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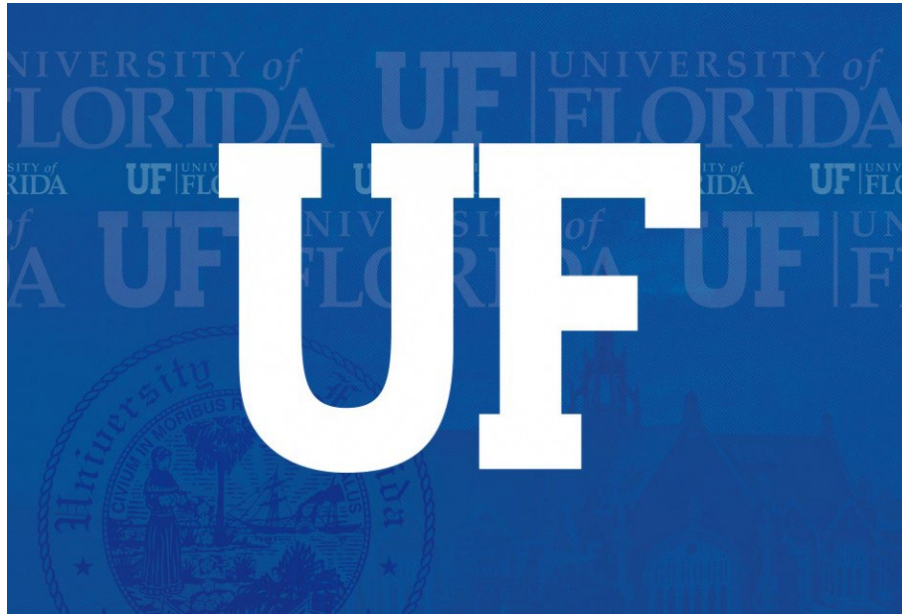
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University of Florida

Ratings Update

March 2023

Agenda

- **University Update**
- **Housing System Update**
- **Transportation and Parking Services Update**
- **Student Activity Bonds Update**

University of Florida Update

UF Board of Trustees and Senior Management Changes

■ New President

- Dr. Ben Sasse is the University's 13th president, as ratified by the Florida Board of Governors in November 2022.

■ Senior Management changes that have occurred since last rating update:

- **Tom Mitchell** – Formerly Vice President for Advancement will transition to Senior Advisor to the President
- **Joe Glover** – Stepping down as University Provost
- **Jatinder Lamba** – Associate Dean for Research and Graduate Education
- **Peter Swaan** – Dean for the College of Pharmacy
- **Heather White** – Vice President for Student Life
- **Melissa Curry** – Interim Vice President for Human Resources

■ BOT changes that have occurred since last rating update:

- **Patrick O. Zalupski** - Founder, President, and CEO of Dream Finders Homes
- Regular turnover of Student Body President and Faculty Senate Chair
 - **Lauren LeMasters**, *ex-officio* - Student Body President
 - **Amanda Phalin**, *ex-officio* - Faculty Senate Chair

University Initiatives

■ Improve Undergraduate Ranking, Top 5 Public Universities

- *US News & World Report* – National Universities Top Public Schools 2022-2023 rank fifth
- UF remains the highest ranked university in Florida and is the only university in the state to rank in the top 10 among public universities

■ Faculty 500

- Faculty 500 initiative aimed to hire 500 new faculty to strengthen a variety of research disciplines and improve the university's student to faculty ratio. The ratio has improved from 20:1 five years ago to 17:1 in fall 2020 with all 500 new faculty hiring completed.

■ AI Initiative

- The University of Florida's AI initiative will make UF a national leader in AI and have far-reaching impacts for the university and its students and faculty. Equally important, it will play a crucial role in the transformation of Florida's economy into a diversified, technology-driven, high-wage economy.
- The centerpiece of this \$70 million initiative is the most powerful supercomputer in U.S. higher education, HiPerGator AI, which is made possible by the generosity of NVIDIA and NVIDIA co-founder and UF alumnus Chris Malachowsky.
- The initiative includes a commitment from UF to hire 108 more faculty members focused on AI. In Fall 2022, 100 AI faculty have been hired and the University is continuing to recruit AI faculty across the curriculum.



UF Scripps Biomedical Research

Effective April 2, 2022, the Florida campus of Scripps Research is integrated with and will now be part of the University of Florida's academic health center as UF Scripps Biomedical Research and included in the University's FY2022 financials.



Dr. Herbie and Nicole Wertheim, who in 2015 gave the cornerstone gift for the College of Engineering's \$300 million Powering the New Engineer initiative, invested another \$100 million in the university to elevate UF Scripps into one of the world's leading centers of biomedical research.

The largest individual gift in UF history will name the Herbert Wertheim UF Scripps Institute for Biomedical Innovation & Technology and launch a \$1 billion public-private partnership that will drive the future of biomedical research and innovation.



Operating Budget & Financial Results

Budget to Actual *(in thousands)*

For the Six Months Ended December 31, 2022

Revenues and Expenses	Q2 FY23	Q2 FY23 Budget	Actuals to Budget Variance	Q2 FY22	FY23 to FY22 Variance
Revenues					
Tuition and Fees	\$ 225,176	\$ 210,853	\$ 14,323	\$ 213,544	\$ 11,632
State Appropriations	406,998	445,749	(38,751)	417,827	(10,829)
Contracts and Grants	393,751	250,002	143,749	354,028	39,723
Federal and State Financial Aid	175,052	170,360	4,692	125,396	49,656
Investment Income	(22,589)	3,092	(25,681)	41,970	(64,559)
Sales of Goods & Services	105,306	105,738	(432)	94,543	10,763
Other Revenue	35,441	8,506	26,935	103,697	(68,256)
Transfers From Component Units	634,624	510,654	123,970	564,781	69,843
Total Revenues	\$ 1,953,759	\$ 1,704,954	\$ 248,805	\$ 1,915,786	\$ 37,973
Expenses					
Employee Compensation	\$ 1,286,655	\$ 1,284,894	\$ 1,761	\$ 1,185,707	\$ 100,948
Other Operating Expenses					
Services and Supplies	331,890	-	-	268,528	63,362
Utilities	35,333	-	-	31,834	3,499
Scholarships and Fellowships	98,629	-	-	113,819	(15,190)
Total Other Operating Expenses	465,852	416,832	49,020	414,181	51,671
Depreciation	90,102	-	90,102	85,768	4,334
Other Non Operating Expenses	25,848	-	25,848	10,582	15,266
Total Expenses	\$ 1,868,457	\$ 1,701,726	\$ 166,731	\$ 1,696,238	\$ 172,219
Net Income	\$ 85,302	\$ 3,228	\$ 82,074	\$ 219,548	\$ (134,246)

