Board of Trustees
Finance and Facilities Committee Meeting
June 4, 2014
8:30 a.m.
President's Boardroom, Millican Hall, 3rd floor
Conference call in phone number 800-442-5794, passcode 463796

AGENDA

I.	**CALL TO ORDER**	Marcos R. Marchena *Chair, Finance and Facilities Committee*
II.	**ROLL CALL**	Tracy D. Reedy *Coordinator, Administrative Services for Administration and Finance Division*
III.	**NEW BUSINESS**	Chair Marchena
	• 2014-15 College of Medicine Self-insurance Program Budget (FFC-1)	Diane Z. Chase *Interim Provost and Vice President* Deborah C. German *Vice President for Medical Affairs and Dean of the College of Medicine* Steve Omli *Director of Finance and Accounting for the College of Medicine*
	• 2014-15 College of Medicine Faculty Practice Plan Budget (FFC-2)	Diane Z. Chase Deborah C. German Steve Omli
	• Direct Support Organizations' 2013-14 Third-Quarter Financial Reports (INFO-1) – Golden Knights Corporation and UCF Athletic Association – UCF Convocation Corporation – UCF Finance Corporation – UCF Foundation – UCF Research Foundation	William F. Merck II John C. Pittman *Associate Vice President for Administration and Finance, Debt Management*

• UCF Convocation Corporation Financial Report Presentation (INFO-2)	William F. Merck II John C. Pittman
• UCF Investments Quarterly Report Ended March 31, 2014 (INFO-3)	William F. Merck II Tracy Clark *Associate Vice President for Administration and Finance and Controller*
IV. OTHER BUSINESS	Chair Marchena
V. CLOSING COMMENTS	Chair Marchena

ITEM: FFC-1

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: 2014-15 College of Medicine Self-Insurance Program Budget

DATE: June 4, 2014

PROPOSED COMMITTEE ACTION

Recommend approval of the 2014-15 Self-Insurance Program budget prepared by the College of Medicine.

BACKGROUND INFORMATION

With approval of the Finance Committee and Board of Trustees, the UCF College of Medicine Self-Insurance Program was established effective July 1, 2009, to provide comprehensive professional and general liability protection in connection with delivery of health care services. The Self-Insurance Program is operated by the UCF College of Medicine Self-Insurance Program Council in accordance with section 10.001(1)(c)(4) of the Florida Board of Governors Regulations.

Since 2009 the Self-Insurance Program has provided liability protection for clinical activities of the College of Medicine's faculty, students, and residents. Effective July 1, 2010, the Self-Insurance Program Council approved the inclusion of health care providers in the College of Nursing, College of Health and Public Affairs, and UCF Health Services into the UCF College of Medicine Self-Insurance Program. Effective July 1, 2014, Counseling and Psychology Services also is included.

The College of Medicine presents for approval the attached 2014-15 Self-Insurance Program budget.

Supporting documentation: 2014-15 Operating Budget (Attachment A)
Comparison to 2013-14 (Attachment B)

Prepared by: Deborah C. German, Vice President for Medical Affairs and Dean of the College of Medicine
Steven Omli, Director of Finance and Accounting for the College of Medicine

Submitted by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Attachment A

University of Central Florida College of Medicine
Self-Insurance Program
Operating Budget

	2014-15
OPERATING REVENUE	
Assessments	
College of Health and Public Affairs	$ 2,973
College of Medicine	66,873
College of Medicine Graduate Medical Education	43,165
College of Nursing	15,364
Counseling and Psychological Services	3,297
Health Services	42,946
UCF Pegasus Health	2,560
Total operating revenue	177,178
OPERATING EXPENSES	
Annual premium contribution expense	$ 78,750
Excess coverage premium expense	17,451
Total premium and loss expenses	96,201
Contracted services expense (UF Self-Insurance Program)	80,977
Total support staff	80,977
Total operating expenses	**177,178**
Net Income (Loss) from Operations	**$ -**

Note: The Self-Insurance Program was capitalized in the amount of $1,000,000 in 2010-11, 2011-12, and 2012-13 for a total of $3,000,000.

Attachment A

Terms Used

Assessments represents liability premiums funded from the respective covered colleges and health care providers out of their annual operating budgets. These assessments fund contributions for allocated liability risk, expense for excess coverage premiums, and contracted services expenses for management services provided by the University of Florida's Self-Insurance Program.

Annual premium contribution expense represents the liability premiums paid into the UCF Self-Insurance Program.

Excess coverage premium expense represents the additional coverage provided through the University of Florida's captive insurance company.

Contracted services expense represents services provided by the University of Florida's Self-Insurance Program, including administration, training, risk management, and claims review and management.

Attachment B

	2014-15						2013-14
	Premium Contribution	Contracted Services	Subtotal Primary Contribution	Claims Bill Contribution	Total Contribution		Total Actual Contribution
University of Central Florida Participants							
College of Health and Public Affairs	$ 1,321.51	$ 1,358.89	**$ 2,680.40**	$ 292.84	**$ 2,973.24**		$ 4,018.29
College of Medicine	29,722.89	30,563.58	**60,286.47**	6,586.56	**66,873.03**		83,896.16
College of Medicine Graduate Medical Education	19,185.38	19,728.02	**38,913.40**	4,251.46	**43,164.86**		-
College of Nursing	6,828.86	7,022.01	**13,850.87**	1,513.27	**15,364.14**		20,764.44
Counseling and Psychological Services	1,465.40	1,506.84	**2,972.24**	324.73	**3,296.97**		-
Health Services	19,088.06	19,627.95	**38,716.01**	4,229.90	**42,945.91**		58,040.84
Pegasus Health	1,137.91	1,170.10	**2,308.01**	252.16	**2,560.17**		2,275.34
Total University of Central Florida Participants:	**$ 78,750.01**	**$ 80,977.39**	**$ 159,727.40**	**$ 17,450.92**	**$ 177,178.32**		**$ 168,995.07**

	2013-14						2012-13
	Premium Contribution	Contracted Services	Subtotal Primary Contribution	Claims Bill Contribution	Total Contribution		Total Actual Contribution
University of Central Florida Participants							
College of Health and Public Affairs	$ 1,783.32	$ 1,925.44	**$ 3,708.76**	$ 309.53	**$ 4,018.29**		$ 6,766.42
College of Medicine	37,233.11	40,200.54	**77,433.65**	6,462.51	**83,896.16**		114,173.03
College of Medicine Graduate Medical Education							
College of Nursing	9,215.26	9,949.70	**19,164.96**	1,599.48	**20,764.44**		16,302.79
Counseling and Psychological Services							
Health Services	25,758.52	27,811.44	**53,569.96**	4,470.88	**58,040.84**		73,754.64
Pegasus Health	1,009.79	1,090.27	**2,100.06**	175.28	**2,275.34**		2,430.55
Total University of Central Florida Participants:	**$ 75,000.00**	**$ 80,977.39**	**$ 155,977.39**	**$ 13,017.68**	**$ 168,995.07**		**$ 213,427.43**

ITEM: **FFC-2**

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: 2014-15 College of Medicine Faculty Practice Plan Budget

DATE: June 4, 2014

PROPOSED COMMITTEE ACTION

Recommend approval of the 2014-15 College of Medicine Faculty Practice Plan budget presented by the College of Medicine.

