



USF Financing Corporation and USF Property Corporation

ANNUAL REPORT TO THE BOARD

Annual Meeting – November 7, 2023

Presented by: Fell L. Stubbs, Executive Director

LONG-TERM FINANCING OBJECTIVES

- Provide low-cost, low-risk, long-term financing for the University's major capital projects
- Maintain strong credit ratings: University, Housing and Parking systems, and Marshall Center
- Negotiate sound credit structures supporting each bond series
- Seek low-cost capital by accessing public and private markets
- Comply with BOT Debt Management Policy,

Annun

HIGHLIGHTS OF THE PAST YEAR (CONTINUED)

Construction Projects

\$46.5 million, 100,000 square-foot Sarasota-Manatee Housing and Student Center Project

- Florida Board of Governors approval on September 14, 2022
- \$30 million COPs issued October 31, 2022; \$16.5 million balance funded by an equity contribution from the University
- Comprised of 32,000 sf student center, 68,000 sf student housing residential facility to accommodate 200 students
- \$5.9 million spent through FY 2023
- Construction is expected to be completed in May 2024

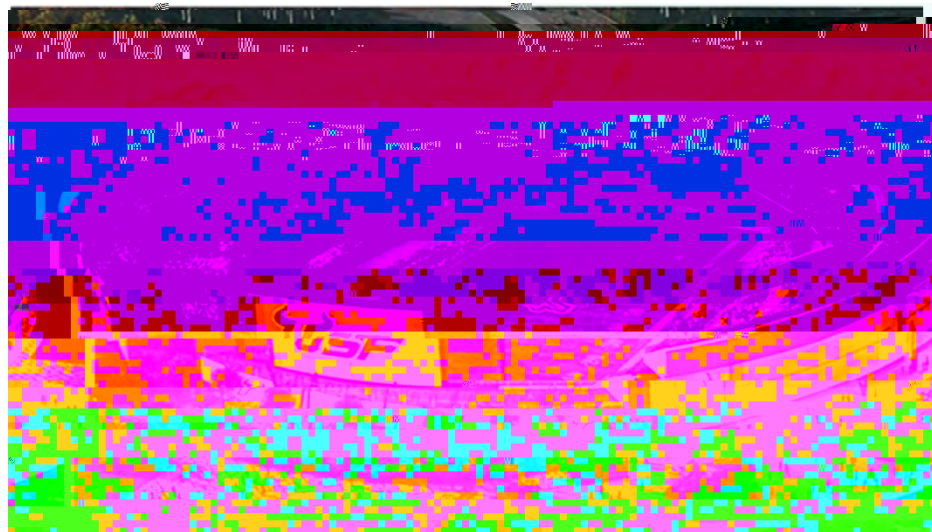


HIGHLIGHTS OF THE PAST YEAR (CONTINUED)

Construction Projects (Continued)

\$200 million, 35,000-person capacity Stadium Project to be located on the Tampa campus

- o Florida Board of Governors final approval on September 8, 2023
- o Project financing to be provided through issuance of debt by the Corporation in an amount not to exceed \$200 million, together with equity contribution of approximately \$140 million in cash from the University
- o The debt will consist of a privately placed bank loan, bear interest at a fixed, taxable rate and mature not more than 20 years after issuance
- o Design work began in October 2022 and construction is expected to begin following loan closing
- o Construction is expected to be completed July 2026 or 2027





HIGHLIGHTS OF THE PAST YEAR (CONTINUED)

Bond System Management

Ratings

- September 2022 - Moody's assigned its 'A1' rating to the new Series 2022 Housing Certificates, affirmed its 'A1' ratings for the USF Housing System, affirmed its 'Aa3' rating for the USF Marshall Center and affirmed its 'Aa2' issuer rating for the University, all with a Stable outlook.
- September 2022 - S&P assigned its 'A+' rating on the new Series 2022 Housing Certificates, affirmed its 'A+' rating for the USF Housing System, affirmed its 'AA' rating for the USF Marshall Center, and affirmed its 'AA' issuer rating for the University, all with a Stable outlook

Managed debt service cash flows of \$65 million

Managed bond covenant and tax compliance for Housing, Health, Athletic and Research Bond System

Independent Auditors – Unmodified Opinion, with No Findings

Managed \$337 million of long-term bonds for USF Financing Corporation – 15 Series

Managed \$49 million interest rate swap – hedging the Series 2012B Housing variable-rate COPs with Royal Bank of Canada as counterparty



