



March 28, 2024 | UCF Board of Trustees Workshop

Board of Trustees

Wayne Densch Center for Student-Athlete Leadership: 4465 Knights Victory Way, Orlando, FL 32816

Mar 28, 2024 9:00 AM - 12:30 PM EDT

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March 28, 2024 | UCF Board of Trustees Workshop

Board of Trustees

Mar 28, 2024 at 9:00 AM EDT to Mar 28, 2024 at 12:30 PM EDT

Wayne Densch Center for Student-Athlete Leadership: 4465 Knights Victory Way,
Orlando, FL 32816

Agenda

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|---|-----------------|
| I. Opening Actions | 9:00 AM |
| A. Call to Order | |
| B. Roll Call | |
| C. Conflict of Interest Disclosure | |
| D. Public Comment | |
| II. Welcome and Remarks | 9:05 AM |
| A. Chair's Update | |
| Presenter: Alex Martins, Chair, UCF Board of Trustees | |
| B. President's Remarks | |
| Presenter: Dr. Alexander Cartwright, President | |
| 1. Legislative Update | |
| Presenter: Janet Owen, Vice President for Government & Community Relations | |
| III. DISC-1: Athletics Village Update | 9:35 AM |
| Presenter: Terry Mohajir, Vice President & Director of Athletics | |
| IV. Scheduled Break | 9:55 AM |
| V. DISC-2: Stadium Tower Expansion | |
| A. Stadium Tower Expansion: Demand Study | 10:05 AM |
| Presenter: Terry Mohajir, Vice President & Director of Athletics | |
| B. Stadium Tower Expansion: Design | 10:30 AM |
| Presenters: Jon Varnell, Vice President for Administrative Operations, Terry Mohajir, Vice President & Director of Athletics | |
| C. Tourism Development Tax Agreement | 10:55 AM |
| Presenters: Michael A. Kilbride, Executive Chief of Staff, Youndy Cook, Vice President and General Counsel | |
| D. Stadium Tower Expansion: Debt Package | 11:20 AM |
| Presenter: Albert Francis, Assistant Vice President for Debt Management and University Treasurer,
Gerald Hector, Sr. Vice President for Administration & Finance | |

VI. Formal Considerations

11:55 AM

Presenter: Alex Martins, Chair, UCF Board of Trustees

- A. BOT-1: Campus Master Plan Minor Amendment – Football Campus**
- B. BOT-2: Roth Tower Expansion and Renovation Project Approval**
- C. BOT-3: Tourism Development Tax Agreement**
- D. BOT-4: Resolution Authorizing Issuance of Debt**
- E. BOT-5: Board of Trustees Reimbursement Resolution**
- F. BOT-6: Auxiliary Loan to UCF Athletics Association**

VII. Discussion

DISC-3: Bond Financing in the State of Florida

12:15 PM

Presenter: Gerald Hector, Sr. Vice President for Administration & Finance

Guest: Ben Watkins, Director, Division of Bond Finance, State of Florida

VIII. Announcements

IX. Adjournment

12:30 PM



Board of Trustees

Board Workshop
March 28, 2024

Agenda Item

DISC-1: Athletics Village Update

Proposed Board Action

This item will provide Trustees with an update on the development of the UCF Athletics Village.

Authority for Board Action

N/A

Supporting Documentation Included
None
Facilitators/Presenters
Terry Mohajir, Vice President and Director of Athletics



Athletics Village Update

EXECUTIVE SUMMARY

Objective

This item will provide Trustees with an update on the development of the UCF Athletics Village and UCF Athletics' Mission XII Objectives.

Summary of Key Observations/Recommendations

- The development of UCF Athletics Village aligns with the goals of the Mission XII initiative, including providing facilities and spaces to fulfill the below objectives:
 - Supporting student-athletes in Name, Image, and Likeness (NIL) endeavors through holistic development, offering educational programs, guidance, and mentorship for informed decision-making and opportunity maximization.
 - Providing championship-caliber services, including personalized mentorship, academic resources, and career development programs via the Knight's Leadership Academy to foster academic and professional success.
 - Positioning UCF Athletics as a top contender for the Big 12 Conference and national championships by enhancing talent recruitment, coaching, and facilities.
 - Ensuring a smooth transition into the Big 12 Conference through strategic planning, communication, and engagement with conference stakeholders, aiming for excellence and competitive positioning.
 - Enhancing UCF Athletics' financial standing to rank within the top half of peer institutions upon entry to the Big 12 Conference, with a goal to reach the top third.
 - Increasing self-generated revenue through strategies optimizing ticket and premium seating sales, ChargeOn Fund support, corporate partnerships, licensing, and exploring new revenue streams.
 - Creating unique, indigenous athletic facilities starting with the UCF Football Campus, to benefit all student-athletes and fans.

Additional Background

UCF Athletics' Mission XII focuses on four key areas:

1. **Operating:** Increase operating and sports budgets through higher donor engagement, more major gift donors, enhanced UCF Athletics Attainment, record-setting ticket sales, and licensing revenues.

2. **Personnel:** Since FY2019-2020, there has been a nearly 40% increase in the sports salary pool.
3. **Recruiting:** UCF Athletics aims to provide comprehensive support in navigating NIL endeavors and recruiting.
4. **Facilities/Maintenance/Capital Improvements:** To underscore the commitment to facility excellence and need for improvement, since the inception of the Mission XII initiative, UCF Athletics have accomplished \$26 million in facility enhancements and maintenance. By effectively communicating this milestone, we aim to showcase the tangible investments made to elevate the quality and functionality of UCF Athletics facilities.

Rationale

UCF Athletics joined the Big 12 Conference in 2023, and to remain competitive it is seeking to expand premium offerings and increase revenue streams. The renovation of Roth Tower will be a significant step forward toward meeting this objective.

Implementation Plan

See the UCF campus master plan for detailed project-by-project timelines.

Resource Considerations

See the UCF campus master plan for detailed project-by-project budget considerations.

Conclusion

Staff encourages the Board of Trustees to engage in discussion on the Athletics Village Update and provide feedback.



Board of Trustees

Board Workshop

March 28, 2024

Agenda Item

DISC-2: Stadium Tower Expansion

Proposed Board Action

This item will provide Trustees with a comprehensive overview of the Stadium Tower Expansion project prior to formal consideration of the related action items.

Authority for Board Action

N/A

Supporting Documentation Included

None

Facilitators/Presenters

Youndy Cook, Vice President and General Counsel

Albert Francis, Assistant Vice President for Debt Management and University Treasurer

Gerald Hector, Sr. Vice President of Finance and Administration

Michael A. Kilbride, Executive Chief of Staff

Jay Lenhardt, Legends and CSL International

Terry Mohajir, Vice President and Director of Athletics

Jon Varnell, Vice President for Administrative Operations



Stadium Tower Expansion

EXECUTIVE SUMMARY

Objective

This item will provide Trustees with a comprehensive overview of the Stadium Tower Expansion Project prior to formal consideration of the related action items.

Summary of Key Observations/Recommendations

Topics to be discussed include:

- **Stadium Tower Expansion Demand Study:** UCF Athletics contracted Legends/CSL International to conduct a market study to assess the revenue potential and demand for adding additional premium seating and amenities in the stadium. This study demonstrates a strategic approach to understanding the demand and pricing dynamics for premium areas within the renovated Roth Tower. The addition of premium seating options presents significant revenue potential for UCF Athletics. Through higher-priced ticket packages, premium food and beverage sales, and sponsorship opportunities associated with these premium areas, the Roth Tower renovation contributes to the financial sustainability of UCF's athletic programs.
- **Stadium Tower Expansion Design:** The renovation of Roth Tower underscores UCF Athletics' strategic approach to enhancing premium offerings in response to joining the Big 12 Conference. The addition of 1236 club seats, 34 loge boxes, 34 sky bays, and 25 luxury suites demonstrates a comprehensive effort to cater to the diverse preferences and needs of fans and patrons. UCF Athletics has selected AECOM for design and Barton Malow as the construction manager for this project. The project is estimated to cost \$88,000,000 to complete and will consist of an approximately 58,000 sq. ft. expansion of the tower facility on the west sideline of the stadium.
- **Tourism Development Tax Agreement:** The TDT Agreement will secure \$90 million towards the renovation and expansion of Roth Tower at FBC Mortgage Stadium. The funding agreement allows the funds to be used for direct project costs, principal and interest payments associated with debt for the project, and associated financing costs. Once approved by the Board of Trustees, the agreement will be signed and sent to Orange County for final consideration during a Board of County Commissioners meeting prior to June 2024.
- **Stadium Tower Expansion Debt Package:** The estimated total project cost, inclusive of construction and associated design costs, is \$88 million. Funding will come from a direct placement bank loan and bond proceeds.

Additional Background

This discussion aims to provide Trustees with a holistic understanding of the Stadium Expansion Project's components prior to formal considerations. Additional information can be found in agenda items BOT-1, BOT-2, BOT-3, and BOT-4.

Rationale

UCF Athletics joined the Big 12 Conference in 2023, and to remain competitive, it is seeking to expand premium offerings and increase revenue streams. The renovation of Roth Tower will be a significant step forward toward meeting this objective.

Implementation Plan

See BOT-1, BOT-2, BOT-3, and BOT-4 for associated timelines.

Resource Considerations

See BOT-1, BOT-2, BOT-3, and BOT-4 for associated resource considerations.

Conclusion

Staff encourages the Board of Trustees to engage in discussion on the Stadium Tower Expansion Project and provide feedback.



Board of Trustees

Board Workshop

March 28, 2024

Agenda Item

BOT-1: Campus Master Plan Minor Amendment – Football Campus

Proposed Board Action

The UCF Board of Trustees is asked to approve a Minor Amendment (MA-3 2024) to the UCF 2020-30 Campus Master Plan (CMP).

Authority for Board of Trustees Action

Florida Statutes s. 1013.30(9)

Board of Governors' Regulation 1.001, sections (3)(b) and (7)(i)

Presidential Authority and Delegation, section (7)(a)1

UCF Board of Trustees – Facilities and Infrastructure Committee Charter

Supporting Documentation Included

Attachment A: Minor Amendment 3 (MA-3 2024) to the 2020-30 Campus Master Plan

Facilitators/Presenters

Jon Varnell, Vice President for Administrative Operations



Campus Master Plan Minor Amendment – Football Campus

EXECUTIVE SUMMARY

Objective

Update the Campus Master Plan (CMP) 2020-30 to match the current design direction for the Football Campus.

Summary of Key Observations/Recommendations

On May 26, 2022, the UCF Board of Trustees approved a Minor Amendment to the CMP 2020-30 to include six UCFAA Football Campus Projects:

- Stadium South Tower
- Football Practice Field Relocation
- McNamara Cove
- Parking and Plaza Expansion
- Wayne Densch Sports Center Renovation
- Stadium North Tower

The needs for the Football Campus have evolved to require the following changes to the CMP 2020-30:

- Substitute “Stadium North Tower” with “Roth Tower Expansion & Renovation”
- Substitute “Stadium South Tower” with “Football Operations Building”

Please refer to Attachment A for additional details and specific modifications to the Campus Master Plan exhibits.

Additional Background

Under Florida Statutes s. 1013.30(9), a Major Amendment to the Campus Master Plan, which requires exhaustive agency review, is required if such amendment, alone or in conjunction with other amendments, would:

- a) Increase density or intensity of use of land on the campus by more than 10%
- b) Decrease the amount of natural areas, open space, or buffers on the campus by more than 10%
- c) Rearrange land uses in a manner that will increase the impact of any proposed campus development by more than 10% on a road or on another public facility or service provided or maintained by the state, the county, the host local government, or any affected local government

None of the above are triggered by the proposed changes, therefore the Campus Master Plan changes can be approved as a Minor Amendment, requiring only Board of Trustee approval.

Rationale

N/A

Implementation Plan

N/A

Resource Considerations

This Campus Master Plan 2020-30 Minor Amendment does not have, in itself, any cost implications. The Board will be updated on project costs and funding as Football Campus projects continue their development.

Conclusion

Approval of this Minor Amendment to the Campus Master Plan (CMP) 2020-30 will align the CMP with the current design direction for the Football Campus.



UNIVERSITY OF CENTRAL FLORIDA

Minor Amendment 3 (MA-3 2024) to the 2020-30 Campus Master Plan

Revise UCFAA Football Campus Projects

MINOR AMENDMENT MA-3 2024

PRIOR MINOR AMENDMENT (MA 2022-1)

On May 26, 2022 the UCF Board of Trustees approved a Minor Amendment (MA 2022-1) to the UCF 2020-30 Campus Master Plan (CMP) to include six UCFAA FOOTBALL CAMPUS PROJECTS:

1. STADIUM SOUTH TOWER
2. FOOTBALL PRACTICE FIELD RELOCATION
3. McNAMARA COVE
4. PARKING AND PLAZA EXPANSION
5. WAYNE DENSCH SPORTS CENTER RENOVATION
6. STADIUM NORTH TOWER

THIS MINOR AMENDMENT (MA-3 2024) WILL MAKE THE FOLLOWING CHANGES TO THE CAMPUS MASTER PLAN 2020-30:

Needs for the football campus have evolved to require the following changes to the UCFAA FOOTBALL CAMPUS PROJECTS. These changes trigger the need for a new Minor Amendment (MA-3 2024).

1. Replace STADIUM NORTH TOWER with ROTH TOWER EXPANSION & RENOVATION.
The project will create additional club seat capacity, additional interior/exterior suites, larger existing suites, an expanded club level, expanded press space, and premium event space.
2. Replace STADIUM SOUTH TOWER with FOOTBALL OPERATIONS BUILDING.
A new two-story building will house football operations.

STATUTORY THRESHOLDS

Please find below the three statutory thresholds, under Florida Statute 1013.30, that define an amendment as major vs. minor; and the university response to each threshold demonstrating that **MA-3 2024** is a minor amendment to the campus master plan.

F.S.1013.30(9) An amendment to a campus master plan must be reviewed and adopted under subsections (6)-(8)¹ if such amendment, alone or in conjunction with other amendments, would:

a) Increase density² or intensity³ of use of land on the campus by more than ten percent;

University Response:

All of these projects will be built on land that is designated "Recreation & Open Space"; of which UCF has 545.81 acres. These facilities will not increase the intensity of land use by more 10%. Density of land use is not applicable, see footnote 3.

¹ F.S.1013.30(6-8) describes the lengthy and complicated process required to adopt a Campus Master Plan or Campus Master Plan Update.

² Density of development: the dwelling units per acre (du/ac) permitted under the applicable zoning. Not applicable to UCF.

³ Intensity of development: the ratio of the sum of the total area of the above-ground premises of all buildings to the area of the land parcel.

MINOR AMENDMENT MA-3 2024

b) Decrease the amount of natural areas, open space, or buffers on the campus by more than ten percent:

University Response:

None of the projects, alone or in combination, decrease the amount of natural areas, open space, or buffers in any way. These projects will be sited on developable Recreation & Open Space land, not in non-developable natural areas, open space, or buffers.

(c) Rearrange land uses in a manner that will increase the impact of any proposed campus development by more than 10 percent on a road or on another public facility or service provided or maintained by the state, the county, the host local government, or any affected local government.

University Response:

None of the projects, alone or in combination, will rearrange land uses in any way. The existing Land Use is and will remain Recreation & Open Space.

REPLACEMENT EXHIBITS

The following *Figure 10.0-2 Main Campus 10-Year Schedule of Capital Projects (SCP)*, page 2, indicates the changes to Project #33: UCFAA FOOTBALL CAMPUS PROJECTS (changes are highlighted.)

10.0 CAPITAL IMPROVEMENTS & IMPLEMENTATION

Revised Figures 10.0-1 and 10.0-2

Figure 10.0-2 Main Campus 10-Year Schedule of Capital Projects (SCP)

3-Year Committed

Consistent with the Campus Development Agreement (CDA)

Other Projected Projects

Note: MAP KEY numbers are associated with Figure 10.0-1 Capital Improvements Map, and are not associated with project priority.

MAP KEY	SCP 2020-30 For variables (Priority, Projected Cost, Timing), see the annually-updated 5-YEAR CAPITAL IMPROVEMENTS PLAN (CIP)	BUIDING #	OTHER NAMES (AKA)	COLLEGE OR DIVISION REQUESTING	PROJECT TYPE	EXISTING GSF	RENOVATION SF	NEW CONSTR. SF	PROJECT SCOPE	2020 CIP Fund /Priority	2015 EPS Proj. #
MAIN CAMPUS 10-YEAR PROJECTED PROJECTS											
1	JOHN C. HITT LIBRARY RENOVATION PH. II	002		IT&R	Renovation 5 Phases	226,506	226,506		Renovate 5 Floors for efficient/flexible interiors, more seating, study, special collections/archives, and technology workstations. Digital Initiatives Center.	CITF / 1	5
2	CAMPUS ENTRYWAYS – PHASE I			2016 CDA	Roadway				University & Alafaya Gateway - improve roads, sidewalks, landing pads, signage, landscape	State / 1 NonState	
3	CAMPUS ENTRYWAYS – PHASE II			2016 CDA	Roadway				Remaining Items from CDA	State / 2 NonState	
35	UCF CROSS-CAMPUS BIKE TRAIL		Innovation Way Trail / East Orange Trail						On-campus bike trail linking the existing trail systems of Orange and Seminole Counties		
4	ENGINEERING BUILDING RENOVATION	040		CECS	Renovation	130,885	TBD		Total Renovation	PECO / 1	
5	BIOLOGICAL SCIENCES RENOVATION	020		COS	Renovation	116,607	116,607		Total Renovation	PECO / 4	
6	THEATRE BUILDING RENOVATION – HVAC	006		CAH	Renovation	29,469	TBD		HVAC	PECO / 5	
7	HOWARD PHILLIPS HALL RENOVATION	014		Campus	Renovation	64,619	64,619		Total Renovation	PECO / 6	
8	LEARNING LABORATORY Active Learning, Teaching Lab, & Maker Space Facility			COS, CCIE, CECS, COM	New Building			150,000	Multidisciplinary Classroom and Teaching Lab facility for several colleges		Spot Survey
9	RESEARCH II Science, Engineering, & Commercialization Facility		Research II	COS, CECS, CREOL, ORC	New Building			138,000	Multidisciplinary Research Facility to serve several colleges		16
10	WET TEACHING LAB AND EXPANDED STEM FACILITY (Classroom Lab Building)			COM / BSBS	New Building			240,950	Facility to provide wet/prep labs for several programs, study space, offices, and a lecture hall.		
11	PERFORMING ARTS COMPLEX PH. II	119	Arts Complex Ph. I (Performance)	CAH	Addition	83,670	3,000	122,800	Flexible Performance Space, configurable into 4 venues, including Proscenium Theatre and Concert Hall. The facility includes assembly and production support, as well as storage.		7
12	CHEMISTRY RENOVATION	005		COS	Renovation	49,073	49,073		Total Renovation		10
13	VISUAL ARTS RENOVATION & EXPANSION	051		CAH	Renovation	85,000	85,000	TBD	Total Renovation and Expansion		12/13
14	MATHEMATICAL SCIENCES RENOVATION	012	Math Sciences Building Remodeling & Renovation	COS	Renovation	106,523	106,523		Total Renovation		
15	FERRELL COMMONS E&G SPACE RENOVATION	007		Campus	Renovation	93,860	~28,000		Total Renovation of E&G space (100% of 7B, 7F, 7G, 90% of 7C, 50% of 7E.)		
16	ARBORETUM, URBAN ECOLOGY, & SUSTAINABILITY CENTER		Sustainability Center Ph. I Sustainability Center Ph. II	COS, F&S	New Building			15,000	Arboretum and Urban Ecology Center - replaces aging modular. Sustainability Center - for collaborative research in sustainability/energy.		
17	CLASSROOM BUILDING III			Campus	New Building			80,000	A state-of-the-art facility to support enhanced teaching and learning - variety of advanced-technology classrooms and multimedia facilities. Faculty offices and support spaces.		17
18	SIMULATION AND TRAINING BUILDING			CECS	New Building			60,000	Research Facility for IST, includes lab and office space for multiple disciplines in modeling, simulation and training, immersive environments and mobile learning		
19	WELCOME CENTER EXPANSION	096		Campus	Addition	18,717		11,000	Improve recruitment of top undergrad and grad students, steer students toward strategic programs, focus on under-represented populations, advise students toward timely graduation.		20
20	RESEARCH III			Campus	New Building			150,000	Future Research Facility		
21	DINING, HOUSING, RESIDENCE LIFE FACILITY			SDES	New Building			260,000	Includes student housing and meal-plan dining hall Creative School may be collocated		
22	SPECIAL PURPOSE HOUSING		Special Purpose Housing and Parking Garage	SDES	New Building			32,000	Greek Housing on ~7 ac. Greek Park Expansion		
23	GRADUATE HOUSING			SDES	New Building			150,000	Graduate Student Housing		
24	SPECTRUM STADIUM STEEL RE-COATING	135	Rust Remediation	UCFAA	Renovation	76,527			Re-coat steel structure to prevent rust	NonState	

10.0 CAPITAL IMPROVEMENTS & IMPLEMENTATION

Revised Figures 10.0-1 and 10.0-2

Figure 10.0-2 Main Campus SCP (Continued)

Revised by Minor Amendment MA-3 2024 (March 2024)

MAP KEY	SCP 2020-30 For variables (Priority, Projected Cost, Timing), see the annually-updated 5-YEAR CAPITAL IMPROVEMENTS PLAN (CIP)	BUILDING #	ALTERNATE or OLD PROJECT NAMES (AKA)	COLLEGE OR DIVISION REQUESTING	PROJECT TYPE	EXISTING GSF	RENOVATION SF	NEW CONSTR. SF	PROJECT SCOPE	2020 CIP Funds/Priority	2015 EPS #
MAIN CAMPUS 10-YEAR PROJECTED PROJECTS											
25	BASKETBALL EXCELLENCE CENTER	50C	Venue Expansion and Renovation	UCFAA	Add & Reno	48,000		TBD	Renovation of The Venue. Add student-athlete team space and office space.		
26	SOCCER STADIUM & PARKING			UCFAA	New Bldg./Field			TBD	Soccer Stadium north of Spectrum Stadium		
27	TENNIS COMPLEX			UCFAA	New Bldg./Courts			7,500	Tennis Support Building and Tennis Courts (≤12)		
28	RECREATION & WELLNESS CENTER PH. III	088		SDES	Addition	156,111		50,000	Addition the Recreation and Wellness Facility		
29	RWC PARK PHASE IV			SDES	New Bldg./Fields			TBD	Entrance Element and Field Improvements		
30	CREATIVE SCHOOL FOR CHILDREN	Replace 24		Auxiliary	New Building			18,000	New Creative School to support 170 UCF families (increase of 40 families).		
31	INTERCEPT GARAGE		Parking Garage VII	Parking	New Garage			TBD	Intercept Garage at University & Alafaya		
32	ENVIRONMENTAL HEALTH AND SAFETY SUPPORT FACILITY	48A		Support	New Building			4,000	Facility to centralize specialty material receiving, storage, and distribution		
33	<u>UCFAA FOOTBALL CAMPUS PROJECTS</u> (Revised by MA2022-1) <ul style="list-style-type: none">• Roth Tower Addition and Renovation• Football Practice Field Relocation• McNamara Cove• Parking and Plaza Expansion• Wayne Densch Sports Center Renovation• Football Operations Building	Project #33 includes six projects on the UCFAA Football Campus									
		135			Addition/Reno				Addition and renovation to the existing tower building		
					Sitework				FB Practice Field #1 moves from west to east of FB Practice Field #2		
		363			New Facility				New site for "Recovery River," plunge pool, plaza, support buildings		
					Sitework				Includes Nicholson Plaza, The Boulevard, Expansion of Lot E-2		
		077			Renovation				Comprehensive renovation/remodeling of WDSC		
		363			New Facility				New Coaches Building		
34	LAKE CLAIRE RECREATON AREA EXPANSION	0334		SDES	Addition & Reno				Expand Boathouse (0334), Improve Parking Lot		

Figure 10.0-3 Satellite Campuses 10-Year Schedule of Capital Projects (SCP)

Note: Figure 10.0-1 Capital Improvements Map does not include Satellite Campus projects

Campus	SATELLITE CAMPUSES 10-YEAR PROJECTED PROJECTS										
DT	UCF COMMUNICATION AND MEDIA BUILDING - EXTERIOR	0906	Center for Emerging Media		Renovation	130,000	Ext			PECO / 3	
DT	DOWNTOWN CAMPUS BUILDING II				New Building						
DT	DOWNTOWN CAMPUS PARKING GARAGE II				New Garage						
DT	DOWNTOWN CAMPUS PHASE III				New Building						
DT	DOWNTOWN CAMPUS PHASE IV				New Building						
RCHM	ROSEN GARAGE			Parking	New Garage						
AHSC	COLLEGE OF NURSING BUILDING (Revised by MA2022-2)		College of Nursing & Allied Health	CON	New Building			90,000	New academic home for College of Nursing (~90,000 GSF)	Footnote ⁴	Footnote ⁵
AHSC	HEALTH SCIENCES PARKING GARAGE			Parking	New Garage			160,000	New Parking Garage to support Lake Nona Campus		
AHSC	UTILITIES INFRASTRUCTURE/SITEWORK – CLINICAL FACILITIES		Infrastructure and Sitework Lake Nona Clinical Facilities		Infrastructure			3,400LF			
AHSC	BURNETT BIO-MEDICAL SCIENCE CENTER INFRASTRUCTURE				Infrastructure			150,000			
AHSC	INSTITUTE FOR HOSPITALITY IN HEALTHCARE			COM/RCHM	New Building			150,000			
Cocoa B.	FLORIDA SOLAR ENERGY CENTER RENOVATION	Many	FSEC		Renovation	14,418	TBD			PECO / 2	
Melbourne B.	MARINE TURTLE & COASTAL RESEARCH STATION		Coastal Biology Station	COS	New Buildings			9,500			19

⁴ CON will be UCF’s #2 priority on the 2023-24 Capital Improvement Plan PECO-eligible project list
⁵ Funding appropriation by Legislative Initiative FY 2022-23 had no proviso requiring an EPS Recommendation



Board of Trustees

Board Workshop

March 28, 2024

Agenda Item

BOT-2: Roth Tower Expansion and Renovation Project Approval

Proposed Board Action

The Board of Trustees is asked to approve up to \$88,000,000 to design and construct the Roth Tower Expansion and Renovation project.

Authority for Board of Trustees Action

Board of Governors' Regulation 1.001, sections (3)(b) and (7)(e)

Presidential Authority and Delegation, section (7)(a)2

Capital Projects Funding Policy

UCF Board of Trustees – Facilities and Infrastructure Committee Charter

Supporting Documentation Included

Attachment A: Capital Projects Funding Certification Form, Roth Tower Expansion & Renovation

Facilitators/Presenters

Jon Varnell, Vice President for Administrative Operations

Terry Mohajir, Vice President and Director of Athletics



Roth Tower Expansion and Renovation Project Approval

EXECUTIVE SUMMARY

Objective

Approve the use of up to \$88,000,000 in funding to design and construct the Roth Tower Expansion & Renovation project.

Summary of Key Observations/Recommendations

Orange County has approved Tourist Development Tax (TDT) funding for the project. The project is currently in the Design Development phase, with an aggressive schedule to open the facility for the Fall 2026 football season. Approval of this project will allow the project to complete the design, early release packages, and construction contract to stay on schedule.

Additional Background

On May 26, 2022, the UCF Board of Trustees approved the use of up to \$4,800,000 in funding to start the design and preconstruction of the Football Campus projects. The needs for the Football Campus have evolved, and the focus of stadium modifications is now the expansion and renovation of the Roth Tower.

Rationale

This project approval will allow the project to continue an aggressive schedule, targeting a Fall 2026 opening date for the expanded and renovated facility.

Implementation Plan

The design and construction teams are executing an aggressive schedule of design drawings and early-release packages. Please see Attachment B for a more detailed project schedule. This schedule includes:

- Design Development and Construction Documents complete by September 2024
- Early Release Packages issued in Summer 2024 based on select accelerated drawing packages
- Bidding, award, and final Guaranteed Maximum Price proposal by November 2024
- Contract negotiation and approval by December 2024
- Construction between December 2024 and Summer 2026
 - Note: during the Fall 2025 football season the existing tower will remain operational, but construction will be active on weekdays on the north, south, and west sides of the existing tower.
- Project opens for Fall 2026 football season.

Resource Considerations

The project is funded by TDT Commitments, along with an internal bridge loan to support immediate project funding needs, and a bank loan to support construction funding needs. These specific finance mechanism approvals will be reviewed and approved by the BOT in a separate agenda item from this approval item.

Conclusion

Approval of this funding request will allow the Roth Tower Expansion and Renovation project to continue with its aggressive design schedule and meet our commitment to have this project complete by the Fall 2026 football season.

Attachment A

UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES POLICY

Capital Projects Funding Certification

This Board policy requires that the attached Capital Projects Funding Certification Form be completed and signed by the University President, the Vice President submitting the item, the Chief Financial Officer, and the General Counsel for any capital project that exceeds \$2 million.

The University President or his designee will be responsible for the implementation of this Board policy.

POLICY STATEMENT

The Board of Trustees desires to establish a policy that all capital projects exceeding \$2 million have a signed certification form that identifies the amount and the source of funds for the project.

PROCEDURES:

For any capital project exceeding \$2 million, a written certification form must be completed and signed by the University President, the Vice President submitting the item, the Chief Financial Officer, and the General Counsel certifying that the project has been reviewed and the funding source is appropriate for the nature of the project.

INITIATING AUTHORITY

UCF Board of Trustees

History: New 9-2018.

Authority: BOG Regulation 1.001



Capital Projects Funding Certification Form

This form is required as a condition for approval by the Finance and Facilities Committee and the Board of Trustees.

Project name/description: **Roth Tower Expansion & Renovation**

Funding source(s): **\$88,000,000 for design, construction, and project related expenses, from a combination of two separate debt issuances - bond proceeds and a direct placement bank loan. See separate funding approvals for additional information.**

This is to certify that the above capital project which exceeds \$2 million has been reviewed and approved and the type of funding for the project is authorized by state law and Board of Governors Regulations.

Alexander
Cartwright

Digitally signed by Alexander
Cartwright
Date: 2024.03.19 17:15:02 -04'00'

President

Date

Jon Varnell

Digitally signed by Jon Varnell
Date: 2024.03.19 14:04:00
-04'00'

Vice President

Date

ge208399

Digitally signed by ge208399
Date: 2024.03.19 12:13:15
-04'00'

Chief Financial Officer

Date

ycook

Digitally signed by ycook
Date: 2024.03.19
09:54:52 -04'00'

General Counsel

Date



Board of Trustees

Board Workshop

March 28, 2024

Agenda Item

BOT-3: Tourism Development Tax Agreement

Proposed Board Action

The UCF Board of Trustees is asked to approve the multi-year funding agreement between the University of Central Florida, the UCF Stadium Corporation, and Orange County Government, and delegate to the President the authority to accept and execute final adjustments to the agreement that may be requested by the Board of County Commissioners.

Authority for Board Action

Board of Governors Regulation 1.001 - University Board of Trustees Powers and Duties

Supporting Documentation Included

Attachment A: Tourism Development Tax Funding Agreement (*final draft subject to approvals*)

Facilitators/Presenters

Michael A. Kilbride, Executive Chief of Staff
Youndy Cook, Vice President and General Counsel



Tourism Development Tax Agreement

EXECUTIVE SUMMARY

Objective

Review and consider approving a multi-year funding agreement between the University of Central Florida, the UCF Stadium Corporation, and Orange County Government that would provide \$90 million from excess Tourism Development Tax revenues to fund the renovation and expansion of Roth Tower at FBC Mortgage Stadium.

Summary of Key Observations/Recommendations

- Orange County will provide \$90 million to the University from excess TDT revenues as calculated by a formula stated in Exhibit B of the agreement, for an amount of up to \$10 million annually, beginning on Dec. 1, 2024, through Dec. 1, 2032. Funds can be utilized for direct project costs and/or debt related to the Stadium Tower project.
- To the extent the County's contribution is less than \$10 million in any year, UCF will be entitled to additional catch-up payment(s) in a future year(s) until such time as the full contribution has been made.
- The County may also, but is not obligated to, periodically provide additional funds to the Custodian to prepay its funding obligation under this agreement. When the County's contributions under this agreement reaches \$90 million, the County will have no further funding obligation under this agreement.
- The agreement outlines reporting and audit obligations that are consistent with previous funding agreements entered into with the County.

Additional Background

In May 2023, the UCF submitted a proposal to Orange County's Tourism Development Tax Citizen Advisory Task Force to seek funding consideration for UCF's Athletic Village. In July 2023, the TDT Citizen Advisory Task Force voted to recommend that UCF's proposal be included in the recommendation to the Orange County Commission for consideration.

In Fall 2023, UCF submitted a supplemental funding proposal focusing the University's request on the \$88 million needed to fund the expansion and renovation of Roth Tower at FBC Mortgage Stadium. UCF's football stadium is a key driver of sports tourism in East Orange County.

On October 3, 2023, the Orange County Board of County Commissioners unanimously voted to allocate \$90 million from excess TDT revenue towards the expansion and renovation of Roth Tower. At the request of the County Commission, the University would be responsible for issuing the debt associated with the project, and the County would enter a multi-year funding agreement with the University to fund the project.

On October 31, 2023, Orange County's Tourism Development Council reviewed UCF's proposal and recommended that Orange County's Tourism Development Plan be updated to include UCF's Stadium Project.

On November 28, 2023, the Orange County Board of County Commissioners voted to adopt Ordinance 2023-42, which amended Section 25-140 of the Orange County Code (“Tourism Development Plan”) to include UCF’s Stadium Project as a funding priority.

Once the Tourism Development Plan was amended, County and University staff worked to prepare a multi-year funding agreement for review and final approval by the Board of County Commissioners in Spring 2024.

Rationale

The renovation and expansion of FBC Mortgage Stadium directly supports the UCF Athletics Mission XII initiative to strengthen UCF’s nationally recognized athletics programs. This project will also contribute to tourism development in East Orange County by increasing product offerings associated with UCF Football.

Implementation Plan

Once approved the Board of Trustees, the agreement will be signed and sent to Orange County for final consideration during a Board of County Commissioners meeting prior to June 2024. Once the agreement is fully executed, it will be included as support material for the University’s debt package associated with the project.

Resource Considerations

The funding agreement will secure \$90 million towards the renovation and expansion of Roth Tower at FBC Mortgage Stadium. The funds are permitted to be utilized for direct project costs, principal and interest payments associated with debt for the project, and associated financing costs.

Conclusion

Staff is requesting that the Board of Trustees approve the multi-year funding agreement between the University of Central Florida, the UCF Stadium Corporation, and Orange County Government, and delegate to the President the authority to consider any final adjustments to the agreement that may be requested by the Board of County Commissioners.

FUNDING AGREEMENT*Among***ORANGE COUNTY, FLORIDA****and****UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES****and****UCF STADIUM CORPORATION, INC.**

THIS FUNDING AGREEMENT (this "Agreement"), is made and entered into as of the date of last execution below, by and among **ORANGE COUNTY, FLORIDA**, a charter county and political subdivision of the State of Florida, ("County"), the **UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES**, on behalf of the University of Central Florida, a public institution and part of the State of Florida university system, with a business address of 12201 Research Parkway, Suite 501, Orlando, FL 32826 (the "University"), and **UCF STADIUM CORPORATION, INC.**, a not-for-profit corporation organized and existing under the laws of the State of Florida (the "Corporation," and together with the University, "UCF").

WITNESSETH

WHEREAS, the University owns and the Corporation, on behalf of the University, constructs, operates and maintains the UCF Football Stadium (the "Stadium") which hosts various college football games, live concerts, and other live-action sporting and entertainment events; and

WHEREAS, the Corporation is a not-for-profit corporation which is organized and shall be operated exclusively to receive, hold, invest, and administer property and to make expenditure to or for the benefit of the University pursuant to which it operates the Stadium and organizes and hosts certain sporting and live-action events at the Stadium; and

WHEREAS, the University and users of the Stadium have reported specific needs at the Stadium that will drive additional regional tourism and enhance the fan experience and recommended certain improvements thereto; and

WHEREAS, the parties have agreed to incorporate improvements to the Stadium to address such needs resulting in the scope of work and project budget and schedule attached hereto, and incorporated herein by reference, as **Exhibit A** (the "Scope"); and

WHEREAS, the County currently collects the tourist development taxes authorized by Section 125.0104(3)(c) and (m), Florida Statutes ("Tourist Development Tax" or "TDT") and such

Tourist Development Taxes are authorized, pursuant to Section 125.0104(5)(a)1.a., to be used to construct, extend, enlarge, remodel, repair, improve, or maintain, publicly owned and operated sports stadiums within the boundaries of the county in which such tax is levied; and

WHEREAS, on June 26, 2023, the Tourist Development Tax Citizen Advisory Task Force ("Task Force") recommended to the Board of County Commissioners the University's Stadium tower project for funding consideration; and

WHEREAS, on October 3, 2023, the Orange County Board of County Commissioners ("Board") reviewed those projects recommended for TDT funding by the Task Force, and, following the University's presentation regarding its proposal, the Board voted unanimously to support the Stadium tower project; and

WHEREAS, on October 31, 2023, the University presented the Stadium tower project to the Tourist Development Council (the "TDC") and the TDC unanimously recommended funding up to Ninety Million Dollars (\$90,000,000) in construction of the improvements from TDT revenues; and

WHEREAS, on November 28, 2023, the Board held a public hearing and adopted Ordinance No. 2023-43 ("Ordinance"), which amended the Tourist Development Plan in order to, among other things, authorize funding in an amount not to exceed Ninety Million Dollars (\$90,000,000) for project costs associated with the financing and construction of improvements for the Stadium Tower as set forth herein from TDT revenues (the "Stadium Improvements").

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the County, the University and the Corporation agree as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated herein and made a part of this Agreement.

2. County Contribution. Subject to all terms and conditions set forth in this Agreement, the County agrees to contribute a total aggregate amount not to exceed Ninety Million Dollars (\$90,000,000.00) solely from Excess TDT Revenues, as defined herein, allocated by the Board for the Stadium Improvements ("County Contribution"), as further described below. Such County Contribution shall be deposited with the Bank of New York Mellon, as custodian (the "Custodian"), who shall hold all County Contributions, and any interest thereon, in a separate TDT Account. The TDT Account will be used to receive and accumulate the County Contribution, and to pay cash expenses and debt service related to Stadium Improvements as outlined in Exhibit A and shall be separate from any other accounts UCF may have with the Custodian. If UCF finances all or a portion of the Stadium Improvements, a separate Construction Fund Account will be established to account for the bond/loan proceeds. The County Contributions shall be deposited on December 1 of each year beginning on December 1, 2024, in accordance with the Excess TDT Revenue amounts set forth on **Exhibit B**, attached hereto, and incorporated herein by reference, until such time as the full Ninety Million Dollar (\$90,000,000.00) County Contribution has been made.

a. Excess TDT Revenues: The annual amount of County Contribution payable to UCF will be solely from Excess TDT Revenues, as defined herein and in accordance with **Exhibit B**, and as certified annually by the County

Comptroller. Excess TDT Revenues will be calculated as the fiscal year collection amounts above the “TDT Revenue Threshold Floor” and up to the “TDT Revenue Threshold Ceiling,” for an amount up to \$10 million annually, beginning on December 1, 2024, through December 1, 2032. To the extent the County Contribution is less than \$10 million in any year, UCF will be entitled to an additional catch-up payment(s) in a future year(s) until such time as the full County Contribution has been made. The catch-up payment(s) will be made solely from TDT collections exceeding the “Catch-up Payment Threshold Floor” and up to the “Catch-up Threshold Ceiling” for each respective fiscal year as shown in **Exhibit B**.

- b. **Prepayment.** The County may also, but is not obligated to, periodically provide additional funds to the Custodian to prepay its funding obligation under this agreement. When the County’s contributions under this agreement reaches Ninety Million Dollars (\$90,000,000), the County will have no further funding obligation under this Agreement.
- c. **Remaining Funds.** After the completion of construction of the Stadium Improvements and after all related debt has been paid off, if there are any remaining funds, including interest earnings, UCF shall return such amounts to the County.

3. **Custodian Agreement.** The County Contribution shall be disbursed by the Custodian pursuant to a Custodian Agreement between the University and the Custodian (the “Custodian Agreement”). The Custodian Agreement shall be subject to the County’s review and approval prior to its execution. The Custodian Agreement shall (i) require that copies of all draw requests shall be provided to the County simultaneously with such draws and (ii) expressly restrict the use of such funds to uses permitted by Section 125.0104(5)(a)1.a., Florida Statutes, and this Agreement. After the initial draw under the Custodian Agreement, the University shall provide the County with a detailed report of expenditures made with respect to each draw prior to subsequent draws. No change to the Custodian or the Custodian Agreement shall be made without the prior written consent of the County Administrator.

4. **Restrictions on Use of County Contribution.** UCF shall use the County Contribution only to pay for capital costs associated with the design, architectural, construction, principal, interest payments, and associated financing costs on related debt obligations for the Stadium Improvements as set forth in the Scope attached hereto as **Exhibit A** in accordance with Section 125.0104(5)(a)1.a., Florida Statutes (“Permitted Costs”). It is anticipated that prior to Fall of 2025, the Corporation will issue debt to finance the costs of the Stadium Improvements (the “Stadium Debt”). For clarity, the County Contribution is not intended, nor shall the County be obligated, to cover project and/or financing costs of borrowing that exceed Ninety Million Dollars (\$90,000,000). Amounts deposited with the Custodian each December 1st commencing December 1, 2024, will be used to pay preliminary design costs or be deposited with the bond trustee to pay debt service on the bonds. The County Contribution shall **not** be used for and the County shall **not** be responsible for: (i) any costs other than Permitted Costs; (ii) construction cost overruns in excess of the County Contribution; (iii) operating, administrative or maintenance costs of any type whatsoever; (iv) salary, overtime, or other similar compensation or benefits of employees or contract employees of the County, UCF, or any other governmental agency in connection with the

construction or operation of the Stadium; or (v) compensation of outside consultants performing indirect services for the County or UCF, as determined by generally accepted accounting principles.

5. Limitations on County's Obligation. The County's obligation to make the County Contribution shall not constitute a lien on Tourist Development Taxes and will not be on parity with any existing or future debt of the County. The County Contribution shall only be disbursed to the Custodian after the payment of all current payment requirements set forth in the County TDT Bond Indenture have been satisfied. The obligations of the County under this Agreement are limited solely to the TDT revenues to be deposited with the Custodian and no general fund revenues or other funds whatsoever of the County are obligated. Nothing provided herein shall obligate or require the County to levy any ad valorem taxes, fees, or assessments whatsoever. The County's obligation under this Agreement is limited to providing the County Contribution to the Custodian and the County shall not be liable for any construction cost overruns or operating subsidies of any type whatsoever in connection with the construction or operation of the Stadium.

6. Disbursement of County Contribution. The County Contribution shall be disbursed by the Custodian pursuant to the Custodian Agreement for expenses and debt service payments related to the Stadium Improvements as outlined in Exhibit A, including, as applicable, certain Stadium-related expenses that may have been incurred prior to the Effective Date of this Agreement. For non-financed expenses, payments will be made in one or more installments after submission of design, architectural, or construction cost requisitions signed by an authorized representative of the University and accompanied by a summary of the invoices or receipts evidencing completion of work. Copies of all such requisitions shall be provided to the County Administrator and the Orange County Comptroller ("Comptroller") at the notice addresses set forth herein.

7. UCF Representations and Obligations. UCF shall (i) diligently proceed with the design and construction of the Stadium Improvements pursuant to the Scope in a financially responsible and commercially reasonable manner; (ii) use and maintain the Stadium as a publicly owned and operated sports stadium, as contemplated under Section 125.0104, Florida Statutes; (iii) comply with all federal, state, and local laws, ordinances, rules, and regulations relating to the design, construction, funding, operation, and maintenance of the Stadium; and (iv) provide copies of all relevant financing documents and the preliminary offering statement of the Stadium Debt to both the Comptroller and the County Administrator at the notice addresses set forth herein. UCF covenants, represents, and warrants to the County that UCF has and will have the financial capability and resources to support and fund the operational costs of the Stadium on an ongoing basis and that the County will not be requested to provide and will have no responsibility for any operating costs or costs other than the design, construction, and pre-development costs set forth in the Scope. Furthermore, UCF shall ensure that the County's total aggregate contribution pursuant to this Agreement is acknowledged in a manner fully commensurate with the County's contribution in relation to the total construction cost of the Stadium Improvements and equal to the acknowledgement of any other contributors, in press releases, permanent and temporary commemorative signage and plaques, as well as in events commemorating completion of the Stadium Tower.

8. Scope of Renovation. UCF shall make every effort to complete the Stadium Improvements in accordance with the elements set forth in the Scope. Any material changes,

additions and/or deletions made to the Scope and, once finalized, the Plans and Specifications, shall be approved in writing by the authorized representative of the University and provided to the County Administrator. The term "Plans and Specifications" means the final plans and specifications for the Stadium Improvements prepared by the architect or engineer and other design professionals and approved by authorized representatives of the University. The Plans and Specifications shall be consistent with the Scope as contemplated hereinabove.

9. Construction Provisions. Management of the design and construction of the Stadium Improvements will be administered and managed by the University on behalf of the Corporation. Any architectural and engineering services funded by the County Contribution shall be procured through an open, competitive procurement process utilizing a request for proposals or a request for qualifications solicitation. The procurement method shall comply with Section 287.055, Florida Statutes. The services of construction manager and all third-party providers funded by the County Contribution shall be procured through an open competitive procurement process which may utilize a request for proposals or request for qualifications solicitation. The procurement method shall comply with Section 255.20, Florida Statutes. UCF shall not discriminate against any individual on the basis of race, color, ethnicity, national origin, religion, non-religion, age, genetic information, sex (including pregnancy, parental status, gender identity or expression, and sexual orientation), marital status, physical or mental disability, veteran's status (as protected under the Vietnam Era Veterans' Readjustment Assistant Act), or membership in any other protected classes as set forth in state or federal law; UCF agrees to adhere to the provisions of applicable federal and state Laws regarding discrimination and continue its policies of nondiscrimination accordingly.