BACKGROUND INFORMATION

With approval and support from the Finance Committee and Board of Trustees, the College of Medicine's Faculty Practice Plan, UCF Pegasus Health, opened in November 2011. At Pegasus Health on University Boulevard, College of Medicine clinical faculty provide multi-specialty care to patients from the community. In early 2015, Pegasus Health will open a second location in the Gateway building near the Lake Nona Health Sciences Campus.

The College of Medicine presents for approval the attached budget for 2014-15 showing revenues and expenses for the third full year of operation of the Faculty Practice Plan.

Supporting documentation: 2014-15 Faculty Practice Plan Operating Budget (Attachment A)
Faculty Practice Plan Five-Year Operating Budget (Attachment B)

Prepared by: Deborah C. German, Vice President for Medical Affairs and Dean of the College of Medicine
Steven Omli, Director of Finance and Accounting for the College of Medicine

Submitted by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Attachment A

One-Year Budget Summary

		2015
Revenue	**$**	**2,917,787**
Expense		
Non-Faculty Salary and Benefits	$	2,565,421
Professional Services		641,730
Operating Expenses		254,808
Repairs and Maintenance		66,702
Travel		3,450
Medical Supplies		252,168
Supplies		58,569
Equipment		5,420
Other Expense		25,272
Total Expense		**3,873,540**
Operating Loss		**(955,753)**
Transfer From/(To)		955,753
Net Cash Flow	**$**	**-**

Assumptions

This budget supports the continuation of start-up, operating, and growth expenses for Pegasus Health, a 22,000 square-foot facility located on University Boulevard. Clinical faculty salaries and benefits are funded in the college's operating budget. Excess revenues generated from practice operations will be returned to the college to support clinical faculty salaries.

During Fiscal Year 2015, UCF Pegasus Health will open a second location in Lake Nona at the Gateway building now under construction. When finished, the Gateway building will be three stories and 60,000 square feet of medical offices, of which Pegasus Health will occupy 10,000 square feet on the first floor.

UCF PEGASUS HEALTH
College of Medicine
PHYSICIAN PRACTICE

Five-Year Budget Summary

Accounts	Approved Budget 2014	*Projected Actual** 2014	Budget 2015	2016	2017	2018	2019
Income							
Total Revenue	**$ 2,153,472**	***$ 1,595,569***	**$ 2,917,787**	**$ 4,943,204**	**$ 5,936,902**	**$ 6,106,309**	**$ 6,245,750**
Expense							
Non-Faculty Salary and Benefits	$ 2,465,844	*$ 1,570,949*	$ 2,565,421	$ 2,806,344	$ 2,824,666	$ 2,843,171	$ 2,861,861
Professional Services	881,263	*399,043*	641,730	719,470	720,450	715,202	715,454
Operating Expenses	367,405	*302,226*	254,808	334,898	345,793	347,533	348,563
Repairs and Maintenance	98,285	*87,281*	66,702	81,672	82,620	82,668	82,668
Travel	5,400	*7,317*	3,450	4,800	4,800	4,800	4,800
Medical Supplies	210,906	*168,993*	252,168	358,019	410,993	418,891	423,881
Supplies	67,196	*47,149*	58,569	89,987	104,940	106,186	107,581
Equipment	3,000	*7,155*	5,420	5,420	5,420	5,420	5,420
Other Expense	20,090	*17,607*	25,272	31,336	34,328	34,773	35,053
Total Expense	**4,119,389**	***2,607,720***	**3,873,540**	**4,431,946**	**4,534,010**	**4,558,644**	**4,585,281**
Operating Income (Loss)	**(1,965,917)**	***(1,012,151)***	**(955,753)**	**511,258**	**1,402,892**	**1,547,665**	**1,660,469**
Transfer From/(To)	1,965,917	*1,012,151*	955,753	-	-	-	-
Net Cash Flow	**$ -**	**$ -**	**$ -**	**$ 511,258**	**$ 1,402,892**	**$ 1,547,665**	**$ 1,660,469**

* *Based on nine months Actual*

ITEM: **INFO-1**

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: Direct Support Organizations' 2013-14 Third-Quarter Financial Reports

DATE: June 4, 2014

For information only.

UCF Athletic Association and Golden Knights Corporation
Consolidated Statement of Operations - Cash Basis
As of March 31, 2014

