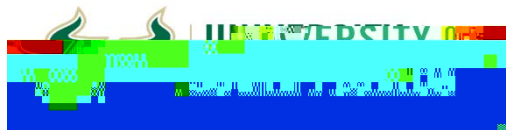


USF Financing Corporation and
USF Property Corporation

ANNUAL REPORT TO THE BOARD

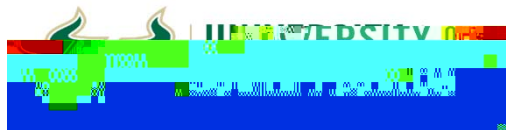


LONG-TERM FINANCING OBJECTIVES

- x Provide low-cost, low-risk, long-term financing for the University’s major capital projects
- x Maintain strong credit ratings: USF, Housing, Marshall Center, and Parking systems
- x Negotiate sound credit structures supporting each bond series
- x Seek low-cost capital by accessing public and private markets
- x Capitalize on opportunities to convert variable to fixed rates, reduce credit risks, reduce swaps, and refund at call dates to lock-in low interest rates

Cumulative Public / Private Transactions

	PUBLIC BONDS	PRIVATE PLACEMENTS	TOTAL TRANSACTIONS
Number of Closed Transactions	19	19	38
\$ of Closed Transactions	\$1.1 Billion	\$0.6 Billion	\$1.7 Billion
Outstanding Debt (as of 6/30/19)	\$179 Million	\$167 Million	\$346 Million



HIGHLIGHTS OF THE PAST YEAR

Closed Transactions

- x January 16, 2019 \$32 million Series 2018 Housing COPs – Public debt issuance
 - o To fund the construction of a new 375-bed housing and dining facility on the USF St. Petersburg campus.
 - o 30-year, tax-exempt, fixed interest rate of 3.99%

- x January 16, 2019 \$15 million Series 2019 Housing Refunding COPs – Public debt issuance
 - o To advance refund and defease the Series 2010B Housing Build America Bonds
 - o \$1.8 million in net present value savings
 - o 21-year, tax-exempt, fixed interest rate of 3.68%
 - o No change to final maturity date of 2040

- x May 1, 2019 \$3.6 million Series 2019 Conventional Mortgage Loan – Private placement
 - o To finance the purchase of a building (UDI) and assumption of a subleasehold interest in the USF Research Park
 - o 12-year, taxable, fixed interest rate of 4.33%
 - o The building is master leased to the USF Research Foundation until 2069, unless sooner terminated.

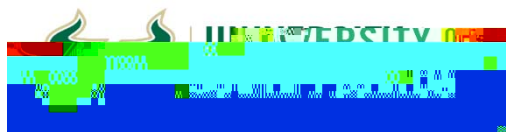
HIGHLIGHTS OF THE PAST YEAR (CONTINUED)

Construction Projects

- x \$33 million, 375-bed USF St. Petersburg Housing & Dining Project
 - o Florida Board of Governors final approval on November 8, 2018
 - o Bonds issued January 16, 2019o

NEAR-TERM INITIATIVES

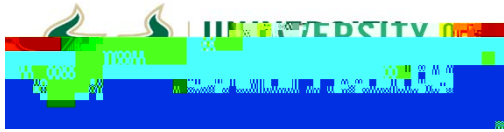
USF Research Park Laborato



OUTSTANDING DEBT AND SWAPS AS OF JUNE 30, 2019

DEBT ISSUE	DATE ISSUED	DEBT STRUCTURE	CURRENT RATINGS *		INTEREST RATES (%)	TAXABLE / TAX-EXEMPT	MATURITY DATE	TOTAL DEBT OUTSTANDING (including unamortized premiums/discounts)
			Moody's	S&P				
Certificates of Participation, Series 2010A - Housing System	12/23/2010	Public Fixed Rate Bonds	A1	A+ (Positive Outlook)	4.42	Tax Exempt	2020	\$800,013
Refunding Certificates of Participation, Series 2012A - Housing System (Remarketed bonds issued 10/1/12; Refunded Series 2005B issued 5/25/05)	5/6/2015	Public Fixed Rate Bonds	A1	A+ (Positive Outlook)	3.65	Tax Exempt	2035	\$83,134,845
Refunding Certificates of Participation, Series 2012B - Housing System (Amended 7/1/18; Extended 9/29/17; Refunded Series 2007 issued 9/25/07)	10/1/2012	Direct Placement Variable Rate Bonds / Synthetically Fixed	NR	NR	4.67	Tax Exempt	2037	\$57,750,000
Refunding Certificates of Participation, Series 2015A - Housing System (Refunded Series 2005A issued 5/25/05)	5/6/2015	Public Fixed Rate Bonds	A1	A+ (Positive Outlook)	2.00	Tax Exempt	2023	\$15,793,686
Certificates of Participation, Series 2018 - Housing System	1/16/2019	Public Fixed Rate Bonds	A1	A+ (Positive Outlook)	3.99	Tax Exempt	2048	\$32,086,260
Refunding Certificates of Participation, Series 2019 - Housing System (Refunded Series 2010B BABs issued 12/23/10)	1/16/2019	Public Fixed Rate Bonds	A1	A+ (Positive Outlook)	3.68	Tax Exempt	2040	\$16,490,895
USF Financing Corporation - Housing					3.87%			\$206,055,699
Refunding Certificates of Participation, Series 2013A - Health System (Amended 7/1/18; Converted from variable to fixed 7/1/16; Refunded Series 2006A issued 3/16/06)	9/3/2013	Direct Placement Fixed Rate Bonds	NR	NR	2.71	Tax Exempt	2036	\$34,835,000
Refunding Certificates of Participation, Series 2013B - Health System (Converted from variable to fixed 7/1/18; Refunded Series 2007 issued 11/19/07)	9/3/2013	Direct Placement Fixed Rate Bonds	NR	NR	3.39	Tax Exempt	2037	\$17,925,000
Bank Loan, Series 2018 - CAMLS (Refunded BABs Series 2010 issued 12/15/10)	3/9/2018	Direct Placement Fixed Rate Bonds	NR	NR	3.51	Tax Exempt	2031	\$14,721,993
USF Financing Corporation - Health					3.07%			\$67,481,993