10. Audit. The County and the Comptroller (or designee) shall have the right to audit from time to time for compliance with the terms, conditions, obligations, limitations, restrictions, and requirements of this Agreement, the use of the County Contribution for the design, financing, and construction of the Stadium. Such right shall extend for a period of five (5) years after completion of the Stadium Improvements. UCF agrees to provide reasonable assistance in providing documents, materials, data, information and records to the County and the Comptroller or designee in the performance of these audits as requested by the Comptroller or County during the course of this contract and for a period of five (5) years after the completion of the Stadium Improvements. In those situations where records have been generated from computerized data (whether mainframe, mini-computer, or PC based computer systems), the Comptroller's representatives shall be provided with extracts of data files in computer readable format on data disks or suitable alternative computer exchange formats. Such activity shall be conducted during normal business hours.

11. Notices. Any notices required or allowed hereunder shall be in writing and given by certified mail with return receipt requested, to the addresses below, or in person with proof of delivery to the addresses below, or such other address as either party shall have specified by written notice to the other party delivered in accordance herewith:

County: Orange County Administrator
201 S. Rosalind Avenue, 5th Floor
Orlando, Florida 32801

The University: University of Central Florida

Office of the President
4365 Andromeda Loop N.
Orlando, Florida 32816

With a copy to: University of Central Florida
Office of the General Counsel
4365 Andromeda Loop N. MH360
Orlando, Florida 32816

The Corporation: University of Central Florida Stadium Corporation, Inc.

Comptroller: Orange County Comptroller
Director of Finance & Accounting
201 S. Rosalind Avenue, 4th Floor
Orlando, Florida 32801

12. Indemnification. UCF, to the extent permitted by law, agrees to defend, indemnify, and hold harmless the County, its officials and employees from all claims, actions, losses, suits and judgments, fines, liabilities, costs and expenses (including attorney's fees) each attributable to its own negligent acts or omissions or those of its officials and employees acting within their scope of their employment or connected in any way or arising from performance under this Agreement. The foregoing shall not constitute an agreement by any party to assume any liability for the acts, omissions and/or negligence of any other party. This provision shall survive termination of this Agreement. Nothing herein is intended to act as a waiver of the University's or the Corporation's sovereign immunity pursuant to Section 768.28, Florida Statutes, and notwithstanding anything in this Agreement to the contrary, under no circumstances shall the University or Corporation be liable to County under any contract, negligence, strict liability, or other legal or equitable theory for any amounts in excess of those limits per claim and per occurrence set forth for tort liability in Section 768.28, Florida Statutes, which limits are hereby made applicable to all manner of claims against the County related to this Agreement and are not confined to tort liability.

13. Reporting Requirements. As a condition of receiving funds pursuant to this Agreement, the University acknowledges and agrees to comply with its reporting obligations and to timely provide the following to the Comptroller and County Administrator, at their respective notice addresses listed herein:

- (i) from the date hereof until completion of construction, UCF will provide quarterly reporting of project progress as set forth in the Scope;
- (ii) from the date hereof until completion of construction, UCF will provide a quarterly report itemizing in detail all expenditures made from TDT revenues, setting forth all interest earnings from the investment of the TDT proceeds, and calculating the balance of any unexpended funds;
- (iii) copies of all design and construction documentation and any amendments thereto will be maintained by the University and available for inspection by the County;
- (iv) upon completion of construction of the Stadium Improvements, the University will provide a certification to the County from a professional architect and/or engineer licensed to practice in the State of Florida that the Stadium Improvements have been completed substantially in accordance with the Scope and the Plans and Specifications; and
- (v) after completion of the Stadium Tower Project, UCF will provide the County with an annual report showing total sources of funding, including TDT and related interest earnings, and total uses (construction expenditures and loan/debt payments) along with any remaining balance until all loans/debts are paid off.
- (vi) Beginning in August 2025, and for a period of ten (10) years, UCF will provide an annual tourism report to the county including a list of events with a description of and attendance for each event, community and marketing metrics, the economic impact generated by the Stadium, and the source of that information.

To the extent that the Corporation directly utilizes any of the County Contribution, the Corporation shall be subject to audit and reporting requirements with respect to such funds. At the County's or Tourist Development Council's discretion, the University and/or the Corporation, or other party as designated by the University, shall provide a presentation or presentations regarding the Stadium as may be requested by the Tourist Development Council or the County.

14. Recordkeeping; Accounting. The University will utilize accounting procedures and practices in the maintenance of the records of receipts and disbursements of the funds contributed by the County, as well as all its receipts and disbursement of funds, and such procedures and practices shall be in accordance with generally accepted accounting principles. All such records shall be open to inspection and auditing by the County, the County's designee, or the County Comptroller during normal business hours during the term hereof, and for a period of five (5) years after completion of the Stadium Improvements or the termination of this Agreement whichever shall occur later. Any cost incurred by the University as a result of a County audit shall be the sole responsibility of and shall be borne by the University. This provision shall survive termination of this Agreement.

15. Effective Date; Amendment or Termination. This Agreement shall become effective upon execution by all parties hereto (the "Effective Date"). This Agreement may be amended, modified or terminated at any time during the term of this Agreement by the mutual written agreement of all of the Parties.

16. Default. The occurrence of any of the following constitutes an Event of Default:

(a) Failure of UCF to complete construction of the Stadium Improvements prior to December 1, 2029;

(b) Any material representation is made by the Corporation or the University (in each case, a default by said party) in any communication submitted to the County or the Custodian in an effort to induce the disbursement of TDT Revenues is determined by the County to be materially false, misleading, or incorrect;

(c) the Corporation's or the University's default (in each case, a default by said party) in the performance of any material term or covenant of this Agreement not otherwise provided for in this section for a period of more than thirty (30) days after its receipt of a notice of default, provided however that if the nature of the default is such that it cannot reasonably be cured within such 30-day period then the Corporation and/or the University, as applicable, shall have a reasonable period of time to cure such default provided that such cure is diligently undertaken and pursued by the Corporation and/or the University, as applicable;

(d) If the University takes steps to convey, vacate or abandon the Stadium within fifteen (15) years from the Effective Date of this Agreement.

In the event of a default by the Corporation or the University, UCF shall return any unused portion of the County Contribution, including interest, to the County and the County may, at its option, exercise any one or more of the following remedies: (i) declare this Agreement terminated, and/or (ii) exercise any and all remedies available at law and in equity against such defaulting party. The failure of UCF to return any unused portion of the County Contribution following a default and demand for same, shall constitute a separate default for which the County may exercise any of the remedies set forth herein.

17. Default by the County. The County's failure to deposit the County Contribution with the Custodian when due as set forth in Section 2 hereof shall constitute a default by the County. In the event of a default by the County, then the University, at its option, may exercise any one or more of the following remedies: (i) declare this Agreement terminated; or exercise the remedy of mandamus to require the County's performance under the terms and conditions of this Agreement and/or an action for specific performance. The University hereby acknowledges and agrees that the only remedies available to the University other than termination are those of mandamus and specific performance and the County shall bear no liability for direct, indirect or consequential damages.

18. Entire Agreement. This Agreement together with the Custodian Agreement constitutes the entire agreement between the three parties hereto with respect to the subject matter hereof; any representations or statements heretofore made with respect to such subject matter, whether verbal or written, are merged herein. No other agreement whether verbal or written, with regard to the subject matter hereof shall be deemed to exist.

19. No Assignment. Neither the University nor the Corporation may assign its rights hereunder, without the prior written consent of the County. Failure to comply with this section may result in immediate termination of this Agreement.

20. No waiver. Continued performance by either party hereto, pursuant to the terms of this Agreement, after a default of any of the terms, covenants or conditions herein shall not be deemed a waiver of any right to terminate this Agreement for any subsequent default, and no waiver of such default shall be construed or act as a waiver of any subsequent default.

21. Severability. The provisions of this Agreement are declared by the parties to be severable. However, the material provisions of this Agreement are dependent upon one another, and such interdependence is a material inducement for the parties to enter into this Agreement. Therefore, should any material term, provision, covenant or condition of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, the party protected or benefited by such term, provision, covenant, or condition may demand that the parties negotiate such reasonable alternate contract language or provisions as may be necessary either to restore the protected or benefited party to its previous position or otherwise mitigate the loss of protection or benefit resulting from holding.

22. Governing Law; Venue. Any litigation occurring as a result of this Agreement shall be held in the courts of Orange County, Florida. This Agreement shall be governed by the laws of the State of Florida.

23. Headings. The headings or captions of sections or paragraphs used in this Agreement are for convenience of reference only and are not intended to define or limit their contents, nor are they to affect the construction of or to be taken into consideration in interpreting this Agreement.

24. Counterparts. This Agreement may be executed in separate counterparts, all of which taken together shall be deemed to constitute one and the same instrument.

25. No Waiver of Sovereign Immunity. Nothing contained in this Agreement shall constitute, or be in any way construed to be, a waiver of either the University's, the Corporation's, or the County's sovereign immunity or the protections and provisions of Section 768.28, Florida Statutes.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as indicated below:

ORANGE COUNTY, FLORIDA

By: Board of County Commissioners

By: _____
Jerry L. Demings
Orange County Mayor

Date: _____

ATTEST:

Phil Diamond, CPA, County Comptroller
As Clerk of the Board of County Commissioners

By: _____
Deputy Clerk

(SEAL)

FINAL DRAFT SUBJECT TO APPROVALS

**UNIVERSITY OF CENTRAL FLORIDA
BOARD OF TRUSTEES**, on behalf of
the University of Central Florida, a public
institution and part of the State of Florida
university system

By: _____

Date: _____

FINAL DRAFT SUBJECT TO APPROVALS

UCF STADIUM CORPORATION, INC. a
Florida not-for-profit corporation

By: _____
Its: _____
Date: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me, a Notary Public, by means of ☐ physical presence or ☐ online notarization this ____ day of ____, 202__, by _____, as _____ of UCF Stadium Corporation, Inc., on behalf of said corporation, who ☐ is personally known to me or ☐ has produced (type of identification) _____ as identification who executed the foregoing instrument and acknowledged the execution thereof to be his/her free act and deed as such officer thereunto duly authorized, and that the official seal of said corporation is duly affixed thereto, and the said instrument is the act and deed of said corporation.

Witness my hand and official seal this ____ day of ____, 202__.

(Notary Seal)

Notary Signature

EXHIBIT "A"

STADIUM IMPROVEMENTS SCOPE

The renovation and expansion of the Tower at UCF's Football Stadium will support the upward trajectory of the UCF football program's impact on regional tourism and deliver enhancements to the fan experience that will ensure Orange County / Orlando becomes one of the top destinations as UCF enters the Big 12 Conference.

UCF will leverage the existing steel infrastructure of the Football Stadium Tower to deliver a complete renovation and expansion that will deliver a completely re-envisioned facility that will more than double usable square footage, provide additional seating inventory, and create new gathering spaces that will be used to enhance the game-day experience and host special events throughout the calendar year. Improvements will also focus on delivering improved gathering spaces and amenities to enhance the game-day experience and drive new revenue to support the program's growth and sustainability.

Preliminary Design of New Stadium Tower



Preliminary Design of New Stadium Tower



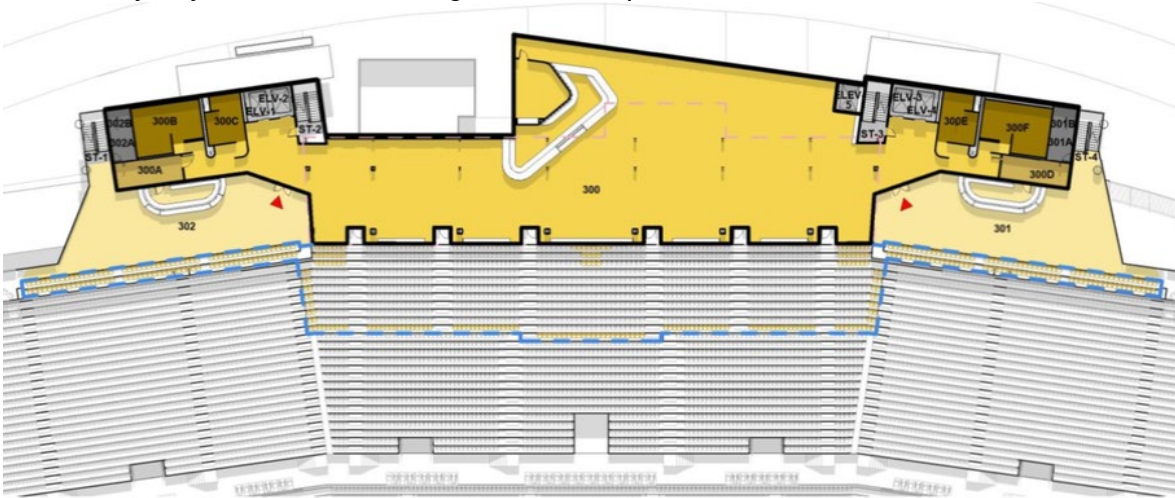
Design Objectives for Stadium Improvements

- The renovation will expand the gross square footage of the Tower to approximately 84,000 square feet with a focus on increasing total ticketed capacity and fan experience.
- The renovation of the Tower will ensure the new tower is constructed independent of the stadium structure to provide the most flexibility for future expansion.
- The renovations will include a reconstruction of the entire Tower facility, including new mechanical, electrical, plumbing, and fire protection systems. The renovation will also completely reconstruct the audio/visual, wireless, and cellular technology in the stadium.
- The renovation will ensure that improvements are made to the design and functionality of the ground-level entrances and provide additional elevators to support the growth of new ticketed spaces in the Tower.
- The renovation will prioritize the addition of new interior and exterior gathering spaces that can be programmed for gameday and be utilized for special events throughout the year to increase the facilities overall utilization.
- The renovation will prioritize the addition of ticketed seating options to increase the stadium's overall capacity.
- The renovation will prioritize expanding the press box and media spaces to ensure UCF's Football Stadium is best positioned to host and broadcast events and highlight Orange County and Orlando as a destination for collegiate sports and competition.
- The renovation will provide additional support facilities including restrooms, foodservice preparation, and back of house space needed to support the additional capacity and specialized spaces.

Planned Improvements to Ticketed Spaces: Club Seating and Gathering Spaces

- The expansion will increase club level seating capacity by 40 percent and deliver at least 1,200 club level seats once complete.
- The expansion will deliver approximately 16,000 square feet of usable interior and exterior space.

Preliminary Layout for Club Seating in Tower Expansion



Preliminary drawings for increased interior gathering and event space



Preliminary drawings for increased exterior gathering and event space

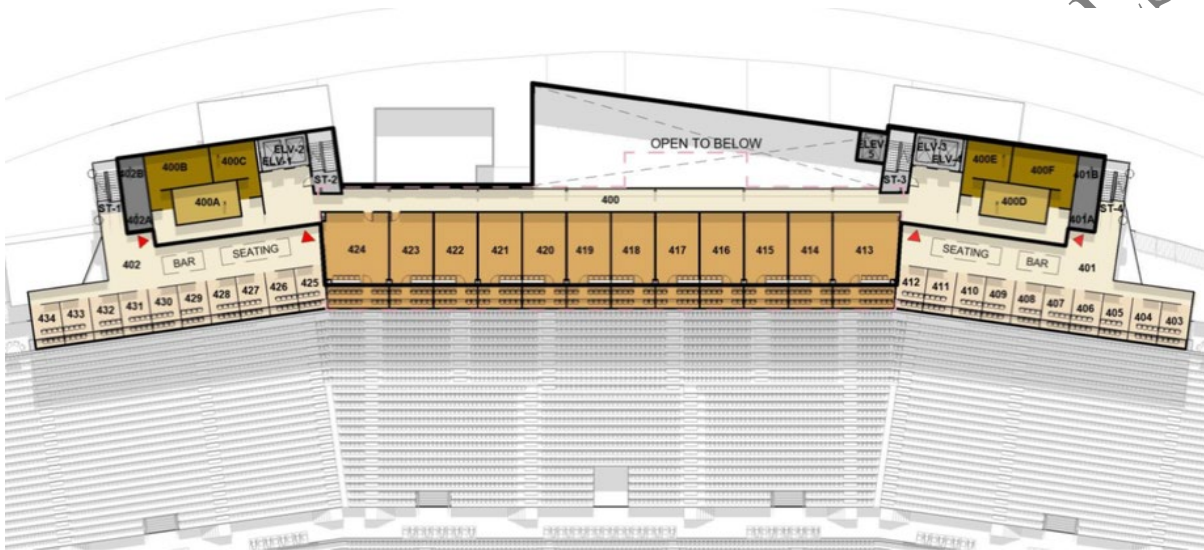


FINAL DRAFT SUBJECT TO A

Planned Improvements to Ticketed Spaces: Sky Cribs and Suites

- The expansion will prioritize the creation of new “Sky Cribs”, which will provide a new product offering for guests leveraging the fan experience of a suite with the benefits of the outdoor environment. The expansion will deliver at least 30 of these new “Sky Cribs” once completed.
- The expansion plans will optimize space utilization to deliver new at least 4 new suites once complete, while increasing the overall depth of the suites.

Preliminary Layout for Upper Floor in Tower Expansion



Preliminary Layout for “Sky Crib” Concept



Preliminary Layout for “Sky Crib” Concept

Summary of the Project's Design and Construction Schedule

To continue operations of the existing tower, construction on the expansion (foundations, structure, skin) will take place between and during the Fall 2024 and Fall 2025 football seasons. The renovation of the existing tower and tie-in to the expansion will take place between the end of the Fall 2025 football season and the start of the Fall 2026 football season. The design and construction schedule is estimated as follows:

- Schematic Design – completed Fall 2023
- Design Development – January to May 2024
- Construction Documents – May to September 2024
- Early Release Packages for foundations, steel, MEP, etc. – Fall 2024
- Permit/Bid – September to November 2024
- Construction GMP and Contracts – November to December 2024
- Construction – December 2024 to June 2026
- Open for Fall 2026 Football Season

Summary of Project Budget: Sources and Uses

UCF STADIUM TOWER EXPANSION PROJECT SOURCES AND USES

Sources:

Loan Proceeds (TDT Agreement)	\$ 63,851,776
Bond Proceeds (Stadium Revenue)	\$ 24,148,224
Total Sources	\$ 88,000,000

Uses:

Design and Pre-Construction Services	\$ 5,020,000
Permitting and Project Management	\$ 905,000
Gross Construction Costs	\$ 76,630,000
Furniture Fixtures and Equipment	\$ 5,445,000
Total Uses	\$ 88,000,000

EXHIBIT "B"

COUNTY CONTRIBUTION

EXCESS TOURIST DEVELOPMENT TAX (TDT) REVENUE ¹						
AMOUNTS USED TO CALCULATE ANNUAL PAYMENT OF COUNTY CONTRIBUTION FROM EXCESS REVENUE						
Base Contract Years						
Payment Date	TDT Excess Revenues Test Based on Lookback of Prior Fiscal Year Collections ³				Potential Revenue Shortfall Catch-up Payment Threshold	
	Fiscal Year ² of Collections for Revenue Test	TDT Revenue Threshold "Floor"	-	TDT Revenue Threshold "Ceiling"	Catch-up Payment Threshold "Floor"	Catch-up Payment Threshold "Ceiling"
Dec. 1, 2024	FY 2024	328,375,000	-	338,375,000		
Dec. 1, 2025	FY 2025	334,942,500	-	344,942,500	344,942,500	349,942,500
Dec. 1, 2026	FY 2026	341,641,350	-	351,641,350	351,641,350	356,641,350
Dec. 1, 2027	FY 2027	348,474,177	-	358,474,177	358,474,177	363,474,177
Dec. 1, 2028	FY 2028	355,443,661	-	365,443,661	365,443,661	370,443,661
Dec. 1, 2029	FY 2029	362,552,534	-	372,552,534	372,552,534	377,552,534
Dec. 1, 2030	FY 2030	369,803,584	-	379,803,584	379,803,584	384,803,584
Dec. 1, 2031	FY 2031	377,199,656	-	387,199,656	387,199,656	392,199,656
Dec. 1, 2032	FY 2032	384,743,649	-	394,743,649	394,743,649	399,743,649
Additional Years for Potential Extended Catch-up Payment(s)						
Payment Date	Fiscal Year ² of Collections for Revenue Test	Catch-up Payment Threshold "Floor"	-	Catch-up Payment Threshold "Ceiling"		
Dec. 1, 2033	FY 2033	392,438,522	-	402,438,522		
Dec. 1, 2034	FY 2034	400,287,293	-	410,287,293		
Dec. 1, 2035	FY 2035	408,293,039	-	418,293,039		
Dec. 1, 2036	FY 2036	416,458,899	-	426,458,899		
Dec. 1, 2037	FY 2037	424,788,077	-	434,788,077		
Dec. 1, 2038	FY 2038	433,283,839	-	443,283,839		
Dec. 1, 2039	FY 2039	441,949,516	-	451,949,516		
Dec. 1, 2040	FY 2040	450,788,506	-	460,788,506		
Dec. 1, 2041	FY 2041	459,804,276	-	469,804,276		
Dec. 1, 2042	FY 2042	469,000,362	-	479,000,362		
Dec. 1, 2043	FY 2043	478,380,369	-	488,380,369		
Dec. 1, 2044	FY 2044	487,947,976	-	497,947,976		
Dec. 1, 2045	FY 2045	497,706,936	-	507,706,936		
<i>Tourist Development Tax Revenues (TDT) shown reflect the collections of the 1st - 6th cents as authorized by Section 125.0104(3)(c), (d), (m), (l), and (n) Florida Statutes. Amounts shown above are presented for the purpose of determining Excess Revenue available to make the County Contribution payments in accordance with Section 2(a) of the funding agreement. The source of the County Contribution is limited to TDT authorized by Section 125.0104(3)(c) and (m), Florida Statutes.</i>						
<i>Based on County's fiscal year beginning on October 1st and ending on September 30th.</i>						
<i>TDT collections are determined by the County Comptroller on an accrual basis of accounting</i>						



Board of Trustees

Board Workshop

March 28, 2024

Agenda Item

BOT-4: Resolution Authorizing Issuance of Debt

Proposed Board Action

The UCF Board of Trustees is being asked to approve the financing for the UCF Stadium Tower Expansion Project.

Authority for Board Action

Florida Statutes s. 1010.62, Revenue Bonds and Debt

Florida Board of Governors Debt Management Guidelines

Board of Governors Regulation 9.011(2)(b) - University Direct Support Organizations and Health Services Support Organizations

Supporting Documentation Included

Attachment A: Stadium Tower Expansion Project: Debt Package

Facilitators/Presenters

Gerald Hector, Sr. Vice President for Administration & Finance

Albert Francis, Assistant Vice President for Debt Management & University Treasurer



Resolution Authorizing Issuance of Debt

EXECUTIVE SUMMARY

Objective

Consider approval to issue debt in an amount not to exceed \$100,000,000 to finance the expansion of the university's existing stadium by the University Board of Trustees.

The project is estimated to cost \$88,000,000 to complete and will consist of an approximately 58,000 sq. ft. expansion of the tower facility on the west sideline of the stadium. The new facility will be composed of four levels: an expanded club level, two suite levels, and a press level. The site for the project is the existing FBC Mortgage Stadium, within the Dixon Athletics Village, located on the University of Central Florida's main campus.

Summary of Key Observations/Recommendations

- **Project Funding:** The estimated total project cost, inclusive of construction and associated design costs, is \$88 million. Funding will come from a direct placement bank loan and bond proceeds.
- **Issuance Resolution:** The Board allows for a loan issuance of up to \$70 million and a bond issuance of up to \$30 million. Adjustments can be made based on project cost changes, not exceeding a \$100 million par maximum.
- **Loan Structure:** The fixed-rate taxable loan, with a not-to-exceed 2039 final maturity, is projected to follow a level debt service schedule after a period of capitalized interest. Anticipated taxable market rate: 6.5%.
- **Bond Structure:** The fixed-rate taxable bond issuance, with a not-to-exceed 2054 final maturity, will be repaid using a level debt service schedule post a capitalized interest period. Anticipated average coupon rate: 6.17%.
- **Security:** The loan will be secured by a first lien on Contract Tourist Development Tax Receipts and a subordinate lien on the pledged revenues of the UCF Stadium Corporation.

Additional Background

In October 2023, the Orange County Board of County Commission voted to approve allocating \$90,000,000 of Tourist Development Tax (TDT) funding for the expansion of the UCF Stadium. The annual amount of County Contribution payable to UCF will be solely from Excess TDT Revenues, until the full \$90 million County Contribution has been made. Excess TDT Revenues will be calculated as the fiscal year collection amounts above the “TDT Revenue Threshold Floor”, which represents the minimal amounts necessary to meet Orange County’s budgeted TDT related obligations, and up to the “TDT Revenue Threshold Ceiling,” which represents the floor amount plus the \$10 million distribution to UCF, for an amount up to \$10 million annually, beginning on December 1, 2024, through December 1, 2032.

To the extent the County Contribution is less than \$10 million in any year, UCF will be entitled to an additional catch-up payment(s) in a future year(s) until such time as the full County Contribution has been made. The County may also, but is not obligated to, periodically provide additional funds to the Custodian to prepay its funding obligation under the TDT Funding Agreement. When the County’s contributions under the funding agreement reach Ninety Million Dollars (\$90,000,000), the County will have no further funding obligation.

The expanded premium seating in the Stadium is conservatively expected to generate over \$2.4 million in new revenues annually. This is based on 80% of the premium seating offerings being sold at a higher pricing structure. The feasibility study conducted by an outside consultant, Legends Project Development, confirmed these estimates.

Rationale

University staff reviewed the information provided by the UCF Athletics Association regarding the request for the Board of Governors’ approval for the subject financing. Staff concurs that Tourist Development Tax revenues, revenues generated from the expanded stadium facility, and existing revenues generated from FBC Mortgage Stadium are adequate to support the construction and financing of the proposed project.

Based upon a review of the information, it appears that the financing complies with Florida Statutes governing the issuance of university debt and the Board of Governors’ Debt Management Guidelines. University administration recommends the adoption of the resolution authorizing the proposed financing.

Implementation Plan

The debt is expected to be issued by October or November 2024. The project will commence in December 2024 and will be completed in two phases spanning the football seasons of Fall 2025 and Fall 2026. The wings on the construction will be completed in Fall 2025, and the main structure with the upgraded premium seating will be completed in Fall 2026.

Resource Considerations

It is projected that this debt will be paid in full by TDT revenues and the new revenues generated from the expanded premium seating offerings. It is anticipated that this will result in no negative cash flow impact on UCF Athletics due to any decreases in the transfer of stadium surplus funds back to UCF Athletics in the future. However, there is an inherent risk associated with Tourist Development Tax dollars. If tourism drops significantly in Orange County, it may decrease the amount of TDT dollars received. If that occurred, it would result in a decrease in stadium surplus transfers to UCF Athletics. Orange County has agreed to provide catchup payments in future years if available, which will help to mitigate interest costs, but budgetary adjustments by UCF Athletics may be necessary in the interim.

Additionally, because the project's delivery will span two football seasons, capitalized interest will accrue for an additional year until the premium stadium seating is obtained. That additional year of capitalized interest will be funded by athletic operations and contributions at approximately \$2.1 million. This route was determined to be optimal instead of spreading those costs over the life of the bond and increasing debt payments.

Conclusion

The UCF Board of Trustees is asked to approve the Resolution Authorizing Issuance of Debt for the Stadium Tower Expansion Project.



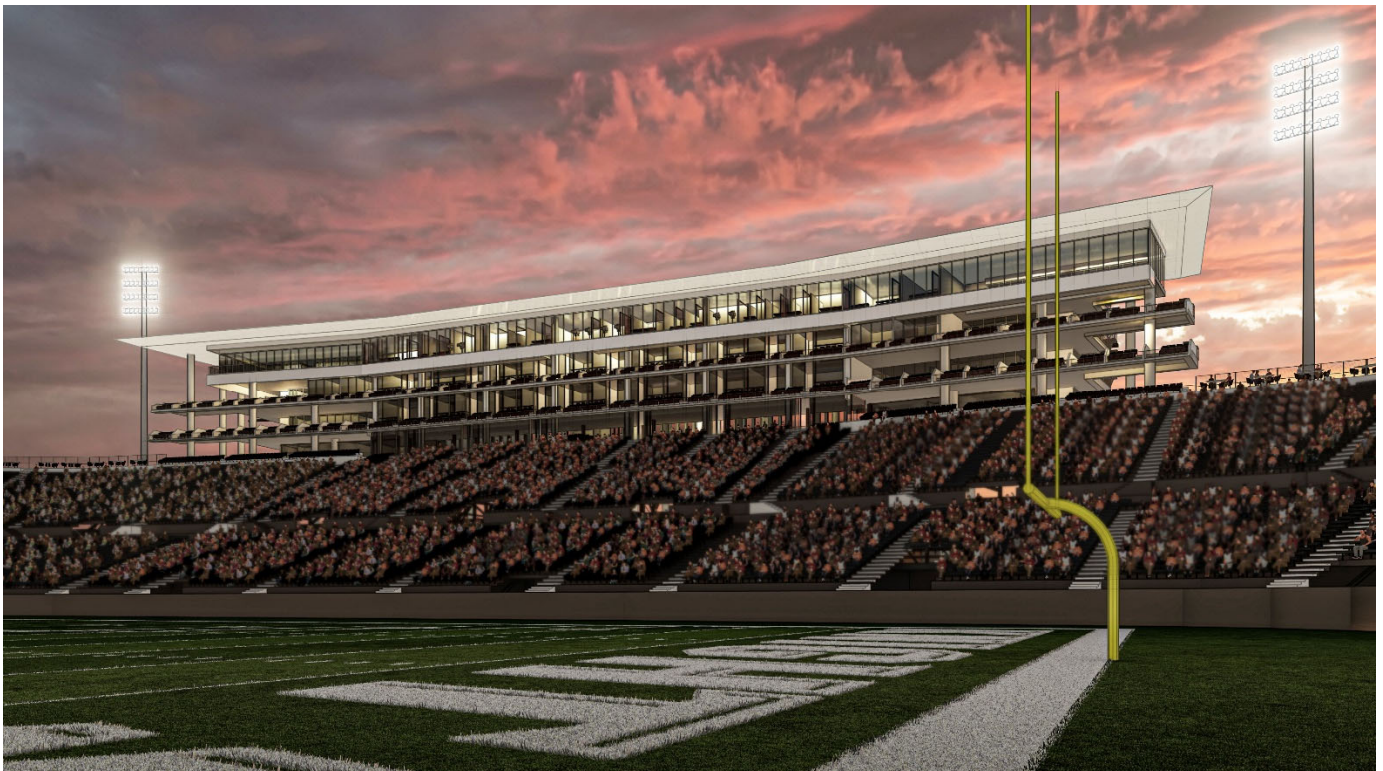
UNIVERSITY OF CENTRAL FLORIDA

UCF Stadium Expansion Project

Debt Package for the Florida Board of Governors

This summary package includes all required items outlined in the Division of Bond Finance Guidelines for the issuance of new debt.

Bert Francis • March 28, 2024 • Division of Finance





UNIVERSITY OF CENTRAL FLORIDA

**Office of the Senior Vice President and Chief Financial Officer
Division of Administration and Finance**

4365 Andromeda Loop N, MH 384
Orlando, FL 32816

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A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF SUCH DEBT TO FINANCE THE CONSTRUCTION OF CERTAIN STADIUM EXPANSIONS TO THE FBC MORTGAGE STADIUM ON THE CAMPUS OF THE UNIVERSITY OF CENTRAL FLORIDA; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES:

Section 1. The University of Central Florida Board of Trustees (the "Board of Trustees"), as the governing body of The University of Central Florida (the "University") hereby authorizes the issuance of debt by The UCF Stadium Corporation, Inc. (the "DSO") and requests the Florida Board of Governors (the "Board of Governors") to approve the issuance of debt in an amount not exceeding \$100,000,000 (the "Debt") for the purpose of financing the expansion of the University's existing stadium (the "Project").

Section 2. The Project will consist of the construction of an approximately 58,000 square expansion of the tower facility on the west sideline of the stadium composed of four levels: an expanded club level, two suite levels and a press level. The site for the Project is the existing FBC Mortgage Stadium, within the Dixon Athletics Village, located on the main campus of the University in Orlando, Florida. The Project is reflected on the current approved master plan for the University and is consistent with the mission of the University because it will enhance the experience of students and their families and drive sustainable revenue growth for the University's athletic programs. Design of the Project began in the fall of 2023. Construction of the Project is expected to begin in December of 2024 and to be completed by fall of 2026. Proceeds of the Debt are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to section 1010.62(6), Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

Section 3. The Project will be financed with a combination of: (i) a fixed rate direct placement bank loan from a financial institution in an amount not to exceed \$70,000,000 (the "2024 Loan"), and (ii) a fixed rate revenue bonds to be issued by the DSO in an amount not to exceed \$30,000,000 (the "2024 Bonds"). The Series 2024 Loan and Series 2024 Bonds will be collectively referred to as "Debt" where appropriate.

Section 4. The 2024 Loan will be secured by (A) a first lien on the Contract Tourist Development Tax Receipts ("Excess TDT Revenues") pursuant to a Funding Agreement among Orange County, Florida, the Board of Trustees, and the DSO dated [_____] 2024 (the "Funding Agreement") authorized pursuant to Section 125.0104(5)(a)1.a., and (B) a subordinate lien

on certain University stadium gross operating and non-operating revenues, which will include: (i) ticket sales revenues, (ii) food and beverage concessions revenues, (iii) catering revenues, (iv) sale of novelties revenues, (v) University-owned parking revenues, (vi) premium seating revenues, (vii) advertising, royalty and sponsorship revenues, (viii) facility service fee revenues, (ix) [certain miscellaneous revenues], (x) UCF Athletics Association Rent Revenues, (xi) conference payments and non-conference game guarantee payments, and (C) funds on deposit in the pledge accounts, including investment earnings thereon (the “Facility Revenues,” together with the Excess TDT Revenues” collectively the “2024 Loan Pledged Revenues”).

The Series 2024 Bonds will be issued pursuant to a Trust Indenture, as amended and supplemented (the “2015 Indenture”) between the DSO and The Bank of New York Mellon Trust Company, N.A., as trustee. The Series 2024 Bonds will be secured by a trust estate created under the 2015 Indenture which includes a lien on (i) Facility Revenues and amounts on deposit in the funds and accounts under the 2015 Indenture, including investment earnings prior to application of such amounts as provided in the 2015 Indenture (the “2024 Bonds Pledged Revenues”).

The lien on the 2024 Bond Pledged Revenues to be granted to the holders of the Series 2024 Bonds will be a first lien on parity with the lien previously granted to the holders of the DSO’s Capital Improvement Refunding Revenue Bonds, Series 2015A outstanding at the time of issuance of the Debt in a principal amount of \$23,755,000, its taxable Refunding Revenue Bonds, Series 2015B outstanding at the time of issuance of the Debt in a principal amount of \$6,880,000, and its Revenue Bond, Series 2015C outstanding at the time of issuance of the Debt in a principal amount of \$1,087,000 (collectively the “University Stadium Bonds”). At the time of issuance of the Series 2024 Bonds, the University Stadium Bonds will be outstanding in a principal amount of \$31,722,000.

Section 5. The University is committed to ensuring that sufficient revenues will be generated to fulfill the University’s obligations with respect to the Debt. The University is legally authorized to secure the Debt with the revenues to be pledged pursuant to Section 1010.62, and Section 125.0104, Florida Statutes.

Section 6. The Debt will mature not more than 30 years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 40 years, which is beyond the anticipated final maturity of the Debt. The Debt will bear interest at a fixed interest rate.

Section 7. The issuance of a portion of the Debt on a taxable basis is in the best interests of the University due to the expected level of private business use of portions of the Project allowing for the most flexibility in use of the Project thus allowing the most flexibility to generate revenues from the Project for the University’s athletics program.

Section 8. The Series 2024 Bonds will be sold through a negotiated public sale. A negotiated sale is necessary due to the fact that the structure is unique and requires additional marketing as well as volatility of the taxable bond market. The underwriters will be selected

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pursuant to a competitive selection this summer. An analysis showing that a negotiated sale is desirable is attached in Appendix A.

The Series 2024 Loan to be issued by the DSO, will be in the form of a direct placement bank loan. The DSO anticipates issuing an Invitation to Negotiate ("ITN") for the placement of the Series 2024 Loan. A negotiated private placement is necessary due to the potential volatility of the Excess TDT Revenues and the subordinate lien on the Facility Revenues. An analysis showing that a private placement is desirable is attached in Appendix A.

Section 9. The Board of Trustees will comply and will require the University and the DSO to comply, with all requirements of federal and state law relating to the Debt, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Bonds issued as tax exempt obligations, and continuing secondary market disclosure of information regarding the Bonds.

Section 10. The President and Chief Financial Officer of the University and the Chairperson or Vice Chairperson, Secretary or Executive Director of the DSO and other authorized representatives of the University and the Board of Trustees, and the DSO are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Debt.

Section 11. In making the determination to finance the Project, the Board of Trustees has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the Debt Management Guidelines, the University's debt management policy, and applicable law.

Section 12. This Resolution shall take effect immediately upon its adoption.

Adopted this _____ day of March 2024.

Appendix A

The following documents have been reviewed by the Board of Trustees prior to the execution of this Resolution:

- a. the project summary
- b. stadium renovation demand study dated February 23, 2024 and prepared by Legends Project Development;
- c. anticipated draw schedule for the project;
- d. sources and uses of funds for the project;
- e. an estimated debt service schedule;
- f. A schedule showing estimated compliance with the additional debt test;
- g. a description of the security supporting repayment and the lien position the debt will have on that security;
- h. a five-year history and a five year projection of the pledged revenues and the debt service coverage; and
- i. a negotiated sale analysis.

A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES TO APPROVE THE ISSUANCE OF SUCH DEBT TO FINANCE THE CONSTRUCTION OF CERTAIN STADIUM EXPANSIONS TO THE FBC MORTGAGE STADIUM ON THE CAMPUS OF THE UNIVERSITY OF CENTRAL FLORIDA; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UCF STADIUM CORPORATION, INC.:

Section 1. The Board of Directors (the "Board of Directors") of The UCF Stadium Corporation, Inc. (the "DSO") established by The University of Central Florida Board of Trustees (the "Board of Trustees") of the University of Central Florida (the "University") hereby authorizes the issuance of debt by the DSO and requests the Board of Trustees to approve the issuance of debt in an amount not to exceed \$100,000,000 (the "Debt") for the purpose of financing the expansion of the University's existing stadium (the "Project").

Section 2. The Project will consist of the construction of an approximately 58,000 square expansion of the tower facility on the west sideline of the stadium composed of four levels: an expanded club level, two suite levels and a press level. The site for the Project is the existing FBC Mortgage Stadium, within the Dixon Athletics Village, located on the main campus of the University in Orlando, Florida. The Project is reflected on the current approved master plan for the University and is consistent with the mission of the University because it will enhance the experience of students and their families and drive sustainable revenue growth for the University's athletic programs. Design of the Project began in the fall of 2023. Construction of the Project is expected to begin in December of 2024 and to be completed by fall of 2026. Proceeds of the Debt are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to section 1010.62(6), Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

Section 3. The Project will be financed with a combination of: (i) a fixed rate direct placement bank loan from a financial institution in an amount not to exceed \$70,000,000 (the "2024 Loan"), and (ii) a fixed rate revenue bonds to be issued by the DSO in an amount not to exceed \$30,000,000 (the "2024 Bonds"). The Series 2024 Loan and Series 2024 Bonds will be collectively referred to as "Debt" where appropriate.

Section 4. The 2024 Loan will be secured by (A) a first lien on the Contract Tourist Development Tax Receipts ("Excess TDT Revenues") pursuant to a Funding Agreement among Orange County, Florida, the Board of Trustees, and the DSO dated [_____] 2024 (the "Funding Agreement") authorized pursuant to Section 125.0104(5)(a) 1.a., and (B) a subordinate

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lien on certain University stadium gross operating and non-operating revenues, which will include: (i) ticket sales revenues, (ii) food and beverage concessions revenues, (iii) catering revenues, (iv) sale of novelties revenues, (v) University-owned parking revenues, (vi) premium seating revenues, (vii) advertising, royalty and sponsorship revenues, (viii) facility service fee revenues, (ix) [certain miscellaneous revenues], (x) UCF Athletics Association Rent Revenues, (xi) conference payments and non-conference game guarantee payments, and (C) funds on deposit in the pledge accounts, including investment earnings thereon (the “Facility Revenues,” together with the Excess TDT Revenues” collectively the “2024 Loan Pledged Revenues”).

The Series 2024 Bonds will be issued pursuant to a Trust Indenture, as amended and supplemented (the “2015 Indenture”) between the DSO and The Bank of New York Mellon Trust Company, N.A., as trustee. The Series 2024 Bonds will be secured by a trust estate created under the 2015 Indenture which includes a lien on (i) Facility Revenues and amounts on deposit in the funds and accounts under the 2015 Indenture, including investment earnings prior to application of such amounts as provided in the 2015 Indenture (the “2024 Bonds Pledged Revenues”).

The lien on the 2024 Bond Pledged Revenues to be granted to the holders of the Series 2024 Bonds will be a first lien on parity with the lien previously granted to the holders of the DSO’s Capital Improvement Refunding Revenue Bonds, Series 2015A outstanding at the time of issuance of the Debt in a principal amount of \$23,755,000, its taxable Refunding Revenue Bonds, Series 2015B outstanding at the time of issuance of the Debt in a principal amount of \$6,880,000, and its Revenue Bond, Series 2015C outstanding at the time of issuance of the Debt in a principal amount of \$1,087,000 (collectively the “University Stadium Bonds”). At the time of issuance of the Series 2024 Bonds, the University Stadium Bonds will be outstanding in a principal amount of \$31,722,000.

Section 5. The DSO is legally authorized to secure the Debt with the revenues to be pledged pursuant to Section 1010.62, and Section 125.0104, Florida Statutes.

Section 6. The Debt will mature not more than 30 years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 40 years, which is beyond the anticipated final maturity of the Debt. The Debt will bear interest at fixed taxable and tax-exempt interest rates.

Section 7. The issuance of a portion of the Debt on a taxable basis is in the best interests of the University due to the expected level of private business use of portions of the Project allowing for the most flexibility in use of the Project thus allowing the most flexibility to generate revenues from the Project for the University’s athletics program.

Section 8. The Series 2024 Bonds will be sold through a negotiated public sale. A negotiated sale is necessary due to the fact that the structure is unique and requires additional marketing as well as volatility of the taxable bond market. The underwriters will be selected pursuant to a competitive selection this summer. An analysis showing that a negotiated sale is

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desirable is attached in Appendix A.

The Series 2024 Loan to be issued by the DSO, will be in the form of a direct placement bank loan. The DSO anticipates issuing an Invitation to Negotiate ("ITN") for the placement of the Series 2024 Loan. A negotiated private placement is necessary due to the potential volatility of the Excess TDT Revenues and the subordinate lien on the Facility Revenues. An analysis showing that a private placement is desirable is attached in Appendix A.

Section 9. The Board of Directors will comply, and will require the DSO to comply, with all requirements of federal and state law relating to the Debt, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the portion of the Debt issued with tax exempt interest rates and continuing secondary market disclosure of information regarding the Series 2024 Bonds.

Section 10. The DSO will comply with the BOG Debt Management Guidelines dated as of September 2022 and the debt management policy of the University.

Section 11. The Chairperson or Executive Director and Secretary or other authorized officer, and other authorized representatives of the Board of Directors and the DSO are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Debt.

Section 12. In making the determination to finance the Project, the Board of Directors has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the Debt Management Guidelines, the University's debt management policy, and applicable law.

Section 13. This Resolution shall take effect immediately upon its adoption.

Adopted this ____ day of March 2024.

Appendix A

The following documents have been reviewed by the Board of Directors prior to the execution of this Resolution:

- a. the project summary
- b. stadium renovation demand study dated February 23, 2024 prepared by Legends Project Development;
- c. anticipated draw schedule for the project;
- d. sources and uses of funds for the project;
- e. an estimated debt service schedule;
- f. A schedule showing estimated compliance with the additional debt test;
- g. a description of the security supporting repayment and the lien position the debt will have on that security;
- h. a five year history and a five year projection of the pledged revenues and the debt service coverage; and
- i. negotiated sale analysis.



UNIVERSITY OF CENTRAL FLORIDA

Office of the Senior Vice President and Chief Financial Officer

Division of Administration and Finance

4365 Andromeda Loop N, MH 384

Orlando, FL 32816

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
Stadium Expansion Project Summary
University of Central Florida
UCF Stadium Corporation**

Project Description:

The proposed FBC Mortgage Stadium Expansion project (the “Project” or “Stadium Expansion”) will be constructed on the University of Central Florida campus and will include new premium seating options on the west sideline, a reimagined club seating experience, an enhanced loge area and new luxury and bay suites. Overall, the project will have multiple floors including renovations to the ground level and second floor for ADA accommodations, an expanded club level (25,400 sq ft), two suite levels (17,000 sq ft each) and a press level (16,200 sq ft).

The club level will include an expanded indoor air-conditioned space with lounge and social spaces, and food and beverage service. Two open air outdoor spaces will serve guests on the club level as well. The club seating will expand from 900 seats to 1,236 seats (336 total new seats). In addition to being a football gameday hub, the reimagined club space will be able to host a variety of meetings, events, and receptions year-round. The project will also include thirty-four loge boxes on the club level. A loge box will accommodate four guests with a traditional loge box set-up that includes a food and drink table/rail. Our current Roth Tower also includes thirty-four loge boxes.

The luxury suites will offer a high-end game day gathering space for businesses and families. With five additional suites in the expansion project (bringing our total to twenty-nine), UCF Athletics can service the demand for luxury entertainment spaces. The project will also include thirty-four bay suites, a new concept in luxury seating. The bay suites offer a mid-point option for businesses and families that have a desire for more seating than a loge box, but do not need space to accommodate the larger groups that traditional suites generally accommodate.