See **Attachment A** for current Fiscal Year approved operating budget; *Board of Governors format which excludes Capital Appropriations*

See **Attachment B** for latest available budget to actual update

Enrollment and Demand*

	<u>Fall 2020</u>	<u>Fall 2021</u>	<u>Fall 2022</u>
Total Headcount	57,804	60,999	60,599
Total FTE Enrollment	49,821	51,622	51,138
Undergraduate Headcount	40,604 (70.2%)	41,085 (67.4%)	40,899 (67.5%)
Undergraduate FTE	35,927	36,272	36,040
Freshman Applicants**	42,900	46,621	59,088
Freshman Acceptances**	13,504	13,236	12,923
Acceptance Rate**	31.5%	28.4%	21.9%
Freshman Matriculants**	5,891	5,862	5,617
Yield**	43.6%	44.3%	43.5%
Retention Rate (Freshman to Sophomore)	97%	96%	N/A
Six Year Graduation Rate	89% (2014-2020)	90% (2015-2021)	N/A
Total Students from In-state	44,658 (77.3%)	45,810 (75.1%)	45,001 (74.3%)

N/A= Not available

Figures are for the combined UF Main and UF Online campuses. UF Main and UF Online are reported separately Federally/rankings.

*All FTE calculations are done using IPEDS methodology

**The figures shown for Freshman only reflect Fall term; they do not include those first-time enrolled in summer continuing into fall.

Cost of Attendance

- Undergraduate In-State tuition costs remain among the lowest in the nation, which indicates strong pricing power
- This provides policy makers with the flexibility to review pricing levels in the future

Cost of Attendance - Undergraduate	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Undergraduate: In-State			
Tuition and Fees	\$6,381	\$6,381	\$6,381*
Housing & variable expenses	<u>\$15,050**</u>	<u>\$15,430**</u>	<u>\$16,770***</u>
Total Undergraduate: In-State	\$21,431	\$21,811	\$23,151
Undergraduate: Out-of-State			
Tuition and Fees	\$28,658	\$28,658	\$28,658
Housing & variable expenses	<u>\$15,050</u>	<u>\$15,430</u>	<u>\$16,770</u>
Total Undergraduate: Out-of-State	\$43,708	\$44,088	\$45,428

Figures shown are for UF Main students, <https://www.sfa.ufl.edu/cost/>. For UF Online, refer to <https://www.sfa.ufl.edu/cost/uf-online-cost/>. Undergraduate full-time status is 12 credit hours and graduate/professional is 9 credit hours. For annual tuition estimates, undergraduates are calculated by 30 credits hours and graduate/professional by 24 credit hours.

The increase from 2022-23 to 2023-24 is due inflation as well as methodological changes required by the FAFSA Simplification Act (116 Pub. L. 260, Division FF, Title VII) and the Consolidated Appropriations Act, 2022 (117 Pub. L. 103, Division R).

Source: Regulations 3.0372 and 3.0375

*2023-24 Regulations have not been released yet for revisions.

Housing & variable expenses include

**housing, food, transportation, books and supplies, computer/cell phone, clothing maintenance, and personal expenses

***living expenses, transportation, books, course materials, supplies, equipment, estimated loan fees and miscellaneous personal expenses.

State Appropriations

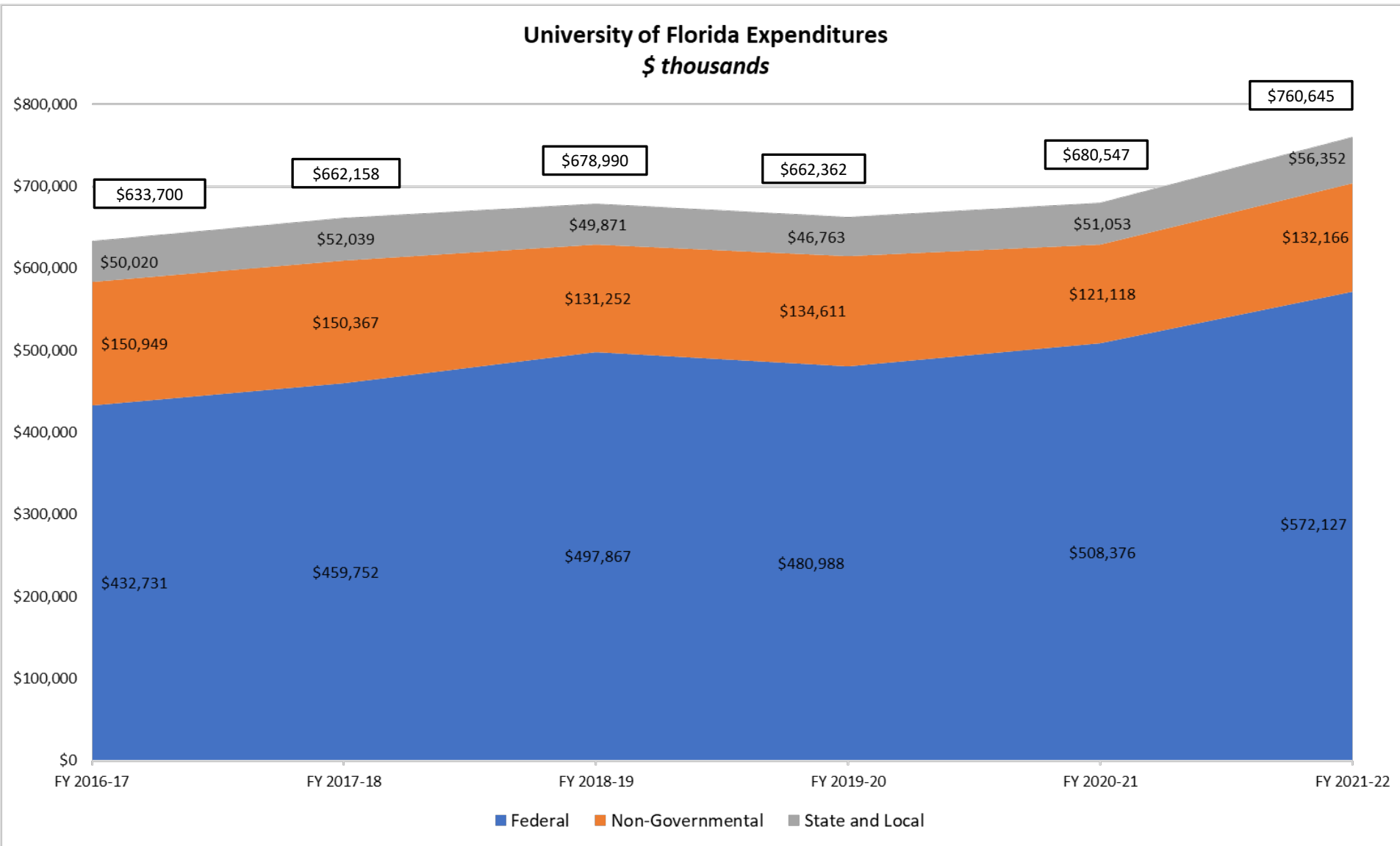
	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023*</u>
Public Education Capital Outlay (PECO)	\$12,946,620	\$45,249,299	\$2,938,496	\$26,179,195
General Revenue	\$687,684,895	\$728,948,207	\$817,957,413	\$795,035,025
Florida Lottery	\$87,998,194	\$96,906,482	\$110,377,980	\$131,065,361
Capital Improvement Trust Fund (CTIF)	\$8,063,886	\$8,296,267	\$7,928,733	\$8,182,016
Other (SUS General Revenue)	<u>\$25,050,000</u>	<u>\$42,000</u>	<u>\$13,487,161</u>	<u>\$309,505,899**</u>
Total	\$821,743,595	\$879,442,255	\$952,689,783	\$1,269,967,496

