



May 19, 2022 Budget and Finance Committee

Board of Trustees

Virtual Meeting

May 19, 2022 11:00 AM - 1:00 PM EDT

Table of Contents

| | |
|--|------------|
| I. Agenda..... | 2 |
| II. Roll Call | |
| III. Minutes of the February 15, 2022 meeting..... | 4 |
| IV. Reports | |
| A. DISC-1 SVP Update..... | 11 |
| V. Discussion | |
| A. DISC – 2 University Operating Budget Report – 3rd Quarter, Ended March 31, 2022..... | 35 |
| VI. Action | |
| A. BUDC – 1 Proposed 2022-23 University Operating Budget..... | 41 |
| B. BUDC – 2 Proposed 2022-23 University Spending Authority..... | 44 |
| C. BUDC – 3 Proposed 2022-23 Direct Support Organization/Related Entity Operating Budgets..... | 47 |
| D. BUDC – 4 Renewal of Reducing Revolving Line of Credit – Fifth Third Bank..... | 63 |
| E. BUDC – 5 UCF Stadium Corporation Release of Unrestricted Surplus for Fiscal Year Ending June 30, 2023..... | 75 |
| F. BUDC – 6 UCF Convocation Corporation and Spectra Management Agreement Renewal..... | 78 |
| G. BUDC - 7 UCF Convocation Series 2018A Bond Interest Rate Reduction..... | 82 |
| VII. Information | |
| A. INFO – 1 University and Direct Support Organizations Debt Report..... | 117 |
| B. INFO – 2 University Investment Report – 3rd Quarter, Ended March 31, 2022..... | 123 |
| VIII. New Business | |
| IX. Adjournment | |



Board of Trustees

Meeting Agenda

**Board of Trustees Meeting
Budget and Finance Committee
May 19, 2022, 11:00-1:00 p.m.
Virtual Meeting**

Livestream: <https://ucf.zoom.us/j/95121117445?pwd=NzBPbGRsWG1GTm1iVjZpYktRMG9rUT09>
Webinar ID: 951 2111 7445

Conference call number: +1 929 205 6099; Meeting ID: 951 2111 7445

**REVISED
AGENDA**

- | | |
|--|---|
| 1. Call to Order and Welcome | Harold Mills, <i>Chair, Budget and Finance Committee</i> |
| 2. Roll Call | Carmen Jarquin, <i>Administrative Coordinator, Administration and Finance</i> |
| 3. Minutes of the February 15, 2022, meeting | Chair Mills |
| 4. Reports (15-minutes) | Chair Mills |
| DISC – 1 | SVP Update Gerald Hector, <i>Senior Vice President for Administration and Finance</i> |
| 5. Discussion (15-minutes) | Chair Mills |
| DISC – 2 | University Operating Budget Report – 3 rd Quarter, Ended March 31, 2022 Gerald Hector Misty Shepherd, <i>Senior Associate Vice President for Financial Affairs</i> |
| 6. Action (75-minutes) | Chair Mills |
| BUDC – 1 | Proposed 2022-23 University Operating Budget Gerald Hector Misty Shepherd |
| BUDC – 2 | Proposed 2022-23 University Spending Authority Gerald Hector Misty Shepherd |
| BUDC – 3 | Proposed 2022-23 Direct Support Organization/Related Entity Operating Budgets Gerald Hector Christina Tant, <i>Assistant Vice President for DSO Accounting and Reporting</i> |

- | | |
|----------|--|
| BUDC – 4 | Renewal of Reducing Revolving Line of Credit – Fifth Third Bank Gerald Hector Terry Donovan, <i>Executive Senior Associate Athletics Director and Chief Financial Officer for UCFAA</i> |
| BUDC – 5 | UCF Stadium Corporation Release of Unrestricted Surplus for Fiscal Year Ending June 30, 2023 Gerald Hector Terry Donovan |
| BUDC – 6 | UCF Convocation Corporation and Spectra Management Agreement Renewal Gerald Hector Chris McFarlane, <i>Deputy Athletics Director, External Relations and Business Development</i> |
| BUDC – 7 | UCF Convocation Series 2018A Bond Interest Rate Reduction Gerald Hector Bert Francis, <i>Assistant Vice President for Debt Management and University Treasurer</i> |

7. Information (15-minutes)

- | | |
|----------|--|
| INFO – 1 | University and Direct Support Organizations Debt Report Gerald Hector Bert Francis |
| INFO – 2 | University Investment Report – 3 rd Quarter, Ended March 31, 2022 Gerald Hector Bert Francis |

8. New Business

Chair Mills

9. Adjournment

Chair Mills



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees Meeting
Budget and Finance Committee
February 15, 2022
President's Boardroom | Millican Hall, 3rd Floor | Virtual Option

MINUTES

CALL TO ORDER

Trustee Harold Mills, chair of the Budget and Finance Committee, called the meeting to order at 10:00 a.m. Committee members Jeff Condello, Tiffany Altizer, Bill Christy and Joseph Conte were present. Trustee Michael Okaty was absent. Other Trustees attending Joseph Harrington, Caryl McAlpin, Alex Martins (ex officio), John Miklos and Beverly Seay.

MINUTES

Trustee Altizer made a motion to approve the minutes from the November 16, 2021, Budget and Finance Committee meeting. Trustee Conte seconded the motion.

The committee unanimously approved the minutes of the November 16, 2021, Budget and Finance Committee meeting as submitted.

REPORTS

DISC – 1 SVP Update

Gerald Hector, Senior Vice President for Administration and Finance, provided the committee with an update on major accomplishments since the last meeting.

- The financial audit was completed with no material findings or significant weaknesses.
- Unit Testing on Workday has commenced.
- Internal Control Questionnaires for the DSOs were submitted for review by the Board of Governors' selected auditors.
- Transition teams for Service Enhancement Transformation (SET) have been formed. Adjustments will be needed as we begin to better understand skill sets and capabilities. We will also need to add professional development as part of the transformation.
- The CFO Council meetings are going well. Trustee Altizer sits in on the monthly meetings. Monthly CFO to CFO meetings between the SVP and the DSO of

financial teams (augmenting CFO Council) have been launched which allow a better understanding of their financial items and what they need.

- SVP meetings with the faculty groups are ongoing, four have been completed since January 2022, in regard to SET, the new budget model and the new budget system. Feedback has been favorable thus far.
- An RFP/Invitation to Negotiate (ITN) process had to be pulled back a bit to accommodate further due diligence. It should be out by the end of the week. We're looking for investment advisors. We hope to wrap this up by early April at the latest.
- An unsolicited request to sell the university's Educational Broadband Service (EBS) licenses is being negotiated, this is currently in the due diligence phase.

Trustees had the following comments:

- Chair Mills asked for an explanation of what an EBS license is. Hector stated that an EBS license is also known as a wireless spectrum and allows for the transmittal of information. About 15 years ago, there was an FCC auction and UCF was the recipient of three licenses. We leased the licenses to T-Mobile and garnered about \$1M each year in lease payments. The university will never have a use for these licenses other than leasing them.
- Chair Mills then wanted to further clarify that these leases have nothing to do with the internet service or TV that we provide to the dorms. Hector stated that these leases are totally separate and distinct from internet and TV we provide to the dorms. The value of these leases is driven by the size of the population.

Hector next gave an update on the university's Cash Balance. HEERF is strewn into all our cash flow balances, which is driven by the timing of reimbursements. Hector shared that it's time we stop looking at transactional things that happen on campus and start talking about strategy. The chart shows a balance of \$606.8M at the end of 2020 and at the end of 2021, the balance is \$642.1M. This difference indicates that we are moving back to "normal" operations and the timing of reimbursements from HEERF. We are keeping an eye on those areas that received reimbursements from HEERF and reminding them that those funds must be spent first and by June 30, 2022. We're spending a lot of time looking at cash because this year is the first year ever that we have a diminution in revenues. Over the last 15 or so years, we've consistently had a growth in student enrollment of 2% year over year that brought with it about \$15-20M based on SCH. This year we are down about 1700 students, so SCH is also down. For the current fiscal year, we're seeing a \$10M reduction in fungible cash. We are keeping an eye on this and can manage it because \$330M was collected from the BOG. The university had budgeted for less, so the excess fell into carryforward. We are letting the campus know that the days of excess revenues are gone. We must manage within our means and we must decide how to apply carryforward prospectively. Cash is king, but the colors of cash is very important.

Trustees had the following comments:

- Trustee Condello asked if we are looking to reduce the student population over the next 3-5 years. Hector says that yes, this is the case. We are modeling several scenarios around this. We are building out a 5-year rolling forecast on enrollment since it's a key part of the overall E&G picture of the university. We are looking at what the overall impact of an enrollment reduction will do to finances.
- Trustee Condello then asked if we have done an analysis of teacher to student ratio from a financial aspect. Hector stated that we have. The ratio is currently 31:1. If we try to get down to, for instance, 27:1, the university need to invest about \$100M. More of these analyses will be shared in May when a preliminary budget is brought to the board.

Hector next gave an update on the Working Capital Management Group. The invitation to negotiate will go out the door this week. We've decided to invite at most four vendors to come make formal presentations to the budget and finance committee. This change is prudent because we are utilizing vendors and requesting them to do things that are more targeted and focused. A review of the State of Florida rules and regulations around working capital management has also played a part in this new process.

Trustees had the following comments:

- Trustee Christy would like to share that the group is not looking at what was done in the past but are now considering larger banks like Morgan and Goldman Sachs. As such, they have been included in the net as a potential for the ITN as well.
- Trustee Condello asked Trustee Christy to give an overview of the advisory investment. Trustee Christy stated that there are 2 components. The traditional method searches for a firm similar to the one we have today. The new concept acknowledges that there are a lot of major institutions like Morgan Stanley and Goldman Sachs, that handle treasury functions for institutions in a format similar to what we are requesting. We initially were going to look at 3rd party servicers like we use today, but are now broadening the net, so we can have access to products lower in risk and higher in return. The intent is to get proprietary products, not a fund-of-fund or fund managers product. Better options, lower cost, better returns, and lower risk.

Hector next shared the risk heat map. A heat map is a visual of a risk-based approach to finances using the colors of traffic lights. The map is a foray into some of the financial risk measures that the Budget Office has top of mind as we move forward with change management.

Trustees had the following comments:

- Trustee McAlpin had a question regarding tuition and fees. Aren't we allowed by law to increase housing fees and are we looking at this and if so, how much could this bring to the table. Hector stated that we are looking into increasing housing fees. This will be a part of the overall budget that will be presented in May. There are also fees with online learning. Our current fee is \$18/credit-hour where some of our peers are at \$30/credit-hour. We must also look at the impact that an increase in fees will have on our students. This information will be presented in detail in May.

- Trustee McAlpin next asked for the status on the search for the Vice President for Advancement. Hector stated that a committee will be seated in the next couple of weeks. Mike Kilbride is leading the search and we are using an outside firm to assist.
- Trustee McAlpin then asked for the date we are looking at for this person to start. Dr. Cartwright stated that he would like this person in place by July 1.
- Trustee Altizer stated that she really likes the heat map because it visualizes our challenges, and we need to be cognizant of this as we work through our strategic plan.

Hector next gave a recap on priorities through June 30, 2022. The university's number one priority for this year is Knight Vision and we're now seeing that it will require more training and professional development. Other priorities are refinement of the RCM budget model, strategic plan support, new leading standards adoption, review of policies and procedures to streamline operations and a continuation of 'deep dives' into DSOs.

Trustees had the following comments:

- Trustee Christy commented that the Workday transition budget is in place and that customization of components can take time. Do we have the budget for continued Workday modifications? Hector stated that yes, we do have the budget. We are on budget and on track. We are also learning from other institutions of their transition to Workday.
- Trustee Christy stated that the key is to minimize customization wherever possible.
- Trustee Conte asked if we are on target for July 1 go-live? Hector stated that yes, but it is tight. The job market is still having an impact on us.
- Dr. Cartwright thanked Gerald and the team for their focus on this. Many of the things that we're trying to change keeps coming from the same team members. He thanked the leadership team. He is hopeful of the transformation that will come after we end this work.

Hector next gave a brief recap on UCF turnover, recruiting and position management. We continue to be impacted. We are looking at strategies to address it via talent acquisition, remote and hybrid work and streamlining the hiring process. With SET, we will push authority for some things from the centers to the colleges and units. The accountability and ownership to get it done will also go the colleges and units. The deans have asked for this.

Trustees had the following comments:

- Chair Martins wants to ensure we have efficiency in hiring and are not minimizing or changing our hiring standards. Hector stated that our streamlining is efficiency based. Professional development is part of this.

DISC - 2 University Operating Budget Report – 2nd Quarter, Ended December 31, 2021

Hector stated that the cover memo has all the details but emphasized that HEERF envelops most of our operations for the current year. HEERF goes away in May 2022, though we have the ability to extend some things until May 2023. We want to ensure

that we are on budget, we are spending at a manageable level, and our cash position is not strenuous. Our cash burn and seasonality around that cash burn is still something we are trying to understand.

Trustees had the following questions/statements:

- Trustee Harrington commented that we are slightly ahead of the year on revenue and slightly behind the year on expenses. Is this typical? What does our carryforward situation look like since we're under pressure to lower carryforward? What's the projected carryforward at this point? Hector stated that projections on carryforward are tough to answer since we won't really know until the end of the year. The team is arresting all of the variables that drive carryforward prospectively. Despite the diminution of enrollment, we still maintaining at the same level and without much additional strain.
- Trustee Harrington is concerned that supply chain issues are pushing projects later, which means carryforward, and he would like to see actual projections, high or low. He would like to see some sort of difference from prior years. Chair Mills added that in the spirit of inspecting what we expect, we talked about what funds to use first so there's less carryforward at the end of day. What are the tools that will allow us to inspect if we're making progress toward this goal? Hector stated that the inspection is shown on exhibit A. Part of the challenge is how units use carryforward. The board approved \$11.8M for IT to do some one-time things, and now there are supply chain issues that have caused delays until June or the next fiscal year. This year, managing carryforward has been an issue of us getting an understanding of how colleges and units are using carryforward and how they are spending E&G. The mantra we're sending out is "spend E&G first." But some units are not committing to this and will require a mind shift to get onboard. That's what we're addressing and building with the new budget. There is project underway that changes how we show reports starting at the DSO level. The goal is to show you a visual that has the approved budget, the period budget, the period actuals and then comparing the period year over year. This is a big change.
- Chair Mills commented that since a budget was approved with a \$3M deficit, and we are a little ahead of schedule on that today, is there an opportunity to impact that deficit? Hector stated that the deficit will be impacted. The lost revenue pick-up that we received (\$32.1M) will be a factor and should fall to the bottom line. Danta White, Senior Assistant Vice President for Financial Affairs and University Controller, gave a brief recap on this topic and agreed there is an opportunity to address it.

ACTION

BUDC – 1 Operating Budgets for Auxiliary Facilities with Bonded Debt

UCF currently has outstanding bonds in the areas of parking and housing auxiliaries. Hector gave a brief overview of this item and stated that this is a formality. Misty Shepherd, Senior Associate Vice President for Financial Affairs, iterated that the bonds attached to these facilities have requirements about them regarding sufficiency of reserve balances and ensuring these reserve balances are in place so debt covenants are met.

These budgets show that. Chair Mills made a motion to approve this item. Trustee Altizer moved and Trustee Christy seconded. The motion was unanimously approved.

Trustees had the following questions:

- Trustee Condello stated that parking operating expenses are going from \$13M to \$16M, exclusive of salaries, and asked what caused this. Hector stated that last year was a diminished COVID impacted year and we're just getting back to normal operations, which is primarily causing the uptick in expenditures. Danta White confirmed this also.
- Trustee Condello asked for a breakdown of the \$16M expenditure. It seems high. Danta White will provide this. Hector also added that a big chunk is debt service and also transportation shuttles costs. A breakdown is forthcoming.
- Trustee Christy asked about premier pricing for certain rental aspects of the Arena with a defined plan and time. He would really like to see this and to formalize an action plan. Hector stated that this will be included in the May meeting.

INFORMATION

INFO – 1 University Investment Report – 2nd Quarter, Ended December 31, 2021

Bert Francis, Assistant Vice President for Debt Management and University Treasurer, gave a brief overview of this item. We saw net returns of 2.94% this quarter on the structured portfolio. SPIA returned 2.2%. We also rebalanced as described in the cover memo.

Trustees had the following comments:

- Chair Mills commented that once the ITN has been done we will have the opportunity to go back and review our investment policies.

INFO – 2 Direct Support Organizations' (DSO) Financial Reports – 1st Quarter, Ended September 30, 2021

Christy Tant, Assistant Vice President for DSO Accounting and Reporting, gave a brief overview. She stated that the Athletics Association report is excluded from this agenda item due to staff turnover, but will be included next time.

Trustees had the following comments:

- Trustee Condello stated that reformatting of DSO financial reports is imperative. What is the timing of reformatting the reports? Hector stated that the goal to have this done by next quarter.
- Chair Mills reiterated the importance of reformatting these reports.
- Trustee Christy stated that it was important that the new CFO of athletics understand where we are and understand where we need to go. Their next board meeting is scheduled for March to give the CFO the time to develop reporting using today's data. Hector stated that the CFO Council is working on this.
- Chair Martins commended Gerald and the team on the work they are doing. The level of transparency and accountability is rising to a level never seen and this is

a great thing. UCF is creating change equivalent to turning a ship. The level of communication Gerald has with the other CFOs and their focus on consistency and accountability will make us much better.

NEW BUSINESS

The committee had no other business to discuss.

ADJOURNMENT

Chair Mills adjourned the Budget and Finance Committee meeting at 11:30 a.m.

Reviewed by:

Harold Mills
Chair, Budget and Finance Committee

Date

Respectfully submitted:

Mike Kilbride
Associate Corporate Secretary

Date

**Board of Trustees
Budget and Finance Committee | May 19, 2022**

DISC-1: SVP Update

☐ Information

☒ Discussion

☐ Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

The Senior Vice President for Administration and Finance provides the Budget and Finance Committee of the Board of Trustees an update on all matters related to finances and operations of the university at each of their meetings. The updates provide new information or progress on projects, strategies and goals set for the Division of Administration and Finance, and by extension the university. These updates are done to ensure that high level strategies and decisions remain top of mind for trustees, senior leaders, faculty, staff, and students.

Background Information:

This update is a continuation of the April 26, 2022, Virtual BOT Budget Workshop on the university's new budget model, carryforward plan, and other quarterly reports on the finances of the university.

This update is complimentary to the various reports that will be presented for both votes and discussion. This year's budget submission is a pivotal moment in the university's history as we launch the new preliminary incentive-based budget model on July 1, 2022. As we move forward with the new model, we will spend some time looking at the last seven years of Education and General resource allocations by programmatic category and review the categorization of expenses associated with them. The following will be noted:

1. The percentages of resource allocations between programmatic and administrative functions have not changed significantly in the past seven years despite growth in Education and General revenues.
2. Carryforward dollars are generated both within the colleges and central administration.
3. Management philosophies, timing of expenditures, and current processes all contribute to new carryforward each year.
4. A new carryforward policy, coupled with a change in year-end accounting for Purchase Orders will address the size and frequency of new carryforward generated each year.
5. There is an opportunity to start strategically discussing a redeployment of funds to meet the priorities that Dr. Cartwright is proposing in the strategic plan being presented for a vote to the BOT.

There is also an update on the launch of Knight Vision (Workday, Adaptive Planning and Service Enhancement Transformation (SET)). In addition to the model, these new systems and processes undergirds how we will function both financially and operationally for the next decade or more. This SVP update seeks to weave several strands of information into a clear and cogent strategy for managing both the finances and operations of the university in a better manner.



Board of Trustees

Agenda Memo

Recommended Action:

N/A

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 ☒

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:

Attachment A: SVP Update Presentation

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

SVP Update for the Budget and Finance Committee

May 19, 2022

Presented by:
Gerald L. Hector
Senior Vice President for Administration and Finance

TABLE OF CONTENTS

1. Divisional Updates
2. Educational and General Seven Year Allocation Review
3. Educational and General Expenditures and Economic Impact
4. Knight Vision Update
5. HEERF Update
6. Questions

Divisional Update

DIVISIONAL UPDATE

| INITIAL GOAL | STATUS AS OF MAY 2022 |
|--|--|
| From Rocking to Rolling on greater communications with campus | Launched “Dollars & \$ense Launched monthly “From the CFO” |
| Understanding year over year Carryforward | New policy adopted for July 1, 2022 Traced the sources of annual carryforward |
| Understanding Deferred Maintenance needs | Comprehensive deferred maintenance compendium established |
| Establish Real Estate Office | Completed with the hiring of Jonathan Bates from the University of Utah |
| Create Sources and Uses Budget | Completed with May 2022 submission |
| What does it cost to “Educate a Knight”? | Vendor selected for first phase of work |
| Find opportunity costs within budget for reallocation and strategic investment | Sources identified. Further discussions needed with Deans, VP and campus |
| Address Student to Faculty Ratio | Budget conversations have started. Work still needed on priorities to achieve goal |

DIVISIONAL UPDATE



Jonathan Bates
AVP for Real Estate



Kathleen Winningham
Senior Director, Administrative
Service Center

DIVISIONAL UPDATE

1. Launched the search for the Senior Assistant Vice President for Budget and Planning
2. Launched the search for the University Budget Analyst III
3. Both positions are key for our continued transition to our new Responsibility Center Management (RCM) budget model
4. Getting candidates who have worked at R1 institutions utilizing an RCM model will be a bonus for the applicant pool
5. Working with Jon Varnell to fill two key roles in Facilities: (i) AVP for Planning, Design and Construction, and (ii) Senior Director, Utilities and Energy Services.
6. Doing a full review of the Facilities and Information Technology charge back methodology and the proper funding for these two major areas
7. EBS License sales project is still in the due diligence phase with the assistance of a subject matter expert

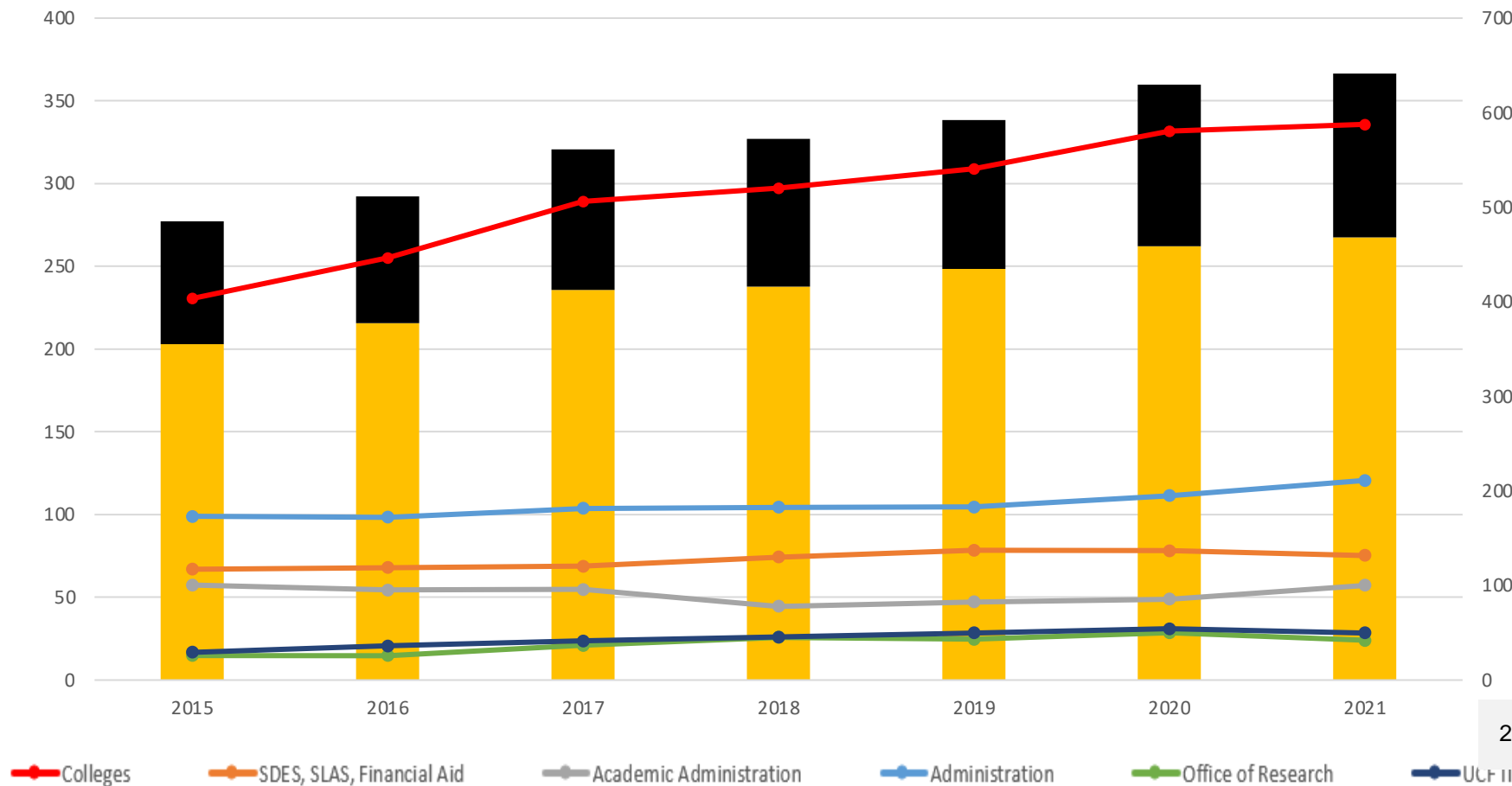


Educational and General Seven Year Allocation Review

| | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| University of Central Florida | | | | | | | | |
| Seven Year E&G Expenditure Analysis | | | | | | | | |
| (Excludes Carryforward Expenses) | | | | | | | | |
| | | | | | | | | Seven Year |
| <u>Description</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>% Change</u> |
| <i><u>Instruction & Student Success</u></i> | | | | | | | | |
| Colleges | 231 | 255 | 289 | 297 | 309 | 332 | 336 | 45% |
| SDS, SLAS, Financial Aid | 67 | 68 | 69 | 74 | 78 | 78 | 75 | 12% |
| Academic Administration | 57 | 54 | 55 | 44 | 47 | 49 | 57 | 0% |
| Subtotal Instruction and Student Success | 355 | 377 | 413 | 415 | 434 | 459 | 468 | 32% |
| Percentage of Total E&G Expenditures | 73% | 74% | 73% | 73% | 73% | 73% | 73% | |
| <i><u>University Administration</u></i> | | | | | | | | |
| Administration | 99 | 98 | 104 | 104 | 105 | 111 | 121 | 22% |
| Office of Research | 15 | 15 | 21 | 26 | 25 | 29 | 24 | 60% |
| UCF IT | 17 | 21 | 24 | 26 | 28 | 31 | 29 | 71% |
| Subtotal of University Administration | 131 | 134 | 149 | 156 | 158 | 171 | 174 | |
| Percentage of Total E&G Expenditures | 27% | 26% | 27% | 27% | 27% | 27% | 27% | |
| Grand Total of E&G Expenditures | 486 | 511 | 562 | 571 | 592 | 630 | 642 | 32% |
| Colleges as a Percentage of Total E&G | 48% | 50% | 51% | 52% | 52% | 53% | 52% | |
| SDS, SLAS, Financial Aid as a percentage of Total E&G | 14% | 13% | 12% | 13% | 13% | 12% | 12% | |
| Academic Administration as a percentage of Total E&G | 12% | 11% | 10% | 8% | 8% | 8% | 9% | |
| University Administration as a percentage of Total E&G | 20% | 19% | 19% | 18% | 18% | 18% | 19% | |
| Office of Research as a percentage of Total E&G | 3% | 3% | 4% | 5% | 4% | 5% | 4% | |
| UCF IT as a percentage of Total E&G | 3% | 4% | 4% | 5% | 5% | 5% | 5% | |

E&G Expenditures 2015 - 2021

Instruction & Student Success Total University Administration Total





Educational and General Expenditures Review

| UNIVERSITY OF CENTRAL FLORIDA FY 2023 | | | | | | |
|---|--------------|------------|--|---|--------------|------------|
| EXPENDITURE ANALYSIS (ALL COLORS) | | | | | | |
| | Expense | | | | Expense | |
| Description | Millions | Percentage | | Description | Millions | Percentage |
| Compensation and Benefits | 838 | 43% | | Compensation and Benefits | 838 | 64% |
| Scholarships, Fellowships and Other Student Financial Aid | 599 | 31% | | Scholarships, Fellowships and Other Student Financial Aid | 0 | 0% |
| Service and Supplies | 310 | 16% | | Service and Supplies | 310 | 24% |
| Other Expenses | 96 | 5% | | Other Expenses | 96 | 7% |
| Utilities and Communications | 41 | 2% | | Utilities and Communications | 41 | 3% |
| Waivers | 36 | 2% | | Waivers | 0 | 0% |
| Captial Assets | 20 | 1% | | Captial Assets | 20 | 2% |
| Debt Service | 10 | 1% | | Debt Service | 10 | 1% |
| | | | | | | |
| Total Budgeted Costs | 1,950 | | | Total Economic Costs | 1,315 | |
| | | | | | | |
| Less Fixed Costs: | | | | | | |
| Compensation and Benefits | (838) | | | | | |
| Scholarships, Fellowships and Other Student Financial Aid | (599) | | | | | |
| Utilities and Communications | (41) | | | | | |
| Waivers | (36) | | | | | |
| Captial Assets | (20) | | | | | |
| Debt Service | (10) | | | | | |
| | | | | | | |
| Estimated Discretionary Funds Available (All Colors) | 406 | | | | | |



Knight Vision Update

KNIGHT VISION UPDATE

1. The project is still scheduled to “go live” on July 1, 2022, with the following key tenets driving the final decision:
 - ❖ Pay our people
 - ❖ Pay our bills
 - ❖ Close our Books
 - ❖ Hire our people
2. The project is still within its \$43 million budget with the contingency of \$7 million in place
3. The contingency might be utilized as we are learning more about post go live support for report writing and case management follow up

Knight Vision Program Timeline & Overall Status

Last Update 04/29/2022

Jan '22 | Feb '22 | Mar '22 | Apr '22 | May '22 | Jun '22 | Jul '22 | Aug '22 | Sep '22 | Oct '22

TODAY

Workday HR and Finance

End-to-End, User Acceptance, & Parallel Payroll Testing

Cutover & Deploy

Workday Go-Live July 1, 2022

Post Go-Live Support & Rollout of Additional Functions

Service Enhancement Transformation (SET)

Transition Strategy Implementation

Training Materials Development & SET Model Staff Identification

Workday Help & SET Call Center

Deploy

Go-Live

Post Go-Live Training and Support

PeopleSoft Retrofits

Functional Specifications & Development

Functional, End-to-End, & User Acceptance Testing

Data Conversion Testing

Cutover & Deploy

Go-Live

Post Go-Live Support

Informatica Integrations Platform Implementation

Development & Testing Prep

End-to-end & User Acceptance Testing for Workday/IdN Integration

Deploy Workday/IdN Integration
Refactor SnapLogic Integrations in Informatica

Go-Live

Ongoing Support and Deprecation of SnapLogic

SailPoint IdentityNow (IdN) Implementation

Initial Configuration

End-to-end & User Acceptance Testing

Remediation, Cutover, & Deploy

Go-Live

IdentityNow Managed Access for Non-Production and Production Downstream (project completion July 2023)

Data Analytics Reporting Environment (DARE)*

Implementation
Partner Contracting

Plan, Design, and Enable
Infrastructure

Data Testing and Validation

Archiving and Warehousing Data (through December 2022)

Data Governance (Informatica Axon)*

Use Case Requirements
and Environment Setup

Data Governance Strategy Planning

Data Governance Program Implementation (through December 2022)

Custom PeopleSoft Applications Replacement (CARP)*

Plan and Initiate CARP
Projects

Priority Custom Application Replacement

Continued Custom Application Replacement (through June 2023 or beyond, pending funding)

Adaptive Planning Phase 2*

Development

Testing

User Acceptance
Testing

Deploy

Go-Live

*Detailed schedules and costs are still being evaluated

Key: ● On Track ● At Risk ● Critical

Knight Vision Roadmap

Begin Workday Student

UCF Data Governance Program

December 2022

Data Analytics Reporting Ecosystem (DARE)
Enterprise Reporting & Analytics Capabilities

Phase 1 – June 2022

Phase 2 – June 2023

HR & Finance SET Implementation

July 2022

Informatica Integrations Platform

June 2022

Custom Applications Replacement
Roadmap Recommendations

January 2022*

Workday Phase 2
HR Functions, Prism

January 2023

Adaptive Planning Phase 2

October 2022

Workday HCM & Finance
Phase 1 Go-Live

July 1, 2022

SailPoint Identity &
Access Management

Phase 1 – July 2022
Phase 2 – July 2023*

PeopleSoft Retrofits

Go-Live June/July 2022

Service Enhancement
Transformation Assessment
Recommendations – June 2021

Adaptive Planning Phase 1

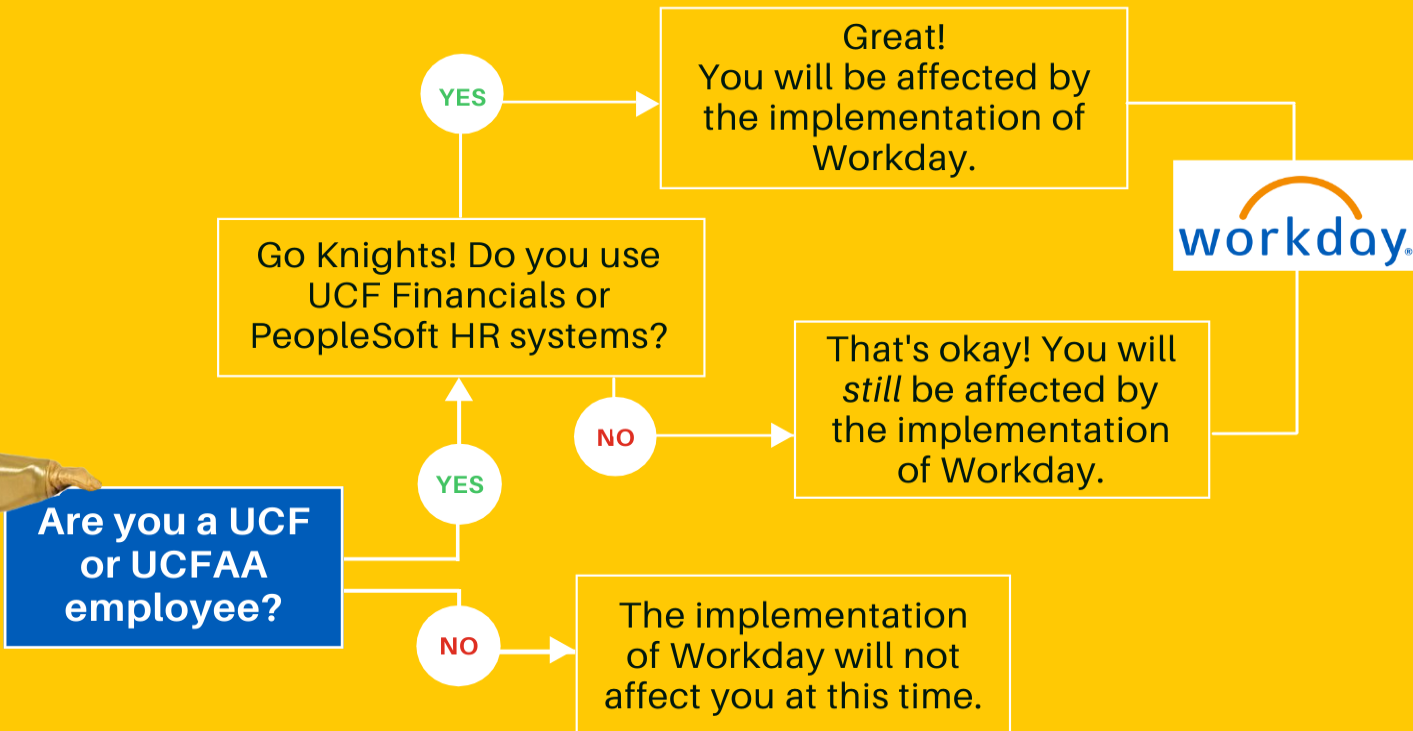
April 27

Last Update: 4/29/2022

*Dates are estimated; planning underway



WILL WORKDAY AFFECT ME?