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Project Description:

The bay suites will offer semi-private outdoor seating on both suite level one and suite level two with a focus on the growing demand for unique social gathering spaces in stadiums.

Our press level will feature a modernized workspace for press and media personnel, internal use space for game operations, and a unique gathering space for hosting guests on both gamedays and non-gamedays.

The Project is included in the Capital Improvements Element of the University's Campus Master Plan for the years 2020-2030. The Campus Master Plan was developed in accordance with the provisions of Chapter 1013.30 Florida Statutes by the University of Central Florida Board of Trustees and was amended on May 26, 2022, to include the Stadium Expansion project in addition to other university projects.

Facility Site Location:

The proposed Project location is in the Dixon Athletics Village located on the northeastern area of the campus. The Dixon Athletics Village is home to FBC Mortgage Stadium, the UCF Track and Soccer Complex, The Roth Athletics Center, the Nicholson Fieldhouse, the UCF Soccer and Track Stadium, and John Euliano Park.

**Projected Start and
Opening Date:**

It is anticipated that construction of the project will commence in December 2024 and will be completed by the Fall 2026 football season.

Demand Analysis:

In the pursuit of enhancing the UCF FBC Mortgage Stadium experience and optimizing revenue streams, a thorough demand analysis was conducted. The study encompassed various critical aspects to gauge market demand and potential revenue growth, particularly focusing on premium seating options.



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Demand Analysis:

The analysis commenced with an in-depth examination of the demand for new premium seating offerings. Market research and consumer behavior analysis were instrumental in determining the potential uptake of such options within the stadium. This exploration provided valuable insights into consumer preferences and trends, laying the groundwork for strategic decision-making.

Moreover, the study scrutinized the potential impact of introducing new premium seating options on existing offerings. By evaluating consumer preferences and competitive dynamics, it sought to understand how these changes could influence demand for current premium seating arrangements, ensuring strategic alignment and optimization.

A pivotal component of the analysis involved testing a variety of pricing points and strategies. Through rigorous experimentation and analysis of consumer willingness-to-pay and price elasticity, the optimal pricing structure for premium seating options was identified. This strategic approach aimed to maximize revenue potential while ensuring competitive positioning within the market.

Furthermore, a comprehensive survey was conducted among alumni and the athletic fan base, considering their geographic distribution and market characteristics. This survey provided invaluable insights into consumer preferences, demographic profiles, and geographic reach, enabling tailored offerings and targeted marketing strategies.

In assessing UCF Athletics' market position, the analysis included benchmarking against similar peers. This comparative analysis offered valuable context for evaluating industry standards, identifying best practices, and positioning the institution strategically within the market landscape.



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Demand Analysis:

In conclusion, the demand study provided compelling evidence supporting the revenue projections outlined in the proforma, with indications of significant additional revenue potential. Through a nuanced understanding of consumer preferences, competitive dynamics, and market trends, the study reaffirmed the viability and profitability of investing in premium seating options within the UCF Athletics Football Stadium.

In leveraging these insights effectively, UCF Athletics can capitalize on untapped opportunities, enhance the fan experience, and drive sustainable revenue growth.

**Project Cost and
Financing Structure:**

The total Project cost, which includes construction and associated design costs, is currently estimated at \$88 million and will be funded through a combination of a direct placement bank loan and through bond proceeds. In addition, both the loan and bonds will fund incremental amounts for capitalized interest during the construction period, costs of issuance, a liquidity reserve account and contingency.

The Board issuance resolution allows for the loan issuance up to \$70 million and a bond issuance up to \$30 million in par value. If project costs change prior to issuance of the bonds, the University may increase or decrease proceeds generated by the sale of the bonds subject to the \$100 million par maximum.

The project will be financed with a combination of a fixed rate, taxable loan issued by the UCF Stadium Corporation as well as a fixed rate taxable revenue bond issued by the UCF Stadium Corporation. Further analysis is being performed by Bond Tax Council to determine whether a portion of either issuance can be issued on a nontaxable basis.



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**Project Cost and
Financing Structure:**

If this analysis determines that a nontaxable debt issuance will allow for sufficient private use revenues to be earned on the new facility, a nontaxable issuance will be considered to allow for interest savings on either issuance.

The fixed rate taxable loan will be structured with a not to exceed 2039 final maturity and will optimally be repaid using a level debt service schedule following a period of capitalized interest during construction and depending on receipts collected from the Excess Revenues from the Orange County Tourist Development Taxes (TDT).

The fixed rate taxable bond issuance will be structured with a not to exceed 2054 final maturity and will be repaid using a level debt service schedule following a period of capitalized interest during construction.

Construction of the project will be administered by the University under the supervision of its Planning, Design and Construction Department consistent with the construction of previous University projects.

Security / Lien Structure:

The Note will be secured by a) a first lien on the Contract Tourist Development Tax Receipts pursuant to a Funding Agreement (the "FA") among Orange County, Florida, the University of Central Florida Board of Trustees, and the UCF Stadium Corporation, Inc. and b) a subordinate lien on the pledged revenues of the UCF Stadium Corporation.



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Security / Lien Structure: The Contract TDT Revenues Receipts:

The annual amount of County Contribution payable to UCF will be solely from Excess TDT Revenues, as defined in the FA and as illustrated in Appendix C, until such time as the full \$90 million County Contribution has been made. The amount will be certified annually by the Orange County Comptroller. Excess TDT Revenues will be calculated as the fiscal year collection amounts above the “TDT Revenue Threshold Floor” and up to the “TDT Revenue Threshold Ceiling,” for an amount up to \$10 million annually, beginning on December 1, 2024, through December 1, 2032. To the extent the County Contribution is less than \$10 million in any year, UCF will be entitled to an additional catch-up payment(s) in a future year(s) until such time as the full County Contribution has been made. The catch-up payment(s) will be made solely from TDT collections exceeding the “Catch-up Payment Threshold Floor” and below the “Catch-up Threshold Ceiling” for each respective fiscal year as shown in Appendix C .

The County may also, but is not obligated to, periodically provide additional funds to the Custodian to prepay its funding obligation under the FA. When the County’s contributions under this agreement reach Ninety Million Dollars (\$90,000,000), the County will have no further funding obligation under the FA.

Subordinated UCF Stadium Net Revenues:

The Note will be additionally secured by a pledge of and lien on the System Revenues including both operating revenues and non-operating revenues along with funds on deposit in the pledge accounts including investment earnings. The lien on the System Revenues will be on a subordinate basis to the Corporations outstanding Stadium Revenue Bonds Series 2015A, Taxable Stadium Revenue Bonds, Series 2015B, the Stadium Revenue Notes, Series 2015C and the proposed Stadium Revenue Bonds, Series 2024 (the “Stadium Bonds”).



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Security / Lien Structure:

The Series 2015A&B Bonds also have a support agreement with UCF whereby University covenants to transfer to the Trustee annually in an amount to cover any draws on the Series 2015 Bonds debt service reserve surety policy (a copy of the Support Agreement can be found under the University's website). The Series 2015C Notes, the proposed Series 2024 Bonds along with any future debt on parity with Stadium Bonds will not be secured by the Support Agreement.

The UCF Stadium Corporation's System Revenues are defined as Gross Operating Revenues and Non-Operating Revenues. Gross Operating Revenue include Ticket Sales Revenues, Food and Beverage concessions, Catering, Novelties, University Owned Parking, Premium Seating Revenues (Luxury Suites and Club Seats), Advertising and Sponsorships, Royalty Revenues, Facility Service Fees and other miscellaneous revenues. Non-operating Revenues consist of UCF Athletics Association Rent, Conference distributions and Non-conference Game Guarantees and charitable contributions received under pledge agreements to prepay a portion of the Series 2015B Taxable Bonds.

Forecasted Pledged Revenues:

The UCF Stadium Corporation is expected to generate Pledged Revenues of \$66.0 million during fiscal 2027, the first year of the Stadium's expanded operations, compared to projected debt service of \$15.7 million. Debt service coverage for the UCF Stadium Corporation is projected at 4.21x for fiscal 2027.

During the pre-COVID period from fiscal 2018 to 2019, Pledged Revenues ranged from \$14.0-\$15.0 million. This resulted in debt service coverage between 3.9x to 4.1x. Due to the impacts of COVID, fiscal year 2021 Pledged Revenues declined to \$13.2M and provided 3.7x debt service coverage. Pledged Revenues are expected to substantially increase for fiscal 2024 due to the increase in conference distributions from the move to the new Big XII conference, with Pledged Revenues estimated at \$34.2M and debt service coverage of 9.4x.



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**Forecasted Pledged
Revenues:**

Revenues are projected to increase further in fiscal 2027 due to receiving full conference revenue distributions from the Big XII Conference, up to \$10M in Tourist Development Tax dollars, and due to new revenues of \$2.4M generated from the Stadium Expansion project. As a result of those additional revenues in fiscal 2027, along with the additional debt being proposed, the coverage is estimated to be 4.21x.

The projected debt service coverages have been calculated using prevailing taxable market yields. The projected revenues are based on projections from existing pledged revenues, new conference distribution estimates, and projected revenues collected from the Orange County Tourist Development Tax. Annual operating expenses of the UCF Stadium Corporation include minimal costs for audit, banking, and trust related fees and are projected to remain stable at \$60 thousand per year. A detailed schedule with the five-year history and a five-year projection of the Pledged Revenues, annual debt service coverage and maximum annual debt service coverage are included in the attached materials.

The Stadium expansion project is expected to achieve a positive return with an internal rate of return (IRR) estimated at 10.61 percent. At opening, the expansion will be a breakeven for cashflow purposes.

Additional Bonds Test:

The resolution allows for bonds to be issued for the UCF Stadium Corporation if the pledged revenues are equal to at least 1.20x times the maximum bond service requirement on all bonds then outstanding and proposed to be outstanding under the indenture. Pledged revenues for purposes of the ABT are \$23.3 million for fiscal 2023 and provided debt service coverage of 6.42x. Pledged revenues and coverage for fiscal 2026 and 2027 are projected to be \$62.1M and 3.96x and \$66.1M and 4.21x respectively.



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Type of Sale:

The projected contract tourist development revenues to be received by Orange County are insufficient to finance the entire Project and fund interest cost prior to their receipt. In addition to a TDT financing, the University will concurrently issue an amount of UCF Stadium Corp Revenue Bonds to complete the Project. A private negotiated sale for the TDT financing with a financial institution will provide additional flexibility due to the unique security sources being pledge and timing of TDT receipts. By negotiating with a financial institution, after the University conducts an ITN for the financing, the University will be able to negotiate the interest rate, terms, and necessary flexibility in the financial structure to accommodate the unique characteristics of the pledged revenues. The UCF Stadium Revenue Bonds are recommended to be issued through a negotiated public sale due to the flexibility in coordinating timing and size with the TDT financing, the expected tax status of the bonds, and the nature of the pledged revenue from the UCF Stadium Corp. including the lack of a support agreement from the University provided to outstanding parity obligations.

Selection of Professionals:

The professionals chosen for this transaction, including our financial advisors at Hilltop Securities, bond counsel at Bryant Miller Olive, and disclosure counsel at Gray Robinson, were exempted from the requirement of a competitive bid process under university regulation UCF-7.130. Going forward, the selection of underwriters for this transaction will adhere to a competitive bid process. We anticipate initiating this competitive bid process in the coming months to facilitate fair and open selection procedures.

Private Sector Alternatives:

The football stadium is operated and managed for the benefit of UCF Athletics, and the proposed Project's improvements to the football stadium will enhance the quality of the fan experience, increasing revenue from premium seating ticket sales and concessions. The University feels that no private-sector alternative could realistically service that mission as singularly as or as well as UCF itself.



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**Analysis and
Recommendations:**

University staff have reviewed the information provided by the UCF Athletics Association with respect to the request for Board of Governors approval for the subject financing. University staff feels that Tourist Development Tax revenues, revenues generated from the expanded Stadium facility, and existing revenues generated from FBC Mortgage Stadium are adequate to support construction of the proposed project. Additionally, the UCF Stadium Corporation has historically generated positive debt service coverage, even in COVID impacted years, and is projected to continue to provide adequate debt service coverage in the future based upon increased conference revenue grown and projections by the University. Based upon a review of the information, it appears that the financing is compliant with the Florida Statutes governing the issuance of university debt and the Board of Governors' Debt Management Guidelines. The University administration recommends adoption of the resolution authorizing the proposed financing.

**RESOLUTION OF THE UNIVERSITY OF
CENTRAL FLORIDA BOARD OF TRUSTEES TO
DECLARE INTENT TO BE REIMBURSED FOR
EXPENDITURES RELATED TO CERTAIN
CAPITAL PROJECTS**

WHEREAS, The University of Central Florida Board of Trustees (the "University"), expects to incur capital expenditures for the acquisition, construction, reconstruction and/or equipping of educational facilities, including the **UCF Stadium Expansion Project** and related infrastructure (the "Projects") and

WHEREAS, funds for the Projects will be provided on an interim basis from existing cash resources of the University which include the **\$8,000,000** (the "Temporary Advances"); and

WHEREAS, pursuant to the budgetary and financial policies and practices of the University, the Temporary Advances are not available to fund the Projects on a long-term basis; and

WHEREAS, it is reasonably expected that the Projects will be financed on a long-term basis with tax-exempt debt to be issued by UCF Stadium Corporation; and

WHEREAS, except for architectural, engineering and similar preliminary expenditures, this Resolution is being adopted prior to or within 60 days after payment of the capital expenditure to be reimbursed; and

NOW, THEREFORE, it is resolved as follows:

RESOLVED, the University hereby declares official intent for the purposes of Section 1.150-2 of the Treasury Regulations, as follows: it is reasonably expected that (a) Temporary Advances for the Project will be reimbursed, in whole or in part, from the proceeds of debt to be incurred by the University; (b) the principal amount of such debt will not exceed **\$100,000,000** in aggregate for the Projects (which amount includes the capital expenditures paid for with the Temporary Advances, plus an allowance for reserve funds, financing costs and original issue discount); (c) the debt for the Projects will be incurred within 18 months following the later of (i) the date the capital expenditure to be reimbursed was paid, or (ii) the date on which the Project is placed in service, but no later than three years after the date of such capital expenditure for the Projects; and (d) the authorization and terms of the debt shall be subject to corporate approval in accordance with the policies of the University.

IN WITNESS WHEREOF, the undersigned Secretary of The University of Central Florida Board of Trustees has hereunto affixed his hand this **28th** day of **March**, 2024.

Secretary



FBC MORTGAGE STADIUM RENOVATION

MARKET & FINANCIAL FEASIBILITY STUDY

MARCH 22, 2024





March 22, 2024

Mr. Terry Mohajir
Vice President & Director of Athletics
University of Central Florida
Roth Athletics Center
4192 North Orion Blvd.
Orlando, FL 32816

Dear Mr. Mohajir:

Legends is pleased to present this market and financial feasibility study related to the renovation of FBC Mortgage Stadium at the University of Central Florida ("UCF"). The attached report summarizes our research and analyses and is intended to assist project stakeholders in making informed decisions regarding this project.

The information contained in this report is based on estimates, assumptions and other information from research of the market, knowledge of the collegiate sports industry and other factors, including certain information provided by you and other project stakeholders. All information provided to us was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We sincerely appreciate the opportunity to assist you with this project and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,

A handwritten signature in black ink, appearing to read 'JL', is placed below the closing.

Jay Lenhardt
Senior Vice President, Legends

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01

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

LEGENDS OVERVIEW

WE ARE TRUSTED, RELIABLE, LEADERS.

A HOLISTIC AGENCY, CONFIDENT IN OUR EXPERTISE AND
HUMBLED BY THE ICONIC BRANDS WE SERVE.

DELIVERING SOLUTIONS FOR LEGENDARY BRANDS.



INDUSTRY ACCOLADES & AWARDS

SPORTS BUSINESS JOURNAL:

BEST IN PROPERTY CONSULTING, SALES, AND CLIENT SERVICES



EXECUTIVE SUMMARY

LEGENDS COLLEGIATE EXPERIENCE



EXECUTIVE SUMMARY

STUDY PURPOSE & METHODOLOGY

Study Purpose: evaluate demand and revenue potential for seating options in a renovated FBC Mortgage Stadium



1. Ensure donor and fan engagement in decision-making process
2. Determine demand for new seating options including inventory, pricing and amenities
3. Estimate impact on existing premium sales and pricing
4. Make recommendations on pricing & sales implementation strategies
5. Estimate incremental revenue potential

EXECUTIVE SUMMARY **KEY FINDINGS**



UCF is in a major metropolitan market, one of the largest in the Big 12



The UCF alumni base is more affluent than the market as a whole



The size of UCF's living alumni base ranks among the top five in the Big 12 and is expected to continue to be a strength as the institution matures



UCF ranks in the bottom third of the Big 12 in terms of revenue generated by premium seating



Joining the Big 12 Conference with a stronger schedule of home opponents presents an opportunity to add additional premium seat offerings and drive additional revenue for Athletics



A key factor in determining the market for additional premium was fan and donor engagement



3,177 online survey responses were collected, representing a base from which to assess demand for new seating with statistical confidence



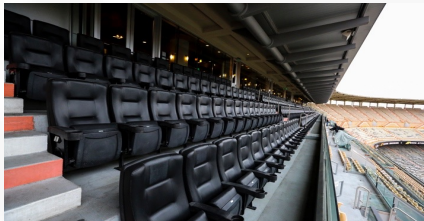
Initial interest in premium seating among UCF fans and donors was some of the highest among studies previously conducted by Legends

EXECUTIVE SUMMARY

RECOMMENDATIONS

RENOVATION PROGRAM RECOMMENDATIONS

1,236
Club Seats



Total Annual Price:
\$3,500 per seat

Capital Seat Gift:
\$7,000 per seat

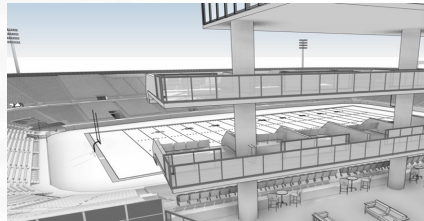
34
Loge Cabanas



Total Annual Price:
\$15,000 per table

Capital Seat Gift:
\$25,000 per table

34
Bay Suites



Total Annual Price:
\$50,000 per suite

Capital Seat Gift:
\$75,000 per suite

25
Luxury Suites



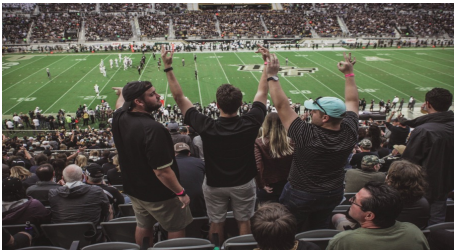
Total Annual Price:
\$70,000 per suite

Capital Seat Gift:
\$125,000 per suite

CURRENT PREMIUM PRICING RECOMMENDATIONS

To maintain sell-thru rates in the premium seating areas that will be available outside of the new Roth Tower, and based on the demand for these products within the market as well as conference pricing for similar locations, the following pricing structure is recommended:

Stadium Club
Seats



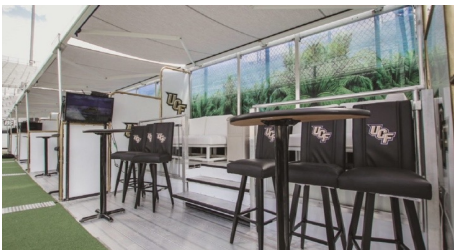
No Price Change
Current Price: \$1,150 to \$1,400

Carl Black & Gold
Cabana Seats



Increase Prices 11% to 15%
New Price: \$775 to \$1,000

Field
Cabanas



Increase Prices 25% to 33%
New Price: \$35,000 to \$40,000

EXECUTIVE SUMMARY

FINANCIAL ANALYSIS

PRODUCT TYPE	FOOD & BEVERAGE	UNITS	SELL-THROUGH RATE	PRICING		REVENUE	
				ONE-TIME CAPITAL SEAT GIFT	AVERAGE ANNUAL PRICE	CAPITAL SEAT GIFT REVENUE	TOTAL ANNUAL REVENUE
Luxury Suites	All inclusive	25	90%	\$125,000	\$70,000	\$2,813,000	\$1,575,000
Bay Suites	All inclusive	34	90%	\$75,000	\$50,000	\$2,295,000	\$1,530,000
Loge Cabanas	All inclusive	34	90%	\$25,000	\$15,000	\$765,000	\$459,000
Club Seats	All inclusive	1,236	90%	\$7,000	\$3,500	\$7,787,000	\$3,893,000
TOTAL		2,180		--	--	\$13,660,000	\$7,457,000

All-Inclusive Premium Seating Food & Beverage Cost	(\$731,000)
Premium Alcohol Sales Revenue, net	\$93,000
Naming Opportunities (club lounge)	\$500,000
Club Lounge Rental Revenue	\$150,000
Net Incremental Revenue From Re-Pricing Existing Seating (less donation cannibalization)	\$167,000
Less: Existing Tower Revenue	(\$3,002,000)
Less: Increased Operating Costs	(\$350,000)

NET INCREMENTAL ANNUAL REVENUE	\$13,660,000	\$4,284,000
Total Funding Potential (30 Years 5.5% Discount Rate 1.5x Debt Coverage Ratio)	\$13,660,000	\$55,168,000

\$69 M
Total Funding Potential

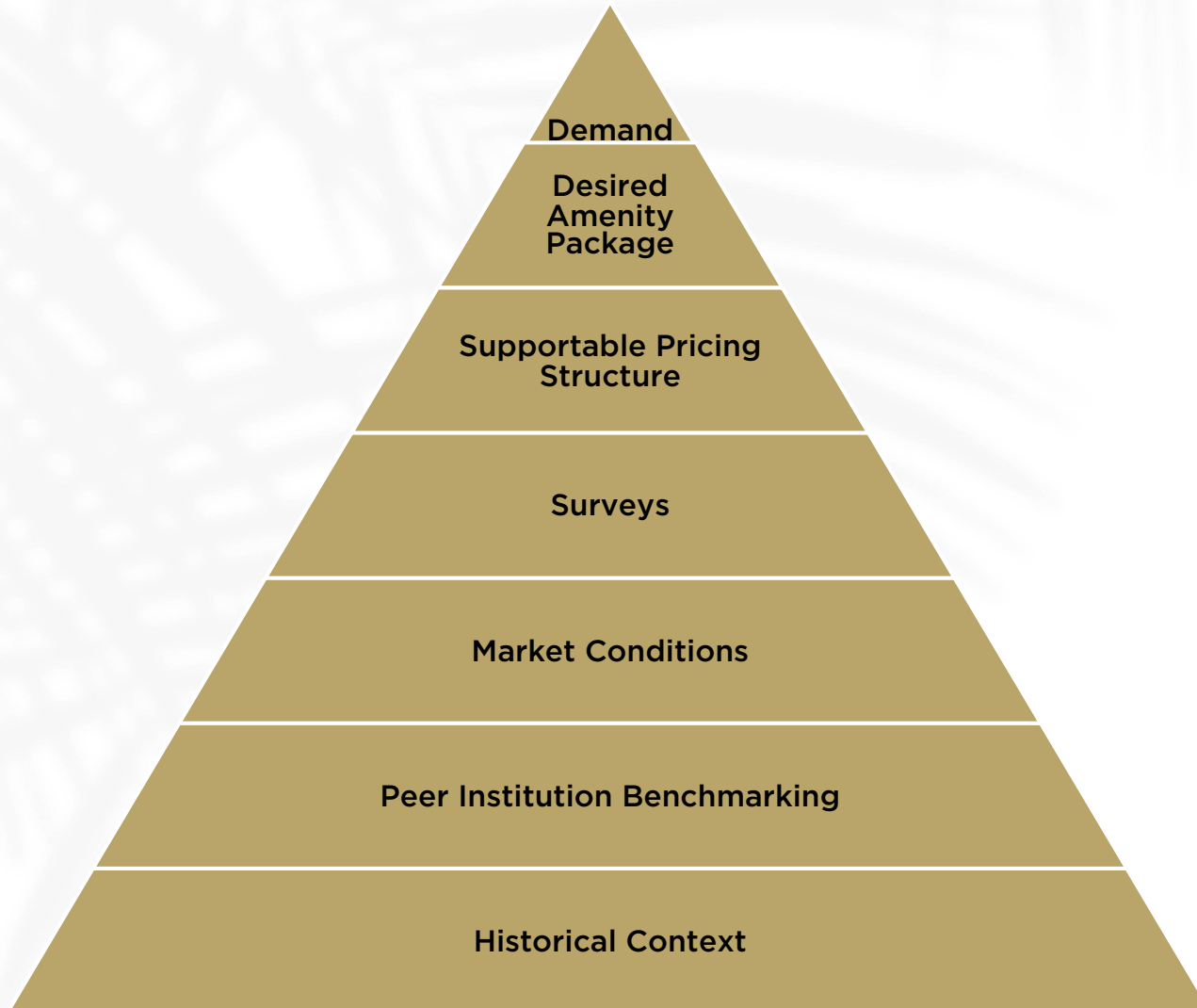


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PROJECT OVERVIEW & HISTORICAL CONTEXT



STUDY OBJECTIVES



1. Ensure donor and fan engagement in decision-making process
2. Determine demand for new seating options including inventory, pricing and amenities
3. Estimate impact on existing premium sales and pricing
4. Make recommendations on pricing & sales implementation strategies

PROJECT OVERVIEW



1. Re-designed Roth Tower with new premium seating opportunities
2. \$88 million project budget funded by County contributions and incremental seating revenues
3. To meet project timelines, the design of the new tower is well advanced
4. Maximize revenue in a sold-out environment

CURRENT SEAT OFFERINGS

LUXURY SUITES



Location:	West Sideline
Sellable Inventory:	20
Sell-Thru Rate:	100%
Annual Price:	\$35,000

Amenities:

- Access to Stadium Club
- In-suite catering
- Beverage service
- Private restrooms

FIELD CABANAS



Location:	North/South Endzone
Sellable Inventory:	15
Sell-Thru Rate:	100%
Annual Price:	\$27,600 - \$30,000

Amenities:

- Access to private lounge
- Private restrooms
- All-inclusive food and beverage
- Snacks and complimentary water
- One battery-operated fan

LOGE CABANAS



Location:	West Sideline
Sellable Inventory:	34
Sell-Thru Rate:	100%
Annual Price:	\$10,000

Amenities:

- Access to 3MG Club
- In-seat wait service
- Access to premium cash bar
- Television for in-game viewing
- Private restrooms

CURRENT SEAT OFFERINGS

3MG CLUB



Location: West Sideline
Sellable Inventory: 900
Sell-Thru Rate: 98%
Annual Price: \$2,300

Amenities:

- Access to 3MG Club
- Wider, padded seats located both indoor and outdoor
- Access to premium cash bar
- Private restrooms

STADIUM CLUB



Location: West Sideline
Sellable Inventory: 3,343
Sell-Thru Rate: 100%
Annual Price: \$1,150 - \$1,400

Amenities:

- Stadium chairs located outdoors
- Access to Stadium Club with high-top tables and chairs
- Access to premium cash bar
- Private restrooms

CARL BLACK & GOLD CABANA



Location: East Sideline
Sellable Inventory: 3,224
Sell-Thru Rate: 100%
Annual Price: \$675 - \$900

Amenities:

- Soft seating and high-top tables and chairs
- Live music prior to kickoff
- Access to premium cash bar
- Access to outdoor, undercover patio space

CURRENT VS PLANNED PREMIUM SEATING

PREMIUM SEATING OPTION	CURRENT INVENTORY	ANNUAL PRICE	SELL-THROUGH RATE	POST-RENOVATION INVENTORY
Luxury Suites	20	\$35,000	100%	59 ⁽¹⁾
Field Cabanas	15	\$27,600 to \$30,000	100%	15
Loge Cabanas	34	\$10,000	100%	34
3MG Club Seats	900	\$2,300	98%	1,236
TOTAL	1,616		99%	2,436

(1) Includes projected inventory for both traditional suites and bay suites.

BIG 12 PREMIUM SEATING SUMMARY

Rank	School	SUITES ⁽¹⁾		LOGE BOXES		CLUB SEATS		MEMBERSHIPS		Potential Total Annual Revenue
		Sellable Inventory	Average Annual Price	Sellable Inventory	Average Annual Price	Sellable Inventory	Average Annual Price	Sellable Inventory	Average Annual Price	
1	Oklahoma State	99	\$63,384	--	--	3,500	\$2,600	--	--	\$15,375,000
2	Kansas State	58	\$61,983	42	\$16,114	3,482	\$2,368	--	--	\$12,517,000
3	TCU	22	\$75,000	48	\$14,000	3,450	\$2,535	650	\$1,200	\$11,190,000
4	West Virginia	50	\$55,200	--	--	4,296	\$1,350	--	--	\$8,560,000
5	Baylor	37	\$60,000	79	\$12,000	2,928	\$1,750	--	--	\$8,292,000
6	Kansas ⁽²⁾	22	\$64,500	62	\$15,400	2,017	\$2,550	390	\$1,250	\$8,005,000
7	Utah	39	\$45,897	44	\$15,000	2,235	\$2,164	600	\$1,000	\$7,887,000
8	Iowa State	43	\$69,360	5	\$7,000	3,542	\$1,115	--	--	\$6,967,000
9	Colorado	40	\$50,000	40	\$10,000	3,809	\$1,470	--	--	\$6,049,000
10	Arizona State	62	\$30,000	32	\$12,500	1,577	\$2,250	--	--	\$5,808,000
11	Texas Tech	47	\$42,500	32	\$12,000	1,070	\$2,633	--	--	\$5,199,000
12	Houston	26	\$35,826	42	\$7,150	1,646	\$1,600	--	--	\$3,865,000
13	UCF	35	\$29,026	34	\$10,000	900	\$2,300	--	--	\$3,542,000
14	Cincinnati	7	\$37,229	--	--	1,100	\$2,250	--	--	\$2,736,000
15	Arizona	10	\$38,500	55	\$12,520	670	\$2,311	--	--	\$2,545,000
16	BYU ⁽³⁾	42	--	--	--	1,700	\$2,250	--	--	--
BIG 12 AVERAGE		40	\$50,560	43	\$11,974	2,370	\$2,094	547	\$1,150	\$7,236,000

Note: excludes Stadium Club and Carl Black & Gold Cabana seating, as these are not reflective of club experiences among peer institutions.

- (1) Excludes any Founder’s Suite offerings.
- (2) Includes inventories and prices from future renovation project.
- (3) BYU does not disclose suite prices to the public.

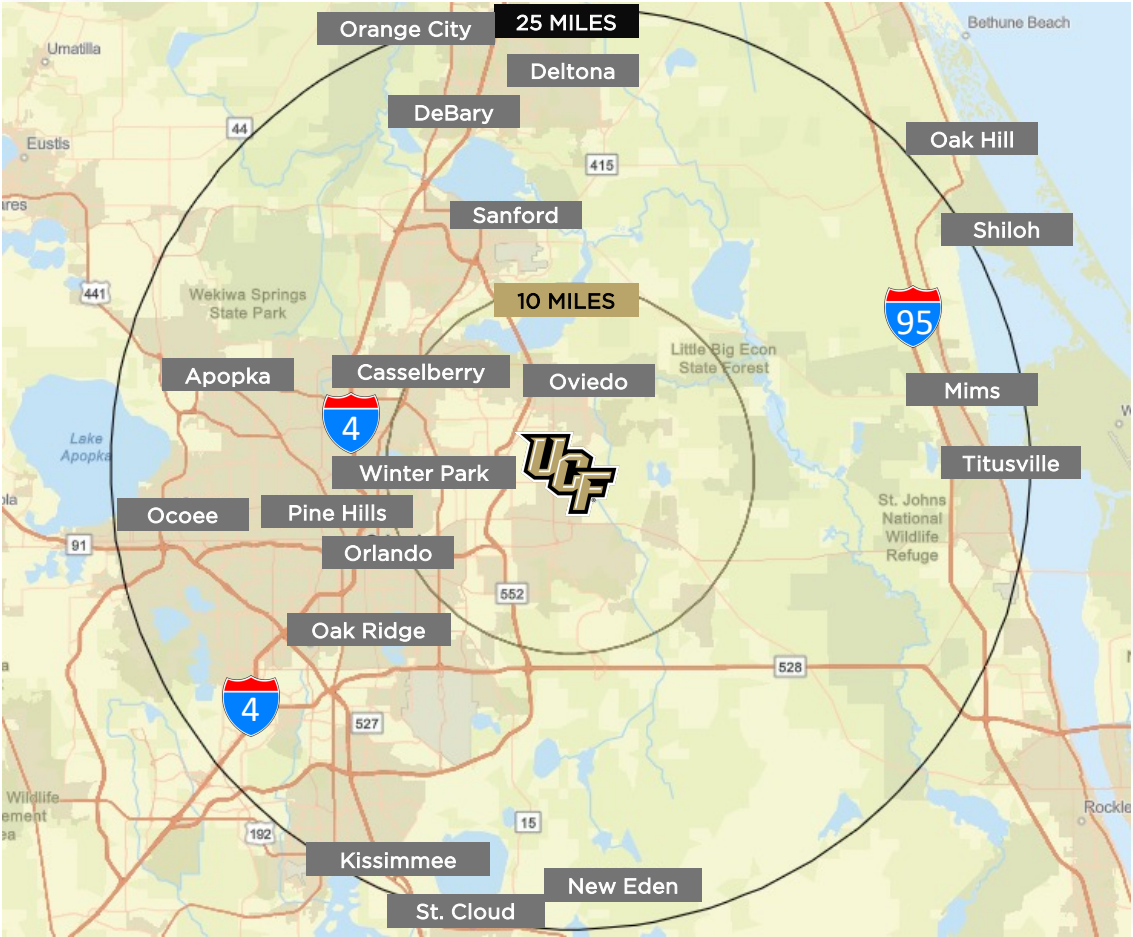
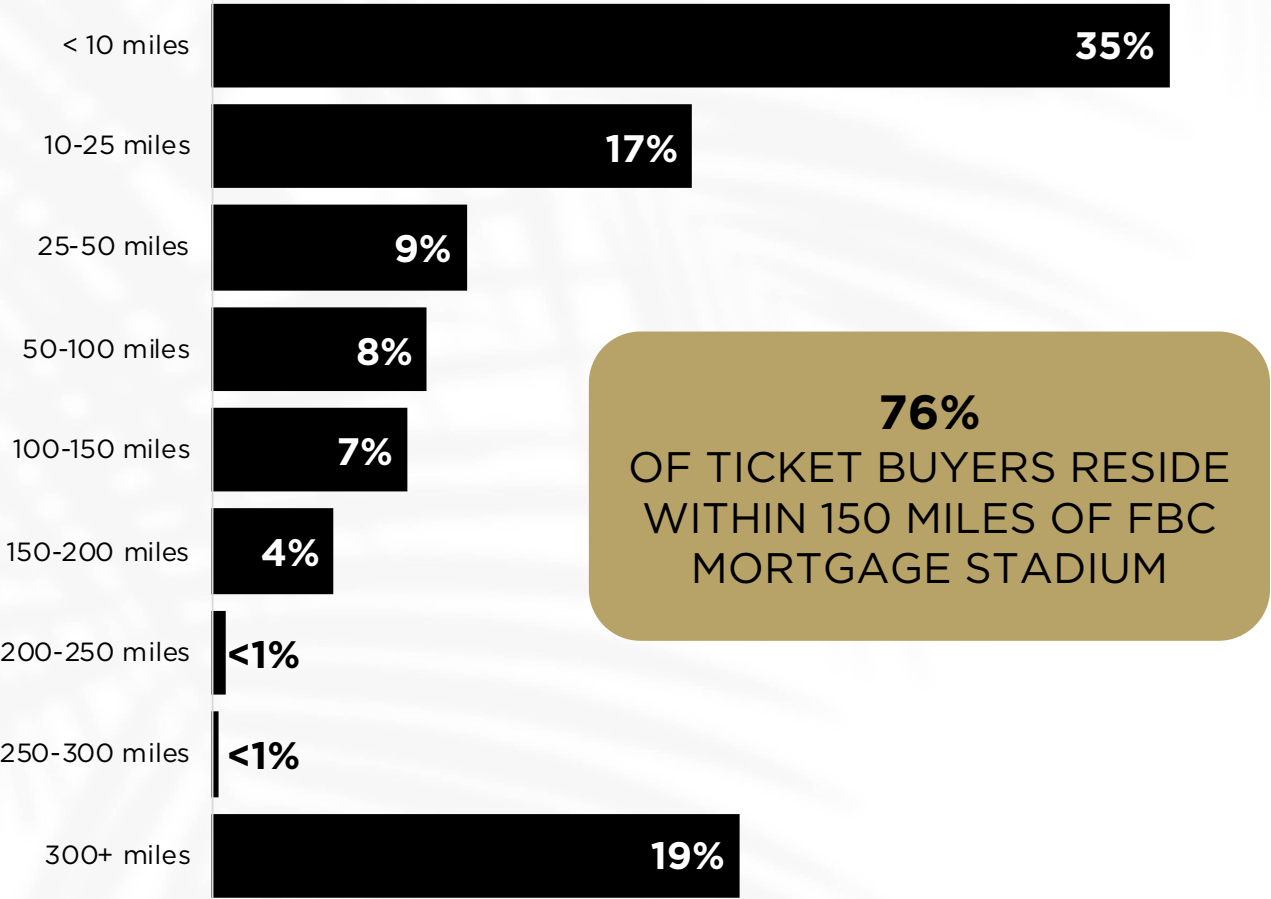


BENCHMARKING



TICKET BUYER ORIGINATION

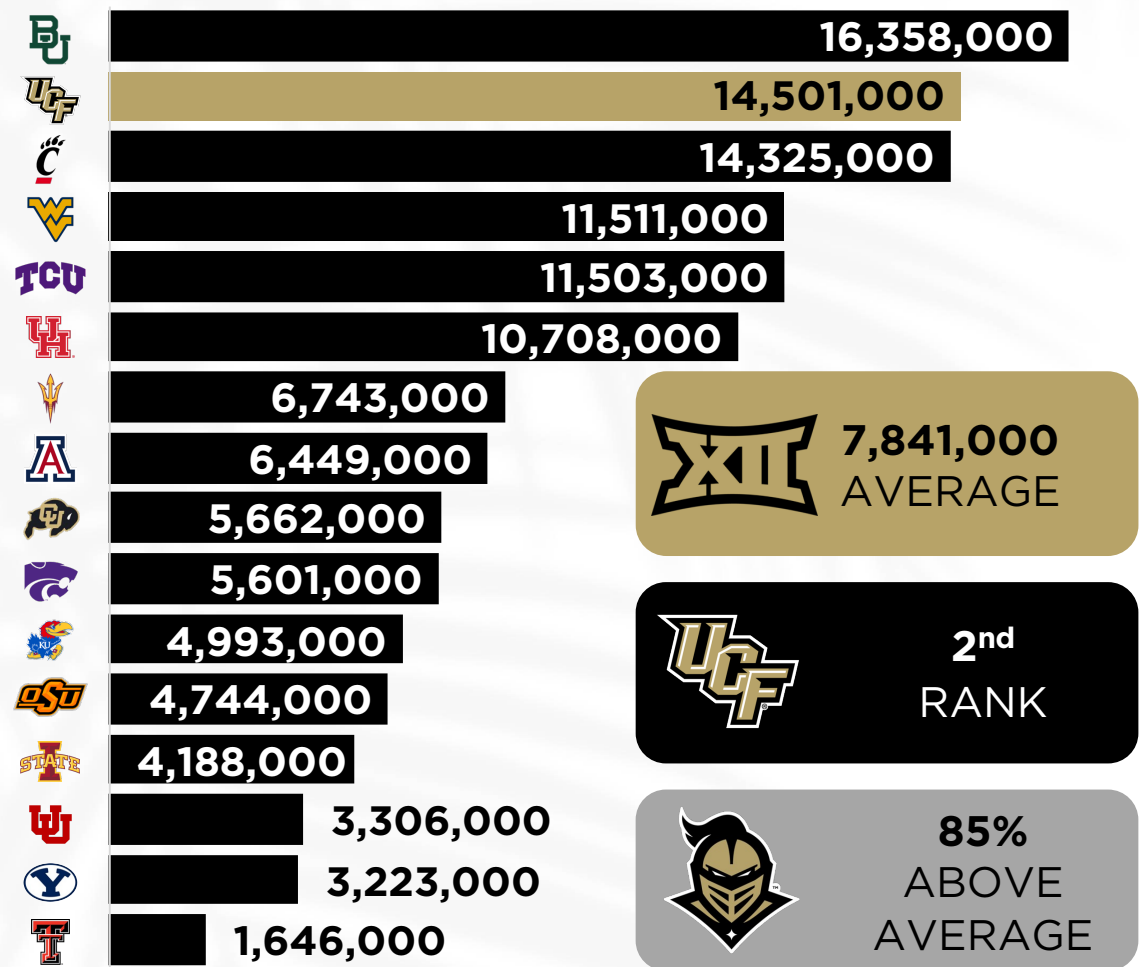
CURRENT TICKET BUYERS



MARKET CHARACTERISTICS

150 MILE RADIUS*

Population

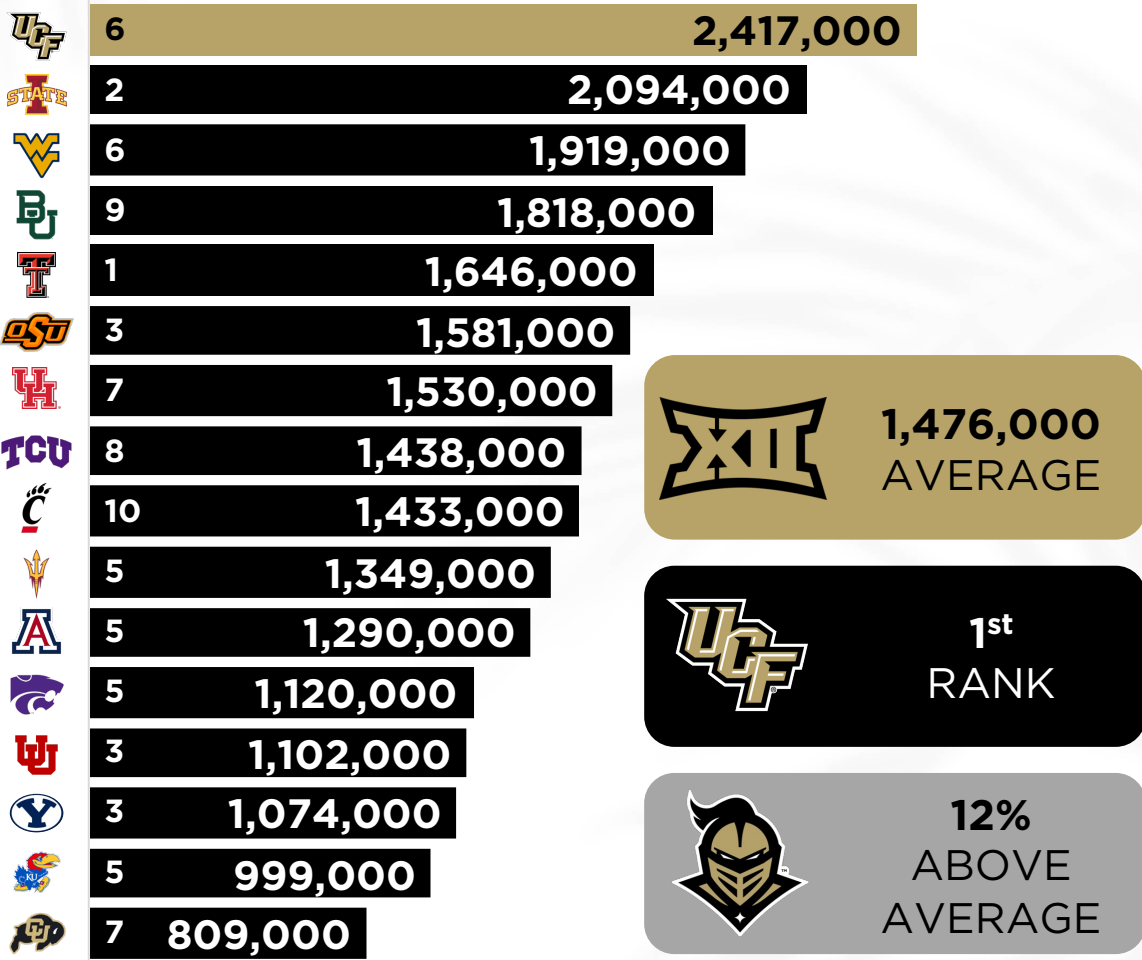


Source: ESRI.

*Note: Geographic area reflects majority of current ticket buyers based on an analysis of zip code data provided by Athletics.
(1) Sports teams include all NFL, NBA, MLB, NHL, MLS, and NCAA D1 institutions within the market area.

