## STATE UNIVERSTY SYSTEM OF FLORIDA BOARD OF GOVERNORS

## University of South Florida

USF Stadium Project; \$200M Debt

## 5-Year Historical and Projected Debt Service Coverage

(Gross Revenue Pledge Basis)

	Estimated/ Historical Unaudited						< construction phase>   Projected							
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Athletic Pledged Revenues	<u> </u>	20.0 .0			<del></del>	<u> </u>	<u> </u>							000 01
Stadium Revenues (5)														
Ticket Sales										\$7,620,000	\$7,850,000	\$8,100,000	\$8,330,000	\$8,580,000
Priority Seat Donations										\$3,084,000	\$3,176,000	\$3,272,000	\$3,369,000	\$3,472,000
Premium Seating Donations										\$5,312,000	\$5,480,000	\$5,640,000	\$5,806,000	\$5,985,000 \$773,400
Concessions, net Merchandise, net										\$421,500 \$31,200	\$707,100 \$51,800	\$728,700 \$53,400	\$750,400 \$55,000	\$773,100 \$56,600
Parking, net										\$290,000	\$463,000	\$463,000	\$463,000	\$463,000
Advertising / Sponsorship										\$1,000,000	\$1,030,000	\$1,061,000	\$1,093,000	\$1,126,000
Naming Rights										\$2,500,000	\$2,575,000	\$2,652,000	\$2,732,000	\$2,814,000
Non-Game Day Club Rentals										\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
Other Events										\$100,000	\$103,000	\$106,100	\$109,300	\$112,600
Subtotal Stadium Revenues							\$0	\$0	\$0	\$20,508,700	\$21,590,900	\$22,236,200	\$22,872,700	\$23,552,300
Non-Stadium Revenues (Athletic Dept.) (1)														
Ticket Sales (2)	\$3,135,907	\$4,600,251	\$4,276,996	\$735,828	\$6,485,854	\$3,500,000	\$3,605,000	\$3,713,150	\$3,824,545	\$3,939,281	\$4,057,459	\$4,179,183	\$4,304,559	\$4,433,695
Student Athletics Fees - Pledged Amount (5%) (3)	863,002	860,247	816,243	994,253	858,679	842,500	842,500	842,500	842,500	842,500	842,500	842,500	842,500	842,500
Game Guarantees (2)	319,750	450,000	279,610	15,070	551,500	650,000	669,500	689,585	710,273	731,581	753,528	776,134	799,418	823,401
Contributions	2,249,058	5,131,952	6,479,172	6,199,598	7,097,157	6,050,000	6,231,500	6,418,445	6,610,998	6,809,328	7,013,608	7,224,016	7,440,737	7,663,959
Media Rights (4) Conference/NCAA Distributions	478,599 8,694,374	281,930 5,562,313	1,442,090 4,079,619	1,541,045 7,247,259	10,000 8,656,911	150,000 7,400,000	154,500 7,622,000	159,135 7,850,660	163,909 8,086,180	168,826 8,328,765	173,891 8,578,628	179,108 8,835,987	184,481 9,101,067	190,016 9.374.099
Program, Novelty, Parking and Concession Sales (2)	6,694,374 458,620	355,147	331,289	102,127	278,164	7,400,000 350,000	360,500	371,315	382,454	393,928	405,746	6,635,967 417,918	430,456	9,374,099 443,370
Royalties, Licensing, Advertisements and Sponsorships (4)	4,439,564	4,942,086	5,742,549	6,006,070	3,638,210	6,000,000	6,180,000	6,365,400	6,556,362	6,753,053	6,955,644	7,164,314	7,379,243	7,600,620
Bowl Game Revenue	885,698	608,874	0,7 12,8 18	0,000,010	0,000,210	600,000	0,100,000	0,000,100	0,000,002	0,100,000	0,000,011	0	0	0