WORKDAY WILL AFFECT ALL UCF EMPLOYEES STARTING JULY 2022.
STUDENTS WILL BE AFFECTED BY WORKDAY IN THE COMING YEARS.
STAY INFORMED AND UPDATED BY VISITING THE KNIGHT VISION WEBSITE.

[HTTPS://KNIGHTVISION.IT.UCF.EDU](https://knightvision.it.ucf.edu)



28

Workday Quick Facts:

What will training look like?

Real-Time Learning

A delivery method of interacting and engaging with a live presenter or facilitator who guides you through the training. This method allows for in-person, virtual-based learning (Teams/Zoom) or both (hybrid learning).



Self-Driven Learning

A delivery method of accessing training materials and resources at-your-own pace when preferred. This will act as an open education resource that will be accessible as needed over a specified online location.

Virtual Webinar

A presentation-based session over a videoconferencing platform such as Microsoft Teams or Zoom.

Office Hours

Optional one-on-one sessions with a subject matter expert.

Instructor-led Workshops

Sessions that are a combination of webinar and learning lab whereas attendees will participate in both instruction and system-based practice.

Learning Labs

Sessions designed to guide attendees in system-based practice.



Online Tutorials/Webcourses

A visually-appealing online tutorial or webcourse that guides the user on learning a specific concept/topic.

Job Aids

A step-by-step guide on one or more system business process.

Cheat Sheets

A visual one-pager that provides need-to-know information; tips or tricks related to a specific topic.

User Guides

A combination of more than one job aid in one single digital file.

Tenant Practice

End user system access to a Workday training environment that functions similar to a live system.

Finance Business Center

What exactly do they do?

Travel & Procurement Coordinator

Post-Award Grant Specialist

Finance / Budget Analysts

HR Business Center

HR Coordinator

HR Partner



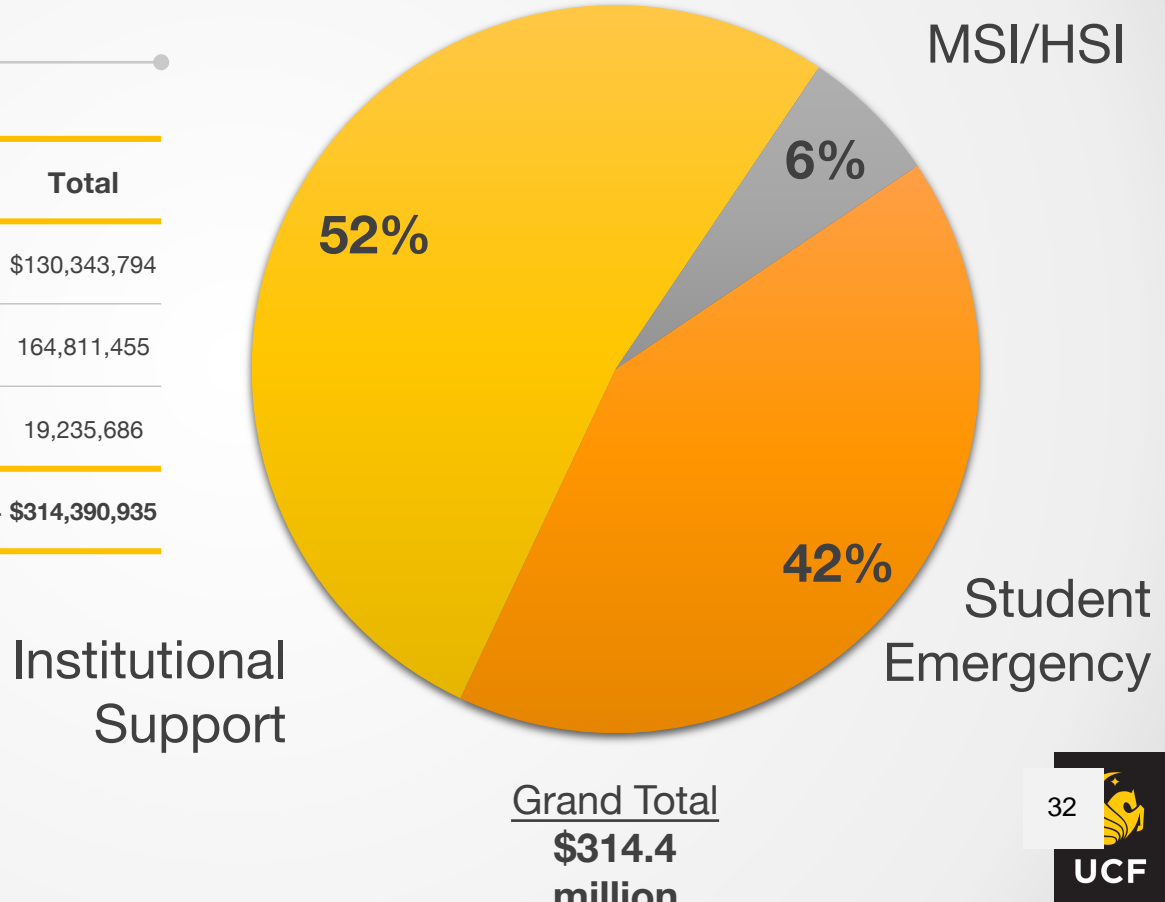
HEERF Update

Higher Education Emergency Relief Fund

University of Central Florida

| Description | HEERF I | HEERF II | HEERF III | Total |
|-----------------------|--------------|--------------|---------------|---------------|
| Student Emergency | \$25,535,625 | \$25,535,625 | \$79,272,544 | \$130,343,794 |
| Institutional Support | 25,535,625 | 63,250,367 | 76,025,463 | 164,811,455 |
| MSI/HSI | 3,752,081 | 5,749,718 | 9,733,887 | 19,235,686 |
| Grand Total | \$54,823,331 | \$94,535,710 | \$165,031,894 | \$314,390,935 |

HEERF Allotments



Higher Education Emergency Relief Fund | Spend by Category

As of May 3, 2022

| Description | Student Emergency | Institutional Support | MSI/HSI | Total |
|---|----------------------|--------------------------|-------------------|--------------------|
| Total Allotment | 130,343,794 | 164,811,455 | 19,235,686 | 314,390,935 |
| Student financial assistance and non-financial support | (130,343,794) | (21,331,781) | (409,625) | (152,085,200) |
| Remote instruction and academic/course delivery support | - | (4,707,998) | - | (4,707,998) |
| COVID-19 response and campus preparedness | - | (18,119,666) | (204,039) | (18,323,705) |
| Technology | - | (4,272,826) | - | (4,272,826) |
| Other Approved Uses | - | (41,890,257) | (18,622,022) | (60,512,279) |
| Total Unspent | - | 74,488,927 | - | 74,488,927 |
| Unspent Allocations | - | (74,488,927) | - | (74,488,927) |
| Adjusted Total Unspent & Unallocated | - | - | - | - |



Thank you



Board of Trustees Budget and Finance Committee | May 19, 2022

DISC-2: University Operating Budget Report – 3rd Quarter, Ended March 31, 2022

☐ Information

☒ Discussion

☐ Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

This item provides the fiscal year 2021-22 (FY22) quarter ending March 31, 2022, operating financials budget-to-actual results and year-over-year comparisons to fiscal year 2020-21 (FY21).

The approved annual budget reflects \$2.2 billion in revenues with the most significant contributing source being Local Funds. They contributed slightly more than one third, Education & General (E&G) contributed approximately one third, and Contracts & Grants (which includes Federal Higher Education Emergency Relief Funds or HEERF), Auxiliary Services and Faculty Practice Plan combined filling out just under one third. After the third quarter of operations, actual revenues are \$1.6 billion or 74.78% of budget. Expenditures are \$1.5 billion or 67.05% of the annual budget. The two combined generated a surplus of \$167.0 million. Compared to prior year actual results, revenues are up 10.76% and expenditures are up 6.64%. Results for individual budget entities and variables are described in further detail below.

Background Information:

Education & General. The Education & General revenues consist of state appropriations (general revenue and Educational Enhancement funds (Lottery)), and student fees which include tuition and out-of-state-fees. Expenditures from these funds are restricted to operating activities for educational purposes including general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment related operations. This budget entity is further segregated into three separate budget entities with separate state appropriations: (1) Main (2) College of Medicine and (3) Florida Center for Students with Unique Abilities (FCSUA).

E&G Main: Actual revenues were \$488.9 million or 74.42% of total budgeted revenues and a increase from prior year of \$13.8 million or 2.90%. The revenue increase is due to a \$27.0 million or 13.76% increase in state appropriations due to timing. In FY21, the State held back 6% of appropriations until May of 2021. This year the state appropriations were in alignment with what we would experience in a normal year. The overall increases for the first three quarters of the fiscal year were off-set by an overall decrease of \$13.8 million primarily due to a decrease in fall and spring tuition revenues of approximately \$10.3 million or 3.54%. The decrease in tuition was a result of transfer students not matriculating. This is a factor in our operations that we are monitoring closely as community colleges across the nation are still rebounding from the impact of COVID-19. We are monitoring all enrollment trends going into fiscal year 2023 as well. There is an enrollment committee that is overseeing that process and meets regularly to look at variables that will impact enrollment from both new FTIC and retention of current students.

Actual expenditures were \$438.8 million or 66.79% of total budgeted expenditures and an increase of \$5.2 million or 1.20% from prior year. The increase in expenditures are primarily due to the university's

write-off of \$3.5 million in tuition and fees for students with outstanding Spring 2020 balances. These write-offs were recovered from Higher Education Emergency Relief Fund (HEERF) funds as lost revenues, however HEERF funds recovered are not reflected in E&G Main revenues due to timing (transfer from C&G to E&G Main occurs in a subsequent quarter). As of the end of the third quarter, approximately \$50.1 million in new E&G carryforward has been generated. We have put in place a new carryforward policy that takes effect with the new fiscal year. Coupling this policy change with our new Workday ERP system and a new year end purchase order process, we anticipate that our monthly expenditures of E&G funds will be more in line with monthly cash burn rates. In essence the mantra going forward for us as a university is to “spend E&G first.”

E&G COM: Actual revenues were \$35.4 million or 74.56% of total budgeted revenues and an increase from prior year of \$1.2 million or 3.36%. The revenue increase is primarily due to timing of state appropriation releases. In FY21, the State held back 6% of appropriations until May of 2021. This year the state appropriations were in alignment with what we would experience in a normal year. Actual expenditures were \$32.0 million or 67.52% of total budgeted expenditures and an increase of \$3.0 million or 10.20% from prior year. The increase in expenditures is primarily due to increases in salaries and benefits. As of the end of the third quarter, approximately \$3.3 million in new E&G carryforward has been generated. The same changes that were made with the main campus around new carryforward were put in place for the College of Medicine. We anticipate the same results from greater scrutiny with the augmented tools we will have in Workday as our ERP.

E&G FCSUA: Actual revenues were \$6.7 million or 75.00% of total budgeted revenues and an increase from prior year of \$0.4 million or 6.38%. The increase in revenues is as a result of state distribution timing, see E&G Main above for details. Actual expenditures were \$2.1 million or 23.54% of total budgeted expenditures and an increase of \$0.4 million or 23.34% from prior year. The increase in expenditures is due to an increase in transfers for Florida Postsecondary Comprehensive Transition Program Scholarships. The budget utilization rate of 23.54% is primarily the result of timing related to scholarships.

Contracts and Grants (C&G). The C&G budget primarily consists of research activities that are funded by federal, state, local, and private funds. Actual revenues were \$210.4 million or 62.47% of total budgeted revenues and an increase from prior year of \$48.5 million or 29.93%. Actual expenditures were \$199.5 million or 62.33% of total budgeted expenditures and an increase of \$44.5 million or 28.70% from prior year. Both revenue and expenditure increases are primarily due to the recovery of lost revenues from HEERF (\$45.1 million in revenues and corresponding transfers out (i.e., expenditures) to units that incurred the lost revenues).

Auxiliaries. Auxiliary enterprises (auxiliaries) include those activities that are not instructional in nature but support the operation of the university. The primary auxiliary areas include Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, and the Bookstore. The auxiliaries must generate adequate revenue to cover their expenses and allow for future renovations, and building or equipment replacement, if applicable. Several auxiliaries are partially or wholly funded by student fees, including Student Health Services, Parking Services, Material and Supply Fees, and Equipment Fees. The uses of certain auxiliary revenues are restricted by either state statute, BOG regulations, and/or bond covenants. They include the following auxiliaries: Housing (bonded facilities), Parking Services (bonded facilities), Distance Learning, Material and Supply Fees, Equipment Fees, and Administrative Auxiliaries (primarily funded by a charge to auxiliaries for costs borne by the central operations on their behalf). Housing and Parking Services

restrictions will become unrestricted upon payoff of all bonded debt in 2042 and 2032, respectively. Actual auxiliary revenues were \$281.3 million or 97.19% of total budgeted revenues and reflected an increase from prior year of \$85.7 million or 43.83%. Revenue increases were primarily due to receipt of HEERF funding for lost revenues due to COVID (\$40 million) and investment earnings (\$13.3 million). Additionally, with the university returning to full in-person instruction, most auxiliary units experienced revenue increases led primarily by Housing (\$6.0 million increase) and Parking (\$3.0 million increase) over the prior year that was impacted by COVID-19. The Board of Trustees approved funds in the amount of \$11.8 million dollars from carryforward for IT related matters. As of the end of the third quarter, the amount is reflected in Auxiliaries because of the funds being transferred. They will be returned to the source and expenditures and the corresponding revenues will be adjusted in the fourth quarter. Actual expenditures were \$183.4 million or 59.95% of total budgeted expenditures and a decrease of \$0.1 million or 0.06% from prior year. The decrease was primarily attributable to a prior year transfer out to write-off the \$7.5 million Quadrangle Building internal loan. The internal loan was recorded as a Due From Faculty Practice Plan (FPP). The transfer out was the offsetting entry to eliminate the Due From FPP.

Local Funds. The Local Funds budget contains operating resources for the following individual budget entities:

Student Financial Aid (SFA): The student financial aid budget largely represents scholarships, grants, and loan funds that are received by the university and subsequently disbursed to students. SFA accounts for \$727.5 million of the \$835.5 million Local Fund revenue budget and \$839.2 million Local Fund expenditure budget. SFA actual revenues were \$574.8 million (94.72% of total Local Fund revenues) and expenditures were \$581.6 million (95.89% of total Local Fund expenditures). Year-over year increases in revenues (\$29.2 million or 5.35%) and expenditures (\$48.3 million or 9.05%) are primarily due to HEERF emergency student financial aids awards (\$52.9 million revenue increase and \$52.2 million expenditure increase). Revenue increases were offset by decreases in Bright Futures receipts (\$10.7 million) and Federal loans (\$11.3 million) primarily due to timing. Large disbursements of these funds occur at the beginning of the Fall and Spring semesters thus impacting budget utilization. The expenses in this budget will, therefore, not coincide with the months remaining in the year as the expenditure of these funds are not linear as the fiscal year progresses. You see this most clearly in the fact that the remaining budget for revenues is at \$551 million, but the remaining expenditure budget is at \$721 million. That is because our revenues come in along with the semesters, whereas our expenditures for the most part are linear (i.e. monthly) throughout the year. They both converge to the budget adopted by the BOT at year end. Parenthetically, it is for this reason why monitoring cash flow and liquidity by the various “colors of money” that make up the budget is so important.

Student Activities: The student activities budget is funded in three distinct categories; (i) Activity and Service Fee paid by students, (ii) revenues generated from the Student Union, and (iii) revenues generated from the Recreation and Wellness Center. Student Activities accounts for \$20.2 million of the \$835.5 million Local Funds revenue budget, and \$24.2 million of the \$839.2 million Local Funds expenditure budget. Actual revenues were \$22.2 million, an increase of \$5.2 million or 30.52% from prior year. The increase is primarily due to receipt of HEERF funding for lost revenues due to COVID (\$5.0 million). There were no significant budget variations or changes in expenditures.

Concessions: The concessions budget is funded from vending commissions and related sponsorship revenue. These funds are used for events and other expenditures that support the university. Concessions accounts for \$0.8 million of the \$835.5 million Local Funds revenue budget and \$0.8 million of the \$839.2 million Local Funds expenditure budget. Revenues are \$0.9 million, an increase of \$0.9

million or 33,729.22%. The increase is primarily due to receipt of HEERF funding for lost revenues due to COVID (\$0.5 million) and a return to campus. There were no significant budget variations or changes in expenditures.

Technology Fee: The revenue from this fee will be used to enhance instructional technology resources for students and faculty. Technology Fee accounts for \$10.0 million of the \$835.5 million Local Fund revenue budget and \$11.9 million of the \$839.2 million Local Fund expenditure budget. There were no significant budget variations or changes in revenues or expenditures.

Intercollegiate Athletics: Revenues are primarily derived from student athletic fees, ticket sales, and sales of other goods and services. For budgetary reporting to the BOG, Intercollegiate Athletics includes activities of the university direct service organization (DSO) the University of Central Florida Athletics Association (UCFAA). Intercollegiate Athletics accounts for \$74.4 million of the \$835.5 million Local Fund revenue budget and \$74.2 million of the \$839.2 million Local Fund expenditure budget. Due to report timing, UCFAA revenue and expense activity is not included in Local Fund reporting.

Faculty Practice Plan (FPP). The FPP collects and distributes income from faculty billings for patient services to UCF Health to cover the cost of medical services. Due to report timing, second quarter (December 2021) results are presented for FPP. Although this report has a quarter lag, FPP operations are immaterial to the university as a whole and actual third quarter activity is not anticipated to significantly impact variances identified. Actual revenues were \$3.6 million or 40.81% of total budgeted revenues and a decrease from prior year of \$7.7 million or 68.44%. The decrease is primarily due to a prior year \$7.5 million transfer from Auxiliaries to write-off the internal loan related to the Quadrangle Building. The internal loan was recorded as a Due To Auxiliaries within FPP. The transfer in was the offsetting entry to eliminate the Due To Auxiliaries. Actual expenditures were \$3.8 million or 45.85% of total budgeted expenditures and a decrease of \$0.3 million or 6.80% from prior year. There were no significant expenditure budget variations or changes from prior year.

Recommended Action:

For discussion only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

Policy BOT-9, Board Policy for University Operating, Carryforward, and Capital Outlay Budgets; UCF Policy No. 3-211, University Budget Process

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 Administration and Finance

**Supporting Documentation:**

Attachment A: University Operating Budget Report – 3rd Quarter, Ended March 31, 2022

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Misty Shepherd, Senior Associate Vice President for Financial Affairs

Attachment A

University of Central Florida Financial Update - University Summary Quarter Ended March 31, 2021 (75% of year)

| | FY 2022 BOG Approved Budget | FY 2022 Actuals 03-31-2022 | \$ Remaining Budget | % of Budget Used | Prior Period Actuals 03-31-2021 | YOY \$ Fav/(Unfav) Variance | YOY % Fav/(Unfav) Variance |
|--|--|---|------------------------------------|---------------------------------|--|--|---|
| <u>Revenues</u> | | | | | | | |
| E&G Main | 656,939,405 | 488,910,268 | 168,029,138 | 74.42% | 475,135,803 | 13,774,465 | 2.90% |
| E&G College of Medicine | 47,429,146 | 35,362,970 | 12,066,176 | 74.56% | 34,212,111 | 1,150,859 | 3.36% |
| E&G Florida Center for Students with Unique Abilities | 8,984,565 | 6,738,413 | 2,246,152 | 75.00% | 6,334,138 | 404,275 | 6.38% |
| Contracts and Grants | 336,852,798 | 210,435,483 | 126,417,315 | 62.47% | 161,961,196 | 48,474,288 | 29.93% |
| Auxiliaries | 289,466,638 | 281,330,966 | 8,135,671 | 97.19% | 195,595,319 | 85,735,647 | 43.83% |
| Local Funds | 835,466,703 | 606,792,975 | 228,673,729 | 72.63% | 589,976,199 | 16,816,776 | 2.85% |
| Faculty Practice Plan (FPP) | 8,746,368 | 3,569,665 | 5,176,703 | 40.81% | 11,312,445 | (7,742,780) | -68.44% |
| Total Revenues | 2,183,885,624 | 1,633,140,740 | 550,744,884 | 74.78% | 1,474,527,210 | 158,613,530 | 10.76% |
| <u>Expenditures</u> | | | | | | | |
| E&G Main | 656,939,405 | 438,790,004 | 218,149,401 | 66.79% | 433,605,371 | (5,184,633) | -1.20% |
| E&G College of Medicine | 47,429,146 | 32,024,882 | 15,404,264 | 67.52% | 29,060,691 | (2,964,191) | -10.20% |
| E&G Florida Center for Students with Unique Abilities | 8,984,565 | 2,114,574 | 6,869,990 | 23.54% | 1,714,378 | (400,196) | -23.34% |
| Contracts and Grants | 319,991,075 | 199,459,598 | 120,531,476 | 62.33% | 154,980,663 | (44,478,936) | -28.70% |
| Auxiliaries | 305,999,193 | 183,448,761 | 122,550,432 | 59.95% | 183,552,405 | 103,644 | 0.06% |
| Local Funds | 839,173,968 | 606,543,973 | 232,629,995 | 72.28% | 567,963,485 | (38,580,488) | -6.79% |
| Faculty Practice Plan (FPP) | 8,246,368 | 3,781,062 | 4,465,306 | 45.85% | 4,056,837 | 275,775 | 6.80% |
| Total Expense | 2,186,763,719 | 1,466,162,854 | 720,600,865 | 67.05% | 1,374,933,830 | (91,229,025) | -6.64% |
| Surplus/(Deficit) | (2,878,095) | 166,977,885 | (169,855,980) | | 99,593,380 | 67,384,505 | |

Board of Trustees
Budget and Finance Committee | May 19, 2022

BUDC-1: Proposed 2022-23 University Operating Budget

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: May 26, 2022

Purpose and Issues to be Considered:

University budgets are developed in accordance with the laws of Florida and Florida Board of Governors' regulations. The goal of the university's budget planning process is to achieve a balanced budget while optimizing resources and allocating those resources to align with the university's strategic priorities. To achieve this goal, the university has a responsibility to submit an annual operating budget to the Board of Trustees each year.

The Proposed FY 2022-23 Operating Budget is preliminary and has been recommended by the University Budget Committee. The final budget will be presented for approval in the fall once the governor signs the appropriation bill and enrollment is seated.

The annual budget incorporates an all-funds approach and includes the following budget entities:

1. Education and General (E&G)
2. Auxiliary Enterprises
3. Contracts and Grants (including foundation support)
4. Local Funds (including athletics)
5. Faculty Practice Plan

University departments are accountable for their respective budget and will maintain a balanced budget by monitoring spending and notifying the Budget Office in advance of any potential cost overruns. If overspending occurs, departments will work in conjunction with their division budget directors and the Budget Office to resolve the overspending.

During fiscal year 2022-23, staff shall keep the university board of trustees informed of the status of the operating budget through quarterly updates.

Background Information:

This fiscal year 2022-23 Operating Budget represents the first year presented under the university's new Responsibility Centered Management budget model (RCM). This model separates the university into primarily three distinct sections: revenue generating units (colleges), central support units, and auxiliary enterprise units.

Each college and unit were responsible for submitting a budget proposal to the University Budget Committee, reflecting total operating needs for the fiscal year. College operating needs are funded from their allocation of tuition and fee revenue as well as their share of state appropriations. Central support units are funded primarily through an allocation of their costs to each of the revenue generating units. Auxiliary enterprise units are expected to be self-supporting and must balance their projected revenues with their planned expenses. A strategic pool of funds is accumulated through an 18% participation fee charged to the revenue generating units and this pool of funds is used to reallocate resources across the colleges in the form of subvention, at the discretion of the provost.

The initial development of this budget resulted in planned uses that exceeded projected sources by approximately \$21M. This difference was caused by a \$13M increase in necessary central support unit costs coupled by a \$7M decrease in tuition expected. We are confident that this preliminary deficit will be addressed as the work of the UBC continues during the summer well in advance of the final budget being produced. That confidence stems from a keen understanding of where budget opportunities exist to curtail spending and realign resources such that we do not have funds going into carryforward in a subsequent year. The UBC will continue its work over the summer to get the budget into balance.

Recommended Action:

Recommend approval of FY 2022-23 Proposed 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:

Require adjustments to the proposed budget.

Fiscal Impact and Source of Funding:

The proposed operating budget balances sources of funds against uses of funds. Excluding Financial Aid which serves predominately as a pass through, sources of funding for the university are comprised of 37% Tuition and Fees, 29% State Appropriations, 18% contracts and grants, and the remaining 16% from a combination of philanthropy, auxiliary services and other income. The university's largest expense remains in personnel, again excluding financial aid and waivers, compensation and benefits represents 64% or \$837M of total planned expenditures. Services and supplies at \$309M represent another 23% of planned expenditures.

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.

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: Preliminary Consolidated Sources and Uses

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Misty Shepherd, Senior Associate Vice President for Financial Affairs

Attachment A

Consolidated Sources and Uses
Fiscal Year 2022-23
Preliminary

| | Responsibility Centers | Central Support Units | Auxiliary Enterprises | Total Plan |
|--|-----------------------------------|----------------------------------|----------------------------------|----------------------|
| Sources | | | | |
| Tuition and Fees | 376,193,256 | 91,826,364 | 31,192,592 | 499,212,212 |
| Federal and State Student Financial Aid | 16,635,440 | 489,139,249 | - | 505,774,689 |
| State Appropriations | 372,445,800 | 26,930,558 | - | 399,376,358 |
| Contracts and Grants | 153,577,216 | 116,899,212 | 59,511 | 270,535,939 |
| Foundation Support | 9,797,845 | 9,435,195 | - | 19,233,040 |
| Sales and Services | 49,565,114 | 62,074,608 | 47,394,290 | 159,034,012 |
| Investment Income (Realized) | 1,772 | 3,727,513 | 471,460 | 4,200,745 |
| Other Income | 24,059,178 | 46,287,423 | (4,680,393) | 65,666,208 |
| Subtotal Sources | 1,002,275,621 | 846,320,122 | 74,437,460 | 1,923,033,203 |
| Uses | | | | |
| Compensation and Benefits | 515,500,474 | 291,240,416 | 31,070,759 | 837,811,649 |
| Service and Supplies | 65,308,289 | 222,276,843 | 22,156,231 | 309,741,363 |
| Utilities and Communication | 4,162,629 | 32,755,593 | 4,007,962 | 40,926,184 |
| Scholarships, Fellowships and Other Stu. Fin Aid | 68,150,288 | 531,225,702 | 113,300 | 599,489,290 |
| Waivers | 36,380,742 | - | - | 36,380,742 |
| Capital Assets | 8,073,241 | 11,920,095 | 280,000 | 20,273,336 |
| Debt Service | 31,096 | 819,865 | 8,762,263 | 9,613,224 |
| Other Expenses | 22,487,645 | 65,192,379 | 8,123,715 | 95,803,739 |
| Subtotal Uses | 720,094,404 | 1,155,430,893 | 74,514,230 | 1,950,039,527 |
| Central Support Allocation | (299,585,992) | 299,585,992 | - | - |
| Net Operating Surplus/ (Deficit) | (17,404,775) | (9,524,779) | (76,770) | (27,006,324) |
| Provost Participation Fee | (116,922,041) | - | - | (116,922,041) |
| Provost Annual Subvention | - | 116,922,041 | - | 116,922,041 |
| (Increase)/Decrease to Reserve Balance | (4,203,537) | 9,524,779 | 76,770 | 5,398,012 |
| Net After Subvention and Reserves | (138,530,353) | 116,922,041 | - | (21,608,312) |

**Board of Trustees
Budget and Finance Committee | May 19, 2022**

BUDC-2: Proposed 2022-23 University Spending Authority

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: May 26, 2022

Purpose and Issues to be Considered:

Proviso language included annually in the General Appropriations Act (House Bill 5001 for FY 2022-23) 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 Spending Authority for FY 2022-23 in the amount of \$2 billion, is due for submission to the Board of Governors on June 30, 2022.

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 fiscal year 2022-23, the President shall keep the university board of trustees informed of the status of the operating budget through quarterly updates.

Background Information:

The attached proposed spending plan includes assumptions for tuition and state appropriations that have not been finalized. The 2022 legislative session has ended, and we have preliminary numbers pending the Governor’s signature. Additionally, our final tuition projections are established after the beginning of the Fall term once enrollment is seated. What we present today will be noticed as preliminary and in accordance with state regulations, we will be presenting our final fiscal year 2022-23 spending plan in the Fall.