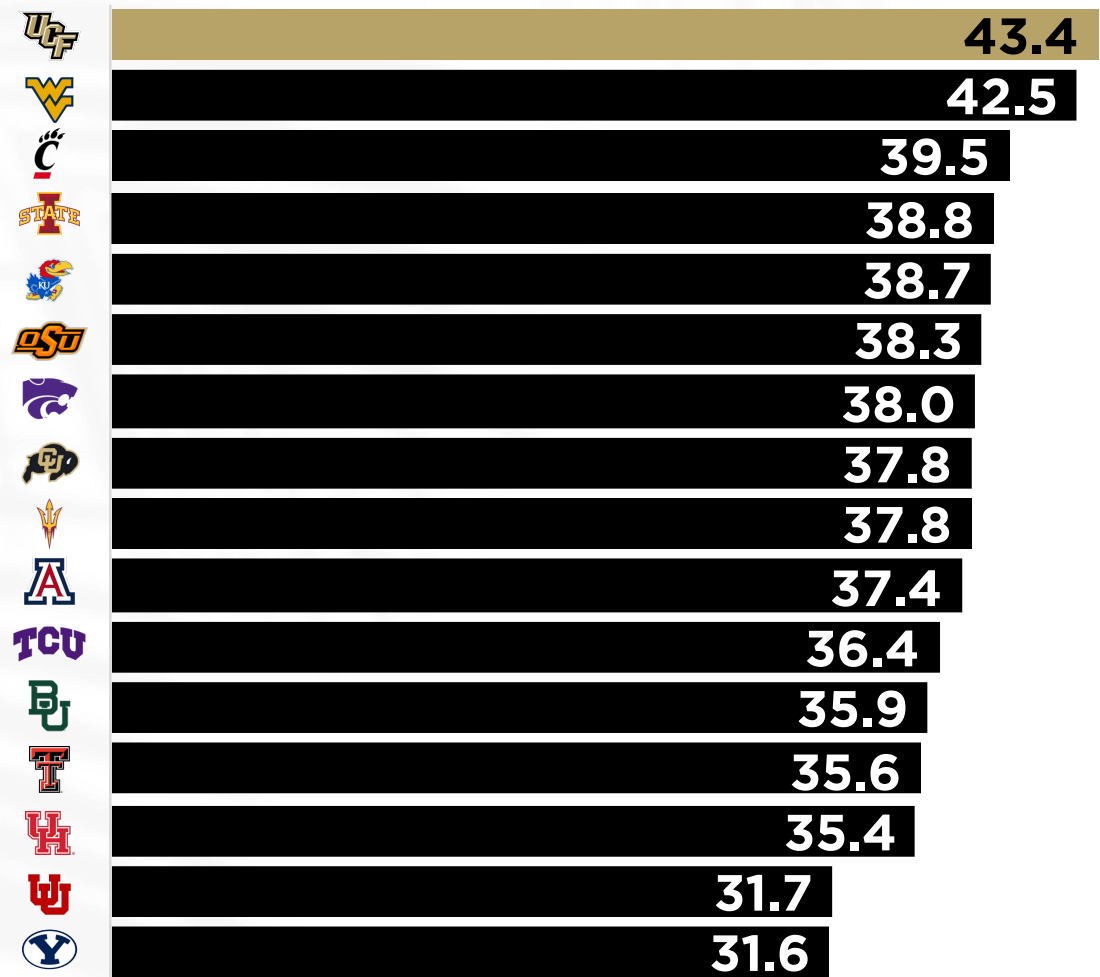
Population per Sports Team in Local Market (1)

of Sports Teams



MARKET CHARACTERISTICS 150 MILE RADIUS

Median Age





37.4
AVERAGE



1st
RANK

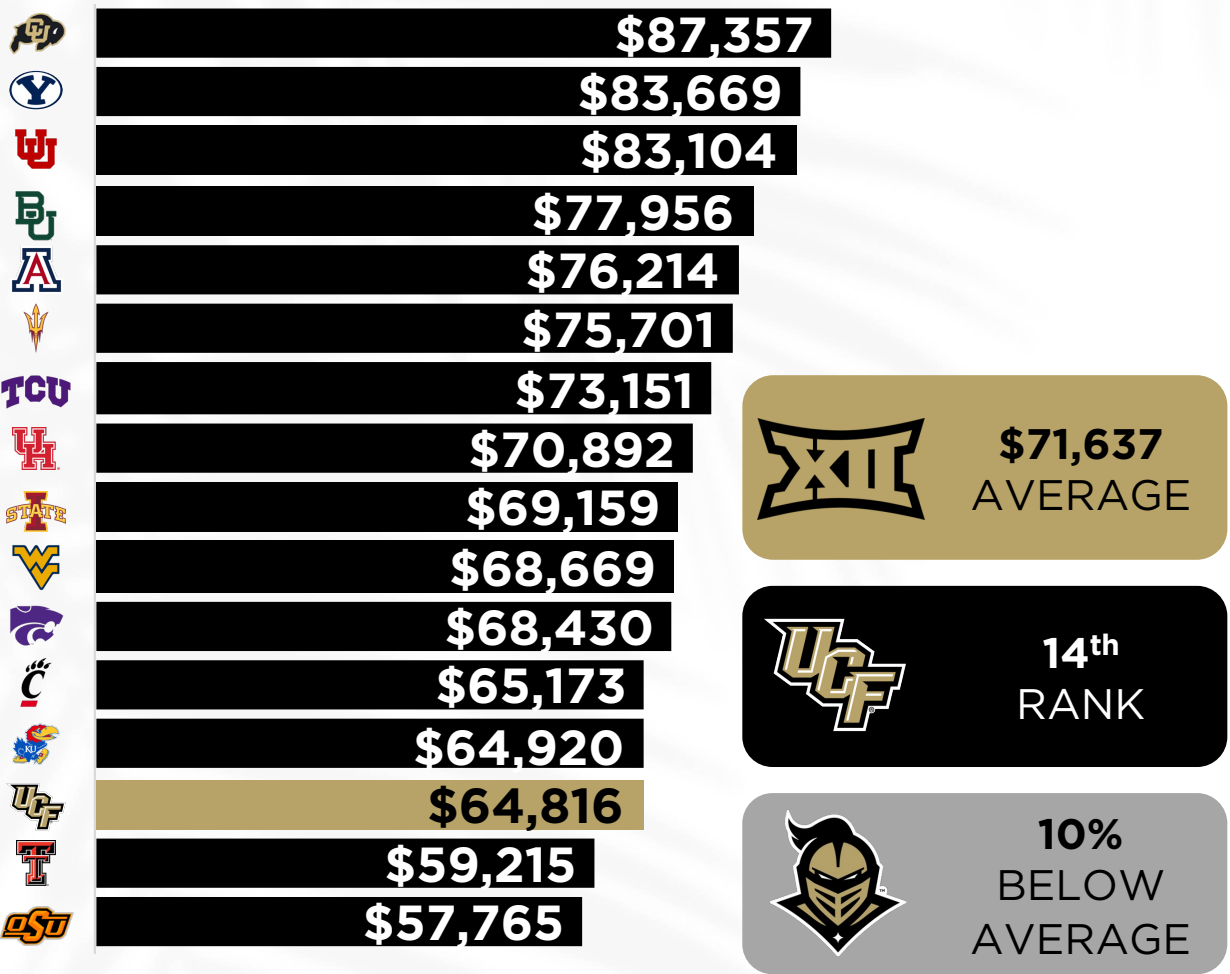


16%
ABOVE
AVERAGE

Source: ESRI.

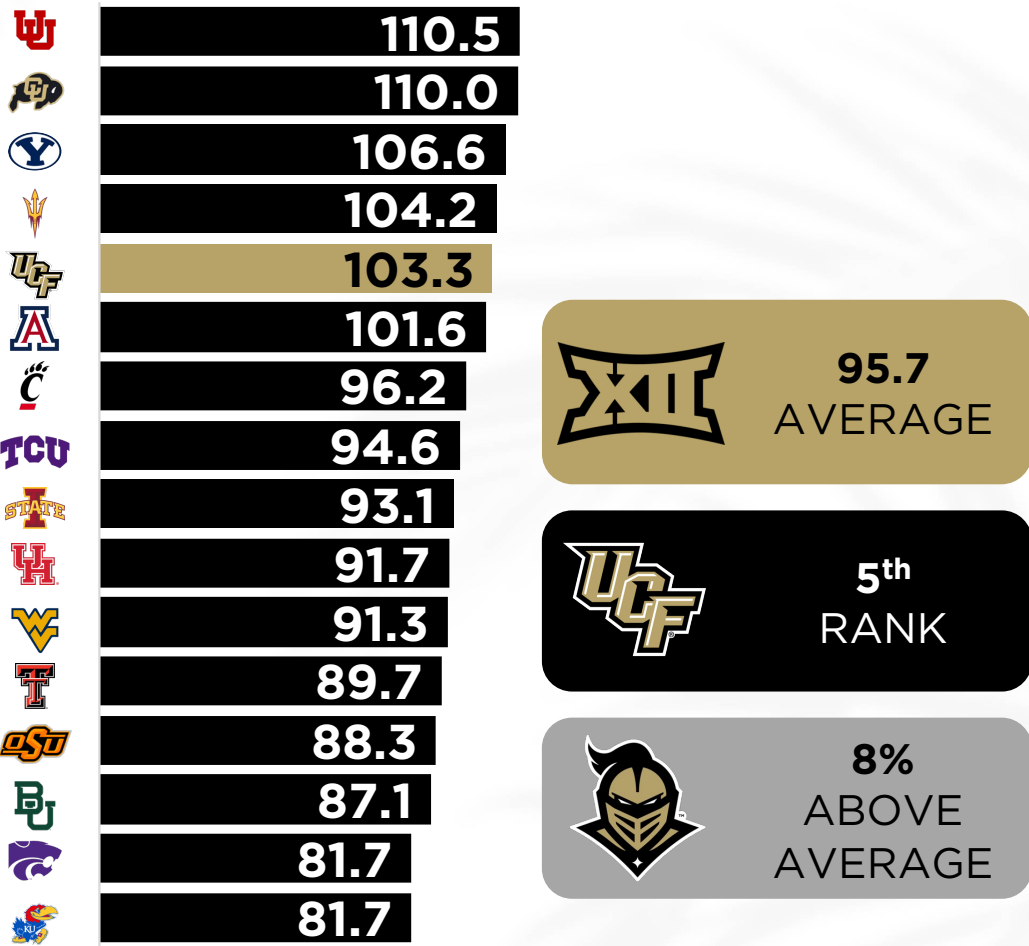
MARKET CHARACTERISTICS 150 MILE RADIUS

Household Income



Source: ESRI.

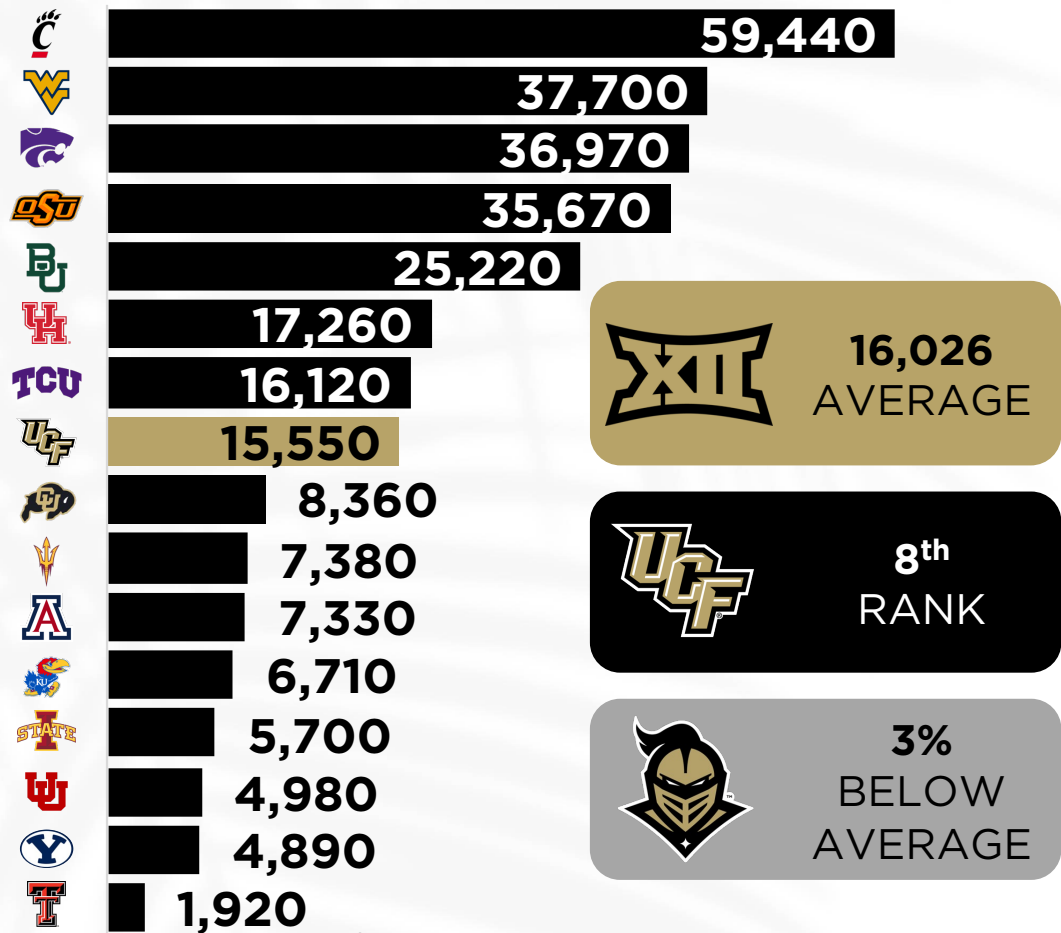
Cost of Living



Source: Council for Community and Economic Research.

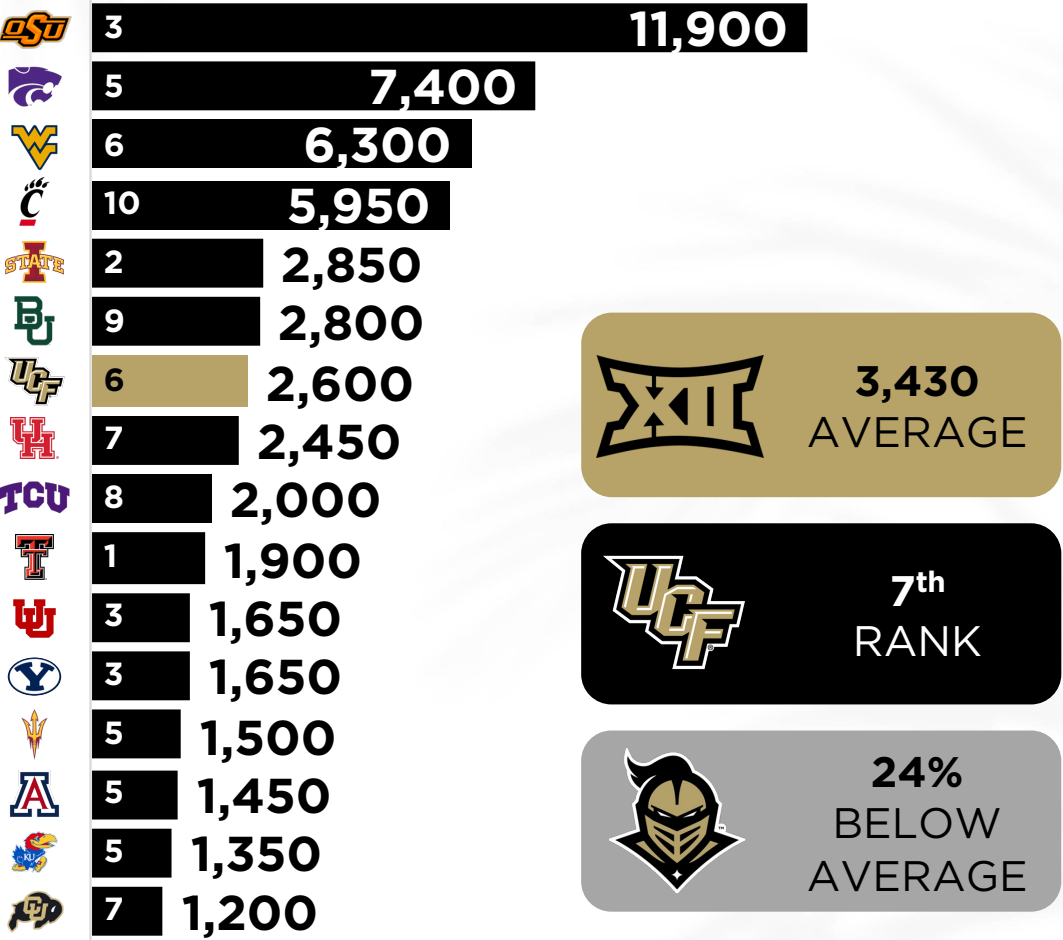
MARKET CHARACTERISTICS 150 MILE RADIUS

Corporate Base (1)



Corporations per Sports Team

of Sports Teams in Local Market (2)

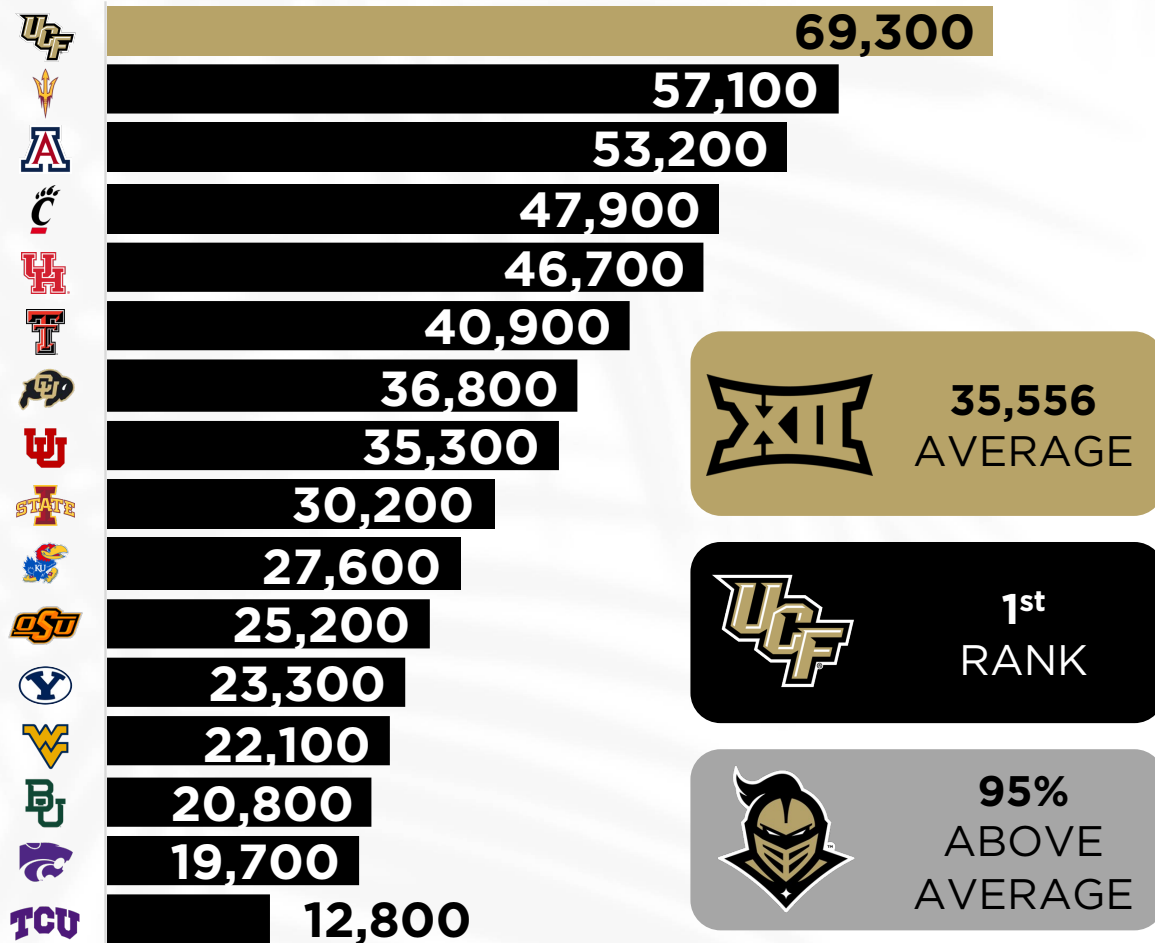


Source: Hoovers.

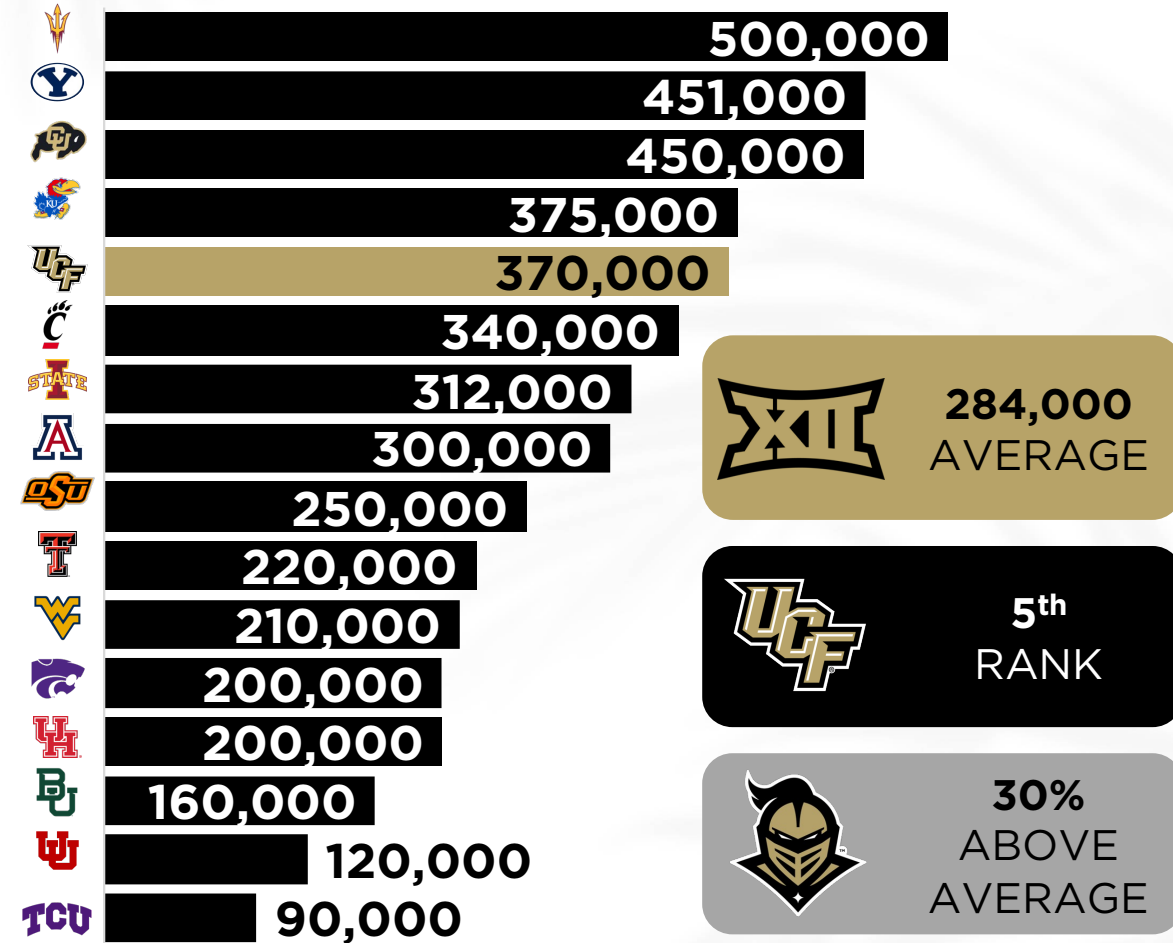
(1) Corporate Base is defined as companies that have 10 or more employees and sales of at least \$2.5 million annually and excludes educational, government, membership, nonprofit, and religious organizations. These thresholds were established to quantify the number of companies that may be in a position to purchase premium seating and naming/donor recognition opportunities at an enhanced FBC Mortgage Stadium.
(2) Sports teams include all NFL, NBA, MLB, NHL, MLS, and NCAA D1 institutions.

INSTITUTIONAL CHARACTERISTICS

Student Enrollment

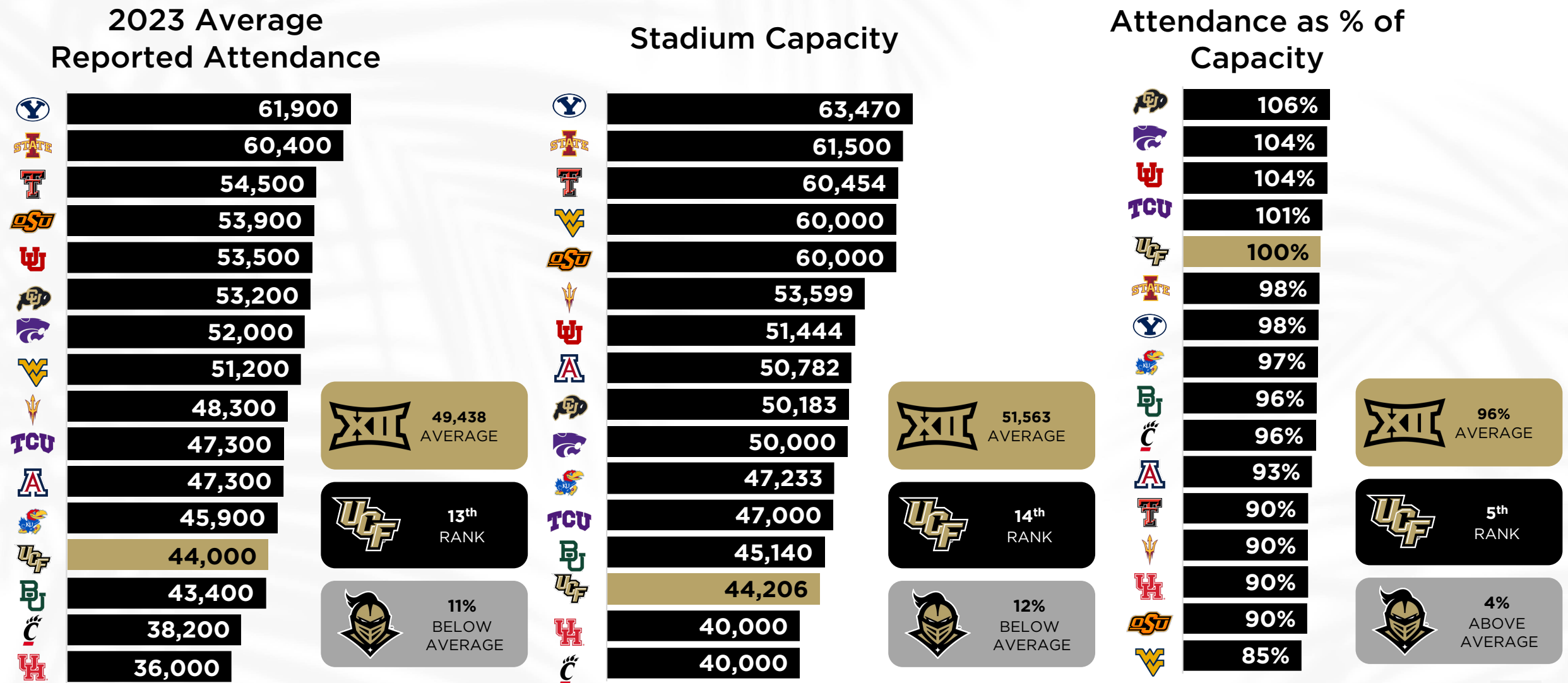


Living Alumni



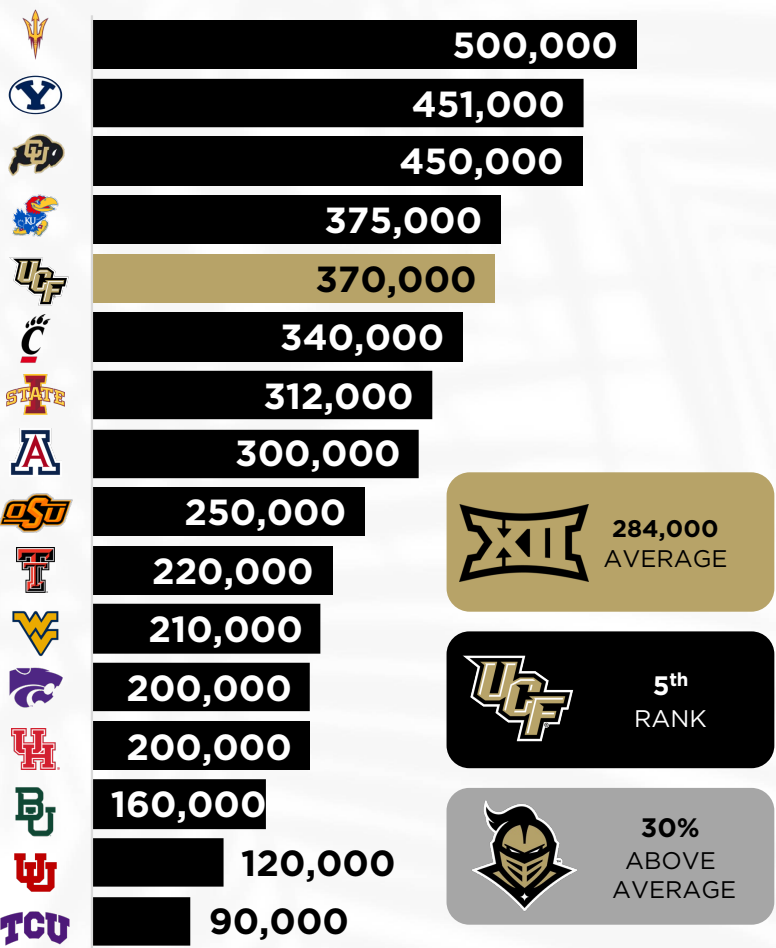
Source: Institutional Representatives.

INSTITUTIONAL CHARACTERISTICS

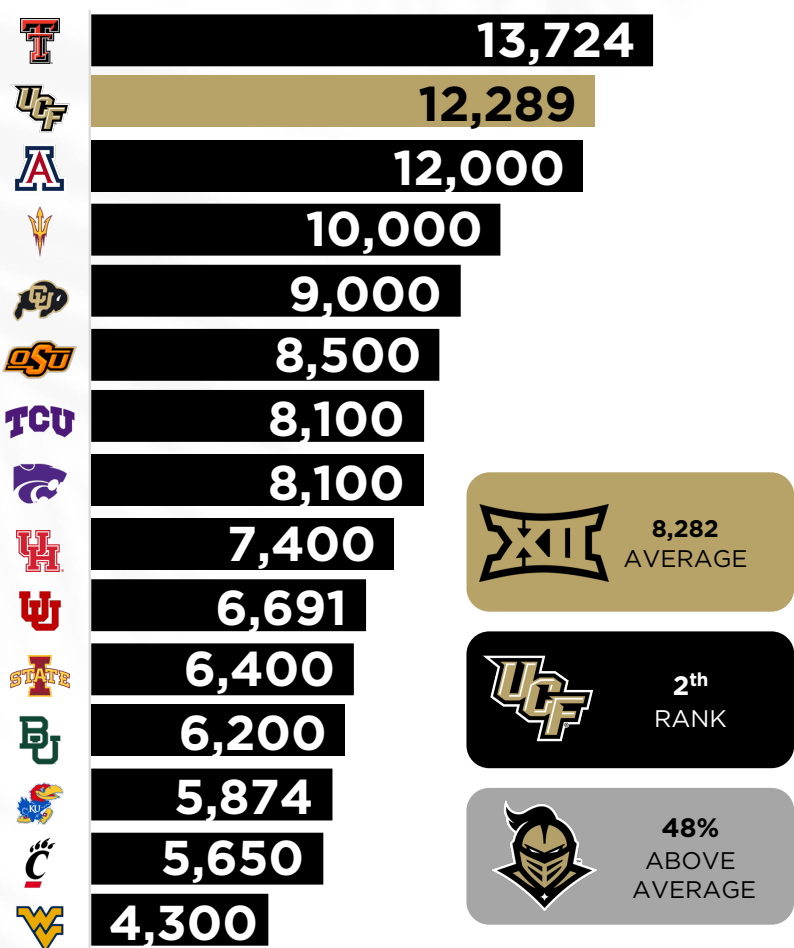


INSTITUTIONAL CHARACTERISTICS

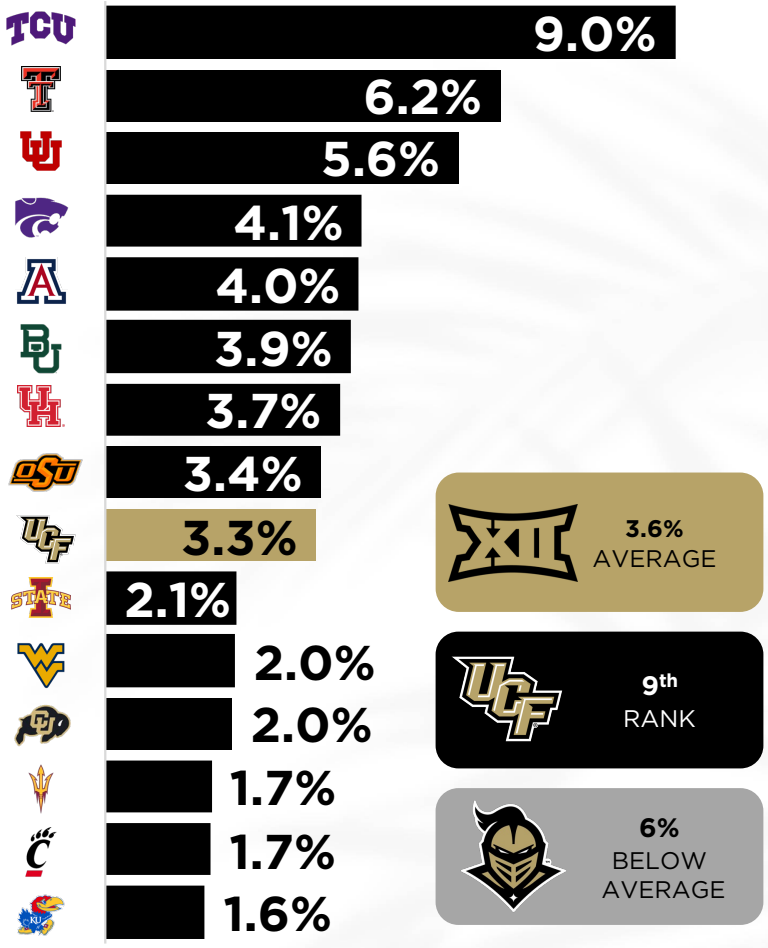
Living Alumni



Athletic Donors

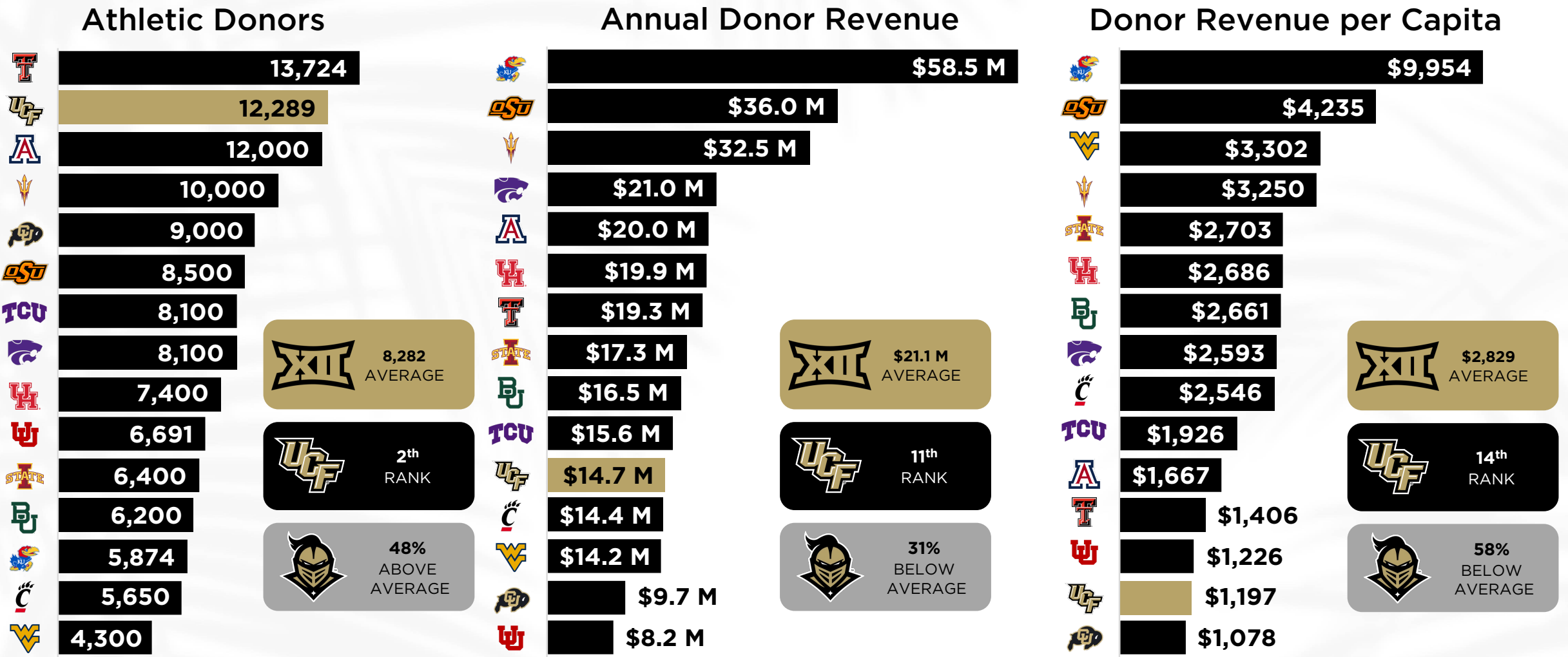


Living Alumni Penetration



Note: BYU does not publicly disclose their donor information.

INSTITUTIONAL CHARACTERISTICS



Note: BYU does not publicly disclose their donor information.

\$20 Million
In Potential Incremental Revenue If UCF Can Achieve Big 12 Average Donor Revenue Per Capita



04

MARKET SURVEY RESULTS



SURVEY OVERVIEW

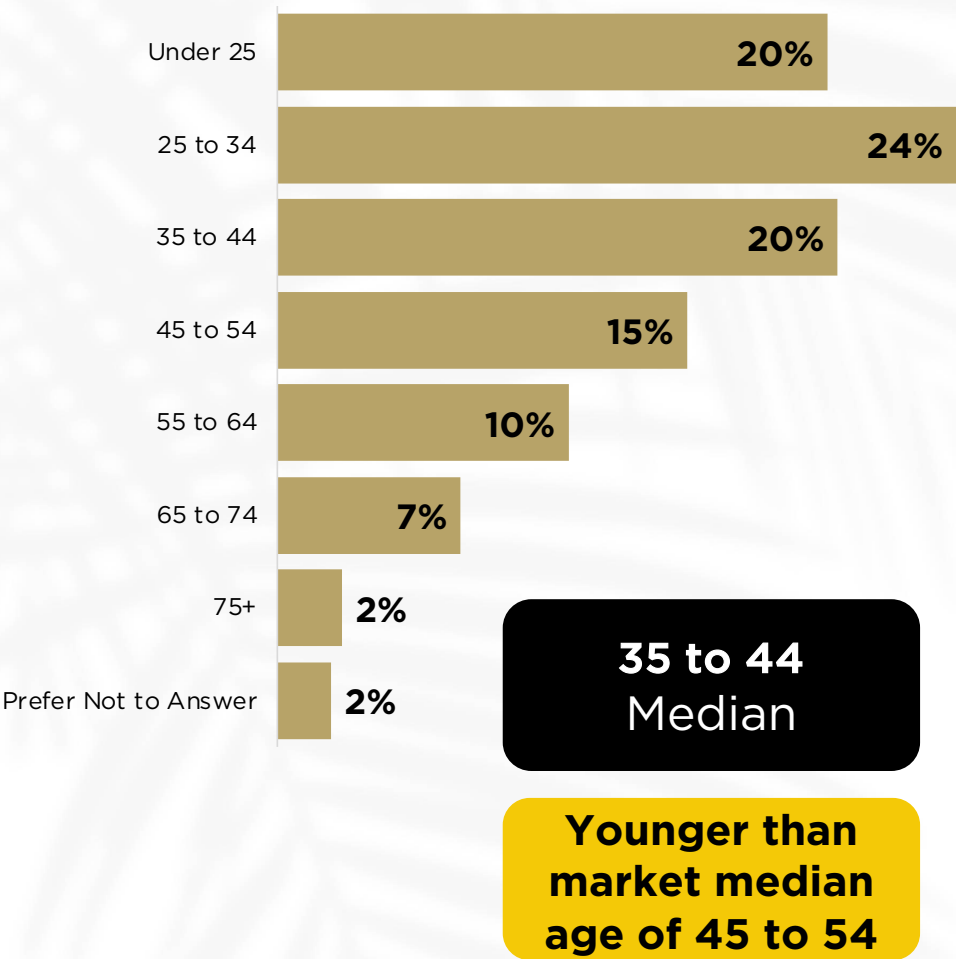
SURVEY GROUP	POPULATION	COMPLETED SURVEYS	% OF POPULATION SURVEYED
ChargeOn Fund Donors	9,854	2,003	20.3%
Non-Donor Season Ticket Members	1,048	244	23.3%
Occasional Game Buyers	55,041	572	1.0%
Others ⁽¹⁾	43,599	358	0.8%
TOTAL	109,542	3,177	2.9%

(1) Others include alumni, faculty/staff, corporate buyers and other similar non-engaged groups.