*FY2023 is budgeted. All other years are actual

**The majority of the increase is due to \$148M in Deferred Maintenance funds and \$100M funding for West Palm Beach

Research Revenues

When including University funds, total research expenditures exceed \$1B



Fundraising



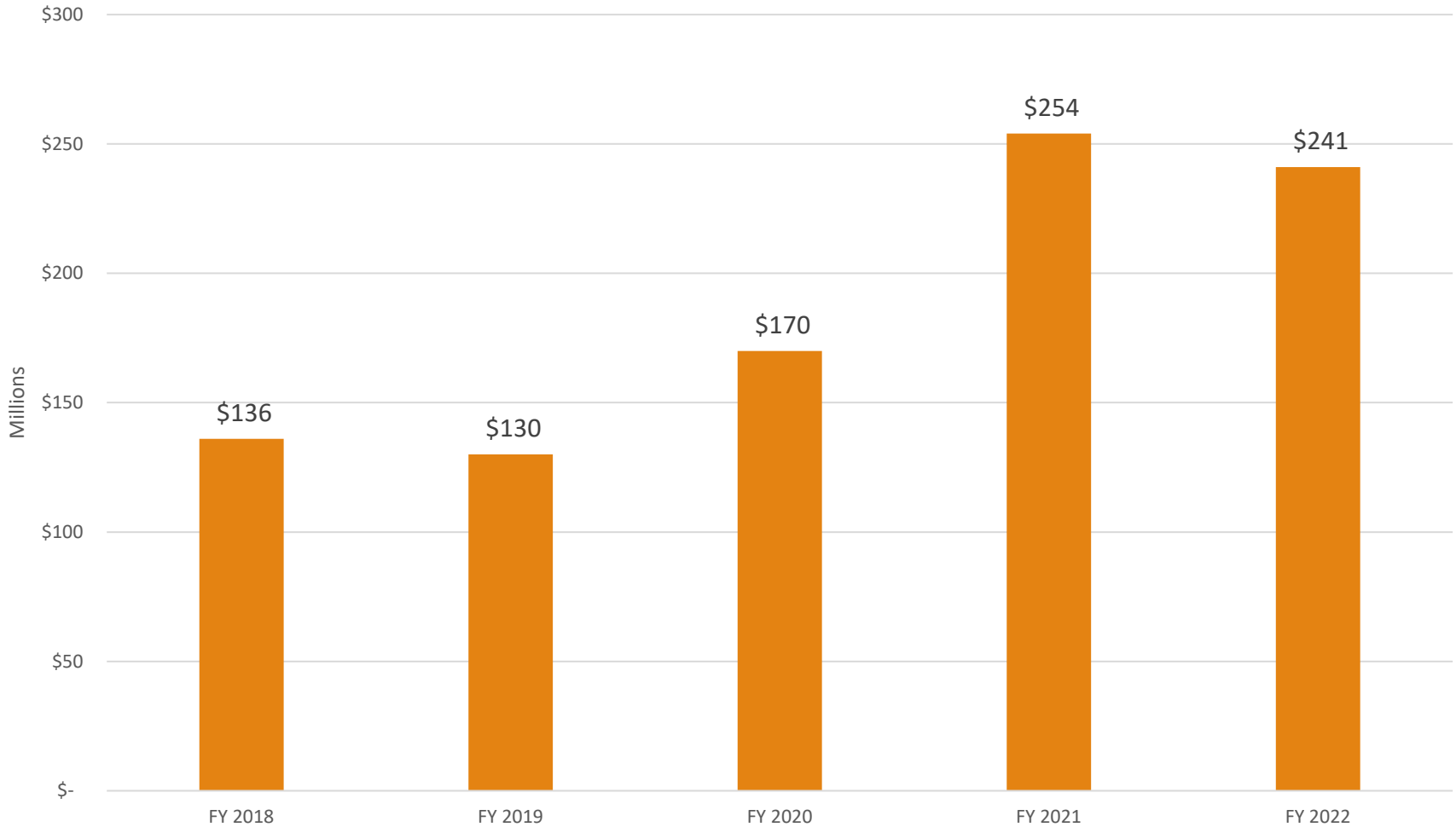
GO GREATER

- Go Greater Capital Campaign began in 7/1/2014
- As of December 2022, the campaign has concluded and exceeded its goal of \$3 billion, including cash, pledges, and deferred giving. **Total fundraising for the campaign was \$4.63B.**
- \$1B fundraising was raised between March 2022 and December 2022.
- More than 620,000 Gators made contributions. Go Greater's grand total is the fifth-largest ever raised at a public university, the largest in the history of the state of Florida and the highest among SEC schools.
- As of FY22, Go Greater garnered almost 1 million unique gifts, while UF's annual alumni giving rate climbed to 20%, one of the highest in academia.

<https://www.uff.ufl.edu/gogreater/>

Fundraising

UF Foundation Contributions (in millions of dollars)



Major jump from FY20-21 is due to a large \$41M contribution of land, \$57M AI gift, offset by other year over year changes in contributions.

