Checklist of Information Required for Submission to the Board Pursuant to Debt Management Guidelines

1. ☐ A resolution of the DSO board of directors approving the debt issuance, if applicable, and a resolution of the university Board of Trustees (the "BOT") approving the debt issuance and authorizing the university to request Board approval of the debt issuance. *For debt to be issued by DBF, at the request of the university, DBF staff will work with Board staff and the university to determine a not-to-exceed amount of debt to be included in the BOT requesting resolution to the Board and in preparing required debt service and source-and-use schedules.*

2. ☐ The project program, feasibility studies or consultant reports (if available), and an explanation of how the project being proposed is consistent with the mission of the university.

3. ☐ Estimated project cost, with schedules drawn by month and including start and completion dates, estimated useful life, and the date bond proceeds are required.

4. ☐ The sources-and-uses of funds, clearly depicting all costs, funding sources expected to be used to complete the project and the estimated amount of the debt to be issued. *This information must follow the Board model template and be provided in Microsoft Excel format to Board staff.*

5. ☐ An estimated debt service schedule with the assumed interest rate on the debt clearly disclosed. *If the proposed debt service is not structured on a level debt service basis, an explanation shall be provided which gives the reason why it is desirable to deviate from a level debt structure*.

6. ☐ One consolidated debt service schedule separately showing all outstanding debt related to or impacting the debt being proposed, the proposed debt and the new estimated total debt service.

7. ☐ A description of the security supporting the repayment of the proposed debt and the lien position the debt will have on that security. If the lien is junior to any other debt, the senior debt must be described. Furthermore, a description of why the debt is proposed to be issued on a junior lien basis must be provided. A statement citing the legal authority for the source of revenues securing repayment must also be provided.

8. ☐ If debt is to be incurred on a parity basis with outstanding debt, a schedule showing estimated compliance with any additional bonds requirement set forth in the documents governing the outstanding debt. The applicable provisions of the documents for bonds of DSOs should be provided.

9. ☐ Financial statements for five years, if available, for the auxiliary, if auxiliary revenues are pledged.

10. ☐ A five-year history, if available, and five-year projection of the revenues securing payment. The 10 years must be shown on one table and debt service coverage ratios must be included. *The information should also be provided to Board staff in Microsoft Excel format* and:

    i) to the extent applicable, the projections must be shown on the individual project as well as the entire system;

    ii) all revenue items securing repayment must be clearly set forth as separate line items;

    iii) an explanation must be provided with regard to growth assumptions, and to the amount and status of approval of any rate increases;

    iv) the effect of the rate increases on the projections and expected revenues and expenses for the new facility should be clearly set forth as a separate line item;

    v) if rate increases are necessary, a commitment must be made to increase rates to the needed levels; and

    vi) major categories of any operating expenses should be set forth as separate line items with an explanation of assumptions regarding increases or decreases.

11. ☐ Evidence that the project is consistent with the university's master plan or a statement that the project is not required to be in the master plan.

12. ☐ For variable rate debt proposals:

    i) the expected reduction in total borrowing costs based on a comparison of fixed versus variable interest rates;

ii) a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate, and a plan for hedging interest rate exposure. *If interest rate risks are to be mitigated by the use of derivatives, then evidence that the counterparty has a long term rating of at least an A/A2 and a swap management plan as set forth in the Board's Debt Management Guidelines must be submitted;*

iii) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points;

iv) the total amount of variable rate debt including the proposed debt as a percentage of the total amount of university and DSO debt outstanding; and

v) the individual or position that will be responsible for the reporting requirements for variable rate debt as set forth in these guidelines.

13. ☐ If all or any portion of the financing is contemplated to be done on a taxable basis, then evidence demonstrating that the issuance of taxable debt is in the best interest of the university must be submitted.

14. ☐ A statement explaining whether legislative approval is required, and if required, an explanation as to when legislative approval will be sought or evidence that legislative approval has already been obtained.

15. ☐ A statement that the debt issuance is in accordance with the university's debt management policy or, if not, an explanation of the specific variances as well as the reasons supporting the variances.

16. ☐ If a request is made to employ a negotiated method of sale, an analysis must be provided supporting the selection of this method that includes a discussion of the factors set forth in section IV of these Guidelines.

17. ☐ A description of the process used to select each professional engaged in the transaction, showing compliance with the competitive selection process required by these Guidelines. Specific contact information for each selected professional, must be included, and at a minimum, should disclose the professional's name, firm name, address, email address, phone number and facsimile number.

18. ☐ The most recent annual variable rate debt report.

19. ☐ An analysis must be prepared and submitted which provides quantitative metrics justifying the need for the construction or acquisition of the project and explains why the project is essential to the university's core mission. There must also be a detailed assessment of private sector alternatives and a determination of whether the private sector can offer a comparable alternative at a lower cost. This information may be included as part of a project feasibility study or may be a stand-alone report.

20. ☐ An analysis must be prepared which calculates the expected return on investment or internal rate of return for a revenue-generating project or another appropriate quantitative measure for a non-revenue generating project.