

Advancement | UCF Foundation, Inc.

UCF Foundation Board of Directors

Finance Committee Meeting

Tuesday, April 27, 2021

Virtual Meeting

MINUTES

IN ATTENDANCE: Alan Florez, *Chair*, Tony Moreno, *Vice Chair*, Theresa Borcheck, Clint Bullock, Gerald Hector, Karl Hodges, Kevin Miller, Kyle Simpson

ABSENT: Eva Tukdarian

STAFF: Jennifer Cerasa, Glen Dawes, Bill Dean, Lauren Ferguson, Dan Gross, Erick Kepfer, Ashley McConnell, Chris Meister, Joseph Mera, Robert Taft (UCF Audit)

WELCOME AND CALL TO ORDER

Director Florez, Chair of the Finance Committee, called the meeting to order at 10:02 a.m., stating that the meeting was covered under the Florida Sunshine Law and the public and press were invited to attend.

ROLL CALL AND QUORUM CONFIRMATION

Roll call was performed and a quorum was confirmed.

CONFLICT OF INTEREST DISCLOSURE

Chair Florez asked the committee members if there were any conflicts of interest to declare regarding the items of business listed on the agenda. No conflicts were disclosed.

MINUTES

The minutes from the December 14, 2020 meeting were unanimously approved as written.

REPORTS

(INFO- 1) Results of Operations as of December 31, 2020

Glen Dawes, Chief Financial Officer, presented financial statements and quarterly reports for the period ended December 31, 2020. It was noted that total assets at the end of the quarter was \$421,640,249, approximately \$24 million more than at the close of fiscal year 2020, largely due to investments and favorable market activity. It was further noted that cash had decreased as a result of scheduled debt payments and lending obligations in the second quarter, and pledges receivable had decreased following the conclusion of the IGNITE campaign in fiscal year 2019. Total net position at the end of the second fiscal quarter was \$350,298,823.

The Foundation Division Budget Summary and Buildings Budget summary compared actual amounts to budgeted amounts through December 31, 2020. It was reported that the Foundation was favorable to budget in both sources and uses as of December 31st. Significant earnings on non-endowed investments contributed substantially to the \$3.2 million favorable position in funding sources. Operating expenses continued to be well under budget with the sustained impact on operations from the COVID-19 pandemic including travel and events and salaries for unfilled positions. Committee members inquired about budget expectations for the next fiscal year, assuming travel and events operations return to pre-pandemic levels in late 2021. It was noted that the Foundation budget is expected to remain flat year-over-year, as the current year's budget was approved prior to when operational restrictions were put in place.

The Foundation's real estate budget remains largely on target as it was reported there had been no new vacancies during the pandemic. Occupancy across Foundation-owned buildings was 96% as of December 31, 2020. It was noted that while space needs of current tenants may change with a remote or hybrid work environment, Foundation staff and property management partners believe there is still need for space in the market to fill any potential vacancies.

The UCF Foundation Debt Summary and Vice Presidents' and Deans' expenses were provided to the committee for review and specific questions may be brought before the committee. There were no questions at this time.

NEW BUSINESS

UCF Foundation Reserves Policy

Dawes led a discussion regarding the urge by Foundation leadership to define and set guidelines for establishing a building an operational reserve, the need for which was emphasized following recent funding requests from the university and other related organizations. Based on feedback from institutional peers, Dawes highlighted the operational needs that might warrant a formal reserve including debt service obligations, outstanding support obligations, and an assumption of at least 25% of annual operating expenses. It was noted that the Committee would have the opportunity to hear more on the subject from industry experts with the Association of Governing Boards at a future meeting and would aim to have a formal policy for consideration in late 2021.

PUBLIC COMMENT

There were no public comments.

CLOSING REMARKS AND ANNOUNCEMENTS

Chair Florez welcomed Gerald Hector, UCF Senior Vice President for Administration and Finance, as an ex-officio member of the Finance Committee. Hector stated he valued the fruitful conversation with Foundation leadership and looked forward to participating on the committee.

ADJOURNMENT

Director Florez adjourned the meeting at 10:45 a.m.

Approved by Finance Committee on June 1, 2021.

Respectfully Submitted by:

A handwritten signature in black ink, appearing to be 'AF', written over a circular stamp or mark.

Alan Florez, *Chair* Finance Committee

Prepared by Ashley McConnell, Executive Assistant