,198,036)	(42,435,037)
Net Position, Beginning of Year, as Restated	321,698,757	6,834,384	8,401,523	(153,198,036)	(42,435,037)
Net Position, End of Year	\$ 322,208,969	\$ 8,657,952	\$ 12,750,495	\$ (142,437,069)	\$ (39,420,454)

<sup>(1)</sup> See Note 2. on Adjustment to Beginning Net Position.

	UCF cademic dealth, Inc.	Total Direct-Support Organizations	Other Central Florida Clinical Practice Organization, Inc.	Total
\$	281,266	\$ 144,073,268 (4,256,377)	\$ 7,497,681 (67,875)	\$ 151,570,949 (4,324,252)
	(281,266)	(138,689,415)	(2,337,817)	(141,027,232)
		1,127,476	5,091,989	6,219,465
	- - -	23,431,468 (8,385,876) (328,582)	143,586 - (5,881,601)	23,575,054 (8,385,876) (6,210,183)
	_	14,717,010	(5,738,015)	8,978,995
	_	4,613,816		4,613,816
	-	20,458,302	(646,026)	19,812,276
1	- 5,137,000	141,301,591 15,137,000	3,872,515	145,174,106 15,137,000
1	5,137,000	156,438,591	3,872,515	160,311,106
\$ 1	5,137,000	\$ 176,896,893	\$ 3,226,489	\$ 180,123,382

The UCF Convocation Corporation and the UCF Stadium Corporation have a deficit net position of \$142,437,069 and \$39,420,454, respectively, as of June 30, 2020. These deficits are attributed to the transfer of buildings and building improvements to the University as a result of the August 2015, December 2015, and July 2018 debt refunding's which terminated the ground leases between the UCF Convocation Corporation and the University, and the UCF Stadium Corporation and the University. As the UCF Convocation Corporation and the UCF Stadium Corporation continue to reduce their outstanding long-term debt obligations, the deficit net position will decrease.

#### 22. Subsequent Events

In October 2020, the University of Central Florida Foundation, Inc. (Foundation) refinanced \$8,340,000, the outstanding balance of the 2009 tax exempt note issued at 4.96 percent and secured by a mortgage of the buildings known as the Research Pavilion, the IST Building, and the Orlando Tech Center, with a taxable 2020 note issued at 2.39 percent, resulting in annual savings of \$134,000 or \$671,000 for the remaining life of the note that expires on October 1, 2025.

In October 2020, the Foundation refinanced \$5,685,000, the outstanding balance of the 2018 tax-exempt note issued at 3.93 percent and secured by a mortgage of the Digital Learning Building, with a 2020 tax-exempt note issued at 2.70 percent, resulting in average annual savings of \$32,000 or \$580,000 for the remaining life of the note that expires on October 1, 2038.

In October 2020, the Foundation and Orange County, Florida, agreed to adjust the debt payment schedule of the \$50,000,000 30-year interest free and tax-exempt note. Due to delays in construction of the Lake Nona Cancer Center related to COVID-19, the first quarterly payment of \$500,000, which was originally due in December 2020, is now due in July 2021.

In December 2020, the UCF Athletics Association, Inc. (Association) restructured its note with the University allowing for the deferral of two annual payments totaling \$2 million for the 2020-21 and 2021-22 fiscal years. Interest will continue to accrue during the deferral period and be added to the outstanding principal balance. In addition, the Association entered into an 18-month revolving line of credit with the Foundation for \$4 million.

