

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2024, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2024, and June 30, 2023.

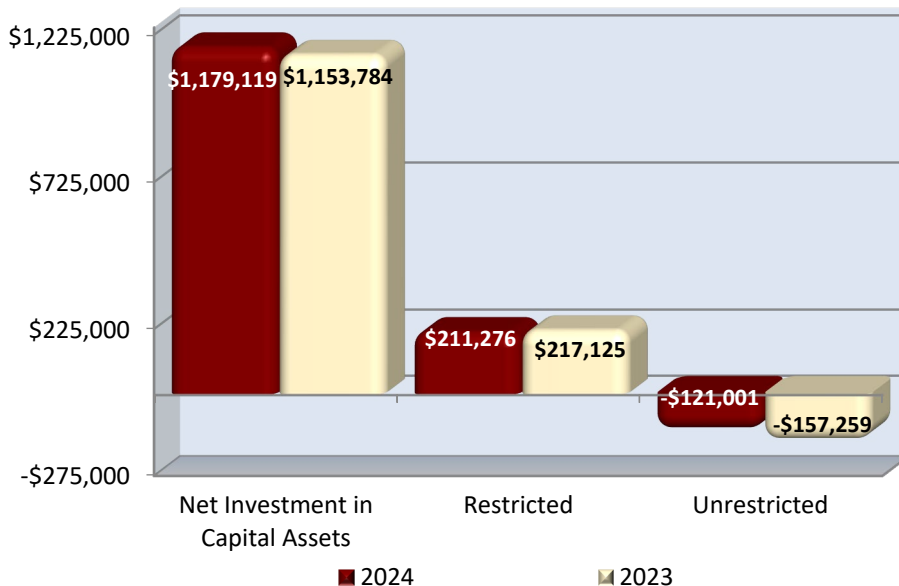
### FINANCIAL HIGHLIGHTS

The University's assets and deferred outflows of resources totaled \$2.6 billion at June 30, 2024. This balance reflects a \$59.0 million, or 2.3 percent, increase as compared to the 2022-23 fiscal year, resulting from an increase in amounts due from primary government related to capital appropriations and cash equivalents, offset by decreases of deferred outflows of resources relating to pension and other postemployment benefits. Liabilities and deferred inflows of resources increased by \$3.2 million or 0.2 percent, totaling \$1.4 billion at June 30, 2024. As a result, the University's net position increased by \$55.7 million, resulting in a year-end balance of \$1.3 billion.

The University's operating revenues totaled \$588.3 million for the 2023-24 fiscal year, representing a 3.0 percent increase compared to the 2022-23 fiscal year. Operating expenses totaled \$1.4 billion for the 2023-24 fiscal year, representing an increase of 6.1 percent as compared to the 2022-23 fiscal year due mainly to increase in compensation and employee benefits and scholarships, fellowships, and waivers.

Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2024, and June 30, 2023, is shown in the following graph:

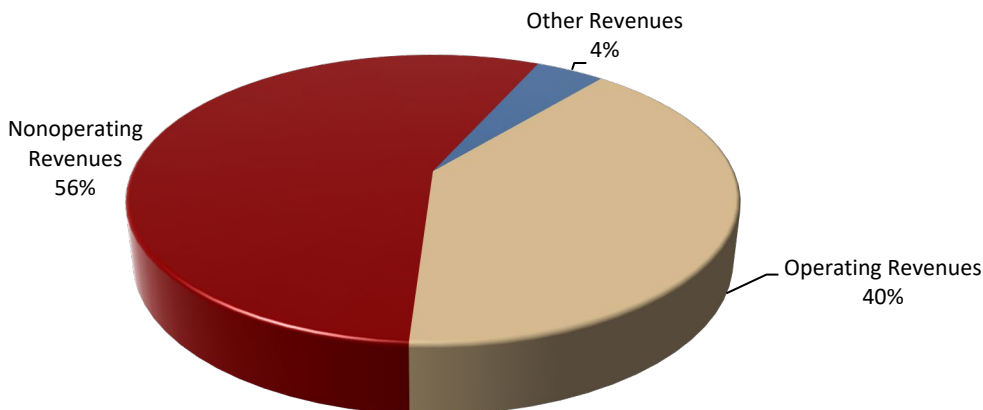
**Net Position  
(In Thousands)**



The deficit unrestricted net position for 2024 and 2023 can be attributed primarily to the full recognition of certain long-term liabilities (i.e., compensated absences payable, other postemployment benefits payable and net pension liabilities) in the current unrestricted funds that are expected to be paid over time. Additional information about the University’s deficit position in individual funds is presented in Note 2. in the accompanying notes to financial statements.

The following chart provides a graphical presentation of University revenues by category for the 2023-24 fiscal year:

**Total Revenues  
2023-24 Fiscal Year**



## OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. These component units include:

- Blended Components Units
  - UCF Finance Corporation
  - University of Central Florida College of Medicine Self Insurance Program
- Discretely Presented Component Units
  - University of Central Florida Foundation, Inc.
  - University of Central Florida Research Foundation, Inc.
  - UCF Athletics Association, Inc.
  - UCF Convocation Corporation
  - UCF Stadium Corporation
  - Central Florida Clinical Practice Organization, Inc.
  - UCF Academic Health, Inc.

Information regarding these component units, including summaries of the blended and discretely presented component units' separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component unit(s). For those component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.

### **The Statement of Net Position**

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

## Condensed Statement of Net Position at June 30

(In Thousands)

	2024	2023
<b>Assets</b>		
Current Assets	\$ 907,082	\$ 810,043
Capital Assets, Net	1,435,737	1,437,927
Other Noncurrent Assets	107,094	107,995
<b>Total Assets</b>	<b>2,449,914</b>	<b>2,355,965</b>
<b>Deferred Outflows of Resources</b>	<b>205,054</b>	<b>240,043</b>
<b>Liabilities</b>		
Current Liabilities	180,603	144,164
Noncurrent Liabilities	932,078	922,101
<b>Total Liabilities</b>	<b>1,112,681</b>	<b>1,066,265</b>
<b>Deferred Inflows of Resources</b>	<b>272,893</b>	<b>316,092</b>
<b>Net Position</b>		
Net Investment in Capital Assets	1,179,119	1,153,785
Restricted	211,276	217,125
Unrestricted	(121,001)	(157,259)
<b>Total Net Position</b>	<b>\$ 1,269,394</b>	<b>\$ 1,213,651</b>

Total assets as of June 30, 2024, increased \$93.9 million, or 4.0 percent, primarily related to increase amounts due from primary government and investment gains. Total liabilities increased by \$46.4 million, or 4.4 percent, deferred outflows of resources decreased by \$35.0 million, or 14.6 percent, and deferred inflows of resources decreased by \$43.2 million, or 13.7 percent. These changes were primarily related to increases in due to component units and annual changes in actuarially determined amounts for pensions and other postemployment benefits.

### **The Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2023-24 and 2022-23 fiscal years:

**Condensed Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Years**

(In Thousands)

	<b>2023-24</b>	<b>2022-23</b>
Operating Revenues	\$ 588,247	\$ 571,143
Less, Operating Expenses	1,417,651	1,336,681
<b>Operating Income (Loss)</b>	(829,404)	(765,538)
Net Nonoperating Revenues	821,002	764,602
<b>Income (Loss) Before Other Revenues</b>	(8,402)	(936)
Other Revenues	64,146	71,373
<b>Net Increase (Decrease) In Net Position</b>	55,744	70,437
Net Position, Beginning of Year	1,213,651	1,120,121
Adjustment(s) to Beginning Net Position	-	23,093
<b>Net Position, Beginning of Year, as Restated</b>	1,213,651	1,143,214
<b>Net Position, End of Year</b>	\$ 1,269,394	\$ 1,213,651

**Operating Revenues**

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2023-24 and 2022-23 fiscal years:

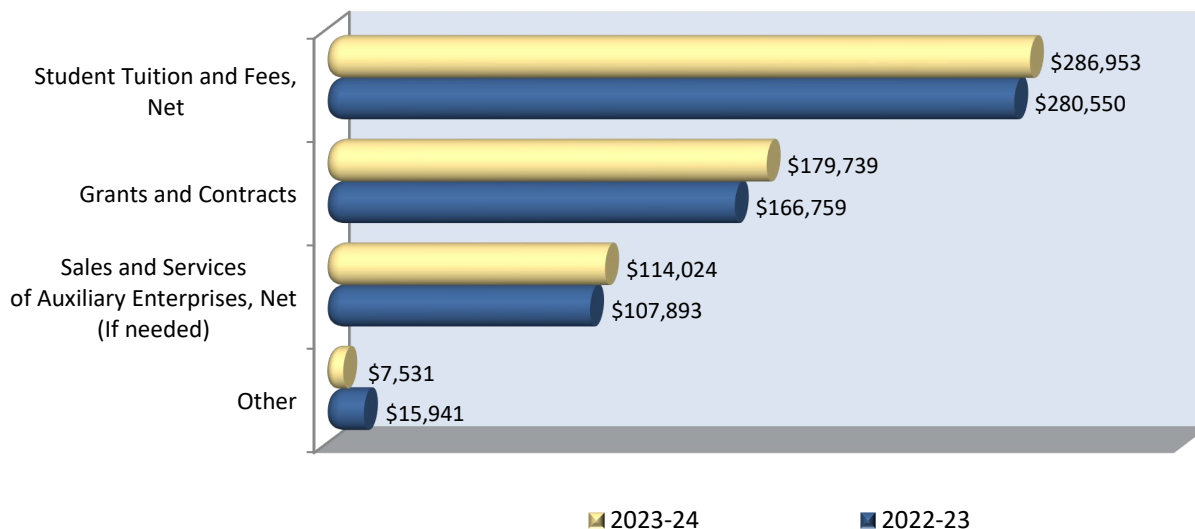
**Operating Revenues  
For the Fiscal Years**

(In Thousands)

	<b>2023-24</b>	<b>2022-23</b>
Student Tuition and Fees, Net	\$ 286,953	\$ 280,550
Grants and Contracts	179,739	166,759
Sales and Services of Auxiliary Enterprises, Net	114,024	107,893
Other	7,531	15,941
<b>Total Operating Revenues</b>	\$ 588,247	\$ 571,143

The following chart presents the University's operating revenues for the 2023-24 and 2022-23 fiscal years:

### Operating Revenues (In Thousands)



Student tuition and fees, net, increased \$6.4 million or 2.3 percent due to an increase in student enrollment. Grants and contracts increased by \$13 million or 7.8 percent primarily due to an increase in Federal grant funding during 2023-24 fiscal year.

### Operating Expenses

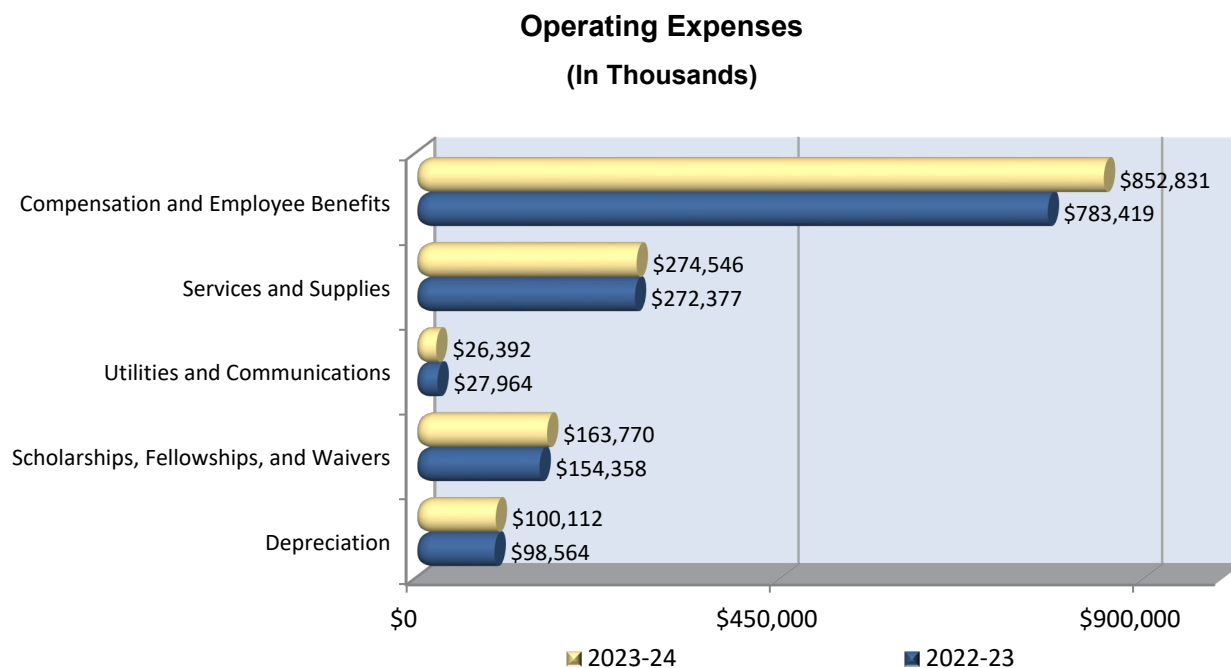
Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2023-24 and 2022-23 fiscal years:

### Operating Expenses For the Fiscal Years (In Thousands)

	2023-24	2022-23
Compensation and Employee Benefits	\$ 852,831	\$ 783,418
Services and Supplies	274,546	272,377
Utilities and Communications	26,392	27,964
Scholarships, Fellowships, and Waivers	163,770	154,358
Depreciation	100,112	98,564
<b>Total Operating Expenses</b>	<b>\$ 1,417,651</b>	<b>\$ 1,336,681</b>

The following chart presents the University's operating expenses for the 2023-24 and 2022-23 fiscal years:



Compensation and employee benefits increased by \$69.4 million, or 8.9 percent, primarily resulting from recognizing a full year of merit increases instituted in late 2022-23 and increases in the annual change in actuarially determined pension expense. Scholarships, fellowships, and waivers, increased by \$9.4 million, or 6.1 percent, primarily due to increases in state and federal student financial aid.