Other Operating Revenue	747,191	775,068	251,029	248,752	493,216	850,000	875,500	901,765	928,818	956,682	985,383	1,014,944	1,045,393	1,076,755
Subtotal Non-Stadium Revenues	\$22,271,763	\$23,567,868	\$23,698,597	\$23,090,002	\$28,069,691	\$26,392,500	\$26,541,000	\$27,311,955	\$28,106,039	\$28,923,945	\$29,766,388	\$30,634,105	\$31,527,853	\$32,448,414
Total Athletic Pledged Revenues	\$22,271,763	\$23,567,868	\$23,698,597	\$23,090,002	\$28,069,691	\$26,392,500	\$26,541,000	\$27,311,955	\$28,106,039	\$49,432,645	\$51,357,288	\$52,870,305	\$54,400,553	\$56,000,714
Annual Debt Service:														
Series 2003A Certificates of Participation (6)	1,007,216	1,026,945	1,032,212	1,036,524	1,044,077	1,049,922	0	0	0	0	0	0	0	0
Series 2018A Note (7)	753,090	663,400	681,284	634,877	647,455	676,412	707,691	741,478	777,976	817,401	859,987	905,990	955,681	0
Series 2018B Note (7)	942,696	907,782	921,800	842,950	846,565	871,879	898,756	927,291	957,587	989,752	1,023,901	1,060,158	1,098,651	1,139,520
Proposed Debt - 20-Yr Note, Truist Bank (8)	0	0	0	0	0	0	14,000,000	14,000,000	14,000,000	19,868,537	19,868,537	19,868,537	19,868,537	19,868,537
Total Annual Debt Service	2,703,002	2,598,127	2,635,296	2,514,351	2,538,097	2,598,213	15,606,447	15,668,769	15,735,563	21,675,690	21,752,426	21,834,684	21,922,869	21,008,057
Debt Service Coverage Ratios: (Gross Revenue Pledge)	8.24x	9.07x	8.99x	9.18x	11.06x	10.16x	1.70x	1.74x	1.79x	2.28x	2.36x	2.42x	2.48x	2.67x
	For Informational Purposes													
Other Athletics Department Revenues					(Net Reve	nue basis)								
Student Athletics Fees - Amount Not Pledged (3)	\$16,397,037	\$16,344,687	\$15,508,610	\$18,890,798	\$16,314,905	\$16,007,500	\$16,007,500	\$16,007,500	\$16,007,500	\$16,007,500	\$16,007,500	\$16,007,500	\$16,007,500	\$16,007,500
Direct State or Other Government Support (2)	194,566	287,316	276,166	9,154,949	431,766	0	0	0	0	0	0	0	0	0
Direct Institutional Support (9)	6,512,085	14,541,301	19,741,519	8,535,221	10,924,531	18,600,000	20,729,221	21,688,597	22,676,755	8,489,628	8,608,765	9,206,821	9,851,552	10,490,891
Additional Direct Institutional Support (9)	0	0	0	0	0	4,136,492	20,288,381	20,369,400	20,456,232	28,178,397	28,278,153	28,385,089	28,499,730	27,310,474
Total Other Athletics Department Revenues	23,103,688	31,173,304	35,526,295	36,580,968	27,671,202	38,743,992	57,025,102	58,065,497	59,140,487	52,675,525	52,894,418	53,599,411	54,358,782	53,808,864
Total Athletics Department Revenues (Stadium, Non-Stadium, Other)	\$45,375,451	\$54,741,172	\$59,224,892	\$59,670,969	\$55,740,893	\$65,136,492	\$83,566,102	\$85,377,452	\$87,246,526	\$102,108,170	\$104,251,706	\$106,469,716	\$108,759,335	\$109,809,578
Operating Expenses														
Stadium Operating Expenses (15)														
Stadium Operating Costs										2,500,000	2,575,000	2,652,000	2,732,000	2,814,000