Endowment

- The market value as of December 31, 2022 was \$2.25 billion and the fiscal year to date return is -0.10%
- The University approved a new spending policy effective July 1, 2023. The payout utilizes a 12-quarter average smoothing period based on the unit price of long-term pool (LTP) managed by the University of Florida Investment Corporation (UFICO).

Endowment return and asset allocation:

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
University or foundation's endowment return (%)	3.66%	33.61%	-6.60%
Endowment Asset Allocation			
Publicly Traded Equities (long-only strategies)			
Domestic	23.6%	20.3%	17.5%
International	<u>20.9%</u>	<u>22.1%</u>	<u>16.9%</u>
Total Publicly Traded Equities	44.5%	42.4%	34.4%
Traditional Fixed Income (including TIPS)	6.3%	2.7%	4.0%
Hedge Funds (including long-short absolute return)	21.9%	18.5%	19.3%
Private Equity/Venture Capital	18.1%	24.2%	30.8%
Commodities and Other Alternatives	4.0%	3.2%	3.4%
Cash (Cash, CP, Money Market, Governmental)	3.4%	7.7%	6.9%
Real Estate	<u>1.8%</u>	<u>1.3%</u>	<u>1.2%</u>
Total	100.0%	100.0%	100.0%

Actual endowment asset allocation, not policy targets (%) (for affiliated foundation if foundation manages endowment)

See **Attachment C** for new spending policy effective July 2023

Most recent Endowment Report for FY 2022 is provided as **Attachment D**; FY 2023 report is to be available Fall 2023

Endowment

- The University is shifting allocation ranges from 80% growth allocation, 10% diversifying allocation and 10% liquidity allocation to 85% growth allocation, 7.5% diversifying allocation and 7.5% liquidity allocation.
- The benchmark for volatility changed from 60/40 to 70/30.

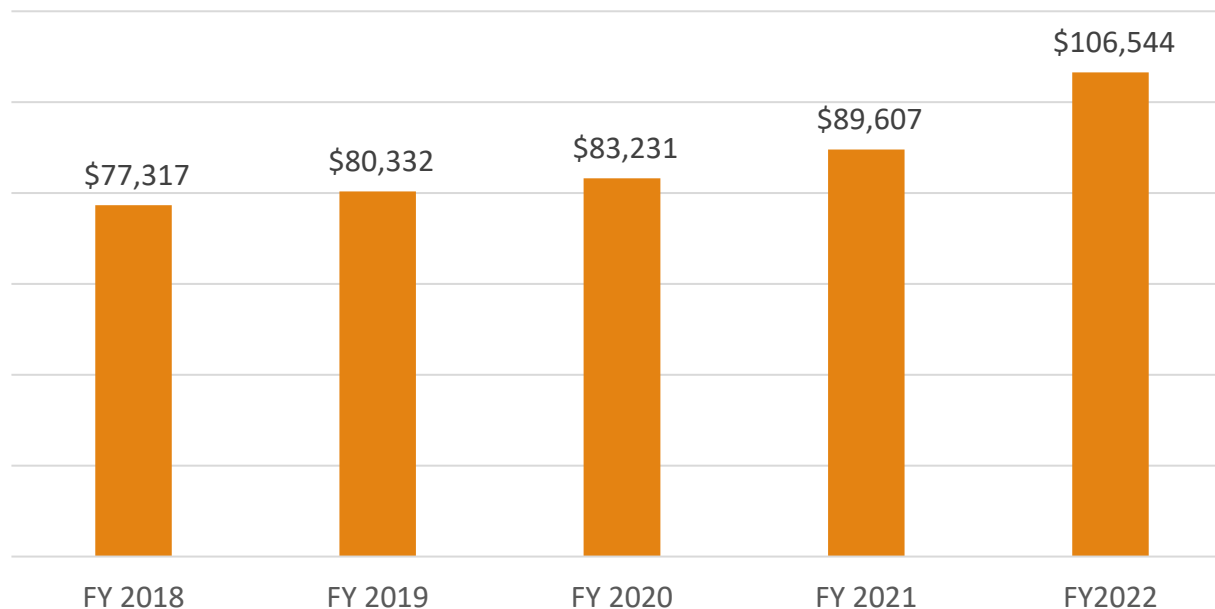
January 2023 estimated Asset Allocation:

Sub Portfolios		Estimated Current Allocation	Broad Allocation Actual	Broad Allocation Targets	Sub Portfolio Ranges	Sub Portfolio Variances*
Growth Allocation	Public Equity	38.3%	80.2%	85.0%	40-45%	-4.2%
	Private Growth	32.9%			35-40%	-4.6%
	Mkt. Directional HFs	9.0%			5-10%	1.5%
Diversifying Allocation	Diversifying HFs	10.3%	10.3%	7.5%	5-10%	2.8%
Liquidity Allocation	Fixed Income	3.6%	9.5%	7.5%	6.5%	-2.9%
	Inflation Liquidity	5.7%			--	5.7%
	Cash	0.2%			1.0%	-0.8%
Totals		100.0%	100.0%	100.0%		