### **Nonoperating Revenues and Expenses**

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, certain gifts and grants, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University's nonoperating revenues and expenses for the 2023-24 and 2022-23 fiscal years:

**Nonoperating Revenues (Expenses)**  
**For the Fiscal Years**  
(In Thousands)

	<u>2023-24</u>	<u>2022-23</u>
State Noncapital Appropriations	\$ 482,493	\$ 405,908
Federal and State Student Financial Aid	266,018	266,714
Investment Income (Loss)	56,573	39,133
Other Nonoperating Revenues	49,229	99,086
Loss on Disposal of Capital Assets	(452)	(129)
Interest on Capital Asset-Related Debt	(4,847)	(6,030)
Other Nonoperating Expenses	<u>(28,012)</u>	<u>(40,080)</u>
<b>Net Nonoperating Revenues</b>	<u><u>\$ 821,002</u></u>	<u><u>\$ 764,602</u></u>

**Net nonoperating revenues increased by \$56.4 million, or 7.4 percent, primarily due to increases in State** noncapital appropriations and investment income, offset by decreases in other nonoperating revenues. State appropriations increased \$76.6 million or 18.8 percent primarily due to increases of \$20.1 million in recurring and \$51 million in non-recurring appropriations. Investment income increased by \$17.4 million primarily due to gains from changes in fair market valuations of investments since the prior year. Other nonoperating revenue decreased by \$49.9 million primarily due to a reduction of Higher Education Emergency Relief Funds (HEERF) institutional funding as the Federal program ended in 2022-23.

### **Other Revenues**

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University's other revenues, expenses, gains, or losses for the 2023-24 and 2022-23 fiscal years:

<b>Other Revenues, Expenses, Gains, or Losses For the Fiscal Years</b>		
(In Thousands)		
	<b>2023-24</b>	<b>2022-23</b>
Capital Appropriations	\$ 38,062	\$ 70,378
Capital Grants, Contracts, Donations, and Fees	26,084	995
<b>Total</b>	<b>\$64,146</b>	<b>\$71,373</b>

State capital appropriations decreased by \$32.3 million, due to a decline in legislative capital appropriations. Capital donations increased due to the donation of a student housing complex and corresponding land to support the Rosen College of Hospitality Management.

### **The Statement of Cash Flows**

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2023-24 and 2022-23 fiscal years:



**Condensed Statement of Cash Flows  
For the Fiscal Years**

(In Thousands)

	<b>2023-24</b>	<b>2022-23</b>
Cash Provided (Used) by:		
Operating Activities	\$ (690,544)	\$ (674,833)
Noncapital Financing Activities	791,819	731,925
Capital and Related Financing Activities	(83,163)	(74,793)
Investing Activities	74,675	227,587
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	92,787	209,886
Cash and Cash Equivalents, Beginning of Year	267,068	57,182
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 359,855</b>	<b>\$ 267,068</b>

Cash and cash equivalents increased by \$92.8 million. Cash inflows from investing activities decreased \$152.9 million or 67.1 percent, primarily due to a prior year change in the investment approach of shifting from the State Treasury Special Purpose Investment Account (SPIA) to more money market funds (e.g., cash equivalents).

Major sources of funds came from proceeds from sales and maturities of investments (\$1.7 billion), State noncapital appropriations (\$482.5 million), Federal and State student financial aid (\$266 million), net student tuition and fees (\$286.7 million), Federal direct loan program receipts (\$176 million), grants and contracts (\$181.4 million), and sales and services of auxiliary enterprises (net) (\$124.4 million). Major uses of funds were for purchases of investments (\$1.7 billion), payments to employees (\$818 million), payments to suppliers for goods and services (\$295.2 million); disbursements to students for the Federal Direct Loan program (\$176 million), and payments to students for scholarships and fellowships (\$163.8 million).

**CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS,  
AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2024, the University had \$2.7 billion in capital assets, less accumulated depreciation of \$1.3 billion, for net capital assets of \$1.4 billion. Depreciation charges for the current fiscal year totaled \$100.1 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

**Capital Assets, Net at June 30**

(In Thousands)

	<u>2024</u>	<u>2023</u>
Land	\$ 52,406	\$ 43,016
Construction in Progress	84,952	51,733
Buildings	1,000,400	1,025,645
Infrastructure and Other Improvements	35,832	38,235
Furniture and Equipment	48,605	45,182
Library Resources	32,159	30,865
Leasehold Improvements	5,874	7,531
Right-To-Use Lease Assets	136,317	152,088
Right-To-Use SBITA	38,735	43,034
Works of Art and Historical Treasures	382	316
Computer Software and Other Capital Assets	75	282
<b>Capital Assets, Net</b>	<u>\$ 1,435,737</u>	<u>\$ 1,437,927</u>

Additional information about the University's capital assets is presented in the notes to financial statements.

**Capital Expenses and Commitments**

Major capital expenses through June 30, 2024, were incurred on the following projects: The University's construction commitments at June 30, 2024, are as follows:

	<u>Amount</u> <u>(In Thousands)</u>
Total Committed	\$ 176,345
Completed to Date	<u>(84,952)</u>
<b>Balance Committed</b>	<u>\$ 91,393</u>

Additional information about the University's construction commitments is presented in the notes to financial statements.

**Debt Administration**

As of June 30, 2024, the University had \$248 million in outstanding capital improvement debt payable, loans and notes payable, and right-to-use leases payable, representing a decrease of \$31.6 million, or 11.3 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

## Long-Term Debt at June 30

(In Thousands)

	2024	2023
Capital Improvement Debt	\$ 58,865	\$ 74,208
Loans and Notes Payable	47,431	50,247
Right-to-Use Leases Payable	141,726	155,158
<b>Total</b>	<b>\$ 248,022</b>	<b>\$ 279,613</b>

Additional information about the University's long-term debt is presented in the notes to financial statements.

### ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The University's economic condition is closely tied to that of the State of Florida. Because of limited economic growth and increased demand for State resources, a modest increase in State funding is anticipated in the 2024-2025 fiscal year. The University manages these influences through the continual efficient and strategic use of resources and entrepreneurial efforts by academic, administrative, and auxiliary departments. The budget the Florida Legislature adopted for the 2024-25 fiscal year included \$491.4 million in base-funding increases for the State University System, of which the University received \$44.4 million.

In addition to State funding, the University relies on other revenue streams to maintain the open access to, and high quality of, its academic programs. Net tuition and fee revenue increased 2.2 percent from 2022-23 to 2023-24. Overall, enrollment increased 1.3 percent with a student count of approximately 69,316. The change was primarily due to a 1,183 headcount increase in FTIC undergraduate students and a 441 headcount decrease in undergraduate transfer students. The University continues to invest in recruitment, retention, and academic advising initiatives to support enrollment management and promote student success.

### REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to Danta M. White, CPA, Senior Assistant Vice President and University Controller, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, Florida 32826.

# BASIC FINANCIAL STATEMENTS

## UNIVERSITY OF CENTRAL FLORIDA A Component Unit of the State of Florida Statement of Net Position

June 30, 2024

	University	Component Unit(s)
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 351,603,372	\$ 59,067,443
Restricted Cash and Cash Equivalents	3,457,805	20,069,107
Investments	337,430,513	-
Accounts Receivable, Net	77,693,326	35,257,371
Loans and Notes Receivable, Net	3,069,068	13,626,207
Due from State	111,288,883	-
Due from University		83,071,446
Due from Component Units	6,614,759	2,297,494
Inventories	4,654,853	83,638
Other Current Assets	11,269,740	1,145,205
<b>Total Current Assets</b>	<b>907,082,319</b>	<b>214,617,911</b>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	4,794,283	4,699,313
Restricted Investments	41,857,744	365,369,414
Loans and Notes Receivable, Net	51,610,814	187,169,233
Depreciable Capital Assets, Net	1,298,161,212	163,106,774
Nondepreciable Capital Assets	137,576,119	55,895,136
Due from Component Units	2,555,450	
Other Noncurrent Assets	6,275,834	1,500,180
<b>Total Noncurrent Assets</b>	<b>1,542,831,457</b>	<b>777,740,050</b>
<b>Total Assets</b>	<b>2,449,913,777</b>	<b>992,357,961</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	98,465,857	-
Pensions	97,736,704	-
Deferred Amount on Debt Refundings	8,851,584	3,353,260
<b>Total Deferred Outflows of Resources</b>	<b>205,054,145</b>	<b>3,353,260</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	16,832,545	28,463,575
Construction Contracts Payable	7,557,230	-
Salary and Wages Payable	17,931,541	-
Deposits Payable	7,101,870	-
Due to University		6,614,759
Due to Component Units	83,071,446	2,297,494
Unearned Revenue	12,178,316	39,323,272
Other Current Liabilities	872,438	2,305,890
Long-Term Liabilities - Current Portion:		
Bonds and Revenue Certificates Payable	-	11,743,000
Capital Improvement Debt Payable	4,395,000	-
Loans and Notes Payable	2,885,000	5,639,000
Right-to-Use Leases Payable	2,336,189	239,105
Right-to-Use Leases Payable - Component Unit	9,165,661	3,712,056
Right to Use SBITA	2,072,717	-
Compensated Absences Payable	6,060,239	186,020
Other Postemployment Benefits Payable	8,142,629	-
<b>Total Current Liabilities</b>	<b>180,602,821</b>	<b>100,524,171</b>

	<u>University</u>	<u>Component Unit(s)</u>
<b>LIABILITIES (Continued)</b>		
Noncurrent Liabilities:		
Bonds and Revenue Certificates Payable	-	154,334,437.00
Capital Improvement Debt Payable	54,470,467	-
Due To University	-	2,555,450
Loans and Notes Payable	44,546,000	54,892,000
Right-to-Use Leases Payable	26,808,319	3,954,020
Right-to-Use Leases - Component Unit Payable	103,415,460	62,386,707
Right to Use SBITA	18,210,873	-
Compensated Absences Payable	61,275,753	741,402
Other Postemployment Benefits Payable	304,865,141	-
Net Pension Liability	318,040,166	-
Other Non-current liabilities	445,635	7,564,706
<b>Total Noncurrent Liabilities</b>	932,077,814	286,428,722
<b>Total Liabilities</b>	1,112,680,634	386,952,893
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	191,047,592	-
Pensions	28,323,626	-
Leases	53,521,675	165,903,693
<b>Total Deferred Inflows of Resources</b>	272,892,893	165,903,693
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,179,118,663	88,062,476
Restricted for Nonexpendable:		
Endowment	-	160,659,572
Restricted for Expendable:		
Debt Service	71,634	-
Loans	3,285,818	-
Capital Projects	148,605,978	252,301
Other	59,312,829	197,050,489
Unrestricted	(121,000,526)	(3,170,203)
<b>TOTAL NET POSITION</b>	<b>\$ 1,269,394,396</b>	<b>\$ 442,854,635</b>

The accompanying notes to financial statements are an integral part of this statement.

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**UNIVERSITY OF CENTRAL FLORIDA**  
**A Component Unit of the State of Florida**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2024**

	<u>University</u>	<u>Component Unit(s)</u>
<b>REVENUES</b>		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$243,700,760	286,952,941	
Federal Grants and Contracts	142,414,584	-
State and Local Grants and Contracts	9,895,756	-
Nongovernmental Grants and Contracts	27,428,097	-
Sales and Services of Auxiliary Enterprises (Net) (Pledged for Capital Improvement Debt: \$29,603,117 Pledged for Housing)	114,023,584	
Gifts and Donations		66,853,321
Interest on Loans and Notes Receivable	49,691	-
Other Operating Revenues	7,482,026	208,299,133
<b>Total Operating Revenues</b>	<b>588,246,679</b>	<b>275,152,454</b>
<b>EXPENSES</b>		
Operating Expenses:		
Compensation and Employee Benefits	852,830,523	28,229,243
Services and Supplies	274,546,416	207,982,214
Utilities and Communications	26,391,847	-
Scholarships, Fellowships, and Waivers	163,770,094	-
Depreciation	100,111,990	8,976,207
<b>Total Operating Expenses</b>	<b>1,417,650,869</b>	<b>245,187,664</b>
<b>Operating Income (Loss)</b>	<b>(829,404,190)</b>	<b>29,964,790</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Noncapital Appropriations	482,492,685	-
Federal and State Student Financial Aid	266,017,968	-
Investment Income (Loss)	56,573,373	1,602,943
Other Nonoperating Revenues	49,229,490	62,349,558
Loss on Disposal of Capital Assets	(452,719)	-
Interest on Capital Asset-Related Debt	(4,846,613)	(7,184,404)
Other Nonoperating Expenses	(28,012,350)	(31,801,034)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>821,001,834</b>	<b>24,967,063</b>
<b>Income (Loss) Before Other Revenues</b>	<b>(8,402,356)</b>	<b>54,931,853</b>
State Capital Appropriations	38,061,834	-
Capital Grants, Contracts, Donations, and Fees	26,084,305	-
Additions to Permanent Endowments	-	4,544,695
<b>Total Other Revenues, Expenses, Gains, or Losses</b>	<b>64,146,139</b>	<b>4,544,695</b>
<b>Increase (Decrease) in Net Position</b>	<b>55,743,783</b>	<b>59,476,548</b>
Net Position, Beginning of Year	1,213,650,613	390,553,436
Adjustment to Beginning Net Position	-	(7,175,349)
<b>Net Position, Beginning of Year, as Restated</b>	<b>1,213,650,613</b>	<b>383,378,087</b>
<b>Net Position, End of Year</b>	<b>\$ 1,269,394,396</b>	<b>\$ 442,854,635</b>

The accompanying notes to financial statements are an integral part of this statement.