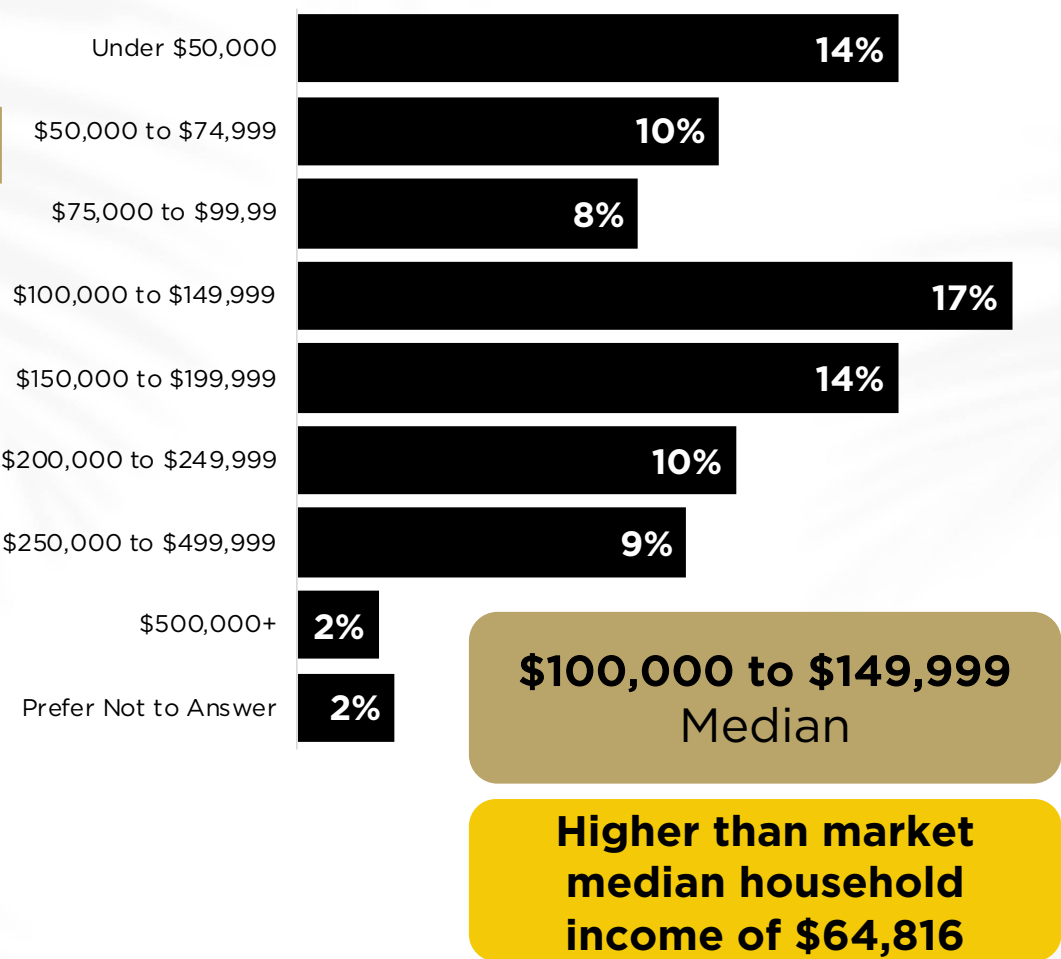
3,177 RESPONDENTS
REPRESENTS A STATISTICALLY
SIGNIFICANT SAMPLE SIZE
FROM WHICH TO ASSESS
INTEREST AND DEMAND

DEMOGRAPHICS

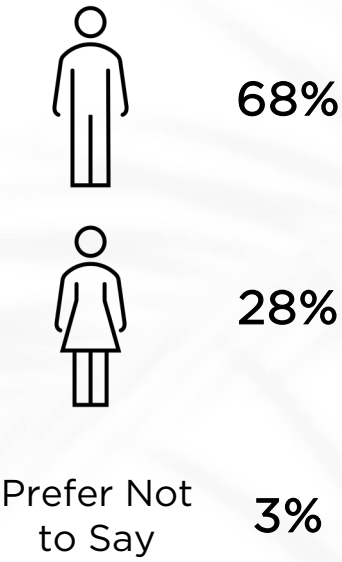
Age



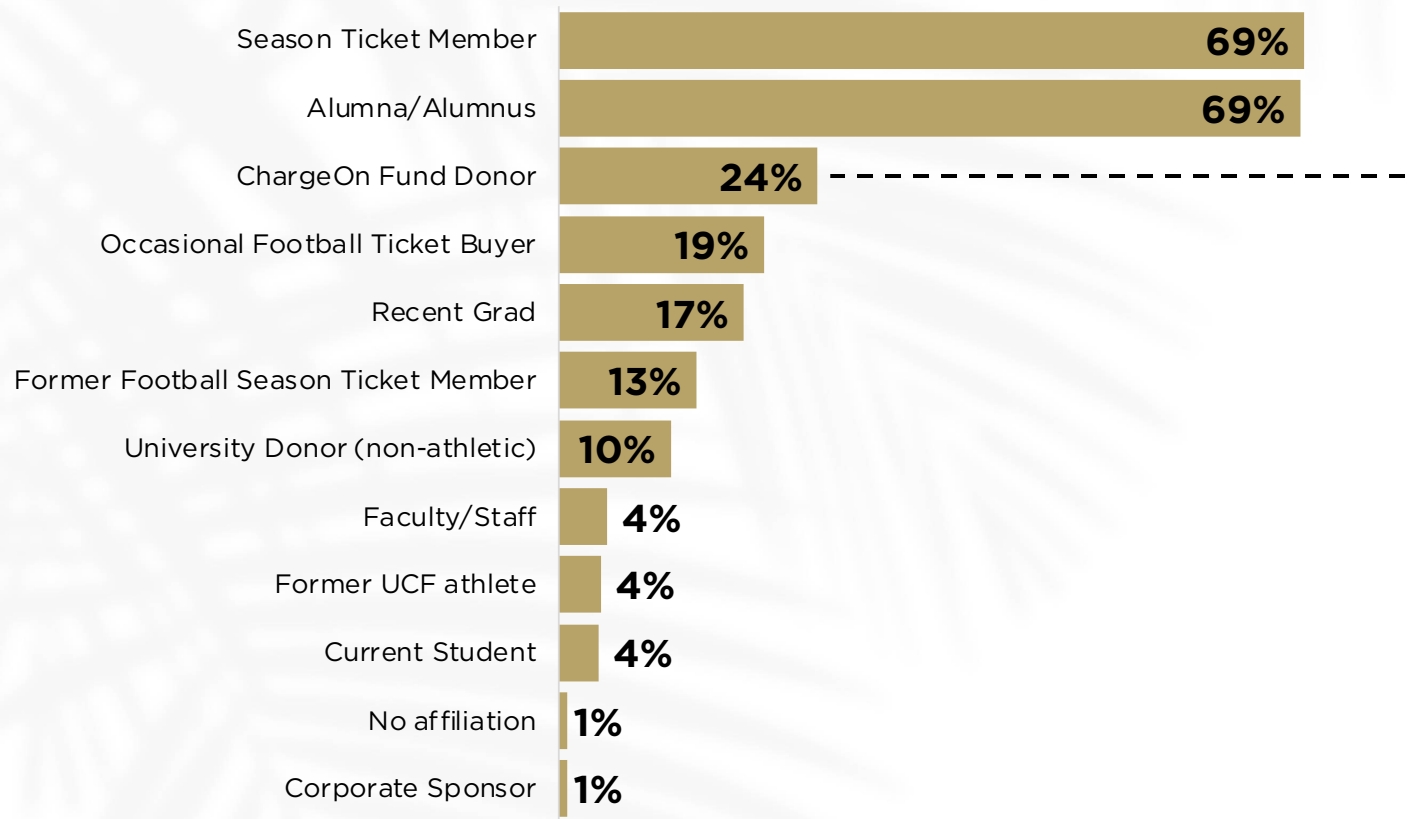
Income



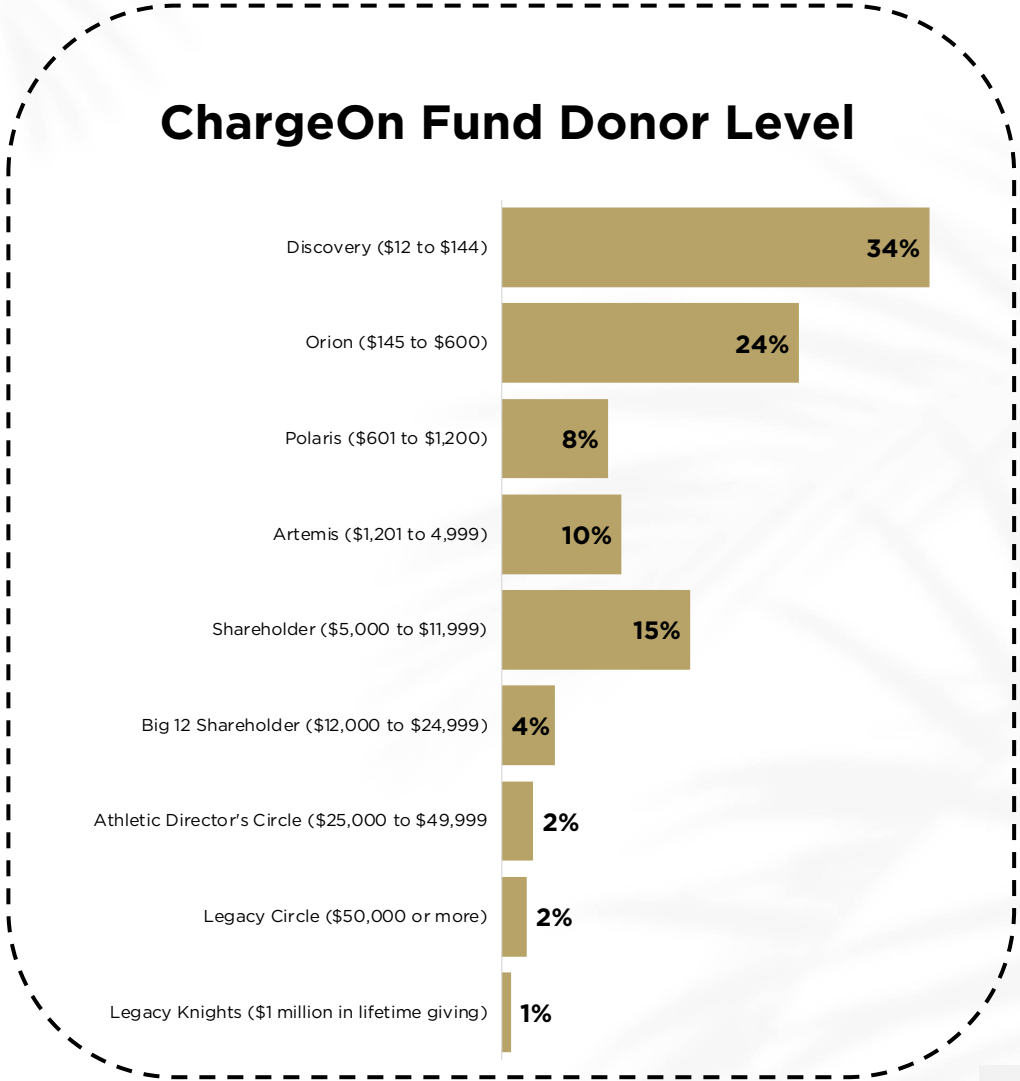
Gender



CURRENT STATUS

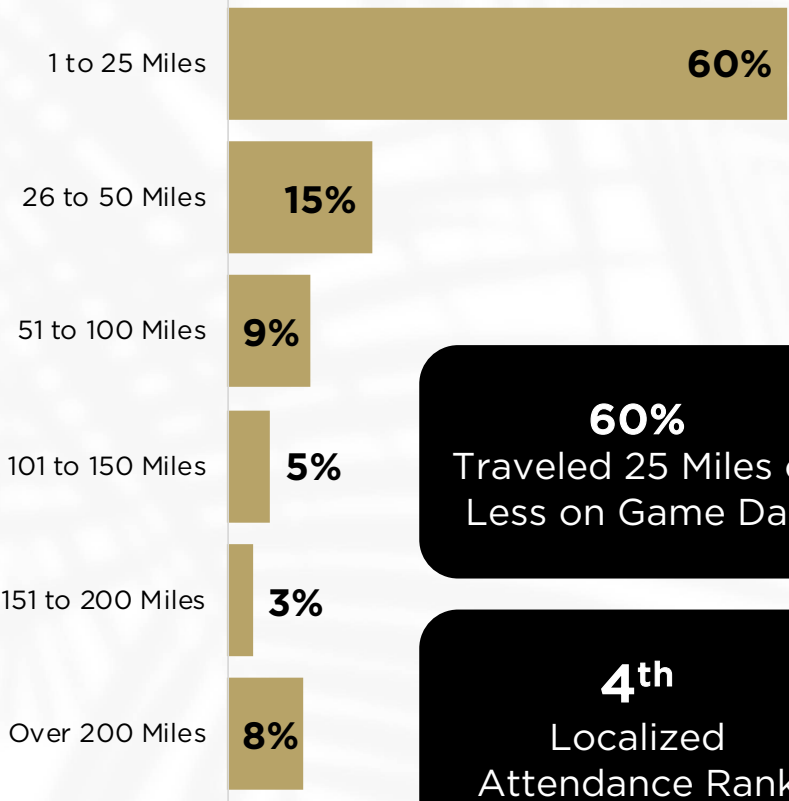


Note: Multiple Selections Accepted











DISTANCE TRAVELED ON GAME DAY

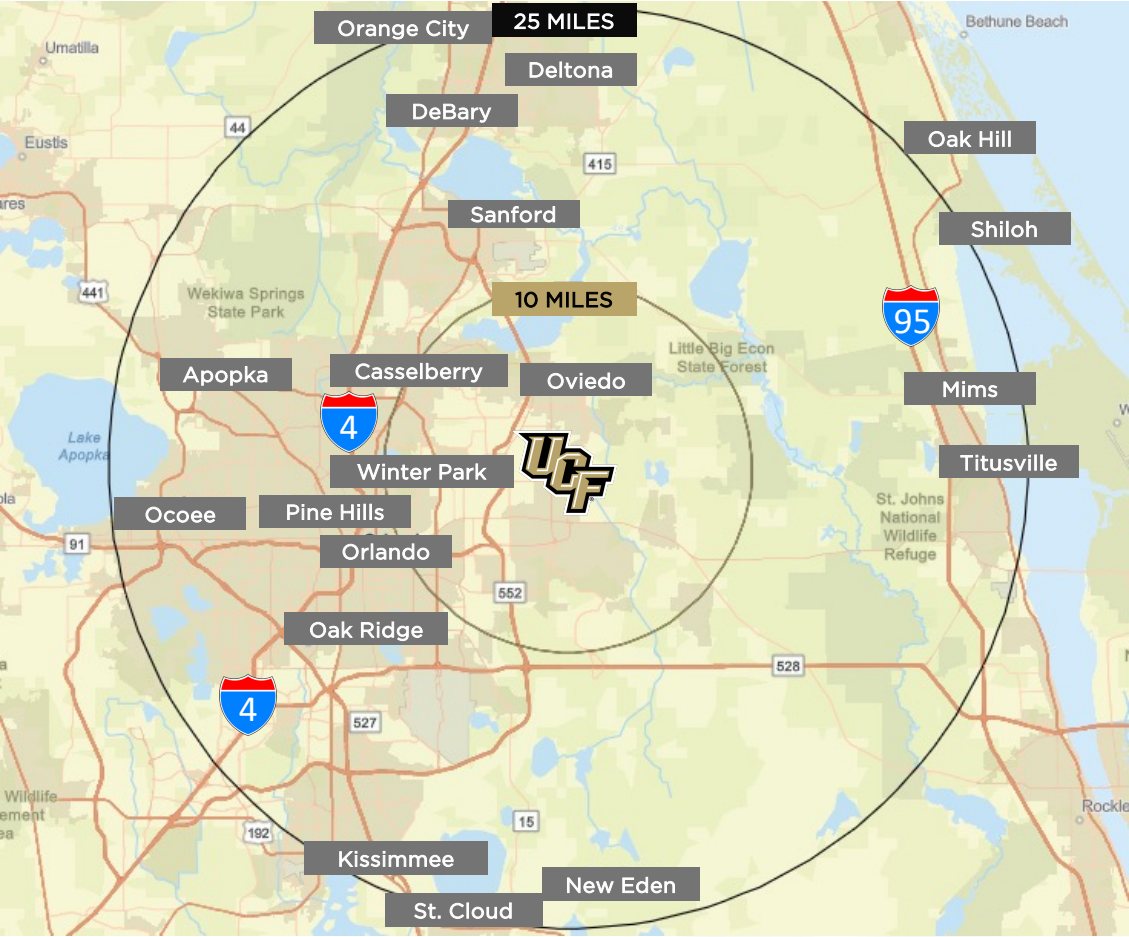
Miles Traveled (One-Way)



60%
Traveled 25 Miles or
Less on Game Day

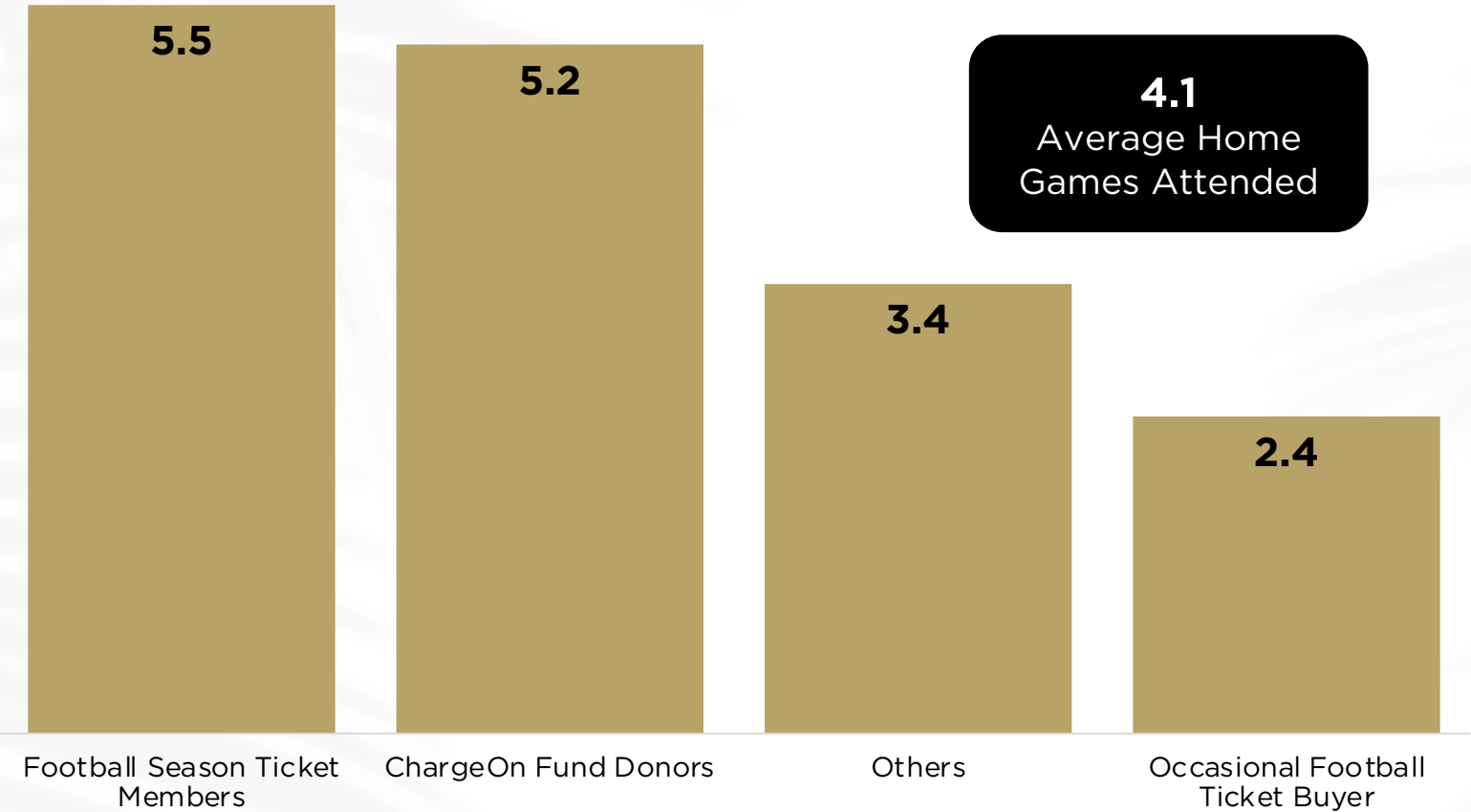
4th
Localized
Attendance Rank

% Traveling 25 miles or less	
	78%
	74%
	72%
	60%
	58%
	55%
	50%
	50%



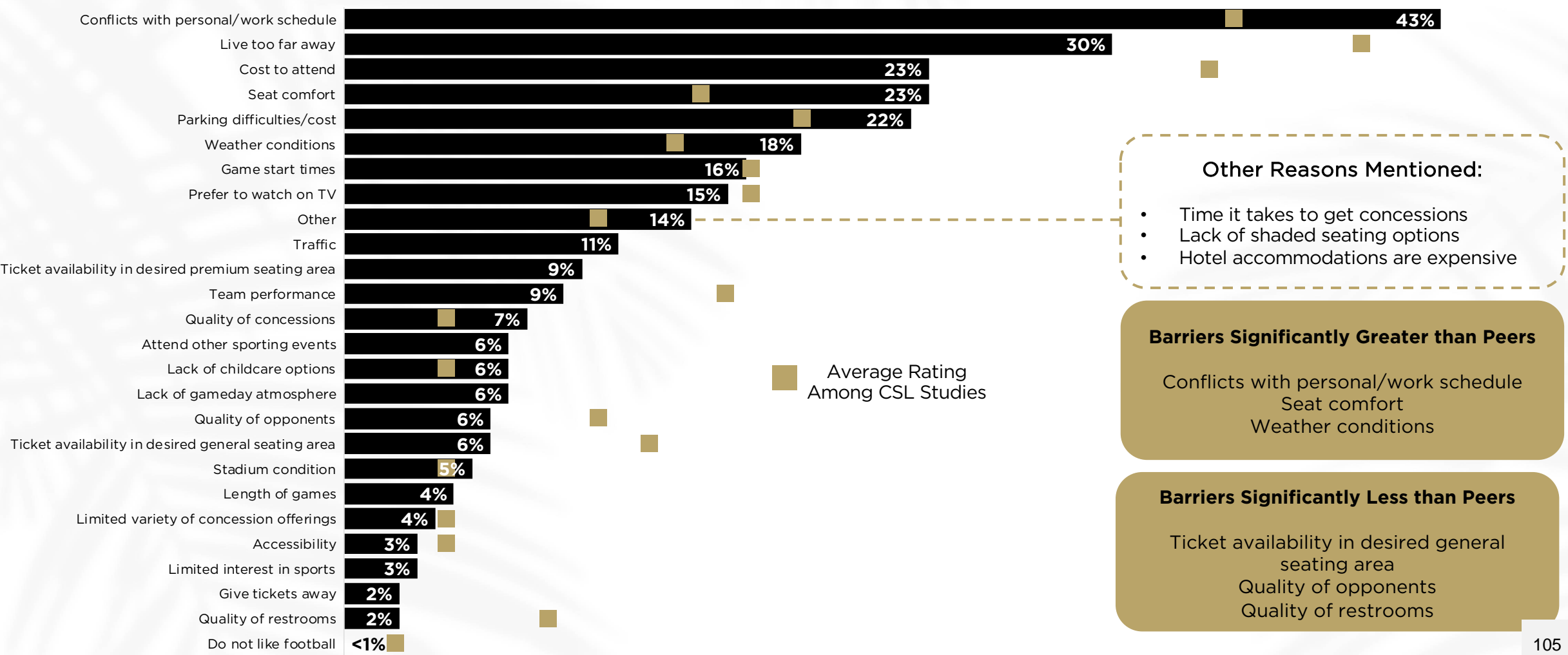
GAME ATTENDANCE

Annual Home Games Attended

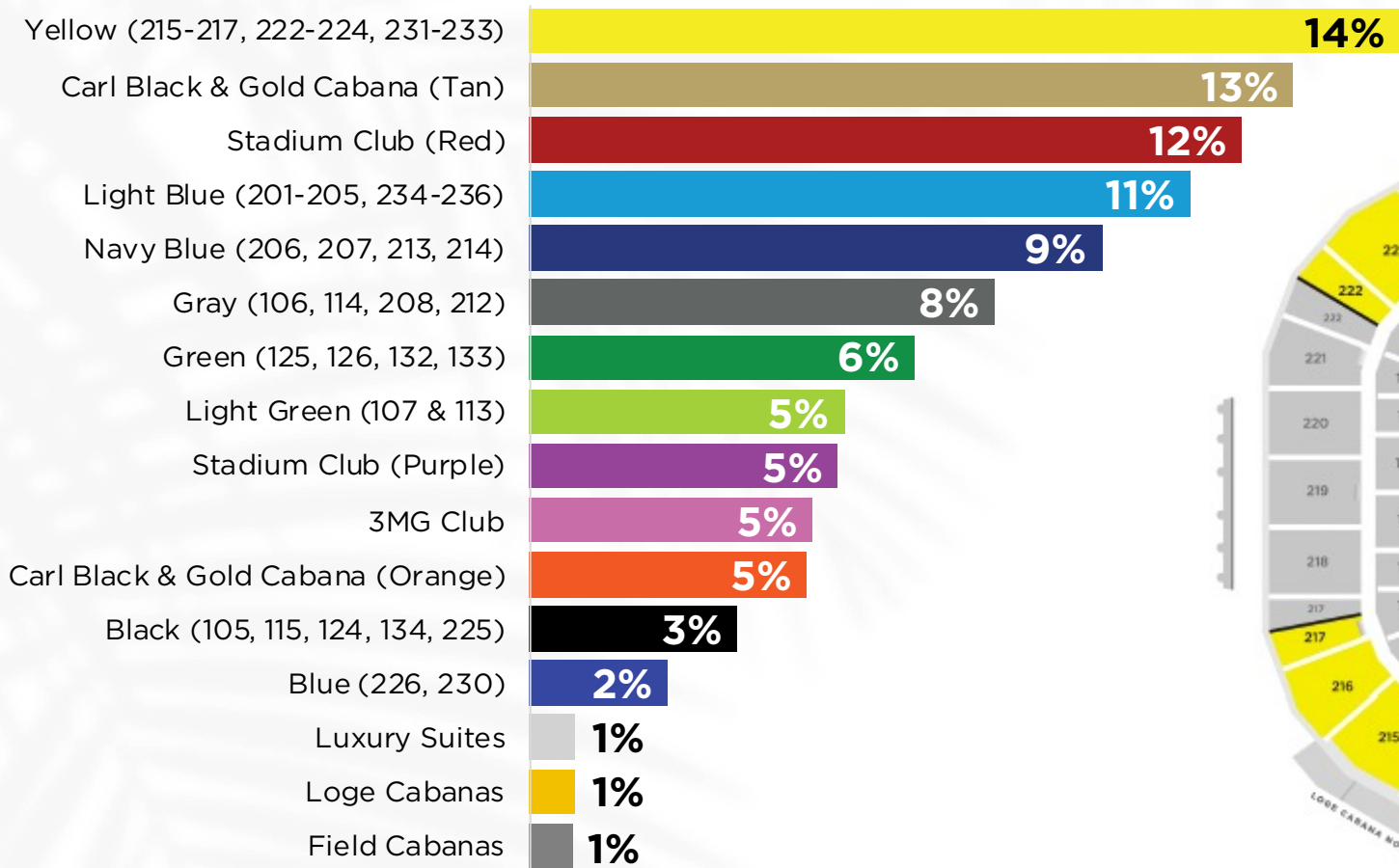


GAME ATTENDANCE

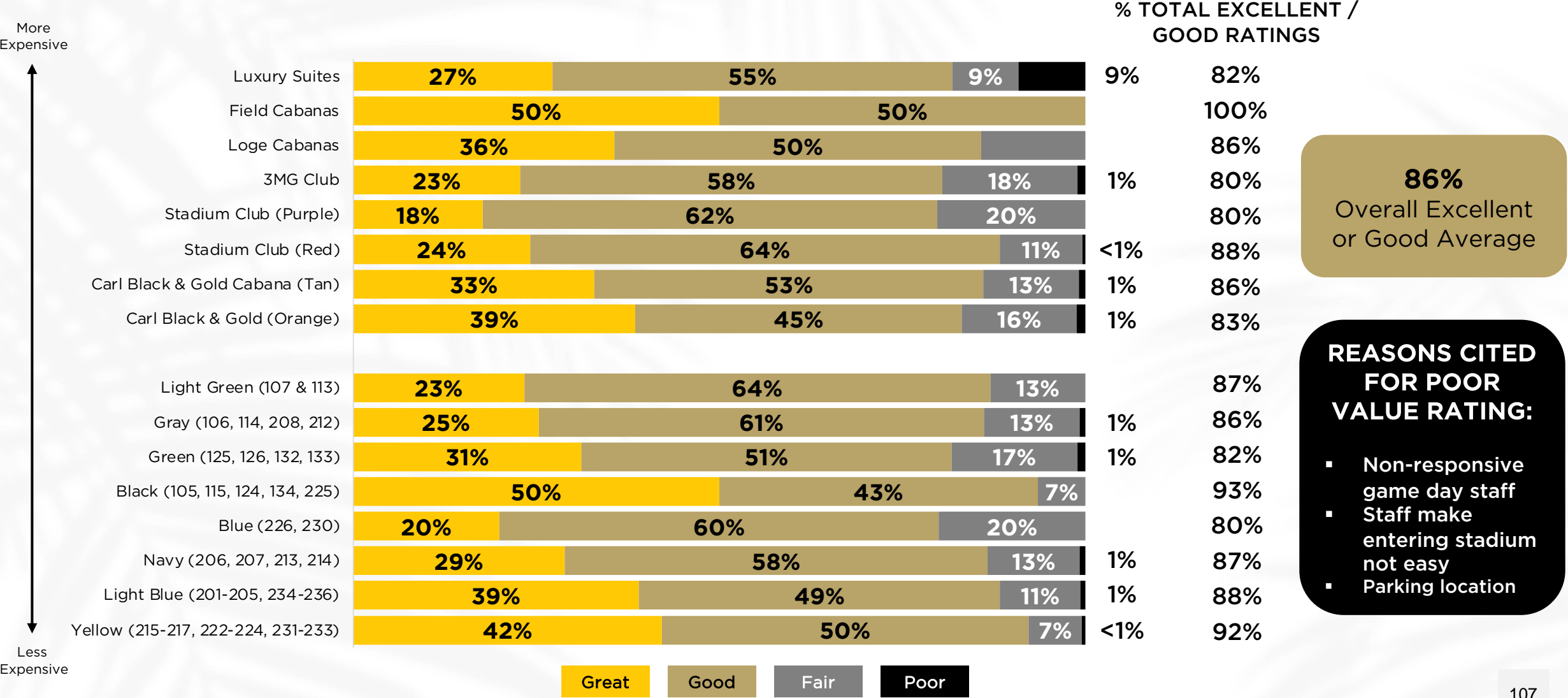
Reasons For Not Attending More *ASKED OF THOSE ATTENDING LESS THAN 3 GAMES ANNUALLY*



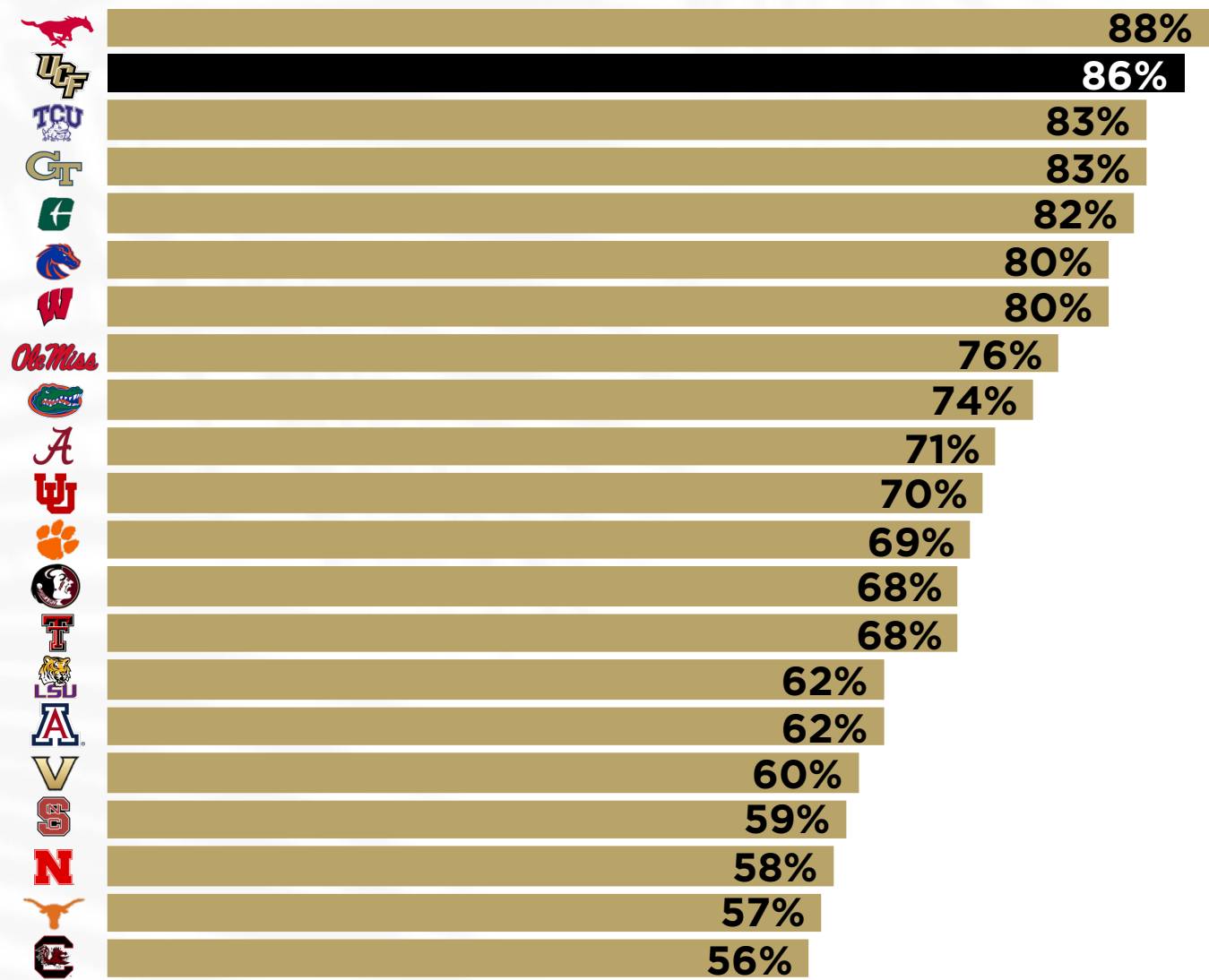
CURRENT SEATING LOCATION



VALUE OF SEASON TICKET PURCHASE



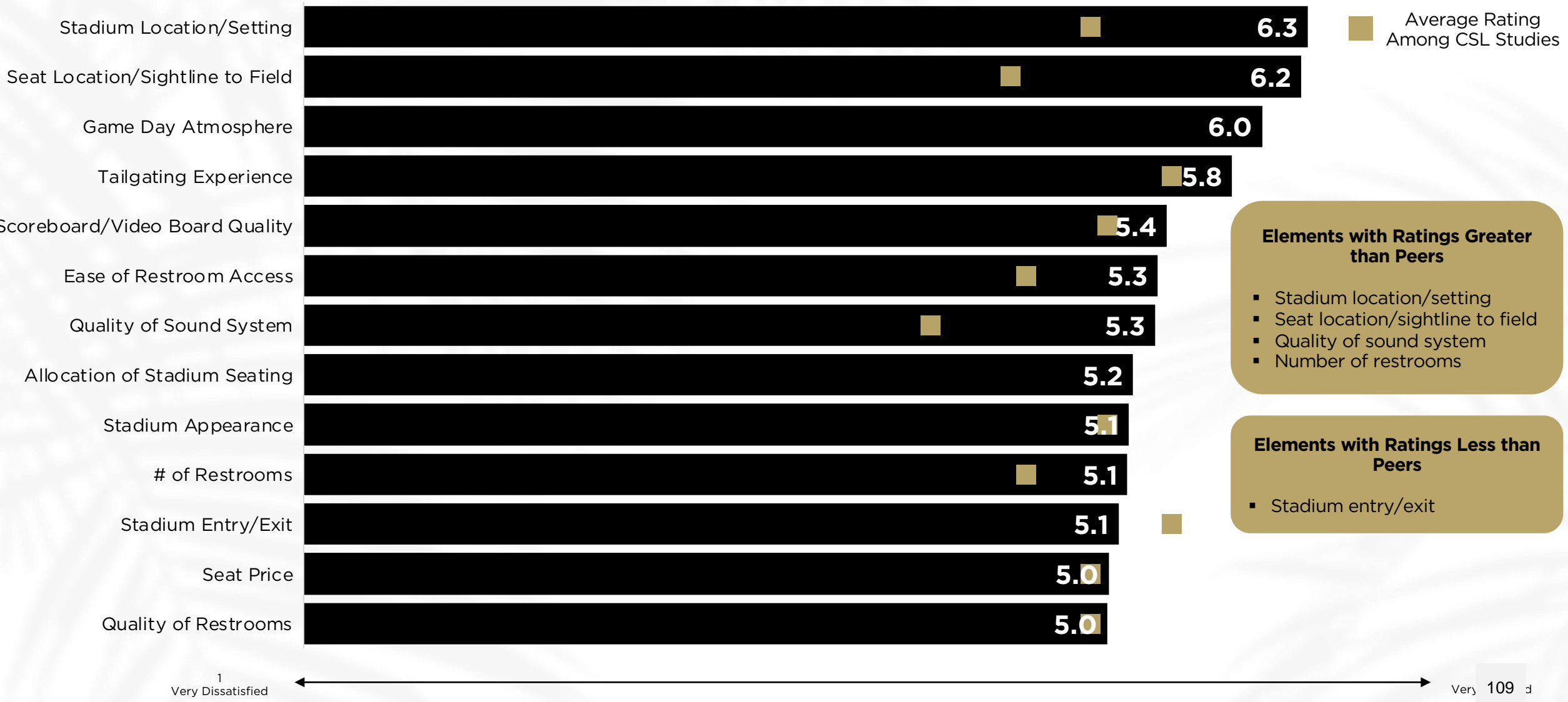
SEASON TICKET VALUE COMPARISON



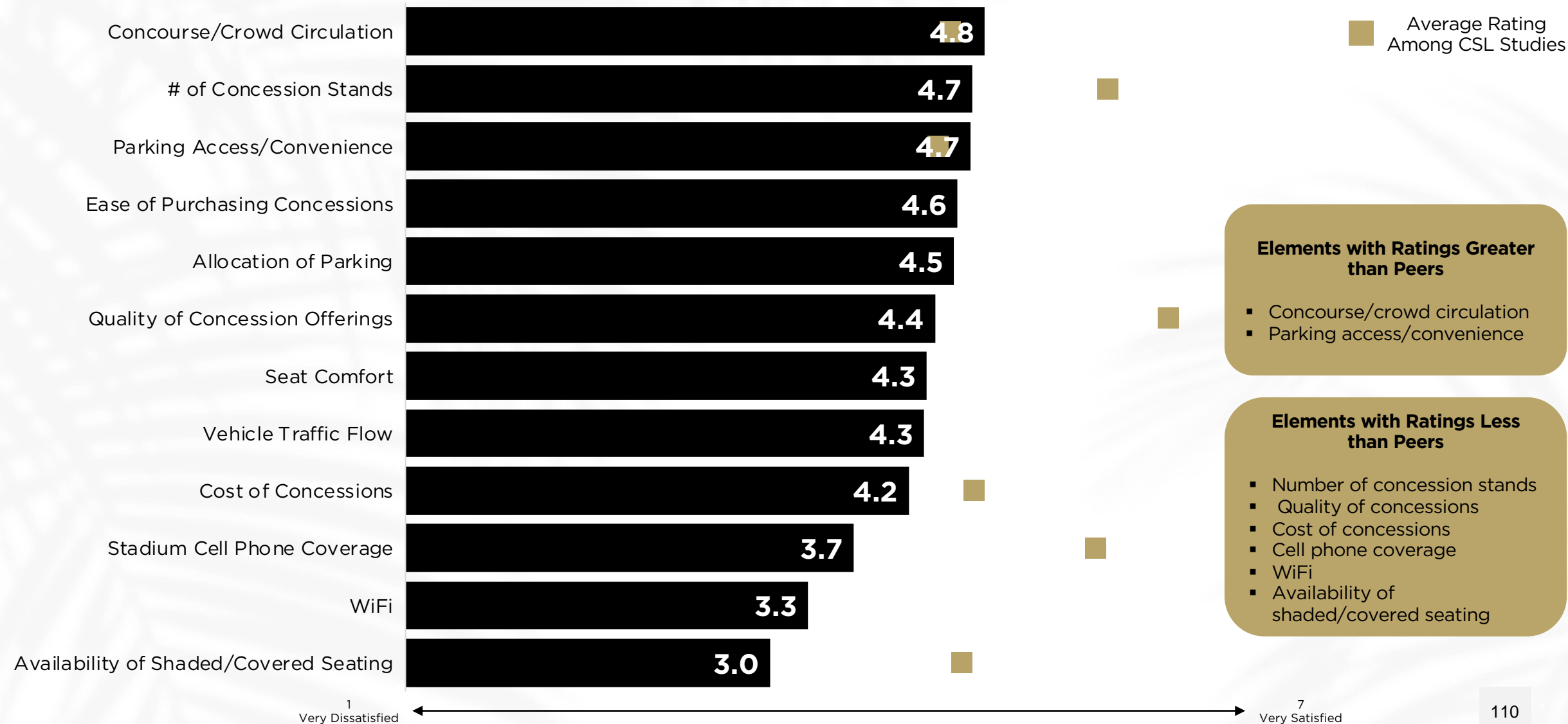
70%
Peer Average

UCF
2nd Rank

CURRENT FBC MORTGAGE STADIUM EXPERIENCE



CURRENT FBC MORTGAGE STADIUM EXPERIENCE



SEATING CONCEPTS TESTED

CLUB SEATS

Planned Inventory: 1,236 seats



- All-inclusive upscale food, beverage, beer, and wine
- Cash bar to purchase spirits and cocktails
- Access to climate-controlled club lounge and private outdoor patio space
- Private restrooms
- Elevator access
- Casual seating areas

CABANA LOGE

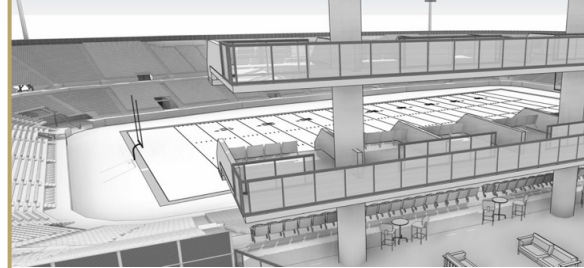
Current Inventory: 34 tables



- 4 seats per table
- All-inclusive upscale food, beverage, beer, and wine
- Cash bar to purchase spirits and cocktails
- In-seat wait service
- Access to climate-controlled club lounge connected to an exclusive outdoor patio space
- Ability to socialize with other club seat and suite buyer
- Private restrooms within the club lounge
- Casual seating areas within the club lounge
- Elevator access

BAY SUITES

Planned Inventory: 34 suites



- Seating for 12 people
- Open-air private patio suite entertaining space
- All-inclusive upscale food, beverage, beer, and wine
- Cash bar to purchase spirits and cocktails
- Private restrooms
- Elevator access
- Casual seating areas

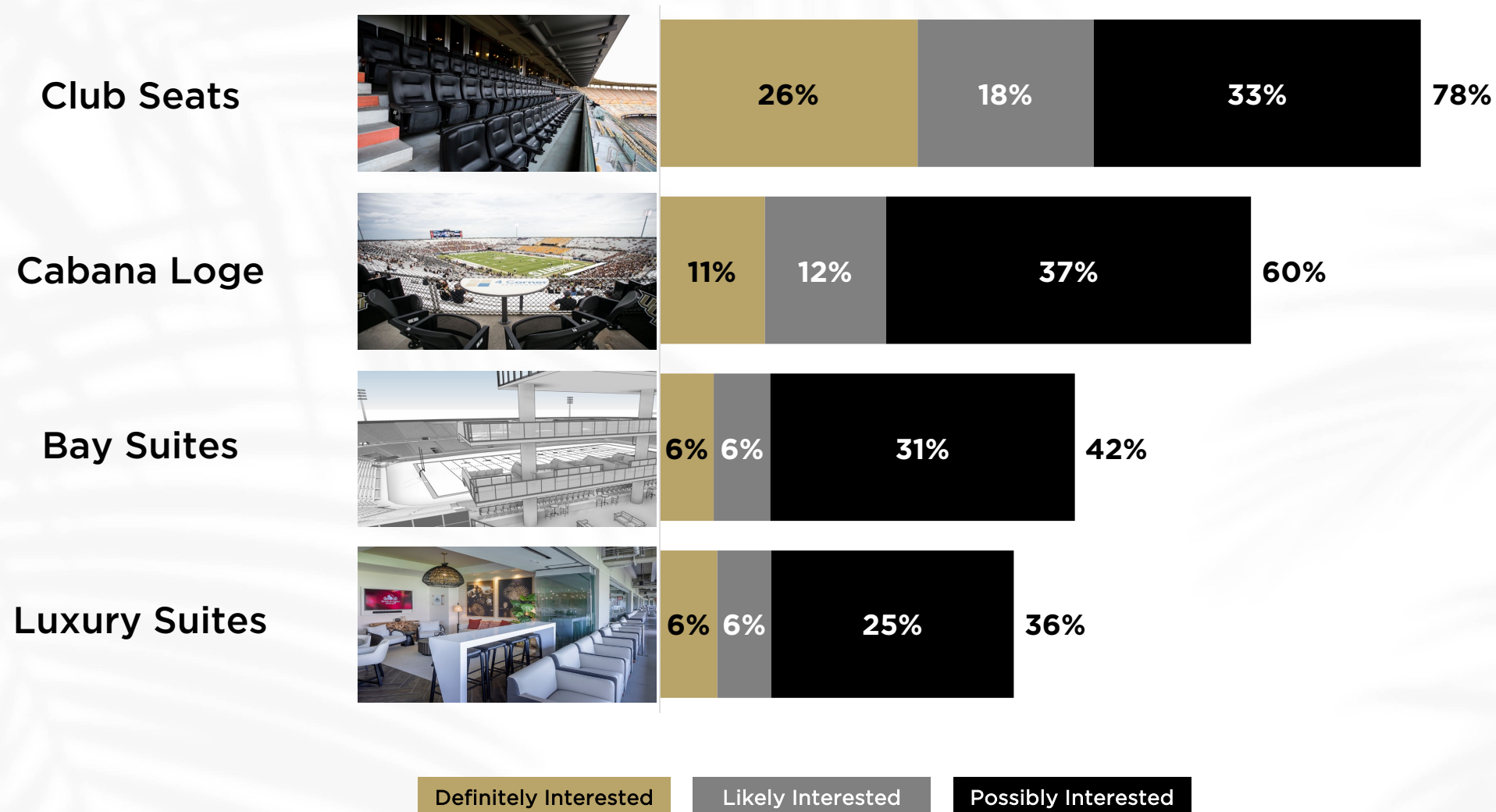
LUXURY SUITES

Planned Inventory: 25 suites

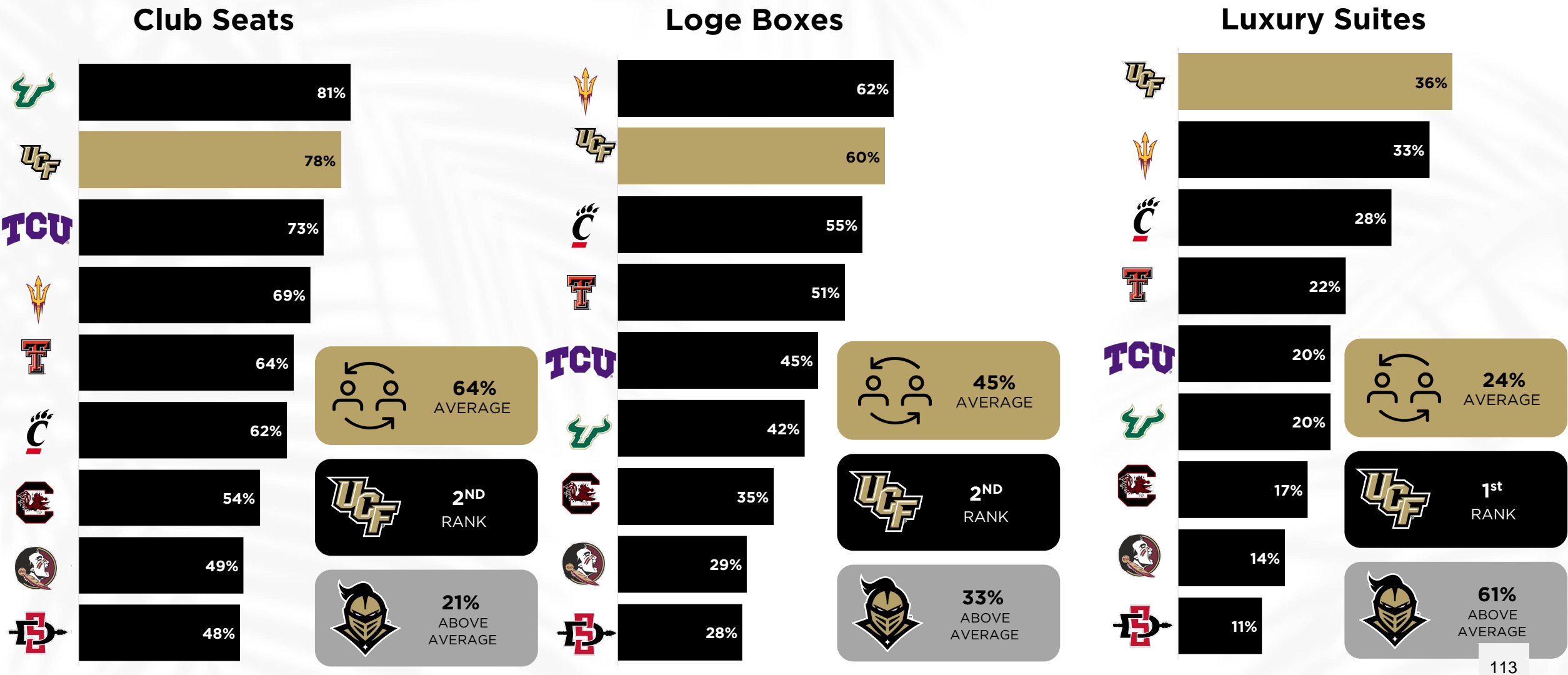


- Seating for 16
- All-inclusive upscale food, beverage, beer, and wine
- Cash bar to purchase spirits and cocktails
- Chef-designed menu for each game
- Ability to order in-suite snacks from a pre-fixed menu
- Private restrooms
- Private elevator access
- TV's, closet, sink in-suite
- Early access to purchase suite for events hosted at FBC Mortgage Stadium
- Personalized company/family name by suite door