	UCF Athletic Association Actual 2013-14	Golden Knights Corporation Actual 2013-14	Combined Actual 2013-14	UCF Athletic Association Budget 2013-14	Golden Knights Corporation Budget 2013-14	Combined Budget 2013-14	Variance to Budget Better (Worse)		UCF Athletic Association Actual 2012-13	Golden Knights Corporation Actual 2012-13	Combined Actual 2012-13	Variance to Prior Year Better (Worse)	
Operating revenues													
Athletic events, including premium seating	$ 7,854,354	$ 1,595,635	$ 9,449,989	$ 6,023,857	$ 1,550,000	$ 7,573,857	$ 1,876,132	24.77 %	$ 5,941,344	$ 1,529,655	$ 7,470,999	$ 1,978,990	26.49 %
University allocations	19,259,869	-	19,259,869	19,018,106	-	19,018,106	241,763	1.27 %	19,255,392	-	19,255,392	4,477	0.02 %
Sponsorship	1,968,796	500,000	2,468,796	2,309,004	500,000	2,809,004	(340,208)	(12.11)%	2,009,080	1,400,000	3,409,080	(940,284)	(27.58)%
Contributions	593,222	175,000	768,222	575,000	417,600	992,600	(224,378)	(22.61)%	577,401	105,307	682,708	85,514	12.53 %
Other	516,047	462,421	978,468	475,000	365,000	840,000	138,468	16.48 %	356,914	375,533	732,447	246,021	33.59 %
Total operating revenues	30,192,288	2,733,056	32,925,344	28,400,967	2,832,600	31,233,567	1,691,777	5.42 %	28,140,131	3,410,495	31,550,626	1,374,718	4.36 %
Operating expenses													
Scholarships	6,150,454	-	6,150,454	6,150,000	-	6,150,000	(454)	(0.01)%	5,972,209	-	5,972,209	(178,245)	(2.98)%
Employee compensation	11,304,112	-	11,304,112	11,100,000	-	11,100,000	(204,112)	(1.84)%	10,304,932	-	10,304,932	(999,180)	(9.70)%
Sport operations	6,673,967	-	6,673,967	5,275,000	-	5,275,000	(1,398,967)	(26.52)%	5,794,620	-	5,794,620	(879,347)	(15.18)%
Support operations	5,063,461	657,174	5,720,635	5,000,967	655,297	5,656,264	(64,371)	(1.14)%	4,553,562	636,682	5,190,244	(530,391)	(10.22)%
Other	925,487	-	925,487	875,000	-	875,000	(50,487)	(5.77)%	453,479	-	453,479	(472,008)	(104.09)%
Total operating expenses	30,117,481	657,174	30,774,655	28,400,967	655,297	29,056,264	(1,718,391)	(5.91)%	27,078,802	636,682	27,715,484	(3,059,171)	(11.04)%
Net operating income	74,807	2,075,882	2,150,689	-	2,177,303	2,177,303	(26,614)	(1.22)%	1,061,329	2,773,813	3,835,142	(1,684,453)	(43.92)%
Nonoperating revenues (expenses)													
Net transfers (to GKC) and from UCFAA	(1,768,602)	1,768,602	-	(1,837,599)	1,837,599	-	-	-	(1,672,577)	1,672,577	-	-	-
Interest income	9,481	110,545	120,026	22,000	125,000	147,000	(26,974)	(18.35)%	25,221	150,141	175,362	(55,336)	(31.56)%
Interest expense	(116,602)	(2,034,455)	(2,151,057)	(125,000)	(2,081,485)	(2,206,485)	55,428	2.51 %	(155,789)	(2,084,861)	(2,240,650)	89,593	4.00 %
Total nonoperating expenses	(1,875,723)	(155,308)	(2,031,031)	(1,940,599)	(118,886)	(2,059,485)	28,454	1.38 %	(1,803,145)	(262,143)	(2,065,288)	34,257	1.66 %
Net increase from operations	**$ (1,800,916)**	**$ 1,920,574**	**$ 119,658**	**$ (1,940,599)**	**$ 2,058,417**	**$ 117,818**	**$ 1,840**	**1.56 %**	**$ (741,816)**	**$ 2,511,670**	**$ 1,769,854**	**$ (1,650,196)**	**(93.24)%**
Debt Service													
Total principal and interest payments July 1, 2013, through March 31, 2014	$ 302,124	$ 1,154,902	$ 1,457,026	$ 350,000	$ 1,319,143	$ 1,669,143	$ 212,117	12.71 %	$ 452,941	$ 1,306,817	$ 1,759,758	$ 302,732	17.20 %

*Variance from budget is due to Tostito's Fiesta Bowl revenues not anticipated in the budget.

UCF Convocation Corporation
Statement of Operations
As of March 31, 2014 (75% of year)

	2013-14 Actual	2013-14 Budget	2013-14 Variance		2012-13 Actual	2012-13 Budget	2012-13 Variance	
Arena Operations								
Revenues								
Event related	$ 3,299,357	$ 4,448,721	$ (1,149,364)	(25.8)%	$ 1,931,498	$ 3,748,150	$ (1,816,652)	(48.5)%
Premium seating and sponsorship	1,116,328	1,118,930	(2,602)	(0.2)%	715,180	516,992	198,188	38.3 %
Other	2,713,916	2,981,572	(267,656)	(9.0)%	2,961,975	2,418,009	543,966	22.5 %
University support	-	-	-	-	-	-	-	-
Total revenues	7,129,601	8,549,223	(1,419,622)	(16.6)%	5,608,653	6,683,151	(1,074,498)	(16.1)%
Expenses								
Direct event	2,711,698	3,535,411	823,713	23.3 %	1,565,281	2,513,516	948,235	37.7 %
Operating and indirect event	2,431,056	2,489,567	58,511	2.4 %	2,295,280	2,368,254	72,974	3.1 %
Direct premium seating	392,735	608,069	215,334	35.4 %	167,183	148,617	(18,566)	(12.5)%
Total expenses	5,535,489	6,633,047	1,097,558	16.5 %	4,027,744	5,030,387	1,002,643	19.9 %
Net increase from arena operations	1,594,112	1,916,176	(322,064)	(16.8)%	1,580,909	1,652,764	(71,855)	(4.3)%
Housing Operations								
Revenues								
Apartment rentals	13,312,117	13,878,794	(566,677)	(4.1)%	14,106,710	14,193,478	(86,768)	(0.6)%
Parking	777,291	777,291	-	0.0 %	777,291	518,194	259,097	50.0 %
Other	302,173	97,125	205,048	211.1 %	116,983	114,000	2,983	2.6 %
Total revenues	14,391,581	14,753,210	(361,629)	(2.5)%	15,000,984	14,825,672	175,312	1.2 %
Total expenses	4,354,780	4,935,526	580,746	11.8 %	4,015,225	4,592,647	577,422	12.6 %
Net increase from housing operations	10,036,801	9,817,684	219,117	2.2 %	10,985,759	10,233,025	752,734	7.4 %
Retail Operations								
Total revenues	1,263,113	1,298,446	(35,333)	(2.7)%	1,243,959	1,359,846	(115,887)	(8.5)%
Total expenses	414,638	444,973	30,335	6.8 %	333,874	542,534	208,660	38.5 %
Net increase from retail operations	848,475	853,473	(4,998)	(0.6)%	910,085	817,312	92,773	11.4 %
Net increase from total operations	$ 12,479,388	$ 12,587,333	$ (107,945)	(0.9)%	$ 13,476,753	$ 12,703,101	$ 773,652	6.1 %
Debt Service								
Total principal and interest payments July 1, 2013 through March 31, 2014	$ 10,908,675				$ 11,293,495			

UCF Finance Corporation
Statement of Operations
As of March 31, 2014 (75% of year)

	2013-14				2012-13			
	Actual	Budget	Variance		Actual	Budget	Variance	
Revenues								
Operating	$ -	$ -	$ -	0.0 %	$ -	$ -	$ -	0.0 %
University transfers	2,030,723	1,998,550	32,173	1.6 %	2,050,198	2,072,117	(21,919)	(1.1)%
Interest	5,584	10,500	(4,916)	(46.8)%	11,313	7,500	3,813	50.8 %
Total revenues	2,036,307	2,009,050	27,257	1.4 %	2,061,511	2,079,617	(18,106)	(0.9)%
Expenses								
Operating	23,697	23,827	130	0.5 %	9,608	20,077	10,469	52.1 %
Interest	1,868,017	1,813,500	(54,517)	(3.0)%	1,898,020	1,917,719	19,699	1.0 %
Debt related	152,170	179,300	27,130	15.1 %	161,460	149,398	(12,062)	(8.1)%
Total expenses	2,043,884	2,016,627	(27,257)	(1.4)%	2,069,088	2,087,194	18,106	0.9 %
Net decrease from operations	$ (7,577)	$ (7,577)	$ -	-	$ (7,577)	$ (7,577)	$ -	-