**UNIVERSITY OF CENTRAL FLORIDA**  
**A Component Unit of the State of Florida**  
**Statement of Cash Flows**

**For the Fiscal Year Ended June 30, 2024**

	<b>University</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Student Tuition and Fees, Net	\$ 286,666,191
Grants and Contracts	181,377,151
Sales and Services of Auxiliary Enterprises, Net	124,368,738
Interest on Loans and Notes Receivable	50,419
Payments to Employees	(818,051,861)
Payments to Suppliers for Goods and Services	(295,159,300)
Payments to Students for Scholarships and Fellowships	(163,770,094)
Loans Issued to Students	200,634
Other Operating Receipts (Disbursements)	(6,226,153)
<b>Net Cash Used by Operating Activities</b>	<b>(690,544,274)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Noncapital Appropriations	482,492,684
Federal and State Student Financial Aid	266,017,968
Federal Direct Loan Program Receipts	175,982,036
Federal Direct Loan Program Disbursements	(175,982,036)
Net Change in Funds Held for Others	24,904,119
Other Nonoperating Receipts (Disbursements)	18,404,688
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>791,819,459</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
State Capital Appropriations	13,084,485
Proceeds from Sale of Capital Assets	3,464,473
Purchase or Construction of Capital Assets	(62,353,107)
Principal Paid on Capital Debt and Leases	(31,794,761)
Interest Paid on Capital Debt and Leases	(5,563,848)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(83,162,758)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales and Maturities of Investments	1,715,719,796
Purchases of Investments	(1,673,399,601)
Investment Income	32,354,577
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>74,674,772</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>92,787,199</b>
Cash and Cash Equivalents, Beginning of Year	267,068,262
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 359,855,461</b>



	<u>University</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (829,404,190)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	100,111,990
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(1,213,039)
Inventories	2,816,725
Other Assets	(3,016,784)
Accounts Payable	5,842,528
Salaries and Wages Payable	31,460
Deposits Payable	1,984,867
Compensated Absences Payable	1,646,510
Unearned Revenue	(2,288,328)
Other Liabilities	(156,704)
Other Postemployment Benefits Payable	18,092,787
Net Pension Liability	21,653,851
Deferred Outflows of Resources Related to Other Postemployment Benefits	24,990,014
Deferred Inflows of Resources Related to Other Postemployment Benefits	(50,036,283)
Deferred Outflows of Resources Related to Pensions	9,317,524
Deferred Inflows of Resources Related to Pensions	9,082,798
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>\$ (690,544,274)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES</b>	
Unrealized gains (losses) on investments were recognized as a(n) increase (reduction) to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ 23,813,439
Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ 452,719

The accompanying notes to financial statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

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### **1. Summary of Significant Accounting Policies**

**Reporting Entity.** The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations, and selecting the University President. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Annual Comprehensive Financial Report by discrete presentation.

#### **Blended Component Unit(s).**

Based on the application of the criteria for determining component units, the UCF Finance Corporation (Corporation) and the University of Central Florida College of Medicine Self-Insurance Program (Program) are included within the University's reporting entity as blended component units, and are therefore reported as if they are part of the University. The Corporation's purpose is to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. The Program's purpose is to provide comprehensive general liability and professional liability coverage for the University's Trustees and students for claims and actions arising from clinical activities of the College of Medicine, College of Nursing, UCF Health Services, College of Health Professions and Sciences (previously included in the College of Health and Public Affairs), and the Central Florida Clinical Practice Organization, Inc., faculty, staff, and resident physicians. Condensed financial statements for the University's blended component units are shown in a subsequent note. The condensed financial statements are reported net of eliminations.

#### **Discretely Presented Component Unit(s)**

Based on the application of the criteria for determining component units, the following direct-support organizations (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) and the Central Florida Clinical Practice Organization, Inc. (an affiliated organization), are included within the University reporting entity as discretely presented component units. These legally separate,

not-for-profit, corporations are organized and operated to assist the University in achieving excellence by providing supplemental resources from private gifts and bequests and valuable education support services and are governed by separate boards. Florida Statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- University of Central Florida Foundation, Inc. is a not-for-profit Florida Corporation whose principal function is to provide charitable and educational aid to the University.
- University of Central Florida Research Foundation, Inc. was organized to promote and encourage, as well as assist in, the research activities of the University's faculty, staff, and students.
- UCF Athletics Association, Inc. was organized to promote intercollegiate athletics to benefit the University and surrounding communities.
- UCF Convocation Corporation was created to finance and construct a convocation center, and to manage the Towers student housing and its related retail space on the north side of campus.
- UCF Stadium Corporation was created to finance, build, and administer an on-campus football stadium.
- Central Florida Clinical Practice Organization, Inc. is an affiliated organization of the University and was formed for the purpose of supporting the medical education program and clinical faculty within the College of Medicine.
- UCF Academic Health, Inc. is a not-for-profit Florida Corporation whose purpose is to promote and support medical education, research, and patient care through the planning and development of clinical initiatives and affiliated partnerships that serve the education, research and clinical mission and objectives of the College of Medicine.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual reports are submitted to the Auditor General and the University Board of Trustees. Additional information on the University's discretely presented component units, including copies of audit reports, is available by contacting the University Controller. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

**Basis of Presentation.** The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position

- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to Financial Statements
- Other Required Supplementary Information

### **Measurement Focus and Basis of Accounting.**

Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's discretely presented component units use the economic resources measurement focus and the accrual basis of accounting and follows GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income (net of unrealized gains or losses on investments). Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third-party making payment on behalf of the student. The University applied the "Direct Method C" as prescribed in NACUBO Advisory Report 2023-01 to determine the reported net tuition scholarship discounts and allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, using a high level estimation by fiscal year.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

**Cash and Cash Equivalents.** Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by the Federal Deposit Insurance Corporation, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The University also holds \$351,133,459 in money market funds and short-term investments. The money market funds and investments are permissible under the current investment policy; the primary portion of these investments are held in Rule 2a-7 mutual funds and securities rated AAA (or its equivalent) by a nationally recognized statistical rating organization. The Corporation, a blended component unit, holds \$3,457,805 in money market funds. The money market funds are uninsured, but collateralized by securities held by the financial institutions, not in the name of the Corporation. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

**Cash and Cash Equivalents – Discretely Presented Component Units.** Cash and cash equivalents for the University's discretely presented component units are reported as follows:

<u>Component Unit</u>	<u>Cash in Bank</u>	<u>Money Market Funds</u>	<u>Total</u>
University of Central Florida Foundation, Inc.	\$ 19,962,351	\$ 3,863,219	\$ 23,825,570
University of Central Florida Research Foundation, Inc.	420,746		420,746
UCF Athletics Association, Inc.	24,477,681	349,298	24,826,979
UCF Convocation Corporation	6,261,099	20,193,879	26,454,978
UCF Stadium Corporation	-	362,024	362,024
UCF Academic Health, Inc.	1,204,253		1,204,253
Central Florida Clinical Practice Organization, Inc.	6,741,313		6,741,313
<b>Total Component Units</b>	<u>\$ 59,067,443</u>	<u>\$ 24,768,420</u>	<u>\$ 83,835,863</u>

The University holds certain cash balances for various discretely presented component units. Cash amounts held for University of Central Florida Research Foundation, Inc., Central Florida Clinical Practice Organization, Inc., UCF Convocation Corporation, and UCF Stadium Corporation were \$32,323,867, \$28,051,797, \$12,750,545, and \$3,788,707, respectively.

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the component unit will not be able to recover deposits.

- **University of Central Florida Foundation, Inc.** – Cash deposits consist of non-interest-bearing demand deposits, money market accounts, and cash deposits. At June 30, 2024, approximately \$18,938,350 in cash deposits were not insured by Federal deposit insurance and were not collateralized.
- **UCF Athletics Association, Inc.** – The Association does not have a deposit policy for custodial credit risk, although all demand deposits with banks are insured up to the FDIC limits. As of June 30, 2024, no part of the Association’s bank balance was exposed to custodial credit risk as uninsured and uncollateralized.
- **UCF Convocation Corporation** – At June 30, 2024, the Convocation Corporation held \$20,193,879 in a government money market fund. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation’s name. Additionally, at June 30, 2024, the Convocation Corporation held \$6,261,099 in cash deposits at a financial banking institution. These funds are collateralized with securities held by the pledging financial institution, but not in the depositor’s name.
- **UCF Stadium Corporation** – At June 30, 2024, the Stadium Corporation held \$362,024 in a government money market fund. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation’s name.
- **Central Florida Clinical Practice Organization, Inc.** – At June 30, 2024, The Central Florida Clinical Practice Organization, Inc. had deposits in banking institutions. A portion of the deposits, totaling \$6,515,698, was in excess of the Federal deposit insurance limit as of June 30, 2024.
- **UCF Academic Health, Inc.** – At June 30, 2024, UCF Academic Health, Inc. had deposits in a banking institution. A portion of the deposits, totaling \$954,000, was in excess of the Federal deposit insurance limit as of June 30, 2024.

**Capital Assets.** University capital assets consist of land, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, leasehold improvements, lease assets, subscription-based information technology arrangements, works of art and historical treasures, computer software, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$4 million for intangible assets, which includes computer software and subscription-based information arrangements, \$5,000 for tangible personal property, and \$250 for library resources. New buildings and building improvements have a \$100,00 capitalization threshold. Leased assets have a materiality threshold of \$5,000 for equipment and \$100,000 for space based on the initial calculated net present value. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 12 to 50 years

- Furniture and Equipment – 5 to 10 years
- Library Resources – 10 years
- Leasehold Improvements- the lesser of the remaining lease term, or the estimated useful life of the improvements.
- Right-To-Use Lease Assets- the lesser of the lease term or the useful life of the underlying asset
- Right-To-Use Subscription-Based Information Technology Arrangements- the lesser of the subscription term or the useful life of the underlying asset
- Works of Art and Historical Treasures – 5 to 15 years
- Computer Software – 5 to 10 years

**Leases.** The University determines if an arrangement is a lease at inception. Lessee arrangements are included in lease assets and liabilities in the statement of net position. Lease assets represent the University's control of the right to use an underlying asset for the lease term, as specified in the contract. In exchange or exchange-like transactions, lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized systematically and rationally over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the University's obligation to make lease payments from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less applicable lease incentives. Interest expense is recognized over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option.

Lessor arrangements are included in lease receivables and deferred inflows of resources in the statement of net position. Lease receivables represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at the commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized over the contract term. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue systematically and rationally over the lease term.

Leases with a lease term of 12 months or less, or under the materiality threshold are not included as lease liabilities, right-to-use leased assets, lease receivable or deferred inflows of resources on the statement of net position. Instead, the University recognizes these lease payments as outflows or inflows of resources respectively.

**Subscription Based Information Technology Arrangements (SBITA).** The University determines if an arrangement is a subscription-based information technology arrangements (SBITA) at inception. SBITA arrangements are included in right-to-use subscription assets and liabilities in the statement of net position. Subscription assets represent the University's control of the right to use an underlying IT



asset for the subscription term, as specified in the subscription agreement. In exchange or exchange-like transactions, subscription assets are recognized at the commencement date based on the initial measurement of the subscription liability, plus any payments made to the subscription vendor at or before the commencement of the subscription term and capitalizable implementation costs. Subscription assets are amortized systematically and rationally over the shorter of the subscription term or the useful life of the underlying IT assets. Subscription liabilities represent the University's obligation to make subscription payments from the subscription arrangement. Subscription liabilities are recognized at the commencement date based on the present value of expected subscription payments over the subscription term, less applicable vendor incentives. Variable payments that are fixed-in-substance, such as scheduled pricing escalation tied to an index or fixed percentage increase, are included in the subscription liability. Variable payments that are contingent upon future conditions or performance, such as usage of underlying IT assets or number of user seats, are not included in the measurement of the subscription liability and are recognized as outflows of resources in the period in which the obligation for those payments is incurred. Interest expense is recognized over the subscription term. The subscription term may include options to extend or terminate the subscription when it is reasonably certain that the University will exercise that option.

SBITAs with a subscription term of 12 months or less, or under the materiality threshold are not included as subscription liabilities or right-to-use subscription assets on the statement of net position. Instead, the University recognizes these subscription payments as outflows of resources.

**Noncurrent Liabilities.** Noncurrent liabilities include capital improvement debt payable, loans and notes payable, leases payable, subscription arrangements liability, compensated absences payable, other postemployment benefits payable, net pension liabilities and other noncurrent liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premium or discount. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method.

**Pensions.** For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

## 2. Deficit Net Position in Individual Funds

The University reported an unrestricted net position which included a deficit in the current funds – unrestricted as shown below.

<u>Fund</u>	<u>Net Position</u>
Current Funds - Unrestricted	\$ (328,909,082)
Auxiliary Funds	<u>207,908,556</u>
<b>Total</b>	<b><u>\$ (121,000,526)</u></b>



This deficit can be attributed to the full recognition of long-term liabilities (i.e., compensated absences payable, other postemployment benefits payable, and net pension liabilities) in the current unrestricted funds.

	<u>Amount</u>
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources	<u>\$ 600,552,060</u>
Amount Expected to be Financed in Future Years:	
Compensated Absences Payable	\$ 67,335,993
Other Post Employment Benefits Payable and Related Deferred Outflows of Resources and Deferred Inflows of Resources	\$ 405,589,505
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows fo Resources	<u>\$ 248,627,088</u>
Total Amount Expected to be Financed in Future Years	<u>\$ 721,552,586</u>
<b>Total Unrestricted Net Position</b>	<u><u>\$ (121,000,526)</u></u>

### 3. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA) and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the Board of Trustees as authorized by law.

Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the University's recurring fair value measurements as of June 30, 2024, are valued using quoted market prices (Level 1 inputs), with the exception of corporate bonds which are valued using a matrix

pricing model (Level 2 inputs) and investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

The University's investments at June 30, 2024, are reported as follows:

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 6,973,658	\$ -	\$ -	\$ 6,973,658
SBA Debt Service Accounts	23,542	23,542	-	-
United States Treasury Securities	-	-	-	-
Obligations of United States Government				
Agencies and Instrumentalities	69,490,691	69,490,691	-	-
Federal Agency Obligations	52,170,580	-	52,170,580	-
Bonds and Notes	115,735,024	-	115,735,024	-
Mutual Funds				
Equities	125,690,216	125,690,216	-	-
Bonds	9,204,546	9,204,546	-	-
Total investments by fair value level	<u>\$ 379,288,257</u>	<u>\$ 204,408,995</u>	<u>\$ 167,905,604</u>	<u>\$ 6,973,658</u>

Investments held by the University's component units at June 30, 2024, are reported as follows:

	University of Central Florida Foundation Inc.	University of Central Florida Research Foundation Inc.	University of Central Florida Academic Health, Inc.	Total	Fair Value Measurements Using		
					Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>							
Equity - Domestic	\$ 14,853,808	\$ 17,524	\$ -	\$ 14,871,332	\$ 14,853,808	\$ 17,524	\$ -
Equity - International	824,828	-	-	824,828	824,828	-	-
Domestic - Fixed Income	2,989,543	-	-	2,989,543	2,989,543	-	-
Real Assets	6,850,000	-	-	6,850,000	-	-	6,850,000
<b>Total investments by fair value level</b>	<b>25,518,179</b>	<b>17,524</b>	<b>-</b>	<b>25,535,703</b>	<b>\$ 18,668,179</b>	<b>\$ 17,524</b>	<b>\$ 6,850,000</b>
<b>Investments measured at the net asset value (NAV)</b>							
Equity - Domestic	78,770,161	-	-	78,770,161			
Equity - International	68,944,571	-	-	68,944,571			
Domestic - Fixed Income	92,612,035	-	-	92,612,035			
International Fixed Income	14,289,793	-	-	14,289,793			
Private Equity Funds	23,087,401	-	-	23,087,401			
Private Debt Funds	13,196,049	-	-	13,196,049			
Hedge Funds:							
Credit		-	-				
Event Driven	7,350,848	-	-	7,350,848			
Global Macro	3,598,439	-	-	3,598,439			
Equity Linked	999,611	-	-	999,611			
Real Estate	11,167,961	-	-	11,167,961			
Real Assets	10,832,053	-	-	10,832,053			
<b>Total investments measured at the NAV</b>	<b>324,848,922</b>	<b>-</b>	<b>-</b>	<b>324,848,922</b>			
Investments measured using the equity method	-	-	14,984,789	14,984,789			
<b>Total investments</b>	<b>\$ 350,367,101</b>	<b>\$ 17,524</b>	<b>\$ 14,984,789</b>	<b>\$ 365,369,414</b>			

All of the University's component units' recurring fair value measurements as of June 30, 2024, are valued using quoted market prices (Level 1 inputs), with the exception of equity investments valued quarterly by respective fund managers (Level 2 inputs) and real assets valued based on an appraisal utilizing recent sale and property comparisons of like assets (Level 3 inputs).

For the University's component units, the valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

Investments measured at the NAV	University of Central Florida Foundation, Inc	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Domestic Equity	\$ 78,770,161	\$ -	Immediate	Immediate
Domestic Fixed Income	92,612,035	-	Immediate	Immediate
Equity- International	20,864,958	-	Monthly	30 Days
Equity- International	48,079,613	-	Immediate	Immediate
International Fixed Income	8,753,342	-	Monthly	30 Days
International Fixed Income	5,536,451	-	Immediate	Immediate
Private Equity Funds	23,087,401	7,992,131		
Private Debt Funds	13,196,049	1,976,010		
Hedge Funds:				
Event driven	7,226,475	-	Monthly	30 Days
Event driven	124,373	-	Quarterly	90 Days
Global macro	3,598,439	-	Monthly	30 Days
Equity linked	999,611	-	Quarterly	60 Days
Real Assets	10,832,053	1,096,179		
Real Estate	11,167,961	1,061,039		
<b>Total investments measured at the NAV</b>	<b>\$ 324,848,922</b>	<b>\$ 12,125,359</b>		

### **Net Asset Value.**

GASB Statement No. 72, *Fair Value Measurement and Application*, permits the fair value of certain equity and debt investments that do not have readily determinable fair values to be based on their net asset value (NAV) per share. The investments held at net asset value reflect:

*Domestic Equity and International Equity:* These funds are operated by money managers and can be actively managed or passively managed to an index. These funds are privately placed and the fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair values of both funds are provided by the money managers which use a quoted price in active markets for the underlying assets.

*Domestic Fixed Income:* The fund is operated by a money manager and is passively managed to an index. The fund is privately placed, and its fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair value of the fund is provided by the money manager which uses a quoted price in the active markets for the underlying assets.

*International Fixed Income:* The fund is operated by a money manager that is actively managed. The fund utilizes a focus on credit driven strategies for the underlying investments and can contain both domestic and international investments in the portfolio. The fund is privately placed and the fair value cannot be observed through observable inputs through an exchange for the overall fund. The fair value of the fund is provided by the money manager which uses a quoted price in active markets for the underlying assets.

*Private Equity and Private Debt Funds:* Private equity and private debt includes distinct limited partnerships or limited liability companies. The investments can never be redeemed with these funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets or notes of the fund. Private equity and private debt are not traded on a public,

primary exchange. Private equity can include equity rights to private companies, capital lent to companies, or other privately held securities. Private equity commitments are not drawn immediately, therefore the capital deployed at any one time is likely less than the total contractual commitment. Private debt funds aim to take advantage of structural imbalances between demand and supply of credit for consumers, small and medium enterprises, and trade finance consisting of private notes and bonds with equity components. In this portfolio, private equity capital and private debt are invested with general partners of a legally formed limited partnership, whereby several investors pool their capital as limited partners. The fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

*Event Driven Hedge Funds:* The event driven hedge funds class includes investments in hedge funds that invest across the capital structure in equity and debt securities. Managers invest in situations with the expectation that a near term event will act as a catalyst changing the market's perception of a company, thereby increasing or decreasing the value of its equity or debt. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

*Global Macro Hedge Funds:* The global macro hedge fund class includes hedge funds that trade highly liquid instruments, long and short, including currencies, commodities, fixed income instruments and equity indices. Two types of strategies are employed in this portfolio: discretionary strategies that employ broad analysis of economic, financial and political data to identify themes, and systematic strategies that use algorithmic models to analyze historical data, both technical and fundamental. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

*Equity Linked Hedge Funds:* The equity linked class of hedge funds includes investments in debt instruments and options on equities. The equities options provide investors with principal protection while providing exposure to equities. Returns are dependent on performance of the equities options. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

*Real Assets:* Real assets include three investment vehicles consisting of distinct limited liability companies. The investments can never be redeemed with these funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. Real assets consist of capital not traded on a public, primary exchange. For purposes of this portfolio, real assets include private holdings in domestic and international real estate. Real asset commitments are not drawn immediately, therefore the capital deployed at any one time is likely less than the total contractual commitment. In this portfolio, real assets capital is invested with general partners of a legally formed limited partnership, whereby several investors pool their capital as limited partners. The fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

*Real Estate:* Real Estate include three investment vehicles consisting of distinct limited liability companies. The investments can never be redeemed with these funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund and through revenues earned on underlying property holdings. For the purpose of this

portfolio, real estate assets include private holdings in domestic and international real estate. Real estate asset commitments are not drawn immediately, therefore the capital deployed at any one time is likely less than the total contractual commitment. In this portfolio, real estate capital is invested with general partners of a legally formed limited partnership, whereby several investors pool their capital as limited partners. The fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the underlying properties.

### **External Investment Pools.**

The University reported investments at fair value totaling \$6,973,658 at June 30, 2024, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 3.23 years, and fair value factor of 0.9958 at June 30, 2024. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

### **State Board of Administration Debt Service Accounts.**

The University reported investments totaling \$23,542 at June 30, 2024, in the State Board of Administration (SBA) Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of 6 months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

### **Other Investments.**

The University and its discretely presented component units invested in various debt and equity securities, mutual funds, and certificates of deposit. The following risks apply to the University's and its discretely presented component units' investments other than external investment pools.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), Florida Statutes, the University's investments

in securities must provide sufficient liquidity to pay obligations as they come due. Investments of the University and its component units in debt securities, bond mutual funds, and debt related hedge funds, and their future maturities at June 30, 2024, are as follows:

### University Debt Investments Maturities

Investment Type	Fair Value	Investments Maturities (In Years)		
		Less Than 1	1 - 5	More Than 5
United States Government and Federally-Guaranteed Obligations	\$ 69,490,691	\$ 17,928,902	\$ 49,224,062	\$ 2,337,727
Federal Agency Obligations	52,170,580	4,038,062	17,258,159	30,874,359
Bonds and Notes	115,735,024	8,914,695	74,679,825	32,140,504
Mutual Funds - Bonds	9,204,546	6,846	6,647,099	2,550,601
<b>Total</b>	<b>\$ 246,600,841</b>	<b>\$ 30,888,505</b>	<b>\$ 147,809,145</b>	<b>\$ 67,903,191</b>

### Component Units' Debt Investments Maturities

Investment Type	Fair Value	Less Than 1	Investments Maturities (In Years)		
			1 - 5	More Than 5	Investments Not Directly Subject To Interest Rate Risk (1)
Domestic Fixed Income	\$ 95,601,577	\$ -	\$ 2,369,148	\$ 620,393	\$ 92,612,036
International Fixed Income	14,289,793	-	-	-	14,289,793
Private Debt	13,196,049	-	-	-	13,196,049
<b>Total</b>	<b>\$ 123,087,419</b>	<b>\$ -</b>	<b>\$ 2,369,148</b>	<b>\$ 620,393</b>	<b>\$ 120,097,878</b>

- (1) Certain UCF Foundation alternative investments are held in funds and are not directly subject to credit risk. Alternative investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The investments listed above with quality ratings reflect the credit risk related to debt-type securities that are directly held by the Foundation.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the United States government or obligations explicitly guaranteed by the United States government are not considered to have credit risk and do not require disclosure of credit quality. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's component units' investment policies provide information on asset classes, target allocations, and ranges of acceptable investment categories. The following schedule represents the ratings at June 30, 2024, of

the University's and its component units' debt instruments using Moody's and Standard & Poor's nationally recognized rating agencies:

### University Debt Investments Quality Ratings

Investment Type	Fair	AAA	AA	A	Less Than A
	Value				
Federal Agency Obligations	\$ 52,170,580	\$ 51,647,889	\$ 522,691	\$ -	\$ -
Bonds and Notes	115,735,024	51,721,796	13,848,136	43,983,508	6,181,584
Mutual Funds - Bonds	9,204,546	-	9,204,546	-	-
<b>Total</b>	<b>\$ 177,110,150</b>	<b>\$ 103,369,685</b>	<b>\$ 23,575,373</b>	<b>\$ 43,983,508</b>	<b>\$ 6,181,584</b>

### Component Units' Debt Investments Quality Ratings

Investment Type	Fair	AAA	AA	A	Less Than A	Investments Not Directly Subject To Credit Risk (1)
	Value					
Domestic Fixed Income	\$ 95,601,577	\$ -	\$ 536,324	\$ 2,453,217	\$ -	\$ 92,612,036
International Fixed Income	14,289,793	-	-	-	-	14,289,793
Private Debt	13,196,049	-	-	-	-	13,196,049
<b>Total</b>	<b>\$ 123,087,419</b>	<b>\$ -</b>	<b>\$ 536,324</b>	<b>\$ 2,453,217</b>	<b>\$ -</b>	<b>\$ 120,097,878</b>

- (1) Certain UCF Foundation alternative investments are held in funds and are not directly subject to credit risk. Alternative investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The investments listed above with quality ratings reflect the credit risk related to debt-type securities that are directly held by the Foundation.

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of the University's or its component units' investments in a single issuer. The University's and its component units' investment policies require diversification sufficient to reduce the potential of a single security, single sector of securities, or single style of management having a disproportionate or significant impact on the portfolio. The University's investment policy states that not more than five percent of the investment portfolio's assets shall be invested in securities in any one issuing company, and no single corporate bond issuer shall exceed five percent of the portfolio. Guidelines for individual sectors of the portfolio further indicate percentage limitations.

## 4. Receivables

**Accounts Receivable.** Accounts receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2024, the University reported the following amounts as accounts receivable:



<u>Description</u>	<u>Amount</u>
Student Tuition and Fees	\$ 40,416,546
Contracts and Grants	28,691,384
Other	<u>8,585,396</u>
<b>Total Accounts Receivable</b>	<b><u><u>\$ 77,693,326</u></u></b>

**Loans and Notes Receivable.** Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs.

**Leases Receivable.**

The university leases space to external parties and the University's discretely presented component units for various terms under long-term non-cancelable lease agreements. The leases expire at various dates and provide renewal options ranging from 3 to 20 years. During the year ended June 30, 2024, lease revenue totaling \$2,480,083 and interest revenue of \$299,266 were recognized in accordance with GASB Statement No. 87, Leases. Total future minimum lease payments to be received under lessor agreements are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Non-Component Units</u>		<u>Component Units</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,718,965	\$ 428,466	\$ 290,499	\$ 2,000,000	
2026	2,731,650	449,727	281,923	2,000,000	
2027	2,600,122	326,732	273,390	2,000,000	
2028	2,505,995	239,070	266,925	2,000,000	
2029	2,437,383	176,922	260,461	2,000,000	
2030-2034	11,876,716	633,385	1,243,331	10,000,000	
2035-2039	11,922,763	784,693	1,138,070	10,000,000	
Thereafter	24,475,351	6,662,735	3,812,616	14,000,000	
<b>Total payment to be received</b>	<b><u><u>\$ 61,268,945</u></u></b>	<b><u><u>\$ 9,701,730</u></u></b>	<b><u><u>\$ 7,567,215</u></u></b>	<b><u><u>\$44,000,000</u></u></b>	<b><u><u>-</u></u></b>

**Allowance for Doubtful Receivables.** Allowances for doubtful accounts and loans and notes receivable are reported based on management's best estimate as of fiscal year end considering type, age, collection history, and other factors considered appropriate. Accounts receivable and loans and notes receivable are reported net of allowances of \$3,343,063 and \$15,473, respectively, at June 30, 2024.

