



UNIVERSITY OF CENTRAL FLORIDA

## Foundation, Inc.

### Joint Audit, Finance and Facilities Committee Meeting Minutes

Wednesday, October 23, 2024 | 10:00 a.m. – 11:45 a.m.

FAIRWINDS Alumni Center 12676 Gemini Blvd. N. Orlando, FL 32816

#### **Members Present:**

Matt Assenmacher, Jessica Blume, *Audit Committee Chair*, Teresa Borcheck, Clint Bullock, Brian Butler, Peter Counce, Cary D’Ortona, Scott Fagan, Esteban Garcia, Paul Gregg, Carrie Hall, Manish Hirapara, Robert Kantor, Tom McNamara, Mark Plaumann, *Audit and Finance and Facilities Committee Vice Chair*, Jeremy Sloane, and Eva Tukdarian, *Finance and Facilities Chair*

#### **Members Absent:**

Laurette Koellner

#### **I. Welcome and Call to Order**

The joint meeting was called to order by Jessica Blume ’80, *Chair*, UCF Foundation Audit Committee and Eva Tukdarian ’90 ’91MSA, *Chair*, UCF Foundation Finance and Facilities Committee at 10:17a.m. The public and press were invited to attend under Florida Sunshine Law. Roll call for both committees was performed, and quorum was confirmed.

#### **II. Conflict of Interest Disclosure**

No conflicts of interest were disclosed by the committee members.

#### **III. Approval of Meeting Minutes**

- A. Minutes from the April 25, 2024, Audit Committee meeting were unanimously approved as written.
- B. Minutes from the May 30, 2024, Finance and Facilities Committee meeting were unanimously approved as written.

#### **IV. Action**

Alicia Ornelas-Perez, *Senior Assurance Associate*, and Bryan Simkanich ’11 ’12MS, *Signing Director*, CliftonLarsonAllen LLC (CLA), presented the following item:

##### **A. AC/FFC-1: Audited Financial Statements for Fiscal Year Ended June 30, 2024**

Ornelas-Perez and Simkanich presented the findings from the audited financial statements for fiscal year ended June 30, 2024. This year, CLA looked more closely at investments, specifically at risks since the Workday process has improved since implementation. The financial statement review for Fiscal Year 2023-2024 was approximately \$20 million (a 3.2% increase in total assets); operating revenue decreased approximately \$5.3 million, and operating expenses increased approximately \$32 million (55%). Net cash used by operating activities was \$8.7 million.

The UCF Foundation's audited financial report indicates an unmodified opinion, representing the highest level of assurance with no audit adjustments, no disagreements with management over application of accounting policies, and no issues performing the audit.

**Motion:** A motion was made by Director Plaumann to recommended to the UCF Foundation Board of Directors, on its non-consent agenda, approval of the audited financial statements for fiscal year ended June 30, 2024. Advisor Garcia seconded the motion. The motion was passed unanimously.

## **V. Discussion**

Craig Erwin, *Chief Financial Officer*, UCF Foundation, Inc., and Joseph Mera '03, *Director, Financial Planning and Analysis*, UCF Advancement and Partnerships, presented the following item:

### **A. DISC-1: Supplemental Results for Operations for Period Ended June 30, 2024**

The Finance and Facilities Committee received financial reports of the UCF Foundation division and real estate operations for the period ended June 30, 2024. For the fiscal year ended June 30, 2024, the UCF Foundation reported total funding sources of approximately \$26.05 million compared to a budget of \$28.03 million for the same period. The UCF Foundation reported total funding uses of approximately \$27.12 million compared to a budget of \$28.00 million for the same period resulting in a 3% favorability for the fiscal year. The debt principal for the timeframe was approximately \$55.2 million. The University had utilized approximately \$54.9 million from UCF Foundation funds and gifts in support of programs, scholarships, and other university priorities.

Directors inquired about CAPFA waterfall payments and projections for the coming fiscal years. Rodney Grabowski, *Senior Vice President*, UCF Advancement and Partnerships, and *Chief Financial Officer*, UCF Foundation, Inc., shared that a proforma had been provided after a recent refinance, and spending was focused on investments in building that would eventually become the UCF Foundation's property. Chair Tukdarian emphasized the importance in future reporting for projections to be included.

Craig Erwin, *Chief Financial Officer*, UCF Foundation, Inc., and Dan Gross, *Director, Real Estate and Facilities Operations*, UCF Advancement and Partnerships, presented the following item:

### **B. DISC-2: UCF Foundation Real Estate Report**

The Finance and Facilities Committee reviewed the UCF Foundation Real Estate Report. Fiscal Year 2025-2026 had the smallest gap between cash position and reserve requirement due to the the significant loss of University tenants and the final year of the Research Pavillion (RP) / Orlando Tech Center (OTC) debt still owed, as well as \$2.5 million in capital forecasted.