Our preliminary projections include a \$57 million decrease in spending across all budget entities compared to prior year. The predominant driver for this decrease is based on federal relief funding. For fiscal year 2023, the university is planning for most operations to return to pre-pandemic levels and federal support funding, which has contributed significantly over the past two years, to recede accordingly.

Recommended Action:

Recommend approval of fiscal year 2022-23 Proposed University Spending Authority 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 spending authority for fiscal year 2022-23 is \$2 billion which will be funded through approximately \$24M from Non-E&G reserves and the following current year sources:

- | | |
|-------------------------|--------|
| • Educational & General | \$750M |
| • Contracts & Grants | \$303M |
| • Auxiliaries | \$327M |
| • Local Funds | \$734M |
| • Faculty Practice Plan | \$ 15M |

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.

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: Preliminary Spending Authority

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Misty Shepherd, Senior Associate Vice President for Financial Affairs

Attachment A

University of Central Florida Preliminary Spending Authority Fiscal Year 2022-23

| | FY 2021-22 Spending Authority | FY 2022-23 Spending Authority | Increase/ (Decrease) | % Change |
|---|----------------------------------|----------------------------------|-------------------------|--------------|
| E&G Main ¹ | \$ 656,674,814 | \$ 690,440,416 | \$ 33,765,602 | 5.1% |
| E&G College of Medicine ² | 47,429,146 | 50,161,611 | 2,732,465 | 5.8% |
| E&G Florida Center for Students with Unique Abilities | 8,984,565 | 8,984,565 | - | 0.0% |
| Contracts and Grants ³ | 319,991,075 | 303,612,443 | (16,378,632) | -5.1% |
| Auxiliaries ⁴ | 305,999,193 | 326,938,434 | 20,939,241 | 6.8% |
| Local Funds | | | | |
| Student Activities ⁵ | 24,197,328 | 27,405,922 | 3,208,594 | 13.3% |
| Student Financial Aid ⁶ | 727,540,204 | 604,626,432 | (122,913,772) | -16.9% |
| Concessions | 800,000 | 800,000 | - | 0.0% |
| Intercollegiate Athletics ⁷ | 74,209,459 | 83,973,018 | 9,763,559 | 13.2% |
| Technology Fee ⁸ | 11,863,810 | 16,824,738 | 4,960,928 | 41.8% |
| Self-Insurance Plan | 563,167 | 598,630 | 35,463 | 6.3% |
| Faculty Practice Plan ⁹ | 8,246,368 | 14,563,620 | 6,317,252 | 76.6% |
| Total Uses of Resources | \$ 2,186,499,129 | \$ 2,128,929,829 | \$ (57,569,300) | -2.6% |

¹ Increase in E&G Main spending authority is primarily related to

BOG Amendments in 2021-22

| | |
|--------------------------------------|----------------|
| #1 Performance Based Funding | \$ (2,277,594) |
| #2 Risk Management Adjustment | (301,752) |
| #3 Non recurring STEM waiver funding | 2,843,938 |

2021-22 net increase in E&G Authority

| | |
|-------------------------------------|---------------|
| Increase in state tuition authority | \$ 10,659,815 |
|-------------------------------------|---------------|

Changes in state appropriation:

| | |
|--|---------------|
| Operational Support | \$ 20,000,000 |
| Nursing Education | 6,930,558 |
| Technical Transfers between Main and MD appropriations | (710,425) |
| Adjustment to non-recurring PTSD Clinic funding | (535,000) |
| Reversal of non-recurring STEM waivers | (2,843,938) |

2022-23 E&G Main net increase in state appropriations

| |
|---------------|
| \$ 33,765,602 |
|---------------|

² Increase in E&G MD spending authority is primarily related to

| | |
|--|--------------|
| Increase in state tuition authority | \$ 2,022,040 |
| Technical Transfers between Main and MD appropriations | 710,425 |

2022-23 E&G MD net increase in state appropriations

| |
|--------------|
| \$ 2,732,465 |
|--------------|

³ **Contracts & Grants** - The \$16.4m decrease in Contracts & Grants is primarily related to a \$30m decrease in HEERF spending and a projected ~\$13.7m increase in Contracts and Grants expenditures. The increase in expenditures is driven by a 12% increase in awards.

⁴ **Auxiliaries** - The \$21m increase in spending authority for Auxiliaries is being requested to allow the university sufficient flexibility for the use of the FY21 and FY22 revenue losses reimbursed by HEERF.

⁵ **Student Activities** - The \$3.2m increase in Student Activities is primarily driven by the inclusion of the Student Government Association Ticket Center. This activity was previously classified as an Auxiliary activity.

⁶ **Student Financial Aid** - The \$123m or 17% decrease in Student Financial Aid is primarily due to the following items:

| | |
|---|------------------|
| Adjusting Federal funds budget to account for decrease since 2019-20 | \$ (84,000,000) |
| Federal and private loans budget was inflated due to the pandemic | (33,600,000) |
| Decrease to Bright Futures budget to better align with historical actuals | (16,100,000) |
| Projected growth in need based awards | 10,800,000 |
| | \$ (122,900,000) |

⁷ **Intercollegiate Athletics** - This budget is preliminary and has not been approved by the UCFAA Board. The \$9.3m increase is primarily due to inflationary cost escalation, and contractual salary increases.

⁸ **Technology Fee** - The \$4.9m increase in spending authority is primarily due to expected accelerated spending related to classroom technology improvements and to complete ongoing technology projects.

⁹ **Faculty Practice Plan** - The fiscal 2022-23 spending authority includes a full year of personnel and administrative costs for UCF Health and HealthARCH staff employed in partnership with CoAdvantage. This is the primary driver for the \$6.3m or 77% increase in fiscal 2022-23.

Board of Trustees
Budget and Finance Committee | May 19, 2022

BUDC-3: Proposed 2022-23 Direct Support Organization/Related Entity Operating Budgets

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: May 26, 2022

Purpose and Issues to be Considered:

Approval of the DSO annual proposed budgets for fiscal year ending June 30, 2023, is requested. These budgets have already been approved by the respective DSO boards of directors.

Background Information:

UCF Athletic Association Inc.

The Athletics Association was organized to operate the university's intercollegiate athletic programs. The Association is closely inter-connected with and acts in good faith as "manager" for the UCF Stadium Corporation and the arena operations of UCF Convocation Corporation. Assumptions for fiscal year 2023 budget include the Association being able to host seven home football games at the stadium and full spectator seating capacity.

The proposed budget includes the following key assumptions:

- Lost revenue recovered via federal HEERF funds will help stabilize the current budget.
- Other donations for operating reflect increased R&R needs. Sources include sport specific donations and Shareholder Society funds needed for operations this year. Fundraising for facility projects will continue to be a point of emphasis.
- NCAA/conference distributions are finalized in June after AAC board meetings. As of April 26, 2022, they have not provided projections for next year. Increase budget is based upon historical information but is expected to vary.
- Anticipated AAC exit fee pending conference negotiations.
- UCFAA debt service includes annual debt service on the Roth Athletics Center, funded by donations, and the construction line of credit with Fifth Third Bank. Donations for pledges were moved up to Operating Revenues. The University agreed to defer its \$1 million loan repayment for FY21 and FY22. \$1M repayment begins again in FY23.
- All stadium R&R expenses will be funded by the UCFAA directly and have been included in this budget including rust remediation.

UCF Stadium Corporation

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.

Budgeted revenues are anticipated to yield sufficient funds to cover debt service payments due on the term loan semi-annually in September and March and remit surplus unrestricted revenues of approximately \$8.3 million back to the UCF Athletic Association. Approval for the release of surplus revenues is submitted under agenda item BUDC-5

UCF Academic Health

UCF Academic Health, Inc. (UCFAH) 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. UCFAH was established in 2016. In July 2019, it began leasing space to outside tenants in the Lake Nona Cancer Center.

The proposed budget reflects sub-lease revenue from current clinical lease arrangements which has increased by 3% due to an annual rent and common area maintenance escalation clause included in the lease agreements. The expense budget includes rent and building operations expense payable to the UCF Real Estate Foundation (which owns the Lake Nona Cancer Center Building) and operations expense for UCFAH. The UCFAH operating expense budget covers consulting, financial audit and software expense, as well as officer and general liability insurance. The increase in facility expense corresponds to the increase in lease revenue received from sub-lease tenants.

UCF Convocation Corporation

UCF 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 proposed budget is expected to yield sufficient revenues to cover operational expenses of these facilities, fund required debt service obligations related to its housing and arena bonds and non-recurring repair and replacement (R&R) reserves. The surplus generated from the housing operations contributes toward the funding of the arena debt. This is consistent with prior years and was intended during the original financing of the project.

The proposed budget includes the following key assumptions:

Housing Operations:

Towers revenue is trending above budgeted expectations for the current fiscal year and fiscal year 2023 is budgeted to be in line with current fiscal year projections. Parking revenue \$1.03 million is consistent with lease agreement with UCF Parking Services.

Expenditures for the current fiscal year are trending slightly higher than budget due to increased labor costs for maintenance and custodial. Proposed fiscal year 2023 expenditures are projected to increase as the cost of goods and services increase. In line with the rest of campus, due to external rate increases utility expenses are expected to increase. A restructuring of the Corporation's insurance policies are resulting in significant savings in both the housing and arena operating expense sections.

Towers spring 2022 occupancy is 5.4% higher than spring 2021 and currently resides at 99%. Off-campus private student occupancy is at an average of 95.5%. Overall, the student housing market is strong with private student housing pre-leased for the fall 2022 at 80%. Towers pre-lease is at 118% for the fall 2022.

Retail Operations:

Budgeted revenues are based on a 95% occupancy rate for fiscal year 2023, after fiscal year 2022 holding steady through the COVID-19 period at 89% occupancy in retail leases. Currently there are two retail spaces open with active solicitations ongoing for new occupants.

Arena Operations:

Arena business operations are anticipated during fiscal year 2023 to remain on the path to more stability as we continue to adjust to the lingering effects of the pandemic.

Using emerging entertainment industry trends, current engagement level by event planners, and historical information, an aggressive event revenue budget has been developed for fiscal year 2023. The \$2,250,092 planned in Total Event Revenue is the highest budgeted figure in this category in the buildings' history. Ancillary revenue streams continue to be where the most significant net income is generated for all events, particularly in food and beverage, ticket fees, and parking. Threats at the time of budget creation, such as economic recession tied to inflation or geopolitical conflict, COVID-19 variants/resurgence, and timing of event bookings in relation to facility availability could alter business operations in an unforeseeable way. Event expenses related to several areas continue to rise as a result of staffing shortages, supply chain issues, and rate changes. Improvements in Ticketmaster service charge rates, continued efforts to maximize net rent, and several other efficiency initiatives are expected to continue to drive event revenues.

UCF Finance Corporation

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

Transfers from the 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.

The Burnett loan matures June 30, 2038. Scheduled debt service payments include principal (\$2.8 million) and interest (\$1.2 million), which will leave a remaining outstanding balance of \$50.2 million at the end of the fiscal year ending June 30, 2023.

Debt associated with the construction of the UCF downtown campus was paid off during fiscal year ending June 30, 2022, with pledge receipts from UCF Foundation.

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 UCF Foundation prepared a budget for fiscal year 2022-23 to support the goal of becoming a sustainable \$100 million annual fundraising organization. Considering current economic conditions and

resources required to support this goal the Foundation is proposing an increase of \$5 million over the prior year's budget.

UCF Limbless Solutions, Inc.

Limbless Solutions, Inc. (LSI) produces artistic prosthetic medical devices, conducts research, and promotes STEM/ STEAM education.

LSI has entered into two new clinical research studies with two additional hospital partners. Up to 25 participants will be selected with arm deliveries expected to be completed in the Fall of 2022.

LSI has concluded the move to a new laboratory space and acquired several pieces of new equipment over the course of fiscal year 2022. Additional manufacturing equipment is anticipated for purchase in fiscal year 2023. All other amounts are consistent with conservative yearly trends. Purchasing of certain hardware and equipment may be delayed due to supply chain challenges. LSI has developed a relationship with partners and sponsors who are willing to fund hourly employed students, who gain valuable hands-on experience. LSI transfers the funds received from the partnership to the university staffing department that covers the employment of LSI hourly students.

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.

Revenue and expenses for contracts and grants exceeds the fiscal 2022 annualized projected actuals amount and the fiscal 2022 budgeted amount due to the expected continued growth in sponsored research.

A large decrease is anticipated for conferences and workshops due to the unanticipated separation from GrowFL. GrowFL was an entrepreneurial program that started in 2009 as a statewide program to serve second stage companies. UCF/UCFRF was selected to administer the program through 2021. At such time, GrowFL registered and became their own separate non-profit entity.

Central Florida Clinical Practice Organization

The CFCPO is an affiliated organization formed to support the medical education program and clinical faculty within the College of Medicine.

The proposed budget reflects a 49% increase in revenue primarily resulting from the planned increase of four new physicians and two clinical educators for the faculty practice plan and the addition of the new UCF Health Infusion Center which has been ramping up operations during fiscal 2022. The increase in other revenues is due to UCF Clinical LLC, a new subsidiary and disregarded entity under the CFCPO. It has a contract arrangement with a professional employer organization that employs the clinical and administrative staff for UCF Health and HealthARCH.

The increase in professional services expense reflects a full year of personnel and administrative costs for UCF Health and HealthARCH staff compared to six months in the prior year. The increase in medical supplies expense is due to the pharmaceutical expense budget for the UCF Health Infusion Center and higher patient volume. The pharmaceuticals utilized by the Infusion Center are high-dollar drugs that on average are about 85% of the revenue that the center generates. Facility expense for the clinics has

been moved to the College of Medicine budget creating a decrease in budgeted expense for CFCPO. The purpose of this move is to simplify intercompany transactions between the College of Medicine and the CFCPO. The increase in the transfer of funds to the College of Medicine is to support the anticipated start-up costs of new UCF Health physicians and to support the College's research mission by investing in the Burnett Cancer Research Division which is moving to the UCF Lake Nona Cancer Center building. These transfers will also fund facility and other UCF Health related costs paid by the College of Medicine. It is intended that these one-time investments totaling \$1.1 million will come from cash reserves which is reflected in the budget deficit of \$1.9 million. The remaining \$0.8 million will be funded through expected savings not included in the budget. Currently, the CFCPO is forecasted to have year-end cash reserves of over \$8 million.

Recommended Action:

Approve the DSO proposed budgets as presented.

Alternatives to Decision:

Do not approve the DSO proposed 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:

Delegation of Authority to the President, Miscellaneous Powers and Duties, 6(c) Recommend for Board of Trustees' approval annual operating and capital budgets for Affiliated Organizations.

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 Finance and Administration

Supporting Documentation:

Attachment A: UCF Athletic Association Inc.

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: UCF Stadium Corporation

Attachment I: Central Florida Clinical Practice Organization

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Finance and Administration

Christina Tant, Assistant Vice President for DSO Accounting and Reporting

Attachment A

**UCF Athletics Association
Operating Budget
Fiscal Year 2022-23**
Pending UCFAA Board Approval in May 2022

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|--|--|--|--|-------------------------------------|------------|
| <u>Funding Sources</u> | \$ | \$ | \$ | \$ | % |
| Student athletic fees | 23,200,964 | 25,104,281 | 23,524,649 | (323,685) | -1% |
| Higher education emergency relief fund (Heerf) | 12,000,000 | - | 5,000,000 | 7,000,000 | 140% |
| Ticket sales and ticket related transactions | 12,138,189 | 11,089,731 | 11,650,550 | 487,639 | 4% |
| Philanthropic Donations for Operating | 1,549,000 | 589,045 | 1,366,472 | 182,528 | 13% |
| Game Guarantees Received | 401,000 | 333,000 | 364,725 | 36,275 | 10% |
| Sponsorships | 10,375,000 | 8,025,000 | 8,152,877 | 2,222,123 | 27% |
| Pledges to be used for debt service | 2,955,650 | 2,874,000 | 2,967,535 | (11,885) | 0% |
| NCAA/ conference distributions | 8,676,161 | 8,329,318 | 8,329,318 | 346,843 | 4% |
| Other athletic revenues | 1,690,139 | 2,171,659 | 1,283,753 | 406,386 | 32% |
| Scholarship support from university | 9,463,000 | 10,263,000 | 10,263,000 | (800,000) | -8% |
| Advance of future revenues Big 12 | 5,000,000 | - | 7,000,000 | (2,000,000) | -29% |
| Revenue received from SC Transfer ¹ | 4,012,963 | 3,650,563 | 3,329,964 | 682,999 | 21% |
| Total Funding Sources | 91,462,066 | 72,429,597 | 83,232,843 | 8,229,223 | 10% |
| <u>Funding Uses</u> | | | | | |
| Scholarships | 10,217,157 | 10,822,154 | 10,590,401 | 373,244 | 4% |
| Employee compensation | 29,859,468 | 27,891,255 | 27,596,475 | (2,62,993) | -8% |
| Sport operations | 10,644,818 | 10,507,790 | 12,039,676 | 1,394,858 | 12% |
| Support operations | 15,468,823 | 13,580,241 | 12,626,920 | (2,841,903) | -23% |
| Non-recurring operations | 1,828,825 | 1,719,301 | 1,852,802 | 23,977 | 1% |
| AAC Exit Fees Anticipated | 5,000,000 | - | 5,000,000 | - | 0% |
| Guaranteed Royalty and Rent to Stadium Corp ¹ | 4,071,000 | 4,021,000 | 4,021,000 | (50,000) | -1% |
| Retained Earnings for Liquidity (Reserve) | 2,500,000 | - | - | (2,500,000) | |
| Total Funding Uses | 79,590,091 | 68,541,741 | 73,727,274 | (5,862,817) | -8% |
| <u>Non-operating Sources/ (Uses)</u> | | | | | |
| Restricted accounts capital donations | - | 1,018,812 | 3,581,456 | (3,581,456) | -100% |
| Restricted accounts outlay | - | (819,812) | (1,651,390) | 1,651,390 | -100% |
| Capital projects outlay | - | (1,960,048) | (2,639,562) | 2,639,562 | -100% |
| Interest income | - | - | - | - | |
| Interest expense | (730,116) | (376,860) | (553,218) | (176,898) | 32% |
| Principal | (3,652,811) | (2,307,000) | (2,307,000) | (1,345,811) | 58% |
| Total Non-operating Sources/ (Uses) | (4,382,927) | (4,444,908) | (3,569,714) | (813,213) | 23% |
| Surplus/(Deficit) | 7,489,048 | (557,052) | 5,935,855 | 1,553,193 | 26% |

AA Debt Service Summary

| | Annual Debt Service | | | Outstanding Principal | |
|--|---------------------|----------------|------------------|-----------------------|-------------------|
| | Principal | Interest | Total | As of 6/30/22 | As of 6/30/23 |
| Fifth Third - Line of Credit | 320,000 | 92,277 | 412,277 | 4,775,000 | 4,455,000 |
| Regions - Construction Note (Roth Athletic Center) | 2,619,000 | 81,650 | 2,700,650 | 5,392,000 | 2,773,000 |
| UCF Foundation - Line of Credit | - | 270,000 | 270,000 | 9,000,000 | 9,000,000 |
| UCF - Loan | 713,811 | 286,189 | 1,000,000 | 5,198,890 | 4,485,079 |
| Total Debt Service | 3,652,811 | 730,116 | 4,382,927 | 24,365,890 | 20,713,079 |

¹ The new budget format presents the release of unrestricted surplus from UCF Stadium Corp as a funding source and the guaranteed royalty and stadium rent

R&R Reserve Summary

| | Estimated Fiscal Year 2023 Balances | | | |
|--|-------------------------------------|--------------------|-----------------------|----------------|
| | Beginning of Year | Reserve Funding | Estimated Expenses | End of Year |
| Non-recurring maintenance (R&R) Expenses | - | - | - | - |
| Total R&R Reserve Activity | - | - | - | - |

Attachment B

UCF Academic Health, Inc. Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|---------------------------------------|-------------------------------|-------------------------------|---------------------------------|-----------------------------|-----------|
| <u>Funding Sources</u> | \$ | \$ | \$ | \$ | % |
| Commercial Lease Revenue ¹ | 2,725,029 | 2,644,288 | 2,644,181 | 80,847 | 3% |
| Total Funding Sources | 2,725,029 | 2,644,288 | 2,644,181 | 80,847 | 3% |
| <u>Funding Uses</u> | | | | | |
| Professional Services ² | 17,500 | 15,340 | 25,300 | 7,800 | -31% |
| Supplies Expense | - | - | - | - | 0% |
| Facility Expense ³ | 2,518,501 | 2,451,492 | 2,438,110 | (80,390) | 3% |
| Information Technology ⁴ | 7,916 | 7,680 | 7,000 | (916) | 13% |
| Other Expense ⁵ | 181,112 | 169,777 | 173,771 | (7,341) | 4% |
| Total Funding Uses | 2,725,029 | 2,644,288 | 2,644,181 | (80,847) | 3% |
| Sources Less Uses | - | - | - | - | 0% |

¹UCF Academic Health, Inc. (UCFAH) receives sub-lease revenue from lease arrangements with private partners in the UCF Lake Nona Cancer Center. The 3% increase is due to an annual rent & CAM escalation clause that is included in the lease agreements.

²The FY23 Professional Services budget includes accounting audit and legal fees. The decrease is the result of additional expense incurred in FY22 for consulting fees related to the development of internal control policies.

³Facility Expense reflects rent plus CAM paid to the UCF Real Estate Foundation (UCF REF) which owns the Lake Nona Cancer Center building. The increase in expense corresponds to the increase in lease revenue received from the sub-lease tenants.

⁴Information Technology Expense reflects the cost of accounting software which increased by 13% at the last renewal.

⁵The increase in Other Expense is due to an increase in sales tax expense corresponding to the increase in lease revenue. In addition, Officer and General Liability insurance increased at renewal.

Attachment C

UCF Convocation Corporation Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|---|-------------------------------|-------------------------------|---------------------------------|-----------------------------|------------|
| Housing Operations | \$ | \$ | \$ | \$ | % |
| <u>Operating Revenues:</u> | | | | | |
| Apartment Rental | 17,337,919 | 16,793,024 | 17,336,536 | 1,383 | 0% |
| Miscellaneous Rental Fees and Revenue | 350,000 | 350,000 | 350,000 | - | 0% |
| Parking Revenue | 1,036,388 | 1,036,388 | 1,036,388 | - | 0% |
| Total Operating Revenues | 18,724,307 | 18,179,412 | 18,722,924 | 1,383 | 0% |
| <u>Operating Expenses:</u> | | | | | |
| UCF Housing Administration | 961,777 | 893,095 | 885,872 | (75,905) | -9% |
| Maintenance and Custodial | 1,764,995 | 1,464,660 | 1,495,851 | (269,144) | -18% |
| Salaries | - | - | - | - | - |
| Utilities | 1,843,457 | 1,643,810 | 1,598,955 | (244,502) | -15% |
| Communication Services | 328,824 | 347,707 | 294,781 | (34,043) | -12% |
| Insurance | 65,439 | 350,000 | 433,351 | 367,913 | 85% |
| Management Fees | 272,921 | 230,805 | 265,298 | (7,623) | -3% |
| Other Expenses | 165,000 | 155,000 | 150,000 | (15,000) | -10% |
| Total Operating Expenses | 5,402,412 | 5,085,077 | 5,124,108 | (278,304) | -5% |
| <u>Non-Operating Revenue/(Expenses):</u> | | | | | |
| Interest Earnings | 165,000 | 110,000 | 285,451 | (120,451) | -42% |
| Housing debt service - principal | (5,100,000) | (4,930,000) | (4,930,000) | (170,000) | 3% |
| Housing debt service - interest | (2,936,384) | (3,112,912) | (3,112,912) | 176,528 | -6% |
| Housing R&R reserve contributions | (500,000) | (462,000) | (462,000) | (38,000) | 8% |
| Total Non-Operating Revenue/Expenses | (8,371,384) | (8,394,912) | (8,219,461) | (151,923) | 2% |
| Housing Operations Surplus/(Deficit) | 4,950,511 | 4,699,423 | 5,379,355 | (428,845) | -8% |
| Retail Operations | | | | | |
| <u>Retail Revenue:</u> | | | | | |
| Arena Rental Revenue | 1,057,463 | 1,122,999 | 1,014,220 | 43,243 | 4% |
| Housing Retail Revenue | 602,630 | 579,432 | 563,478 | 39,152 | 7% |
| Additional Rent | 268,502 | 281,881 | 267,302 | 1,200 | 0% |
| Total Retail Revenues | 1,928,595 | 1,984,312 | 1,845,000 | 83,595 | 5% |
| <u>Retail Expenses:</u> | | | | | |
| Common Area Maintenance | 179,389 | 211,400 | 115,000 | (64,389) | -56% |
| Management Fees | 115,407 | 116,092 | 116,092 | 685 | 1% |
| Leasing Commissions | 15,000 | 16,000 | 5,000 | (10,000) | -200% |
| Branding | 12,000 | 48,000 | 5,000 | (7,000) | -140% |
| Bad Debt expense | - | - | - | - | - |
| Total Operating Expenses | 321,796 | 391,492 | 241,092 | (80,704) | -33% |
| Retail Operations Surplus/(Deficit) | 1,606,799 | 1,592,820 | 1,603,908 | 2,891 | 0% |
| Arena Operations | | | | | |
| <u>Direct Event Revenue</u> | | | | | |
| Gross Ticket Revenue | 4,890,516 | 1,030,892 | 3,838,949 | 1,051,567 | 27% |
| Facility Rental | 1,709,575 | 1,497,331 | 199,678 | 1,509,897 | 756% |
| Event Production Costs | (6,833,432) | (2,574,225) | (4,356,649) | (2,476,783) | 57% |
| Net Service Revenue | 198,933 | 162,533 | 203,811 | (4,878) | -2% |
| Total Direct Event Revenue | (34,408) | 116,531 | (114,211) | 79,803 | -70% |
| <u>Ancillary Revenue</u> | | | | | |
| Concession and Catering Commissions | 400,500 | 201,884 | 545,313 | (144,813) | -27% |
| Novelty Revenue | 78,952 | 33,191 | 75,350 | 3,602 | 5% |
| Ticket Master Rebates Revenue | 481,456 | 139,359 | 636,622 | (155,166) | -24% |
| Parking | 308,519 | 183,629 | 188,793 | 119,726 | 63% |
| Suite Revenue | 105,642 | 72,236 | 161,816 | (56,174) | -35% |
| Facility Fee | 286,625 | 73,125 | 241,696 | 44,929 | 19% |
| Total Ancillary Revenue | 1,661,694 | 703,424 | 1,849,590 | (187,896) | -10% |

| | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|-------------|
| <u>Other Revenue</u> | | | | | |
| UCFAA Rent | 535,000 | 535,000 | 535,000 | - | 0% |
| Miscellaneous | 87,806 | 122,696 | 119,533 | (31,727) | -27% |
| Total Other Revenue | 622,806 | 657,696 | 654,533 | (31,727) | -5% |
| Total Event Revenue | 2,250,092 | 1,477,651 | 2,389,912 | (139,820) | -6% |
| <u>Arena Operating Expenses</u> | | | | | |
| Salaries Administrative | 1,351,741 | 1,172,900 | 1,243,546 | (108,195) | -9% |
| Travel, Training, and Entertainment | 23,934 | 9,750 | 5,985 | (17,949) | -300% |
| Office Expenses | 112,835 | 117,589 | 102,008 | (10,827) | -11% |
| Advertising | 17,422 | 7,469 | 4,571 | (12,851) | -281% |
| Contracted Services | 55,012 | 15,725 | 16,658 | (38,354) | -230% |
| Utilities | 1,342,893 | 1,316,857 | 1,179,125 | (163,768) | -14% |
| Building Expenses | 28,533 | 23,850 | 15,865 | (12,668) | -80% |
| Equipment Repairs and Maintenance | 10,500 | 20,200 | 41,556 | 31,056 | 75% |
| Insurance | 65,439 | 342,588 | 327,690 | 262,252 | 80% |
| Consulting Fees | - | 109,200 | 36,400 | 36,400 | 100% |
| Management Fees | 265,686 | 165,705 | 226,739 | (38,947) | -17% |
| Total Operating Expenses | 3,273,995 | 3,301,833 | 3,200,143 | (73,852) | -2% |
| Gross Building Operating Revenues/(Loss) | (1,023,903) | (1,824,182) | (810,231) | (213,672) | 26% |
| <u>Arena Other Non-Event Related Expenses</u> | | | | | |
| Salaries | - | - | - | - | - |
| Maintenance and Custodial | 732,321 | 699,491 | 596,295 | (136,026) | -23% |
| Building Supplies | 80,000 | 68,000 | 19,131 | (60,869) | -318% |
| Repairs and Maintenance | 270,200 | 211,000 | 7,559 | (262,641) | -3475% |
| Licenses and Permits | 3,000 | 4,200 | - | (3,000) | - |
| Contracted Services | 128,082 | 62,200 | 109,282 | (18,800) | -17% |
| Janitorial | 14,500 | 12,000 | 76,792 | 62,292 | 81% |
| Total Other Non-Event Operating Expenses | 1,228,103 | 1,056,891 | 809,059 | (419,044) | -52% |
| <u>Other Operating Revenues/(Expenses)</u> | | | | | |
| UCF Operating Agreement | 2,200,000 | 2,200,000 | 2,200,000 | - | 0% |
| Sponsorship | 125,000 | 125,000 | 125,000 | - | 0% |
| Naming Rights | 825,000 | 800,000 | 800,000 | 25,000 | 3% |
| Less Naming Rights Expenses | (15,000) | (6,500) | (6,500) | (8,500) | 131% |
| Premium Seating | 398,150 | 386,500 | 388,790 | 9,360 | 2% |
| Less Fulfillment Cost | (191,100) | (175,830) | (175,000) | (16,100) | 9% |
| Less Administration Cost | (55,000) | (50,000) | (50,000) | (5,000) | 10% |
| Total Other Operating Revenues/(Expenses) | 3,287,050 | 3,279,170 | 3,282,290 | 4,760 | 0% |
| Net Arena Operating Revenues/(Loss) | 1,035,045 | 398,097 | 1,663,000 | (627,956) | -38% |
| <u>Nonoperating Revenues/(Expenses)</u> | | | | | |
| Transfers to UCF | (500,000) | - | - | (500,000) | - |
| Interest Earnings | 10,000 | 9,900 | 11,531 | (1,531) | -13% |
| Transfer from housing | - | - | - | - | - |
| Arena debt service - principal | (3,480,000) | (3,360,000) | (3,360,000) | (120,000) | 4% |
| Arena debt service - interest | (2,536,163) | (2,654,243) | (2,654,243) | 118,080 | -4% |
| Arena R&R reserve contributions | (500,000) | (500,000) | (500,000) | - | 0% |
| Total Nonoperating Revenues/(Loss) | (7,006,163) | (6,504,343) | (6,502,712) | (503,451) | 8% |
| Arena Operations Surplus/(Deficit) | (5,971,119) | (6,106,246) | (4,839,712) | (1,131,407) | 23% |
| Total Project Surplus/(Deficit) | 586,191 | 185,997 | 2,143,552 | (1,557,360) | -73% |

Debt coverage ratio - Housing 146%

Debt coverage ratio - Arena 141%

Required debt coverage 120%

Debt Service Summary

| | Annual Debt Service | | | Outstanding Principal | |
|----------------------|---------------------|-----------|-----------|-----------------------|---------------|
| | Principal | Interest | Total | As of 6/30/22 | As of 6/30/23 |
| Housing debt service | 5,100,000 | 2,936,384 | 8,036,384 | 85,970,000 | 80,870,000 |
| Arena debt service | 3,480,000 | 2,536,163 | 6,016,163 | 63,910,000 | 60,430,000 |

| | | | | | |
|--------------------|-----------|-----------|------------|-------------|-------|
| Total Debt Service | 8,580,000 | 5,472,547 | 14,052,547 | 149,880,000 | ##### |
|--------------------|-----------|-----------|------------|-------------|-------|

R&R Reserve Summary

Estimated Fiscal Year 2023 Balances

| | Balance Held at DSO 3/31/22 | FY22 Estimated Expenditures | Balance Held at Trust at 3/31/22 | FY 23 Proposed Contributions | FY23 Proposed Expenditures | End of Year Balance ¹ |
|---------------------------------------|--------------------------------|-----------------------------------|-------------------------------------|------------------------------------|----------------------------------|-------------------------------------|
| Arena | 649,275 | (193,425) | - | 500,000 | (492,000) | 463,850 |
| Housing | 106,294 | (66,161) | 2,783,237 | 448,000 | (345,000) | 2,926,370 |
| Parking | 140,209 | (140,000) | 164,087 | 52,000 | (50,000) | 166,296 |
| Total R&R Reserve Activity | 895,778 | (399,586) | 2,947,324 | 1,000,000 | (887,000) | 3,556,516 |

¹ Balance held in trust remains unavailable until board approves withdrawal.