Debt Service		
Total principal and interest payments	$ 3,108,017	$ 3,073,020
July 1 through March 31		

UCF Foundation, Inc.
Statement of Operations
As of March 31, 2014 (75% of year)

	2013-14				2012-13			
	Actual	Budget	Variance		Actual	Budget	Variance	
Revenues								
Unrestricted gifts, fees, and investment earnings	$ 3,933,571	$ 3,788,900	$ 144,671	3.8%	$ 4,041,150	$ 3,828,484	$ 212,666	5.6%
Real estate	1,431,444	1,384,800	46,644	3.4%	1,445,652	1,399,229	46,423	3.3%
Other	5,749,794	6,301,452	(551,658)	-8.8%	4,725,858	4,904,077	(178,219)	-3.6%
Total revenue	11,114,809	11,475,152	(360,343)	-3.1%	10,212,660	10,131,790	80,870	0.8%
Expenses								
Academic and university support	675,009	697,423	22,414	3.2%	684,194	693,900	9,706	1.4%
Development, alumni relations, and operations	9,126,362	10,155,726	1,029,364	10.1%	8,450,789	8,720,488	269,699	3.1%
Total expenses	9,801,371	10,853,149	1,051,778	9.7%	9,134,983	9,414,388	279,405	3.0%
Net increase(decrease) from total operations	$ 1,313,438	$ 622,003	$ 691,435	111.2%	$ 1,077,677	$ 717,402	$ 360,275	50.2%
Debt Service								
Total principal and interest payments	$ 1,987,807				$ 2,628,315			
July 1 through March 31								

UCF Research Foundation
Statement of Operations
As of March 31, 2014 (75% of year)

	2013-14				2012-13			
	Actual	Budget	Variance		Actual	Budget	Variance	
Revenues								
Royalties, contracts, contributions, etc.	$ 3,482,924	$ 3,725,477	$ (242,553)	-6.5%	$ 3,457,703	$ 3,981,950	$ (524,246)	-13.2%
Other	171,972	176,843	(4,871)	-2.8%	134,420	193,250	(58,830)	-30.4%
Total revenues	3,654,896	3,902,319	(247,424)	-6.3%	3,592,123	4,175,200	(583,076)	-14.0%
Expenses								
Total operating expenses	3,322,406	3,675,590	353,184	9.6%	3,438,209	3,968,332	530,123	13.4%
Net increase from operations	$ 332,490	$ 226,729	$ 105,761	46.6%	$ 153,914	$ 206,868	$ (52,954)	-25.6%

ITEM: INFO-2

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: UCF Convocation Corporation Financial Report Presentation

DATE: June 4, 2014

For information only.