University of Florida Investment Corporation

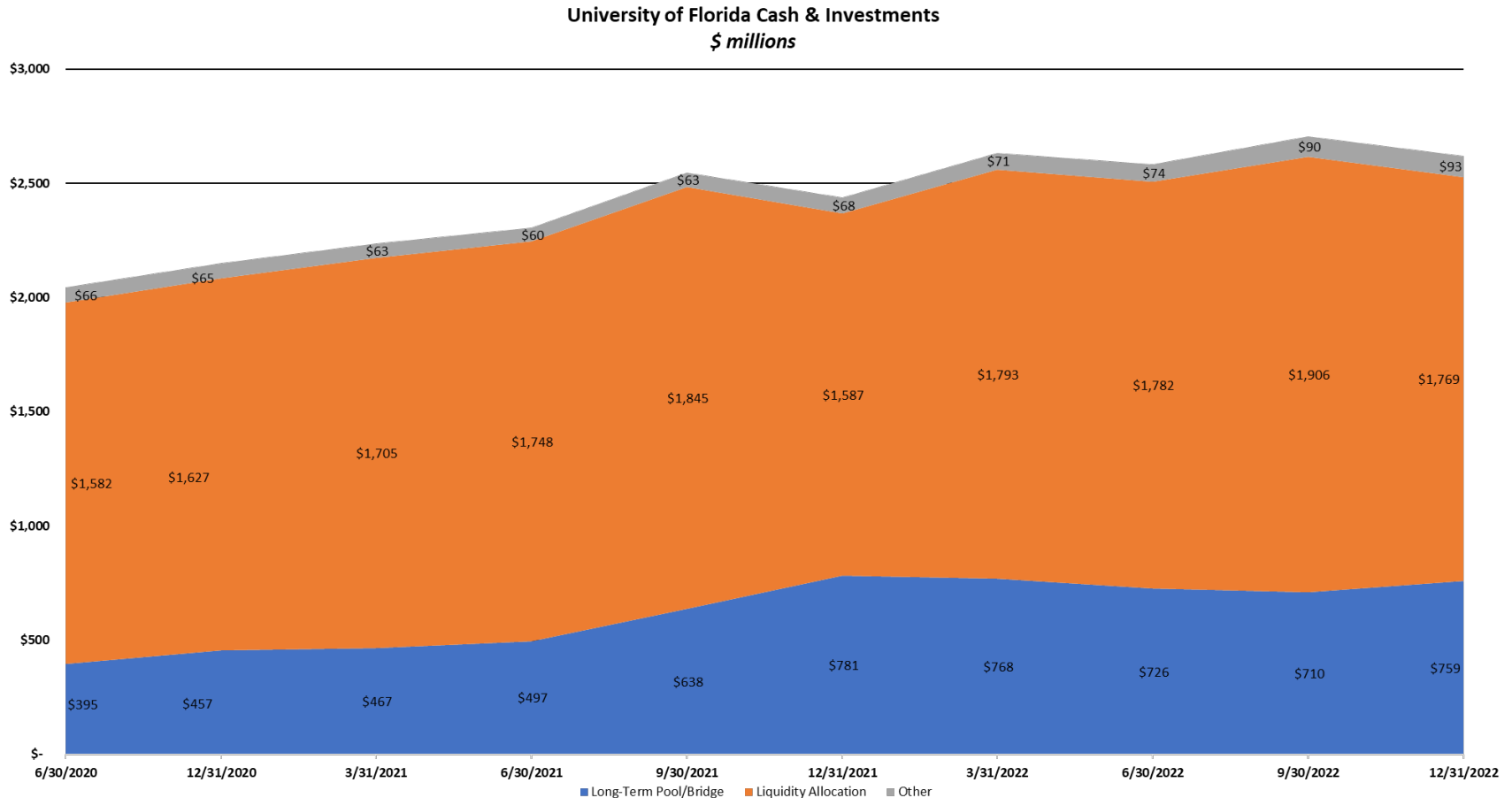
- The University of Florida Investment Corporation (UFICO) promotes the educational purposes of the University of Florida by providing investment research, advice, counsel, and management to and for the University Board of Trustees and affiliated organizations of the University.
- UFICO manages the University of Florida's Endowment as well as the University's Operating Funds and certain investments of other affiliated entities in accordance with their respective objectives & requirements.

Annual Endowment Payout to UF
\$ 000's



Operating Funds

The University's historic operating funds balances are shown below. Effective July 1, 2021, the University revised its operating funds investment policy to increase the amount permitted to be invested in the long-term pool.



Long-Term Pool: Long-term operating assets invested alongside the UF Endowment & a Bridge portfolio being transitioned into the Long-Term Pool
Liquidity Allocation: Short-term U.S. Treasuries & Florida Treasury SPIA portfolio
Other include internal loans & other non-core investments

Capital and Debt Plans

- The new student residential facility has been funded by the Series 2021A Dormitory Revenue Bonds and includes a Honors College scheduled to partially open in Fall 2023 and fully open Fall 2024.
- The University is exploring options for additional graduate student housing to replace residences to be demolished.
 - Maguire Village and University Village South will close July 2023.
 - The University is working with Capstone to acquire off campus housing and are issuing debt in April 2023
- The University is currently in the process of a P3 deal for the Central Energy Plant & Utilities Infrastructure
 - The University has hired Goldman Sachs to explore strategic alternatives
 - The University has an agreement with Duke Energy to provide a portion of the university's steam and chilled water needs that is scheduled to expire in 2027. The administration has been working for more than five years to address the University's significant steam and chilled water needs in a manner that meets safety and reliability requirements, continues our aggressive commitment to sustainability, and positions our campus for the future. This work is ongoing and will continue to be guided by the University's commitment to fiscal and environmental responsibility.
- The University has numerous other projects in various stages of design and construction. Generally, these projects are funded with Public Education Capital Outlay (PECO) monies generated from the collection of gross receipts taxes levied on utilities and telecommunication services. Various other funding sources may include state education and general capital funds, capital improvement fee trust fund, private funds, grants, etc.

Housing System Update

Fall Semester Occupancy

Fall	Capacity	Occupancy	Occupancy as a Percent of Capacity	Percent of Students Residing on Campus
2018	7656	7677	100.3%	20.5%
2019	7656	7755	101.3%	20.5%
2020	6987	5474	78.3%	14.5%
2021	7598	7529	99.1%	19.7%
2022	7598	7533	99.1%	19.8%

Notes

1. Decrease in Fall 2020 capacity is due to conversion of quads and triple occupancy rooms to double occupancy (loss of 164 beds) and the closure of buildings to use as isolation/quarantine spaces (loss of 505 beds) to comply with public health measures around the COVID-19 pandemic.
2. Fall 2020 demand was reduced as a result of the impacts of COVID-19.
3. Decrease in Fall 2021 capacity is due to the elimination of temporary triple spaces in response to the COVID-19 pandemic. Overall system capacity reduced from 7,656 to 7,598.