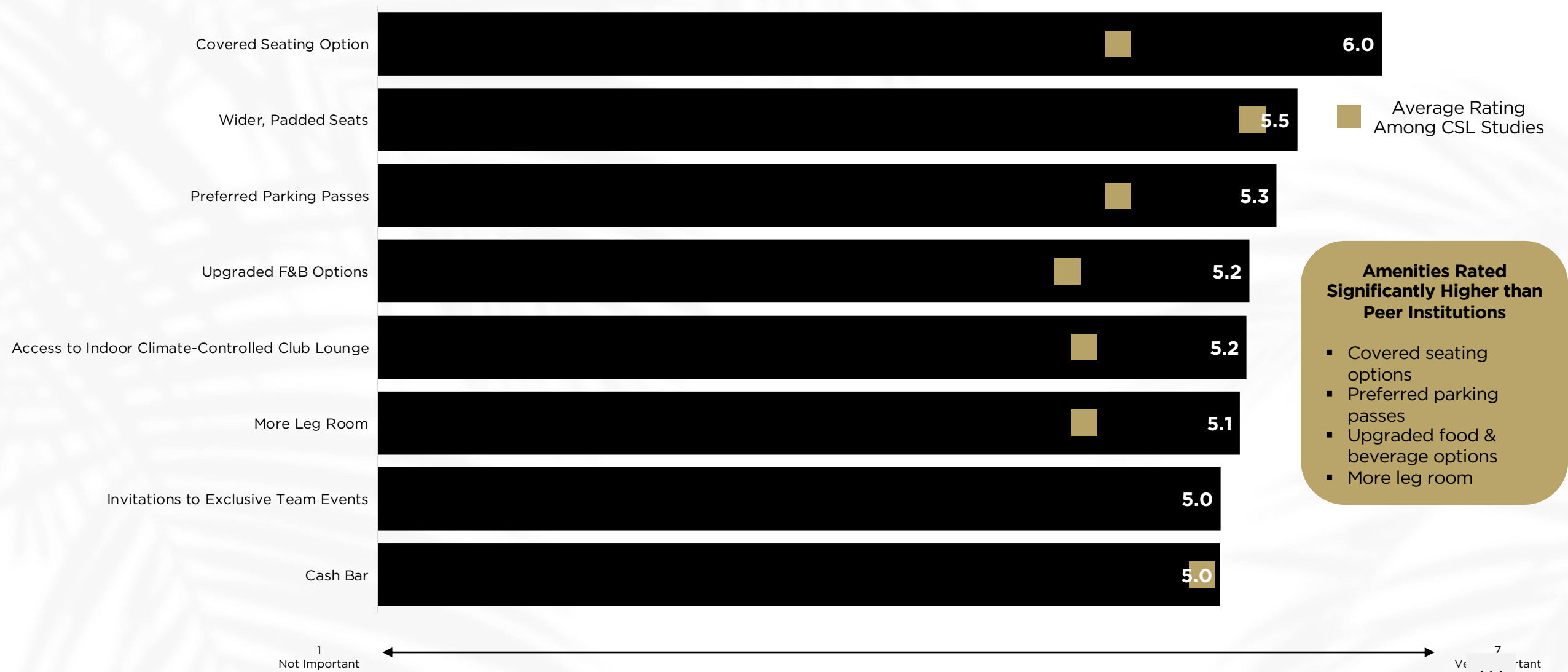
INITIAL INTEREST BEFORE PRICING



PREMIUM SEAT INTEREST BENCHMARKS BEFORE PRICING



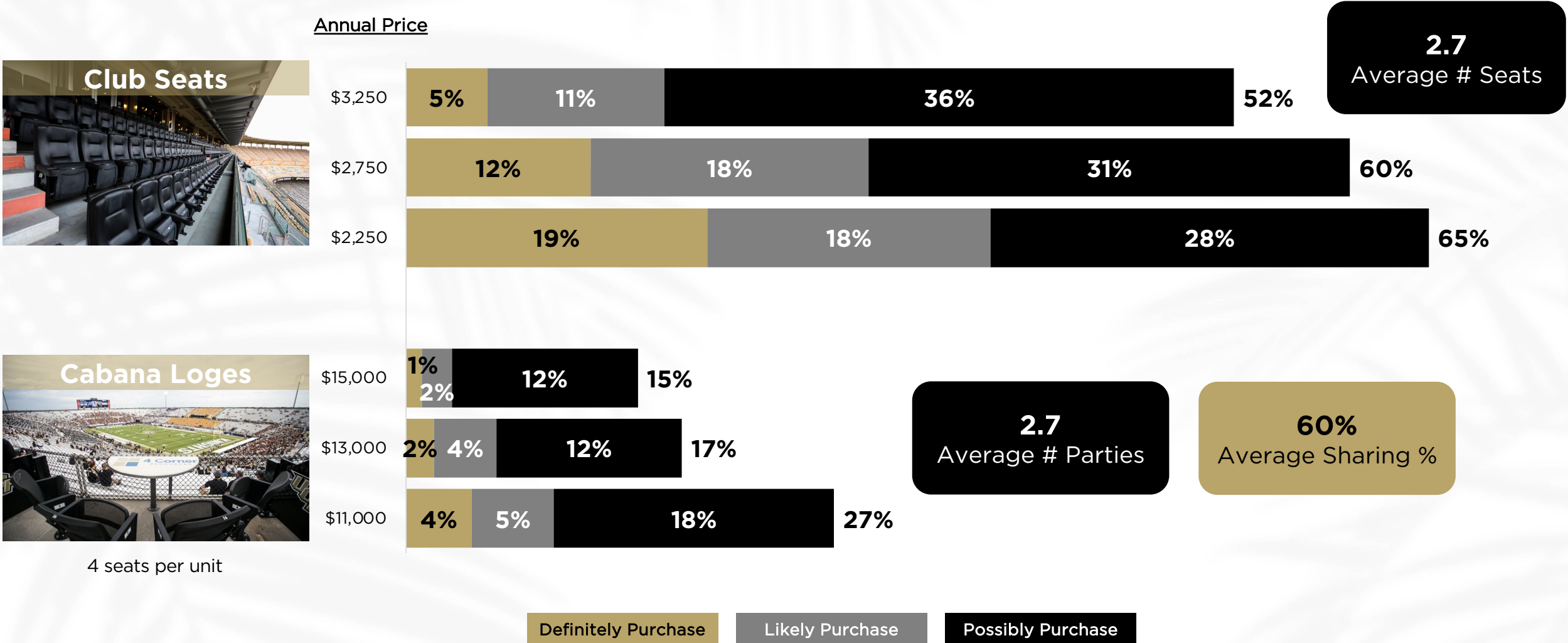
PREMIUM SEATING AMENITY PREFERENCES



PREMIUM SEATING AMENITY PREFERENCES

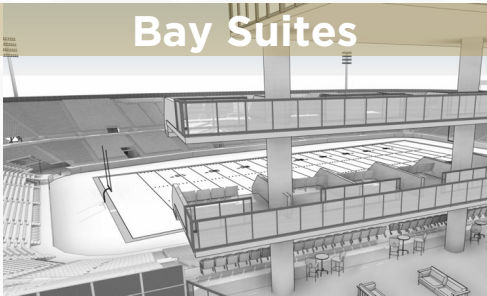


PRICE SENSITIVITY



Note: annual price is inclusive of annual ChargeOn Fund donation, tickets, and all-inclusive food & beverage.

PRICE SENSITIVITY



Bay Suites

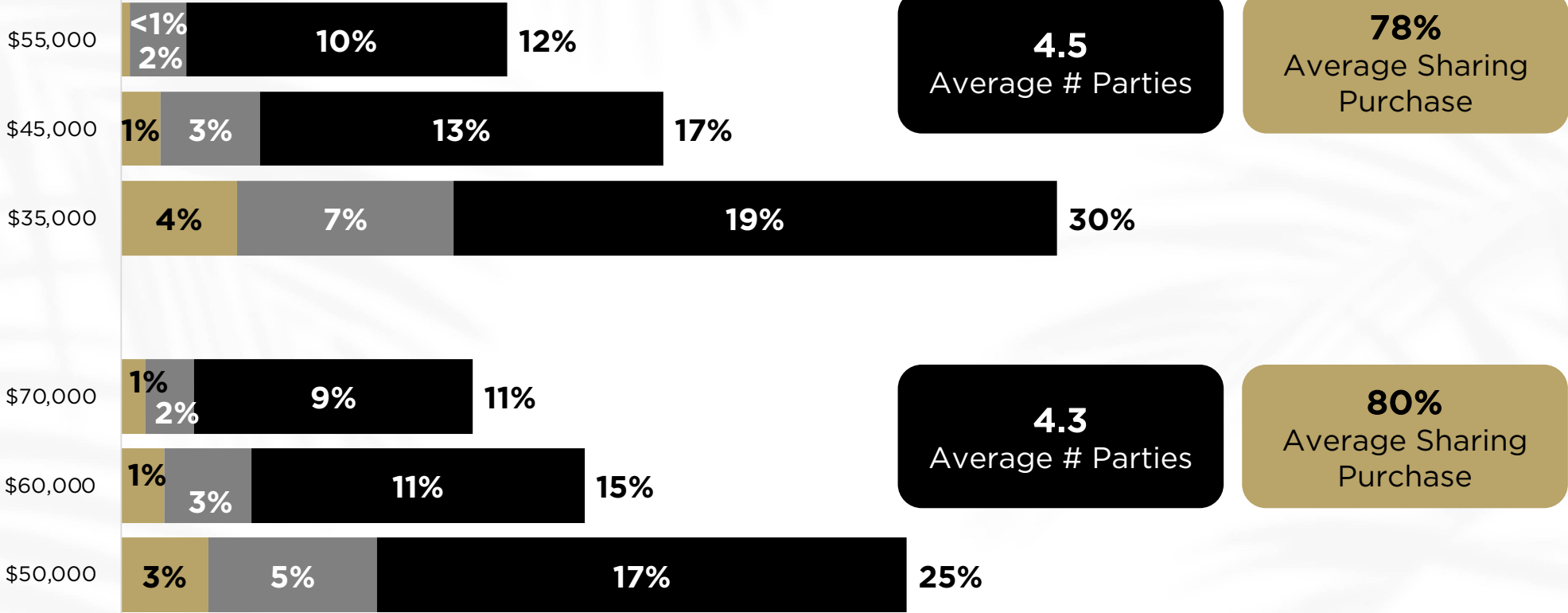
12 seats per unit



Luxury Suites

16 seats per unit

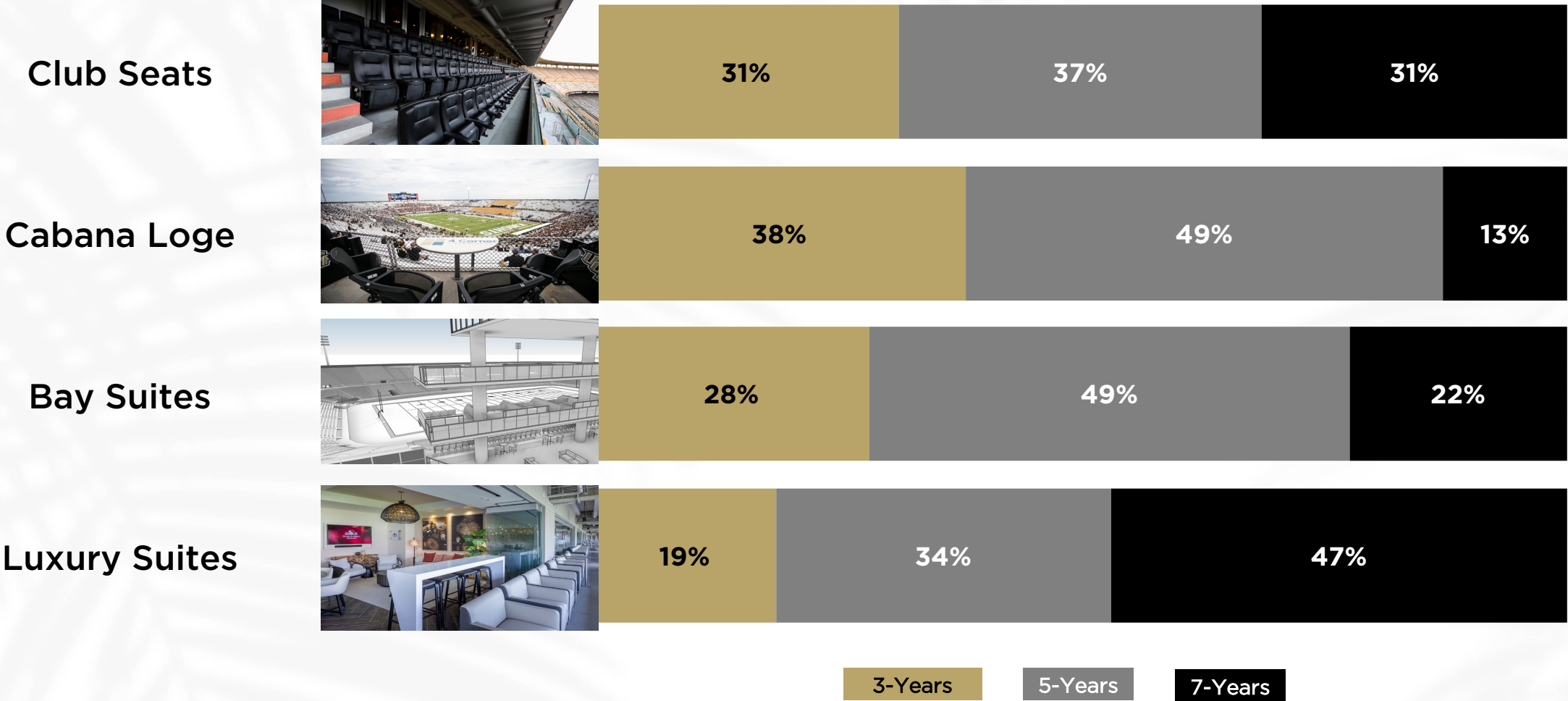
Annual Price

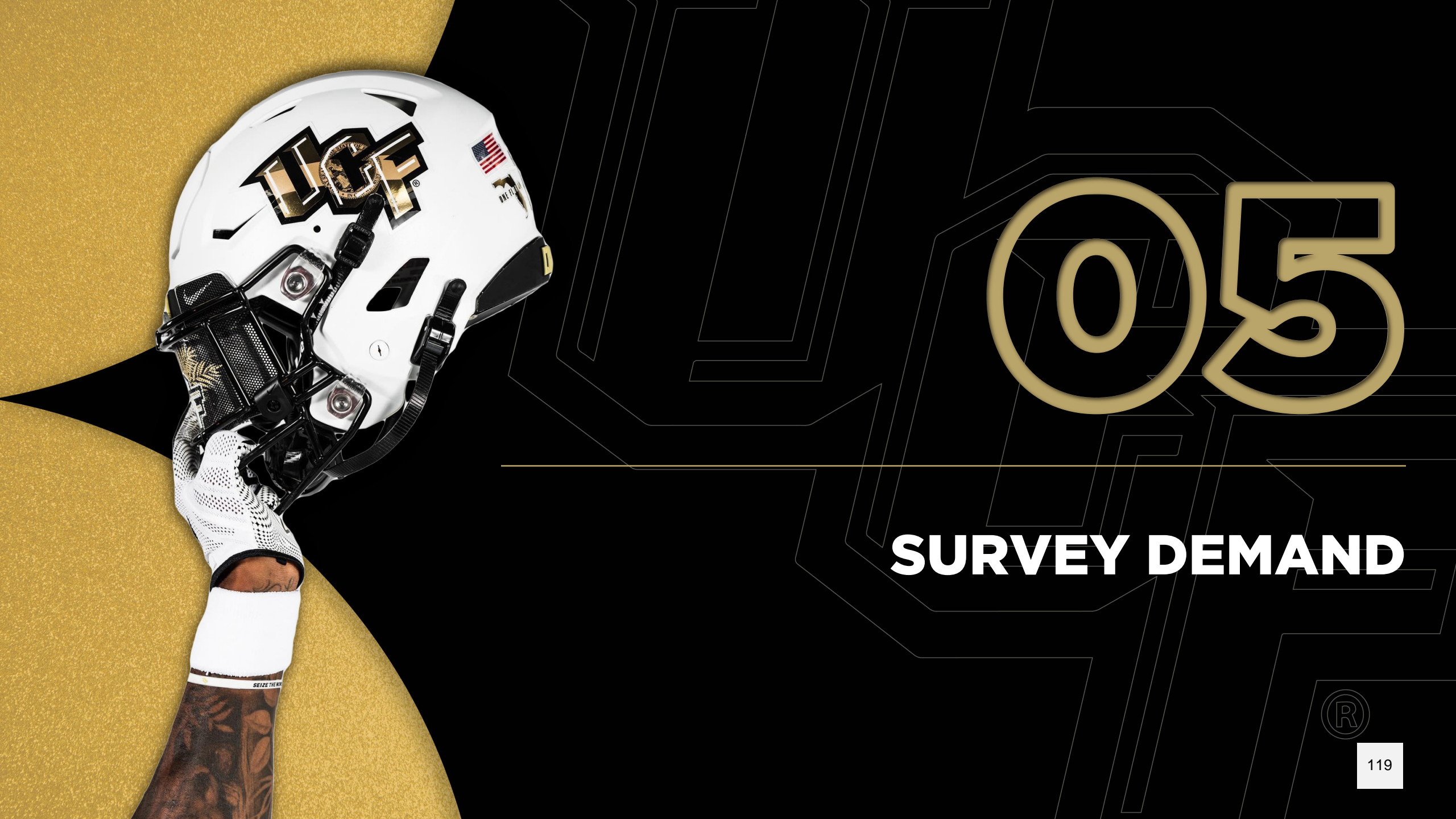


Definitely Purchase Likely Purchase Possibly Purchase

Note: annual price is inclusive of annual ChargeOn Fund donation, tickets, and all-inclusive food & beverage.

LEASE TERM PREFERENCES





SURVEY DEMAND



SURVEY DEMAND



De-Duplicated Accounts



Factored Number of Seats Desired and/or Degree of Sharing With Other Parties



Demand Based on True Interest



Adjustments to Ensure Current Premium Seating Maintains Current Sell-Thru Rates



Applied Sales Conversion Rates Based on Strength of Purchase Intent and Type of Purchase

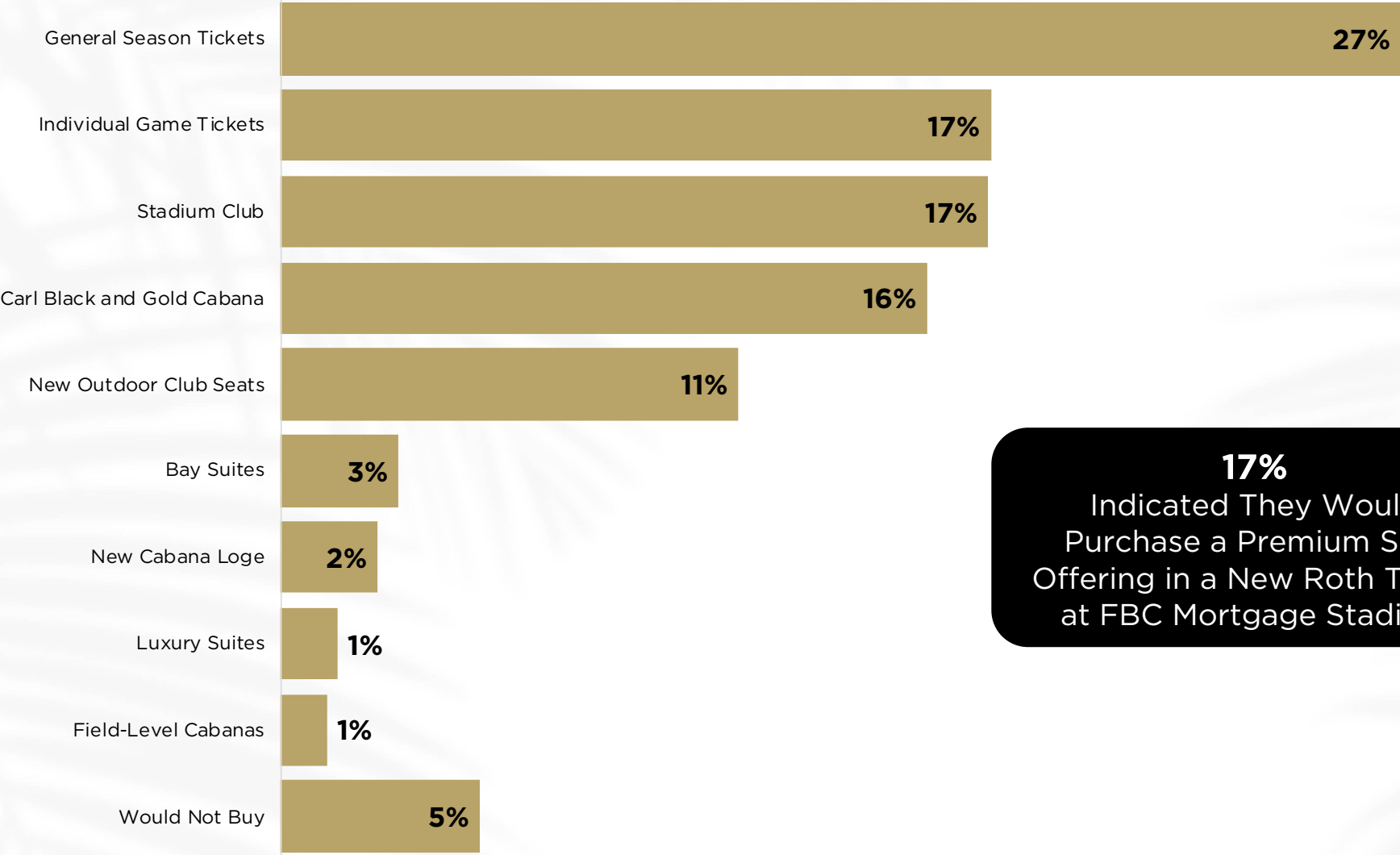


Extrapolated Results to Population of Target Markets



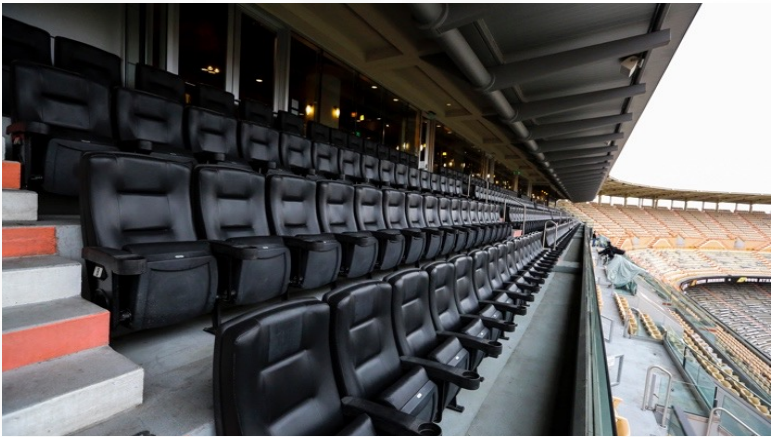
Sales Conversion Rates Vary by Target Market Based on Past Support for UCF Athletics

PURCHASE INTENT AFTER PRICING



17%
Indicated They Would
Purchase a Premium Seat
Offering in a New Roth Tower
at FBC Mortgage Stadium

ESTIMATED DEMAND CLUB SEATS



25 to 54

Target Age Range

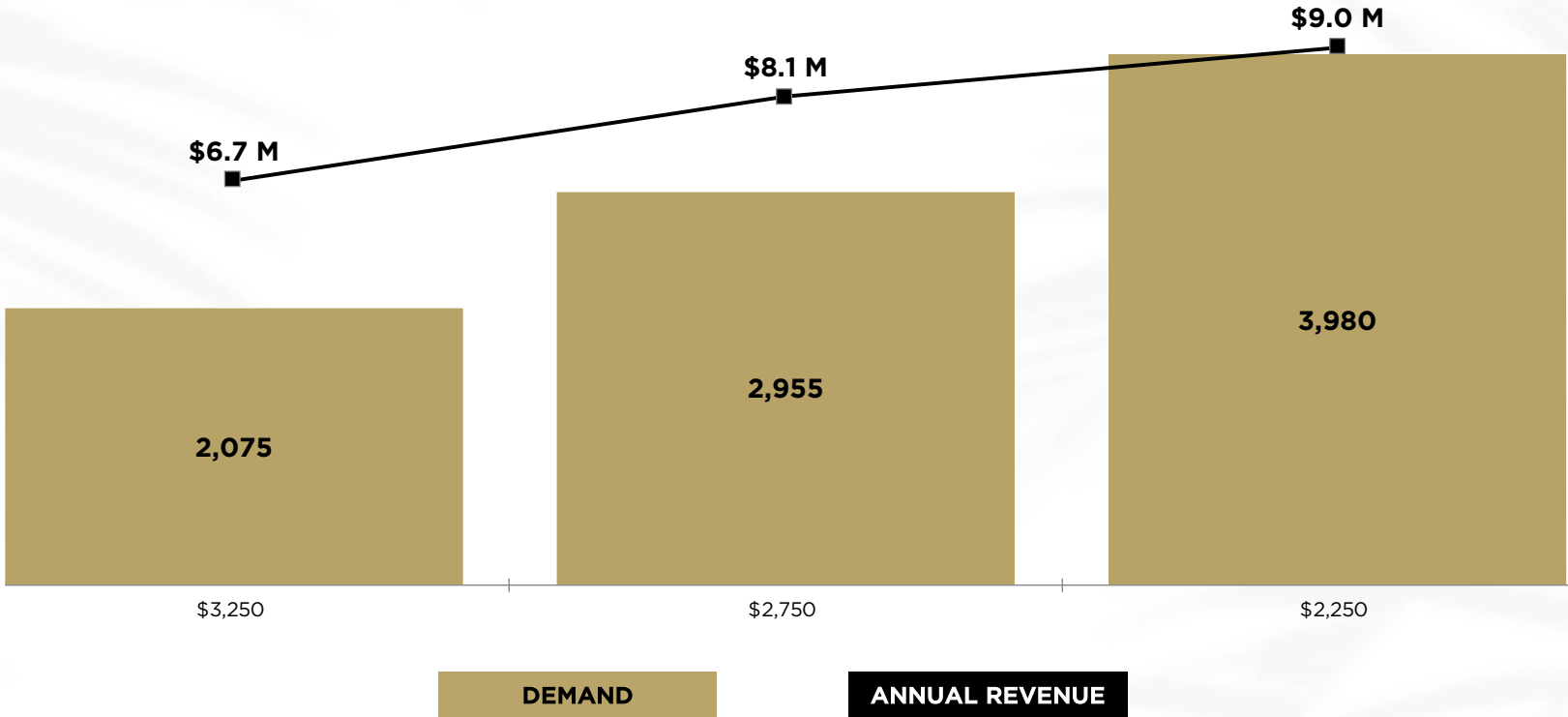
\$100,000 to \$249,999

Target Income Range

KEY DESIGN FEATURES:

- Wider, padded seats with increased leg room
- All-inclusive upscale food, beverage, beer, and wine
- Access to climate-controlled indoor club lounge

CURRENT DESIGN
1,236 Seats



Note: Demand is not additive across tested price categories

ESTIMATED DEMAND CABANA LOGES



35 to
64

Target Age
Range

\$150,000 to
\$499,999

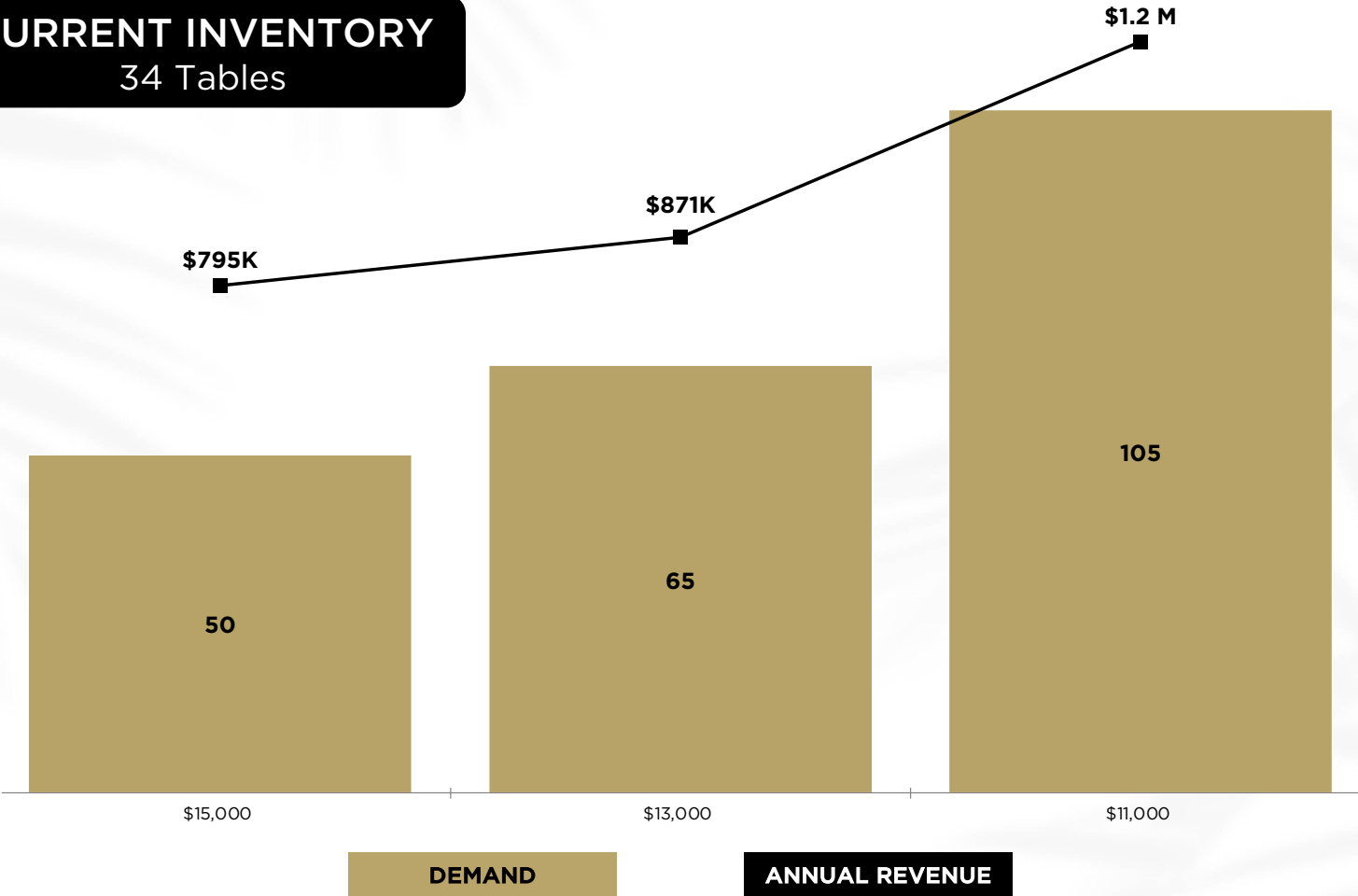
Target Income
Range

KEY DESIGN FEATURES:

- Private table with 4 seats
- In-seat service
- All-inclusive upscale food, beverage, beer, and wine
- Access to climate-controlled indoor club lounge

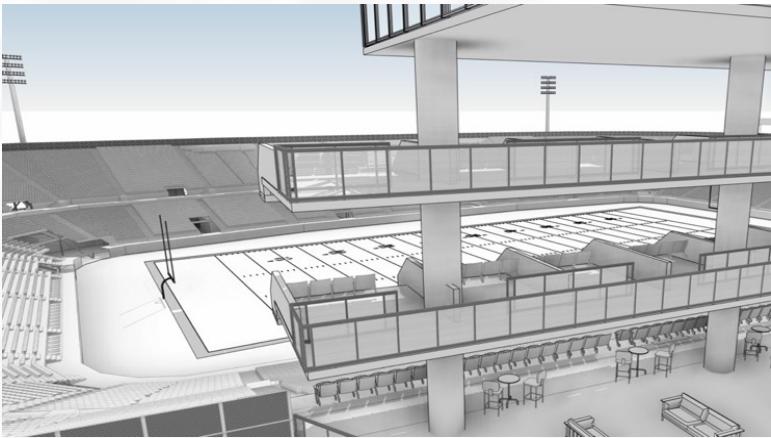
CURRENT INVENTORY

34 Tables



Note: Demand is not additive across tested price categories

ESTIMATED DEMAND BAY SUITES



25 to
54

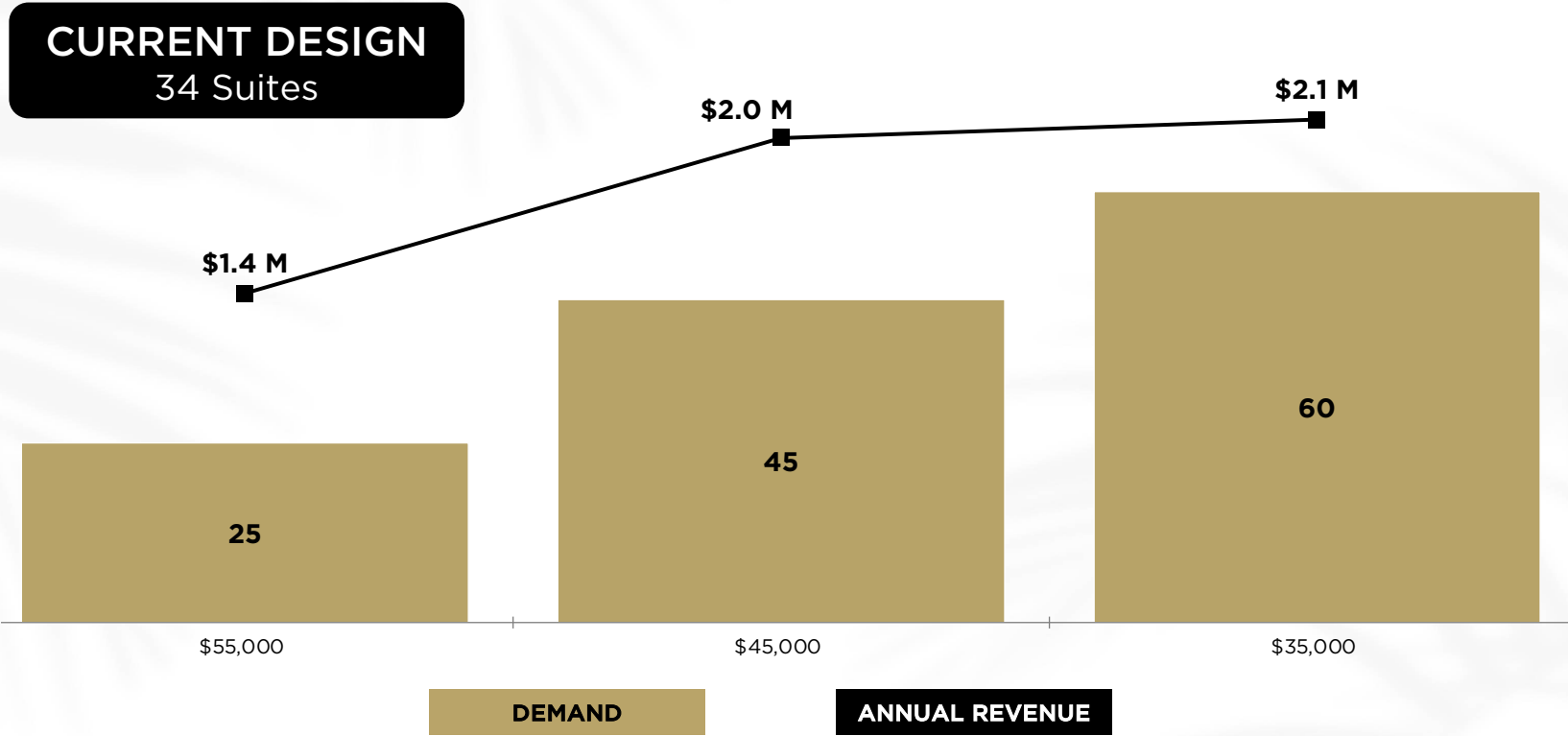
Target Age
Range

\$250,000 or
More

Target Income
Range

KEY DESIGN FEATURES:

- Seating for 12
- All-inclusive upscale food, beverage, beer, and wine
- Cash bar to purchase spirits and cocktails
- Private restrooms



Note: Demand is not additive across tested price categories

PREFERRED CAPACITY

12 Seats	16 Seats	20 Seats	20+ Seats
35%	41%	24%	1%

ESTIMATED DEMAND LUXURY SUITES



45 to
74

Target Age
Range

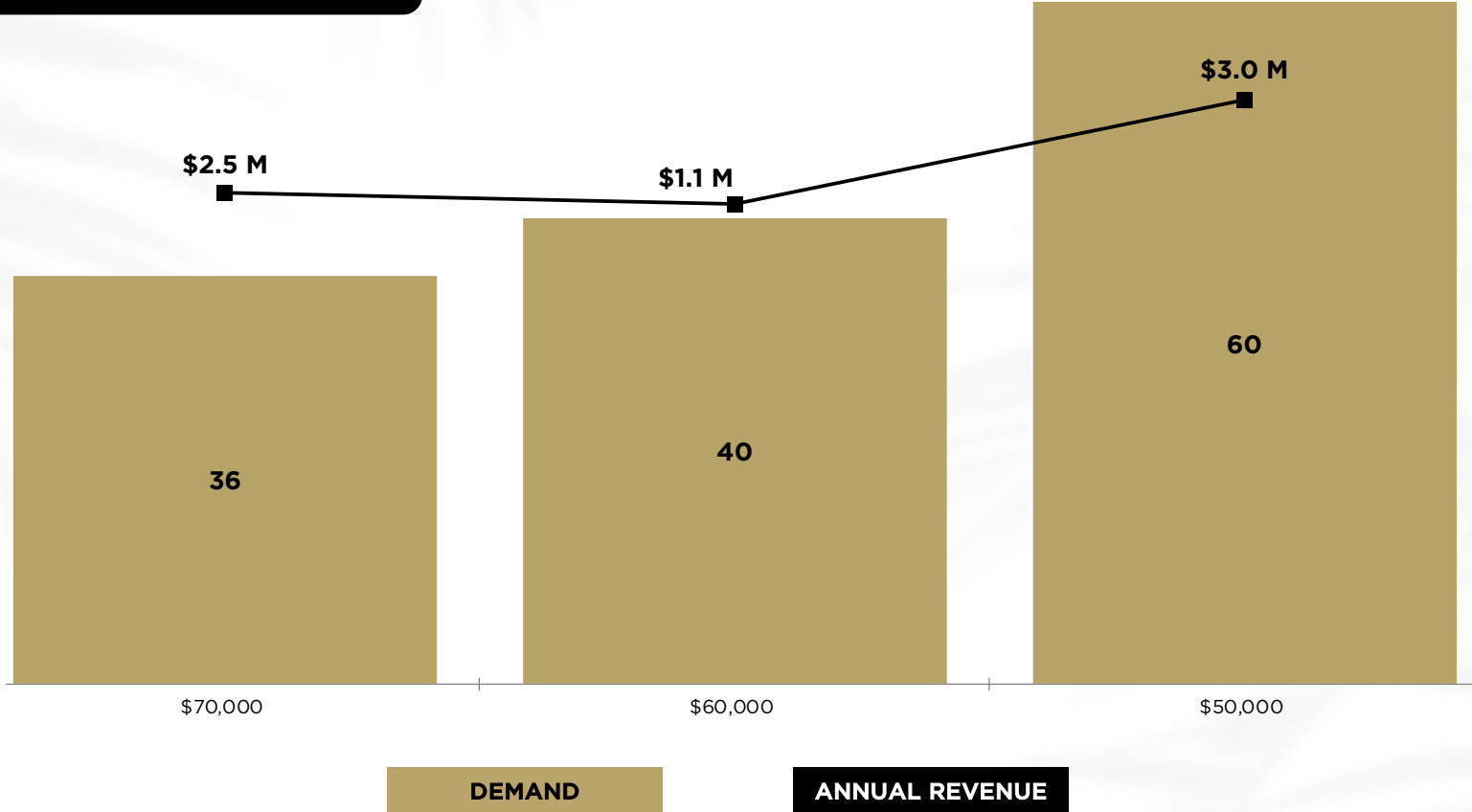
\$500,000
or More

Target Income
Range

KEY DESIGN FEATURES:

- Seating for 16
- All-inclusive upscale food, beverage, beer, and wine
- In-suite closet and sink
- Private restrooms
- In-suite catering for purchase

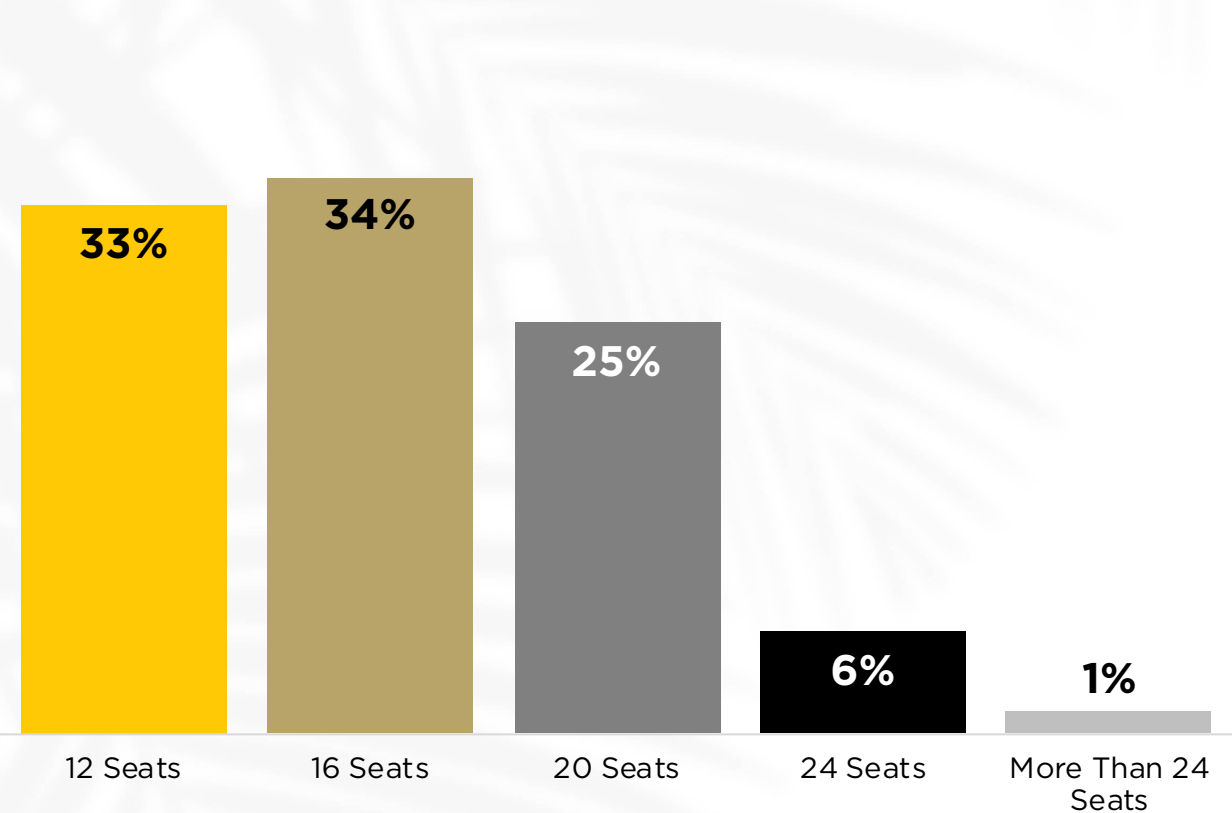
CURRENT DESIGN 25 Suites



Note: Demand is not additive across tested price categories

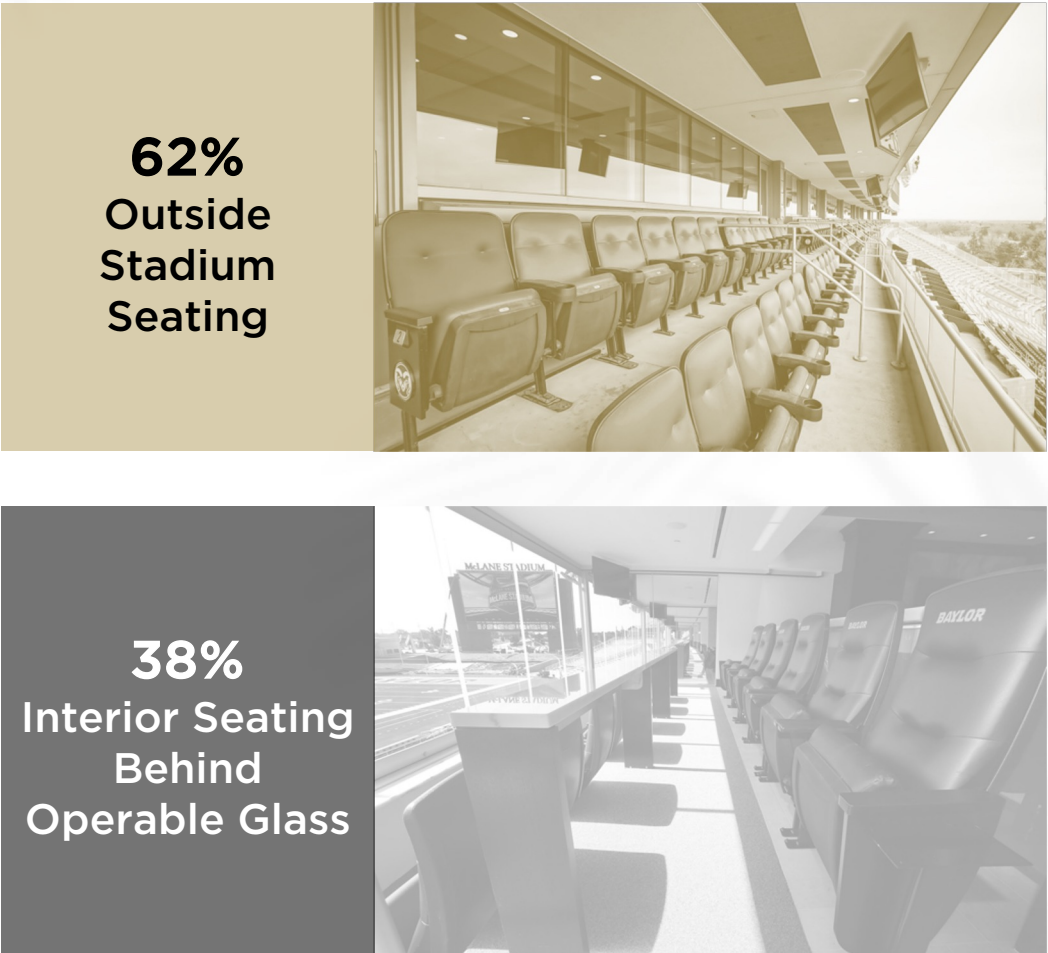
LUXURY SUITE PREFERENCES

Preferred Capacity

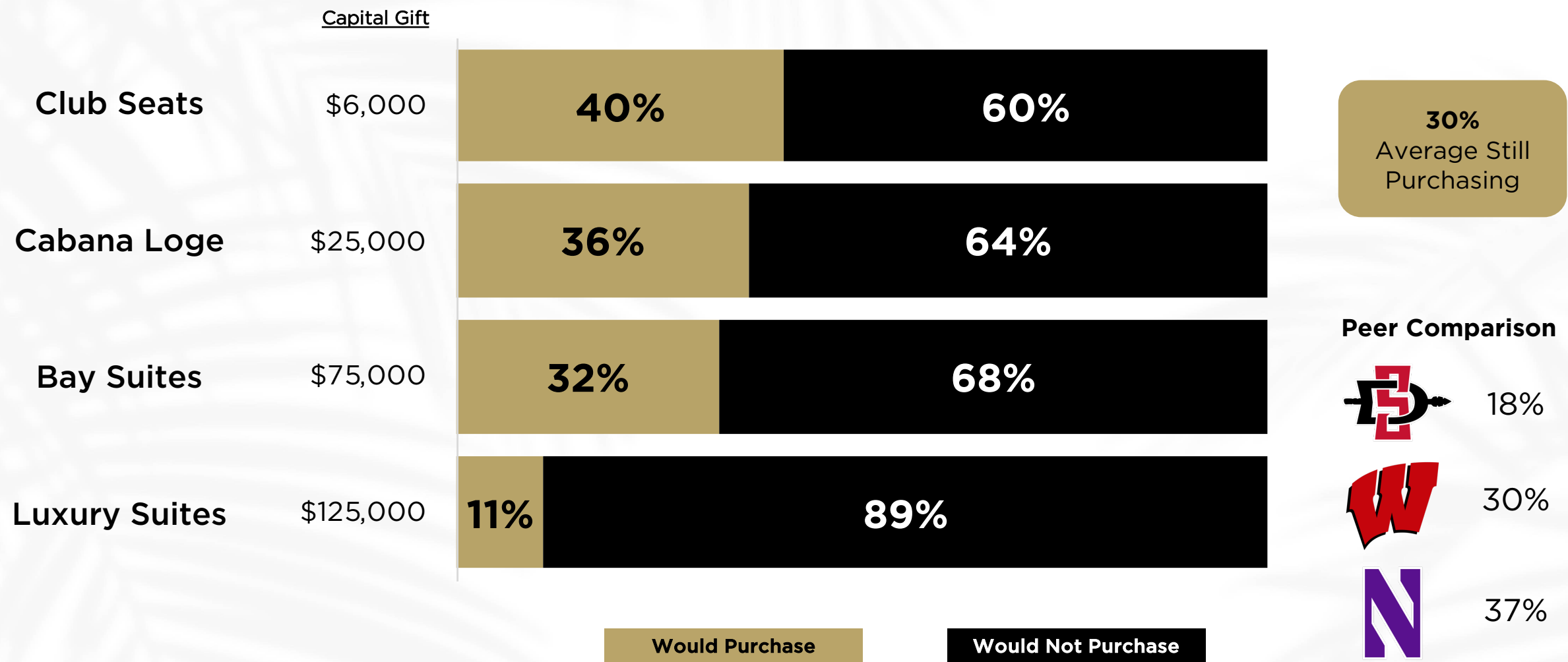


Note: current design has 16-seat capacities.