UCF Convocation Corporation

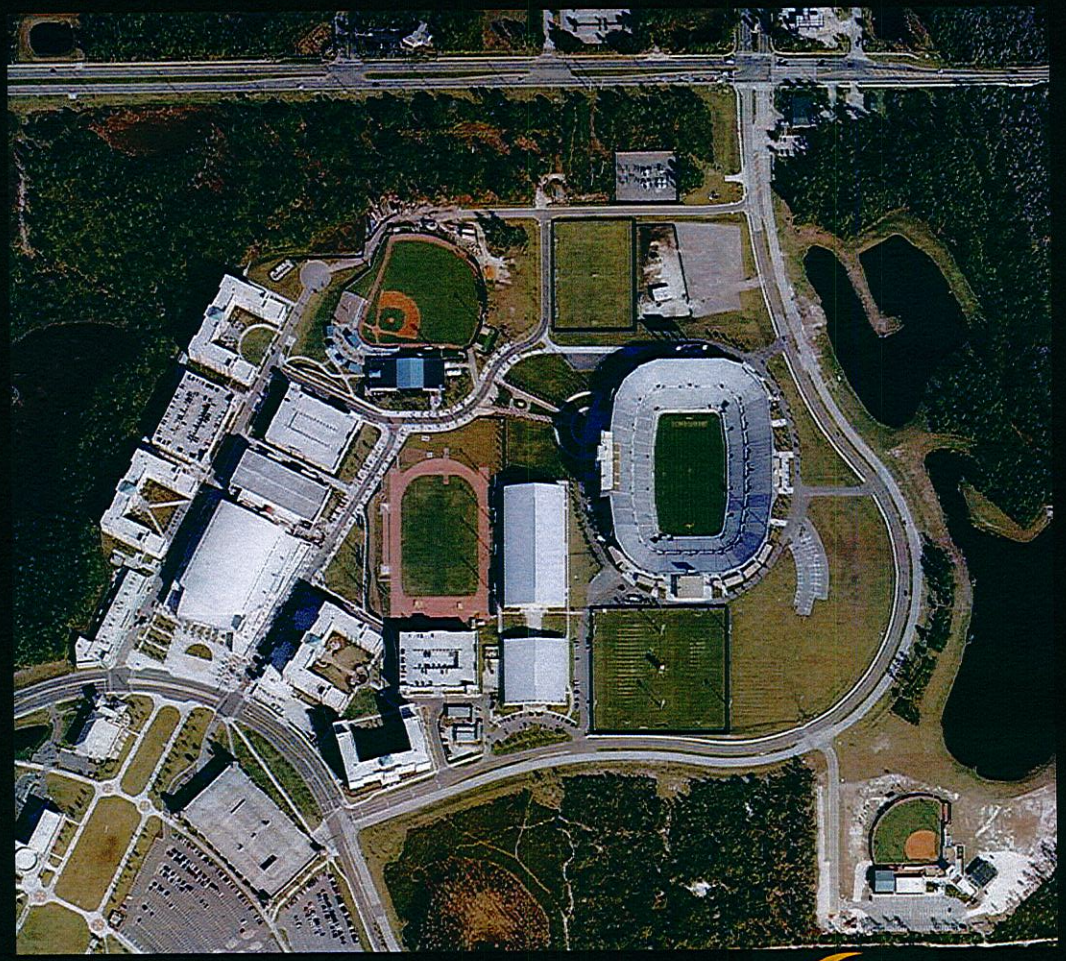
Board of Trustees

Finance and Facilities Committee Presentation

June 4, 2014

Project Overview

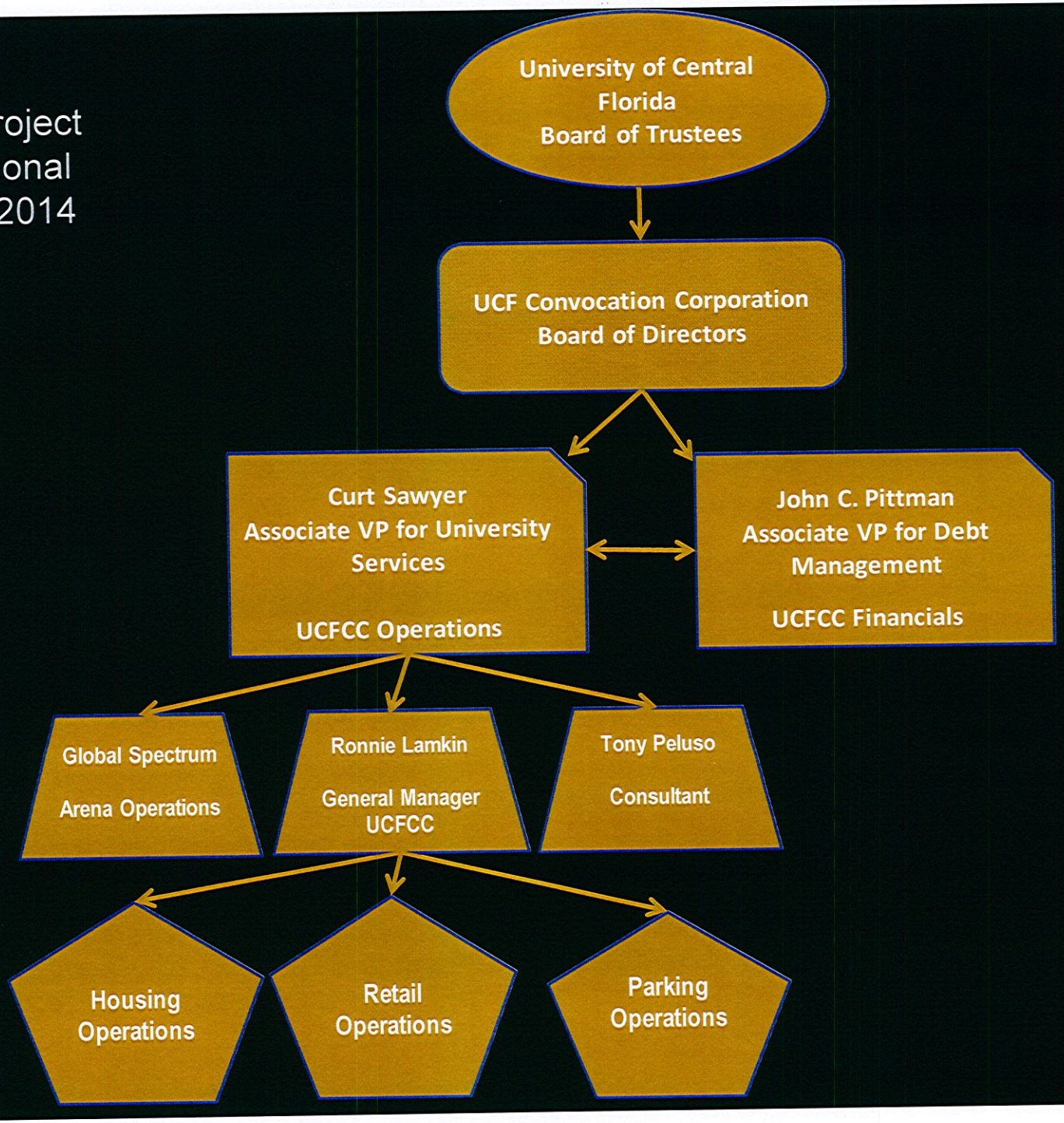
- Goal: obtain a much needed larger arena due to university growth
- Phased in over multiple years
- Total of $243,690,000 in bonds issued
- First residence hall opened August 2005
- All facilities opened and operating by September 2007



Project Overview Continued

- Structure
  - Began with UCF Athletic Association
  - Created UCF Convocation Corporation in July 2005
  - Contracted with third-party to manage operations
  - UCF took over third-party responsibilities in 2009

Current Project Organizational Structure 2014



UCF Convocation Center Operational Highlights

Concerts and Shows

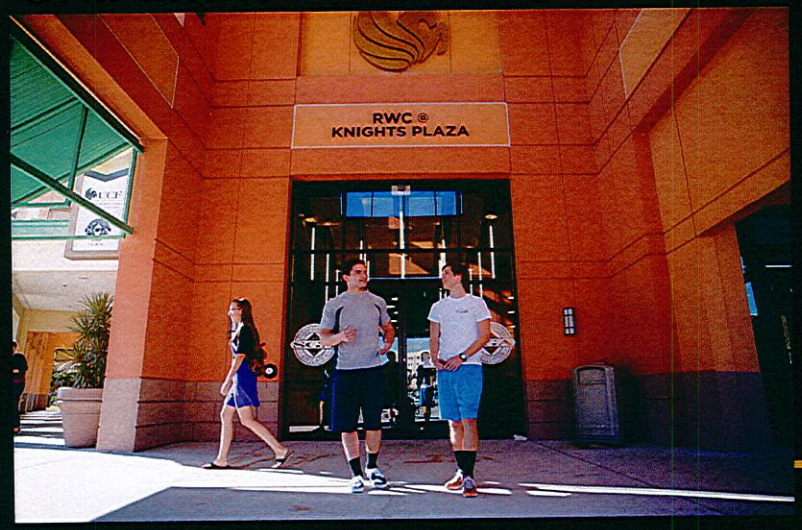
- Bill Cosby
- Lady Gaga
- Alan Jackson
- Reba McEntire
- Trans Siberian Orchestra
- Light Up UCF
- Cirque Du Soleil
- Harlem Globetrotters
- Orlando Predators

- Elton John
- Santana
- Dolly Parton
- Miranda Lambert
- The Rockettes

Knights Plaza Tenants

- Subway
- CFE Credit Union
- Princeton Review
- SGA's All Knight Study
- Recreation and Wellness Center
- Kyoto Japanese Grill and Sushi

- Knightro's
- Jimmy John's
- Domino's Pizza
- Barnes and Noble
- Health Services at Knights Plaza
- Global UCF



- Burger U
- Dunkin Donuts
- Veterans Academic Resource Center

Events Affecting Operations

- Additional student housing built on and around campus
- Recession
- Increased Resident Assistants
- Naming rights not secured until spring 2013
- Arena premium sales opportunities not fully sold