Attachment D

UCF Finance Corporation Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance |
|---|-------------------------------|-------------------------------|---------------------------------|-----------------------------|
| <u>Funding Sources</u> | \$ | \$ | \$ | \$ |
| Transfers from University ¹ | 3,950,128 | 3,960,121 | 4,008,417 | (58,289) |
| Transfers from Foundation - Downtown Pledges | - | 2,342,194 | 1,350,000 | (1,350,000) |
| Interest | 60,000 | 46,000 | - | 60,000 |
| Total Sources | 4,010,128 | 6,348,315 | 5,358,417 | (1,348,289) |
| <u>Funding Uses</u> | | | | |
| Principal - Burnett Biomedical Sciences Building ¹ | 2,750,000 | 2,684,000 | 2,684,000 | (66,000) |
| Interest - Burnett Biomedical Sciences Building | 1,238,928 | 1,304,136 | 1,304,136 | 65,208 |
| Principal - UCF downtown construction note ¹ | - | 2,342,194 | 1,592,194 | 1,592,194 |
| Interest - UCF downtown construction note | - | 25,000 | 5,684 | 5,684 |
| Operating | 21,200 | 17,985 | 18,281 | (2,919) |
| Transfers to University - Downtown Construction | - | - | - | - |
| Total Uses | 4,010,128 | 6,373,315 | 5,604,295 | 1,594,167 |
| Surplus/(Deficit)² | - | (25,000) | (245,878) | 245,878 |

¹ The proposed budget has been reformatted to include principal payments as an expense and to include the gross rent received from the university. In previous years, principal was presented below the net surplus/ (deficit) and rent revenue was presented net of the principal on the Burnett loan to mirror the presentation in the audited financial statements. Prior year columns have been restated for comparative purposes. The revised format provides the board with a more complete understanding of the Corporation's sources and uses of funds.

² The surplus/(deficit) in prior years represents timing differences between the receipt of pledges for the downtown campus and subsequent principal and interest payments on the related construction note.

| SUMMARY OF OUTSTANDING DEBT BALANCE | |
|-------------------------------------|-------------|
| Principal Balance at 6/30/2022 | 52,997,000 |
| Principal payment due 7/1/2022 | (2,750,000) |
| Principal Balance at 6/30/2023 | 50,247,000 |

Attachment E

University of Central Florida Foundation, Inc. Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|--|-------------------------------|-------------------------------|---------------------------------|-----------------------------|-------------|
| <u>Funding Sources</u> | \$ | \$ | \$ | \$ | % |
| Funding from related organizations | | | | | |
| University funding | | | | | |
| Univ - E&G | 10,520,000 | 10,520,000 | 11,031,695 | (511,695) | -5% |
| Univ - Auxiliary | 257,187 | 249,696 | 290,923 | (33,736) | -12% |
| Univ - Other | 541,955 | 320,000 | 257,799 | 284,156 | 110% |
| Total Funding from related organizations | 11,319,142 | 11,089,696 | 11,580,417 | (261,275) | -2% |
| Foundation operations | | | | | |
| Endowment assessment | 5,500,000 | 4,600,000 | 4,882,118 | 617,882 | 13% |
| Non-endowed investment earnings | 2,700,000 | 2,000,000 | 2,000,000 | 700,000 | 35% |
| Current year allocation from buildings | 1,300,000 | 2,000,000 | 2,000,000 | (700,000) | -35% |
| Alumni revenue | 423,500 | 413,250 | 212,524 | 210,976 | 99% |
| Unrestricted gift income | 200,000 | 200,000 | 357,350 | (157,350) | -44% |
| Distribution from CAPFA funds | 6,800,000 | - | - | 6,800,000 | 0% |
| Athletics Line of Credit Interest | 90,000 | 90,000 | 85,000 | 5,000 | 6% |
| Total funding from operations | 17,013,500 | 9,303,250 | 9,536,992 | 7,476,508 | 78% |
| Total Funding Sources | 28,332,642 | 20,392,946 | 21,117,409 | 7,215,233 | 34% |
| <u>Funding Uses</u> | | | | | |
| Support to university | | | | | |
| President's allocations | 545,581 | 534,883 | 781,560 | 235,979 | 30% |
| Vice Presidents' allocations | 328,644 | 322,200 | 287,046 | (41,598) | -14% |
| Other allocations to university | 224,564 | 224,564 | 223,384 | (1,180) | -1% |
| Total Support to university | 1,098,789 | 1,081,647 | 1,291,990 | 193,201 | 15% |
| Foundation expenses | | | | | |
| Salaries and benefits | | | | | |
| Development | 7,647,376 | 6,636,859 | 5,052,584 | (2,594,792) | -51% |
| Administration | 7,812,590 | 6,597,427 | 5,272,542 | (2,540,048) | -48% |
| Alumni Relations | 2,378,983 | 1,943,733 | 1,917,596 | (461,387) | -24% |
| Total Salaries and Benefits | 17,838,950 | 15,178,020 | 12,242,722 | (5,596,228) | -46% |
| Other operating | | | | | |
| Development | 844,061 | 687,606 | 486,922 | (357,139) | -73% |
| Administration | 3,887,929 | 2,153,672 | 2,886,522 | (1,001,407) | -35% |
| Alumni Relations | 1,564,636 | 1,130,602 | 1,157,532 | (407,104) | -35% |
| Total Other operating | 6,296,626 | 3,971,880 | 4,530,976 | (1,765,650) | -39% |
| Total Foundation expenses | 24,135,576 | 19,149,900 | 16,773,698 | (7,361,878) | -44% |
| Total Funding Uses | 25,234,365 | 20,231,546 | 18,065,688 | (7,168,677) | -40% |
| Sources Less Uses | 3,098,277 | 161,400 | 3,051,721 | 46,556 | 2% |

Attachment F

Limityless Solutions, Inc. Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|---|-------------------------------|-------------------------------|---------------------------------|-----------------------------|--------------|
| <u>Funding Sources</u> | \$ | \$ | \$ | \$ | % |
| University Salary Support (non-cash) ¹ | 750,000 | 650,000 | 650,000 | 100,000 | 15% |
| Donations | 500,000 | 500,000 | 475,000 | 25,000 | 5% |
| Sponsorships ² | 50,000 | 75,000 | 75,000 | (25,000) | -33% |
| Grants | 50,000 | 50,000 | - | 50,000 | |
| Speaking Engagements | 10,000 | 5,000 | 7,500 | 2,500 | 33% |
| Miscellaneous ³ | 7,500 | 10,000 | 7,500 | - | 0% |
| Total Funding Sources | 1,367,500 | 1,290,000 | 1,215,000 | 152,500 | 13% |
| <u>Funding Uses</u> | | | | | |
| Administrative Salary Expense ¹ | 750,000 | 650,000 | 677,751 | (72,249) | -11% |
| Student Salary Expense ¹ | 50,000 | - | 30,774 | (19,226) | -62% |
| Materials | 75,000 | 75,000 | 50,000 | (25,000) | -50% |
| Medical Research Study ⁴ | 125,000 | 135,000 | 25,000 | (100,000) | -400% |
| Mailing Services | 2,500 | 2,500 | 1,000 | (1,500) | -150% |
| Travel | 7,500 | 7,500 | 4,500 | (3,000) | -67% |
| Promotional Advertising | 15,000 | 25,000 | 25,000 | 10,000 | 40% |
| Office Supplies | 20,000 | 30,000 | 30,000 | 10,000 | 33% |
| Rent | 53,289 | 54,471 | 60,986 | 7,697 | 13% |
| Utilities ⁵ | 30,000 | - | 1,907 | (28,093) | -1473% |
| Insurance | 2,500 | 2,000 | 2,339 | (161) | -7% |
| Scholars Program ⁶ | 20,000 | 10,000 | 14,000 | (6,000) | -43% |
| Academic Publications ⁷ | 5,000 | 5,000 | 2,500 | (2,500) | -100% |
| Audit and Tax Fees | 15,400 | 14,900 | 14,900 | (500) | -3% |
| Miscellaneous | 5,000 | 5,000 | 5,000 | - | 0% |
| Transfer to UCF for Student Success | 35,000 | 40,000 | 35,000 | - | 0% |
| Total Funding Uses | 1,211,189 | 1,056,371 | 980,657 | (230,532) | -24% |
| <u>Non-operating Sources/(Uses)⁸</u> | | | | | |
| Renovation Donation | - | - | 5,000 | (5,000) | -100% |
| Renovation Expense | - | - | (234,755) | 234,755 | -100% |
| Total Non-operating Sources/ (Uses) | - | - | (229,755) | 229,755 | -100% |
| Surplus/(Deficit) | 156,311 | 233,629 | 4,588 | 151,723 | 3307% |

Attachment G

UCF Research Foundation, Inc. Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|--|-------------------------------|---------------------------------|-----------------------------|-------------|
| <u>Funding Sources</u> | \$ | \$ | \$ | % |
| Royalties and licensing fees | 1,160,000 | 1,153,448 | 6,552 | 1% |
| Contracts and grants ¹ | 13,500,000 | 11,599,155 | 1,900,845 | 16% |
| Contribution and other agreements income ² | 2,100,000 | 2,071,695 | 28,305 | 1% |
| Conferences and workshops ² | 195,000 | 194,675 | 325 | 0% |
| Incubator Rents ³ | 390,000 | 378,957 | 11,043 | 3% |
| Management fees and F&A ⁴ | 1,500,000 | 1,234,069 | 265,931 | 22% |
| Total Funding Sources | 18,845,000 | 16,631,999 | 2,213,001 | 13% |
| <u>Funding Uses</u> | | | | |
| Royalties and licensing allocations and expense | 870,000 | 865,086 | (4,914) | -1% |
| Contracts and grants expense ¹ | 13,500,000 | 11,599,155 | (1,900,845) | -16% |
| Contribution and other agreements expense ² | 2,100,000 | 2,071,695 | (28,305) | -1% |
| Conferences and workshops ² | 195,000 | 194,675 | (325) | 0% |
| Incubator Rents | 390,000 | 385,040 | (4,960) | -1% |
| Other operating expenses ⁵ | 1,500,000 | 1,397,887 | (102,113) | -7% |
| Gap Fund ⁶ | 250,000 | 100,433 | (149,567) | -149% |
| Total Funding Uses | 18,805,000 | 16,613,970 | (2,191,030) | -13% |
| Sources Less Uses | 40,000 | 18,028 | 21,972 | 122% |

¹ Revenue and expenses for contracts and grants exceeds the fiscal 2022 annualized projected actuals amount and the

² Revenue and expenses for contributions and other agreements, as well as conferences and workshops, are consistent

³ Incubator rent revenue is consistent with the fiscal 2022 projected annualized amount while excluding prior year

⁴ Management fees and F&A represent the net funds retained by the Research Foundation after necessary distributions.

⁵ Other operating expenses includes funding for research foundation payroll and operating expenses plus offset for

⁶ Gap Fund expenses annualized in Fiscal Year 2022 include both the projected current year awards and the actual

Attachment H

UCF Stadium Corporation Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|---|-------------------------------|-------------------------------|---------------------------------|-----------------------------|------------|
| <u>Funding Sources</u> | \$ | \$ | \$ | \$ | |
| Premium seating - West Side | 2,330,000 | 2,227,253 | 2,208,470 | 121,530 | 6% |
| Premium seating - Field Cabanas | 352,000 | 343,200 | 271,561 | 80,439 | 30% |
| Concessions & catering | 450,000 | 425,000 | 402,547 | 47,453 | 12% |
| Insurance Proceeds for loss damage | - | - | 272,033 | (272,033) | -100% |
| High School Graduation Revenues | - | - | - | - | |
| Merchandise sales | 250,000 | 250,000 | 250,000 | - | 0% |
| Excess revenues from beverage contract | 180,000 | 180,000 | 180,000 | - | 0% |
| Total Funding Sources | 3,562,000 | 3,425,453 | 3,584,611 | (22,611) | -1% |
| <u>Funding Uses</u> | | | | | |
| Services & supplies | 55,000 | 50,000 | 49,000 | (6,000) | -12% |
| Repairs and replacement (R&R) funding | 250,000 | 500,000 | 500,000 | 250,000 | 50% |
| Use of insurance proceeds & deductible | - | - | 297,033 | 297,033 | 100% |
| Rust remediation | - | 48,220 | 262,631 | 262,631 | 100% |
| Total Funding Uses | 305,000 | 598,220 | 1,108,664 | 803,664 | 72% |
| <u>Non-operating Sources/ (Uses)</u> | | | | | |
| Ticket sales | 4,345,000 | 4,444,674 | 4,213,735 | 131,265 | 3% |
| UCFAA rent | 2,121,000 | 2,121,000 | 2,121,000 | - | 0% |
| Guaranteed royalty | 1,950,000 | 1,900,000 | 1,900,000 | 50,000 | 3% |
| Transfers to UCFAA | (8,357,963) | (8,095,237) | (7,543,699) | (814,264) | 11% |
| Interest income | 55,000 | 54,108 | 86,795 | (31,795) | -37% |
| Interest expense | (1,511,037) | (1,599,778) | (1,599,778) | 88,741 | -6% |
| Principal | (2,114,000) | (2,027,000) | (2,027,000) | (87,000) | 4% |
| Pledges for taxable debt issue | - | 120,000 | 120,000 | (120,000) | -100% |
| Pledges for Leadership Center | 255,000 | 255,000 | 253,000 | 2,000 | 1% |
| Total Non-operating Sources/ (Uses) | (3,257,000) | (2,827,233) | (2,475,947) | (781,053) | 32% |
| Surplus/(Deficit) | - | - | - | - | 0% |

Debt Service Summary

| | Annual Debt Service | | | Outstanding Principal | |
|---------------------------|---------------------|------------------|------------------|-----------------------|-------------------|
| | Principal | Interest | Total | As of 6/30/22 | As of 6/30/23 |
| Tax-exempt bonds | 1,420,000 | 1,099,169 | 2,519,169 | 26,665,000 | 25,245,000 |
| Taxable bonds | 405,000 | 370,235 | 775,235 | 7,710,000 | 7,305,000 |
| Leadership Center | 289,000 | 41,633 | 330,633 | 1,672,000 | 1,383,000 |
| Total Debt Service | 2,114,000 | 1,511,037 | 3,625,037 | 36,047,000 | 33,933,000 |

R&R Reserve Summary

| | Estimated Fiscal Year 2023 Balances | | | |
|--|-------------------------------------|--------------------|-----------------------|------------------|
| | Beginning of Year | Reserve Funding | Estimated Expenses | End of Year |
| Non-recurring maintenance (R&R) Expenses | 846,153 | 250,000 | - | 1,096,153 |
| Rust remediation | - | - | - | - |
| Total R&R Reserve Activity | 846,153 | 250,000 | - | 1,096,153 |

Attachment I

Central Florida Clinical Practice Organization, Inc. Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|---|-------------------------------|-------------------------------|---------------------------------|-----------------------------|--------------|
| <u>Funding Sources</u> | \$ | \$ | \$ | \$ | % |
| Patient Care ¹ | 10,972,797 | 7,781,723 | 7,642,687 | 3,330,111 | 44% |
| Other ² | 1,628,008 | 964,645 | 794,125 | 833,883 | 105% |
| Total Funding Sources | 12,600,805 | 8,746,368 | 8,436,812 | 4,163,994 | 49% |
| <u>Funding Uses</u> | | | | | |
| Professional Services ³ | 5,003,009 | 724,547 | 2,430,258 | (2,572,751) | -106% |
| Medical Supplies, Services & Equipment ⁴ | 4,188,209 | 648,161 | 2,278,116 | (1,910,093) | -84% |
| Facility Expense ⁵ | 225,397 | 501,390 | 494,785 | 269,388 | 54% |
| Information Technology ⁶ | 408,118 | 387,095 | 348,075 | (60,043) | -17% |
| Other Expense | 108,522 | 90,280 | 94,439 | (14,083) | -15% |
| Transfers to the College of Medicine ⁷ | 4,630,366 | 5,894,896 | 1,243,228 | (3,387,137) | -272% |
| Total Funding Uses | 14,563,620 | 8,246,368 | 6,888,901 | (7,674,719) | -111% |
| Sources Less Uses | (1,962,814) | 500,000 | 1,547,911 | (3,510,725) | -227% |

¹Patient Care Revenue is expected to increase due to the new UCF Health Infusion Center which has been ramping up during FY22 and is now being added to the FY23 budget. In addition, the FY23 budget includes four new physicians and two clinical educators for the faculty practice plan.

²UCF Clinical LLC, a subsidiary and disregarded entity under the CFCPO, has a contract arrangement with CoAdvantage, a professional employer organization (PEO). This contract began January 2022 and the PEO employs the UCF Health and HealthARCH staff. The revenue budget reflects charges to be billed to UCF for employees who have effort on the HealthARCH grants. Furthermore, Other Revenue is expected to increase with the addition of another provider for the contract arrangement with Osceola County and the Osceola County Sheriff's Office to provide on-site medical care to Osceola County employees.

³The FY23 budget reflects a full year of personnel and administrative costs for UCF Health and HealthARCH staff employed in partnership with CoAdvantage compared to six months for current year projections.

⁴The increase in Medical Supplies is primarily due to the pharmaceutical expense budget for the UCF Health Infusion Center, and then secondly, due to a higher expected patient volume.

⁵The budget for the Quadrangle building rent and other budgeted facility maintenance costs were moved to the UCF Health auxiliary under the College of Medicine which is funded by the CFCPO.

⁶The increase in Information Technology expense is primarily related to the addition of four new physicians and two clinical educators.

⁷The increase in the transfer of funds to the College of Medicine is to support the anticipated start up costs of four new UCF Health physicians and to support the College's research mission by investing in the Lake Nona Cancer Center building in preparation to house the UCF cancer research activity. These transfers will also fund facility and other UCF Health related costs paid by the College of Medicine.



Board of Trustees
Budget and Finance Committee | May 19, 2022

BUDC-4: Renewal of Reducing Revolving Line of Credit – Fifth Third Bank

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: May 26, 2022

Purpose and Issues to be Considered:

Construction Line: The principal sum outstanding shall bear interest, subject to the provisions of Section 20 of this Draft Note, at a floating rate per annum equal to 79% of the Term SOFR Rate plus 1.34 percent (1.34%) (the "Interest Rate"). Principal payment of \$320,000 will be due on July 15, 2022, and the principal owed on the note as of the July 18 renewal date will be \$4,455,000.

Background Information:

Reducing Revolving Line (Construction):

This line of credit was originally opened in 2004 for the purpose of constructing facilities for women's sports. The original amount of the line was \$4.5 million and was increased to \$8.5 million in 2006 to help facilitate initial costs of the football stadium and then additional needs once the stadium bonds were issued and the line was reimbursed for the initial expenses. Each year, the line is renewed and includes a negotiated principal payment. The interest rate on this line is tax-exempt. There are no more draws available on the line and the current balance owed is \$4,775,000.

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 expenses in a timely manner.

Fiscal Impact and Source of Funding:

UCFAA is budgeting \$412,277 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 connect with the authorization, issuance and sale of university and direct support organization debt.

Contract Reviewed/Approved by General Counsel ☒ N/A ☐



Board of Trustees

Agenda Memo

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

Submitted by:

Terry Donovan, Executive Senior Associate Athletics Director/CFO for UCFAA

Supporting Documentation:

Attachment A: Fifth Third Loan Documents

Facilitators/Presenters:

Terry Donovan, Executive Senior Associate Athletics Director/CFO for UCFAA

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

THIS NINTH MODIFICATION OF RENEWAL REDUCING REVOLVING LINE OF CREDIT PROMISSORY NOTE AND OTHER LOAN DOCUMENTS (this “Modification”) is executed as of the 17th day of July, 2022, 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; that certain Seventh Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 19, 2020; and that certain Eighth Modification of Renewal Reducing Revolving Line of Credit Promissory Note and Other Loan Documents dated as of July 18, 2021 (collectively as modified, the “Note”), with a Maturity Date of July 17, 2022, 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 17, 2022 and the Borrower has requested the Lender to renew and extend the Loan through July 16, 2023 and the Lender has agreed to do so, provided the Borrower executes this Modification, including without limitation agreeing to the amendments set forth herein, and reaffirms the pledge of certain revenues available to the Borrower in favor of Lender for the payment of the Loan; and

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

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

1. Recitals. All of the foregoing recitations are true and correct and are hereby incorporated herein and made a part hereof.
2. Representations of Borrower. In order to induce Lender to enter into this Agreement, Borrower does hereby acknowledge, represent and warrant to and in favor of Lender that: (a) the indebtedness represented by the Note is due from Borrower to Lender in accordance with the terms of the Note as modified, free from any defense, claim, or right to set-off; (b) as of July 17, 2022, the outstanding principal balance of the Loan is \$4,455,000.00 plus accrued and unpaid interest, (c) the principal payment on the Loan, due on July 15, 2022, in the amount of \$320,000.00, was paid by the Borrower on or before such date, and (d) there are no suits, judgments, bankruptcies or executions pending against Borrower in any court which could in any way materially affect Borrower's ability to make payments of obligations due on the Loan.
3. Modification of Loan Documents. The Note, the Loan Agreement and/or the other Loan Documents are hereby modified as follows:
 - (a) The definition of the term "Maturity Date" in the first line of Section 1 of the Note is hereby amended by deleting "July 17, 2022" and inserting "July 16, 2023" 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, subject to the provisions of Section 20 of this Note, at a floating rate per annum equal to 79% of the Term SOFR Rate plus 1.34 percent (1.34%) (the "Interest Rate"). The term "Term SOFR Rate" means, for any day, the forward-looking SOFR rate administered by CME Group, Inc. (or other successor administrator) and published on the applicable Bloomberg LP screen page (or such other commercially available source providing such quotations as may be selected by the Lender) relating to quotations for one (1) month, fixed by the administrator two (2) Business Days prior to such date of determination (provided, however, that if the Term SOFR Rate is not published for such Business Day, then the Term SOFR Rate shall be determined by reference to the immediately preceding Business Day on which such rate is published), rounded upwards, if necessary, to the next 1/8th of 1% and adjusted for reserves if the Lender is required to maintain reserves with respect to the Loan, all as determined by the Lender in accordance with the Note and the Lender's loan systems and procedures periodically in effect. Each determination by the Lender of the

Term SOFR Rate shall be binding and conclusive in the absence of manifest error. Notwithstanding anything to the contrary contained herein, in no event shall the Term SOFR Rate be less than 0.00% as of any date (the “Term SOFR Rate Minimum”); *provided* that, at any time during which a Rate Management Agreement with the Lender is then in effect with respect to all or a portion of the Obligations, the Term SOFR Rate Minimum shall be disregarded and no longer of any force and effect with respect to such portion of the Obligations subject to such Rate Management Agreement. The term “SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate published by the Federal Reserve Bank of New York (or a successor administrator) on the administrator’s website (or any successor source for the secured overnight financing rate identified as such by the administrator) at approximately 2:30 p.m. (New York City time) on the immediately succeeding Business Day.”

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

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

| DATE | AMOUNT |
|------------|------------|
| 07/15/2023 | \$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. INDEX RATE PROVISIONS.

(a) “**Index Rate**” means the Term SOFR Rate relating to quotations for one month or as otherwise set pursuant to the terms of the Loan Agreement or this Note. The Index Rate shall be initially determined as of the July 17, 2022 and shall be reset monthly on the first Business Day of the relevant calendar month thereafter (each, a “**Reset Date**”) by Lender based on the Index Rate then in effect. Any adjustment in the interest rate resulting from a change in the Index Rate shall become effective as of the opening of business on the date of each change. Lender

shall not be required to notify Borrower of any adjustment in the Index Rate; however, Borrower may request a quote of the Index Rate on any Business Day.

(b) Temporary Replacement of the Index Rate. In the event that Lender shall determine that no Successor Rate (as defined below) has been determined in accordance with Section 20(c) and either: (i) the Index Rate is unavailable, unrepresentative, or unreliable, (ii) the Index Rate will not adequately and fairly reflect the cost to the Lender of making or maintaining advances under this Note, or (iii) the making or funding of Index Rate Loans has become illegal or impracticable; then, in any such case, Lender shall promptly provide notice of such determination to Borrower (which shall be conclusive and binding on Borrower absent manifest error), and, until Lender determines that the circumstances giving rise to such suspension no longer exist, in which event Lender shall so notify Borrower, then (A) Lender's obligations in respect of the Index Rate shall be suspended forthwith, (B) Borrower's right to utilize Index Rate pricing as set forth in this Agreement shall be suspended forthwith, and (C) amounts outstanding hereunder shall, on and after such date, bear interest at a rate per annum equal to the Prime Rate. If a Successor Rate has been determined in accordance with Section 20(c) and Lender determines that any of the circumstances described in clauses (i)-(iii) of this paragraph has occurred, then clauses (A)-(C) of this paragraph shall apply as if each reference to the Index Rate therein were a reference to the Successor Rate.

(c) Permanent Replacement of the Index Rate.

(i) 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(c)), but without limiting Section 20(b) above, if the Lender determines (which determination shall be conclusive and binding on Borrower absent manifest error) that any of the circumstances described in Section 20(b)(i)-(iii) has occurred and is unlikely to be temporary or the administrator of the Index Rate or a governmental authority having or purporting to have jurisdiction over the Lender or such administrator has made a public statement identifying a specific date (the "**Scheduled Unavailability Date**") after which the Index Rate will no longer be representative or made available or used for determining the interest rate of loans or otherwise cease or will no longer be in compliance or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Benchmarks, and there is no successor administrator satisfactory to the Lender, then on a date and time determined by the Lender (the "**Index Rate Replacement Date**") but no later than the Scheduled Unavailability Date, the Index Rate will be replaced hereunder and under any other Loan Document with the Daily Simple SOFR Rate. "**Daily Simple SOFR Rate**" means a rate based on SOFR with interest accruing on a simple daily basis in arrears with a methodology and conventions selected by Lender.

(ii) If the Successor Rate is based on the Daily Simple SOFR Rate, interest shall be due and payable on a monthly basis.

(iii) Notwithstanding anything to the contrary herein, if the Lender determines that the Daily Simple SOFR Rate is not available and administratively feasible prior to the Index Rate Replacement Date, or if any of the circumstances

described in Section 20(c)(i) with regard to the Index Rate has occurred with respect to a Successor Rate then in effect, the Lender may amend this Note solely for the purpose of replacing the Index Rate or any then current Successor Rate in accordance with this Section 20(c) with another alternative benchmark rate and a “Spread Adjustment,” giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities and any recommendations of a relevant governmental authority, and which Spread Adjustment or method for calculating such Spread Adjustment shall be published on an information service as selected by the Lender from time to time in its reasonable discretion. Any such alternative benchmark rate and Spread Adjustment shall constitute a Successor Rate hereunder. Any such amendment shall become effective on the date set forth in a written notice provided by the Lender to the Borrower.

(iv) The Lender will promptly (in one or more notices) notify the Borrower of the implementation of any Successor Rate. Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Lender, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Lender.

(v) In connection with the implementation and administration of a Successor Rate (including, without limitation, pursuant to Section 20(c)(viii) below), the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent by Borrower; provided that the Lender shall provide notice of such Conforming Changes to the Borrower reasonably promptly after such amendment becomes effective. “**Conforming Changes**” means, with respect to the use, administration of, or any conventions associated with the Index Rate or any proposed Successor Rate, as applicable, any changes to the terms of this Note related to the timing, frequency, and methodology of determining rates and making payments of interest, including changes to the definition of Business Day, lookback periods or observation shift, prepayments, and borrowing notices, and other technical, administrative, or operational matters, as may be appropriate, in the discretion of the Lender, to reflect the adoption and implementation of such applicable rate and to permit the administration thereof by the Lender in an operationally feasible manner and, to the extent feasible, consistent with market practice.

(vi) Notwithstanding anything to the contrary herein, if the Successor Rate would be less than the Floor, the Successor Rate will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents. Further, if the interest rate to be replaced is rounded upwards to the next 1/8th of 1% under the terms of this Note or any Loan Document, the Successor Rate shall also be rounded up to the next 1/8th; *provided further*, that this provision governing rounding shall not apply if the Borrower has a Rate Contract in effect with respect to all or part of an advance under the Loan. “**Floor**” means 0.00%.

(vii) 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 Index Rate or any Successor Rate, including the selection of such rate, any related Spread Adjustment, or any Conforming Changes, or whether the composition or characteristics of any Successor Rate and Spread Adjustment or Conforming Changes will be similar to, or produce the same value or economic equivalence of, the initial Index Rate.

(viii) Notwithstanding anything to the contrary contained herein, if, after July 17, 2022, the Borrower enters into a Rate Management Agreement with respect to all or part of the Loan and the floating interest rate under the Rate Management Agreement is the Daily Simple SOFR Rate, the Lender may replace the Index Rate hereunder with the Daily Simple SOFR Rate and a Spread Adjustment without consent of any other party hereto; ***provided further***, that, if subsequent thereto, the Lender and Borrower amend such Rate Management Agreement to include, or terminate such Rate Management Agreement and enter into a new Rate Management Agreement with, a floating interest rate thereunder of the Term SOFR Rate, then the Lender may further replace the Daily Simple SOFR Rate hereunder with the Term SOFR Rate (and a Spread Adjustment, if applicable) hereunder without consent of any other party hereto; and, in either such event, (A) the Daily Simple SOFR Rate or the Term SOFR Rate, as applicable, shall be a Successor Rate hereunder, and (B) the Lender shall provide written notice thereof to the Borrower. **“Spread Adjustment”** means a mathematical or other adjustment to an alternate benchmark rate selected pursuant to Section 20(c) of this Note and such adjustment may be positive, negative, or zero subject to the specific Spread Adjustments set forth in Section 20(c).

(d) **Illegality.** Notwithstanding any other provisions hereof, if any law shall make it unlawful for Lender to make, fund or maintain Index Rate Loans, Lender shall promptly give notice of such circumstances to Borrower. In such an event, (i) the commitment of Lender to make or continue Index Rate Loans shall be immediately suspended and (ii) all outstanding Index Rate Loans shall be converted automatically to Prime Rate Loans. **“Prime Rate Loans”** means advances under the Loan which accrue interest by reference to the Prime Rate, in accordance with the terms of this Note. **“Prime Rate”** means, as of any date, the greater of: (a) 0.00% or (b) the rate which Lender publicly announces, publishes or designates from time to time as its index rate or prime rate, or any successor rate thereto, in effect at its principal office. Such rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Lender may make commercial loans or other loans at rates of interest at, above or below its index rate or prime rate. Each determination by Lender of the Prime Rate shall be binding and conclusive in the absence of manifest error. Any change in the Prime Rate shall be effective for purposes of this Note on the date of such change without notice to Borrower.”

(e) The definition of the term “Business Day” in Section 1 of the Loan Agreement is hereby amended and restated in its entirety as follows:

““Business Day” means mean (a) with respect to all notices and determinations, including Interest payment dates, in connection with the Term SOFR Rate (as defined in the Note), any day that commercial banks in New York, New York are required by law to be open for business and that is a U.S. Government Securities Business Day, which means any day other than a Saturday, Sunday, or day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities and (b) in all other cases, any day on which commercial banks in New York, New York or Cincinnati, Ohio are required by law to be open for business; *provided* that, notwithstanding anything to the contrary in this definition of “Business Day”, at any time during which a Rate Management Agreement with the Lender or an Affiliate of the Lender is then in effect with respect to all or a portion of the Obligations, then the definitions of “Business Day” and “Banking Day”, as applicable, pursuant to such Rate Management Agreement shall govern with respect to all applicable notices and determinations in connection with such portion of the Obligations arising under such Rate Management Agreement.”

4. Reaffirmation of Revenue Pledge. The Borrower hereby reaffirms the pledge of the Collateral as defined in the Loan Documents, including without limitation all student athletic fee revenues from the University of Central Florida, and agrees and confirms that said pledge remains in full force and effect and continues to secure the Loan. Further, the Borrower represents to the Lender that the Board of Trustees of the University of Central Florida has not rescinded or modified the pledge by the Borrower of the Collateral to the repayment of the Loan.