FY22 Budget to Actuals

Operating Revenue	Budgeted	Actual	Variance	Variance %
Residence Halls Rents	\$ 52,611,562	\$ 54,566,051	\$ 1,954,489	4%
Operating Expenses				
Salaries and Related Fringe Benefits	\$ 25,197,366	\$ 22,794,134	\$ (2,403,232)	-10%
Utilities	\$ 6,573,040	\$ 6,558,013	\$ (15,027)	0%
Repairs and Maintenance	\$ 5,389,441	\$ 4,773,883	\$ (615,558)	-11%
Small Furniture and Equipment	\$ 708,626	\$ 925,629	\$ 217,003	31%
Depreciation	\$ -	\$ 422,345	\$ 422,345	
Administrative Overhead	\$ 4,205,498	\$ 4,205,496	\$ (2)	0%
Other Expenses	\$ 741,535	\$ 1,011,538	\$ 270,003	36%
Total Operating Expenditures	\$ 42,815,506	\$ 40,691,038	\$ (2,124,468)	-5%
Operating Income	\$ 9,796,056	\$ 13,875,013	\$ 4,078,957	42%
Nonoperating Revenues (Expenses)				
Miscellaneous Revenue	\$ -	\$ 62,307	\$ 62,307	
CARES Act	\$ -	\$ 4,032,390	\$ 4,032,390	
Financial Scholarship Transfer	\$ (113,080)	\$ (72,694)	\$ 40,386	-36%
Loss on Equipment Disposals	\$ -	\$ (4,634)	\$ (4,634)	
Total Nonoperating Revenues (Expenses)	\$ (113,080)	\$ 4,017,369	\$ 4,130,449	-3653%
Income Before Transfers	\$ 9,682,976	\$ 17,892,382	\$ 8,209,406	85%
Transfers				
Capital contributions to plant fund	\$ (1,200,000)	\$ (5,791,595)	\$ (4,591,595)	383%
Debt Service Transfers	\$ (6,571,761)	\$ (6,597,726)	\$ (25,965)	0%
Total Transfers	\$ (7,771,761)	\$ (12,389,321)	\$ (4,617,560)	59%
Increase/(Decrease) in Net Position	\$ 1,911,215	\$ 5,503,061	\$ 3,591,846	188%

Operating Budget Variances

- Fiscal Year 2022 operating revenue was \$1.95m (or 4%) over budget.
 - We budgeted for 96% occupancy in fall and spring but had 99.1% and 97.8% respectively.
- Fiscal Year 2022 operating expenses were \$2.12m (or 5%) under budget.
 - Primary driver was staffing vacancies and turnover.
 - Repairs and maintenance came under budget due to change in scope of various projects that required capitalization.
 - Small furniture and equipment came over budget due to furniture projects in Murphree Hall.
 - Other expenses came over budget due to the implementation of a new housing management software and the timing of payments.
- Non-Operating Revenues: The University reimbursed approximately \$4.03 million from funds received under the CARES Act for net revenues lost during the COVID-19 pandemic.
- Capital contributions to Plant Fund was almost 4x greater than budgeted.
 - Housing carried out a complex-wide capital reinvestment project to repair HVAC and pressurization issues in the 9 residential buildings of the Keys Complex. The original work was meant to be HVAC repairs but upon evaluation, there was a need to increase the scope and capitalize the project.

FY20-22 Operating Results

Operating Revenue	FY2020	FY2021	FY2022	Budget FY2023
Residence Halls Rents	\$ 47,775,865	\$ 40,160,524	\$ 54,566,051	\$ 55,763,789
Operating Expenses				
Salaries and Related Fringe Benefits	\$ 23,542,109	\$ 20,955,737	\$ 22,794,134	\$ 24,537,787
Utilities	\$ 6,836,928	\$ 6,130,017	\$ 6,558,013	\$ 7,289,220
Repairs and Maintenance	\$ 3,234,561	\$ 2,710,524	\$ 4,773,883	\$ 8,429,334
Small Furniture and Equipment	\$ 232,945	\$ 619,130	\$ 925,629	\$ 1,709,555
Depreciation	\$ 569,066	\$ 483,859	\$ 422,345	\$ -
Administrative Overhead	\$ 4,861,559	\$ 4,889,746	\$ 4,205,496	\$ 3,967,708
Other Expenses	\$ 1,210,758	\$ 879,938	\$ 1,011,538	\$ 855,492
Total Operating Expenditures	\$ 40,487,926	\$ 36,668,951	\$ 40,691,038	\$ 46,789,096
Operating Income	\$ 7,287,939	\$ 3,491,573	\$ 13,875,013	\$ 8,974,693
Nonoperating Revenues (Expenses)				
Miscellaneous Revenue	\$ 179,150	\$ 472,728	\$ 62,307	\$ -
CARES Act	\$ 7,262,195	\$ -	\$ 4,032,390	\$ -
Financial Scholarship Transfer	\$ (85,197)	\$ (92,887)	\$ (72,694)	\$ -
Loss on Equipment Disposals	\$ (3,603)	\$ (26,212)	\$ (4,634)	\$ -
Total Nonoperating Revenues (Expenses)	\$ 7,352,545	\$ 353,629	\$ 4,017,369	\$ -
Income Before Transfers	\$ 14,640,484	\$ 3,845,202	\$ 17,892,382	\$ 8,974,693
Transfers				
Capital contributions to plant fund	\$ (4,398,512)	\$ (556,397)	\$ (5,791,595)	\$ (2,025,000)
Debt Service Transfers	\$ (6,873,718)	\$ (6,898,612)	\$ (6,597,726)	\$ (6,580,000)
Total Transfers	\$ (11,272,230)	\$ (7,455,009)	\$ (12,389,321)	\$ (8,605,000)
Increase/(Decrease) in Net Position	\$ 3,368,254	\$ (3,609,807)	\$ 5,503,061	\$ 369,693
Net Position, beginning of year	\$ 10,089,552	\$ 13,457,806	\$ 9,847,999	\$ 15,351,060
Net Position, end of year	\$ 13,457,806	\$ 9,847,999	\$ 15,351,060	\$ 15,720,753

FY23-26 Operating Projections

Operating Revenue	Budget FY2023	FY2024	FY2025	FY2026
Residence Halls Rents	\$ 55,763,789	\$ 63,542,346	\$ 72,629,723	\$ 75,788,407
Operating Expenses				
Salaries and Related Fringe Benefits	\$ 24,537,787	\$ 26,353,556	\$ 28,432,138	\$ 29,285,102
Utilities	\$ 7,289,220	\$ 6,994,019	\$ 7,784,762	\$ 8,018,305
Repairs and Maintenance	\$ 8,429,334	\$ 6,994,019	\$ 7,784,762	\$ 8,018,305
Small Furniture and Equipment	\$ 1,709,555	\$ 1,398,803	\$ 1,556,953	\$ 1,603,661
Depreciation	\$ -	\$ -	\$ -	\$ -
Administrative Overhead	\$ 3,967,708	\$ 3,617,595	\$ 4,282,100	\$ 4,294,300
Other Expenses	\$ 855,492	\$ 1,202,972	\$ 1,338,979	\$ 1,379,149
Total Operating Expenditures	\$ 46,789,096	\$ 46,560,964	\$ 51,179,694	\$ 52,598,822
Operating Income	\$ 8,974,693	\$ 16,981,382	\$ 21,450,029	\$ 23,189,585
Nonoperating Revenues (Expenses)				
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
CARES Act	\$ -	\$ -	\$ -	\$ -
Financial Scholarship Transfer	\$ -	\$ -	\$ -	\$ -
Loss on Equipment Disposals	\$ -	\$ -	\$ -	\$ -
Total Nonoperating Revenues (Expenses)	\$ -	\$ -	\$ -	\$ -
Income Before Transfers	\$ 8,974,693	\$ 16,981,382	\$ 21,450,029	\$ 23,189,585
Transfers				
Capital contributions to plant fund	\$ (2,025,000)	\$ (3,500,000)	\$ (3,500,000)	\$ (3,500,000)
Debt Service Transfers	\$ (6,580,000)	\$ (5,697,500)	\$ (17,482,963)	\$ (17,477,363)
Total Transfers	\$ (8,605,000)	\$ (9,197,500)	\$ (20,982,963)	\$ (20,977,363)
Increase/(Decrease) in Net Position	\$ 369,693	\$ 7,783,882	\$ 467,066	\$ 2,212,222
Net Position, beginning of year	\$ 15,720,753	\$ 16,090,446	\$ 23,874,328	\$ 24,341,394
Net Position, end of year	\$ 16,090,446	\$ 23,874,328	\$ 24,341,394	\$ 26,553,616