Game-Day Expenses Sales Commissions Capital Reserve										1,350,000 203,770 1,250,000	1,390,500 203,770 1,287,500	1,432,215 210,000 1,326,125	1,475,181 216,300 1,365,909	1,519,437 222,460 1,406,886
Total Stadium Operating Expenses							\$0	\$0	\$0	\$5,303,770	\$5,456,770	\$5,620,340	\$5,789,390	\$5,962,783
Non-Stadium Operating Expenses (1)														
Compensation & Benefits (2)	18,605,688	19,842,938	24,923,878	21,928,751	23,824,002	27,346,000	28,166,380	29,011,371	29,881,713	30,778,164	31,701,509	32,652,554	33,632,131	34,641,095
Athletic Student Aid (10)	6,328,125	6,877,910	6,547,091	7,315,427	8,857,013	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000
Game Guarantees (2)	1,142,009	1,262,967	1,696,780	396,794	1,126,590	1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,791,078	1,844,811	1,900,155
Team Travel & Recruiting (2)(11)	5,642,317	5,550,217	4,979,449	3,499,884	6,741,615	6,995,000	7,204,850	7,420,996	7,643,625	7,872,934	8,109,122	8,352,396	8,602,968	8,861,057
Sports Equipment, Uniforms and Supplies (2)	2,140,521	4,060,953	3,721,779	3,414,822	3,729,547	3,650,000	3,759,500	3,872,285	3,988,454	4,108,107	4,231,350	4,358,291	4,489,040	4,623,711
Game Expenses (12)	1,656,872	2,376,031	1,730,705	2,605,243	2,645,203	3,585,000	3,692,550	3,803,327	3,917,426	4,034,949	4,155,998	4,280,677	4,409,098	4,541,371
Fundraising, Marketing and Promotion (2)	1,203,863	747,745	1,284,054	187,141	866,659	1,150,000	1,184,500	1,220,035	1,256,636	1,294,335	1,333,165	1,373,160	1,414,355	1,456,786
Other Athletic Facilities Leases and Rental Fees (2)	2,434,472	2,272,992	2,959,187	421,418	2,872,736	2,531,787	2,607,741	2,685,973	2,766,552	2,849,549	2,935,035	3,023,086	3,113,779	3,207,192
Direct Overhead and Administrative Expenses (13)	2,672,606	3,009,984	3,059,531	4,733,481	3,864,941	2,800,000	2,884,000	2,970,520	3,059,636	3,151,425	3,245,967	3,343,346	3,443,647	3,546,956
Medical Expenses and Medical Insurance (13)	821,813	789,488	945,881	1,198,145	882,787	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274	1,194,052	1,229,874	1,266,770
Student Athlete Meals (non travel)	768,003	1,047,162	565,599	836,411	1,332,710	1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,791,078	1,844,811	1,900,155
Bowl Expenses (including coaches comp/bonuses)	827,838	508,675	0	0	0	600,000	0	0	0	0	0	0	0	0
Other Operating Expenses (2)	3,727,211	2,624,567	2,971,851	1,880,320	3,006,697	4,280,000	4,408,400	4,540,652	4,676,872	4,817,178	4,961,693	5,110,544	5,263,860	5,421,776
Total Non-Stadium Operating Expenses	47,971,338	50,971,629	55,385,785	48,417,837	59,750,500	62,537,787	63,627,921	65,368,758	67,161,821	69,008,676	70,910,936	72,870,264	74,888,372	76,967,023
Total Operating Expenses	\$47,971,338	\$50,971,629	\$55,385,785	\$48,417,837	\$59,750,500	\$62,537,787	\$63,627,921	\$65,368,758	\$67,161,821	\$74,312,446	\$76,367,706	\$78,490,604	\$80,677,762	\$82,929,806
Add: Interest Income	180,662	304,597	306,221	304,261	369,937	340,000	350,200	360,706	371,527	382,673	394,153	405,978	418,157	430,702
Net Income (Loss) Before Debt Service	(\$2,415,225)	\$4,074,140	\$4,145,328	\$11,557,393	(\$3,639,670)	\$2,938,705	\$20,288,381	\$20,369,400	\$20,456,232	\$28,178,397	\$28,278,153	\$28,385,089	\$28,499,730	\$27,310,474
Total Annual Debt Service			\$2,635,296	\$2,514,351	\$2,538,097	\$2,598,213	\$15,606,447	\$15,668,769	\$15,735,563	\$21,675,690	\$21,752,426	\$21,834,684	\$21,922,869	\$21,008,057
Debt Service Coverage - Total Athletics Department	-0.89x	1.57x	1.57x	4.60x	-1.43x	1.13x	1.30x	1.30x	1.30x	1.30x	1.30x	1.30x	1.30x	1.30x