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

- (a) **NEITHER THE BORROWER NOR LENDER, NOR ANY ASSIGNEE, SUCCESSOR, HEIR OR LEGAL REPRESENTATIVE OF ANY OF THE SAME SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS MODIFICATION OR ANY LOAN DOCUMENT EVIDENCING, SECURING OR RELATING TO THE OBLIGATIONS OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES THERETO;**
- (b) **NEITHER THE BORROWER NOR LENDER SHALL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;**

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

heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto. This Modification shall be governed by and interpreted in accordance with the laws of the State of Florida.

[Signature Page Follows]

DRAFT

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: Terry Mohajir

Title: President

UCF ATHLETICS ASSOCIATION, INC., a
Florida not-for-profit corporation

By: _____

Name: Terry Donovan

Title: Treasurer



**Board of Trustees
Budget and Finance Committee | May 19, 2022**

BUDC-5: UCF Stadium Corporation Release of Unrestricted Surplus for Fiscal Year Ending June 30, 2023

☐ **Information**

☐ **Discussion**

☒ **Action**

Meeting Date for Upcoming Action: May 26, 2022

Purpose and Issues to be Considered:

The UCF Athletics Association's Board of Directors and the UCF Stadium Corporation's Board of Directors have approved the respective organization's annual budget for the fiscal year ending June 30, 2023. Both budgets have been presented to the University President and are now being presented to the University Board of Trustees through this committee for approval in this meeting. Both budgets also reflect the transfer of pledged revenues from UCF Athletics Association (Association) to UCF Stadium Corporation (Corporation) and the release of the Corporation's unrestricted surplus back to the Association.

Background Information:

The Corporation's term loan is secured by football ticket sales as well as rent and guaranteed royalty payments from the Association. These pledged revenues are anticipated to be sufficient to fund the Corporation's annual debt service and operating costs. Football away-game guarantees and conference distributions are also pledged toward the Corporation's debt issuances but are not reflected in the Corporation's annual budget because they are not required to fund the Corporation's annual debt service and operating costs. Additionally, there is a support agreement whereby the University will use legally available revenues to fund deficiencies that may arise in the event the Corporation is unable to make the minimum bond payments.

The attached annual budget for the fiscal year ending June 30, 2023, as approved by the UCF Stadium Corporation's Board of Directors, reflects the release of a projected unrestricted surplus of \$8,357,963. This represents the estimate of funds that will be available to transfer to the Association after the Corporation's annual debt service requirements, contributions to the repair and replacement (R&R) reserve, and annual operating costs are funded. The release of the unrestricted surplus will be offset by the transfer of pledged ticket sales (\$4,345,000), stadium rent (\$2,121,000) and guarantee royalty payments (\$1,950,000) resulting in an estimated net transfer of \$58,037 from the Association to the Corporation.

Recommended Action:

Approve the release of the UCF Stadium Corporation's unrestricted surplus for the fiscal year ending June 30, 2023, to UCF Athletics Association.

Alternatives to Decision:

Do not approve the release of the UCF Stadium Corporation's unrestricted surplus to UCF Athletics Association, or approve the release of a reduced amount, for the fiscal year ending June 30, 2023.

Fiscal Impact and Source of Funding:

The Association depends on the Corporation's unrestricted surplus to fund its operations.

Authority for Board of Trustees Action:

BOG Regulation 9.011(7) and University Regulation UCF-4.034(7)

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 Finance and Administration

Christina Tant, Assistant Vice President for DSO Accounting and Reporting

Terry Donovan, Executive Associate Athletics Director and Chief Financial Officer

Supporting Documentation:

Attachment A: FY 23 UCF Stadium Corporation Operating Budget

Facilitators/Presenters:

Terry Donovan, Executive Associate Athletics Director and Chief Financial Officer

Attachment A

UCF Stadium Corporation Operating Budget Fiscal Year 2022-23

| | 2022-23 PROPOSED BUDGET | 2021-22 APPROVED BUDGET | 2021-22 PROJECTED ACTUALS | YOY Fav/(Unfav) Variance | |
|---|-------------------------------|-------------------------------|---------------------------------|-----------------------------|------------|
| <u>Funding Sources</u> | \$ | \$ | \$ | \$ | |
| Premium seating - West Side | 2,330,000 | 2,227,253 | 2,208,470 | 121,530 | 6% |
| Premium seating - Field Cabanas | 352,000 | 343,200 | 271,561 | 80,439 | 30% |
| Concessions & catering | 450,000 | 425,000 | 402,547 | 47,453 | 12% |
| Insurance Proceeds for loss damage | - | - | 272,033 | (272,033) | -100% |
| High School Graduation Revenues | - | - | - | - | |
| Merchandise sales | 250,000 | 250,000 | 250,000 | - | 0% |
| Excess revenues from beverage contract | 180,000 | 180,000 | 180,000 | - | 0% |
| Total Funding Sources | 3,562,000 | 3,425,453 | 3,584,611 | (22,611) | -1% |
| <u>Funding Uses</u> | | | | | |
| Services & supplies | 55,000 | 50,000 | 49,000 | (6,000) | -12% |
| Repairs and replacement (R&R) funding | 250,000 | 500,000 | 500,000 | 250,000 | 50% |
| Use of insurance proceeds & deductible | - | - | 297,033 | 297,033 | 100% |
| Rust remediation | - | 48,220 | 262,631 | 262,631 | 100% |
| Total Funding Uses | 305,000 | 598,220 | 1,108,664 | 803,664 | 72% |
| <u>Non-operating Sources/ (Uses)</u> | | | | | |
| Ticket sales | 4,345,000 | 4,444,674 | 4,213,735 | 131,265 | 3% |
| UCFAA rent | 2,121,000 | 2,121,000 | 2,121,000 | - | 0% |
| Guaranteed royalty | 1,950,000 | 1,900,000 | 1,900,000 | 50,000 | 3% |
| Transfers to UCFAA | (8,357,963) | (8,095,237) | (7,543,699) | (814,264) | 11% |
| Interest income | 55,000 | 54,108 | 86,795 | (31,795) | -37% |
| Interest expense | (1,511,037) | (1,599,778) | (1,599,778) | 88,741 | -6% |
| Principal | (2,114,000) | (2,027,000) | (2,027,000) | (87,000) | 4% |
| Pledges for taxable debt issue | - | 120,000 | 120,000 | (120,000) | -100% |
| Pledges for Leadership Center | 255,000 | 255,000 | 253,000 | 2,000 | 1% |
| Total Non-operating Sources/ (Uses) | (3,257,000) | (2,827,233) | (2,475,947) | (781,053) | 32% |
| Surplus/(Deficit) | - | - | - | - | 0% |

Debt Service Summary

| | Annual Debt Service | | | Outstanding Principal | |
|---------------------------|---------------------|------------------|------------------|-----------------------|-------------------|
| | Principal | Interest | Total | As of 6/30/22 | As of 6/30/23 |
| Tax-exempt bonds | 1,420,000 | 1,099,169 | 2,519,169 | 26,665,000 | 25,245,000 |
| Taxable bonds | 405,000 | 370,235 | 775,235 | 7,710,000 | 7,305,000 |
| Leadership Center | 289,000 | 41,633 | 330,633 | 1,672,000 | 1,383,000 |
| Total Debt Service | 2,114,000 | 1,511,037 | 3,625,037 | 36,047,000 | 33,933,000 |

R&R Reserve Summary

| | Estimated Fiscal Year 2023 Balances | | | |
|--|-------------------------------------|--------------------|-----------------------|------------------|
| | Beginning of Year | Reserve Funding | Estimated Expenses | End of Year |
| Non-recurring maintenance (R&R) Expenses | 846,153 | 250,000 | - | 1,096,153 |
| Rust remediation | - | - | - | - |
| Total R&R Reserve Activity | 846,153 | 250,000 | - | 1,096,153 |



**Board of Trustees
Budget and Finance Committee | May 19, 2022**

BUDC-6: UCF Convocation Corporation and Spectra Management Agreement Renewal

☐ Information ☐ Discussion ☒ Action

Meeting Date for Upcoming Action: May 26, 2022

Purpose and Issues to be Considered:

The purpose of this vote is to determine if the partnership between UCF and Spectra should continue via a long-term, mutually beneficial, extension. The UCF Convocation Corporation's (UCFCC) Board of Directors approved the renewal and amended terms of the agreement with Spectra Venue Management (Spectra) on February 24, 2022. The main issues considered in arriving at a decision are:

- UCF and Spectra have enjoyed a 17-year partnership and Spectra has managed the Arena and Venue since before the buildings were constructed
- The Arena is recognized worldwide under Spectra's management
- The amendment would come with a significant \$1M investment, paid in a lump sum payment to UCF on September 1, 2022. The Contribution shall be amortized on a straight line, monthly, non-cash basis over a twelve (12) year period beginning on September 1, 2022.
- Introducing 50% revenue share of Spectra's Financial Incentive Fee being reallocated back to UCF in all years where agreed upon revenue threshold is met
- This extension would be a 12-year extension (September 1, 2022 – August 31, 2034)
- Base fees paid to Spectra have been reduced from current agreement
- With facilities at Miami and Florida State under Spectra's umbrella, UCF solidifies itself as an attractive in-between stop for bigger acts doing a Florida swing for their tours
- The continuity, effectiveness, and efficiency could be significant during a time of change as UCF Athletics transitions to the Big XII Conference

Background Information:

The UCF Athletics Association (UCFAA) serves as the manager and agent of Addition Financial Arena and The Venue at UCF on behalf of the UCFCC. Spectra has provided specialized facilities services in operations and event booking that directly assists UCFAA in furthering our goals. Spectra has been a trusted partner to UCF since 2005, providing pre-opening, design consulting, and management services at the Arena and Venue. As recently as 2019, the Arena ranked in the Top 10 of campus arenas worldwide, and Top 160 Arenas worldwide for gross ticket sales. To date, Spectra is operating ahead of budget projections and on pace to finish the current fiscal year as the most successful in our history. With the current agreement between Spectra and UCF set to expire in August of 2022, the proposed amendment would provide an extension to that agreement. Along with the continuity that this extension represents, the new deal also provides a favorable fee structure, an additional scope of responsibilities for Spectra to book additional revenue generating events, a significant capital investment from Spectra to UCF, and an enhanced revenue share financial model, further benefitting UCF.



The Board is asked to evaluate for approval the agreement that UCFAA has negotiated with Spectra on the continuation of the sub-manager agreement for both Addition Financial Arena and The Venue.

Recommended Action:

Recommend approval of the extension and continue the partnership with Spectra, as outlined, beginning September 1, 2022.

Alternatives to Decision:

Continuing the partnership at the same/similar terms of a 5-year extension and decline approval, or significantly reduced, capital investment or revenue share financial model.

Fiscal Impact and Source of Funding:

- Annual management fees and incentives
- UCFCC (Arena Operations) operating funds and excess event revenues in determining incentives past agreed thresholds

Authority for Board of Trustees Action:

- Florida Statute 1004.28
- Board of Governors Regulation 9.011
- UCF Regulation 4.034

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:

Terry Mohajir, Vice President and Director of the UCF Athletics Association, Inc.

Supporting Documentation:

Attachment A: Contract Summary Form

Facilitators/Presenters:

Terry Mohajir, Vice President and Director, UCF Athletics Association, Inc.

Chris McFarlane, Deputy Athletics Director, External Relations & Business Development

Jordan Clark, Associate General Counsel

Trent Merritt, Regional Vice President, Spectra

Summary of Agreement

| | |
|-----------------------------------|---|
| Purpose/Background | <p>The purpose of this discussion & vote is to determine whether to solidify the partnership between UCF Athletics and Spectra via a long-term, mutually beneficial, extension. Director of Athletics, Terry Mohajir, verbally agreed to the extension in January of 2022. The UCFCC Board of Directors approved the renewal and amended terms on February 24, 2022.</p> <p>Currently 17 years into the partnership, Spectra has helped lead UCF to a consistent spot amongst the Top 10 on-campus arenas worldwide. Strongly favored by our arena naming rights partner, Addition Financial, the team at Spectra has embraced the recent transition to management shifting to UCFAA and continued to thrive.</p> <p>Having evaluated all of the relevant players in this space over a handful of months, we learned that the only true competitor to Spectra would be ASM Global, and the reality is they have some real barriers in providing UCF with a first-class management structure given the close proximity of other competing facilities they also manage (Kissimmee and Jacksonville).</p> <p>Given the longevity of the relationship, their successful navigating of the hurdle of the number of internal holds on the facility, their financial and professional investment into UCF, and the strength of their continually evolving company, extending the partnership in a long-term manner via this extension seems like a win-win scenario.</p> |
| Parties | UCF Athletics and Spectra |
| Term | <p>September 1, 2022 – August 31, 2034 (12-Year Extension)</p> <p>*Current agreement ends August 31, 2022*</p> |
| Obligations of UCF | UCFAA serves as the manager and agent of Addition Financial Arena and The Venue. |
| Obligations of other party | Spectra maintains responsibility as sub-manager for the management and operation of Addition Financial Arena and The Venue, providing specialized facilities services in operations, event booking, and assisting UCFAA in furthering established goals. |
| Financial terms | <p>Paid to Spectra:</p> <p>\$150,000 annual base management fee, plus annual cpi adjustments</p> <p>Financial Incentive Fee: 20% of first \$250K in excess of \$1.2M; plus, 30% of excess revenue over \$1.45M</p> |

Summary of Agreement

| | |
|---------------------------|--|
| | <p>Qualitative Fee (Capped at \$20K): Budget, customer service, premium service, and leadership</p> <p>Paid to UCF:</p> <p>\$1,000,000 Capital Investment paid to UCF on September 1, 2022</p> <p>50% revenue share of Spectra's Financial Incentive Fee is reallocated back to UCF in all years</p> |
| Termination rights | <p>If UCF were to terminate the contract early, the \$1M capital investment shall be amortized on a straight line, monthly, non-cash basis over a twelve (12) year period commencing on September 1, 2022.</p> |
| Additional terms | <p>Introduction of 50% revenue share model in which Spectra and UCFAA would share excess revenues related to their financial incentive fee as new benchmarks are reached.</p> |
| Link to agreement | <p>Proposed Management Agreement</p> <p>Proposed Management Agreement Amendment Outline and Term Sheet</p> <p>New Deal Projections and Analysis</p> <p>Letter of Recommendation from Addition Financial</p> <p>Letter of Recommendation from UCF Office of Events & Engagement</p> |

Board of Trustees
Budget and Finance Committee | May 19, 2022

BUDC-7: UCF Convocation Series 2018A Bond Interest Rate Reduction

☐ **Information**
☐ **Discussion**
☒ **Action**

Meeting Date for Upcoming Action: May 26, 2022

Purpose and Issues to be Considered:

TD Bank has submitted a proposal to the UCF Convocation Corporation (Convocation) to modify the interest rate for the existing Series 2018 Capital Improvement Refunding Revenue Bonds. This proposal contains the following key terms and conditions:

- A proposed interest rate reduction from the current fixed rate of 3.52% to a new fixed rate of 2.82%. This rate is indicative and may be subject to change during final pricing.
- The current bonds are not subject to early redemption prior to July 1, 2023, without penalty. This change would extend the early redemption penalty until July 1, 2032.
- As a result of reducing the rate prior to July 1, 2023, the proposal includes a Forward Start Loan Buy Down Fee of \$165,000 in addition to routine cost of issuance expenses.
- This refinancing will not change any of the current financial covenants or other conditions on the bonds. The bonds will still require a 1.20X coverage ratio and the support agreement with the University will remain in place.

Due to the indicative nature of the interest rate being proposed, the University has included two sets of refinancing calculations for the board's review.

- Attachment B calculates savings at the proposed rate of 2.82%. A refinancing at this rate would result in NPV percentage savings of 3.95%, NPV dollar savings of approximately \$3.4 million, and total gross savings of approximately \$4.1 million.
- Attachment C calculates savings at a less favorable rate of 3.07%. A refinancing at this rate would result in NPV percentage savings of 2.63%, NPV dollar savings of approximately \$2.0 million, and total gross savings of approximately \$2.5 million.

Background Information:

In September 2004 and June 2005, the Convocation issued Series 2004A certificates of participation for \$68,860,000, and Series 2005A certificates of participation for \$67,400,000. The debt was issued to finance the construction of four residential housing towers and two adjacent parking facilities as well as, certain surrounding commercial retail space. These issuances included both term and serial certificates with maturity dates ranging from October 2007 to October 2035 and interest rates ranging from 2.50 percent to 5.25 percent.

In May 2014, the Convocation issued a \$58,645,000 Refunding Certificate of Participation, Series 2014A to a bank. The certificate refinanced the Series 2004A Certificate and included interest at a fixed rate of 3.61%.

In October 2014, the Convocation issued a \$58,930,000 Refunding Certificate of Participation, Series 2015B to a bank. The certificate refinanced the Series 2005A Certificate and included interest at a fixed rate of 3.80%.

In July 2018, the Convocation issued a \$104,636,000 Refunding Revenue Bond, Series 2018 to TD Bank. TD Bank is the sole holder of the Series 2018 bonds. The bonds refinanced both the Series 2015A and 2015B Certificates and the new bonds bear interest at a fixed rate of 3.52%. The Series 2018 bonds are not subject to maturity prior to July 1, 2023, without penalty.

With the Series 2018 debt refunding's, and the extinguishment of the defeased certificates, the ground leases between the Convocation and the University were terminated. As a result of that termination, all related building and building improvement assets constructed on the leased land transferred in ownership to the University.

With the debt issuances the Convocation entered into separate support agreements with the University, whereby, in the event that net revenues available to pay debt service on bonds are expected to be less than 120 percent of the respective debt service payments due, the University shall 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.

Recommended Action:

Approve the UCF Convocation Corporation to move forward with the TD Bank rate reduction proposal, with the condition that the indicative fixed interest rate will not exceed 3.07% at the time of final pricing.

Alternatives to Decision:

Do not approve the proposed TD Bank rate reduction and instead explore other refinancing options after July 1, 2023.

Fiscal Impact and Source of Funding:

No financial impact.

Authority for Board of Trustees Action:

BOG Regulation 1.001(6)

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



Board of Trustees

Agenda Memo

Supporting Documentation:

Attachment A: TD Bank Rate Modification Proposal for the UCF Convocation Series 2018 Refunding Revenue Bonds

Attachment B: Savings calculations assuming the proposed indicative rate of 2.82%

Attachment C: Savings calculations assuming a less favorable rate of 3.07%

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Bert Francis, Assistant Vice President for Debt Management and University Treasurer



TD Bank, N.A.,
2307 West Kennedy Boulevard
Tampa, FL 33609
Tel: 813-250-3069
Fax: 813-258-5622
Robert.Catoe@td.com

May 6, 2022

Mr. Albert Francis, CPA
University Treasurer
University of Central Florida
Division of Financial Affairs
4365 Andromeda Loop N, MH 384
Orlando, FL 32816

RE: Modification of UCF Convocation Corporation Capital Improvement Refunding Revenue Bonds, Series 2018 (Student Housing Project)

Dear Mr. Albert Francis,

TD Bank, N.A. (the "Bank") is pleased to submit the following proposal to UCF Convocation Corporation (Corporation) to modify the existing Series 2018 Capital Improvement Refunding Revenue Bonds ("Series 2018")

The structure of the proposed Credit Modification is outlined in the attached term sheet (Exhibit A) which provides a statement of suggested terms, but under no circumstance shall such statement be construed as a complete summarization of terms necessary for consummation of the proposed Credit Modification. PLEASE NOTE THIS PROPOSAL IS SUBJECT TO FORMAL CREDIT REVIEW AND UNDERWRITING IN ACCORDANCE WITH THE BANK'S INTERNAL POLICY AND NOTHING HEREIN SHALL CONSTITUTE A BINDING COMMITMENT TO LEND. Further, we expressly advise you that TD Bank, N.A. has not approved the Credit Accommodation. The Bank shall not be liable to the Corporation or any other person for any losses, damages or consequential damages which may result from the Village's reliance upon this proposal letter, the proposed Credit Accommodation, the proposed term sheet or any transaction contemplated hereby.

The Bank's Loan Proposal is subject to acceptance by the Corporation prior to 3:00 pm eastern standard time on May 31, 2022 and is contingent upon a Loan Closing with mutually acceptable documents between the Corporation and Bank prior to 3:00 pm eastern standard time on July 30, 2022.

This letter, including the terms contained within the proposed Credit Accommodation, is delivered to you on the condition that its existence and its contents will not be disclosed without our prior written approval, except (i) as may be required to be disclosed in any legal proceeding or as may otherwise be required by law and on a confidential and "need to know" basis, to your directors, officers, employees, advisors and agents.

We appreciate this opportunity and are delighted to provide this Proposal. We look forward to working with you to successfully complete this transaction. My contact information is noted above.

Very truly yours,

TD BANK, N.A.

By: 
Robert W. Catoe
Vice President

TD Bank, N.A.
TERMS AND CONDITIONS OF CREDIT MODIFICATION DATED
May 6, 2022 (“Loan”)

THIS IS A STATEMENT OF TERMS AND CONDITIONS AND NOT A COMMITMENT TO LEND. ALL CREDIT ACCOMMODATIONS ARE SUBJECT TO FORMAL CREDIT UNDERWRITING AND APPROVAL.

1. Loan

- a) **Borrower(s):** UCF Convocation Corporation (the "Borrower")
- b) **Facility:** Tax-Exempt, Capital Improvement Revenue Bonds, Series 2018
- c) **Purpose:** Rate Modification on a forward basis
- d) **Amount:** Not to exceed \$85,970,000.00 USD
- e) **Collateral:** Secured by Gross Housing Project Revenues and a support agreement from the University (as further described in the Trust Indenture)
- f) **Settlement Date:** On or before June 30, 2022
- g) **Maturity:** October 1, 2035
- h) **Repayment Terms:** Interest on the 2022 Bonds shall be payable semiannually on April 1 and October 1.

Principal shall be payable annually on October 1 and at maturity, fully amortized over the life of the loan as set forth in the Preliminary Loan Amortization Schedule (see Appendix A).
- j) **Interest Rate:** Non Bank-Qualified Fixed Rate
Indicative Tax-Exempt Fixed Rate: **2.82%**

Final Loan rate will be set upon formal approval by Borrower of the loan rate modification documents.
- k) **Prepayment Provision:** The Series 2018 Bonds will be subject to the following Make Whole Provision prior to July 1, 2032. On or after July 1, 2032, the Series 2018 Bonds may be prepaid without penalty.

Make Whole Provision:

At the time of any full or partial prepayment, a "Yield Maintenance Fee" in an amount computed as follows shall apply:

This Bond may be prepaid on any Business Day in whole or in part upon

thirty (30) days prior written notice to the Bank. In the event of any prepayment of this Bond, whether by voluntary prepayment, acceleration or otherwise, the Borrower shall, at the option of the Bank, pay a "fixed rate prepayment charge" equal to the greater of (i) 1.00% of the principal balance being prepaid multiplied by the "Remaining Term," as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest Rate". If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed prepayment charge" due to the Bank upon prepayment of the principal of this Loan plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

Yield Maintenance Fee = [Amount Being Prepaid x (Stated Interest Rate - Current Cost of Funds) x Days in the Remaining Term/360 days] + any accrued interest due "Remaining Term."

"Remaining Term" as used herein shall mean the shorter of (i) the remaining term of the 2022 Bond, or (ii) the remaining term of the then current fixed interest rate period.

l) **Default Rate of Interest:**

The "default rate of interest" shall be six (6) percentage points in excess of the Prime Rate as quoted in the Wall Street Journal.

Events of Default: Will include, but not be limited to:

- (1) Breach of representation or warranties
- (2) Violation of covenants
- (3) Bankruptcy or insolvency
- (4) Final, non-appealable judgements against the Borrower or University if excess of \$10,000,000
- (5) Payment default

m) **Late Charges:**

If any payment due to the Bank is more than fifteen (15) days overdue, a late charge of six percent (6%) of the overdue payment shall be assessed.

2. **Fees and Expenses:** The Borrower shall pay to the Bank on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Bank in connection with the Bond.

Forward Start Loan Buy Down Fee (due at closing): \$165,000.00

3. **Financial Reporting:**

a) Borrower(s) shall furnish the following financial reports:

| <u>Type of Report(s)</u> | <u>Frequency</u> | <u>Due Date</u> |
|--|------------------|---|
| <i>Audited Financial Statements</i> | Annually | Within 270 days after the end of the fiscal year |
| <i>Annual Budget</i> | Annually | Within 30 days after its adoption |
| <i>Compliance Certificate</i> | Annually | 9/25 |
| <i>UCF Audited Financial Statements</i> | Annually | Within 270 days after the end of the fiscal year. |

The Bank reserves the right to request reasonable additional financial information to supplement or verify certain financial assumptions or verify the creditworthiness of the Borrower

4. **Legal Opinion:**

Prior to closing, there shall be delivered to the Bank an opinion of Bond Counsel acceptable to the Bank covering matters customary for a transaction of this type and nature and which shall, without limitation, opine that: (1) the Borrower is duly formed; (2) all loan documents have been validly authorized and executed by and on behalf of the Borrower, if any; (3) all loan documents are valid, binding, enforceable in accordance with their terms and do not violate any legal requirements, including without limitation, organizational documents, laws and material agreements; (4) the loan and loan documents are exempt from registration and qualification under the Securities Act of 1933 and Trust Indenture Act of 1939, and (5) the interest on the Bond is excludable from the gross income of the Bank. An opinion of counsel to the Corporation in form and substance satisfactory to the Bank.

5. **Financial Covenants**

All standard covenants and provisions shall be applicable to the Term Loan, including but not limited to:

Rate Covenant Test: Annually, university shall fix, establish and collect such fees, rentals and other charges from students, faculty members and others using or being served by the Housing System and the Retail Components, so that the Housing System Revenues and Retail Revenues shall be sufficient in each Fiscal Year to pay at least 120% of the Annual Bond Service Requirement for all Bonds coming due in such Fiscal Year plus an amount equal to at least 100% of an amount equal to the Operating Expenses coming due in such Fiscal Year.

6. **Other Conditions:**

- Existing Support Agreement provided by the University to remain in place until the Loans are repaid in full.
- Bank agrees to no acceleration as a remedy on the basis of the inclusion of all existing rights and remedies to include a most favored nation's clause with the exception of corporate tax adjustment language.
- Borrower may not incur any additional debt without prior written consent of the Bank.
- University to collect all housing revenues on behalf of the Corporation and to provide current agreed upon services.
- The implementation of certain terms, conditions, covenants or other non-material changes to the

proposed Credit Accommodation required as part of the Bank's formal credit approval shall be deemed an approval in substantially the form outlined in this proposed Credit Accommodation.

- f. All standard representations, warranties, rights and remedies in the event of default that are acceptable to the bank.
- g. No material adverse change in the Borrower's financial condition prior to settlement date.
- h. All legal matters and documentation to be executed in connection with the contemplated proposed Credit Accommodation shall be satisfactory in form and substance to the Bank and counsel to the Bank.
- i. The Bank shall not be required to enter into the proposed Credit Accommodation until the completion of all due diligence inquiries, receipt of approvals from all requisite parties and the execution and receipt of all necessary documentation reasonably acceptable to the Bank and its counsel. Furthermore, certain assumptions are made for this proposal which, if altered, could affect the overall credit approval and or terms of the proposed Credit Accommodation.
- j. Meeting with UCF Treasury/cash management team to discuss "best effort" approach toward TD Bank earning non-credit banking business of the University.

Patriot Act Notice. Lender is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107- 56) (signed into law October 26, 2001)) (the "Act") and hereby notifies the Borrower and Guarantor that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower and Guarantor, which information includes the name and address of the Borrower and Guarantor and other information that will allow Lender to identify the Borrower and Guarantor in accordance with the Act.

THIS PROPOSAL IS NOT AND SHOULD NOT BE CONSTRUED AS A COMMITMENT BY THE BANK OR ANY AFFILIATE TO ENTER INTO ANY CREDIT ACCOMMODATION.