No allowance has been accrued for leases receivable and contracts and grants receivable. University management considers these to be fully collectible.

## **5. Due From State**

The amount due from State primarily consists of \$111,288,883 of Public Education Capital Outlay, Capital Improvement Fee Trust Fund, or other allocations due from the State to the University for construction of University facilities.

## 6. Due From and To Component Units/University

The amounts due from and due to component units are as follows:

### Due From and To Component Units/University

#### Due From Components Unit - Current

University of Central Florida Foundation, Inc	4,987,632
UCF Athletics Association, Inc	1,000,089
Central Florida Clinical Practice Organization, Inc	613,422
UCF Convocation Corporation	13,616
<b>Total Due From Component Units</b>	<b><u>6,614,759</u></b>

#### Due From Component Units - Noncurrent

UCF Athletics Association, Inc	<b>2,555,451</b>
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#### Due To Component Units

University of Central Florida Research Foundation, Inc	32,323,867
Central Florida Clinical Practice Organization, Inc	28,608,048
UCF Convocation Corporation	12,841,525
University of Central Florida Foundation, Inc	5,508,223
UCF Stadium Corporation	3,788,707
UCF Athletics Association, Inc	1,076
<b>Total Due To Component Units</b>	<b><u>83,071,446</u></b>

The amount due from the University of Central Florida Foundation, Inc. (Foundation) consists of amounts owed to the University for salary and program support and rent reimbursements. The amount due to the Foundation of \$5.5 million consist of a \$4.8 million loan to the university to acquire a student housing complex and land to support the Rosen College of Hospitality Management and \$0.7 million for reimbursement of expenses paid on behalf of the university. Please see Note 10 below for details regarding the loan.

The amount due from the UCF Athletics Association, Inc. is owed a note payable (current and noncurrent) due to the University. Please see Note 10 below for details.

The amounts due to the University of Central Florida Research Foundation, Inc., Central Florida Clinical Practice Organization, Inc., UCF Convocation Corporation, and UCF Stadium Corporation, are primarily due to cash balances held on behalf of these discretely presented component units by the University.

## 7. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2024, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:				
Land	\$ 43,016,240	\$ 9,389,920	\$ -	\$ 52,406,160
Works of Art and Historical Treasures	218,000	-	-	218,000
Construction in Progress	51,732,628	45,761,225	12,541,894	84,951,959
<b>Total Nondepreciable Capital Assets</b>	<b>\$ 94,966,868</b>	<b>\$ 55,151,145</b>	<b>\$ 12,541,894</b>	<b>\$ 137,576,119</b>
Depreciable Capital Assets:				
Buildings	\$ 1,757,249,682	\$ 28,434,165	\$ -	\$ 1,785,683,847
Infrastructure and Other Improvements	83,731,988	-	-	83,731,988
Furniture and Equipment	285,647,311	20,803,926	13,050,506	293,400,731
Library Resources	170,279,663	7,129,114	-	177,408,777
Leasehold Improvements	20,535,719	-	358,455	20,177,264
Right-To-Use Lease Assets	182,180,877	-	181,436	181,999,441
Right-To-Use SBITA	47,337,065	4,551	-	47,341,616
Works of Art and Historical Treasures	1,677,354	-	-	1,677,354
Computer Software and Other Capital Assets	8,175,584	90,000	325,149	7,940,435
<b>Total Depreciable Capital Assets</b>	<b>2,556,815,243</b>	<b>56,461,756</b>	<b>13,915,546</b>	<b>2,599,361,453</b>
Less, Accumulated Depreciation:				
Buildings	731,604,843	53,678,573	-	785,283,416
Infrastructure and Other Improvements	45,496,960	2,403,090	-	47,900,050
Furniture and Equipment	240,465,367	17,021,986	12,691,620	244,795,733
Library Resources	139,414,385	5,835,120	-	145,249,505
Leasehold Improvements	13,004,608	1,298,347	-	14,302,955
Right-To-Use Lease Assets	30,093,347	15,588,711	-	45,682,058
Right-To-Use SBITA	4,303,370	4,303,369	-	8,606,739
Works of Art and Historical Treasures	1,578,326	-	64,726	1,513,600
Computer Software and Other Capital Assets	7,893,788	15,750	43,353	7,866,185
<b>Total Accumulated Depreciation</b>	<b>1,213,854,994</b>	<b>100,144,946</b>	<b>12,799,699</b>	<b>1,301,200,241</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>\$ 1,342,960,249</b>	<b>\$ (43,683,190)</b>	<b>\$ 1,115,847</b>	<b>\$ 1,298,161,212</b>

## 8. Unearned Revenue

Unearned revenue at June 30, 2024, includes grant and contract prepayments, auxiliary prepayments, and student tuition and fees received prior to fiscal year end related to subsequent accounting periods.

As of June 30, 2024, the University reported the following amounts as unearned revenue:

<u>Description</u>	<u>Amount</u>
Auxiliary Prepayments	\$ 8,948,503
Grants and Contracts	\$ 1,824,597
Student Tuition and Fees	<u>1,405,216</u>
<b>Total Unearned Revenue</b>	<b><u>\$ 12,178,316</u></b>

## 9. Deferred Outflow / Inflow of Resources

The deferred outflows and inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Total deferred outflows of resources related to pensions were \$97,736,704 and deferred inflows of resources related to pensions were \$28,323,626 for the year ended June 30, 2024. Note 11 includes a complete discussion of defined benefit pension plans.

The deferred outflows and inflows related to Other Postemployment Benefits (OPEB) are an aggregate of items related to OPEB as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Programs. Total deferred outflows of resources related to OPEB were \$98,465,857 and deferred inflows of resources related to OPEB were \$191,047,592 for the year ended June 30, 2024. Note 10 includes a complete discussion of OPEB.

The deferred inflows related to leases are calculated in accordance with GASB Statement No. 87, *Leases*. Total deferred inflows of resources related to leases were \$53,521,675 for the year ended June 30, 2024. Note 4. includes a complete discussion of leases receivable.

The total deferred outflows of resources related to the deferred loss on debt refunding's were ~~\$8,851,585~~ \$8,851,584 for the year ended June 30, 2024. The deferred loss was created as a result of the UCF Finance Corp debt refinancing and will be amortized as a component of interest expense over the remaining life of the UCF Finance Corporation's Series 2017 refunding term loan. Note 10. includes a complete discussion of the UCF Finance Corporation's debt refinancing.

## 10. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2024, include capital improvement debt payable, loan payable, right-to-use leases payable, right-to-use SBITA, compensated absences payable, other postemployment benefits payable, net pension liability, and other noncurrent liabilities. Long-term liabilities activity for the fiscal year ended June 30, 2024, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Capital Improvement Debt Payable	\$ 74,207,860	\$ -	\$ 15,342,393	\$ 58,865,467	\$ 4,395,000
Loan Payable	50,247,000	-	2,816,000	47,431,000	2,885,000
Right-To-Use Leases Payable	155,157,975	-	13,432,346	141,725,629	11,501,851
Right-To-Use SBITA	22,291,399	4,551	2,012,361	20,283,589	2,072,717
Compensated Absences Payable	65,689,482	7,537,485	5,890,974	67,335,993	6,060,239
Other Postemployment Benefits Payable	294,914,983	316,489,683	298,396,896	313,007,770	8,142,629
Net Pension Liability	296,386,315	146,688,479	125,034,628	318,040,166	
Other Noncurrent Liabilities	784,271	459,970	798,606	445,635	-
<b>Total Long-Term Liabilities</b>	<b>\$959,679,285</b>	<b>\$471,180,168</b>	<b>\$463,724,204</b>	<b>\$ 967,135,249</b>	<b>\$ 35,057,436</b>

**Capital Improvement Debt Payable.** The University had the following capital improvement debt payable outstanding at June 30, 2024:

<u>Capital Improvement Debt Type and Series</u>	<u>Amount of Original Debt</u>	<u>Amount Outstanding (1)</u>	<u>Interest Rates (Percent)</u>	<u>Maturity Date To</u>
Student Housing Debt:				
2018A - Housing	\$ 23,255,000	\$ 12,607,005	5	2030
2021A - Housing	42,815,000	46,258,462	2 to 5	2042
<b>Total Student Housing Debt</b>	<b>66,070,000</b>	<b>58,865,467</b>		
<b>Total Capital Improvement Debt</b>	<b>\$ 66,070,000</b>	<b>\$ 58,865,467</b>		

(1) Amount outstanding includes unamortized discounts and premiums.

The University has pledged a portion of future housing rental revenues to repay \$66,070,000 in capital improvement revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct student housing. The bonds are payable solely from housing rental income and are payable through 2042. The University has committed to appropriate each year from the housing rental income amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$62,646,394 and principal and interest paid for the current year totaled \$6,400,913. During the 2023-24 fiscal year, operating revenues generated from housing rentals revenues totaled \$30,115,886. During the 2023-24 fiscal year, the University paid the remaining Parking Facility Capital Improvement debt and executed the redemption of the outstanding Parking Facility Revenue Bonds, Series 2012A and the defeasance of Series 2018A and 2019A revenue refunding bonds, which legally defeased all three issuances.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2024, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,395,000	\$ 2,006,538	\$ 6,401,538
2026	4,615,000	1,781,288	6,396,288
2027	4,855,000	1,544,538	6,399,538
2028	3,960,000	1,324,163	5,284,163
2029	4,170,000	1,120,913	5,290,913
2030-2034	12,280,000	3,216,563	15,496,563
2035-2039	9,595,000	1,267,913	10,862,913
2040-2042	6,305,000	209,481	6,514,481
<b>Subtotal</b>	50,175,000	12,471,394	62,646,394
Net Discounts and Premiums	8,690,467	-	8,690,467
<b>Total</b>	<u>\$ 58,865,467</u>	<u>\$ 12,471,394</u>	<u>\$ 71,336,861</u>

**Loan Payable.** During the 2017-18 fiscal year, one of the University's blended component units, the UCF Finance Corporation (Corporation), issued a \$63,359,000 Refunding Term Loan, Series 2017, with a bank. The proceeds from the term loan were used to extinguish the Corporation's Series 2007 bonds and terminate an interest rate swap liability. The loan will mature on July 1, 2037, and bear interest at a fixed rate of 2.4 percent per annum with a 15-year interest put option. The loan is secured by the University's indirect cost revenues received by the University from Federal, State, and private grants.

The University agreed to use a ground sublease to lease to its blended component unit, the Corporation, a parcel of property located in Orange County, Florida, where approximately 198,000 square feet of classroom, laboratory, and administrative office space, together with related infrastructure was constructed. The facilities are used solely for education and research purposes and are operated and managed by the University. The University and the Corporation entered into an agreement whereby the Corporation leases the facilities to the University for the occupancy of the facilities. The University has agreed to pay a base rent equal to all amounts due and payable under the term loan.

In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the loan is not subject to any acceleration clauses.

Annual requirements to amortize the outstanding note as of June 30, 2024, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,885,000	\$ 1,103,724	\$ 3,988,724
2026	2,955,000	1,033,644	3,988,644
2027	3,027,000	961,860	3,988,860
2028	3,100,000	888,336	3,988,336
2029	3,176,000	813,024	3,989,024
2030-2034	17,075,000	2,869,740	19,944,740
2035-2039	15,213,000	741,180	15,954,180
<b>Total</b>	<b>\$ 47,431,000</b>	<b>\$ 8,411,508</b>	<b>\$ 55,842,508</b>

**Due to Component Unit – University of Central Florida Foundation, Inc.** On June 30, 2024, a student housing facility and corresponding land was contributed to the University from UCF Foundation, Inc. (Foundation) in support of the Rosen School of Hospitality Management. In connection with this transaction, the University also entered into a Termination and Release Agreement and an Amended and Restated Lease Agreement with the Foundation and UCF Hospitality School Student Housing Foundation, Inc. Pursuant to the terms of the agreements, the Foundation paid, on UCF's behalf, approximately \$4,750,000 to satisfy the remaining obligation on the student housing facility held by UCF Hospitality School Student Housing Foundation, Inc., at which point both the student housing facility and the 20-acre tract of land transferred to UCF. The University recorded a long-term liability due to UCF Foundation in the amount of \$4,750,000 to be paid over 7 years and bear interest at a rate of 5% per annum. Payments are due on or before the first day of the fiscal year, with the first payment beginning on July 1, 2025, and commencing on July 1, 2031. Prepayments shall consist of principal and accrued interest to date only and there is no penalty for prepayment.