Debt Structure

Certificates of Participation

		Issued	Outstanding	Max Debt Svc
Housing				
Series 2004A	Tax Exempt	$ 68,860,000	$ 58,290,000	$ 4,551,484
Series 2005A	Tax Exempt	67,400,000	59,115,000	4,432,675
Arena				
Series 2005A	Tax Exempt	63,300,000	55,645,000	4,155,775
Series 2005B	Taxable	44,100,000	39,025,000	3,037,488
Total revenue		$ 243,660,000	$ 212,075,000	$ 16,177,422

Historical

Net Revenues	2010-11	2011-12	2012-13
Arena	$ 2,755,902	$ 2,771,649	$ 1,982,866
Housing	12,969,679	12,925,081	13,962,021
Retail	1,136,352	1,381,537	1,174,782
Total project net revenues	$ 16,861,933	$ 17,078,267	$ 17,119,669
Funds available for debt service			
Housing bonds	$ 13,671,419	$ 13,605,088	$ 14,292,609
Convocation bonds	3,591,194	3,898,630	3,131,771
	$ 17,262,613	$ 17,503,718	$ 17,424,380
Debt service			
Housing bonds	$ 8,994,465	$ 9,007,324	$ 8,998,140
Convocation bonds	7,213,571	7,203,302	7,204,155
	$ 16,208,036	$ 16,210,626	$ 16,202,295
Coverage ratio			
Housing bonds	1.52	1.51	1.59
Convocation bonds	1.03	0.99	1.20
Debt service coverage required	1.20	1.20	1.20
Funds transferred from UCFCC housing surplus	3,857,170	3,245,333	4,528,215
Funds transferred from university resources	1,250,000	1,500,000	-
Funds transferred from arena surplus			985,000

Projections

Net Revenues	2013-14	2014-15	2015-16
Arena	$ 1,654,562	$ 2,234,851	$ 2,231,032
Housing	11,521,845	12,378,567	12,182,661
Retail	1,176,466	1,311,306	1,332,344
Total project net revenues	$ 14,352,873	$ 15,924,724	$ 15,746,038
Funds available for debt service			
Housing bonds	$ 12,293,398	$ 13,210,265	$ 13,023,957
Convocation bonds	2,719,063	3,362,818	3,380,958
	$ 15,012,461	$ 16,573,083	$ 16,404,916
Debt service			
Housing bonds	$ 9,000,549	$ 8,451,956	$ 8,487,249
Convocation bonds	7,203,891	7,193,263	7,184,958
	$ 16,204,440	$ 15,645,219	$ 15,672,207
Coverage ratio			
Housing bonds	1.37	1.56	1.53
Convocation bonds	1.20	1.20	1.20
Debt service coverage required	1.20	1.20	1.20
Projected transfer from UCFCC housing surplus	4,044,968	3,690,537	4,089,332
Projected transfer from arena surplus	1,880,638	1,578,561	1,151,659

Summary

- The project had setbacks but is still moving forward
- The project's need for financial support from the university is decreasing
- The project reflects favorably upon UCF and has given the university great exposure

ITEM: INFO-3

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: UCF Investments Quarterly Report Ended March 31, 2014

DATE: June 4, 2014

For information only.

Cash & Non-Investment Portfolio	9/30/2013 Reported Value	12/31/2013 Reported Value	3/31/2014 Reported Value
Bank of America	$1,278,981	$37,248,685	$1,178,270
CNL - Money Market	$5,015	$5,016	$5,005
SPIA	$319,888,296	$229,065,110	$307,186,076
UCF Parking Bonds (SPIA)	$5,689,247	$3,253,688	$1,517,576
UCF Housing Bonds (SPIA)	$9,627,705	$6,712,874	$4,817,158
Total Cash & Non-Investment Portfolio	**$336,489,243**	**$276,285,374**	**$314,704,084**

Structured Investment Portfolio (BNY)	9/30/2013 Market Value	12/31/2013 Market Value	*4th Quarter Gain/(Loss)*	3/31/2014 Market Value	*1st Quarter Gain/(Loss)*	*Inception Gain/(Loss)[2]*
Pool I	**$30,000,063**	**$30,000,819**	***$756***	**$29,997,809**	***$740***	***$28,943***
Pool II	**$20,136,508**	**$20,138,451**	***$6,975***	**$20,146,668**	***$15,989***	***$234,835***
Fixed Income (Pool III)[3]	$97,213,666	$97,274,815	*$89,815*	$97,754,271	*$516,236*	*$6,932,973*
Domestic Equity (Pool III)	$17,314,216	$19,132,814	*$1,818,598*	$19,476,005	*$343,191*	*$7,778,241*
Total Pool III	**$114,527,882**	**$116,407,629**	***$1,908,413***	**$117,230,276**	***$859,427***	***$14,711,214***
Fixed Income (Pool IV)[4]	$20,635,953	$20,539,798	*($89,256)*	$20,904,645	*$381,141*	*$3,526,800*
Domestic Equity (Pool IV)	$33,872,756	$37,430,579	*$3,557,824*	$38,101,983	*$671,404*	*$15,678,787*
International Equity (Pool IV)	$9,518,690	$10,102,388	*$583,697*	$10,243,176	*$140,788*	*$2,583,481*
Total Pool IV	**$64,027,399**	**$68,072,765**	***$4,052,265***	**$69,249,803**	***$1,193,332***	***$21,789,067***
Total Structured Investment Portfolio	**$228,691,852**	**$234,619,664**	***$5,968,410***	**$236,624,556**	***$2,069,487***	***$36,764,061***
Total Operating Portfolio	**$565,181,095**	**$510,905,038**		**$551,328,640**		

1. The portfolio gain/(loss) data is presented gross of management fees and portfolio expenses but net of physical cash flows.
2. The inception date for analysis is 3/31/10. The actual funding of the various portfolios occurred during March 2010.
3. Pool III's fixed Income market value includes the $13,494 cash balance held in the Pool III mutual fund account.
4. Pool IV's fixed Income market value includes the $31,025 cash balance held in the Pool IV mutual fund account.