In January 2021, the University and Osceola County entered into a settlement agreement that will authorize the transfer of the University's obligations for the advanced manufacturing facility in NeoCity. The agreement would release the University from any further obligations under the lease agreement. including the obligation to fund the operating expenses of the facility for the next 30 years. In return for the release, the University will contribute \$15 million in transition funding over a 3-year period and relinquish the right to receive title to the facility in 30 years.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

## Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

	2019	2018	2017
University's proportion of the total other			
postemployment benefits liability	3.16%	2.78%	2.78%
University's proportionate share of the total other			
postemployment benefits liability	\$ 399,997,974	\$ 293,333,000	\$ 300,512,000
University's covered-employee payroll	\$ 439,921,546	\$ 418,056,891	\$ 396,397,337
University's proportionate share of the total other			
postemployment benefits liability as a			
percentage of its covered-employee payroll	90.92%	70.17%	75.81%

#### Schedule of the University's Proportionate Share of the Net Pension Liability -Florida Retirement System Pension Plan

		<b>2019</b> (1)	_	<b>2018</b> (1)		<b>2017</b> (1)		<b>2016</b> (1)
University's proportion of the FRS net pension liability University's proportionate share of	0	.654337567%	C	).640568432%	C	).596715076%	0	.559865856%
the FRS net pension liability	\$	225,344,748	\$	192,942,532	\$	176,504,316	\$	141,366,568
University's covered payroll (2)	\$	439,921,546	\$	418,056,891	\$	396,397,337	\$	364,535,289
University's proportionate share of the FRS net pension liability as a percentage of its covered payroll		51.22%		46.15%		44.53%		38.78%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability		82.61%		84.26%		83.89%		84.88%

<sup>(1)</sup> The amounts presented for each fiscal year were determined as of June 30.

#### Schedule of University Contributions – Florida Retirement System Pension Plan

	_	<b>2020</b> (1)	_	<b>2019</b> (1)	_	<b>2018</b> (1)	_	<b>2017</b> (1)
Contractually required FRS contribution	\$	21,542,453	\$	20,289,186	\$	18,255,686	\$	15,533,963
FRS contributions in relation to the contractually required contribution		(21,542,453)		(20,289,186)		(18,255,686)		(15,533,963)
FRS contribution deficiency (excess)	\$		\$		\$		\$	
University's covered payroll (2)	\$	454,818,440	\$	439,921,546	\$	418,056,891	\$	396,397,337
FRS contributions as a percentage of covered payroll		4.74%		4.61%		4.37%		3.92%

<sup>(1)</sup> The amounts presented for each fiscal year were determined as of June 30.

<sup>(2)</sup> Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

<sup>(2)</sup> Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

_	<b>2015</b> (1)	_	<b>2014</b> (1)	_	<b>2013</b> (1)
0	.538161499%	C	0.484303900%	C	).360374086%
\$ \$	69,510,775 333,695,268		29,549,660 305,107,256		62,036,419 289,894,138
	20.83%		9.69%		21.40%
	92.00%		96.09%		88.54%

_	<b>2016</b> (1)	_	<b>2015</b> (1)	_	<b>2014</b> (1)
\$	13,653,222	\$	13,120,834	\$	10,608,311
	(13,653,222)	_	(13,120,834)	_	(10,608,311)
\$		\$		\$	<u>-</u>
\$			333,695,268	\$	305,107,256
	3.75%		3.93%		3.48%

#### Schedule of the University's Proportionate Share of the Net Pension Liability -Health Insurance Subsidy Pension Plan

		<b>2019</b> (1)		<b>2018</b> (1)	_	<b>2017</b> (1)	_	<b>2016</b> (1)
University's proportion of the HIS net pension liability University's proportionate share of	0	.538876355%	0	.532468436%	0	.529705387%	0	.499690735%
the HIS net pension liability	\$	60,294,870	\$	56,357,057	\$	56,638,544	\$	58,236,885
University's covered payroll (2)	\$	167,822,905	\$	167,400,707	\$	166,665,368	\$	153,090,572
University's proportionate share of the HIS net pension liability as a percentage of its covered payroll		35.93%		33.67%		33.98%		38.04%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability		2.63%		2.15%		1.64%		0.97%