Annual requirements to amortize the outstanding amount as of June 30, 2024, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 582,500	\$ 237,500	\$ 820,000
2026	611,625	208,375	820,000
2027	642,206	177,794	820,000
2028	674,317	145,683	820,000
2029	708,032	111,968	820,000
2030-2031	1,531,320	115,960	1,647,280
<b>Total</b>	<b>\$ 4,750,000</b>	<b>\$ 997,280</b>	<b>\$ 5,747,280</b>

**Right-To-Use Leases Payable.** The University follows GASB Statement No. 87, Leases. Space and equipment are leased from external parties and the University's discretely presented component units for various terms under long-term, non-cancelable agreements. The leases expire at various dates and provide renewal options ranging from 1 to 25 years. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the treasury rate,

factoring in the University's tax status and bond rating. The University does not have any leases subject to a residual value guarantee. Future commitments for remaining leases payable as of June 30, 2024, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Non-Component Units</u>		<u>Component Units</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 12,554,887	\$ 2,336,189	\$ 646,420	\$ 9,165,661	\$ 406,617
2026	8,236,824	2,240,235	604,157	5,054,246	338,186
2027	7,641,618	1,645,160	565,959	5,117,697	312,802
2028	7,052,413	1,436,135	537,959	4,789,545	288,774
2029	6,819,352	1,394,054	510,874	4,642,293	272,131
2030-2034	29,929,745	4,661,716	2,206,753	21,923,194	1,138,082
2035-2039	25,932,156	2,318,490	1,828,047	20,891,871	893,748
Thereafter	59,164,275	13,112,529	3,979,231	40,996,614	1,075,901
<b>Total Minimum Lease Payments</b>	<b>\$157,331,270</b>	<b>\$ 29,144,508</b>	<b>\$10,879,400</b>	<b>\$ 112,581,121</b>	<b>\$4,726,241</b>

**Right-To-Use Subscription Arrangement Liability**. The University has an 11-year SBITA liability for the right to use Workday enterprise resource planning system totaling \$20,283,590. The University has discounted the future minimum payments using its incremental borrowing rate of 2.76 percent. Future minimum payments under SBITA and present value of the minimum payments as of June 30, 2024, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,632,544	\$ 2,072,717	\$ 559,827
2026	2,645,716	2,143,096	502,620
2027	2,647,500	2,204,029	443,471
2028	2,655,315	2,272,676	382,639
2029	2,386,971	2,067,057	319,914
2030-2033	10,202,172	9,524,015	678,157
<b>Total</b>	<b>\$ 23,170,218</b>	<b>\$ 20,283,590</b>	<b>\$ 2,886,628</b>

**Compensated Absences Payable**. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors' Regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2024, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$67,335,992. The current portion of the compensated absences liability,



\$6,060,239, is the amount expected to be paid in the coming fiscal year and is based on actual payouts over the last 3 years calculated as a percentage of those years' total compensated absences liability.

**Other Postemployment Benefits Payable.** The University follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

### ***General Information about the OPEB Plan***

*Plan Description.* The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

*Benefits Provided.* The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above

### ***Proportionate Share of the Total OPEB Liability***

The University's proportionate share of the total OPEB liability of \$313,007,770 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. At June 30, 2023, the University's proportionate share, determined by its proportion of total benefit payments made, was 3.739975471 percent, which was a decrease of 0.020133724 from its proportionate share reported as of June 30, 2022.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Discount rate	4.13 percent
Healthcare cost trend rates	
PPO Plan	8.10 percent for 2024, decreasing to an ultimate rate of 4.04 percent for 2076 and later years
HMO Plan	6.44 percent for 2024, decreasing to an ultimate rate of 4.04 percent for 2076 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal 20-year High Grade Rate Index.

Mortality rates were based on the Pub-2010 mortality tables which incorporate fully generational mortality improvement using Scale MP-2018.

The demographic actuarial assumptions for retirement, withdrawal, disability and salary merit scales used in the July 1, 2022 valuation are consistent with the assumptions used in the July 1, 2021 valuation of the FRS Plan.

The following changes have been made since the prior valuation:

- Disability Rates – For those in the Special Risk Class, disability rates were updated to those used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022.
- DROP Election Percentage and DROP Participation Period – For Law Enforcement Officers, the percentage of members assumed to elect to participate in the Deferred Retirement Option Program (DROP) was updated to align with rates used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022. Further, Law Enforcement Officers' maximum DROP participation period was extended from 60 months (5 years) to 96 months (8 years).
- Inflation – Inflation was lowered to match the 2.4% used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022.
- Discount Rate – The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB 75. The discount rate increased from 4.09% to 4.13%.

*Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate.* The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13 percent) or 1 percentage point higher (5.13 percent) than the current rate:

	<u>1% Decrease (3.13%)</u>	<u>Current Discount Rate (4.13%)</u>	<u>1% Increase (5.13%)</u>
University's proportionate share of the total OPEB liability	\$385,419,761	\$313,007,770	\$261,655,832

*Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
University's proportionate share of the total OPEB liability	\$235,751,380	\$313,007,770	\$398,825,415

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.***

For the fiscal year ended June 30, 2024, the University recognized OPEB expense of \$1,369,268. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 25,892,276
Change of assumptions or other inputs	28,332,941	149,186,039
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	61,810,166	15,969,277
Transactions subsequent to the measurement date	8,322,750	-
<b>Total</b>	<u>\$ 98,465,857</u>	<u>\$ 191,047,592</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$8,322,750 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2025	\$ (22,515,432)
2026	(22,515,432)
2027	(22,515,432)
2028	(22,515,432)
2029	(10,842,757)
Thereafter	-
<b>Total</b>	<u><u>\$ (100,904,485)</u></u>

**Net Pension Liability.** As a participating employer in the Florida Retirement System (FRS), the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2024, the University's proportionate share of the net pension liabilities totaled \$318,040,166. Note 11. includes a complete discussion of defined benefit pension plans.

**Other Noncurrent Liabilities.** Other noncurrent liabilities primarily consist of the liability for the Federal Capital Contribution (advance) provided to fund the University's Federal Perkins Loan Program. Under the Perkins Loan program, the University receives Federal capital contributions that must be returned to the Federal Government if the program has excess cash or the University ceases to participate in the program. Federal capital contributions held by the University totaled \$445,635 as of June 30, 2024.

**Certificate of Participation Payable and Bonds Payable – Component Units.**

**UCF Convocation Corporation**

During the 2013-14 and 2014-15 fiscal years, the UCF Convocation Corporation issued two refunding certificates of participation, Series 2014A for \$58,645,000, and Series 2014B for \$58,930,000 related to the construction of four residential housing towers, two adjacent parking facilities, and certain surrounding commercial retail space during the 2004-05 and 2005-06 fiscal years. During the 2018-19 fiscal year, UCF Convocation Corporation issued \$104,636,000 Refunding Revenue Bonds, Series 2018 to prepay the outstanding Series 2014A and Series 2014B certificates of participation. The bonds will mature on October 1, 2035, and bears interest at a fixed rate of 3.52 percent per annum. On June 1, 2022 an interest modification occurred to lower the interest rate to 2.82 percent per annum, commencing October 1, 2022. The extinguishment of the defeased certificates terminated the ground lease between the UCF Convocation Corporation and the University. All related building and building improvement assets on the leased land transferred to the University.

During the 2015-16 fiscal year, the UCF Convocation Corporation issued a \$48,385,000 Refunding Revenue Bond, Series 2015A, and a \$34,775,000 Taxable Refunding Revenue Bond, Series 2015B, related to the acquisition, construction, and installation of a new convocation center, renovation of the existing University Arena, and construction of related infrastructure during the 2005-06 fiscal year. The 2015A bonds will mature on October 1, 2035 and bear interest at fixed rates ranging from 3 to 5 percent

per annum and the 2015B bonds will mature on October 1, 2026 and bear interest at fixed rates ranging from 2 to 4.3 percent per annum.

The outstanding balance of UCF Convocation Corporation revenue bonds at June 30, 2024, was \$75,555,000 related to direct borrowings and was \$56,820,000 related to non-direct borrowings before an unamortized premium of \$636,566.

With the Refunding Revenue Bonds debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of thirty days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the Refunding Revenue Bonds are not subject to any acceleration clauses.

The University entered into an operating agreement with the UCF Convocation Corporation whereby the UCF Convocation Corporation will be solely responsible for management and operations of the convocation center and related facilities. The University assigned its rights, title, and interest in revenues generated from use of the facilities to the UCF Convocation Corporation and granted it the right to pledge revenues to secure repayment of the refunding revenue bonds. The University retained the right for priority use of the facilities for a period of at least 100 days annually. In exchange, the University agreed to pay UCF Convocation Corporation \$2,200,000 per year for the term of the agreement. The term of the agreement ends in 2036 and cannot be terminated prior to the time that all related bonds have been paid in full. Amounts paid to UCF Convocation Corporation for the fiscal year ended June 30, 2024, totaled \$2,200,000.

The University entered into a support agreement with the UCF Convocation Corporation such that it will fund certain deficiencies that may arise in the event the corporation is unable to make the minimum payments on the certificates or bonds. The University is obligated only to the extent it has legally available revenues to cover the unpaid amounts. In the event of certain deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to 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.

In the 2020-21 fiscal year, the UCF Convocation Corporation met requirements necessary to release certain restricted funds held by the trustee. The Corporation's governing board made the decision to remit a portion of these funds back to the University. Transfers to the University totaled \$3,966,678 for the fiscal year ended June 30, 2024.

#### UCF Stadium Corporation

During the 2015-16 fiscal year, the UCF Stadium Corporation issued Series 2015A tax-exempt refunding revenue bonds for \$33,995,000 with a net premium of \$2,332,576, Series 2015B taxable refunding revenue bonds for \$10,250,000, and a Series 2015C non-taxable refunding revenue bond for \$3,810,000, to a bank, related to the construction of a football stadium on the campus at the University. The bonds include both term and serial bonds and are secured by a pledge from the UCF Athletics Association, Inc. of gross ticket revenues, rent, away game guarantees, conference distributions, and sponsorship

revenues. The bonds bear fixed interest rates that range from 2.49 percent to 5.15 percent, and maturity dates that range from March 2029 to March 2036.

The outstanding balance of all UCF Stadium Corporation revenue bonds at June 30, 2024, was \$31,722,000, including \$1,087,000 of direct borrowings, before an unamortized premium of \$1,343,871.

The University entered into a support agreement with the UCF Stadium Corporation such that it will fund certain deficiencies that may arise in the event either corporation is unable to make the minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent it has legally available revenues to cover the unpaid amounts.

With each of the UCF Stadium Corporation's debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of 30 days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the UCF Stadium Corporation's debt is not subject to any acceleration clauses.

### **Loans and Notes Payable – Component Units.**

#### **UCF Foundation, Inc.**

During the 2004-05 fiscal year, the University of Central Florida Foundation, Inc. entered into a note with a bank for the purchase of land and buildings. The note is secured by the buildings valued at \$6,072,206 and lease revenues. In May 2017, the note was refinanced to a 3.34 percent fixed rate. The principal balance at the time of the refinance was \$7,535,000 with the note still maturing on April 1, 2029. As of June 30, 2024, the remaining outstanding principal was \$3,508,000.

During the 2009-10 fiscal year, the University of Central Florida Foundation, Inc. entered into a note with a bank for \$19,925,000. The note is comprised of a tax-exempt portion with a fixed rate of 4.96 percent and a taxable portion with a fixed rate of 5.83 percent which matures on October 1, 2025. The note is secured by buildings valued at \$12,264,572 and lease revenue. As of June 30, 2022, the taxable note was fully repaid and the remaining outstanding principal for the tax-exempt note was \$5,128,000. The taxable series was paid in full during the 2017-18 fiscal year.

During the 2018-19 fiscal year, the University of Central Florida Foundation, Inc. entered into a \$50,000,000 30-year interest free and tax-exempt note with Orange County, Florida for the purchase of a building and related land. The note is secured by a mortgage on the land, a building valued at \$46,689,000, and the lease revenue generated has been pledged for debt repayment. The maturity date of the loan is the thirtieth anniversary of the first principal payment date. As of June 30, 2024, the remaining outstanding principal was \$43,500,000.

During the 2018-19 fiscal year, the University of Central Florida Foundation, Inc. entered into a 20-year tax-exempt note with a bank for \$6,000,000 for the purchase of a building and related land. The note matures on October 1, 2038, at a fixed rate of 3.93 percent. The purchased property, valued at



\$5,919,395, represents security for the loan, and lease revenues generated from this building have been pledged for debt repayment. As of June 30, 2024, the remaining outstanding principal was \$4,783,000.

In the event of default of the notes, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. The notes are subject to acceleration if the lender reasonably deems itself insecure for any reason.

**UCF Athletics Association, Inc.**

During the 2014-15 fiscal year, the UCF Athletics Association, Inc. modified a construction line of credit with a local bank to a line of credit promissory note. The note matures June 2033, and the repayment schedule assumes the agreement is renewed annually. If the agreement is not renewed, the entire balance will be due in full at that time. In July 2019, the UCF Athletics Association, Inc. renewed the agreement until July 2033, which carries interest at 79 percent of the TERM SOFR Rate plus 1.34 percent (5.55 percent at June 30, 2024). The note is secured by an amount not to exceed 5 percent of the prior year's collection of student athletic fees and conference payments from the American Athletics Conference. In the event of default, the Lender may declare the loan and all obligations to be fully due and payable in their aggregate amount, together with accrued interest and all prepayment premiums, fees, and charges. The note is subject to acceleration if the lender reasonably deems itself insecure for any reason. As of June 30, 2024, the amount outstanding on the note was \$4,125,000.

During the 2019-20 fiscal year, the UCF Athletics Association, Inc. entered into a direct borrowing loan from a financial institution in the amount of \$8,550,000 to complete the buildout of phase two of the Roth Athletics Center located on the UCF campus. Principal payments are required by September 1 each year to reduce the loan balance to an agreed-upon amount negotiated annually. Interest on the loan is payable semi-annually at a fixed interest rate of 2 percent. The loan matures September 1, 2024, and is secured by certain pledged revenues of the Association. As of June 30, 2024, the total loan outstanding amount was \$1,155,000.

**Due to University – UCF Athletics Association, Inc.**

The UCF Athletics Association, Inc. received several loans from the University between 2004 and 2007. In 2009, those loans were consolidated into one loan. In July 2015, the Board of Trustees approved an amendment to the previous payment schedule. The 2020-21 fiscal year loan payment was deferred for two fiscal years and future years' payments range from \$1,000,000 to \$1,528,000, contingent on interest rates. The loan matures in the 2026-27 fiscal year and bears interest at a variable rate equal to the preceding fiscal year's average SPIA rate of return (1.64 percent for the 2023-24 fiscal year interest calculations). In the event of a default, after 30 days the entire principal sum and accrued interest becomes due at the option of the University and the interest rate shall increase to the highest rate allowable under Florida law. As of June 30, 2024, the amount outstanding, including interest, totaled \$3,552,537.

## 11. Retirement Plans – Defined Benefit Pension Plans

### **General Information about the Florida Retirement System (FRS).**

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The University's FRS and HIS pension expense totaled \$78,258,471 for the fiscal year ended June 30, 2024.