(Continued on Next Page)



OUTSTANDING DEBT AND SWAPS AS OF JUNE 30, 2018 (CONTINUED)

DEBT ISSUE	DATE ISSUED	DEBT STRUCTURE	CURRENT RATINGS *		INTEREST RATES (%)	TAXABLE / TAX-EXEMPT	MATURITY DATE	TOTAL DEBT OUTSTANDING (including unamortized premiums/discounts)
			Moody's	S&P				
Certificates of Participation, Series 2003A - Athletics Facility (Amended 7/1/18; Reissued USF Foundation Series 2003A issued 3/6/03)	3/15/2011	Direct Placement Fixed Rate Bonds	NR	NR	3.82	Tax Exempt	2022	\$3,895,000
Bank Loan, Series 2018A - Athletics (Refunded BABs Series 2010A issued 1/15/10)	3/9/2018	Direct Placement Fixed Rate Bonds	NR	NR	3.46	Tax Exempt	2030	\$7,280,689
Bank Loan, Series 2018B - Athletics (Refunded BABs Series 2010B issued 12/15/10)	3/9/2018	Direct Placement Fixed Rate Bonds	NR	NR	3.51	Tax Exempt	2031	\$9,937,345
Bank Loan, Series 2013 - Arena Taxable Revenue Bonds	9/27/2013	Direct Placement Fixed Rate Bonds	NR	NR	4.78	Taxable	2033	\$16,650,000
USF Financing Corporation - Athletics					4.09%			\$37,763,034
Refunding Revenue Bonds, Series 2015 - Marshall Student Center (Refunded Series 2005C issued 1/19/06)	5/6/2015	Fixed Rate Bonds	Aa3	AA- (Positive Outlook)	5.6(Cent1r)	TJ-.125.6(763)6.D	0040	

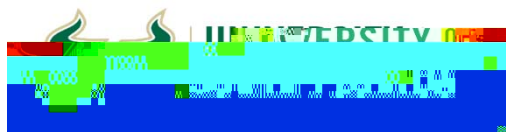
14-YEAR CORPORATE TRACK RECORD

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

- x 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.
- x The USF Board of Trustees approved formation of the two Corporations in December 2004; operations commenced in March 2005.
- x \$1.71 billion in Financing Transactions Closed
- x \$526 million of Projects Developed
- x 1.9 million sq ft of Projects Developed
- x \$387 million in total Corporate Assets
- x \$346 million of Corporate Debt outstanding as of June 30, 2019
- x 3.70% Long-Term Cost of Capital (tax-exempt and taxable debt)

USF Financing Systems

- x Housing – A1-rated \$206 million system supported by student fees.
 - o Includes Tampa housing, St. Petersburg housing and parking garage, and St. Petersburg multi-purpose student center
- x Marshall Student Center – Aa3-rated \$31 million revenue bond Series supported by student fees.
- x Health – unrated \$67 million system supported by USF medical facilities revenue.
 - o 2 state-of-the-art medical clinics, a medical office building and CAMLS
- x Athletics / Arena – unrated \$38 million system supported by Athletics facilities revenue and Arena revenue.
 - o Includes basketball, baseball and softball facilities, soccer and football practice fields, and renovated Arena
- x



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>
Sandra W. Callahan	Second	2022
Richard D. Smith	Second	2022
Steven A. Williamson	Second	2021
Lori V. Vaughan	Second	2023
Steven C. Currall, USF System President		NA
David E. Lechner, USF System Senior VP for Business & Finance		NA

Corporate Officers

<u>Name</u>	<u>Position</u>	<u>2-Year Term Ending</u>
Sandra W. Callahan	Chair (USFFC)	2020
	Sec/Treas (USFPC)	2020
Richard D. Smith	Chair (USFPC)	2020
	Sec/Treas (USFFC)	2020
Hilary Black	Assistant Secretary (USFFC/PC)	2020
Dawn Rodriguez	Assistant Secretary (USFFC/PC)	2020
Fell L. Stubbs	Executive Director	NA

GOVERNANCE STRUCTURE

Board of Directors Composition and Term Limits

- x At least 5, but no more than 7, members; appointed as follows:
 - o One Director appointed by the Chair of the USF Board of Trustees
 - o One Director shall be the USF President or designee
 - o One Director shall be the USF CFO or designee
 - o 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
 - o The USF Board of Trustees shall approve all appointments to the Board of Directors

- x Terms of Office:
 - o Four years in length
 - o Maximum of two consecutive terms
 - o Directors who have served two terms consecutively may be re-elected to the Board of haveD-11.28 0 330ter8(have)-9(oar