Seat Location Preference

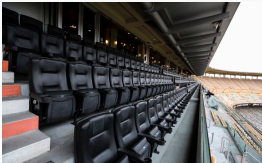





CAPITAL SEAT GIFTS PRICE SENSITIVITY



Note: it is assumed that capital gifts would be payable over five years.

CAPITAL SEAT GIFTS EXCESS GIVING

		% WILLING TO PAY BEYOND MINIMUM CAPITAL SEAT GIFT REQUIRED	AVERAGE GIVING ABOVE MINIMUM REQUIRED
Club Seats		16%	22%
Cabana Loge		21%	22%
Bay Suites		24%	8%
Luxury Suites		5%	7%

SUMMARY OF DEMAND

	CURRENT DESIGN	SURVEY DEMAND					
	TOTAL UNITS	HIGH PRICE		MID PRICE		LOW PRICE	
		UNIT DEMAND	ANNUAL PRICE	UNIT DEMAND	ANNUAL PRICE	UNIT DEMAND	ANNUAL PRICE
Luxury Suites	25	36	\$70,000	40	\$60,000	60	\$50,000
Bay Suites	34	25	\$55,000	45	\$45,000	60	\$35,000
Cabana Loge	34	50	\$15,000	65	\$13,000	105	\$11,000
Club Seats	1,236	2,075	\$3,250	2,955	\$2,750	3,980	\$2,250
TOTAL	2,180	3,151	\$11,389,000	4,395	\$13,396,000	6,080	\$15,210,000



006

RECOMMENDATIONS



PRICING RECOMMENDATIONS NEW PREMIUM SEATING

CLUB SEATS	CABANA LOGE	BAY SUITES	LUXURY SUITES
			
Inventory: 1,236 seats	Inventory: 34 tables	Inventory: 34 suites	Inventory: 25 suites
Recommended Annual Price: \$3,500 per seat	Recommended Annual Price: \$15,000 per table	Recommended Annual Price: \$50,000 per suite	Recommended Annual Price: \$70,000 per suite
Recommended Capital Seat Gift: \$7,000 per seat	Recommended Capital Seat Gift: \$25,000 per table	Recommended Capital Seat Gift: \$75,000 per suite	Recommended Capital Seat Gift: \$125,000 per suite

Additional Cabana Loges could be supported at a slightly lower annual price point if the new tower club lounge square footage supports additional patrons while maintaining a comfortable experience for planned premium capacities

EXISTING PREMIUM SEATING INTEREST

Based on Current Pricing Levels

Asked of those that do not purchase any current premium product

Stadium Club Seats



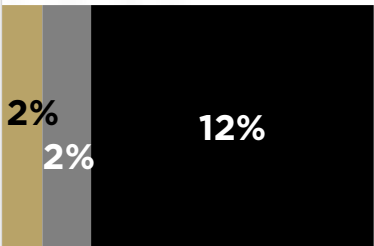
60%

Carl Black & Gold Cabana Seats



52%

Field Cabanas



15%

Definitely Purchase

Likely Purchase

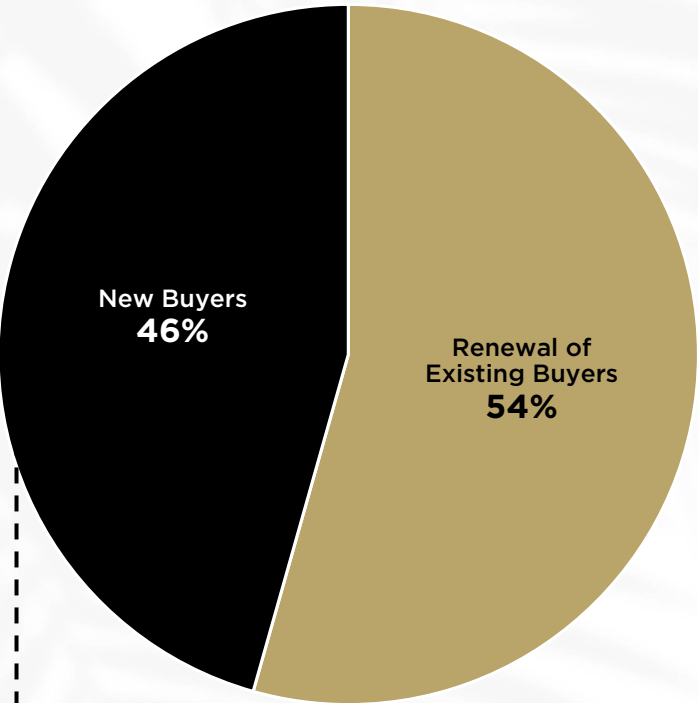
Possibly Purchase

ESTIMATED DEMAND

EXISTING PREMIUM SEATING

Stadium Club Seats

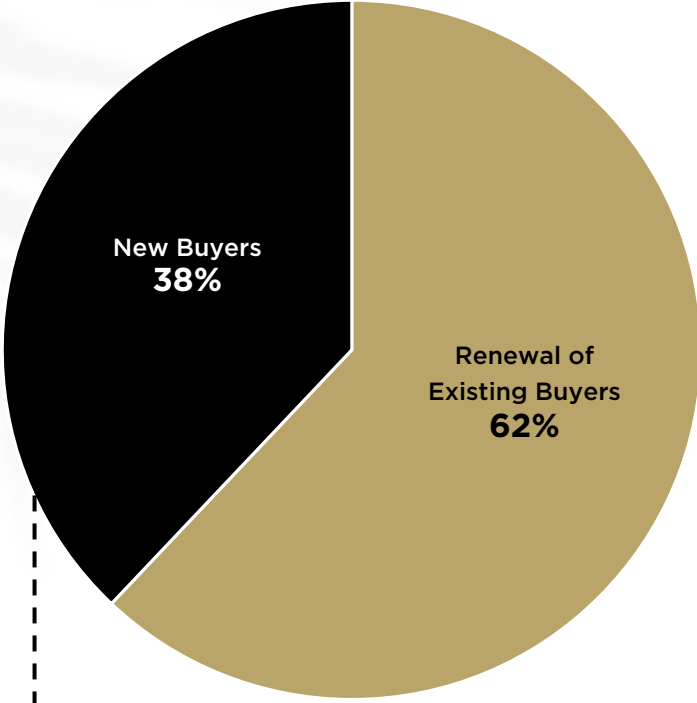
Current Inventory: 3,343
Estimated Demand: 3,371



57% from current donors & season ticket members
43% from single game buyers

Carl Black & Gold Cabana Seats

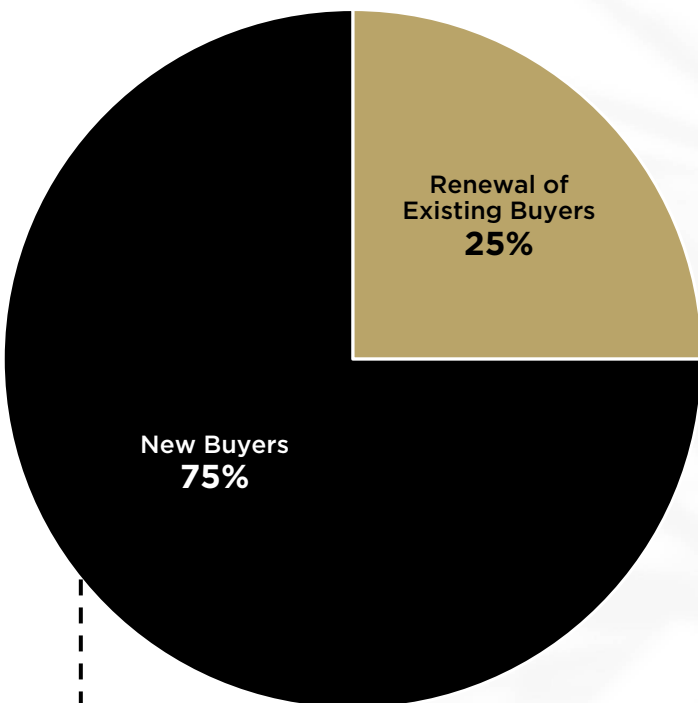
Current Inventory: 3,224
Estimated Demand: 3,553



12% from current donors & season ticket members
88% from single game buyers

Field Cabanas




Current Inventory: 15
Estimated Demand: 24



40% from current donors & season ticket members
60% from single game buyers

PRICING RECOMMENDATIONS

EXISTING PREMIUM SEATING

		CURRENT INVENTORY	CURRENT SELL-THROUGH RATE	CURRENT ANNUAL PRICE	ESTIMATED SELL-THROUGH RATE POST-RENOVATION	NEW RECOMMENDED ANNUAL PRICE	ESTIMATED INCREMENTAL ANNUAL REVENUE
Stadium Club Seats		3,343 seats	100%	\$1,150 to \$1,400	≅100%	\$1,150 to \$1,400	--
Carl Black & Gold Cabana Seats		3,224 seats	100%	\$675 to \$900	≅100%	\$775 to \$1,000	\$322,000
Field Cabanas		15 cabanas	100%	\$27,600 to \$30,000	≅100%	\$35,000 to \$40,000	\$132,000

\$454,000
Total Estimated Gross Incremental Annual Revenue



@7

FINANCIAL ANALYSIS



FINANCIAL ANALYSIS

PRODUCT TYPE	FOOD & BEVERAGE	UNITS	SELL-THROUGH RATE	PRICING		REVENUE	
				ONE-TIME CAPITAL SEAT GIFT	AVERAGE ANNUAL PRICE	CAPITAL SEAT GIFT REVENUE	TOTAL ANNUAL REVENUE
Luxury Suites	All inclusive	25	90%	\$125,000	\$70,000	\$2,813,000	\$1,575,000
Bay Suites	All inclusive	34	90%	\$75,000	\$50,000	\$2,295,000	\$1,530,000
Loge Cabanas	All inclusive	34	90%	\$25,000	\$15,000	\$765,000	\$459,000
Club Seats	All inclusive	1,236	90%	\$7,000	\$3,500	\$7,787,000	\$3,893,000
TOTAL		2,180		--	--	\$13,660,000	\$7,457,000

All-Inclusive Premium Seating Food & Beverage Cost	(\$731,000)
Premium Alcohol Sales Revenue, net	\$93,000
Naming Opportunities (club lounge)	\$500,000
Club Lounge Rental Revenue	\$150,000
Net Incremental Revenue From Re-Pricing Existing Seating (less donation cannibalization)	\$167,000
Less: Existing Tower Revenue	(\$3,002,000)
Less: Increased Operating Costs	(\$350,000)

NET INCREMENTAL ANNUAL REVENUE	\$13,660,000	\$4,284,000
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Total Funding Potential (30 Years 5.5% Discount Rate 1.5x Debt Coverage Ratio)	\$13,660,000	\$55,168,000
--	--------------	--------------

\$69 M

Total Funding Pot

136



08

IMPLEMENTATION CONSIDERATIONS



RECENT PROJECT STAFFING

OUTSOURCED SALES TEAM

Project	Scope	Total Cost	Capital Gift Revenue	Annual Revenue	Dedicated Staff
 Northwestern	New Stadium	\$800 M	\$90 M	\$15 M	12
 Kansas	West Sideline Renovation	\$450 M	\$30 M	\$9 M	9
 Notre Dame	Premium Seating E/W/S	\$425 M	\$83 M	\$20 M	12
 USC	West Sideline Renovation	\$315 M	\$250 M	\$33 M	8
 SDSU	New Stadium	\$325 M	\$40 M	\$13 M	12
 Rose Bowl	West Sideline Renovation	\$183 M	--	\$8 M	4
 Oklahoma	Endzone Renovation	\$160 M	\$15 M	\$6 M	8
 Army	West Sideline Renovation	\$100 M	\$7 M	\$4 M	4
 Utah	Endzone Renovation	\$99 M	\$10 M	\$5 M	5
 Missouri	Endzone Renovation	\$98 M	\$6 M	\$3 M	3
 Wisconsin	Endzone Renovation	\$80 M	\$15 M	\$6 M	8
 Louisville	Endzone Renovation	\$63 M	\$12 M	\$3 M	4

A TRANSFORMATIONAL MOMENT OF GROWTH



BRAND



ATHLETIC DEPARTMENT



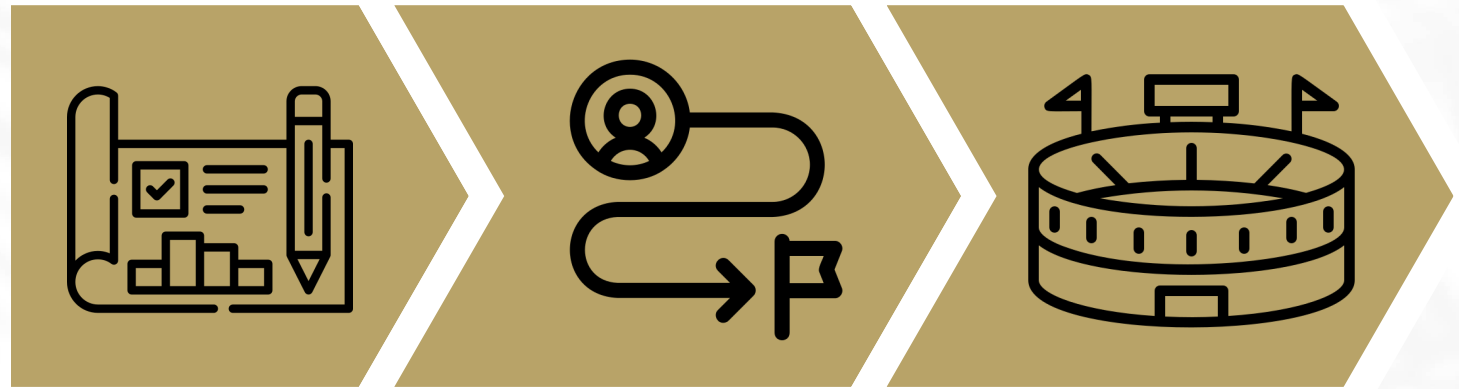
UNIVERSITY

LEGENDS: MADE FOR THE MOMENT

OUR CORE BUSINESS IS HELPING LEGENDARY BRANDS NAVIGATE TRANSFORMATIONAL OPPORTUNITIES

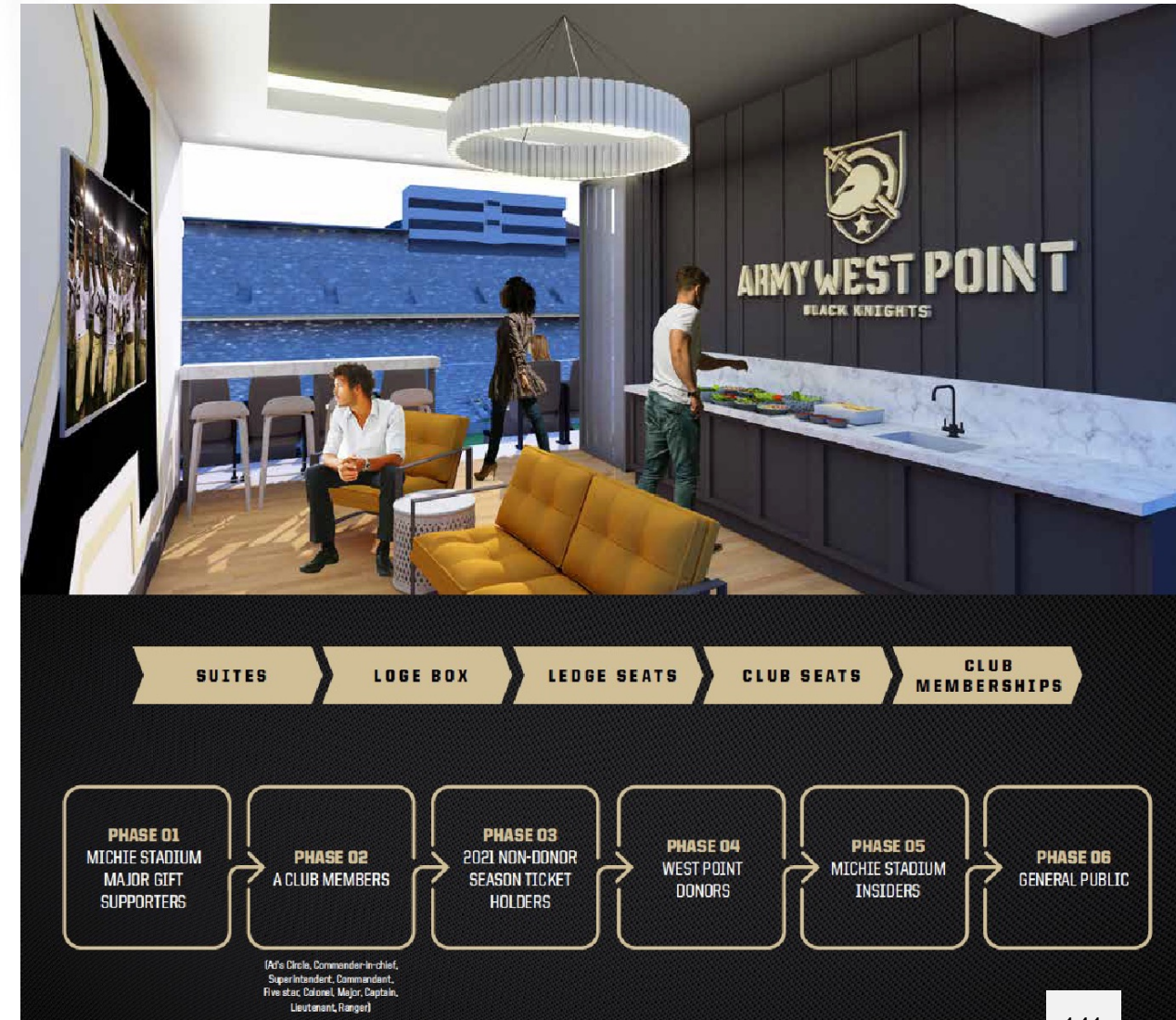


**A STRATEGIC PARTNER
FOR EVERY STEP OF
THE PROCESS**



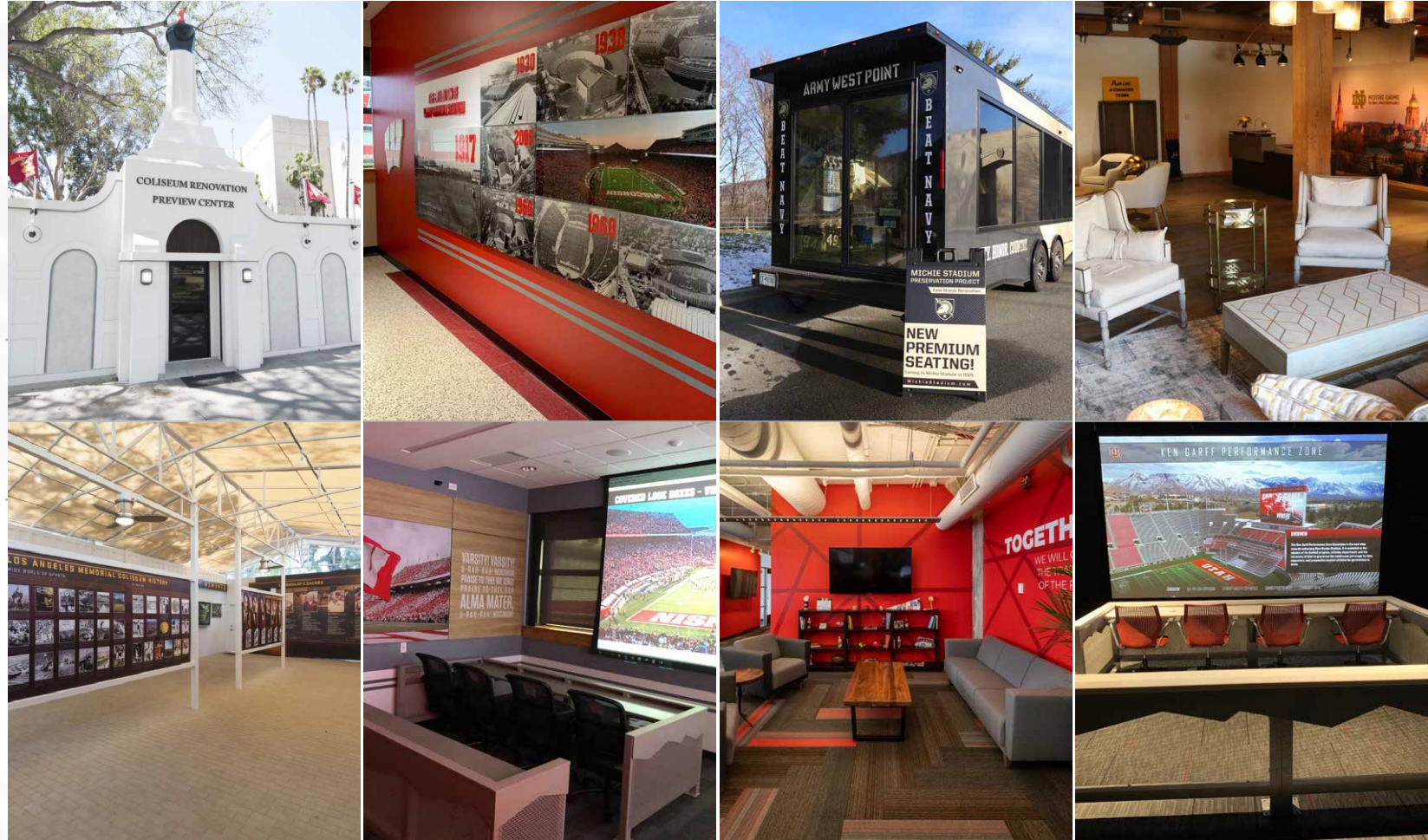
STRATEGIC APPROACH TO SALES PROCESS

- Major facility projects provide the opportunity to both reward those that have supported the program with priority access to new seating experiences, as well as create a platform to drive incremental contributions to increase such priority
- Multi-phased campaign is developed to utilize throughout the campaign
- Each phase will have a deadline and communication plan emphasizing the deadline
- Phasing combined with the public launch of a project insider creates urgency and allows for revenue generation in advance of shovels going in the ground



BRINGING THE PROJECT TO LIFE

- Create an experience that reminds prospects of their emotional attachment to the program
- Provide a broad overview of the impact of the project
- Based on the prospects feedback be able to present different seating options



EMBRACING A CULTURE OF HUSTLE & COMPETITION



CASE STUDY

15,000+

Donors Engaged

100,000+

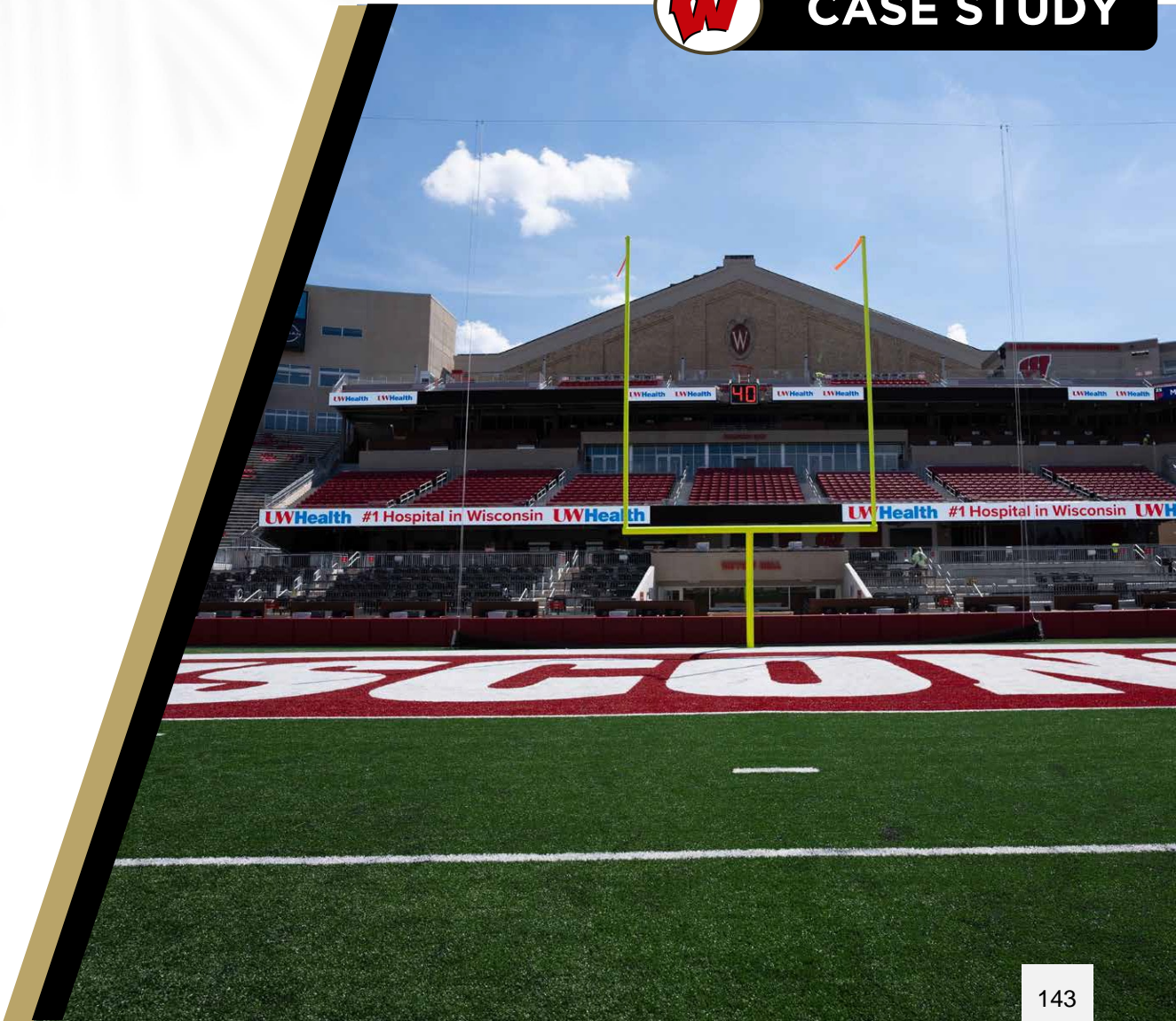
Unique Personal Touchpoints

3,700+

Meetings Completed

39%

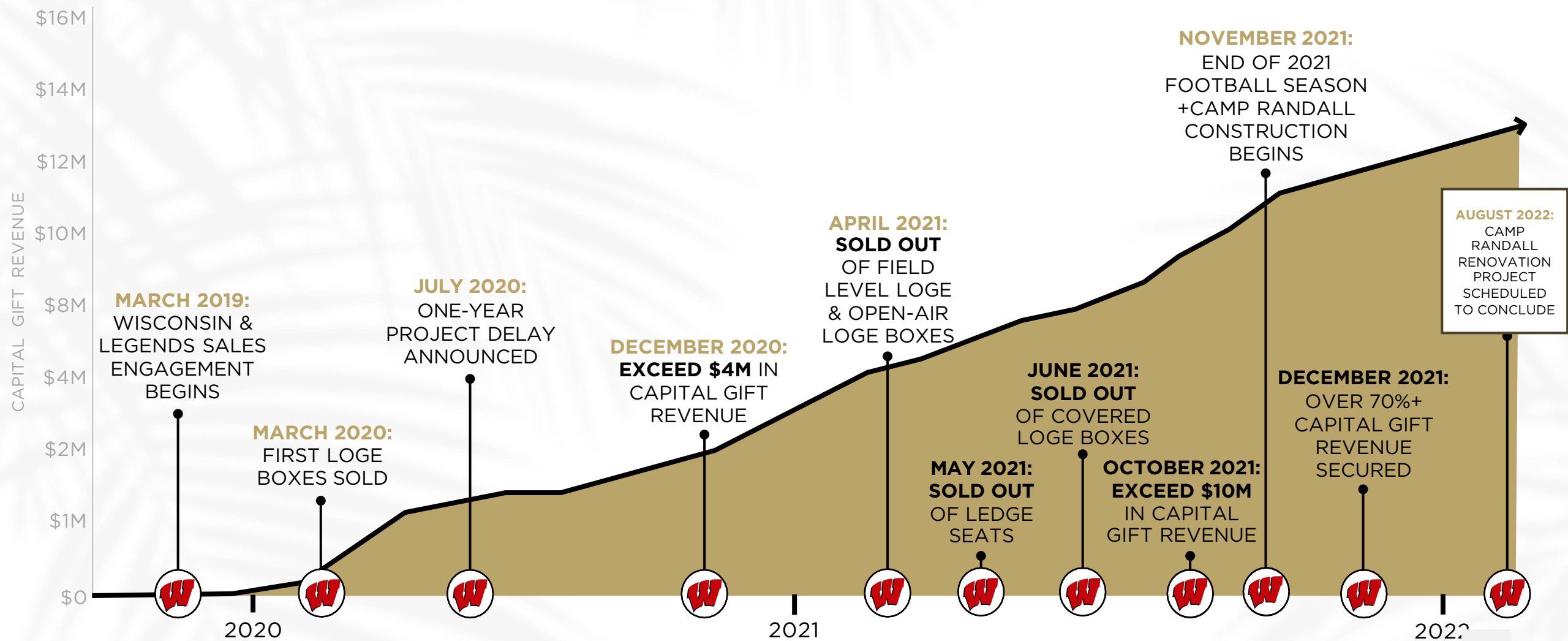
Purchasers New Donors (90% Made 1+ Additional Contributions Since Initial Purchase)



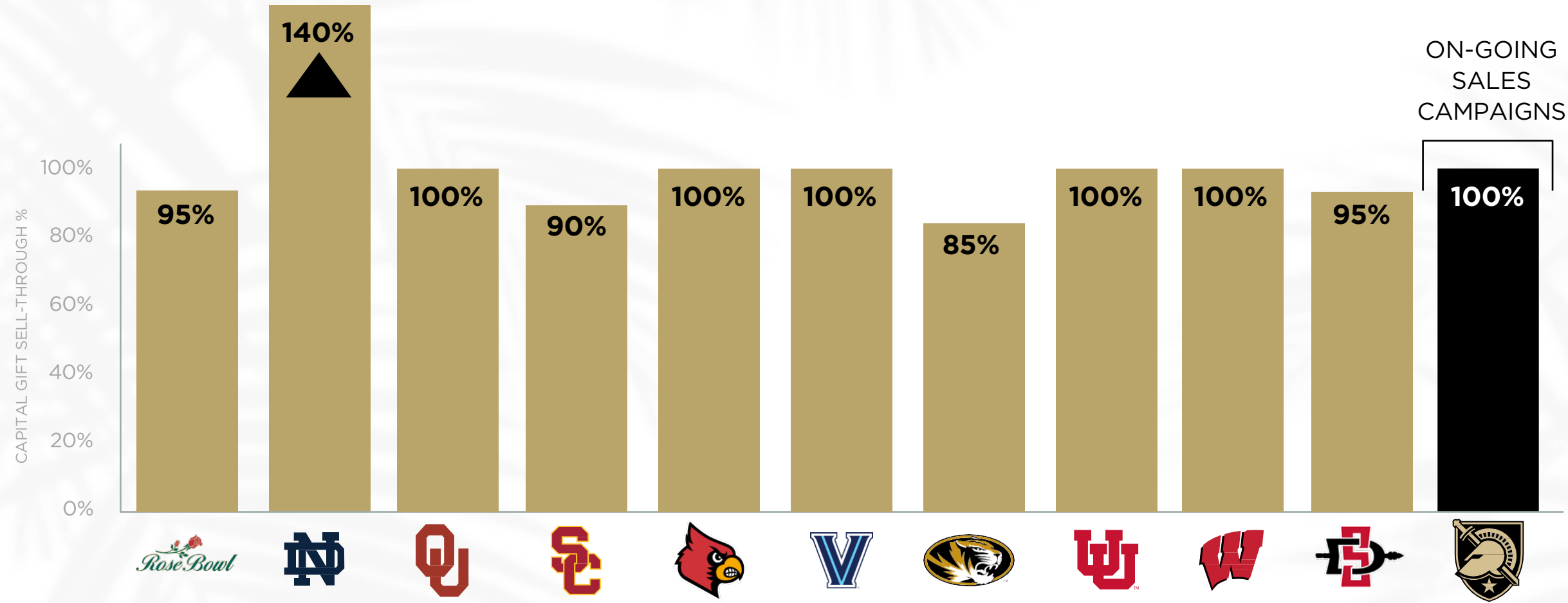
SECURING REVENUE IN ADVANCE OF SHOVELS IN THE GROUND



CASE STUDY



HISTORIC FACILITY RENOVATION AND SALES PERFORMANCE



Secured
145 ted

IDENTIFYING NEXT GENERATION OF SUPPORTERS



22% of purchases made by those not currently donating to the Cardinal Athletic Fund

40% of purchases have been made by those outside the top 3,000 donors



41% of inventory sold to those that had not previously contributed to the Sooner Club

66% of inventory sold to those that had not previously made contributions of \$500 or less annually to the Sooner Club

30% Contributions to the Sooner Club increased by 30% and individual donors by 6% from 2015 to 2016



41% of purchases made by those that were not currently donating to the Tiger Scholarship Fund

46% of purchases made were by those giving less than \$1,000 annually to the Tiger Scholarship Fund



27% of Premium Buyers were newly identified donors

121 new buyers who were not previously donors were identified and became new season ticket holders by making a donation to the Stadium project



39% of Premium Buyers were new donors to Wisconsin Athletics

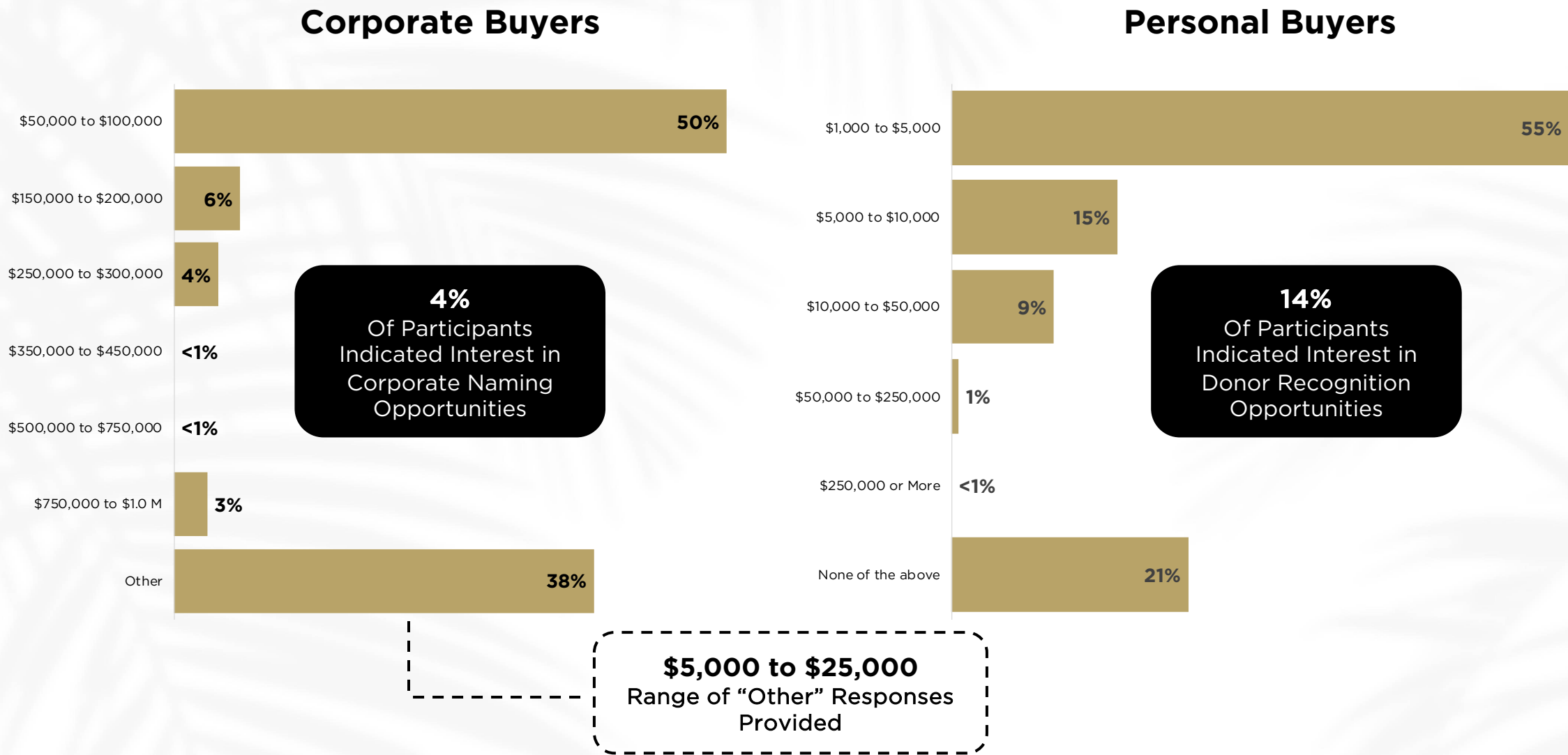
90% new donors have made another contribution to Athletics since contributing purchasing new seating.