Projected Debt Service Coverage

- Occupancy assumptions are 96% for FY2023 and beyond for existing facilities and 100% for FY2024 and beyond for the new facility
- Projections assume 4.5% annual rental rate increase and 3% annual growth in expenses
 - University's Board of Trustees has approved annual rate increases of up to 4.5% for FY 2022 through FY 2026 to help fund the Housing Master Plan
 - Prior to FY22, last rate increase was in 2015

	FY2020	Actual FY2021	FY2022	Budget FY2023	FY2024	Projected FY2025	FY2026
Residence Halls Rents	\$ 47,775,865	\$ 40,160,524	\$ 54,566,051	\$ 55,763,789	\$ 63,542,346	\$ 72,629,723	\$ 75,788,407
Less: Current Expenses	\$ (35,057,301)	\$ (31,295,346)	\$ (36,063,197)	\$ (42,821,388)	\$ (42,943,369)	\$ (46,897,594)	\$ (48,304,522)
Pledged Revenues	\$ 12,718,564	\$ 8,865,178	\$ 18,502,854	\$ 12,942,401	\$ 20,598,977	\$ 25,732,129	\$ 27,483,885
 Annual Debt Service	 \$ 6,891,763	 \$ 6,893,363	 \$ 6,571,761	 \$ 6,580,000	 \$ 5,697,500	 \$ 17,482,963	 \$ 17,477,363
Maximum Annual Debt Service	\$ 6,898,919	\$ 17,483,763	\$ 17,483,763	\$ 17,483,763	\$ 17,483,763	\$ 17,483,763	\$ 17,483,763
 Debt Service Coverage:							
Annual Debt Service	1.85	1.29	2.82	1.97	3.62	1.47	1.57
Maximum Annual Debt Service	1.84	0.51	1.06	0.74	1.18	1.47	1.57

1. Current Expenses are operating expenses of the Housing System as defined in the Resolution, which is net of depreciation and administrative overhead paid to the University.
2. Maximum Annual Debt Service for FY2021 and thereafter includes debt service on the 2021A Bonds. However, debt service due on the 2021A Bonds through FY2024 will be paid with capitalized interest funded by proceeds of the 2021A Bonds.
3. FY2024 revenue will increase due to the partial opening of Honors Village in Fall 2023. Expenses will stay flat due to the closure of UVS and Maguire Villages.
4. FY2025 revenue and expenses will increase due to the full opening of Honors Village in Fall 2024.

Transportation and Parking Services Update

Projected Debt Service Coverage

	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Forecast	Projected Budget
Operating Revenue				
Permit and Reserved Space Sales	\$ 8,852,808	\$ 8,995,372	\$ 9,500,000	\$ 9,500,000
Visitor and Patient Toll Parking	1,516,119	1,525,563	1,458,000	1,350,000
Fines Revenue	532,162	1,305,633	1,200,000	1,200,000
Other Revenues	1,159,184	2,211,547	2,180,000	2,103,000
Total Operating Revenues	\$ 12,060,273	\$ 14,038,115	\$ 14,338,000	\$ 14,153,000
Current Expenses¹				
Salaries and Personnel Services	\$ 4,299,966	\$ 4,490,723	\$ 4,602,199	\$ 5,092,000
Bus Rent ³	321,166	494,378	500,000	600,000
Maintenance, Materials and Supplies	473,476	495,771	575,000	625,000
Utilities	491,330	529,096	557,000	641,000
Other Operating Expenses	666,758	854,035	1,309,000	1,024,000
Total Current Expenses	\$ 6,252,696	\$ 6,864,003	\$ 7,543,199	\$ 7,982,000
Investment Income	17,297	7,837	8,000	8,000
Pledged Revenues	\$ 5,824,874	\$ 7,181,949	\$ 6,802,801	\$ 6,179,000
Total Annual Debt Service	\$ 3,568,400	\$ 3,566,025	\$ 3,568,650	\$ 3,570,900
Pledged Revenues for Debt Service and Available for other Expenses/Transfers	\$ 2,256,474	\$ 3,615,924	\$ 3,234,151	\$ 2,608,100
Maximum Annual Debt Service	\$ 3,570,900	\$ 3,570,900	\$ 3,570,900	\$ 3,570,900
Debt Service Coverage Ratios				
Total Annual Debt Services	1.63	2.01	1.91	1.73
Maximum Annual Debt Service	1.63	2.01	1.91	1.73

¹Excludes depreciation and general administrative overhead charges to the University, which are excluded from Current Expenses for purposes of calculating Pledged Revenues.
Fiscal Year 2022-2023 current forecast for Permit and Reserved Space Sales is trending upward due to an increase of student and nonstudent presence on campus on a regular basis