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

#### Schedule of University Contributions – Health Insurance Subsidy Pension Plan

	_	<b>2020</b> (1)	<b>2019</b> (1)	_	<b>2018</b> (1)	<b>2017</b> (1)
Contractually required HIS contribution	\$	3,157,543	\$ 2,992,328	\$	2,887,590	\$ 2,803,354
HIS contributions in relation to the contractually required HIS						
contribution		(3,157,543)	 (2,992,328)		(2,887,590)	(2,803,354)
HIS contribution deficiency						
(excess)	\$	_	\$ <u>-</u>	\$		\$ 
University's covered payroll (2)	\$	187,973,508	\$ 167,822,905	\$	167,400,707	\$ 166,665,368
HIS contributions as a percentage of covered payroll		1.68%	1.78%		1.72%	1.68%

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

<b>2013</b> (1)	-	<b>2014</b> (1)	_	<b>2015</b> (1)	_
0.415357381%	C	30757459%	0	.469662225%	0
36,162,321 122,964,996	\$ \$	40,276,874 27,489,508		47,898,159 140,702,712	\$ \$
29.41%		31.59%		34.04%	
1.78%		0.99%		0.50%	

 <b>2016</b> (1)	<b>2015</b> (1)	<b>2014</b> (1)
\$ 2,561,234 \$	1,795,341 \$	1,475,630
 (2,561,234)	(1,795,341)	(1,475,630)
\$ <u> </u>	<u> </u>	<u> </u>
\$ 153,090,572 \$	140,702,712 \$	127,489,508
1.67%	1.28%	1.16%

#### Notes to Required Supplementary Information

## 1. Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of Assumptions. In 2020, amounts reported as changes of assumptions resulting from changes to the census data, a change to the discount rate, the excise tax that will come into effect in 2022, the use of actual claims information, an update in the trend rate, and an update to the mortality rate. Refer to Note 10, to the financial statements for further detail.

#### Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. The long-term expected rate of return was decreased from 7.00 percent to 6.90 percent, and the active member mortality assumption was updated.

## 3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 3.87 percent to 3.50 percent.



## **AUDITOR GENERAL** STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74 111 West Madison Street Tallahassee, Florida 32399-1450



Phone: (850) 412-2722 Fax: (850) 488-6975

The President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee

#### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the University of Central Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 23, 2021, included under the heading INDEPENDENT AUDITOR'S **REPORT**. Our report includes a reference to other auditors who audited the financial statements of the blended and aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on

a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Sherrill F. Norman, CPA

Tallahassee, Florida February 23, 2021

ITEM: <u>INFO-5</u>

#### **UCF BOARD OF TRUSTEES**

#### **Agenda Item Summary**

Finance and Facilities Committee
June 16, 2021

		Information	for upcoming action		☐ Action
Meetin	g Date for	Upcoming A	ction:		<u> </u>
Purpose and Issues to be As requested by the F accomplishments, immed project at each committee	inance and iate next ste	l Facilities Co			
<b>Background Informatio</b> At the June 18, 2020, Boa acquisition and implement	ard of Trust	•	* *	nillion in ca	arryforward funding for
Following the selection ar of the new Workday HR a with Workday for the soft cost extension of the cont Service Enhancement Tra	and Finance tware licen tract with A	applications wase and Accentuce	vere estimated to be \$27.0 ure for implementation corrently being finalized to	6 million. (consulting of extend co	Contracts were executed in October 2020. A no-
Additional costs are being when required, for the intended enhancement opportunities cost of the Knight Vision	mplementates, and repla	tion of reporting	ng and analytics applica sting enterprise standard	ations, imp tools, brin	olementation of service
Following the implement Analytics applications, the Student Information Systemplement.	ne universi	ty will assess	its readiness to continue	e with the	implementation of the
<b>Recommended Action:</b> For information only.					
Alternatives to Decision N/A	:				
Fiscal Impact and Source N/A	e of Fundi	ing:			
Authority for Board of N/A	Γrustees A	ction:			
Contract Reviewed/App	roved by (	General Couns	sel N/A 🖂		
Committee Chair or Ch	air of the I	Board has app	roved adding this item	to the age	enda 🖂

#### **Submitted by:**

Gerald Hector, Senior Vice President for Administration and Finance Matt Hall, Chief Information Officer

