

Advancement | UCF Foundation, Inc.

UCF Foundation Board of Directors

Finance Committee Meeting
Tuesday, June 1, 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, Eva Tukdarian

ABSENT:

STAFF: Jennifer Cerasa, Karen Cochran, Glen Dawes, Lauren Ferguson, Erick Kepfer, Ashley McConnell, Chris Meister, Joseph Mera, Robert Taft (UCF Audit), Hallie White

GUESTS: John Carter (Association of Governing Boards), Carrie Daanen

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

Minutes from the April 27, 2021 meeting were unanimously approved as written.

REPORTS

Reserves Policy Discussion

Chair Florez introduced John Carter, a consultant with the Association of Governing Boards (AGB), to lead a discussion on considerations for the development of a formal reserves policy, as requested by Foundation leadership. Carter provided expert guidance on the subject and stated that donor perception

and fiduciary responsibility is paramount. He further noted that, given the nature of legislative control in Florida, particular consideration should be made for State governance and regulations when drafting fiscal policies. Carter posed critical questions that should be answered in order to develop effective policies for both real estate and operational reserve needs for the Foundation and referenced AGB resources which may be helpful in starting the exercise. UCF Foundation staff stated they plan to present a formal policy for consideration in late 2021.

(INFO- 1) Results of Operations as of March 31, 2021

Glen Dawes, Chief Financial Officer, presented financial statements and quarterly reports for the period ended March 31, 2021. It was noted that total assets at the end of the quarter was \$429,820,971, approximately \$32 million more than at the close of fiscal year 2020, largely due to investments and favorable market activity. Total net position at the end of the third fiscal quarter was \$357,825,650.

The Foundation Division Budget Summary and Buildings Budget summary compared actual amounts to budgeted amounts through March 31, 2021. It was reported that the Foundation operation was favorable to budget in both sources and uses as of March 31st. Dawes noted continuing themes affecting variances through the fiscal year to include historic investment returns, as well as reduced salary and operational expenses as a result of restrictions in place during COVID-19.

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

(FC-1) FY2022 UCF Foundation Unrestricted and Real Estate Budgets

Glen Dawes presented the UCF Foundation's proposed unrestricted budget for fiscal year 2021-2022 which was prepared based on the expected activity and plans for the upcoming fiscal year. The proposed budget reflected a 5% increase from the prior year, driven by investments in technology to support fundraising and Alumni engagement, the Knight Vision (Workday) implementation, and a 1.5% increase in payroll. It was noted that the increase will be funded by higher endowment fee revenue and increased returns from the non-endowed investment pool. Support provided by the university is expected to remain flat year-over-year. Committee members shared their desire to understand fundraising goals, key performance indicators, and how contributions fit into the overall budget.

Dawes also presented a flat real estate budget for fiscal year 2021-2022. Considerations for the real estate budget included 98% tenant occupancy, increased repair and maintenance expenses as a result of physical return to the offices, and reduced interested expense from prior year refinancing. It was further noted that capital expenditures are anticipated during the year for air handler and roof replacements at certain Research Park properties which will be funded by reserves.

A motion was made by Eva Tukdarian and seconded by Tony Moreno to accept and recommend for Board approval the fiscal year 2022 unrestricted and real estate budgets, as proposed. The motion passed unanimously.

PUBLIC COMMENT

There were no public comments.

CLOSING REMARKS AND ANNOUNCEMENTS

No remarks were given.

ADJOURNMENT

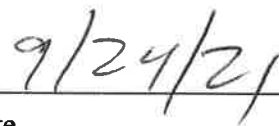
Director Florez adjourned the meeting at 11:54 a.m.

Approved by Finance Committee on September 24, 2021.

Respectfully Submitted by:



Alan Florez, Chair, Finance Committee



Date

Prepared by: Ashley McConnell, Executive Assistant