

From: Christina Tant
Sent: Thursday, May 3, 2018 8:24 AM
To: JEFF BRIZENDINE
Cc: Tracy Clark; Lee Kernek; William Merck; Robert Taft; Kathy Mitchell
Subject: RE: E&G Funding for Research 1 and Colburn Hall Construction
Attachments: 2016-17 E&G Beg Carryforward Comp Template for OB.PDF; 2017-18 EG Beg Carryforward Comp Template for OB.PDF; OB13 Beg Fund Balance Composition.pdf; 5_UCF_2012_E&G Beg Fund Balance Composition.pdf; 2015-16 E&G Beg Carryforward Comp for OB.PDF

Jeff,

According to BOG staff there isn't any Florida-specific authoritative guidance that defines deferred maintenance projects, outside of the natural definition of the term itself. There are many ways of expressing it, but for us (as for our sister universities), it boils down to postponing maintenance activities due to lack of funds. We often lump deferred maintenance and capital renewal together under one label, which BOG staff has allowed us to do.

The schedules that you requested are attached. The amounts included for Colburn Hall were based on the estimate we were working with at the time of the OB submission, as shown below.

		Colburn Hall		
	Deferred Maintenance on OB Submission	Project Est as of OB Submission	Transferred as of OB Submission	Included in Estimate
Aug 17, 2013	15,147,799	8,000,000	-	8,000,000
Aug 19, 2014	20,155,861	28,000,000	(10,000,000)	18,000,000
Aug 18, 2015	12,748,600	38,000,000	(28,000,000)	10,000,000

From: JEFF BRIZENDINE [mailto:JEFFBRIZENDINE@aud.state.fl.us]
Sent: Monday, April 30, 2018 7:00 AM
To: Christina Tant
Subject: RE: E&G Funding for Research 1 and Colburn Hall Construction

Christy,

Please provide the E&G Operating Budget Beginning Carryforward Fund Balance Composition schedules for 2011-12, 2012-13, 2015-16, 2016-17, and 2017-18.

Also, please provide any authoritative guidance that defines "deferred maintenance projects".

Thanks,

Jeff Brizendine, CPA
State of Florida, Auditor General's Office
X32955



From: Christina Tant [<mailto:Christy.Tant@ucf.edu>]

Sent: Thursday, April 26, 2018 6:52 PM

To: JEFF BRIZENDINE <JEFFBRIZENDINE@aud.state.fl.us>

Cc: Lee Kernek <Lee.Kernek@ucf.edu>; Tracy Clark <Tracy.Clark@ucf.edu>; Kathy Mitchell <Kathryn.Mitchell@ucf.edu>; Robert Taft <Robert.Taft@ucf.edu>; William Merck <William.Merck@ucf.edu>; Angie Carloss <Angie.Carloss@ucf.edu>

Subject: RE: E&G Funding for Research 1 and Colburn Hall Construction

Jeff,

The amounts noted below for Research I represent furniture and equipment and lab buildout. These are operating costs commonly funded from E&G funds. However, the actual construction of the building was funded from non-E&G funds as illustrated on the schedule previously provided by Phillip Henson.

The construction of Colburn Hall was fully funded from centrally held E&G carryforward funds.

Planning for the deferred maintenance of the existing building began in 2012/ 2013 as a result of a third party analysis that concluded there were defects in its structural components and building skin resulting in life safety concerns. PECO/ state funds were requested but not received. The life safety issues caused the University to plan for funding the repairs from carryforward funds. Various options were later evaluated and discussed with the Board of Trustees. In May 2014 they voted to move forward with the construction of a new building and renovation of the existing building. The intended use of carryforward funds was disclosed in that meeting. It was later determined that the construction of a new building and demolition of the old building was in the best interest of the university and that was approved by the Board of Trustees in July 2016. The project really evolved over time, but the obligation to protect the health of the building occupants and lack of PECO funding led to the use of the funds earmarked for renovation towards the construction of the new building. Meeting materials and minutes are attached for reference.

The planned use of carryforward funds for deferred maintenance was disclosed on the attached templates in our annual operating budget to the Board of Governors.

Let me know if you would like more information.

Thanks,

Christy Tant, CPA

Assistant Vice President and Controller, Finance and Accounting



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Finance and Accounting
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From: Lee Kernek

Sent: Thursday, April 19, 2018 11:37 AM

To: Christina Tant

Cc: JEFF BRIZENDINE

Subject: Re: E&G Funding for Research 1 and Colburn Hall Construction

Christy, please respond to to Jeff. Thanks!

On Apr 19, 2018, at 9:10 AM, JEFF BRIZENDINE <JEFFBRIZENDINE@aud.state.fl.us> wrote:

Lee,

In reviewing the funding sources for the Research 1 and Colburn Hall projects, we have noted account 615001 (Transfers From E&G). Please provide documentation that allows for E&G funds to be used for expenses other than those approved by the Board of Trustees in the Operating Budget.

Here are the amounts recorded under account 615001:

Project	Research 1	Colburn Hall
92010026	\$3,000,000	
92010048	\$6,000,000	
92010022		\$23,648,141

Thanks,

Jeff Brizendine, CPA
State of Florida, Auditor General's Office
X32955