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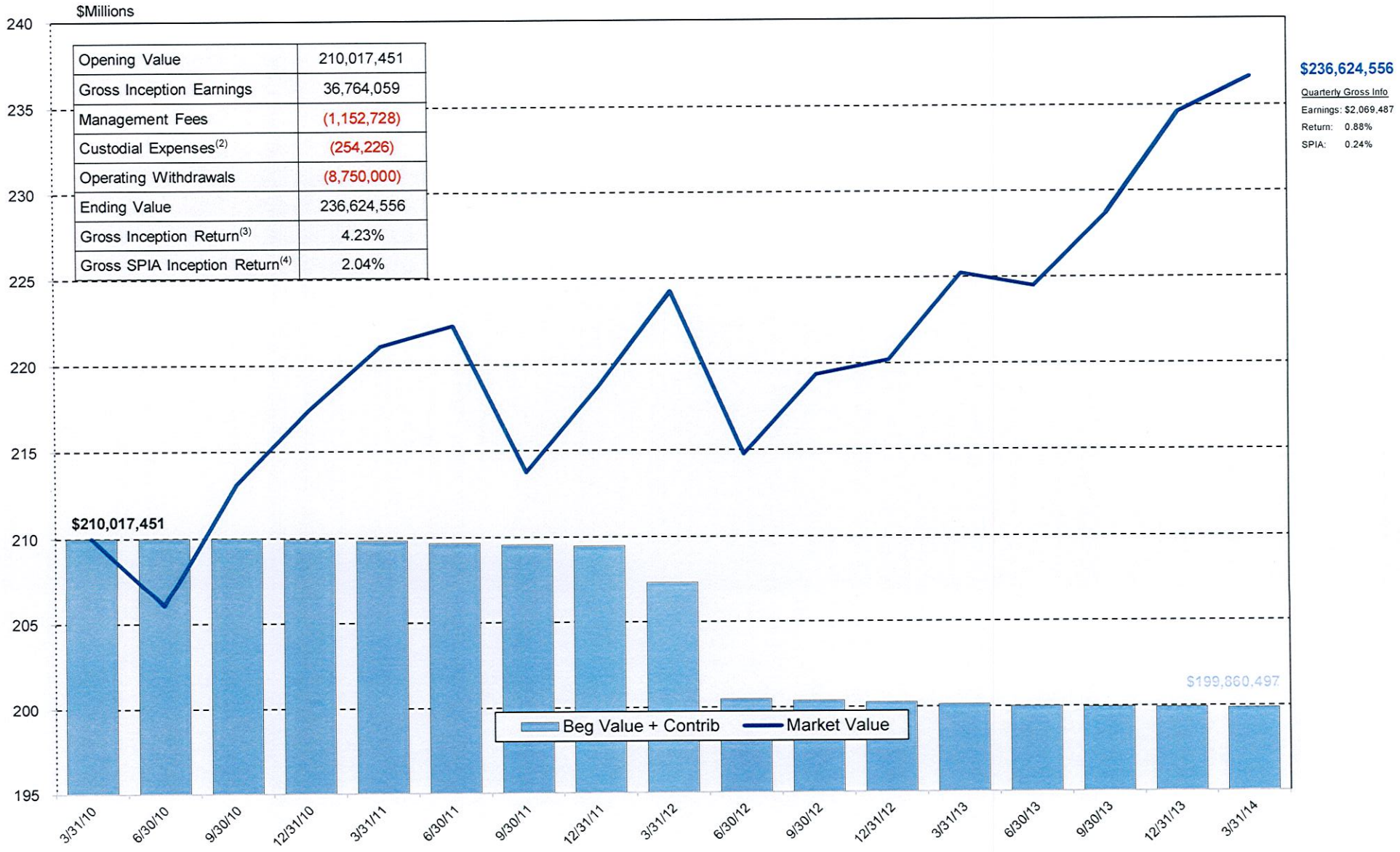

Opening Value	210,017,451
Gross Inception Earnings	36,764,059
Management Fees	(1,152,728)
Custodial Expenses[2]	(254,226)
Operating Withdrawals	(8,750,000)
Ending Value	236,624,556
Gross Inception Return[3]	4.23%
Gross SPIA Inception Return[4]	2.04%

1. Net contributions include cash flows associated with management fees, portfolio expenses and physical cash flows
2. Custodial expense figure is reduced by commission recapture income received
3. Annualized performance number. Net of management fees inception earnings = $35,611,331. Net inception return = 4.09%,
4. The gross SPIA inception return corresponds with the 3/31/10 inception of UCF's investment portfolio. Net inception SPIA return = 1.92%

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Pool I:	Yes	No	N/A
Investments in any single pooled investment fund shall be limited to 50% of the market value of Operating Pool I's assets.			✓

Pool II:	Yes	No	N/A
Investments in any single pooled investment fund shall be limited to 50% of the market value of Operating Pool II's assets.			✓
All fixed income investments shall maintain a minimum rating of "AAA" or higher by a major credit rating service.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the Merrill Lynch 1-Year Treasury index by 25%.	✓		
The maturity of any single security shall not exceed 1.5 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:	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%.	✓		

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

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

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

Target Policy Summary	
Pool I	100% 90 Day US T-Bills
Pool II	75% ML 1-Year Treasury + 25% 90 Day US T-bills
Pool III	85% ML 1-5 Year G/C A or Better + 15% S&P 500
Pool IV	30% Barclays Agg + 5% Barclays TIPS + 50% S&P 500 + 15% MSCI-ACWxUS

Pool I	$29,997,809	Current Allocation
Cash & Equivalents	**$29,997,809**	**100.0%**
Fidelity Money Market	$29,997,809	

Pool II	$20,146,668	Current Allocation
Short-Term Fixed Income	**$20,146,668**	**100.0%**
Galliard Capital Management	$20,146,668	

Pool III	$117,230,276	Current Allocation
Intermediate Fixed Income (85%)	**$97,740,777**	**83.4%**
Galliard Capital Management	$52,553,549	
Sawgrass Asset Management	$45,187,228	
Domestic Equity (15%)	**$19,489,499**	**16.6%**
Vanguard Institutional Index[1]	$19,489,499	

Pool IV	$69,249,803	Current Allocation
Broad Market Fixed Income (35%)	**$20,904,644**	**30.2%**
Galliard Capital Management	$11,834,605	
PIMCO Total Return[2]	$6,093,717	
Galliard Treasury Inflation Protected (TIPS)	$2,976,322	
Domestic Equity (50%)	**$38,101,983**	**55.0%**
Vanguard Institutional Index	$38,101,983	
International Equity (15%)	**$10,243,176**	**14.8%**
Europacific Growth	$5,211,838	
Manning & Napier Overseas	$5,031,337	

1. Pool III's Vanguard Institutional Index market value includes the $13,494 cash balance held in the Pool III mutual fund account.
2. Pool IV's PIMCO Total Return market value includes the $31,025 cash balance held in the Pool IV mutual fund account.

