RESERVES AND DEFINITIONS

$518,357
PLANT REPAIR / REPLACEMENT
This reserve is the remainder of any carry-forward balances (unspent expenses and surplus income), after the operating reserve obligation is met. With the long-term facility needs of University Centers, this reserve would ideally sit between $3-4 million each year.

$2,000,000
EMERGENCY
This reserve is calculated at 25% of the debt service payment (mandated by the bond covenant) plus 25% of non-fee income (three months operating), which currently totals $2 million. This reserve meets the debt-service obligation and provides an operating safety net.

UNIVERSITY CENTERS RESERVES
In support of financial best practices and long term planning, University Centers maintains two reserves.