### **FRS Pension Plan**

*Plan Description.* The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible



for normal retirement benefits at age 60 or at any age after 30 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

*Benefits Provided.* Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<b><u>Class, Initial Enrollment, and Retirement Age/Years of Service</u></b>	<b><u>% Value</u></b>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<b>Senior Management Service Class</b>	2.00
<b>Special Risk Class</b>	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit

by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

*Contributions.* The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023-24 fiscal year were:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.57
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk	3.00	32.67
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled \$33,437,302 for the fiscal year ended June 30, 2024.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2024, the University reported a liability of \$237,323,379 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The University's proportionate share of the net pension liability was based on the University's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the University's proportionate share was 0.595589032 percent, which was a decrease of 0.050673301 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the University recognized pension expense of \$47,902,643. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22,282,618	\$ -
Change of assumptions	15,470,707	-
Net difference between projected and actual earnings on FRS Plan investments	9,911,267	-
Changes in proportion and differences between University contributions and proportionate share of contributions	7,243,666	17,690,320
University FRS contributions subsequent to the measurement date	33,437,302	-
<b>Total</b>	<b>\$ 88,345,560</b>	<b>\$ 17,690,320</b>

The deferred outflows of resources totaling \$33,437,302, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2025	\$ 4,155,696
2026	(5,637,106)
2027	36,588,369
2028	1,865,538
2029	245,440
<b>Total</b>	<b>\$ 37,217,937</b>

*Actuarial Assumptions.* The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
<b>Total</b>	<b>100.0%</b>			
Assumed inflation - Mean			2.4%	1.4%

(1) As outlined in the Plan's investment policy.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.70 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2023 valuation was unchanged from the previous valuation.

*Sensitivity of the University’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the University’s proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.70 percent) or 1 percentage point higher (7.70 percent) than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
University’s proportionate share of the net pension liability	\$405,396,656	\$237,323,379	\$96,709,972

*Pension Plan Fiduciary Net Position.* Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

**HIS Pension Plan**

*Plan Description.* The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided.* For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

*Contributions.* The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2024, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled \$4,766,996 for the fiscal year ended June 30, 2024.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2024, the University reported a liability of \$80,716,786 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within 1 year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine the net pension liability as of July 1, 2023. The University's proportionate share of the net pension liability was based on the University's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the University's proportionate share was 0.508249418 percent, which was a decrease of 0.019761526 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the University recognized pension expense of \$30,355,828. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,181,638	\$ 189,454
Change of assumptions	2,122,020	6,994,381
Net difference between projected and actual earnings on HIS Plan investments	41,683	-
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	1,278,804	3,449,469
University HIS contributions subsequent to the measurement date	4,766,996	-
<b>Total</b>	<u>\$ 9,391,141</u>	<u>\$ 10,633,304</u>

The deferred outflows of resources totaling \$4,776,996, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2025	\$ (1,021,393)
2026	(870,536)
2027	(1,222,109)
2028	(1,722,379)
2029	(1,011,460)
Thereafter	(161,280)
<b>Total</b>	<b><u><u>\$ (6,009,157)</u></u></b>

*Actuarial Assumptions.* The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	3.65 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

*Discount Rate.* The discount rate used to measure the total pension liability was 3.65 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.54 percent to 3.65 percent.

*Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.65 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
University's proportionate share of the net pension liability	\$92,085,256	\$80,716,786	\$71,293,089

*Pension Plan Fiduciary Net Position.* Detailed information about the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Annual Comprehensive Financial Report.

## 12. Retirement Plans – Defined Contribution Pension Plans

**FRS Investment Plan.** The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the State’s Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2023-24 fiscal year were as follows:

<b><u>Class</u></b>	<b><u>Percent of Gross Compensation</u></b>
FRS, Regular	11.30
FRS, Senior Management Service	12.67
FRS, Special Risk Regular	19.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution,



leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University's Investment Plan pension expense totaled \$11,974,166 for the fiscal year ended June 30, 2024.

**State University System Optional Retirement Program.** Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant's salary to the participant's account, 4.78 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 9.93 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled \$24,800,049 and employee contributions totaled \$12,508,246 for the 2023-24 fiscal year.

### **13. Construction Commitments**

The University's construction commitments at June 30, 2024, were as follows:



<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
College of Nursing Building	\$ 56,190,010	\$ 9,193,926	\$ 46,996,084
HVAC	25,884,387	14,275,121	11,609,266
Football Stadium Upgrades	9,472,606	4,660,591	4,812,016
Fire Alarm Replacement	5,607,697	1,540,479	4,067,219
Library Renovation	19,874,748	17,075,669	2,799,079
Daytona State Bldg Renovation	3,647,878	1,326,351	2,321,527
Parking Lot Improvements	2,386,509	101,871	2,284,638
Roof Replacements	3,683,496	1,951,777	1,731,718
Chemistry Building Renovation	2,987,567	1,551,307	1,436,260
Bldg Research I Improvements	1,740,920	335,562	1,405,358
Utility Bldg I Improvements	1,115,579	-	1,115,579
<b>Subtotal</b>	<b>132,591,398</b>	<b>52,012,653</b>	<b>80,578,744</b>
Other Projects (1)	43,753,628	32,939,306	10,814,322
<b>Total</b>	<b>\$ 176,345,025</b>	<b>\$ 84,951,959</b>	<b>\$ 91,393,066</b>

(1) Individual projects with a current balance committed of less than \$1 million at June 30, 2024.

#### 14. Risk Management Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2023-24 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$40.2 million for flood and \$38.6 million for named windstorm through February 15, 2024, and increased to \$65 million starting February 15, 2024. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$255 million through February 14, 2024, and increased to \$295 million starting February 15, 2024; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health

maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

### **Self-Insured Program.**

The University of Central Florida, College of Medicine Self-Insurance Program (Program) was established pursuant to Section 1004.24, Florida Statutes, on September 25, 2008. The Program's purpose is to provide comprehensive general liability and professional liability (malpractice) coverage for the University of Central Florida Board of Trustees and students for claims and actions arising from the clinical activities of the College of Medicine, College of Nursing, UCF Health Services, College of Health Professions and Sciences (previously included in the College of Health and Public Affairs), and the Central Florida Clinical Practice Organization, Inc., faculty, staff and resident physicians. The Program provides legislative claims bill protection. The Program is distinct from and entirely independent of the self-insurance programs administered by the State described in Note 19.

The University is protected for losses that are subject to Section 768.28, Florida Statutes, to the extent of the waiver of sovereign immunity as described in Section 768.28(5), Florida Statutes. The Program also provides \$1,000,000 per legislative claims bills inclusive of payments made pursuant to Section 768.28, Florida Statutes; \$250,000 per occurrence of protection for the participants that are not subject to the provisions of Section 768.28, Florida Statutes; \$250,000 per claim protection for participants who engage in approved community service and act as Good Samaritans; and student protections of \$200,000 for a claim arising from an occurrence for any one person, \$300,000 for all claims arising from an occurrence and professional liability required by a hospital or other healthcare facility for educational purposes not to exceed a per occurrence limit of \$1,000,000.

The Program's estimated liability for unpaid claims at fiscal year-end is the result of management and actuarial analysis and includes an amount for claims that have been incurred but not reported. Changes in the balances of claims liability for the Program during the 2022-23 and 2023-24 fiscal years are presented in the following table:

<b>Fiscal Year</b>	<b>Claims Liabilities Beginning of Year</b>	<b>Current Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Claims Liabilities End of Year</b>
2022-23	\$ 1,791,195	\$ 2,005,999	\$ (1,307,402)	\$ 2,489,792
2023-24	2,489,792	644,411	(123,832)	3,010,371

## 15. Litigation

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's legal counsel and management, should not materially affect the University's financial position.

## 16. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 419,281,298
Research	199,124,303
Public Services	45,731,596
Academic Support	137,115,394
Student Services	64,405,063
Institutional Support	101,969,027
Operation and Maintenance of Plant	74,856,613
Scholarships, Fellowships, and Waivers	163,770,094
Depreciation	100,111,990
Auxiliary Enterprises	110,953,687
Loan Operations	331,804
<b>Total Operating Expenses</b>	<b><u>\$ 1,417,650,869</u></b>

## 17. Segment Information

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are required to be accounted for separately. The following financial information for the University's Housing facilities represents identifiable activities for which one or more bonds are outstanding:

### Condensed Statement of Net Position

	<b>Housing Facility</b>
<b>Assets</b>	
Current Assets	\$ 16,126,775
Capital Assets, Net	72,216,445
Other Noncurrent Assets	13,939,976
<b>Total Assets</b>	102,283,196
<b>Liabilities</b>	
Current Liabilities	9,182,743
Noncurrent Liabilities	54,470,467
<b>Total Liabilities</b>	63,653,210
<b>Net Position</b>	
Net Investment in Capital Assets	13,403,939
Restricted - Expendable	13,042,665
Unrestricted	12,183,382
<b>Total Net Position</b>	\$ 38,629,986

### Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<b>Housing Facility</b>
Operating Revenues	\$ 30,115,886
Depreciation Expense	(4,478,496)
Other Operating Expenses	(17,979,886)
<b>Operating Income (Loss)</b>	7,657,504
Nonoperating Revenues (Expenses):	
Nonoperating Revenue	40,305
Interest Expense	(1,548,665)
Other Nonoperating Expense	47,286
<b>Net Nonoperating Expenses</b>	(1,461,074)
Other Revenues, Expenses, Gains and Losses	(5,531,676)
<b>Increase (Decrease) in Net Position</b>	664,754
Net Position, Beginning of Year	37,965,232
<b>Net Position, End of Year</b>	\$ 38,629,986

## Condensed Statement of Cash Flows

	<b>Housing Facility</b>
Net Cash Provided (Used) by:	
Operating Activities	\$ 14,786,417
Noncapital Financing Activities	(3,108,468)
Capital and Related Financing Activities	(8,901,301)
Investing Activities	1,494,594
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	4,271,242
Cash and Cash Equivalents, Beginning of Year	609,106
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,880,348</b>

### 18. Blended Component Unit(s)

The University has two blended component units as discussed in Note 1. The following financial information is presented net of eliminations for the University's blended component unit(s):

### Condensed Statement of Net Position

	<b>Blended Component Units</b>					
	<b>UCF Finance Corporation</b>	<b>University of Central Florida College of Medicine Self- Insurance Program</b>	<b>Total Blended CUs</b>	<b>University</b>	<b>Eliminations</b>	<b>Total Primary Government</b>
<b>Assets</b>						
Current Assets	\$ 3,457,805	\$ 16,131,726	\$ 19,589,531	\$ 887,492,788	\$ -	\$ 907,082,319
Capital Assets, Net		-	-	\$ 1,435,737,331	-	1,435,737,331
Due From University / Blended Component U	35,832,381	-	35,832,381		(35,832,381)	
Other Noncurrent Assets		-	-	107,094,127	-	107,094,127
<b>Total Assets</b>	39,290,186	16,131,726	55,421,912	2,430,324,246	(35,832,381)	2,449,913,777
<b>Deferred Outflows of Resources</b>	8,851,585	-	8,851,585	196,202,561	-	205,054,146
<b>Liabilities</b>						
Current Liabilities	3,454,172	3,030,078	6,484,250	174,118,571	-	180,602,821
Due To University / Blended Component Units		-	-	35,832,381	(35,832,381)	-
Other Noncurrent Liabilities	44,546,000	-	44,546,000	887,531,814	-	932,077,814
<b>Total Liabilities</b>	48,000,172	3,030,078	51,030,250	1,097,482,766	(35,832,381)	1,112,680,634
<b>Deferred Inflows of Resources</b>	-	-	-	272,892,893	-	272,892,893
<b>Net Position</b>						
Net Investment in Capital Assets		-	-	1,179,118,663	-	1,179,118,663
Restricted - Expendable	141,599	13,101,648	13,243,247	198,033,012	-	211,276,259
Unrestricted		-	-	(121,000,526)	-	(121,000,526)
<b>Total Net Position</b>	141,599	13,101,648	13,243,247	1,256,151,149	-	1,269,394,396

## Condensed Statement of Revenues, Expenses, and Changes in Net Position

<u>Blended Component Units</u>						
	UCF Finance Corporation	University of Central Florida College of Medicine Self- Insurance Program	Total Blended Component Units	University	Eliminations	Total Primary Government
Operating Revenues		\$ 2,650,501	\$ 2,650,501	\$ 588,246,679	\$ (2,650,501)	\$ 588,246,679
Depreciation Expense			-	\$ (100,111,990)	-	(100,111,990)
Other Operating Expenses	(23,523)	(1,378,251)	(1,401,774)	\$ (1,316,137,105)		(1,317,538,879)
<b>Operating Income (Loss)</b>	<u>(23,523)</u>	<u>1,272,250</u>	<u>1,248,727</u>	<u>(828,002,416)</u>	<u>(2,650,501)</u>	<u>(829,404,190)</u>
Nonoperating Revenues (Expenses)						
Nonoperating Revenue	1,842,758	1,115,479	2,958,237	\$ 850,902,559	-	853,860,796
Interest Expense	(1,819,235)		(1,819,235)	\$ (3,027,378)	-	(4,846,613)
Other Nonoperating Expense			-	\$ (30,662,851)	2,650,501	(28,012,350)
<b>Net Nonoperating Revenues (Expenses)</b>	<u>23,523</u>	<u>1,115,479</u>	<u>1,139,002</u>	<u>817,212,331</u>	<u>2,650,501</u>	<u>821,001,834</u>
Other Revenues	-	-	-	\$ 64,146,139	-	64,146,139
<b>Increase (Decrease) In Net Position</b>	<u>-</u>	<u>2,387,729</u>	<u>2,387,729</u>	<u>\$ 53,356,053</u>	<u>-</u>	<u>55,743,782</u>
Net Position, Beginning of the Year	141,599	10,713,919	10,855,518	\$ 1,202,795,095	-	1,213,650,613
<b>Net Position, End of Year</b>	<u>\$ 141,599</u>	<u>\$ 13,101,648</u>	<u>\$ 13,243,247</u>	<u>\$ 1,256,151,149</u>	<u>\$ -</u>	<u>\$ 1,269,394,396</u>