Appendix A: Amortization Schedule

| Payment Date | Principal Payment |
|--------------|-------------------|
| 10/1/2022 | \$ 5,100,000 |
| 10/1/2023 | \$ 5,270,000 |
| 10/1/2024 | \$ 5,465,000 |
| 10/1/2025 | \$ 5,650,000 |
| 10/1/2026 | \$ 5,850,000 |
| 10/1/2027 | \$ 6,050,000 |
| 10/1/2028 | \$ 6,260,000 |
| 10/1/2029 | \$ 6,480,000 |
| 10/1/2030 | \$ 6,705,000 |
| 10/1/2031 | \$ 6,945,000 |
| 10/1/2032 | \$ 7,185,000 |
| 10/1/2033 | \$ 7,430,000 |
| 10/1/2034 | \$ 7,695,000 |
| 10/1/2035 | \$ 3,885,000 |
| | \$ 85,970,000 |

TABLE OF CONTENTS

University of Central Florida-Convocation
Capital Improvement Refunding Bonds Series 2022
Preliminary Discussion Only

| Report | Page |
|--|------|
| Sources and Uses of Funds | 1 |
| Bond Summary Statistics | 2 |
| Summary of Refunding Results | 3 |
| Savings | 4 |
| Summary of Bonds Refunded | 5 |
| Bond Pricing | 6 |
| Detailed Bond Debt Service | 7 |
| Escrow Requirements | 9 |
| Escrow Cost | 10 |
| Escrow Statistics | 11 |
| Prior Bond Debt Service | 12 |

SOURCES AND USES OF FUNDS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| | |
|---------------|------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |

Sources:

| | |
|-----------------------------------|---------------|
| Bond Proceeds: | |
| Par Amount | 84,645,000.00 |
| Other Sources of Funds: | |
| Principal & Interest Contribution | 2,167,618.04 |
| | <hr/> |
| | 86,812,618.04 |

Uses:

| | |
|----------------------------|---------------|
| Refunding Escrow Deposits: | |
| Cash Deposit | 86,474,357.33 |
| Delivery Date Expenses: | |
| Cost of Issuance | 170,000.00 |
| Commitment Fee | <hr/> |
| | 165,000.00 |
| | 335,000.00 |
| Other Uses of Funds: | |
| Additional Proceeds | 3,260.71 |
| | <hr/> |
| | 86,812,618.04 |

Note: Converts to Tax Exempt rate of 2.40% as of call date 10/1/2023

BOND SUMMARY STATISTICS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| | |
|---------------------------------|----------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |
| First Coupon | 10/01/2022 |
| Last Maturity | 10/01/2035 |
| Arbitrage Yield | 2.820348% |
| True Interest Cost (TIC) | 2.820348% |
| Net Interest Cost (NIC) | 2.820000% |
| All-In TIC | 2.883768% |
| Average Coupon | 2.820000% |
| Average Life (years) | 7.138 |
| Duration of Issue (years) | 6.346 |
| Par Amount | 84,645,000.00 |
| Bond Proceeds | 84,645,000.00 |
| Total Interest | 17,037,594.00 |
| Net Interest | 17,037,594.00 |
| Total Debt Service | 101,682,594.00 |
| Maximum Annual Debt Service | 7,816,356.00 |
| Average Annual Debt Service | 7,626,194.55 |
| Underwriter's Fees (per \$1000) | |
| Average Takedown | |
| Other Fee | |
| Total Underwriter's Discount | |
| Bid Price | 100.000000 |

| Bond Component | Par Value | Price | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Bond Component | 84,645,000.00 | 100.000 | 2.820% | 7.138 | 52,648.10 |
| | 84,645,000.00 | | | 7.138 | 52,648.10 |

| | TIC | All-In TIC | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value | 84,645,000.00 | 84,645,000.00 | 84,645,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | | | |
| - Underwriter's Discount | | | |
| - Cost of Issuance Expense | | (170,000.00) | |
| - Other Amounts | | (165,000.00) | |
| Target Value | 84,645,000.00 | 84,310,000.00 | 84,645,000.00 |
| Target Date | 06/01/2022 | 06/01/2022 | 06/01/2022 |
| Yield | 2.820348% | 2.883768% | 2.820348% |

SUMMARY OF REFUNDING RESULTS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| | |
|--|---------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |
| Arbitrage yield | 2.820348% |
| Escrow yield | 0.000000% |
| Value of Negative Arbitrage | |
| Bond Par Amount | 84,645,000.00 |
| True Interest Cost | 2.820348% |
| Net Interest Cost | 2.820000% |
| All-In TIC | 2.883768% |
| Average Coupon | 2.820000% |
| Average Life | 7.138 |
| Par amount of refunded bonds | 85,970,000.00 |
| Average coupon of refunded bonds | 3.520000% |
| Average life of refunded bonds | 7.107 |
| PV of prior debt to 06/01/2022 @ 2.883768% | 89,867,647.75 |
| Net PV Savings | 3,393,290.42 |
| Percentage savings of refunded bonds | 3.947063% |

SAVINGS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Date | Prior Debt Service | Prior Receipts | Prior Net Cash Flow | Refunding Debt Service | Savings | Present Value to 06/01/2022 @ 2.8837677% |
|------------|-----------------------|-------------------|------------------------|---------------------------|--------------|--|
| 10/01/2022 | 6,613,072.00 | 2,167,618.04 | 4,445,453.96 | 4,340,663.00 | 104,790.96 | 83,206.44 |
| 10/01/2023 | 8,116,624.00 | | 8,116,624.00 | 7,807,020.00 | 309,604.00 | 301,890.73 |
| 10/01/2024 | 8,126,120.00 | | 8,126,120.00 | 7,816,356.00 | 309,764.00 | 293,318.07 |
| 10/01/2025 | 8,118,752.00 | | 8,118,752.00 | 7,811,039.00 | 307,713.00 | 282,964.61 |
| 10/01/2026 | 8,119,872.00 | | 8,119,872.00 | 7,811,351.00 | 308,521.00 | 275,473.70 |
| 10/01/2027 | 8,113,952.00 | | 8,113,952.00 | 7,807,010.00 | 306,942.00 | 266,116.49 |
| 10/01/2028 | 8,110,992.00 | | 8,110,992.00 | 7,803,016.00 | 307,976.00 | 259,233.34 |
| 10/01/2029 | 8,110,640.00 | | 8,110,640.00 | 7,799,228.00 | 311,412.00 | 254,458.65 |
| 10/01/2030 | 8,107,544.00 | | 8,107,544.00 | 7,795,505.00 | 312,039.00 | 247,518.27 |
| 10/01/2031 | 8,111,528.00 | | 8,111,528.00 | 7,801,706.00 | 309,822.00 | 238,574.19 |
| 10/01/2032 | 8,107,064.00 | | 8,107,064.00 | 7,797,408.00 | 309,656.00 | 231,447.73 |
| 10/01/2033 | 8,099,152.00 | | 8,099,152.00 | 7,787,752.00 | 311,400.00 | 225,898.12 |
| 10/01/2034 | 8,102,616.00 | | 8,102,616.00 | 7,792,738.00 | 309,878.00 | 218,166.53 |
| 10/01/2035 | 4,021,752.00 | | 4,021,752.00 | 3,711,802.00 | 309,950.00 | 211,762.83 |
| | 107,979,680.00 | 2,167,618.04 | 105,812,061.96 | 101,682,594.00 | 4,129,467.96 | 3,390,029.71 |

Savings Summary

| | |
|-------------------------------|--------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |
| PV of savings from cash flow | 3,390,029.71 |
| Plus: Refunding funds on hand | 3,260.71 |
| Net PV Savings | 3,393,290.42 |

SUMMARY OF BONDS REFUNDED

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Bond | Maturity Date | Interest Rate | Par Amount | Call Date | Call Price |
|--|------------------|------------------|---------------|--------------|---------------|
| Capital Improvement Revenue Refunding Bonds Series 2018, 2018: | | | | | |
| SERIAL | 10/01/2022 | 3.520% | 5,100,000 | 06/01/2022 | 100.000 |
| | 10/01/2023 | 3.520% | 5,270,000 | 06/01/2022 | 100.000 |
| | 10/01/2024 | 3.520% | 5,465,000 | 06/01/2022 | 100.000 |
| | 10/01/2025 | 3.520% | 5,650,000 | 06/01/2022 | 100.000 |
| | 10/01/2026 | 3.520% | 5,850,000 | 06/01/2022 | 100.000 |
| | 10/01/2027 | 3.520% | 6,050,000 | 06/01/2022 | 100.000 |
| | 10/01/2028 | 3.520% | 6,260,000 | 06/01/2022 | 100.000 |
| | 10/01/2029 | 3.520% | 6,480,000 | 06/01/2022 | 100.000 |
| | 10/01/2030 | 3.520% | 6,705,000 | 06/01/2022 | 100.000 |
| | 10/01/2031 | 3.520% | 6,945,000 | 06/01/2022 | 100.000 |
| | 10/01/2032 | 3.520% | 7,185,000 | 06/01/2022 | 100.000 |
| | 10/01/2033 | 3.520% | 7,430,000 | 06/01/2022 | 100.000 |
| | 10/01/2034 | 3.520% | 7,695,000 | 06/01/2022 | 100.000 |
| | 10/01/2035 | 3.520% | 3,885,000 | 06/01/2022 | 100.000 |
| | | | 85,970,000 | | |

BOND PRICING

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Bond Component | Maturity Date | Amount | Rate | Yield | Price |
|-----------------|---------------|------------|--------|--------|---------|
| Bond Component: | | | | | |
| | 10/01/2022 | 3,545,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2023 | 5,520,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2024 | 5,685,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2025 | 5,840,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2026 | 6,005,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2027 | 6,170,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2028 | 6,340,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2029 | 6,515,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2030 | 6,695,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2031 | 6,890,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2032 | 7,080,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2033 | 7,270,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2034 | 7,480,000 | 2.820% | 2.820% | 100.000 |
| | 10/01/2035 | 3,610,000 | 2.820% | 2.820% | 100.000 |
| | | 84,645,000 | | | |

| | | |
|-------------------------|---------------|-------------|
| Dated Date | 06/01/2022 | |
| Delivery Date | 06/01/2022 | |
| First Coupon | 10/01/2022 | |
| Par Amount | 84,645,000.00 | |
| Original Issue Discount | | |
| Production | 84,645,000.00 | 100.000000% |
| Underwriter's Discount | | |
| Purchase Price | 84,645,000.00 | 100.000000% |
| Accrued Interest | | |
| Net Proceeds | 84,645,000.00 | |

DETAILED BOND DEBT SERVICE

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

Dated Date 06/01/2022
Delivery Date 06/01/2022

Bond Component (BOND)

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|------------|--------|---------------|----------------|---------------------------|
| 10/01/2022 | 3,545,000 | 2.820% | 795,663.00 | 4,340,663.00 | 4,340,663 |
| 04/01/2023 | | | 1,143,510.00 | 1,143,510.00 | |
| 10/01/2023 | 5,520,000 | 2.820% | 1,143,510.00 | 6,663,510.00 | 7,807,020 |
| 04/01/2024 | | | 1,065,678.00 | 1,065,678.00 | |
| 10/01/2024 | 5,685,000 | 2.820% | 1,065,678.00 | 6,750,678.00 | 7,816,356 |
| 04/01/2025 | | | 985,519.50 | 985,519.50 | |
| 10/01/2025 | 5,840,000 | 2.820% | 985,519.50 | 6,825,519.50 | 7,811,039 |
| 04/01/2026 | | | 903,175.50 | 903,175.50 | |
| 10/01/2026 | 6,005,000 | 2.820% | 903,175.50 | 6,908,175.50 | 7,811,351 |
| 04/01/2027 | | | 818,505.00 | 818,505.00 | |
| 10/01/2027 | 6,170,000 | 2.820% | 818,505.00 | 6,988,505.00 | 7,807,010 |
| 04/01/2028 | | | 731,508.00 | 731,508.00 | |
| 10/01/2028 | 6,340,000 | 2.820% | 731,508.00 | 7,071,508.00 | 7,803,016 |
| 04/01/2029 | | | 642,114.00 | 642,114.00 | |
| 10/01/2029 | 6,515,000 | 2.820% | 642,114.00 | 7,157,114.00 | 7,799,228 |
| 04/01/2030 | | | 550,252.50 | 550,252.50 | |
| 10/01/2030 | 6,695,000 | 2.820% | 550,252.50 | 7,245,252.50 | 7,795,505 |
| 04/01/2031 | | | 455,853.00 | 455,853.00 | |
| 10/01/2031 | 6,890,000 | 2.820% | 455,853.00 | 7,345,853.00 | 7,801,706 |
| 04/01/2032 | | | 358,704.00 | 358,704.00 | |
| 10/01/2032 | 7,080,000 | 2.820% | 358,704.00 | 7,438,704.00 | 7,797,408 |
| 04/01/2033 | | | 258,876.00 | 258,876.00 | |
| 10/01/2033 | 7,270,000 | 2.820% | 258,876.00 | 7,528,876.00 | 7,787,752 |
| 04/01/2034 | | | 156,369.00 | 156,369.00 | |
| 10/01/2034 | 7,480,000 | 2.820% | 156,369.00 | 7,636,369.00 | 7,792,738 |
| 04/01/2035 | | | 50,901.00 | 50,901.00 | |
| 10/01/2035 | 3,610,000 | 2.820% | 50,901.00 | 3,660,901.00 | 3,711,802 |
| | 84,645,000 | | 17,037,594.00 | 101,682,594.00 | 101,682,594 |

Note: Converts to Tax Exempt rate of 2.40% as of call date 10/1/2023

DETAILED BOND DEBT SERVICE

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

Dated Date 06/01/2022
Delivery Date 06/01/2022

Bond Component (BOND)

| Period Ending | Principal | Coupon | Interest | Debt Service |
|------------------|------------|--------|------------|-----------------|
| 10/01/2022 | 3,545,000 | 2.820% | 795,663 | 4,340,663 |
| 10/01/2023 | 5,520,000 | 2.820% | 2,287,020 | 7,807,020 |
| 10/01/2024 | 5,685,000 | 2.820% | 2,131,356 | 7,816,356 |
| 10/01/2025 | 5,840,000 | 2.820% | 1,971,039 | 7,811,039 |
| 10/01/2026 | 6,005,000 | 2.820% | 1,806,351 | 7,811,351 |
| 10/01/2027 | 6,170,000 | 2.820% | 1,637,010 | 7,807,010 |
| 10/01/2028 | 6,340,000 | 2.820% | 1,463,016 | 7,803,016 |
| 10/01/2029 | 6,515,000 | 2.820% | 1,284,228 | 7,799,228 |
| 10/01/2030 | 6,695,000 | 2.820% | 1,100,505 | 7,795,505 |
| 10/01/2031 | 6,890,000 | 2.820% | 911,706 | 7,801,706 |
| 10/01/2032 | 7,080,000 | 2.820% | 717,408 | 7,797,408 |
| 10/01/2033 | 7,270,000 | 2.820% | 517,752 | 7,787,752 |
| 10/01/2034 | 7,480,000 | 2.820% | 312,738 | 7,792,738 |
| 10/01/2035 | 3,610,000 | 2.820% | 101,802 | 3,711,802 |
| | 84,645,000 | | 17,037,594 | 101,682,594 |

Note: Converts to Tax Exempt rate of 2.40% as of call date 10/1/2023

ESCROW REQUIREMENTS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| | |
|---------------|------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |

| Period Ending | Interest | Principal Redeemed | Total |
|------------------|------------|-----------------------|---------------|
| 06/01/2022 | 504,357.33 | 85,970,000 | 86,474,357.33 |
| | 504,357.33 | 85,970,000 | 86,474,357.33 |

ESCROW COST

University of Central Florida-Convocation
Capital Improvement Refunding Bonds Series 2022
Preliminary Discussion Only

| Purchase Date | Cost of Securities | Cash Deposit | Total Escrow Cost |
|------------------|-----------------------|-----------------|----------------------|
| 06/01/2022 | | 86,474,357.33 | 86,474,357.33 |
| | 0 | 86,474,357.33 | 86,474,357.33 |

ESCROW STATISTICS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Total Escrow Cost | Modified Duration (years) | Yield to Receipt Date | Yield to Disbursement Date | Perfect Escrow Cost | Value of Negative Arbitrage | Cost of Dead Time |
|-------------------------|---------------------------------|-----------------------------|----------------------------------|---------------------------|-----------------------------------|----------------------|
| Global Proceeds Escrow: | | | | | | |
| 86,474,357.33 | | | | 86,474,357.33 | | |
| 86,474,357.33 | | | | 86,474,357.33 | 0.00 | 0.00 |

| | |
|-----------------|------------|
| Delivery date | 06/01/2022 |
| Arbitrage yield | 2.820348% |

PRIOR BOND DEBT SERVICE

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Present Value to 06/01/2022 @ 2.8837677% |
|------------------|------------|--------|------------|-----------------|---------------------------|--|
| 10/01/2022 | 5,100,000 | 3.520% | 1,513,072 | 6,613,072 | 6,613,072 | 6,550,257.61 |
| 04/01/2023 | | | 1,423,312 | 1,423,312 | | 1,389,754.01 |
| 10/01/2023 | 5,270,000 | 3.520% | 1,423,312 | 6,693,312 | 8,116,624 | 6,442,606.22 |
| 04/01/2024 | | | 1,330,560 | 1,330,560 | | 1,262,518.28 |
| 10/01/2024 | 5,465,000 | 3.520% | 1,330,560 | 6,795,560 | 8,126,120 | 6,356,399.11 |
| 04/01/2025 | | | 1,234,376 | 1,234,376 | | 1,138,193.42 |
| 10/01/2025 | 5,650,000 | 3.520% | 1,234,376 | 6,884,376 | 8,118,752 | 6,257,716.41 |
| 04/01/2026 | | | 1,134,936 | 1,134,936 | | 1,016,963.49 |
| 10/01/2026 | 5,850,000 | 3.520% | 1,134,936 | 6,984,936 | 8,119,872 | 6,169,914.07 |
| 04/01/2027 | | | 1,031,976 | 1,031,976 | | 898,605.30 |
| 10/01/2027 | 6,050,000 | 3.520% | 1,031,976 | 7,081,976 | 8,113,952 | 6,079,061.31 |
| 04/01/2028 | | | 925,496 | 925,496 | | 783,139.83 |
| 10/01/2028 | 6,260,000 | 3.520% | 925,496 | 7,185,496 | 8,110,992 | 5,993,827.13 |
| 04/01/2029 | | | 815,320 | 815,320 | | 670,437.43 |
| 10/01/2029 | 6,480,000 | 3.520% | 815,320 | 7,295,320 | 8,110,640 | 5,913,671.51 |
| 04/01/2030 | | | 701,272 | 701,272 | | 560,379.25 |
| 10/01/2030 | 6,705,000 | 3.520% | 701,272 | 7,406,272 | 8,107,544 | 5,834,154.11 |
| 04/01/2031 | | | 583,264 | 583,264 | | 452,924.80 |
| 10/01/2031 | 6,945,000 | 3.520% | 583,264 | 7,528,264 | 8,111,528 | 5,762,865.29 |
| 04/01/2032 | | | 461,032 | 461,032 | | 347,902.37 |
| 10/01/2032 | 7,185,000 | 3.520% | 461,032 | 7,646,032 | 8,107,064 | 5,687,810.61 |
| 04/01/2033 | | | 334,576 | 334,576 | | 245,350.24 |
| 10/01/2033 | 7,430,000 | 3.520% | 334,576 | 7,764,576 | 8,099,152 | 5,612,962.62 |
| 04/01/2034 | | | 203,808 | 203,808 | | 145,237.35 |
| 10/01/2034 | 7,695,000 | 3.520% | 203,808 | 7,898,808 | 8,102,616 | 5,548,829.12 |
| 04/01/2035 | | | 68,376 | 68,376 | | 47,350.68 |
| 10/01/2035 | 3,885,000 | 3.520% | 68,376 | 3,953,376 | 4,021,752 | 2,698,816.17 |
| | 85,970,000 | | 22,009,680 | 107,979,680 | 107,979,680 | 89,867,647.75 |

TABLE OF CONTENTS

University of Central Florida-Convocation
Capital Improvement Refunding Bonds Series 2022
Preliminary Discussion Only

| Report | Page |
|--|------|
| Sources and Uses of Funds | 1 |
| Bond Summary Statistics | 2 |
| Summary of Refunding Results | 3 |
| Savings | 4 |
| Summary of Bonds Refunded | 5 |
| Bond Pricing | 6 |
| Detailed Bond Debt Service | 7 |
| Escrow Requirements | 9 |
| Escrow Cost | 10 |
| Escrow Statistics | 11 |
| Prior Bond Debt Service | 12 |

SOURCES AND USES OF FUNDS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| | |
|---------------|------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |

Sources:

| | |
|-----------------------------------|---------------|
| Bond Proceeds: | |
| Par Amount | 84,645,000.00 |
| Other Sources of Funds: | |
| Principal & Interest Contribution | 2,167,618.04 |
| | <hr/> |
| | 86,812,618.04 |

Uses:

| | |
|----------------------------|---------------|
| Refunding Escrow Deposits: | |
| Cash Deposit | 86,474,357.33 |
| Delivery Date Expenses: | |
| Cost of Issuance | 170,000.00 |
| Commitment Fee | <hr/> |
| | 165,000.00 |
| | 335,000.00 |
| Other Uses of Funds: | |
| Additional Proceeds | 3,260.71 |
| | <hr/> |
| | 86,812,618.04 |

Note: Converts to Tax Exempt rate of 2.40% as of call date 10/1/2023

BOND SUMMARY STATISTICS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| | |
|---------------------------------|----------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |
| First Coupon | 10/01/2022 |
| Last Maturity | 10/01/2035 |
| Arbitrage Yield | 3.070414% |
| True Interest Cost (TIC) | 3.070414% |
| Net Interest Cost (NIC) | 3.070000% |
| All-In TIC | 3.134246% |
| Average Coupon | 3.070000% |
| Average Life (years) | 7.175 |
| Duration of Issue (years) | 6.313 |
| Par Amount | 84,645,000.00 |
| Bond Proceeds | 84,645,000.00 |
| Total Interest | 18,643,956.50 |
| Net Interest | 18,643,956.50 |
| Total Debt Service | 103,288,956.50 |
| Maximum Annual Debt Service | 7,938,836.50 |
| Average Annual Debt Service | 7,746,671.74 |
| Underwriter's Fees (per \$1000) | |
| Average Takedown | |
| Other Fee | |
| Total Underwriter's Discount | |
| Bid Price | 100.000000 |

| Bond Component | Par Value | Price | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Bond Component | 84,645,000.00 | 100.000 | 3.070% | 7.175 | 52,636.55 |
| | 84,645,000.00 | | | 7.175 | 52,636.55 |

| | TIC | All-In TIC | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value | 84,645,000.00 | 84,645,000.00 | 84,645,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | | | |
| - Underwriter's Discount | | | |
| - Cost of Issuance Expense | | (170,000.00) | |
| - Other Amounts | | (165,000.00) | |
| Target Value | 84,645,000.00 | 84,310,000.00 | 84,645,000.00 |
| Target Date | 06/01/2022 | 06/01/2022 | 06/01/2022 |
| Yield | 3.070414% | 3.134246% | 3.070414% |

SUMMARY OF REFUNDING RESULTS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| | |
|--|---------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |
| Arbitrage yield | 3.070414% |
| Escrow yield | 0.000000% |
| Value of Negative Arbitrage | |
| Bond Par Amount | 84,645,000.00 |
| True Interest Cost | 3.070414% |
| Net Interest Cost | 3.070000% |
| All-In TIC | 3.134246% |
| Average Coupon | 3.070000% |
| Average Life | 7.175 |
| Par amount of refunded bonds | 85,970,000.00 |
| Average coupon of refunded bonds | 3.520000% |
| Average life of refunded bonds | 7.107 |
| PV of prior debt to 06/01/2022 @ 3.134246% | 88,507,519.49 |
| Net PV Savings | 2,033,162.16 |
| Percentage savings of refunded bonds | 2.364967% |

SAVINGS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Date | Prior Debt Service | Prior Receipts | Prior Net Cash Flow | Refunding Debt Service | Savings | Present Value to 06/01/2022 @ 3.1342457% |
|------------|-----------------------|-------------------|------------------------|---------------------------|--------------|--|
| 10/01/2022 | 6,613,072.00 | 2,167,618.04 | 4,445,453.96 | 4,381,200.50 | 64,253.46 | 41,236.34 |
| 10/01/2023 | 8,116,624.00 | | 8,116,624.00 | 7,925,691.00 | 190,933.00 | 185,853.37 |
| 10/01/2024 | 8,126,120.00 | | 8,126,120.00 | 7,938,836.50 | 187,283.50 | 176,632.44 |
| 10/01/2025 | 8,118,752.00 | | 8,118,752.00 | 7,931,456.00 | 187,296.00 | 171,093.89 |
| 10/01/2026 | 8,119,872.00 | | 8,119,872.00 | 7,929,010.00 | 190,862.00 | 168,824.49 |
| 10/01/2027 | 8,113,952.00 | | 8,113,952.00 | 7,926,191.50 | 187,760.50 | 160,874.13 |
| 10/01/2028 | 8,110,992.00 | | 8,110,992.00 | 7,922,847.00 | 188,145.00 | 156,105.40 |
| 10/01/2029 | 8,110,640.00 | | 8,110,640.00 | 7,918,823.00 | 191,817.00 | 154,084.29 |
| 10/01/2030 | 8,107,544.00 | | 8,107,544.00 | 7,918,966.00 | 188,578.00 | 146,695.82 |
| 10/01/2031 | 8,111,528.00 | | 8,111,528.00 | 7,922,969.00 | 188,559.00 | 142,013.71 |
| 10/01/2032 | 8,107,064.00 | | 8,107,064.00 | 7,915,525.00 | 191,539.00 | 139,644.18 |
| 10/01/2033 | 8,099,152.00 | | 8,099,152.00 | 7,911,787.50 | 187,364.50 | 132,245.43 |
| 10/01/2034 | 8,102,616.00 | | 8,102,616.00 | 7,911,449.50 | 191,166.50 | 130,593.50 |
| 10/01/2035 | 4,021,752.00 | | 4,021,752.00 | 3,834,204.00 | 187,548.00 | 124,004.48 |
| | 107,979,680.00 | 2,167,618.04 | 105,812,061.96 | 103,288,956.50 | 2,523,105.46 | 2,029,901.45 |

Savings Summary

| | |
|-------------------------------|--------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |
| PV of savings from cash flow | 2,029,901.45 |
| Plus: Refunding funds on hand | 3,260.71 |
| Net PV Savings | 2,033,162.16 |

SUMMARY OF BONDS REFUNDED

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Bond | Maturity Date | Interest Rate | Par Amount | Call Date | Call Price |
|--|------------------|------------------|---------------|--------------|---------------|
| Capital Improvement Revenue Refunding Bonds Series 2018, 2018: | | | | | |
| SERIAL | 10/01/2022 | 3.520% | 5,100,000 | 06/01/2022 | 100.000 |
| | 10/01/2023 | 3.520% | 5,270,000 | 06/01/2022 | 100.000 |
| | 10/01/2024 | 3.520% | 5,465,000 | 06/01/2022 | 100.000 |
| | 10/01/2025 | 3.520% | 5,650,000 | 06/01/2022 | 100.000 |
| | 10/01/2026 | 3.520% | 5,850,000 | 06/01/2022 | 100.000 |
| | 10/01/2027 | 3.520% | 6,050,000 | 06/01/2022 | 100.000 |
| | 10/01/2028 | 3.520% | 6,260,000 | 06/01/2022 | 100.000 |
| | 10/01/2029 | 3.520% | 6,480,000 | 06/01/2022 | 100.000 |
| | 10/01/2030 | 3.520% | 6,705,000 | 06/01/2022 | 100.000 |
| | 10/01/2031 | 3.520% | 6,945,000 | 06/01/2022 | 100.000 |
| | 10/01/2032 | 3.520% | 7,185,000 | 06/01/2022 | 100.000 |
| | 10/01/2033 | 3.520% | 7,430,000 | 06/01/2022 | 100.000 |
| | 10/01/2034 | 3.520% | 7,695,000 | 06/01/2022 | 100.000 |
| | 10/01/2035 | 3.520% | 3,885,000 | 06/01/2022 | 100.000 |
| | | | 85,970,000 | | |

BOND PRICING

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Bond Component | Maturity Date | Amount | Rate | Yield | Price |
|-----------------|---------------|------------|--------|--------|---------|
| Bond Component: | | | | | |
| | 10/01/2022 | 3,515,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2023 | 5,435,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2024 | 5,615,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2025 | 5,780,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2026 | 5,955,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2027 | 6,135,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2028 | 6,320,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2029 | 6,510,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2030 | 6,710,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2031 | 6,920,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2032 | 7,125,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2033 | 7,340,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2034 | 7,565,000 | 3.070% | 3.070% | 100.000 |
| | 10/01/2035 | 3,720,000 | 3.070% | 3.070% | 100.000 |
| | | 84,645,000 | | | |

| | | |
|-------------------------|---------------|-------------|
| Dated Date | 06/01/2022 | |
| Delivery Date | 06/01/2022 | |
| First Coupon | 10/01/2022 | |
| Par Amount | 84,645,000.00 | |
| Original Issue Discount | | |
| Production | 84,645,000.00 | 100.000000% |
| Underwriter's Discount | | |
| Purchase Price | 84,645,000.00 | 100.000000% |
| Accrued Interest | | |
| Net Proceeds | 84,645,000.00 | |

DETAILED BOND DEBT SERVICE

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

Dated Date 06/01/2022
Delivery Date 06/01/2022

Bond Component (BOND)

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|------------|--------|---------------|----------------|------------------------|
| 10/01/2022 | 3,515,000 | 3.070% | 866,200.50 | 4,381,200.50 | 4,381,200.50 |
| 04/01/2023 | | | 1,245,345.50 | 1,245,345.50 | |
| 10/01/2023 | 5,435,000 | 3.070% | 1,245,345.50 | 6,680,345.50 | 7,925,691.00 |
| 04/01/2024 | | | 1,161,918.25 | 1,161,918.25 | |
| 10/01/2024 | 5,615,000 | 3.070% | 1,161,918.25 | 6,776,918.25 | 7,938,836.50 |
| 04/01/2025 | | | 1,075,728.00 | 1,075,728.00 | |
| 10/01/2025 | 5,780,000 | 3.070% | 1,075,728.00 | 6,855,728.00 | 7,931,456.00 |
| 04/01/2026 | | | 987,005.00 | 987,005.00 | |
| 10/01/2026 | 5,955,000 | 3.070% | 987,005.00 | 6,942,005.00 | 7,929,010.00 |
| 04/01/2027 | | | 895,595.75 | 895,595.75 | |
| 10/01/2027 | 6,135,000 | 3.070% | 895,595.75 | 7,030,595.75 | 7,926,191.50 |
| 04/01/2028 | | | 801,423.50 | 801,423.50 | |
| 10/01/2028 | 6,320,000 | 3.070% | 801,423.50 | 7,121,423.50 | 7,922,847.00 |
| 04/01/2029 | | | 704,411.50 | 704,411.50 | |
| 10/01/2029 | 6,510,000 | 3.070% | 704,411.50 | 7,214,411.50 | 7,918,823.00 |
| 04/01/2030 | | | 604,483.00 | 604,483.00 | |
| 10/01/2030 | 6,710,000 | 3.070% | 604,483.00 | 7,314,483.00 | 7,918,966.00 |
| 04/01/2031 | | | 501,484.50 | 501,484.50 | |
| 10/01/2031 | 6,920,000 | 3.070% | 501,484.50 | 7,421,484.50 | 7,922,969.00 |
| 04/01/2032 | | | 395,262.50 | 395,262.50 | |
| 10/01/2032 | 7,125,000 | 3.070% | 395,262.50 | 7,520,262.50 | 7,915,525.00 |
| 04/01/2033 | | | 285,893.75 | 285,893.75 | |
| 10/01/2033 | 7,340,000 | 3.070% | 285,893.75 | 7,625,893.75 | 7,911,787.50 |
| 04/01/2034 | | | 173,224.75 | 173,224.75 | |
| 10/01/2034 | 7,565,000 | 3.070% | 173,224.75 | 7,738,224.75 | 7,911,449.50 |
| 04/01/2035 | | | 57,102.00 | 57,102.00 | |
| 10/01/2035 | 3,720,000 | 3.070% | 57,102.00 | 3,777,102.00 | 3,834,204.00 |
| | 84,645,000 | | 18,643,956.50 | 103,288,956.50 | 103,288,956.50 |

Note: Converts to Tax Exempt rate of 2.40% as of call date 10/1/2023

DETAILED BOND DEBT SERVICE

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

Dated Date 06/01/2022
Delivery Date 06/01/2022

Bond Component (BOND)

| Period Ending | Principal | Coupon | Interest | Debt Service |
|------------------|------------|--------|---------------|----------------|
| 10/01/2022 | 3,515,000 | 3.070% | 866,200.50 | 4,381,200.50 |
| 10/01/2023 | 5,435,000 | 3.070% | 2,490,691.00 | 7,925,691.00 |
| 10/01/2024 | 5,615,000 | 3.070% | 2,323,836.50 | 7,938,836.50 |
| 10/01/2025 | 5,780,000 | 3.070% | 2,151,456.00 | 7,931,456.00 |
| 10/01/2026 | 5,955,000 | 3.070% | 1,974,010.00 | 7,929,010.00 |
| 10/01/2027 | 6,135,000 | 3.070% | 1,791,191.50 | 7,926,191.50 |
| 10/01/2028 | 6,320,000 | 3.070% | 1,602,847.00 | 7,922,847.00 |
| 10/01/2029 | 6,510,000 | 3.070% | 1,408,823.00 | 7,918,823.00 |
| 10/01/2030 | 6,710,000 | 3.070% | 1,208,966.00 | 7,918,966.00 |
| 10/01/2031 | 6,920,000 | 3.070% | 1,002,969.00 | 7,922,969.00 |
| 10/01/2032 | 7,125,000 | 3.070% | 790,525.00 | 7,915,525.00 |
| 10/01/2033 | 7,340,000 | 3.070% | 571,787.50 | 7,911,787.50 |
| 10/01/2034 | 7,565,000 | 3.070% | 346,449.50 | 7,911,449.50 |
| 10/01/2035 | 3,720,000 | 3.070% | 114,204.00 | 3,834,204.00 |
| | 84,645,000 | | 18,643,956.50 | 103,288,956.50 |

Note: Converts to Tax Exempt rate of 2.40% as of call date 10/1/2023

ESCROW REQUIREMENTS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| | |
|---------------|------------|
| Dated Date | 06/01/2022 |
| Delivery Date | 06/01/2022 |

| Period Ending | Interest | Principal Redeemed | Total |
|------------------|------------|-----------------------|---------------|
| 06/01/2022 | 504,357.33 | 85,970,000 | 86,474,357.33 |
| | 504,357.33 | 85,970,000 | 86,474,357.33 |

ESCROW COST

University of Central Florida-Convocation
Capital Improvement Refunding Bonds Series 2022
Preliminary Discussion Only

| Purchase Date | Cost of Securities | Cash Deposit | Total Escrow Cost |
|------------------|-----------------------|-----------------|----------------------|
| 06/01/2022 | | 86,474,357.33 | 86,474,357.33 |
| | 0 | 86,474,357.33 | 86,474,357.33 |

ESCROW STATISTICS

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Total Escrow Cost | Modified Duration (years) | Yield to Receipt Date | Yield to Disbursement Date | Perfect Escrow Cost | Value of Negative Arbitrage | Cost of Dead Time |
|-------------------------|---------------------------------|-----------------------------|----------------------------------|---------------------------|-----------------------------------|----------------------|
| Global Proceeds Escrow: | | | | | | |
| 86,474,357.33 | | | | 86,474,357.33 | | |
| 86,474,357.33 | | | | 86,474,357.33 | 0.00 | 0.00 |

| | |
|-----------------|------------|
| Delivery date | 06/01/2022 |
| Arbitrage yield | 3.070414% |

PRIOR BOND DEBT SERVICE

University of Central Florida-Convocation Capital Improvement Refunding Bonds Series 2022 Preliminary Discussion Only

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Present Value to 06/01/2022 @ 3.1342457% |
|------------------|------------|--------|------------|-----------------|---------------------------|--|
| 10/01/2022 | 5,100,000 | 3.520% | 1,513,072 | 6,613,072 | 6,613,072 | 6,544,871.90 |
| 04/01/2023 | | | 1,423,312 | 1,423,312 | | 1,386,899.08 |
| 10/01/2023 | 5,270,000 | 3.520% | 1,423,312 | 6,693,312 | 8,116,624 | 6,421,443.55 |
| 04/01/2024 | | | 1,330,560 | 1,330,560 | | 1,256,819.51 |
| 10/01/2024 | 5,465,000 | 3.520% | 1,330,560 | 6,795,560 | 8,126,120 | 6,319,905.01 |
| 04/01/2025 | | | 1,234,376 | 1,234,376 | | 1,130,263.28 |
| 10/01/2025 | 5,650,000 | 3.520% | 1,234,376 | 6,884,376 | 8,118,752 | 6,206,454.57 |
| 04/01/2026 | | | 1,134,936 | 1,134,936 | | 1,007,389.04 |
| 10/01/2026 | 5,850,000 | 3.520% | 1,134,936 | 6,984,936 | 8,119,872 | 6,104,289.61 |
| 04/01/2027 | | | 1,031,976 | 1,031,976 | | 887,951.30 |
| 10/01/2027 | 6,050,000 | 3.520% | 1,031,976 | 7,081,976 | 8,113,952 | 5,999,580.01 |
| 04/01/2028 | | | 925,496 | 925,496 | | 771,947.55 |
| 10/01/2028 | 6,260,000 | 3.520% | 925,496 | 7,185,496 | 8,110,992 | 5,900,880.91 |
| 04/01/2029 | | | 815,320 | 815,320 | | 659,227.09 |
| 10/01/2029 | 6,480,000 | 3.520% | 815,320 | 7,295,320 | 8,110,640 | 5,807,619.36 |
| 04/01/2030 | | | 701,272 | 701,272 | | 549,651.16 |
| 10/01/2030 | 6,705,000 | 3.520% | 701,272 | 7,406,272 | 8,107,544 | 5,715,406.91 |
| 04/01/2031 | | | 583,264 | 583,264 | | 443,158.94 |
| 10/01/2031 | 6,945,000 | 3.520% | 583,264 | 7,528,264 | 8,111,528 | 5,631,654.95 |
| 04/01/2032 | | | 461,032 | 461,032 | | 339,562.03 |
| 10/01/2032 | 7,185,000 | 3.520% | 461,032 | 7,646,032 | 8,107,064 | 5,544,610.06 |
| 04/01/2033 | | | 334,576 | 334,576 | | 238,878.21 |
| 10/01/2033 | 7,430,000 | 3.520% | 334,576 | 7,764,576 | 8,099,152 | 5,458,161.00 |
| 04/01/2034 | | | 203,808 | 203,808 | | 141,057.66 |
| 10/01/2034 | 7,695,000 | 3.520% | 203,808 | 7,898,808 | 8,102,616 | 5,382,497.71 |
| 04/01/2035 | | | 68,376 | 68,376 | | 45,874.66 |
| 10/01/2035 | 3,885,000 | 3.520% | 68,376 | 3,953,376 | 4,021,752 | 2,611,464.45 |
| | 85,970,000 | | 22,009,680 | 107,979,680 | 107,979,680 | 88,507,519.49 |

**Board of Trustees
Budget and Finance Committee | May 19, 2022**

INFO-1: University and Direct Support Organizations Debt Report

☒ **Information**☐ **Discussion**☐ **Action**

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

Significant transactions and events since the last report submission (November 16, 2021):

- The UCF Finance Corporation completed repayment of the UCF Downtown Construction Note, and the note was closed on January 26, 2022.
- The University will be completing an annual ratings surveillance process with each debt rating agency during the month of May 2022.