There are nine (9) buildings that make up the UCF Foundation's real estate portfolio in Research Park. While Fiscal Year 2024 – 2026 is projected to be a challenging year, debt service retirements will create future financial capacity. Erwin explained how the Foundation is actively looking for tenants for projected vacant spaces, working in tandem with the university on future placements.

Chair Tukdarian remarked that committee members should take additional time to read and digest the information. It is important for committee members to understand their governance around facilities and ensuring the UCF Foundation's properties are performing at an acceptable rate of

return. A workshop for this committee was recommended and will be scheduled by board staff in early 2025. Director Hirapara requested a historical perspective of occupancy in a future version of this report. Grabowski reiterated how this was a beginning of the process for the board understand how assets are performing.

Janelle Hom '10MA, *Director, Foundation Board Relations and Advancement*, UCF Advancement and Partnerships, presented the following items:

**C. DISC-3: Annual Committee Charter Review**

The Audit and Finance and Facilities Committees were asked to have reviewed the current committee charters for beneficial or needed amendments.

**1. AC-2: Audit Committee Charter**

Staff recommended the inclusion of risk assessment language in the Audit Committee Charter. No other changes were recommended.

**Motion:** A motion was made by Director Plaumann to recommend approval of the revised Audit Committee Charter language to the UCF Foundation Board of Directors, on its consent agenda. The motion was seconded by Faculty Advisor Gregg. The motion was passed unanimously.

**2. Fiscal Year 2024 – 2025 Audit Committee Annual Plan**

Board staff provided an overview of the Audit Committee's workplan for the year. Committee members were encouraged to provide feedback on agenda items for future meetings.

**3. FFC-2: Finance and Facilities Committee Charter**

Staff recommended one minor revision that would align the committee charter with the recently amended bylaws. The change would reduce the minimum Elected Director count from five (5) members to three (3). No other changes were recommended.

**Motion:** A motion was made by Director Plaumann to recommend approval of the revised Finance and Facilities Committee Charter to the UCF Foundation Board of Directors, on its consent agenda. The motion was seconded by Director Butler. The motion was passed unanimously.

**4. Fiscal Year 2024 – 2025 Finance and Facilities Committee Annual Plan**

Board staff provided an overview of the Finance and Facilities Committee workplan for the year. Committee members were encouraged to provide feedback on agenda items for future meetings.

Janelle Hom '10MA, *Director, Foundation Board Relations and Advancement*, UCF Advancement and Partnerships, and Richard Welsh, *Senior Associate General Counsel*, University of Central Florida, presented the following item:

**D. DISC-4: Public Records Requests Reporting**

The Audit Committee reviewed a summary of public records requests, received by the UCF Foundation, through the quarter ended September 30, 2024. The UCF Foundation received two (2) public records requests between July 1, 2024, through September 30, 2024. All requests were

acknowledged and supplied with publicly available documents. Staff will continue to respond to public records requests, utilizing guidance from general counsel.

Director Bullock inquired about the use of fees for staff time and resources to fulfill public records requests. Welsh explained that a policy was in place, but with the requests that were received in the first quarter the staff time to fulfill the requests was minimal.

Janelle Hom '10MA, *Director, Foundation Board Relations and Advancement*, UCF Advancement and Partnerships, presented the following item:

**E. DISC-5: Enterprise Risk Management Assessment Update**

Hom provided a progress update of the University's risk assessment project. Interviews with key stakeholders have been completed. The staff team responsible for compiling the results would like to present the findings at the January 16, 2025, meeting. Chair Blume requested a follow up via email from board staff to confirm committee member availability.

**VI. Information**

The following informational items were presented to the committee. No questions or comments were offered by committee members.

- A. INFO-1: UnionWest Transaction**
- B. INFO-2: External Auditor RFP Planning**
- C. INFO-3: AGB Article: Building Reputational Risk into Decision-Making**

**VII. New Business**

No new business was presented.

**VIII. Adjournment**

Chair Blume and Chair Tukdarian adjourned the meeting at 11:55 a.m.

Approved by the Audit Committee and Finance and Facilities Committee on **January 16, 2025**.

Respectfully Submitted by:

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Jessica Blume, *Chair*, UCF Foundation Audit Committee

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Eva Tukdarian, *Chair and Treasurer*, UCF Foundation Finance and Facilities Committee  
Minutes Prepared By: Debra Farish, Executive Assistant, UCF Advancement and Partnerships