## Condensed Statement of Cash Flows

<u>Blended Component Units</u>						
	UCF Finance Corporation	University of Central Florida College of Medicine Self- Insurance Program	Total Blended Component Units	University	Eliminations	Total Primary Government
<b>Net Cash Provided (Used) by:</b>						
Operating Activities	(23,523)	2,127,798	2,104,275	(689,998,048)	(2,650,501)	(690,544,274)
Noncapital Financing Activities	-	-	-	789,168,958	2,650,501	791,819,459
Capital and Related Financing Activities	3,968	-	3,968	(83,166,726)		(83,162,758)
Investing Activities	54,787	(1,516,020)	(1,461,233)	76,136,005	-	74,674,772
Net Increase in Cash and Cash Equivalents	35,232	611,778	647,010	92,140,189	-	92,787,199
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>3,422,573</u>	<u>1,831,071</u>	<u>5,253,644</u>	<u>261,814,618</u>	<u>-</u>	<u>267,068,262</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>3,457,805</u>	<u>2,442,849</u>	<u>5,900,654</u>	<u>353,954,807</u>	<u>-</u>	<u>359,855,461</u>

## 19. Discretely Presented Component Units

The University has discretely presented component units as discussed in Note 1. These component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

### Condensed Statement of Net Position

	Direct-Support Organizations				
	University of Central Florida Foundation, Inc.	University of Central Florida Research Foundation, Inc	UCF Athletics Association, Inc.	UCF Convocation Corporation	UCF Stadium Corporation
<b>Assets:</b>					
Current Assets	\$ 62,276,422	\$ 38,365,734	\$ 30,017,334	\$ 39,465,953	\$ 5,896,935
Capital Assets, Net	114,633,943	-	58,459,175	733,525	-
Other Noncurrent Assets	482,816,853	17,524	349,298	8,525,856	20,768,536
<b>Total Assets</b>	<b>659,727,218</b>	<b>38,383,258</b>	<b>88,825,807</b>	<b>48,725,334</b>	<b>26,665,471</b>
<b>Deferred Outflows of Resource</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,906,725</b>	<b>446,535</b>
<b>Liabilities:</b>					
Current Liabilities	11,444,384	23,014,770	22,115,832	17,183,558	5,405,729
Noncurrent Liabilities	51,343,373	-	39,250,912	123,571,566	30,762,871
<b>Total Liabilities</b>	<b>62,787,757</b>	<b>23,014,770</b>	<b>61,366,744</b>	<b>140,755,124</b>	<b>36,168,600</b>
<b>Deferred Inflows of Resources</b>	<b>107,716,860</b>	<b>-</b>	<b>-</b>	<b>7,067,683</b>	<b>21,817,317</b>
<b>Net Position:</b>					
Net Investment in Capital Assets	59,382,943	-	27,770,741	733,525	-
Restricted Nonexpendable	160,659,572	-	-	-	-
Restricted Expendable	174,122,772	3,050,002	1,052,434	19,077,582	-
Unrestricted	95,057,314	12,318,486	(1,364,112)	(116,001,855)	(30,873,911)
<b>Total Net Position</b>	<b>\$ 489,222,601</b>	<b>\$ 15,368,488</b>	<b>\$ 27,459,063</b>	<b>\$ (96,190,748)</b>	<b>\$ (30,873,911)</b>

UCF Academic Health, Inc.	Total Direct Support Organizations	Other	Total
		Central Florida Clinical Practice Organization Inc.	
\$ 2,227,978	\$ 178,250,356	\$ 36,367,555	\$ 214,617,911
45,000,000	218,826,643	175,267	219,001,910
46,260,073	558,738,140		558,738,140
93,488,051	955,975,348	36,542,822	992,357,961
-	3,353,260	-	3,353,260
2,451,440	81,615,713	18,908,458	100,524,171
41,500,000	286,428,722		286,428,722
43,951,440	368,204,644	18,908,458	386,952,893
29,301,833	165,903,693	-	165,903,693
-	87,887,209	175,267	88,062,476
-	160,659,572	-	160,659,572
-	197,876,746	-	197,302,790
20,234,778	(21,203,256)	17,459,097	(3,170,203)
<u>\$ 20,234,778</u>	<u>\$ 425,220,271</u>	<u>\$ 17,634,364</u>	<u>\$ 442,854,635</u>



## Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Direct-Support Organizations				
	University of Central Florida Foundation, Inc.	Univeristy of Central Florida Research Foundation, Inc.	UCF Athletics Association, Inc.	UCF Convocation Corporation	UCF Stadium Corporation
Operating Revenues	\$ 98,808,977	\$ 27,786,937	\$ 90,396,163	\$ 39,576,847	\$ 4,274,556
Depreciation Expense	(3,177,492)	-	(4,107,212)	-	-
Operating Expenses	(88,109,303)	(27,271,749)	(85,195,360)	(23,692,584)	(891,595)
<b>Operating Income (Loss)</b>	<b>7,522,182</b>	<b>515,188</b>	<b>1,093,591</b>	<b>15,884,263</b>	<b>3,382,961</b>
Net Nonoperating Revenues (Expenses):					
Nonoperating Revenues	11,920,732	46,451	24,176,336	147,766.00	686,062
Interest Expense	-	-	(1,136,068)	(4,740,643)	(1,307,693)
Other Nonoperating Expenses	-	-	(7,980,581)	(4,081,640)	(701,171)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>11,920,732</b>	<b>46,451</b>	<b>15,059,687</b>	<b>(8,674,517)</b>	<b>(1,322,802)</b>
Other Revenues	4,544,695	-	-	-	-
<b>Increase (Decrease) in Net Position</b>	<b>23,987,609</b>	<b>561,639</b>	<b>16,153,278</b>	<b>7,209,746</b>	<b>2,060,159</b>
Net Position, Beginning of Year	465,234,992	14,806,849	18,481,134	(103,400,494)	(32,934,070)
Adjustment to Beginning Net Position (1)	-	-	(7,175,349)	-	-
<b>Net Position, Beginning of Year, as Restated</b>	<b>465,234,992</b>	<b>14,806,849</b>	<b>11,305,785</b>	<b>(103,400,494)</b>	<b>(32,934,070)</b>
<b>Net Position, End of Year</b>	<b>\$ 489,222,601</b>	<b>\$ 15,368,488</b>	<b>\$ 27,459,063</b>	<b>\$ (96,190,748)</b>	<b>\$ (30,873,911)</b>

<b>UCF Academic Health, Inc.</b>	<b>Total Direct Support Organizations</b>	<b>Clinical Practice Organization Inc.</b>	<b>Total</b>
\$ 2,542,340	\$ 263,385,820	\$ 11,766,634	\$ 275,152,454
(1,666,666)	\$ (8,951,370)	(24,837)	(8,976,207)
(608,259)	(225,768,850)	(10,442,607)	(236,211,457)
<u>267,415</u>	<u>28,665,600</u>	<u>1,299,190</u>	<u>29,964,790</u>
1,936,912	39,667,923	24,284,578	63,952,501
-	(7,184,404)	-	(7,184,404)
-	(13,517,056)	(18,283,978)	(31,801,034)
<u>1,936,912</u>	<u>18,966,463</u>	<u>6,000,600</u>	<u>24,967,063</u>
<u>-</u>	<u>4,544,695</u>	<u>-</u>	<u>4,544,695</u>
<u>2,204,327</u>	<u>52,176,758</u>	<u>7,299,790</u>	<u>59,476,548</u>
18,030,451	380,218,862	10,334,574	390,553,436
-	(7,175,349)	-	(7,175,349)
<u>18,030,451</u>	<u>373,043,513</u>	<u>10,334,574</u>	<u>383,378,087</u>
<u>\$ 20,234,778</u>	<u>\$ 425,220,271</u>	<u>\$ 17,634,364</u>	<u>\$ 442,854,635</u>

(1) UCF Athletics Association, Inc beginning net position was restated due to a change in accounting principle. The Association changed its methodology for recognizing seat premium revenue.

## **OTHER REQUIRED SUPPLEMENTARY INFORMATION**

### **Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
University's proportion of the total other postemployment benefits liability	3.739975471%	3.760109175%	3.894895289%	3.804765461%
University's proportionate share of the total other postemployment benefits liability	\$ 313,007,771	\$ 294,914,983	\$ 410,546,760	\$ 391,512,085
University's covered-employee payroll	\$ 453,274,274	\$ 458,781,389	\$ 445,408,636	\$ 454,818,440
University's proportionate share of the total other postemployment benefits liability as a percentage of its covered-employee payroll	69.05%	64.28%	92.17%	86.08%

<u>2019</u>	<u>2018</u>	<u>2017</u>
3.159978606%	2.780000000%	2.780000000%
\$ 399,997,974	\$ 293,333,000	\$ 300,512,000
\$ 439,921,546	\$ 418,056,891	\$ 396,397,337
90.92%	70.17%	75.81%

## Schedule of the University's Proportionate Share of the Net Pension Liability –

**Florida Retirement System Pension Plan**

	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>
University's proportion of the FRS net pension liability	0.595589032%	0.646262333%	0.611058374%	0.648369723%
University's proportionate share of the FRS net pension liability	\$ 237,323,379	\$ 240,461,523	\$ 46,158,515	\$281,012,993
University's covered payroll (2)	\$ 453,274,274	\$ 458,781,389	\$ 445,408,636	\$454,818,440
University's proportionate share of the FRS net pension liability as a percentage of its covered payroll	52.36%	52.41%	10.36%	61.79%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	82.89%	96.40%	78.85%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

**Schedule of University Contributions – Florida Retirement System Pension Plan**

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
Contractually required FRS contribution	\$ 33,437,302	\$28,651,666	\$ 27,577,192	\$ 23,278,684
FRS contributions in relation to the contractually required contribution	<u>(33,437,302)</u>	<u>(28,651,666)</u>	<u>(27,577,192)</u>	<u>(23,278,684)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$487,960,205	\$453,274,274	\$458,781,389	\$454,818,440
FRS contributions as a percentage of covered payroll	6.85%	6.32%	6.01%	5.23%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
0.654337567%	0.640568432%	0.596715076%	0.559865856%	0.538161499%	0.484303900%
\$ 225,344,748	\$ 192,942,532	\$176,504,316	\$141,366,568	\$ 69,510,775	\$ 29,549,660
\$439,921,546	\$ 418,056,891	\$396,397,337	\$364,535,289	\$333,695,268	\$ 305,107,256
51.22%	46.15%	44.53%	38.78%	20.83%	9.69%
82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
\$21,542,453	\$ 20,289,186	\$ 18,255,686	\$15,533,963	\$13,653,222	\$13,120,834
<u>(21,542,453)</u>	<u>(20,289,186)</u>	<u>(18,255,686)</u>	<u>(15,533,963)</u>	<u>(13,653,222)</u>	<u>(13,120,834)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$454,818,440	\$ 439,921,546	\$418,056,891	\$396,397,337	\$364,535,289	\$333,695,268
4.74%	4.61%	4.37%	3.92%	3.75%	3.93%

**Schedule of the University's Proportionate Share of the Net Pension Liability –  
Health Insurance Subsidy Pension Plan**

	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>
University's proportion of the HIS net pension liability	0.508249418%	0.528010944%	0.521414055%	0.547943658%
University's proportionate share of the HIS net pension liability	\$80,716,786	\$55,924,792	\$63,959,273	\$ 66,903,028
University's covered payroll (2)	\$191,569,134	\$191,812,204	\$179,946,356	\$187,973,508
University's proportionate share of the HIS net pension liability as a percentage of its covered payroll	42.13%	29.16%	35.54%	35.59%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.12%	4.81%	3.56%	3.00%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**Schedule of University Contributions – Health Insurance Subsidy Pension Plan**

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
Contractually required HIS contribution	\$4,766,996	\$ 3,343,354	\$3,194,911	\$ 3,064,876
HIS contributions in relation to the contractually required HIS contribution	<u>(4,766,996)</u>	<u>(3,343,354)</u>	<u>(3,194,911)</u>	<u>(3,064,876)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$228,913,436	\$ 191,569,134	\$191,812,204	\$ 179,946,356
HIS contributions as a percentage of covered payroll	2.08%	1.75%	1.67%	1.70%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
0.538876355%	0.532468436%	0.529705387%	0.499690735%	0.469662225%	0.430757459%
\$60,294,870	\$56,357,057	\$56,638,544	\$ 58,236,885	\$ 47,898,159	\$ 40,276,874
\$167,822,905	\$167,400,707	\$166,665,368	\$153,090,572	\$ 140,702,712	\$ 127,489,508
35.93%	33.67%	33.98%	38.04%	34.04%	31.59%
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
\$ 3,157,543	\$2,992,328	\$ 2,887,590	\$ 2,803,354	\$ 2,561,234	\$1,795,341
<u>(3,157,543)</u>	<u>(2,992,328)</u>	<u>(2,887,590)</u>	<u>(2,803,354)</u>	<u>(2,561,234)</u>	<u>(1,795,341)</u>
\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
\$187,973,508	\$ 167,822,905	\$167,400,707	\$ 166,665,368	\$153,090,572	\$ 140,702,712
1.68%	1.78%	1.72%	1.68%	1.67%	1.28%



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
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### **1. Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

*Changes of Assumptions* The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. The discount rate increased from 4.09 percent to 4.13 percent.

### **2. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan**

*Changes of Assumptions.* In 2023, the long-term expected rate of 6.70 percent was unchanged from the previous valuation.

### **3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan**

*Changes of Assumptions.* In 2023, the municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent. In addition, the level of monthly benefits increased from \$5 times years of service to \$7.50 times years of service, with an increased minimum of \$45 and maximum of \$225.