Background Information:

This committee has requested a periodic report on the debt of the university and direct support organizations.

Recommended Action:

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

No financial impact.

Authority for Board of Trustees Action:

Specific trustee request.

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: University and Direct Support Organization Debt Summary

Attachment B: University Global Amortization Schedule

Attachment C: DSO Global Amortization Schedule



Board of Trustees

Agenda Memo

Attachment D - Closing of Revenue Note Series 2018 (Downtown Campus Educational Facility Project)
01.26.2022

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Bert Francis, Assistant Vice President for Debt Management and University Treasurer

University and Direct Support Organization Debt

As of December 31, 2021

| | Total Debt Outstanding 12/31/2021 | Total Debt Service FY 2022 (Projected) | FY 2021 Coverage | | Debt Ratings | | |
|---|---|---|------------------|----------|--------------|-----|-------|
| | | | Actual | Required | Moodys | S&P | Fitch |
| University Issued Bonds | | | | | | | |
| Parking Bonds | | | | | | | |
| Parking Series 2011 | \$ 525,000 | \$ 540,750 | | | | | |
| Parking Series 2012 | 5,140,000 | 560,350 | | | | | |
| Parking Series 2018 | 2,570,000 | 943,500 | | | | | |
| Parking Series 2019 | 5,380,000 | 834,000 | | | | | |
| Total Parking Bonds | 13,615,000 | 2,878,600 | 5.30 | 1.20 | Aa2 | AA- | AA- |
| Housing Bonds | | | | | | | |
| Housing Series 2012 | - | 3,117,258 | | | | | |
| Housing Series 2018 | 15,520,000 | 2,718,375 | | | | | |
| Housing Series 2021 (Refinanced Series 2012) | 42,815,000 | 1,112,185 | | | | | |
| Total Housing Bonds | 58,335,000 | 6,947,818 | 0.91 | 1.20 | Aa3 | A+ | A+ |
| Total University Issued Bonds | \$ 71,950,000 | \$ 9,826,418 | | | | | |
| Direct Support Organization Debt | | | | | | | |
| UCF Convocation Corporation | | | | | | | |
| Housing Series 2018 (Nontaxable) | \$ 85,970,000 | \$ 8,042,912 | 1.46 | 1.20 | UR | UR | UR |
| Arena Series 2015A (Nontaxable) | 48,385,000 | 1,988,963 | 1.41 | 1.20 | UR | A+ | AA- |
| Arena Series 2015B (Taxable) | 15,525,000 | 4,025,280 | 1.41 | 1.20 | UR | A+ | AA- |
| Total UCF Convocation Corporation | 149,880,000 | 14,057,155 | | | | | |
| UCF Stadium Corporation | | | | | | | |
| Series 2015A (Nontaxable) | 28,015,000 | 2,516,669 | | | UR | A+ | AA- |
| Series 2015B (Taxable) | 8,105,000 | 779,455 | | | UR | A+ | AA- |
| Series 2015C Leadership Center (Nontaxable) | 1,954,000 | 330,655 | | | UR | UR | UR |
| Total UCF Stadium Corporation | 38,074,000 | 3,626,778 | 3.66 | 1.20 | | | |
| UCF Finance Corporation | | | | | | | |
| Series 2017 Burnett BioMed (Nontaxable) | 52,997,000 | 3,988,136 | 7.48 | 1.25 | UR | UR | UR |
| UCF Downtown Construction Note (Nontaxable) | - | 21,832 | NR | NR | UR | UR | UR |
| Total UCF Finance Corporation | 52,997,000 | 4,009,968 | | | | | |
| UCF Athletics Association | | | | | | | |
| UCF Loan (Nontaxable) | 5,198,890 | - | NR | NR | UR | UR | UR |
| Roth Athletic Center loan (Nontaxable) | 5,392,000 | 2,129,860 | NR | NR | UR | UR | UR |
| Construction Line of Credit (Nontaxable) | 4,775,000 | 404,798 | NR | NR | UR | UR | UR |
| UCF Foundation Line of Credit | 9,000,000 | 270,000 | NR | NR | UR | UR | UR |
| Total UCF Athletics Association | 24,365,890 | 2,804,658 | | | | | |
| UCF Foundation | | | | | | | |
| Series 2020 (Nontaxable) - Formerly Series 2009 | 6,756,000 | 1,764,397 | 1.50 | 1.00 | UR | UR | UR |
| Series 2017 (Nontaxable) | 5,348,000 | 769,623 | NR | NR | UR | UR | UR |
| Series 2020 (Taxable) - Formerly Series 2018 | 5,434,000 | 402,471 | 1.10 | 1.00 | UR | UR | UR |
| Lake Nona Cancer Center (Nontaxable) | 49,000,000 | 2,000,000 | NR | NR | UR | UR | UR |
| Total UCF Foundation | 66,538,000 | 4,936,492 | | | | | |
| UCF Hospitality School Foundation | | | | | | | |
| Series 2004 (Nontaxable) | 7,045,000 | 1,004,642 | NR | NR | UR | UR | UR |
| Total UCF Hospitality School Foundation | 7,045,000 | 1,004,642 | | | | | |
| Total Direct Support Organization Debt | \$ 338,899,890 | \$ 30,439,692 | | | | | |
| Total University and DSO Debt | \$ 410,849,890 | \$ 40,266,110 | | | | | |

A "NR" note in the coverage ratio column indicates that a year end coverage ratio is not required for the specific debt instrument.

A "UR" note in the debt rating column indicates that the debt issuance is currently not rated by any outside agency.

Attachment B

| Attachment C - University Global Amortization Schedule | | | | | | | | | | | | | | | | |
|--|-------------------------|----------|-------------------------|-----------|--------------------------|----------|--------------------------|-----------|-------------------------|-----------|-------------------------|------------|----------------------------|------------|--------------------|--|
| FISCAL YEAR | Parking Series 2011A | | Parking Series 2012A | | Parking Parking 2018A | | Parking Parking 2019A | | Housing Series 2018A | | Housing Series 2021A | | Total Prinicpal & Interest | | Total Debt Service | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Total | |
| 2022 | 525,000 | 15,750 | 390,000 | 170,350 | 815,000 | 128,500 | 565,000 | 269,000 | 1,895,000 | 823,375 | - | 1,112,185 | 4,190,000 | 2,519,160 | 6,709,160 | |
| 2023 | | | 410,000 | 150,850 | 855,000 | 87,750 | 590,000 | 240,750 | 1,995,000 | 726,125 | 1,985,000 | 1,698,788 | 5,835,000 | 2,904,263 | 8,739,263 | |
| 2024 | | | 425,000 | 134,450 | 900,000 | 45,000 | 620,000 | 211,250 | 2,095,000 | 623,875 | 2,085,000 | 1,597,038 | 6,125,000 | 2,611,613 | 8,736,613 | |
| 2025 | | | 440,000 | 117,450 | | | 650,000 | 180,250 | 2,200,000 | 516,500 | 2,195,000 | 1,490,038 | 5,485,000 | 2,304,238 | 7,789,238 | |
| 2026 | | | 455,000 | 104,250 | | | 685,000 | 147,750 | 2,310,000 | 403,750 | 2,305,000 | 1,377,538 | 5,755,000 | 2,033,288 | 7,788,288 | |
| 2027 | | | 470,000 | 90,600 | | | 720,000 | 113,500 | 2,435,000 | 285,125 | 2,420,000 | 1,259,413 | 6,045,000 | 1,748,638 | 7,793,638 | |
| 2028 | | | 480,000 | 76,500 | | | 755,000 | 77,500 | 1,420,000 | 188,750 | 2,540,000 | 1,135,413 | 5,195,000 | 1,478,163 | 6,673,163 | |
| 2029 | | | 495,000 | 62,100 | | | 795,000 | 39,750 | 1,495,000 | 115,875 | 2,675,000 | 1,005,038 | 5,460,000 | 1,222,763 | 6,682,763 | |
| 2030 | | | 510,000 | 47,250 | | | | | 1,570,000 | 39,250 | 2,815,000 | 867,788 | 4,895,000 | 954,288 | 5,849,288 | |
| 2031 | | | 525,000 | 31,950 | | | | | | | 2,960,000 | 723,413 | 3,485,000 | 755,363 | 4,240,363 | |
| 2032 | | | 540,000 | 16,200 | | | | | | | 1,565,000 | 610,288 | 2,105,000 | 626,488 | 2,731,488 | |
| 2033 | | | | | | | | | | | 1,645,000 | 530,038 | 1,645,000 | 530,038 | 2,175,038 | |
| 2034 | | | | | | | | | | | 1,725,000 | 445,788 | 1,725,000 | 445,788 | 2,170,788 | |
| 2035 | | | | | | | | | | | 1,805,000 | 366,563 | 1,805,000 | 366,563 | 2,171,563 | |
| 2036 | | | | | | | | | | | 1,870,000 | 302,413 | 1,870,000 | 302,413 | 2,172,413 | |
| 2037 | | | | | | | | | | | 1,930,000 | 245,413 | 1,930,000 | 245,413 | 2,175,413 | |
| 2038 | | | | | | | | | | | 1,975,000 | 196,713 | 1,975,000 | 196,713 | 2,171,713 | |
| 2039 | | | | | | | | | | | 2,015,000 | 156,813 | 2,015,000 | 156,813 | 2,171,813 | |
| 2040 | | | | | | | | | | | 2,060,000 | 114,775 | 2,060,000 | 114,775 | 2,174,775 | |
| 2041 | | | | | | | | | | | 2,100,000 | 70,575 | 2,100,000 | 70,575 | 2,170,575 | |
| 2042 | | | | | | | | | | | 2,145,000 | 24,131 | 2,145,000 | 24,131 | 2,169,131 | |
| Total | 525,000 | 15,750 | 5,140,000 | 1,001,950 | 2,570,000 | 261,250 | 5,380,000 | 1,279,750 | 17,415,000 | 3,722,625 | 42,815,000 | 15,330,153 | 73,845,000 | 21,611,478 | 95,456,478 | |

Attachment C

| Attachment B - GB Global Association Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|-----------|--|-----------|--|-------------|-----------------------------------|-------------|-----------------------------------|----------|-----------------------------------|-------------|-----------------------------------|-----------|-----------------------------------|-----------|-----------------------------------|----------|------------------------|-----------|------------------------|----------|---|-----------|---|----------|--------------------------------------|----------|--------------------------------------|-----------|--------------------------------------|----------|--------------------------------------|------------|---|------------|----------------------------|------------|--------------------|------------|------------|------------|
| Concession (Young Series 2018 (Yearly)) | | Concession (Young Series 2019 (Yearly)) | | Concession (Young Series 2020 (Yearly)) | | Stadium (Series 2018 (Yearly)) | | Stadium (Series 2019 (Yearly)) | | Stadium (Series 2020 (Yearly)) | | Finance (Series 2018 (Yearly)) | | Finance (Series 2019 (Yearly)) | | Finance (Series 2020 (Yearly)) | | Athletics (UCF Use) | | Athletics (UCF Use) | | Athletics (Risk-Share/Concessor Use) | | Athletics (Risk-Share/Concessor Use) | | Foundation (Series 2020 (Yearly)) | | Foundation (Series 2021 (Yearly)) | | Foundation (Series 2022 (Yearly)) | | Foundation (Series 2023 (Yearly)) | | UCF Hospitality School Foundation (Series 2024 (Yearly)) | | Total Principal & Interest | | Total Debt Service | | | |
| Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2022 | 4,930,000 | 3,112,912 | 1,988,953 | 3,386,000 | 655,280 | 1,355,000 | 1,165,689 | 305,000 | 384,455 | 282,000 | 46,655 | 2,780,000 | 1,304,138 | - | - | 305,000 | 89,766 | 2,000,000 | 127,880 | - | - | 270,000 | 1,584,000 | 163,297 | 951,000 | 178,623 | 232,000 | 105,471 | 2,000,000 | 40,000 | 124,842 | 20,815,000 | 9,824,802 | 35,439,802 | 18,639,602 | 35,439,802 | 18,639,602 | 35,439,802 | 18,639,602 | 35,439,802 | 18,639,602 |
| 2023 | 5,100,000 | 3,285,384 | 2,086,984 | 3,460,000 | 541,200 | 1,425,000 | 1,099,189 | 450,000 | 372,220 | 289,000 | 63,220 | 2,780,000 | 1,298,028 | 1,552,194 | 21,832 | 748,473 | 410,000 | 1,628,000 | 118,884 | 258,000 | 143,522 | 270,000 | 1,628,000 | 142,814 | 910,000 | 183,522 | 232,000 | 105,471 | 2,000,000 | 910,000 | 703,146 | 21,877,000 | 10,511,946 | 33,877,000 | 19,388,946 | 33,877,000 | 19,388,946 | 33,877,000 | 19,388,946 | 33,877,000 | 19,388,946 |
| 2024 | 5,270,000 | 2,753,872 | 1,988,953 | 3,815,000 | 415,498 | 1,490,000 | 1,075,139 | 425,000 | 324,845 | 286,000 | 34,847 | 2,816,000 | 1,172,139 | - | - | 325,000 | 139,219 | 2,000,000 | 81,000 | - | - | 9,000,000 | 1,770,000 | 102,627 | 951,000 | 183,522 | 232,000 | 105,471 | 2,000,000 | 940,000 | 92,847 | 21,287,031 | 9,895,502 | 32,182,031 | 9,895,502 | 32,182,031 | 9,895,502 | 32,182,031 | 9,895,502 | 32,182,031 | 9,895,502 |
| 2025 | 5,450,000 | 2,586,984 | 1,988,953 | 3,758,000 | 354,194 | 1,565,000 | 1,050,189 | 450,000 | 303,000 | 287,000 | 26,000 | 2,865,000 | 1,150,189 | - | - | 350,000 | 174,219 | 2,000,000 | 100,000 | 270,000 | 159,000 | 9,000,000 | 1,770,000 | 102,627 | 951,000 | 183,522 | 232,000 | 105,471 | 2,000,000 | 970,000 | 87,847 | 21,357,031 | 9,975,502 | 32,332,031 | 9,975,502 | 32,332,031 | 9,975,502 | 32,332,031 | 9,975,502 | 32,332,031 | 9,975,502 |
| 2026 | 5,630,000 | 2,369,512 | 1,988,953 | 3,591,000 | 114,143 | 1,640,000 | 875,689 | 425,000 | 330,385 | 290,000 | 40,385 | 2,920,000 | 1,038,644 | 18,522 | 2,005,000 | 1,038,644 | 300,000 | 174,219 | 2,000,000 | 117,143 | 62,000 | 270,000 | 1,750,000 | 102,627 | 951,000 | 183,522 | 232,000 | 105,471 | 2,000,000 | 1,000,000 | 87,847 | 21,427,031 | 10,055,502 | 32,482,031 | 10,055,502 | 32,482,031 | 10,055,502 | 32,482,031 | 10,055,502 | 32,482,031 | 10,055,502 |
| 2027 | 5,800,000 | 2,152,040 | 1,988,953 | 3,465,000 | 274,474 | 1,725,000 | 791,189 | 450,000 | 330,385 | 290,000 | 97,000 | 2,975,000 | 912,644 | 18,522 | 2,005,000 | 912,644 | 350,000 | 174,219 | 2,000,000 | 134,143 | 62,000 | 9,000,000 | 1,750,000 | 102,627 | 951,000 | 183,522 | 232,000 | 105,471 | 2,000,000 | 1,030,000 | 87,847 | 21,497,031 | 10,135,502 | 32,632,031 | 10,135,502 | 32,632,031 | 10,135,502 | 32,632,031 | 10,135,502 | 32,632,031 | 10,135,502 |
| 2028 | 5,970,000 | 1,934,568 | 1,988,953 | 3,339,000 | 10,189 | 1,810,000 | 616,189 | 450,000 | 330,385 | 290,000 | 183,000 | 3,030,000 | 791,189 | 18,522 | 2,005,000 | 791,189 | 400,000 | 174,219 | 2,000,000 | 151,143 | 62,000 | 9,000,000 | 1,750,000 | 102,627 | 951,000 | 183,522 | 232,000 | 105,471 | 2,000,000 | 1,060,000 | 87,847 | 21,567,031 | 10,215,502 | 32,782,031 | 10,215,502 | 32,782,031 | 10,215,502 | 32,782,031 | 10,215,502 | 32,782,031 | 10,215,502 |
| 2029 | 6,140,000 | 1,717,096 | 1,988,953 | 3,213,000 | (10,189) | 1,895,000 | 437,189 | 450,000 | 330,385 | 290,000 | 269,000 | 3,085,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2030 | 6,310,000 | 1,500,000 | 1,988,953 | 3,087,000 | (200,000) | 1,975,000 | 257,189 | 450,000 | 330,385 | 290,000 | 159,000 | 3,140,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2031 | 6,480,000 | 1,284,336 | 1,988,953 | 2,961,000 | (395,000) | 2,060,000 | 82,189 | 450,000 | 330,385 | 290,000 | 39,000 | 3,195,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2032 | 6,650,000 | 1,068,604 | 1,988,953 | 2,836,000 | (589,000) | 2,150,000 | (103,000) | 450,000 | 330,385 | 290,000 | 17,000 | 3,250,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2033 | 6,820,000 | 852,872 | 1,988,953 | 2,711,000 | (783,000) | 2,240,000 | (287,000) | 450,000 | 330,385 | 290,000 | (5,000) | 3,305,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2034 | 6,990,000 | 637,140 | 1,988,953 | 2,586,000 | (977,000) | 2,330,000 | (481,000) | 450,000 | 330,385 | 290,000 | (129,000) | 3,360,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2035 | 7,160,000 | 421,408 | 1,988,953 | 2,461,000 | (1,171,000) | 2,420,000 | (675,000) | 450,000 | 330,385 | 290,000 | (227,000) | 3,415,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2036 | 7,330,000 | 205,676 | 1,988,953 | 2,336,000 | (1,365,000) | 2,510,000 | (869,000) | 450,000 | 330,385 | 290,000 | (325,000) | 3,470,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2037 | 7,500,000 | (10,056) | 1,988,953 | 2,211,000 | (1,559,000) | 2,600,000 | (1,063,000) | 450,000 | 330,385 | 290,000 | (423,000) | 3,525,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2038 | 7,670,000 | (295,328) | 1,988,953 | 2,086,000 | (1,753,000) | 2,690,000 | (1,257,000) | 450,000 | 330,385 | 290,000 | (521,000) | 3,580,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2039 | 7,840,000 | (490,240) | 1,988,953 | 1,961,000 | (1,947,000) | 2,780,000 | (1,451,000) | 450,000 | 330,385 | 290,000 | (619,000) | 3,635,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2040 | 8,010,000 | (685,152) | 1,988,953 | 1,836,000 | (2,141,000) | 2,870,000 | (1,645,000) | 450,000 | 330,385 | 290,000 | (717,000) | 3,690,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2041 | 8,180,000 | (879,064) | 1,988,953 | 1,711,000 | (2,335,000) | 2,960,000 | (1,839,000) | 450,000 | 330,385 | 290,000 | (815,000) | 3,745,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2042 | 8,350,000 | (1,072,976) | 1,988,953 | 1,586,000 | (2,529,000) | 3,050,000 | (2,033,000) | 450,000 | 330,385 | 290,000 | (913,000) | 3,800,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2043 | 8,520,000 | (1,266,888) | 1,988,953 | 1,461,000 | (2,723,000) | 3,140,000 | (2,227,000) | 450,000 | 330,385 | 290,000 | (1,011,000) | 3,855,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2044 | 8,690,000 | (1,460,800) | 1,988,953 | 1,336,000 | (2,917,000) | 3,230,000 | (2,421,000) | 450,000 | 330,385 | 290,000 | (1,109,000) | 3,910,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2045 | 8,860,000 | (1,654,712) | 1,988,953 | 1,211,000 | (3,111,000) | 3,320,000 | (2,615,000) | 450,000 | 330,385 | 290,000 | (1,207,000) | 3,965,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2046 | 9,030,000 | (1,848,624) | 1,988,953 | 1,086,000 | (3,305,000) | 3,410,000 | (2,809,000) | 450,000 | 330,385 | 290,000 | (1,305,000) | 4,020,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2047 | 9,200,000 | (2,042,536) | 1,988,953 | 961,000 | (3,499,000) | 3,500,000 | (3,003,000) | 450,000 | 330,385 | 290,000 | (1,403,000) | 4,075,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2048 | 9,370,000 | (2,236,448) | 1,988,953 | 836,000 | (3,693,000) | 3,590,000 | (3,197,000) | 450,000 | 330,385 | 290,000 | (1,501,000) | 4,130,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2049 | 9,540,000 | (2,430,360) | 1,988,953 | 711,000 | (3,887,000) | 3,680,000 | (3,391,000) | 450,000 | 330,385 | 290,000 | (1,599,000) | 4,185,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2050 | 9,710,000 | (2,624,272) | 1,988,953 | 586,000 | (4,081,000) | 3,770,000 | (3,585,000) | 450,000 | 330,385 | 290,000 | (1,697,000) | 4,240,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2051 | 9,880,000 | (2,818,184) | 1,988,953 | 461,000 | (4,275,000) | 3,860,000 | (3,779,000) | 450,000 | 330,385 | 290,000 | (1,795,000) | 4,295,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UCF FINANCE CORPORATION

January 26, 2022

Philip Hale
Portfolio Manager | Corporate Banking
Vice President | Truist
333 S Garland Ave – 17th Floor
Orlando, FL 32801

Re: UCF Finance Corporation Request to close Revenue Note, Series 2018
(Downtown Campus Educational Facility Project)


Dear Mr. Hale:

The UCF Finance Corporation (the "Corporation") hereby certifies that all proceeds from the draws of the Loan Agreement dated March 8, 2018 were used for lawful purposes as defined in the Loan Agreement. The Corporation also certifies that no Event of Default existed throughout the term of the Loan.

The Corporation requests no further draws on the note and the line to be closed.

Thank you for your assistance. Please call me (407-823-3865) if you have any questions.

Sincerely,


Misty Shepherd
Secretary and Treasurer

**Board of Trustees
Budget and Finance Committee | May 19, 2022**

INFO-2: University Investment Report – 3rd Quarter, Ended March 31, 2022

☒ **Information**

☐ **Discussion**

☐ **Action**

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

The university Treasury office has worked with our &Co investment consultants to prepare the attached quarterly investment report for the quarter ended March 31, 2022. This quarter includes the following highlights and notable changes:

The University Structured Investment Portfolio (SIP) returned (-4.12%) for the quarter ended March 31, 2022. Although negative, the portfolio fared better than the S&P 500 (-4.6%) and the Barclays Aggregate index (-6%), during a challenging quarter when interest rates were rising dramatically, war broke out in Ukraine, inflation reached historically high levels, and the US recovery was strained due to supply chain issues.

The Federal Reserve responded, and markets anticipate four rate hikes at 50 basis points (half a percent) each through the end of the calendar year. The negative return during the quarter equated to several millions in unrealized losses on the portfolio, although on the Barclays Aggregate Index, the yield has gone from a low of 1% to about 3%. It's anticipated that this will result in fixed income pools earning more interest income going forward.

Fortunately, the University did an equity portfolio rebalancing in November 2021 totaling \$25 million (\$8 million from Pool 3 and \$17 million from Pool 4). This rebalancing, required by the University's investment policy risk controls, reduced the University's exposure to equities in the recent quarter market downturn.

Implications for the managed pool:

- Portfolio price adjustments accurately reflect current market rates (total transparency)
- The Interim period losses reported are primarily unrealized.
- There is now greater potential for higher returns from fixed income due to higher interest rates.
- Total pool return sources may now be more balanced, as the fund's previous success was largely attributable to the small equity allocation in a near zero return fixed income environment.
- The changing rate landscape may present new opportunities to maximize return and risk exposures in the dollar allocations across the pools.
- The investments remain very high quality, and the pool structure has weathered previous periods of market stress well.

Over the long-term, each of the SIPs active managers are outperforming on a three- and five-year basis, and the portfolio has gained approximately \$149 million in returns since inception (April 2010), despite the challenging quarter.

This item is provided to the trustees quarterly for information purposes only.

Background Information:

The attached report provides an update on the university's investment portfolio for the quarter ended March 31, 2022 (Attachment A).

As of March 31, 2022, the university had the following cash and investment balances:

| | |
|--|--------------------|
| Bank of America operating account | \$ 1,316,933 |
| State of Florida Special Purpose Investment Account (SPIA) | 381,118,577 |
| Bank of New York Structured Investment Portfolio | <u>347,221,653</u> |
| Total Cash and Investments | \$ 729,657,163 |

The structured investment portfolio experienced quarterly net losses totaling (\$14,964,134). This includes (\$16,133,779) in unrealized losses offset by interest income and realized gains for the period.

The structured investment portfolio experienced fiscal year-to-date net losses totaling (\$4,397,061). This includes (\$11,698,914) in unrealized losses offset by interest income and realized gains for the period.