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- (1) USF Athletics Department Pledged Revenues and Expenses for fiscal year 2022-23 are based on the FY 2023 Budget provided by USF Athletics. For the purpose of the projections for FY 2024 and beyond, revenues and expenses, other than student fees (3) and student aid (10) each increase annually by 3%. Stadium Operating Expenses reflect the estimates in the SL study pro forma.
- (2) USF Athletics Department Revenues were adversely affected by the COVID-19 pandemic in FY 2020-21; however, the Athletics Department received \$9.1 million of federal stimulus funds to offset lost revenues. Simultaneously, the Athletics Department implemented cost-cutting measures to reduce expenses. Ticket Sales rebounded in FY22 and exhibit a spike from pent-up demand as well as increased Conference Distributions. Other Operating Expenses reflects miscellaneous expenses and is disclosed in the audited financial statement but not defined.
- (3) Student athletic fees of approximately \$2.5 million related to FY19-20 were received in FY20-21. For the purpose of the projections, there are no assumed increases in fees to students.
- (4) Revenue for media rights (\$200k) and royalties & licensing (\$800k) related to FY21-22 were received in FY22-23 due to the restructuring of the media rights agreement.
- (5) USF pledged a comprehensive set of Stadium Revenues (part of overall 'Athletic Pledged Revenues') to secure the Debt, including, but not limited to, ticket sales, concession and merchandise revenues. To that extent, the CSL study projected first year total Stadium Revenues of over \$20.5M, including \$7.6M in ticket sales, with roughly 3% annual growth. For the purpose of the above projections, CSL's projected revenues are utilized.
- (6) The Series 2003A Certificates of Participation were issued in 2003 to finance the construction of the Lee Roy Selmon Athletics Center. The Certificates were privately placed in 2011, most recently at a fixed interest rate of 3.82%, and matured October 2022.
- (7) The Series 2018A and 2018B Notes were initially issued in 2010 to finance various Athletics District facilities. The Notes are privately placed (Truist), currently bear a fixed interest rate of 2.25%, and mature in 2030 and 2031, respectively. The combined amount outstanding as of January 1, 2023 was \$12.7 million.
- (8) Projected debt service for the Proposed Debt is calculated based on the assumed par amount of \$200 million, financed over a period of 20 years at an assumed taxable fixed interest rate of 5.50%. The projected debt service also assumes interest only payment during the first three years (construction period). The proceeds of the Debt, plus cash equity contributions of \$140 million, will be used to finance the costs of construction of the Project and related cost of issuance.
- (9) Direct Institutional Support and Additional Direct Institutional Support represents funding from USF Foundation Sufficient to achieve operational breakeven (i.e., \$0 net income). The Additional Direct Institutional Support represents USF's internal policy for the Foundation to contribute capital to Athletics in an amount sufficient to achieve a self-imposed 1.30x debt service coverage, thereby effectively providing a cushion/hedge for unplanned fluctuations in future Project revenues and expenses.
- (10) For the purpose of the projections, there are no assumed increases in student aid; however, student aid may increase with increasing contributions or other sources of funds.
- (11) Team travel and recruiting expenses increased in FY21-22 due to the increased cost of travel.
- (12) Game expenses increased in FY 2021-22 due to increased costs for staffing, license fees and other costs, as well as costs associated with an additional spring game.
- (13) In FY20-21, direct overhead and administrative expenses increased due to several renovation projects completed during the year. Also, medical expenses and insurance increased due to COVID-related expenditures for PPE, testing, and isolation/quarantine needs.
- (15) Stadium Operating Expenses are based on estimates from the CSL feasibility study, which includes a 3% annual escalator factor.
- (16) The Athletics Department is allowed to carry forward all available cash at the end of each fiscal year to the next fiscal year. Deficits are funded by the Department to the extent there is sufficient cash available. In FY 2017-18 and in FY 2021-22, the Athletics Department utilized available cash to offset the operating deficit.