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.

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.

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

**$2,726**

**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.

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