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 ☒

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:

Attachment A: University Investment Report – 3rd Quarter, Ended March 31, 2022

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Bert Francis, Assistant Vice President for Debt Management and University Treasurer

Investment Performance Review
Period Ending March 31, 2022

University of Central Florida Board Summary Report



Asset Allocation and Performance

| | Allocation | | Performance(%) | | | | | | |
|---------------------------|--------------------|---------------|----------------|--------------|--------------|--------------|--------------|-------------|-------------------|
| | Market Value \$ | % | QTR | FYTD | 1 YR | 3 YR | 5 YR | Inception | Inception Date |
| Total Fund (Net) | 347,221,653 | 100.00 | -4.12 | -1.24 | 1.98 | 6.39 | 5.80 | 4.65 | 04/01/2010 |
| SPIA (Net) | | | 0.41 | 0.85 | 1.10 | 2.12 | 2.00 | 1.83 | |
| Total Fund (Gross) | 347,221,653 | 100.00 | -4.09 | -1.20 | 2.03 | 6.46 | 5.87 | 4.74 | 04/01/2010 |
| Pool II | 54,099,237 | 15.58 | -0.73 | -0.80 | -0.73 | 1.23 | 1.49 | 0.88 | 04/01/2010 |
| Pool II Policy | | | -0.59 | -0.71 | -0.69 | 0.96 | 1.20 | 0.69 | |
| Pool III | 155,671,005 | 44.83 | -3.39 | -1.75 | 0.06 | 4.15 | 4.06 | 3.82 | 04/01/2010 |
| Pool III Policy | | | -3.41 | -2.30 | -0.90 | 3.78 | 3.58 | 3.50 | |
| Pool IV | 137,451,411 | 39.59 | -6.12 | -0.74 | 5.53 | 11.82 | 10.40 | 9.20 | 04/01/2010 |
| Pool IV Policy | | | -5.12 | 0.25 | 6.01 | 11.40 | 9.99 | 9.20 | |



| Comparative Performance Trailing Returns | | | | | | | | | | | | | |
|--|-------|------|-------|------|-------|------|------|------|------|------|-----------|------|----------------|
| | QTR | | FYTD | | 1 YR | | 3 YR | | 5 YR | | Inception | | Inception Date |
| Pool II | -0.73 | (43) | -0.80 | (51) | -0.73 | (58) | 1.23 | (56) | 1.49 | (65) | 0.88 | (81) | 04/01/2010 |
| Pool II Policy | -0.59 | (39) | -0.71 | (46) | -0.69 | (57) | 0.96 | (85) | 1.20 | (97) | 0.69 | (97) | |
| IM U.S. Cash Fixed Income (SA+CF) Median | -0.80 | | -0.79 | | -0.64 | | 1.28 | | 1.54 | | 1.34 | | |
| | | | | | | | | | | | | | |
| Galliard (Pool II) | -0.73 | (43) | -0.80 | (51) | -0.73 | (58) | 1.23 | (56) | 1.49 | (65) | 0.88 | (81) | 04/01/2010 |
| Pool II Policy | -0.59 | (39) | -0.71 | (46) | -0.69 | (57) | 0.96 | (85) | 1.20 | (97) | 0.69 | (97) | |
| IM U.S. Cash Fixed Income (SA+CF) Median | -0.80 | | -0.79 | | -0.64 | | 1.28 | | 1.54 | | 1.34 | | |

Comparative Performance Trailing Returns

| | QTR | FYTD | 1 YR | 3 YR | 5 YR | Inception | Inception Date |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Pool III (Net) | -3.42 | -1.79 | 0.00 | 4.08 | 3.98 | 3.72 | 04/01/2010 |
| Pool III Policy | -3.41 | -2.30 | -0.90 | 3.78 | 3.58 | 3.50 | |
| Pool III (Gross) | -3.39 | -1.75 | 0.06 | 4.15 | 4.06 | 3.82 | 04/01/2010 |
| Pool III Policy | -3.41 | -2.30 | -0.90 | 3.78 | 3.58 | 3.50 | |
| Pool III - Domestic Equity | -4.60 (45) | 6.51 (27) | 15.60 (18) | 18.90 (23) | 15.96 (28) | 13.70 (46) | 04/01/2010 |
| Pool III Equity Policy | -4.60 (45) | 6.54 (26) | 15.65 (17) | 18.92 (23) | 15.99 (28) | 14.35 (32) | |
| IM U.S. Equity (SA+CF+MF) Median | -5.28 | 2.34 | 9.20 | 15.36 | 12.88 | 13.44 | |
| Pool III - Fixed Income | -3.16 (95) | -3.69 (95) | -3.33 (92) | 1.33 (64) | 1.66 (53) | 1.89 (39) | 04/01/2010 |
| BofA Merrill Lynch 1-5 Yr Gov/Corp A Rated & Above | -3.24 (96) | -3.90 (96) | -3.70 (97) | 1.05 (87) | 1.32 (88) | 1.54 (62) | |
| IM U.S. Short Duration Fixed Income (SA+CF) Median | -2.41 | -2.70 | -2.42 | 1.47 | 1.68 | 1.66 | |

Pool III Policy: 15% S&P500, 85% BofA ML 1-5 Yr Gov/Credit Rated A and Above; Pool III Domestic Equity Policy: 100% S&P500
Returns for periods greater than one year are annualized.
Returns are expressed as percentages.



| | QTR | FYTD | 1 YR | 3 YR | 5 YR | Inception | Inception Date |
|--|------------|------------|------------|-----------|-----------|-----------|----------------|
| Domestic Equity | | | | | | | |
| Vanguard Instl (Pool III) | -4.60 (9) | 6.51 (11) | 15.60 (11) | 18.90 (8) | 15.96 (8) | 14.76 (4) | 07/01/2013 |
| S&P 500 Index | -4.60 (6) | 6.54 (1) | 15.65 (1) | 18.92 (3) | 15.99 (2) | 14.79 (1) | |
| IM S&P 500 Index (MF) Median | -4.68 | 6.27 | 15.23 | 18.53 | 15.63 | 14.37 | |
| Fixed Income | | | | | | | |
| Galliard (Pool III) | -3.37 (99) | -3.93 (96) | -3.49 (94) | 1.41 (53) | 1.75 (42) | 1.97 (37) | 04/01/2010 |
| BofA Merrill Lynch 1-5 Yr Gov/Corp A Rated & Above | -3.24 (96) | -3.90 (96) | -3.70 (97) | 1.05 (87) | 1.32 (88) | 1.54 (62) | |
| IM U.S. Short Duration Fixed Income (SA+CF) Median | -2.41 | -2.70 | -2.42 | 1.47 | 1.68 | 1.66 | |
| Sawgrass (Pool III) | -2.86 (85) | -3.43 (92) | -3.17 (88) | 1.22 (72) | 1.54 (66) | 1.77 (41) | 04/01/2010 |
| BofA Merrill Lynch 1-5 Yr Gov/Corp A Rated & Above | -3.24 (96) | -3.90 (96) | -3.70 (97) | 1.05 (87) | 1.32 (88) | 1.54 (62) | |
| IM U.S. Short Duration Fixed Income (SA+CF) Median | -2.41 | -2.70 | -2.42 | 1.47 | 1.68 | 1.66 | |



Comparative Performance Trailing Returns

| | QTR | FYTD | 1 YR | 3 YR | 5 YR | Inception | Inception Date |
|---|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Pool IV (Net) | -6.13 | -0.75 | 5.50 | 11.78 | 10.35 | 9.07 | 04/01/2010 |
| Pool IV Policy | -5.12 | 0.25 | 6.01 | 11.40 | 9.99 | 9.20 | |
| Pool IV (Gross) | -6.12 | -0.74 | 5.53 | 11.82 | 10.40 | 9.20 | 04/01/2010 |
| Pool IV Policy | -5.12 | 0.25 | 6.01 | 11.40 | 9.99 | 9.20 | |
| Pool IV - Total Equity | -6.40 | 1.70 | 10.02 | 16.65 | 14.26 | 12.06 | 04/01/2010 |
| Pool IV Equity Policy | -4.76 | 3.49 | 11.66 | 16.38 | 13.98 | 12.32 | |
| Pool IV - Domestic Equity | -4.60 (45) | 6.51 (27) | 15.60 (18) | 18.90 (23) | 15.96 (28) | 13.74 (45) | 04/01/2010 |
| Pool IV Domestic Equity Policy | -4.60 (45) | 6.54 (26) | 15.65 (17) | 18.92 (23) | 15.99 (28) | 14.35 (32) | |
| IM U.S. Equity (SA+CF+MF) Median | -5.28 | 2.34 | 9.20 | 15.36 | 12.88 | 13.44 | |
| Pool IV - International Equity | -12.24 (70) | -15.25 (71) | -9.34 (69) | 8.36 (34) | 8.00 (23) | 5.90 (36) | 04/01/2010 |
| MSCI AC World ex USA | -5.33 (23) | -6.33 (31) | -1.04 (31) | 8.01 (38) | 7.26 (32) | 5.52 (44) | |
| IM International Equity (MF) Median | -8.81 | -9.64 | -4.45 | 7.02 | 6.17 | 5.26 | |
| Pool IV - Fixed Income | -5.69 (39) | -5.77 (55) | -3.81 (49) | 2.55 (30) | 2.87 (25) | 3.58 (34) | 04/01/2010 |
| Pool IV Fixed Income Policy | -5.93 (75) | -5.87 (72) | -4.15 (78) | 1.69 (90) | 2.14 (94) | 2.93 (94) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | -5.77 | -5.73 | -3.82 | 2.23 | 2.65 | 3.40 | |

Pool IV Policy: Prior to 7/1/2015: 30% BC Agg, 5% BC TIPS, 50% S&P500, 15% MSCI ACWxUS; 7/1/2015 to present: 50% S&P500, 15% MSCI ACWxUS, 35% BC Agg

Pool IV Equity Policy: 77% S&P500, 23% MSCI ACWxUS

Pool IV Domestic Equity Policy: 100% S&P500

Pool IV Fixed Policy: Prior to 7/1/2015: 86% BC Agg, 14% BC TIPS; 7/1/2015 to present: 100% BC Agg

Returns for periods greater than one year are annualized and are expressed as percentages.



Comparative Performance

Pool IV

As of March 31, 2022

| | QTR | FYTD | 1 YR | 3 YR | 5 YR | Inception | Inception Date |
|---|-------------|-------------|------------|-----------|-----------|-----------|----------------|
| Domestic Equity | | | | | | | |
| Vanguard Instl (Pool IV) | -4.60 (9) | 6.51 (11) | 15.60 (11) | 18.90 (8) | 15.96 (8) | 14.76 (4) | 07/01/2013 |
| S&P 500 Index | -4.60 (6) | 6.54 (1) | 15.65 (1) | 18.92 (3) | 15.99 (2) | 14.79 (1) | |
| IM S&P 500 Index (MF) Median | -4.68 | 6.27 | 15.23 | 18.53 | 15.63 | 14.37 | |
| International Equity | | | | | | | |
| Europacific Growth (Pool IV) | -12.24 (99) | -15.25 (99) | -9.34 (98) | 8.36 (22) | 8.00 (9) | 6.53 (10) | 04/01/2010 |
| MSCI AC World ex USA | -5.33 (27) | -6.33 (65) | -1.04 (57) | 8.01 (25) | 7.26 (13) | 5.52 (35) | |
| IM International Multi-Cap Core Equity (MF) Median | -6.51 | -5.23 | -0.50 | 7.20 | 6.06 | 5.17 | |
| Fixed Income | | | | | | | |
| Galliard Broad (Pool IV) | -5.88 (65) | -5.72 (47) | -3.70 (35) | 2.40 (35) | 2.81 (34) | 3.60 (33) | 04/01/2010 |
| Blmbg. U.S. Aggregate Index | -5.93 (75) | -5.87 (72) | -4.15 (78) | 1.69 (90) | 2.14 (94) | 2.92 (94) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | -5.77 | -5.73 | -3.82 | 2.23 | 2.65 | 3.40 | |
| Dodge & Cox Income (Pool IV) | -5.20 (11) | -5.51 (20) | -3.64 (21) | 2.85 (10) | 3.01 (6) | 2.89 (3) | 11/01/2014 |
| Blmbg. U.S. Aggregate Index | -5.93 (46) | -5.87 (33) | -4.15 (40) | 1.69 (65) | 2.14 (55) | 2.09 (50) | |
| IM U.S. Broad Market Core Fixed Income (MF) Median | -5.98 | -6.14 | -4.30 | 1.95 | 2.21 | 2.08 | |

Pool IV Policy: Prior to 7/1/2015: 30% BC Agg, 5% BC TIPS, 50% S&P500, 15% MSCI ACWxUS; 7/1/2015 to present: 50% S&P500, 15% MSCI ACWxUS, 35% BC Agg

Pool IV Equity Policy: 77% S&P500, 23% MSCI ACWxUS

Pool IV Domestic Equity Policy: 100% S&P500

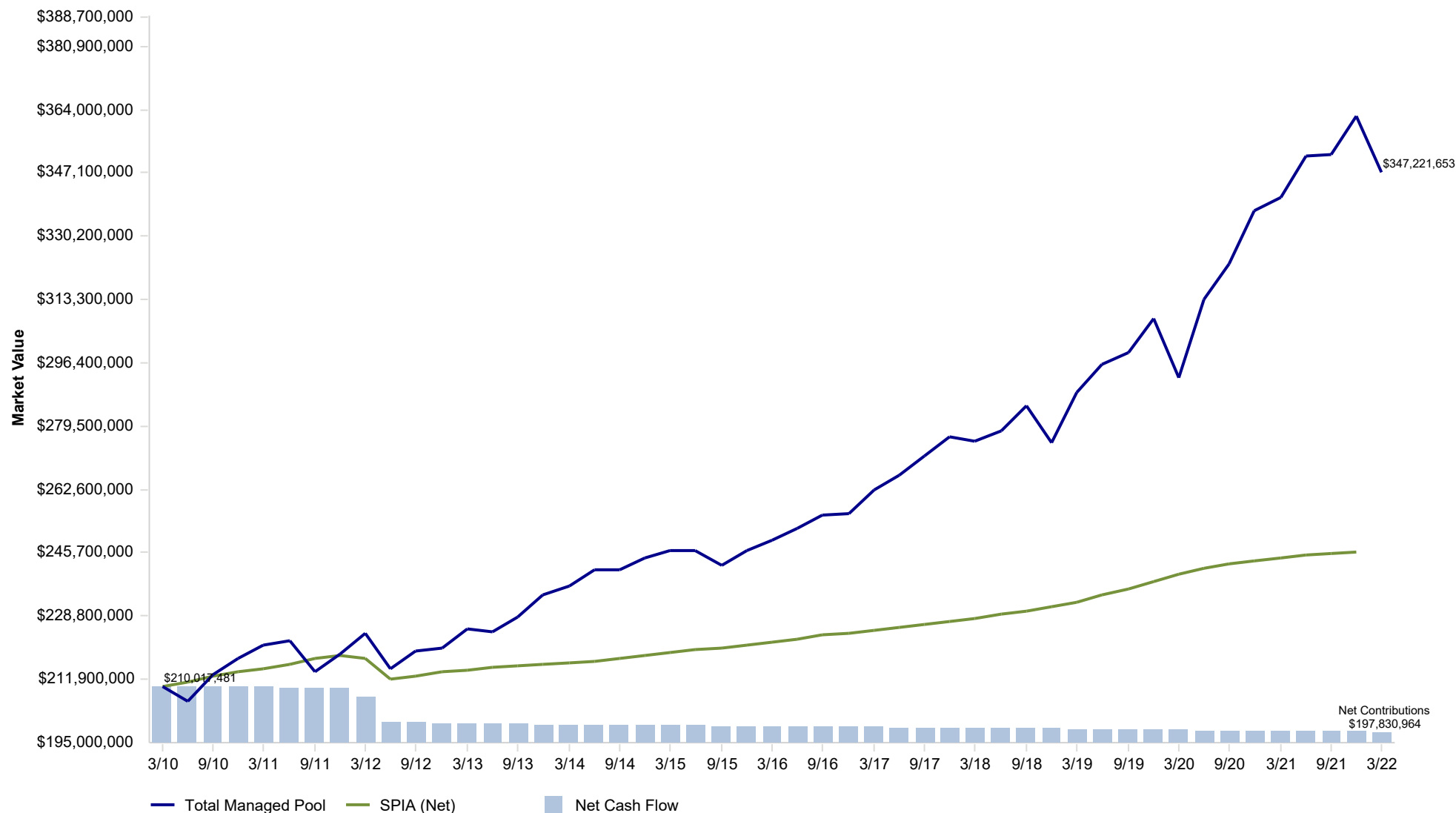
Pool IV Fixed Policy: Prior to 7/1/2015: 86% BC Agg, 14% BC TIPS; 7/1/2015 to present: 100% BC Agg

Returns for periods greater than one year are annualized and are expressed as percentages.



Schedule of Investable Assets
Total Managed Pool
Since Inception Ending March 31, 2022

Schedule of Investable Assets



Schedule of Investable Assets

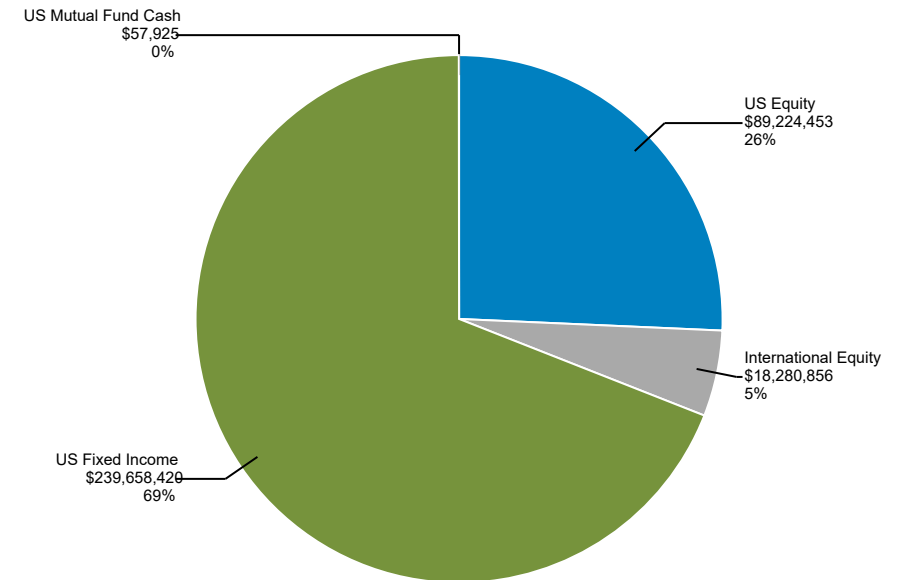
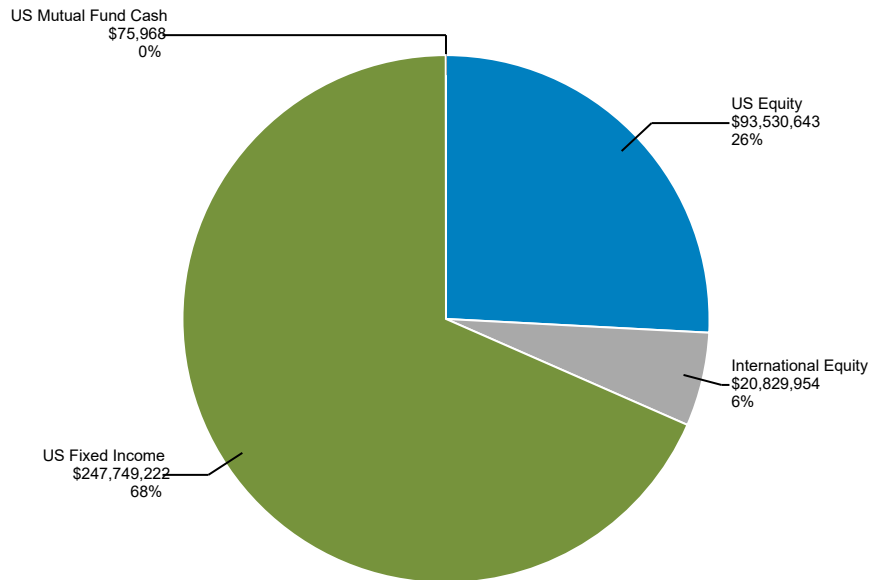
| Periods Ending | Beginning Market Value | Net Cash Flow | Gain/Loss | Ending Market Value | Return % |
|----------------|------------------------|---------------|---------------|---------------------|----------|
| Inception | \$210,017,481 | -\$12,186,516 | \$149,390,689 | \$347,221,653 | 4.74 |

Returns for periods greater than one year are annualized.
Net cash flows include those associated with management fees, portfolio expenses, and operating withdrawals. Expenses are reduced by commission recapture income received.
A prior period adjustment resulted in a \$30 change to the beginning MV.

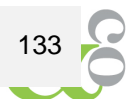
Asset Allocation By Asset Class
Total Managed Pool
As of March 31, 2022

December 31, 2021 : \$362,185,787

March 31, 2022 : \$347,221,653

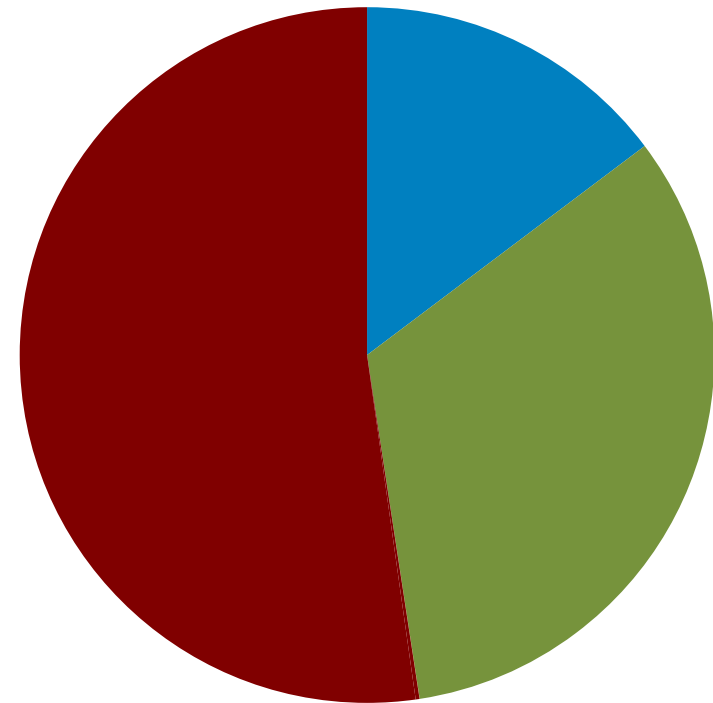
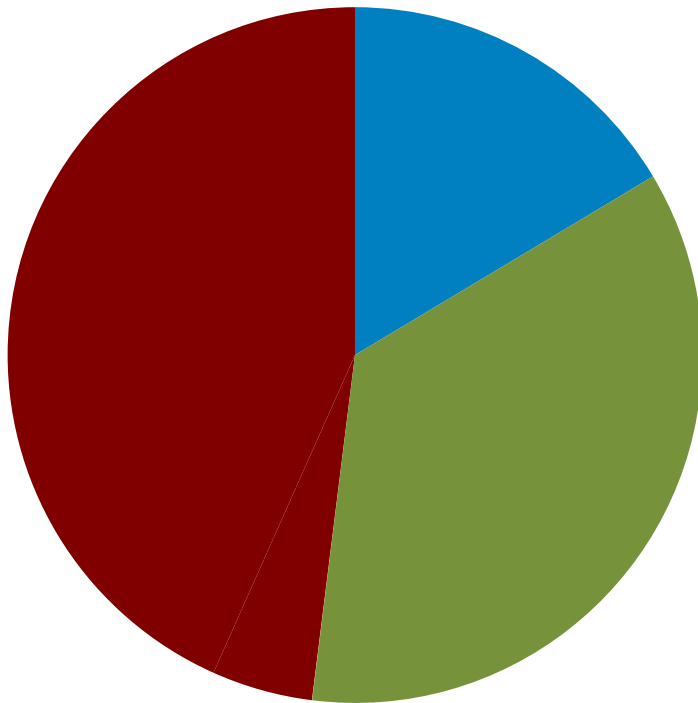


| Allocation | | | Allocation | | |
|------------------------|--------------|------------|------------------------|--------------|------------|
| | Market Value | Allocation | | Market Value | Allocation |
| ■ US Equity | 93,530,643 | 25.8 | ■ US Equity | 89,224,453 | 25.7 |
| ■ International Equity | 20,829,954 | 5.8 | ■ International Equity | 18,280,856 | 5.3 |
| ■ US Fixed Income | 247,749,222 | 68.4 | ■ US Fixed Income | 239,658,420 | 69.0 |
| ■ US Mutual Fund Cash | 75,968 | 0.0 | ■ US Mutual Fund Cash | 57,925 | 0.0 |

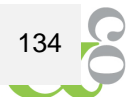


December 31, 2021 : \$696,794,479

March 31, 2022 : \$729,657,163



| Allocation | | | Allocation | | |
|------------------|--------------|------------|------------------|--------------|------------|
| | Market Value | Allocation | | Market Value | Allocation |
| Equity | 114,360,597 | 16.4 | Equity | 107,505,309 | 14.7 |
| Fixed Income | 247,749,222 | 35.6 | Fixed Income | 239,658,420 | 32.8 |
| Mutual Fund Cash | 75,968 | 0.0 | Mutual Fund Cash | 57,925 | 0.0 |
| Bank of America | 32,748,862 | 4.7 | Bank of America | 1,316,933 | 0.2 |
| SPIA | 301,859,830 | 43.3 | SPIA | 381,118,577 | 52.2 |



Financial Reconciliation
Total Managed Pool
1 Quarter Ending March 31, 2022

| Financial Reconciliation Quarter to Date | | | | | | | | | |
|--|----------------------------|------------------|---------------|---------------|--------------------|-------------------|------------------|---------------------|----------------------------|
| | Market Value 01/01/2022 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 03/31/2022 |
| Pool I | - | - | - | - | - | - | - | - | - |
| Fidelity MM (Pool I) | - | - | - | - | - | - | - | - | - |
| Pool II | 54,534,605 | - | - | - | -27,292 | -8,027 | 123,857 | -523,905 | 54,099,237 |
| Galliard (Pool II)^ | 54,534,605 | - | - | - | -27,292 | -8,027 | 123,857 | -523,905 | 54,099,237 |
| Pool III | 161,197,740 | - | 2 | - | -45,154 | -22,217 | 666,979 | -6,126,345 | 155,671,005 |
| Pool III - Fixed | 135,340,807 | - | - | - | -45,154 | -18,401 | 585,888 | -4,856,386 | 131,006,753 |
| Galliard (Pool III) | 77,733,006 | - | - | - | -35,073 | -11,031 | 320,558 | -2,942,256 | 75,065,204 |
| Sawgrass (Pool III) | 57,607,801 | - | - | - | -10,081 | -7,370 | 265,330 | -1,914,130 | 55,941,549 |
| Pool III - Dom Equity | 25,822,302 | - | - | - | - | - | 81,090 | -1,269,959 | 24,633,432 |
| Vanguard Instl (Pool III) | 25,822,302 | - | - | - | - | - | 81,090 | -1,269,959 | 24,633,432 |
| Pool III - Mutual Fund Cash | 34,632 | - | 2 | - | - | -3,816 | 2 | - | 30,820 |
| Pool IV | 146,453,441 | - | 5 | - | -24,589 | -19,190 | 525,273 | -9,483,529 | 137,451,411 |
| Pool IV - Fixed | 57,873,810 | - | - | - | -24,589 | -4,952 | 312,647 | -3,604,486 | 54,552,430 |
| Galliard Broad (Pool IV) | 41,732,002 | - | - | - | -24,589 | -4,952 | 236,579 | -2,688,686 | 39,250,353 |
| Dodge & Cox Income (Pool IV) | 16,141,808 | - | - | - | - | - | 76,068 | -915,800 | 15,302,077 |
| Pool IV - Dom Equity | 67,708,341 | - | - | - | - | - | 212,624 | -3,329,945 | 64,591,020 |
| Vanguard Instl (Pool IV) | 67,708,341 | - | - | - | - | - | 212,624 | -3,329,945 | 64,591,020 |
| Pool IV - Int'l Equity | 20,829,954 | - | - | - | - | - | - | -2,549,098 | 18,280,856 |
| Europacific (Pool IV) | 20,829,954 | - | - | - | - | - | - | -2,549,098 | 18,280,856 |
| Pool IV - Mutual Fund Cash | 41,336 | - | 5 | - | - | -14,238 | 2 | - | 27,104 |
| Total Managed Pool | 362,185,787 | - | 7 | - | -97,036 | -49,435 | 1,316,109 | -16,133,779 | 347,221,653 |

Financial Reconciliation
Total Managed Pool
July 1, 2021 To March 31, 2022

| Financial Reconciliation Fiscal Year to Date | | | | | | | | | |
|---|------------------------------------|--------------------------|----------------------|----------------------|----------------------------|---------------------------|------------------|-----------------------------|------------------------------------|
| | Market Value 07/01/2021 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 03/31/2022 |
| Pool I | - | - | - | - | - | - | - | - | - |
| Fidelity MM (Pool I) | - | - | - | - | - | - | - | - | - |
| Pool II | 54,568,970 | - | - | - | -27,292 | -8,027 | 404,777 | -839,190 | 54,099,237 |
| Galliard (Pool II)^ | 54,568,970 | - | - | - | -27,292 | -8,027 | 404,777 | -839,190 | 54,099,237 |
| Pool III | 158,536,868 | - | 57 | - | -65,442 | -22,217 | 2,662,146 | -5,440,408 | 155,671,005 |
| Pool III - Fixed | 128,094,193 | 7,990,000 | - | - | -65,442 | -18,401 | 1,734,692 | -6,728,290 | 131,006,753 |
| Galliard (Pool III) | 70,129,997 | 7,990,000 | - | - | -35,073 | -11,031 | 918,566 | -3,927,255 | 75,065,204 |
| Sawgrass (Pool III) | 57,964,197 | - | - | - | -30,369 | -7,370 | 816,125 | -2,801,035 | 55,941,549 |
| Pool III - Dom Equity | 30,418,100 | -8,000,000 | - | - | - | - | 927,450 | 1,287,882 | 24,633,432 |
| Vanguard Instl (Pool III) | 30,418,100 | -8,000,000 | - | - | - | - | 927,450 | 1,287,882 | 24,633,432 |
| Pool III - Mutual Fund Cash | 24,575 | 10,000 | 57 | - | - | -3,816 | 4 | - | 30,820 |
| Pool IV | 138,512,876 | - | 87 | - | -24,589 | -19,190 | 4,401,543 | -5,419,316 | 137,451,411 |
| Pool IV - Fixed | 40,777,166 | 16,990,000 | - | - | -24,589 | -4,952 | 919,779 | -4,104,974 | 54,552,430 |
| Galliard Broad (Pool IV) | 24,581,960 | 16,990,000 | - | - | -24,589 | -4,952 | 590,880 | -2,882,946 | 39,250,353 |
| Dodge & Cox Income (Pool IV) | 16,195,207 | - | - | - | - | - | 328,899 | -1,222,029 | 15,302,077 |
| Pool IV - Dom Equity | 76,134,900 | -17,000,000 | - | - | - | - | 2,419,610 | 3,036,511 | 64,591,020 |
| Vanguard Instl (Pool IV) | 76,134,900 | -17,000,000 | - | - | - | - | 2,419,610 | 3,036,511 | 64,591,020 |
| Pool IV - Int'l Equity | 21,569,559 | - | - | - | - | - | 1,062,151 | -4,350,853 | 18,280,856 |
| Europacific (Pool IV) | 21,569,559 | - | - | - | - | - | 1,062,151 | -4,350,853 | 18,280,856 |
| Pool IV - Mutual Fund Cash | 31,251 | 10,000 | 87 | - | - | -14,238 | 4 | - | 27,104 |
| Total Managed Pool | 351,618,714 | - | 144 | - | -117,323 | -49,435 | 7,468,466 | -11,698,914 | 347,221,653 |



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

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

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

| Pool IV Fixed 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 weighted average quality of the fixed income portfolio shall maintain a rating of "A-" or higher. | ✓ | | |
| Duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%. | ✓ | | |

*As previously communicated, the Galliard Pool III portfolio holds four bonds rated BBB/Baa2/BBB+.

| | Estimated Annual Fee (%) | Market Value (\$) | Estimated Annual Fee (\$) | Fee Schedule |
|---------------------------------------|--------------------------------|----------------------|---------------------------------|------------------|
| Fidelity MM* | 0.21 | - | - | 0.21 % of Assets |
| Pool I | | - | - | |
| Galliard | 0.10 | 54,099,237 | 54,099 | 0.10 % of Assets |
| Pool II | 0.10 | 54,099,237 | 54,099 | |
| Galliard | 0.10 | 75,065,204 | 75,065 | 0.10 % of Assets |
| Sawgrass | 0.07 | 55,941,549 | 39,159 | 0.07 % of Assets |
| Pool III - Fixed Income | 0.09 | 131,006,753 | 114,224 | |
| Vanguard Institutional Index* | 0.03 | 24,633,432 | 8,622 | 0.04 % of Assets |
| Pool III - Domestic Equity | 0.03 | 24,633,432 | 8,622 | |
| Mutual Fund Cash* | 0.21 | 30,820 | 65 | 0.21 % of Assets |
| Pool III | 0.08 | 155,671,005 | 122,911 | |
| Galliard Broad | 0.20 | 39,250,353 | 78,501 | 0.20 % of Assets |
| Dodge & Cox Income* | 0.42 | 15,302,077 | 64,269 | 0.42 % of Assets |
| Pool IV - Fixed Income | 0.26 | 54,552,430 | 142,769 | |
| Vanguard Institutional Index* | 0.04 | 64,591,020 | 22,607 | 0.04 % of Assets |
| Pool IV - Domestic Equity | 0.04 | 64,591,020 | 22,607 | |
| Europacific Growth* | 0.46 | 18,280,856 | 84,092 | 0.46 % of Assets |
| Pool IV - International Equity | 0.46 | 18,280,856 | 84,092 | |
| Mutual Fund Cash* | 0.21 | 27,104 | 57 | 0.21 % of Assets |
| Pool IV | 0.18 | 137,451,411 | 249,525 | |
| Total Managed Pool | 0.12 | 347,221,653 | 426,535 | |

*Audited expense ratio.

**The University of Central Florida pays Bank of New York Mellon a custodial fee of 2.5 basis points annually, billed quarterly on each account's market value.

***The University of Central Florida pays AndCo an all inclusive fee, billed quarterly in arrears, of \$110,000 for investment consulting services.



| | |
|---------------------------------------|---|
| Active Return | - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period. |
| Alpha | - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market. |
| Beta | - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk. |
| Consistency | - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance. |
| Distributed to Paid In (DPI) | - The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against. |
| Down Market Capture | - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance |
| Downside Risk | - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product. |
| Excess Return | - Arithmetic difference between the manager's performance and the risk-free return over a specified time period. |
| Excess Risk | - A measure of the standard deviation of a portfolio's performance relative to the risk free return. |
| Information Ratio | - This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio. |
| Public Market Equivalent (PME) | - Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index. |
| R-Squared | - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark. |
| Return | - Compounded rate of return for the period. |
| Sharpe Ratio | - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance. |
| Standard Deviation | - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period. |
| Total Value to Paid In (TVPI) | - The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life |
| Tracking Error | - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark. |
| Treynor Ratio | - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance. |
| Up Market Capture | - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance. |



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

Additional information included in this document may contain data provided by from index databases, public economic sources and the managers themselves.

This document may contain data provided by Bloomberg Barclays. Bloomberg Barclays Index data provided by way of Barclays Live.

This document may contain data provided by Standard and Poor's. Nothing contained within any document, advertisement or presentation from S&P Indices constitutes an offer of services in jurisdictions where S&P Indices does not have the necessary licenses. All information provided by S&P Indices is impersonal and is not tailored to the needs of any person, entity or group of persons. Any returns or performance provided within any document is provided for illustrative purposes only and does not demonstrate actual performance. Past performance is not a guarantee of future investment results.

This document may contain data provided by MSCI, Inc. Copyright MSCI, 2017. Unpublished. All Rights Reserved. This information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. This information is provided on an "as is" basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and MSCI, its affiliates and each such other person hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

This document may contain data provided by Russell Investment Group. Russell Investment Group is the source owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a user presentation of the data. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof.

This document may contain data provided by Morningstar. All rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is not guarantee of future results.



Clients first.



CHICAGO | CLEVELAND | DALLAS | DETROIT | ORLANDO | PITTSBURGH | RENO

AndCo Consulting | (844) 44-ANDCO | *AndCoConsulting.com*