Operating Budget

		Comparison of Budget to Actual (in thousands)				
		2021-22				
						2023-24
	2020-21				2022-23	Preliminary
	Actual	Budget	Actuals	Difference	Budget	Budget
Operating Revenue						
Permit and Reserved Space Sales	\$ 8,853	\$ 9,200	\$ 8,995	\$ (205)	\$ 9,500	\$ 9,500
Visitor and Patient Toll Parking	1,516	1,400	1,526	126	1,350	1,350
Fines Revenue	532	1,180	1,306	126	1,075	1,200
Other Revenue	1,159	1,832	2,211	379	1,998	2,103
Total operating revenues	\$ 12,060	\$ 13,612	\$ 14,038	\$ 426	\$ 13,923	\$ 14,153
Operating Expenses						
Salaries/Other Personnel Services	\$ 4,300	4,911	\$ 4,490	\$ (421)	\$ 5,738	5092
Maintenance, Materials & Supplies	473	616	496	(120)	575	625
Utilities	491	522	529	7	559	641
Bus Rent	321	350	494	144	350	600
Bad Debt Expenses	1	30	220	190	30	30
Depreciation	3,301	3,365	3,258	(107)	3,300	3,300
Administrative Overhead	850	808	808	-	750	800
Compensated Absences	-	25	36	11	25	25
Other Operating Expenses	669	928	854	(74)	1,004	1024
Total operating expense	\$ 10,406	\$ 11,555	\$ 11,185	\$ (370)	\$ 12,331	\$ 12,137
Results of Operations	\$ 1,654	\$ 2,057	\$ 2,853	\$ 796	\$ 1,592	\$ 2,016
Non-operating Revenues (Expenses)						
Investment income	\$ 17	\$ 18	\$ 8	\$ (10)	\$ 17	\$ 8
Other non-operating Revenues						
Transfers In	4,628	4,795	4,687	(108)	4,513	3,914
Coronavirus Aid, relief and Economic Security Act		3,800	3,816	16		
Parking Mitigation Fee	3,640					
Interest expense	(1,722)	(1,571)	(1,306)	265	(1,531)	(1,416)
Gain/(Loss) on Disposal of Equipment	3					
Other Non-operating Expenses	(48)					(18)
Transfers Out	(6,022)	(5,922)	(5,015)	907	(4,837)	(3,721)
Transfer to PDC		(1,500)	(1,088)	412	(1,000)	(1,000)
Total Non-operating Revenues and Expense	\$ 6,518	\$ (380)	\$ 1,102	\$ 1,482	\$ (2,838)	\$ (2,233)
Net Increase (Decrease) in Fund Balance	\$ 8,172	\$ 1,677	\$ 3,955	\$ 2,278	\$ (1,246)	\$ (217)

Operating Budget Variances

In Fiscal Year 2021-22, the total operating revenue increased \$426,000

- Approximately 3% over budget
- Fines Revenue increased by almost 10% due to an increase in parking demand, resulting in higher number of citations issued.
- Other Revenue increased by 17% (or \$379,000) due to increased visitors participating in activities on campus. Revenues increased by \$350,000 at the Welcome Center, the Museum and meter parking.

Total operating expenses decreased by 3% or \$370,000

- Salaries /Other Personnel Services decreased by 9% (or \$421,000) due to unfilled positions in the department.
- Maintenance, Materials & Supplies decreased by 24% (or \$120,000). Transportation and Parking Service performed all essential maintenance on garages and lots but deferred any projects it could as cost savings measures.
- Bus rent increased by 29% (or \$144,000) due to an increase of a bus for 6 hours per day on Route 150 (Haile Plantation) beginning August 2021.

Parking Permits Sold

	2020-21	2021-22	2022-23
<u>Faculty/Staff Permit Type</u>			
Gated Plus			
Permit Count	783	751	n/a
Permit Cost	\$ 1,512	\$ 1,512	\$ 1,512
Gated			
Permit Count	980	960	n/a
Permit Cost	\$ 1,350	\$ 1,350	\$ 1,350
Multi-Access			
Permit Count	1,962	1,791	n/a
Permit Cost	\$ 570	\$ 570	\$ 570
Restricted Access			
Permit Count	12,001	12,000	n/a
Permit Cost	\$ 420	\$ 420	\$ 420
Commuter			
Permit Count	2,203	1,859	n/a
Permit Cost	\$ 216	\$ 216	\$ 216
Car Pool			
Permit Count	350	297	n/a
Permit Cost	\$ 198	\$ 198	\$ 198
Motorcycle/Scooter			
Permit Count	371	175	n/a
Permit Cost	\$ 210	\$ 210	\$ 210
Total Faculty/Staff Permits Sold³	18,650	17,833	n/a
<u>All Student Permits</u>			
Permit Count ³	15,328	21,282	n/a
Permit Cost	\$ 160	\$ 160	\$ 160
TOTAL PERMITS SOLD³	33,978	39,115	n/a

¹ The number of parking decals issued includes permits that were issued as replacements at no charge and those that were prorated throughout the permit year. Permit costs shown do not include (but are subject to) State sales tax.

² Parking permit cost is established each decal year which runs from September through August.

³ The total permits sold for 2022-23 will be finalized at fiscal year end.

Additional Information

Deferred Maintenance Needs

- The University engages an independent consultant (Walker Consultants) to assess the parking facilities and to recommend an annual repair and maintenance expense plan which is forecasted for the next ten years.
 - The annual identifiable and predictable repair and maintenance costs average approximately \$1.1 million. Additionally, the University established a policy for the end of fiscal year maintenance and equipment reserve for extraordinary items to equal three times the subsequent fiscal year's identifiable and predictable repair and maintenance costs in accordance with the Walker Consultants' ten-year prioritized plan.
 - The ending balance in the 2021-22 maintenance and equipment reserve is approximately \$3.3 million.

Expansion Plans

- The proposed construction of a one-level parking deck over an existing 237 space surface parking lot in the SW part of campus near the Veterinary Medicine facilities remains on the University's capital projects list. The project schedule has been reevaluated because Transportation and Parking Services' general reserves intended to fund this project were decreased by the operating deficits related to COVID-19.
 - The department has put plans to build Garage 15 on hold due to lack of funding for this project.

Student Activity Bonds Update

Historical Debt Service Coverage

- The levy and collection of Activity & Service Fees, which secure the bonds, was unaffected by COVID-19
 - Fee is charged for both in-person or online learning
- Student credit hours remained stable from FY 2021 to FY 2022, with that trend expected to continue in FY 2023
- Debt service remains very strong, at 9.47x in FY 2023

Fiscal Year Ended June 30			
	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Activity & Service Fees	\$19.06	\$19.06	\$19.06
x Student Credit Hours	1,582,188	1,617,291	1,607,419*
Pledged Revenues	\$30,156,503	\$30,825,566	\$30,637,406
Annual Debt Service	\$3,234,594	\$3,234,594	\$3,235,094
Coverage Ratio	9.32x	9.53x	9.47x
Maximum Annual Debt Service	\$3,235,844	\$3,235,844	\$3,235,844
Coverage Ratio	9.32x	9.53x	9.47x

*Preliminary