#### **Supporting Documentation:**

Attachment A: Knight Vision ERP Status Update

#### **Facilitators/Presenters:**

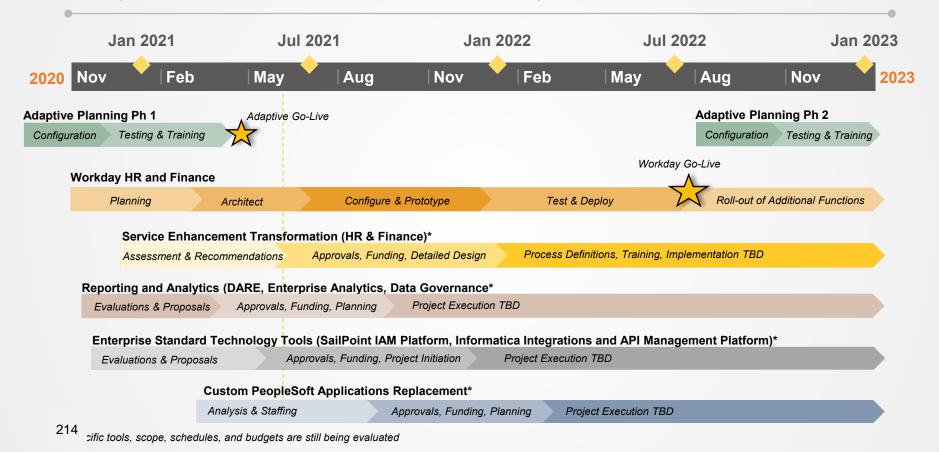
Michael Sink, Associate Vice President and COO, UCFIT Cherie Herrin, Knight Vision Program Director

# Knight Vision BOT FFC Update

June 16, 2021

\*1963\*

# **Knight Vision Overall Program Timeline**



# **Knight Vision Progress**

## Accomplishments

- Workday Plan stage and design sessions complete
- SET interviews and surveys complete
- Software selected for identity & access management and integrations platforms (SailPoint and Informatica)

## **Immediate Next Steps**

- Begin Workday Configure & Prototype stage
- Kick-off Data Warehouse, PeopleSoft Custom Apps Replacement, SailPoint, and Informatica projects
- Select data governance software and finalize Reporting & Analytics scope
- Complete SET assessment including design and plan for new HR & Finance organizational model

### **Overall Status & Trends**

- On track with all major milestones
- · Costs for consulting trending on or slightly under budget

## Top Risks

- The current schedule, scope, and budget are on track with no critical risks.
- UCF's high number of needed Workday integrations and data conversions makes ours one of the higher complexity Workday implementations in higher ed. Workday team and Accenture partners are evaluating best practices, opportunities for simplification and resource needs to avoid risk to project schedule and budget.

215



# **Knight Vision Program Costs**

Knight Vision Phase 1 Scope Item	Planned Cost	Budget Status	Schedule Status	Scope Status	Overall Status
Workday Software HR/Finance/Grants Implementation (Workday + Accenture + Backfill)	\$27,598,060	•	•	•	On Track
HR & Finance Service Enhancement Transformation (SET) Implementation* (Consulting + Backfill)	\$4,500,000	•	•	•	On Track
Enterprise Reporting & Analytics* (Data Lake/Warehouse, Data Governance Tools, Enterprise Analytics, Backfill)	\$1,500,000	•	•		On Track
Custom PeopleSoft Applications Replacement* (Consulting, 3rd Party Apps, Custom Apps, Backfill)	\$5,000,000	•	•	•	On Track
Enterprise Standard Tools* (Identity Management, API and Integrations Management, and Low Code Development Platforms, Docusign)	\$2,000,000	•	•	•	On Track
Adaptive Planning Phase 1 (Software + Consulting)	\$921,000	•	•	•	On Track
Planned Contingency for Non-Workday Scope	\$1,937,000				On Track
Overall Knight Vision Program*	\$43,456,060		•		On Track
216 for indicated items are estimates. Detailed planning in progress.		Key:	On Track	At Risk	Off Track

# Thank you for your support