OUTSTANDING DEBT AND SWAPS AS OF JUNE 30, 2023

			Moody's	S&P	INTEREST RATES (%)	TAXABLE / TAX-EXEMPT	MATURITY DATE	
Refunding Certificates of Participation, Series 2012A - Housing System	5/6/2015	Public Fixed Rate Bonds	A1	A+	3.65	Tax Exempt	2035	\$78.6
Refunding Certificates of Participation, Series 2012B - Housing System	10/1/2012	Direct Placement Variable Rate Bonds / Fixed w/ Swap	NR	NR	4.67	Tax Exempt	2037	\$48.8
Refunding Certificates of Participation, Series 2015A - Housing System	5/6/2015	Public Fixed Rate Bonds	A1	A+	2.00	Tax Exempt	2023	\$2.1
Certificates of Participation, Series 2018 - Housing System	1/16/2019	Public Fixed Rate Bonds	A1	A+	3.99	Tax Exempt	2048	\$30.2
Refunding Certificates of Participation, Series 2019 - Housing System	1/16/2019	Public Fixed Rate Bonds	A1	A+	3.68	Tax Exempt	2040	\$14.8
Certificates of Participation, Series 2022 - Housing System	10/31/2022	Public Fixed Rate Bonds	A1	A+	4.81	Tax Exempt	2052	\$29.9
USF Financing Corporation - H7(rTe5A ()793107) -.099 -1.3039 TD -.0216 Tc .02)TJ -151 -1792424(0)(6319s3Nm.3(o).2								\$204.4
Refunding Certificates of Participation, Series 2013A - Health System (Converted to Taxable 10/1/21)	9/3/2013	Direct Placement Fixed Rate Bonds	NR	NR	3.43	Taxable	2036	\$28.2
Refunding Certificates of Participation, Series 2013B - Health System (Converted to Taxable 10/1/21)	9/3/2013	Direct Placement Fixed Rate Bonds	NR	NR	4.29	Taxable	2037	\$15.0
Bank Loan, Series 2018 - CAMLS	8/31/2020	Direct Placement Fixed Rate Bonds	NR	NR	2.25	Tax Exempt	2031	\$10.9
					3.43%			\$54.1

(Continued on Next Page)



OUTSTANDING DEBT AND SWAPS AS OF JUNE 30, 2023 (CONTINUED)

Bank Loan, Series 2018A - Athletics	8/31/2020	Direct Placement Fixed Rate Bonds	NR	NR	2.25	Tax Exempt	2030	\$5.3
Bank Loan, Series 2018B - Athletics	8/31/2020	Direct Placement Fixed Rate Bonds	NR	NR	2.25	Tax Exempt	2031	\$7.4
Bank Loan, Series 2013 - Arena Taxable Revenue Bonds	9/27/2013	Direct Placement Fixed Rate Bonds	NR	NR	4.78	Taxable	2033	\$13.3
USF Financing Corporation - Athletics					3.55%			\$26.0
Refunding Revenue Bonds, Series 2015 - Marshall Student Center	5/6/2015	Public Fixed Rate Bonds	Aa3	AA	3.43	Tax Exempt	2036	\$25.5
USF Financing Corporation - Marshall Center					3.43%			\$25.5
Mortgage Loan Agreement Series 2019 Taxable Promissory Note	5/1/2019	Mortgage Loan	NR	NR	4.33	Taxable	2031	\$2.7
Bank Loan, Series 2019 Taxable Promissory Note	12/16/2019	Direct Placement Fixed Rate Loan	NR	NR	3.22	Taxable	2039	\$24.2
USF Financing Corporation - Research					3.33%			\$26.9
TOTAL USF FINANCING CORPORATION					3.84%			\$336.9

18-YEAR CORPORATE TRACK RECORD

USF Financing/Property Corporation – University’s Special Purpose Financing Arm

The Corporations play a large and strategic role for the University by providing an economical, efficient and unified plan of financing that considers the University’s mission, goals and strategic plan.

The USF Board of Trustees approved formation of the Corporations in December 2004; operations commenced in March 2005.

\$1.84 billion in Financing Transactions Closed

\$580 million of Projects Developed

2.1 million sq ft of Projects Developed

\$367 million in total Corporate Assets

\$337 million of Corporate Debt outstanding as of June 30, 2023

3.84% Long-Term Cost of Capital (tax-exempt and taxable debt)

USF Financing Systems

Housing – “A1/A+”-rated \$204 million system supported by student fees.

- Includes Tampa housing, St. Petersburg housing, parking, student center, Sarasota housing and student center

Marshall Student Center – “Aa3/AA”-rated \$26 million revenue bond Series supported by student fees.

Health – unrated \$54 million system supported by USF medical facilities revenue.

- 2 state-of-the-art medical clinics, a medical office building and CAMLS



GOVERNANCE STRUCTURE

USF Financing/Property Corporation (USFFC/USFPC) Directors and Officers

Board of Directors

<u>Name</u>	<u>Term</u>	<u>4-Year Term Ending</u>
Erin S. Aebel	First	2025
Andrew J. Mayts	First	2026
Linda O. Simmons	First	2024
Jose E. Valiente	First	2024
Rhea F. Law, USF President		N/A
Jennifer Condon, USF Chief Financial Officer		N/A

Corporate Officers

<u>Name</u>	<u>Position</u>	<u>2-Year Term Ending</u>
Linda O. Simmons	Chair (USFFC), Sec/Treas (USFPC)	2024
Erin S. Aebel	Chair (USFPC), Sec/Treas (USFFC)	2024
Hilary Black	Assistant Secretary (USFFC/PC)	2024
Dawn Rodriguez	Assistant Secretary (USFFC/PC)	2024
Dawn Rodriguez	Deputy Director	2025
Fell L. Stubbs	Executive Director	N/A

GOVERNANCE STRUCTURE

Board of Directors Composition and Term Limits

At least 5, but no more than 7, members; appointed as follows:

- One Director appointed by the Chair of the USF Board of Trustees
- One Director shall be the USF President or designee
- One Director shall be the USF CFO or designee
- Up to four additional directors, once appointed and approved by the USF Board of Trustees, may be elected at the annual meeting of the Board of Directors by the then current members of the Board of Directors
- The USF Board of Trustees shall approve all appointments to the Board of Directors

Terms of Office:

-