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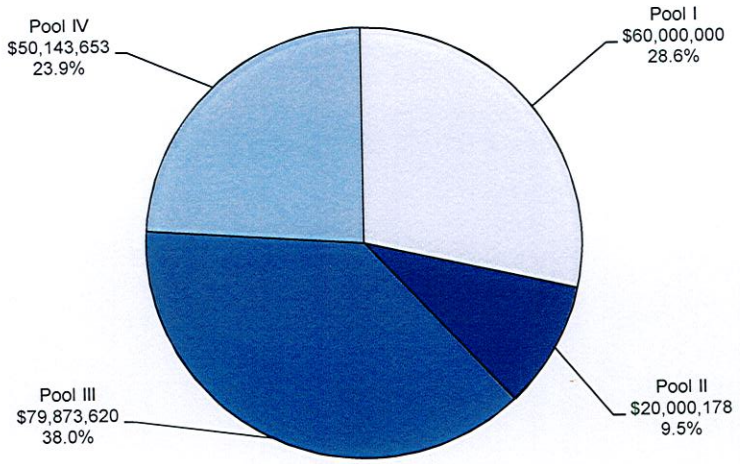
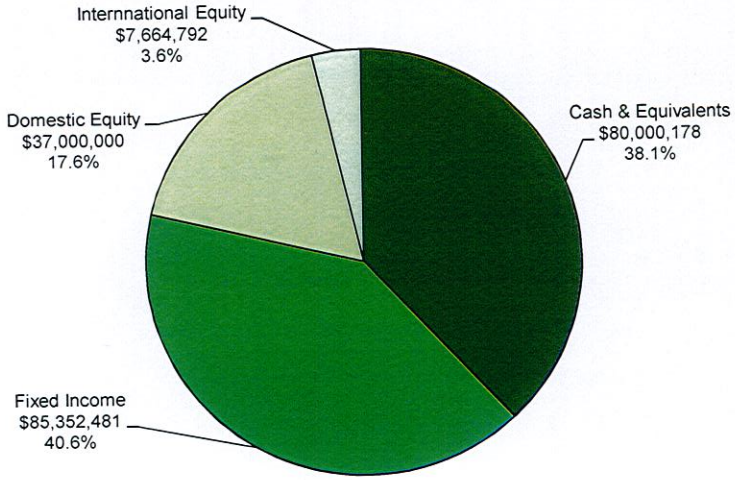
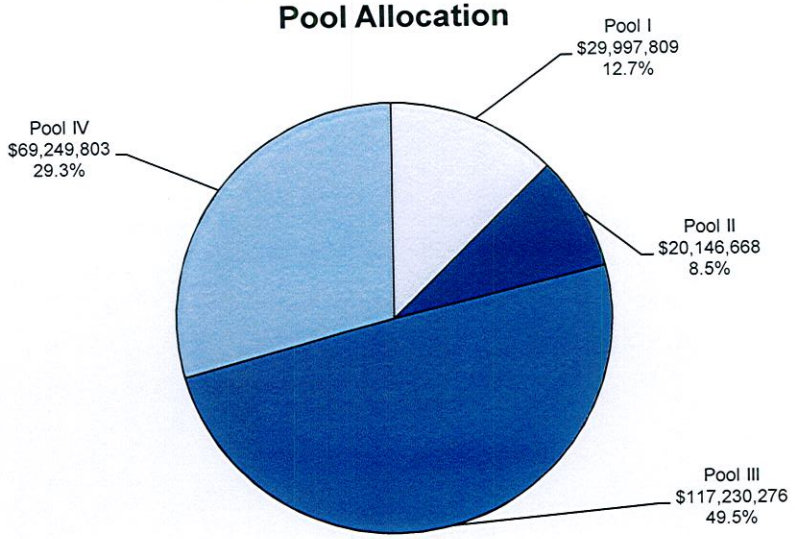
3/31/2010: $210,017,451
Pool Allocation



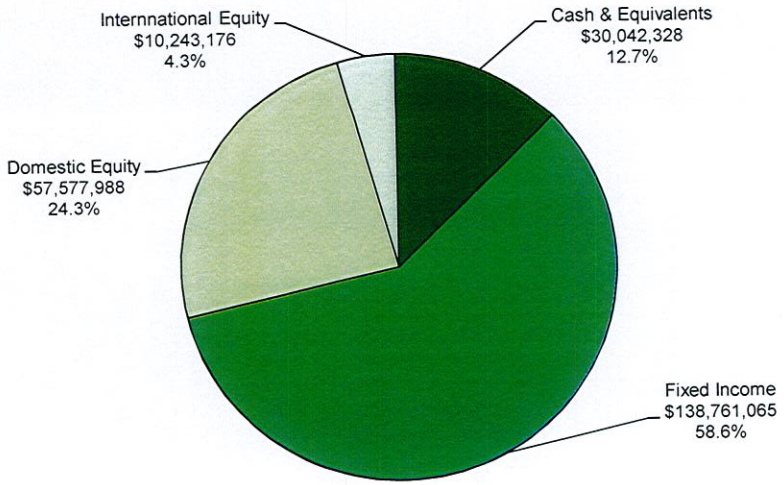
Asset Allocation



3/31/2014: $236,624,556
Pool Allocation



Asset Allocation



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Pool IV	3/31/2014 Market Value	Current Allocation	Rebalancing Transactions	Adjusted Market Value	Adjusted Allocation	Target Allocation	Allocation Range
Galliard	$11,803,581		$2,300,000	$14,103,581			
PIMCO Total Return	$6,093,717		$1,100,000	$7,193,717			
Galliard TIPS	$2,976,322			$2,976,322			
Pool IV - Fixed	**$20,873,620**	**30.1%**	**$3,400,000**	**$24,273,620**	**35.1%**	**35.0%**	**30% - 40%**
Vanguard 500	$38,101,983		($3,400,000)	$34,701,983			
Pool IV - Domestic Equity	**$38,101,983**	**55.0%**	**($3,400,000)**	**$34,701,983**	**50.1%**	**50.0%**	**45% - 55%**
Europacific Growth	$5,211,838			$5,211,838			
Manning & Napier	$5,031,337			$5,031,337			
Pool IV - International Equity	**$10,243,175**	**14.8%**	**$0**	**$10,243,175**	**14.8%**	**15.0%**	**10% - 20%**
Mutual Fund Cash	$31,025			$31,025			
Total Fund	**$69,249,803**	**100.0%**	**$0**	**$69,249,803**	**100.0%**	**100.0%**	**100.0%**

Pool III	3/31/2014 Market Value	Current Allocation	Rebalancing Transactions	Adjusted Market Value	Adjusted Allocation	Target Allocation	Allocation Range
Galliard	$52,553,549		$900,000	$53,453,549			
Sawgrass	$45,187,228		$900,000	$46,087,228			
Pool III - Fixed	**$97,740,777**	**83.4%**	**$1,800,000**	**$99,540,777**	**84.9%**	**85.0%**	**80% - 90%**
Vanguard 500	$19,489,499		($1,800,000)	$17,689,499			
Pool III - Domestic Equity	**$19,489,499**	**16.6%**	**($1,800,000)**	**$17,689,499**	**15.1%**	**15.0%**	**10% - 20%**
Total Fund	**$117,230,276**	**100.0%**	**$0**	**$117,230,276**	**100.0%**	**100.0%**	**100.0%**

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