OTHER SURVEY TOPICS



DONOR RECOGNITION OPPORTUNITIES



TAILGATING PASSES

Concept Overview



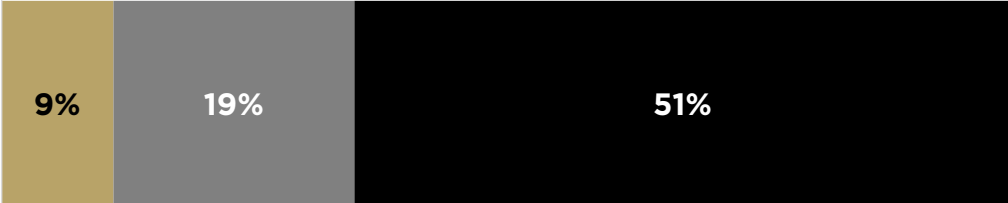
- Turn-key tailgate experience close to stadium
- VIP tents with fans and/or misters
- All-you-can-eat pregame tailgate buffet
- Ability to purchase alcohol
- Lawn games and other entertainment

Price Sensitivity

Tier 1 (\$200 - \$150)
Example Opponents:



Tier 2 (\$150 - \$100)
Example Opponents:



Tier 3 (\$100 - \$50)
Example Opponents:



Definitely Purchase	Likely Purchase	Possibly Purchase
---------------------	-----------------	-------------------

2.2
Average # Passes

ESTIMATED DEMAND TAILGATING PASSES PER GAME



25 to
44

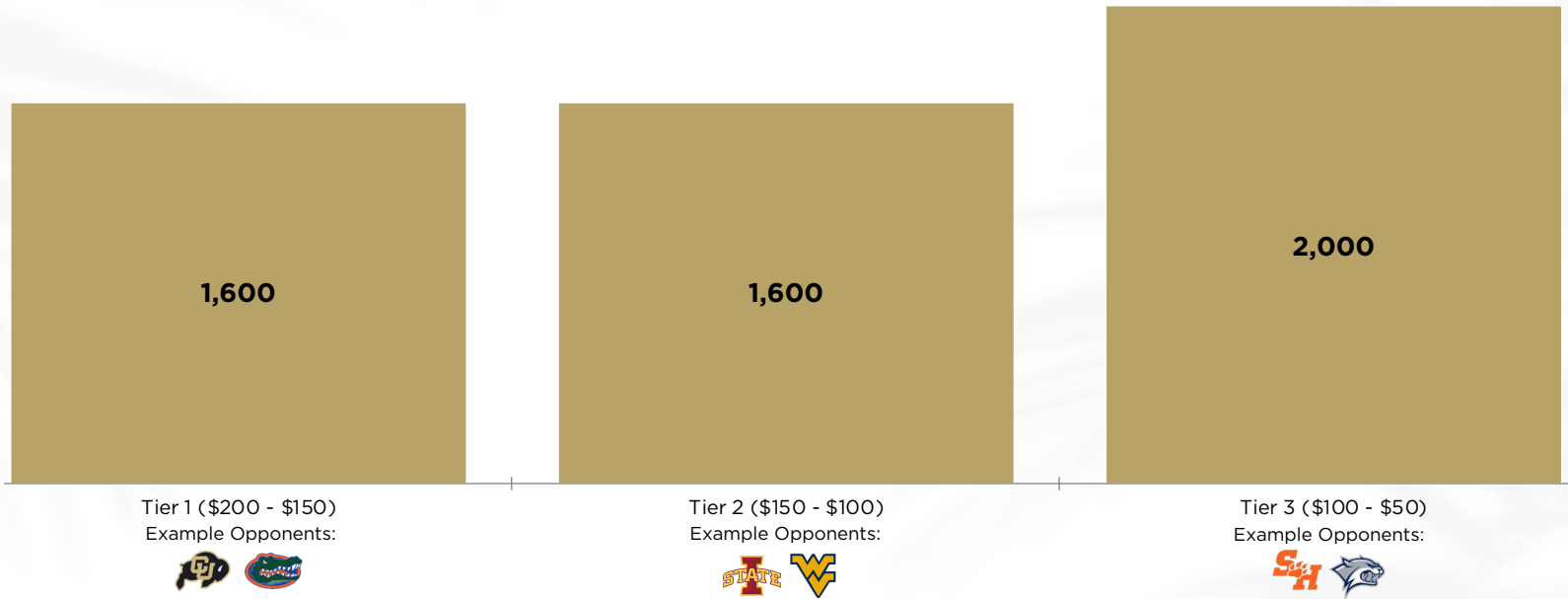
Target Age
Range

\$75,000 to
\$150,000

Target Income
Range

KEY DESIGN FEATURES:

- Access to VIP tent with misters or fans
- All-you-can-eat pre-game tailgating buffet
- Ability to purchase alcohol
- Lawn games and other entertainment



Note: Demand is not additive across tested price categories

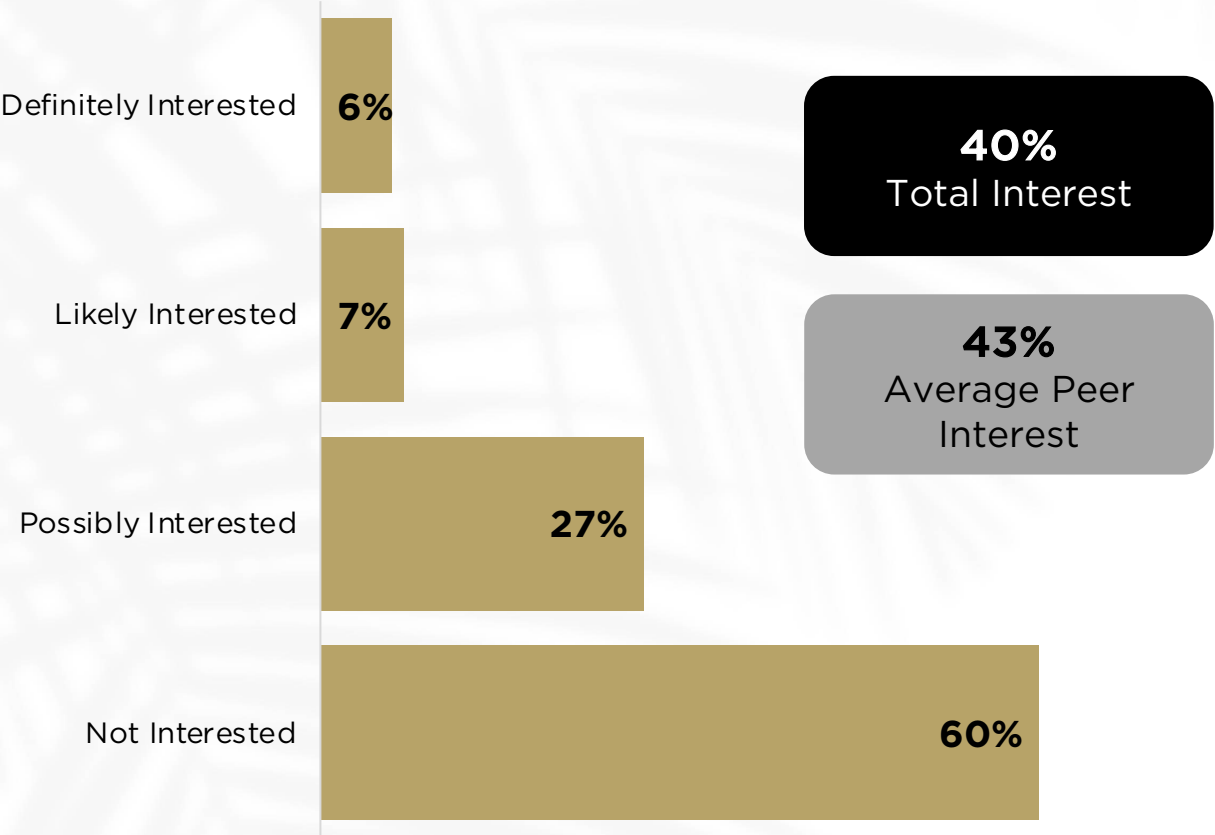
Minimum \$1.0 M*

Incremental Gross Annual Revenue Potential

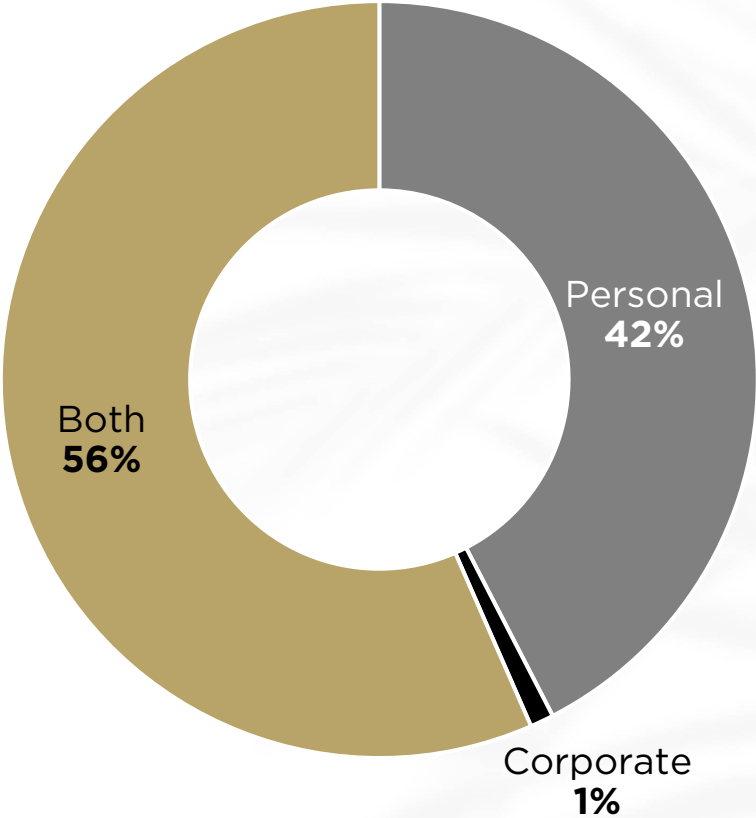
*Assumes approximately 1,200 passes sold at \$200 (Tier 1), \$150 (Tier 2), and \$100 (Tier 3)

AFFINITY CLUB

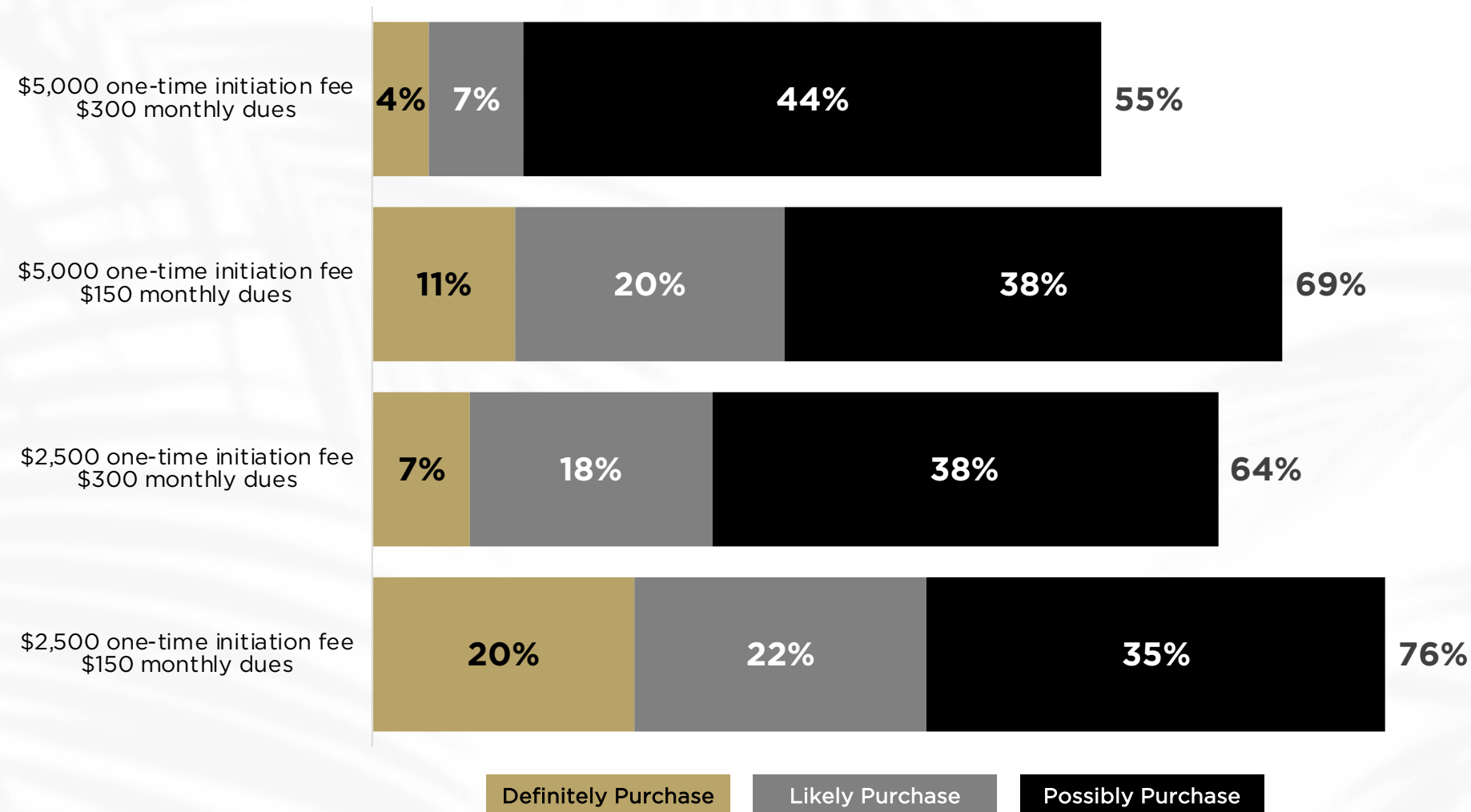
Initial Interest



Usage

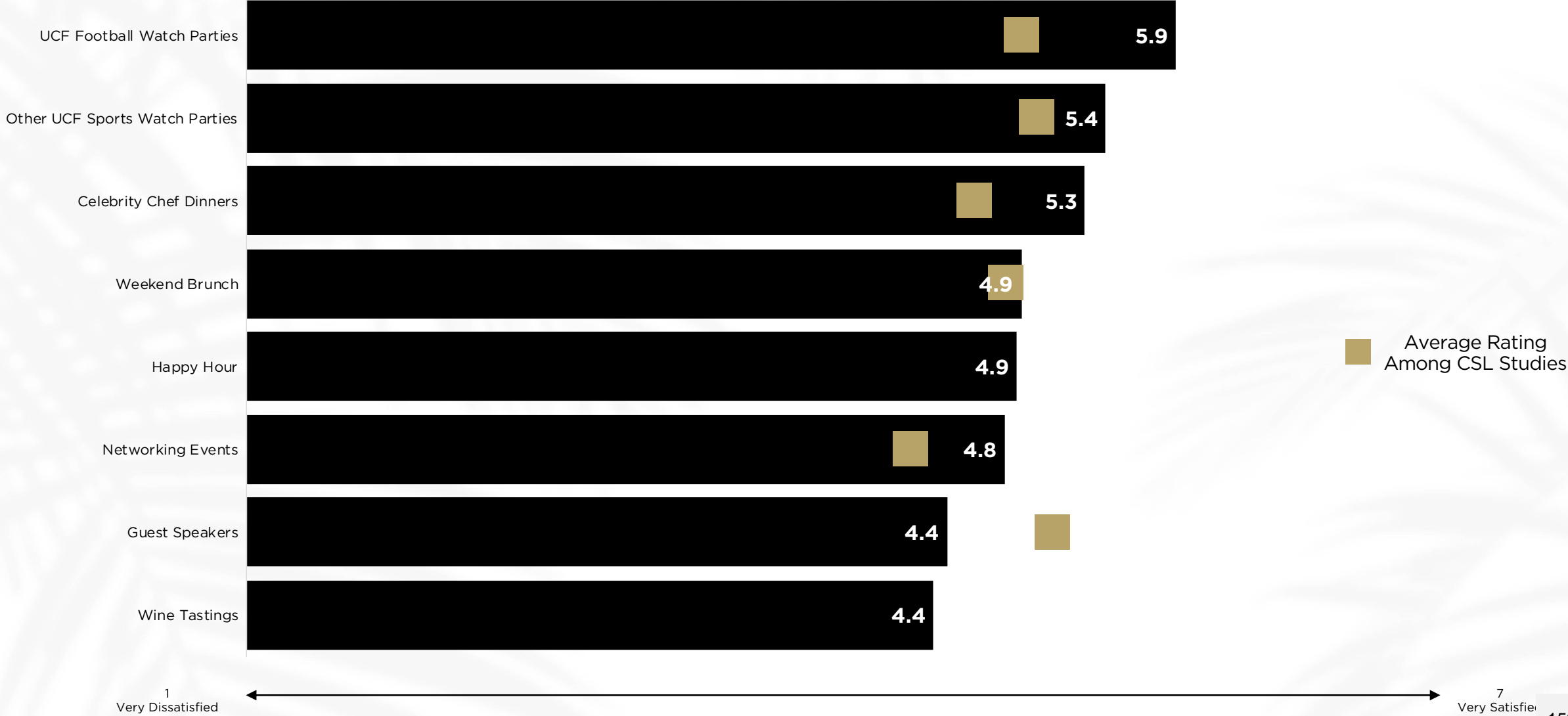


AFFINITY CLUB PRICE SENSITIVITY

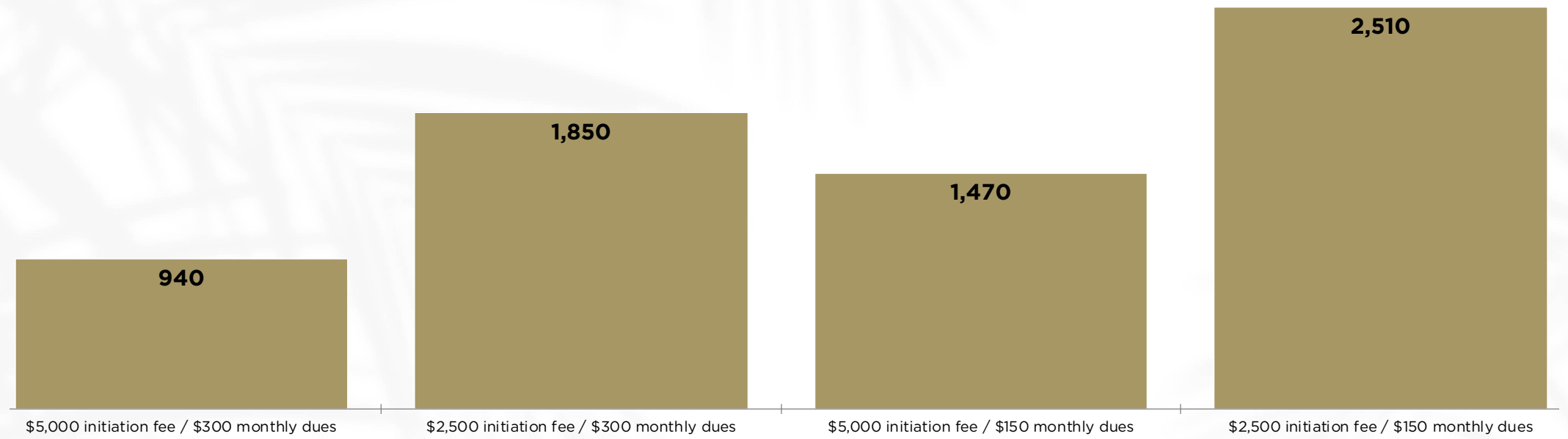


AFFINITY CLUB

AMENITY PREFERENCES



ESTIMATED DEMAND AFFINITY CLUB



Tested Pricing	Membership Demand	Estimated Annual Revenue From Monthly Dues	Estimated Up-Front Capital From Initiation Fees
\$5,000 initiation fee / \$300 monthly dues	940	\$3.4 M	\$4.7 M
\$2,500 initiation fee / \$300 monthly dues	1,850	\$6.7 M	\$4.6 M
\$5,000 initiation fee / \$150 monthly dues	1,470	\$2.6 M	\$7.4 M
\$2,500 initiation fee / \$150 monthly dues	2,510	\$4.5 M	\$6.3 M



UNIVERSITY OF CENTRAL FLORIDA

**Office of the Senior Vice President and Chief Financial Officer
Division of Administration and Finance**

4365 Andromeda Loop N, MH 384
Orlando, FL 32816

Date: March 28, 2024

To: UCF Board of Trustees and Florida Board of Governors

Subject: Loan for FBC Mortgage Tower Expansion Project

I hope this letter finds you well. I am writing to inform you of a financial development regarding the funding for the FBC Mortgage Tower Expansion project, which is poised to be a landmark initiative for our university.

After thorough assessment and strategic planning, it has been determined that the University of Central Florida will be extending a loan totaling \$8 million towards the commencement of the aforementioned project. This financial support will be allocated as follows: \$3.7 million sourced from unrestricted Foundation funds, and an additional \$4.3 million drawn from legally available auxiliary reserve funds. The latter funding source follows the guidelines established in Board of Governors regulation 9.013, and all the guidance offered there has been followed.

I assure you that the decision to extend this loan has been made after careful consideration of our financial capabilities and obligations. Furthermore, appropriate measures will be undertaken to ensure transparency, accountability, and adherence to regulatory requirements throughout the entirety of this process.

It is important to note that these funds are being utilized as an initial investment to kickstart the project, ensuring its timely commencement and progression. However, I wish to underscore that these allocated funds are not an end unto themselves, but rather a temporary measure to facilitate the initiation of the project. The intention is for these funds to be reimbursed upon the issuance of the full debt, which is anticipated to occur by November of 2024.

I trust that this information provides clarity regarding our decision. Should you require any further details or clarification, please do not hesitate to reach out to me directly.

Thank you for your attention to this matter and for your continued support of our university's endeavors.

Warm regards,

Gerald L. Hector, CPA
Senior Vice President for Administration and Finance
University of Central Florida

FUNDING AGREEMENT

Among

ORANGE COUNTY, FLORIDA

and

UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES

and

UCF STADIUM CORPORATION, INC.

THIS FUNDING AGREEMENT (this "Agreement"), is made and entered into as of the date of last execution below, by and among **ORANGE COUNTY, FLORIDA**, a charter county and political subdivision of the State of Florida, ("County"), the **UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES**, on behalf of the University of Central Florida, a public institution and part of the State of Florida university system, with a business address of 12201 Research Parkway, Suite 501, Orlando, FL 32826 (the "University"), and **UCF STADIUM CORPORATION, INC.**, a not-for-profit corporation organized and existing under the laws of the State of Florida (the "Corporation," and together with the University, "UCF").

WITNESSETH

WHEREAS, the University owns and the Corporation, on behalf of the University, constructs, operates and maintains the UCF Football Stadium (the "Stadium") which hosts various college football games, live concerts, and other live-action sporting and entertainment events; and

WHEREAS, the Corporation is a not-for-profit corporation which is organized and shall be operated exclusively to receive, hold, invest, and administer property and to make expenditure to or for the benefit of the University pursuant to which it operates the Stadium and organizes and hosts certain sporting and live-action events at the Stadium; and

WHEREAS, the University and users of the Stadium have reported specific needs at the Stadium that will drive additional regional tourism and enhance the fan experience and recommended certain improvements thereto; and

WHEREAS, the parties have agreed to incorporate improvements to the Stadium to address such needs resulting in the scope of work and project budget and schedule attached hereto, and incorporated herein by reference, as **Exhibit A** (the "Scope"); and

WHEREAS, the County currently collects the tourist development taxes authorized by Section 125.0104(3)(c) and (m), Florida Statutes ("Tourist Development Tax" or "TDT") and such

Tourist Development Taxes are authorized, pursuant to Section 125.0104(5)(a)1.a., to be used to construct, extend, enlarge, remodel, repair, improve, or maintain, publicly owned and operated sports stadiums within the boundaries of the county in which such tax is levied; and

WHEREAS, on June 26, 2023, the Tourist Development Tax Citizen Advisory Task Force ("Task Force") recommended to the Board of County Commissioners the University's Stadium tower project for funding consideration; and

WHEREAS, on October 3, 2023, the Orange County Board of County Commissioners ("Board") reviewed those projects recommended for TDT funding by the Task Force, and, following the University's presentation regarding its proposal, the Board voted unanimously to support the Stadium tower project; and

WHEREAS, on October 31, 2023, the University presented the Stadium tower project to the Tourist Development Council (the "TDC") and the TDC unanimously recommended funding up to Ninety Million Dollars (\$90,000,000) in construction of the improvements from TDT revenues; and

WHEREAS, on November 28, 2023, the Board held a public hearing and adopted Ordinance No. 2023-43 ("Ordinance"), which amended the Tourist Development Plan in order to, among other things, authorize funding in an amount not to exceed Ninety Million Dollars (\$90,000,000) for project costs associated with the financing and construction of improvements for the Stadium Tower as set forth herein from TDT revenues (the "Stadium Improvements").

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the County, the University and the Corporation agree as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated herein and made a part of this Agreement.

2. County Contribution. Subject to all terms and conditions set forth in this Agreement, the County agrees to contribute a total aggregate amount not to exceed Ninety Million Dollars (\$90,000,000.00) solely from Excess TDT Revenues, as defined herein, allocated by the Board for the Stadium Improvements ("County Contribution"), as further described below. Such County Contribution shall be deposited with the Bank of New York Mellon, as custodian (the "Custodian"), who shall hold all County Contributions, and any interest thereon, in a separate TDT Account. The TDT Account will be used to receive and accumulate the County Contribution, and to pay cash expenses and debt service related to Stadium Improvements as outlined in Exhibit A and shall be separate from any other accounts UCF may have with the Custodian. If UCF finances all or a portion of the Stadium Improvements, a separate Construction Fund Account will be established to account for the bond/loan proceeds. The County Contributions shall be deposited on December 1 of each year beginning on December 1, 2024, in accordance with the Excess TDT Revenue amounts set forth on **Exhibit B**, attached hereto, and incorporated herein by reference, until such time as the full Ninety Million Dollar (\$90,000,000.00) County Contribution has been made.

a. Excess TDT Revenues: The annual amount of County Contribution payable to UCF will be solely from Excess TDT Revenues, as defined herein and in accordance with **Exhibit B**, and as certified annually by the County

Comptroller. Excess TDT Revenues will be calculated as the fiscal year collection amounts above the “TDT Revenue Threshold Floor” and up to the “TDT Revenue Threshold Ceiling,” for an amount up to \$10 million annually, beginning on December 1, 2024, through December 1, 2032. To the extent the County Contribution is less than \$10 million in any year, UCF will be entitled to an additional catch-up payment(s) in a future year(s) until such time as the full County Contribution has been made. The catch-up payment(s) will be made solely from TDT collections exceeding the “Catch-up Payment Threshold Floor” and up to the “Catch-up Threshold Ceiling” for each respective fiscal year as shown in **Exhibit B**.

- b. **Prepayment.** The County may also, but is not obligated to, periodically provide additional funds to the Custodian to prepay its funding obligation under this agreement. When the County’s contributions under this agreement reaches Ninety Million Dollars (\$90,000,000), the County will have no further funding obligation under this Agreement.
- c. **Remaining Funds.** After the completion of construction of the Stadium Improvements and after all related debt has been paid off, if there are any remaining funds, including interest earnings, UCF shall return such amounts to the County.

3. Custodian Agreement. The County Contribution shall be disbursed by the Custodian pursuant to a Custodian Agreement between the University and the Custodian (the “Custodian Agreement”). The Custodian Agreement shall be subject to the County’s review and approval prior to its execution. The Custodian Agreement shall (i) require that copies of all draw requests shall be provided to the County simultaneously with such draws and (ii) expressly restrict the use of such funds to uses permitted by Section 125.0104(5)(a)1.a., Florida Statutes, and this Agreement. After the initial draw under the Custodian Agreement, the University shall provide the County with a detailed report of expenditures made with respect to each draw prior to subsequent draws. No change to the Custodian or the Custodian Agreement shall be made without the prior written consent of the County Administrator.

4. Restrictions on Use of County Contribution. UCF shall use the County Contribution only to pay for capital costs associated with the design, architectural, construction, principal, interest payments, and associated financing costs on related debt obligations for the Stadium Improvements as set forth in the Scope attached hereto as **Exhibit A** in accordance with Section 125.0104(5)(a)1.a., Florida Statutes (“Permitted Costs”). It is anticipated that prior to Fall of 2025, the Corporation will issue debt to finance the costs of the Stadium Improvements (the “Stadium Debt”). For clarity, the County Contribution is not intended, nor shall the County be obligated, to cover project and/or financing costs of borrowing that exceed Ninety Million Dollars (\$90,000,000). Amounts deposited with the Custodian each December 1st commencing December 1, 2024, will be used to pay preliminary design costs or be deposited with the bond trustee to pay debt service on the bonds. The County Contribution shall **not** be used for and the County shall **not** be responsible for: (i) any costs other than Permitted Costs; (ii) construction cost overruns in excess of the County Contribution; (iii) operating, administrative or maintenance costs of any type whatsoever; (iv) salary, overtime, or other similar compensation or benefits of employees or contract employees of the County, UCF, or any other governmental agency in connection with the

construction or operation of the Stadium; or (v) compensation of outside consultants performing indirect services for the County or UCF, as determined by generally accepted accounting principles.

5. Limitations on County's Obligation. The County's obligation to make the County Contribution shall not constitute a lien on Tourist Development Taxes and will not be on parity with any existing or future debt of the County. The County Contribution shall only be disbursed to the Custodian after the payment of all current payment requirements set forth in the County TDT Bond Indenture have been satisfied. The obligations of the County under this Agreement are limited solely to the TDT revenues to be deposited with the Custodian and no general fund revenues or other funds whatsoever of the County are obligated. Nothing provided herein shall obligate or require the County to levy any ad valorem taxes, fees, or assessments whatsoever. The County's obligation under this Agreement is limited to providing the County Contribution to the Custodian and the County shall not be liable for any construction cost overruns or operating subsidies of any type whatsoever in connection with the construction or operation of the Stadium.

6. Disbursement of County Contribution. The County Contribution shall be disbursed by the Custodian pursuant to the Custodian Agreement for expenses and debt service payments related to the Stadium Improvements as outlined in Exhibit A, including, as applicable, certain Stadium-related expenses that may have been incurred prior to the Effective Date of this Agreement. For non-financed expenses, payments will be made in one or more installments after submission of design, architectural, or construction cost requisitions signed by an authorized representative of the University and accompanied by a summary of the invoices or receipts evidencing completion of work. Copies of all such requisitions shall be provided to the County Administrator and the Orange County Comptroller ("Comptroller") at the notice addresses set forth herein.

7. UCF Representations and Obligations. UCF shall (i) diligently proceed with the design and construction of the Stadium Improvements pursuant to the Scope in a financially responsible and commercially reasonable manner; (ii) use and maintain the Stadium as a publicly owned and operated sports stadium, as contemplated under Section 125.0104, Florida Statutes; (iii) comply with all federal, state, and local laws, ordinances, rules, and regulations relating to the design, construction, funding, operation, and maintenance of the Stadium; and (iv) provide copies of all relevant financing documents and the preliminary offering statement of the Stadium Debt to both the Comptroller and the County Administrator at the notice addresses set forth herein. UCF covenants, represents, and warrants to the County that UCF has and will have the financial capability and resources to support and fund the operational costs of the Stadium on an ongoing basis and that the County will not be requested to provide and will have no responsibility for any operating costs or costs other than the design, construction, and pre-development costs set forth in the Scope. Furthermore, UCF shall ensure that the County's total aggregate contribution pursuant to this Agreement is acknowledged in a manner fully commensurate with the County's contribution in relation to the total construction cost of the Stadium Improvements and equal to the acknowledgement of any other contributors, in press releases, permanent and temporary commemorative signage and plaques, as well as in events commemorating completion of the Stadium Tower.

8. Scope of Renovation. UCF shall make every effort to complete the Stadium Improvements in accordance with the elements set forth in the Scope. Any material changes,

additions and/or deletions made to the Scope and, once finalized, the Plans and Specifications, shall be approved in writing by the authorized representative of the University and provided to the County Administrator. The term "Plans and Specifications" means the final plans and specifications for the Stadium Improvements prepared by the architect or engineer and other design professionals and approved by authorized representatives of the University. The Plans and Specifications shall be consistent with the Scope as contemplated hereinabove.

9. Construction Provisions. Management of the design and construction of the Stadium Improvements will be administered and managed by the University on behalf of the Corporation. Any architectural and engineering services funded by the County Contribution shall be procured through an open, competitive procurement process utilizing a request for proposals or a request for qualifications solicitation. The procurement method shall comply with Section 287.055, Florida Statutes. The services of construction manager and all third-party providers funded by the County Contribution shall be procured through an open competitive procurement process which may utilize a request for proposals or request for qualifications solicitation. The procurement method shall comply with Section 255.20, Florida Statutes. UCF shall not discriminate against any individual on the basis of race, color, ethnicity, national origin, religion, non-religion, age, genetic information, sex (including pregnancy, parental status, gender identity or expression, and sexual orientation), marital status, physical or mental disability, veteran's status (as protected under the Vietnam Era Veterans' Readjustment Assistant Act), or membership in any other protected classes as set forth in state or federal law; UCF agrees to adhere to the provisions of applicable federal and state Laws regarding discrimination and continue its policies of nondiscrimination accordingly.

10. Audit. The County and the Comptroller (or designee) shall have the right to audit from time to time for compliance with the terms, conditions, obligations, limitations, restrictions, and requirements of this Agreement, the use of the County Contribution for the design, financing, and construction of the Stadium. Such right shall extend for a period of five (5) years after completion of the Stadium Improvements. UCF agrees to provide reasonable assistance in providing documents, materials, data, information and records to the County and the Comptroller or designee in the performance of these audits as requested by the Comptroller or County during the course of this contract and for a period of five (5) years after the completion of the Stadium Improvements. In those situations where records have been generated from computerized data (whether mainframe, mini-computer, or PC based computer systems), the Comptroller's representatives shall be provided with extracts of data files in computer readable format on data disks or suitable alternative computer exchange formats. Such activity shall be conducted during normal business hours.

11. Notices. Any notices required or allowed hereunder shall be in writing and given by certified mail with return receipt requested, to the addresses below, or in person with proof of delivery to the addresses below, or such other address as either party shall have specified by written notice to the other party delivered in accordance herewith:

County: Orange County Administrator
201 S. Rosalind Avenue, 5th Floor
Orlando, Florida 32801

The University: University of Central Florida

Office of the President
4365 Andromeda Loop N.
Orlando, Florida 32816

With a copy to: University of Central Florida
Office of the General Counsel
4365 Andromeda Loop N. MH360
Orlando, Florida 32816

The Corporation: University of Central Florida Stadium Corporation, Inc.

Comptroller: Orange County Comptroller
Director of Finance & Accounting
201 S. Rosalind Avenue, 4th Floor
Orlando, Florida 32801

12. Indemnification. UCF, to the extent permitted by law, agrees to defend, indemnify, and hold harmless the County, its officials and employees from all claims, actions, losses, suits and judgments, fines, liabilities, costs and expenses (including attorney's fees) each attributable to its own negligent acts or omissions or those of its officials and employees acting within their scope of their employment or connected in any way or arising from performance under this Agreement. The foregoing shall not constitute an agreement by any party to assume any liability for the acts, omissions and/or negligence of any other party. This provision shall survive termination of this Agreement. Nothing herein is intended to act as a waiver of the University's or the Corporation's sovereign immunity pursuant to Section 768.28, Florida Statutes, and notwithstanding anything in this Agreement to the contrary, under no circumstances shall the University or Corporation be liable to County under any contract, negligence, strict liability, or other legal or equitable theory for any amounts in excess of those limits per claim and per occurrence set forth for tort liability in Section 768.28, Florida Statutes, which limits are hereby made applicable to all manner of claims against the County related to this Agreement and are not confined to tort liability.

13. Reporting Requirements. As a condition of receiving funds pursuant to this Agreement, the University acknowledges and agrees to comply with its reporting obligations and to timely provide the following to the Comptroller and County Administrator, at their respective notice addresses listed herein:

- (i) from the date hereof until completion of construction, UCF will provide quarterly reporting of project progress as set forth in the Scope;
- (ii) from the date hereof until completion of construction, UCF will provide a quarterly report itemizing in detail all expenditures made from TDT revenues, setting forth all interest earnings from the investment of the TDT proceeds, and calculating the balance of any unexpended funds;
- (iii) copies of all design and construction documentation and any amendments thereto will be maintained by the University and available for inspection by the County;
- (iv) upon completion of construction of the Stadium Improvements, the University will provide a certification to the County from a professional architect and/or engineer licensed to practice in the State of Florida that the Stadium Improvements have been completed substantially in accordance with the Scope and the Plans and Specifications; and
- (v) after completion of the Stadium Tower Project, UCF will provide the County with an annual report showing total sources of funding, including TDT and related interest earnings, and total uses (construction expenditures and loan/debt payments) along with any remaining balance until all loans/debts are paid off.
- (vi) Beginning in August 2025, and for a period of ten (10) years, UCF will provide an annual tourism report to the county including a list of events with a description of and attendance for each event, community and marketing metrics, the economic impact generated by the Stadium, and the source of that information.

To the extent that the Corporation directly utilizes any of the County Contribution, the Corporation shall be subject to audit and reporting requirements with respect to such funds. At the County's or Tourist Development Council's discretion, the University and/or the Corporation, or other party as designated by the University, shall provide a presentation or presentations regarding the Stadium as may be requested by the Tourist Development Council or the County.

14. Recordkeeping; Accounting. The University will utilize accounting procedures and practices in the maintenance of the records of receipts and disbursements of the funds contributed by the County, as well as all its receipts and disbursement of funds, and such procedures and practices shall be in accordance with generally accepted accounting principles. All such records shall be open to inspection and auditing by the County, the County's designee, or the County Comptroller during normal business hours during the term hereof, and for a period of five (5) years after completion of the Stadium Improvements or the termination of this Agreement whichever shall occur later. Any cost incurred by the University as a result of a County audit shall be the sole responsibility of and shall be borne by the University. This provision shall survive termination of this Agreement.

15. Effective Date; Amendment or Termination. This Agreement shall become effective upon execution by all parties hereto (the "Effective Date"). This Agreement may be amended, modified or terminated at any time during the term of this Agreement by the mutual written agreement of all of the Parties.

16. Default. The occurrence of any of the following constitutes an Event of Default:

(a) Failure of UCF to complete construction of the Stadium Improvements prior to December 1, 2029;

(b) Any material representation is made by the Corporation or the University (in each case, a default by said party) in any communication submitted to the County or the Custodian in an effort to induce the disbursement of TDT Revenues is determined by the County to be materially false, misleading, or incorrect;

(c) the Corporation's or the University's default (in each case, a default by said party) in the performance of any material term or covenant of this Agreement not otherwise provided for in this section for a period of more than thirty (30) days after its receipt of a notice of default, provided however that if the nature of the default is such that it cannot reasonably be cured within such 30-day period then the Corporation and/or the University, as applicable, shall have a reasonable period of time to cure such default provided that such cure is diligently undertaken and pursued by the Corporation and/or the University, as applicable;

(d) If the University takes steps to convey, vacate or abandon the Stadium within fifteen (15) years from the Effective Date of this Agreement.

In the event of a default by the Corporation or the University, UCF shall return any unused portion of the County Contribution, including interest, to the County and the County may, at its option, exercise any one or more of the following remedies: (i) declare this Agreement terminated, and/or (ii) exercise any and all remedies available at law and in equity against such defaulting party. The failure of UCF to return any unused portion of the County Contribution following a default and demand for same, shall constitute a separate default for which the County may exercise any of the remedies set forth herein.

17. Default by the County. The County's failure to deposit the County Contribution with the Custodian when due as set forth in Section 2 hereof shall constitute a default by the County. In the event of a default by the County, then the University, at its option, may exercise any one or more of the following remedies: (i) declare this Agreement terminated; or exercise the remedy of mandamus to require the County's performance under the terms and conditions of this Agreement and/or an action for specific performance. The University hereby acknowledges and agrees that the only remedies available to the University other than termination are those of mandamus and specific performance and the County shall bear no liability for direct, indirect or consequential damages.

18. Entire Agreement. This Agreement together with the Custodian Agreement constitutes the entire agreement between the three parties hereto with respect to the subject matter hereof; any representations or statements heretofore made with respect to such subject matter, whether verbal or written, are merged herein. No other agreement whether verbal or written, with regard to the subject matter hereof shall be deemed to exist.

19. No Assignment. Neither the University nor the Corporation may assign its rights hereunder, without the prior written consent of the County. Failure to comply with this section may result in immediate termination of this Agreement.

20. No waiver. Continued performance by either party hereto, pursuant to the terms of this Agreement, after a default of any of the terms, covenants or conditions herein shall not be deemed a waiver of any right to terminate this Agreement for any subsequent default, and no waiver of such default shall be construed or act as a waiver of any subsequent default.

21. Severability. The provisions of this Agreement are declared by the parties to be severable. However, the material provisions of this Agreement are dependent upon one another, and such interdependence is a material inducement for the parties to enter into this Agreement. Therefore, should any material term, provision, covenant or condition of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, the party protected or benefited by such term, provision, covenant, or condition may demand that the parties negotiate such reasonable alternate contract language or provisions as may be necessary either to restore the protected or benefited party to its previous position or otherwise mitigate the loss of protection or benefit resulting from holding.

22. Governing Law; Venue. Any litigation occurring as a result of this Agreement shall be held in the courts of Orange County, Florida. This Agreement shall be governed by the laws of the State of Florida.

23. Headings. The headings or captions of sections or paragraphs used in this Agreement are for convenience of reference only and are not intended to define or limit their contents, nor are they to affect the construction of or to be taken into consideration in interpreting this Agreement.

24. Counterparts. This Agreement may be executed in separate counterparts, all of which taken together shall be deemed to constitute one and the same instrument.

25. No Waiver of Sovereign Immunity. Nothing contained in this Agreement shall constitute, or be in any way construed to be, a waiver of either the University's, the Corporation's, or the County's sovereign immunity or the protections and provisions of Section 768.28, Florida Statutes.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as indicated below:

ORANGE COUNTY, FLORIDA

By: Board of County Commissioners

By: _____
Jerry L. Demings
Orange County Mayor

Date: _____

ATTEST:

Phil Diamond, CPA, County Comptroller
As Clerk of the Board of County Commissioners

By: _____
Deputy Clerk

(SEAL)

FINAL DRAFT SUBJECT TO APPROVALS

**UNIVERSITY OF CENTRAL FLORIDA
BOARD OF TRUSTEES**, on behalf of
the University of Central Florida, a public
institution and part of the State of Florida
university system

By: _____

Date: _____

FINAL DRAFT SUBJECT TO APPROVALS

UCF STADIUM CORPORATION, INC. a
Florida not-for-profit corporation

By: _____
Its: _____
Date: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me, a Notary Public, by means of ☐ physical presence or ☐ online notarization this ____ day of ____, 202__, by _____, as _____ of UCF Stadium Corporation, Inc., on behalf of said corporation, who ☐ is personally known to me or ☐ has produced (type of identification) _____ as identification who executed the foregoing instrument and acknowledged the execution thereof to be his/her free act and deed as such officer thereunto duly authorized, and that the official seal of said corporation is duly affixed thereto, and the said instrument is the act and deed of said corporation.

Witness my hand and official seal this ____ day of ____, 202__.

(Notary Seal)

Notary Signature

EXHIBIT "A"

STADIUM IMPROVEMENTS SCOPE

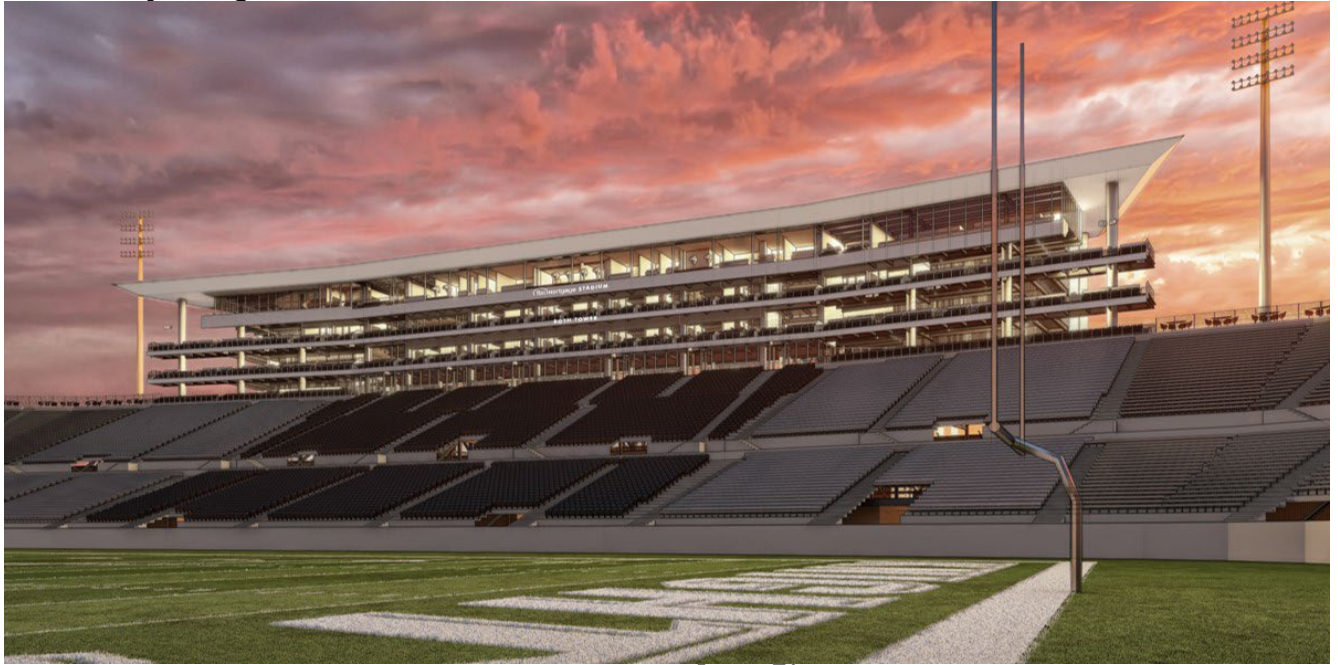
The renovation and expansion of the Tower at UCF's Football Stadium will support the upward trajectory of the UCF football program's impact on regional tourism and deliver enhancements to the fan experience that will ensure Orange County / Orlando becomes one of the top destinations as UCF enters the Big 12 Conference.

UCF will leverage the existing steel infrastructure of the Football Stadium Tower to deliver a complete renovation and expansion that will deliver a completely re-envisioned facility that will more than double usable square footage, provide additional seating inventory, and create new gathering spaces that will be used to enhance the game-day experience and host special events throughout the calendar year. Improvements will also focus on delivering improved gathering spaces and amenities to enhance the game-day experience and drive new revenue to support the program's growth and sustainability.

Preliminary Design of New Stadium Tower



Preliminary Design of New Stadium Tower



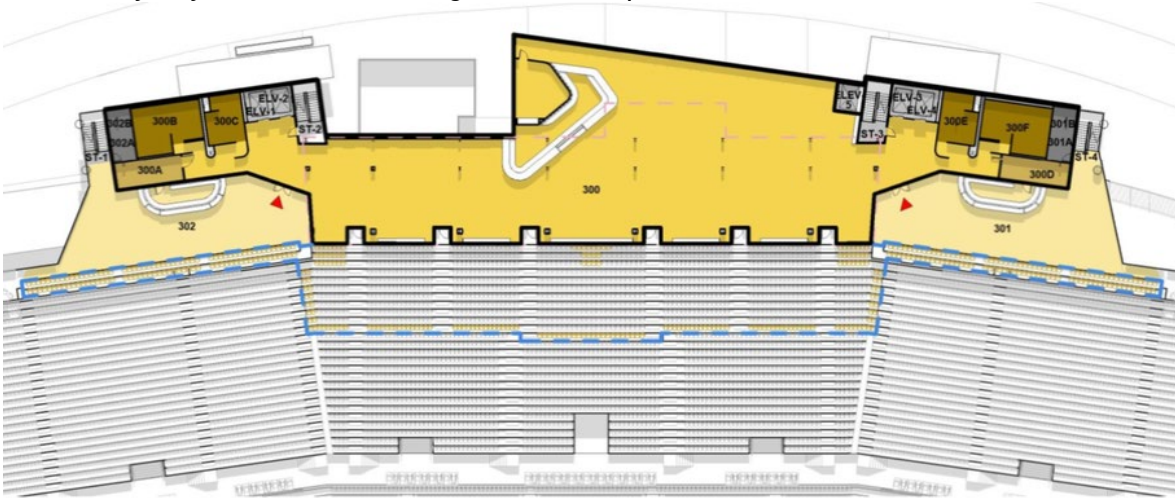
Design Objectives for Stadium Improvements

- The renovation will expand the gross square footage of the Tower to approximately 84,000 square feet with a focus on increasing total ticketed capacity and fan experience.
- The renovation of the Tower will ensure the new tower is constructed independent of the stadium structure to provide the most flexibility for future expansion.
- The renovations will include a reconstruction of the entire Tower facility, including new mechanical, electrical, plumbing, and fire protection systems. The renovation will also completely reconstruct the audio/visual, wireless, and cellular technology in the stadium.
- The renovation will ensure that improvements are made to the design and functionality of the ground-level entrances and provide additional elevators to support the growth of new ticketed spaces in the Tower.
- The renovation will prioritize the addition of new interior and exterior gathering spaces that can be programmed for gameday and be utilized for special events throughout the year to increase the facilities overall utilization.
- The renovation will prioritize the addition of ticketed seating options to increase the stadium's overall capacity.
- The renovation will prioritize expanding the press box and media spaces to ensure UCF's Football Stadium is best positioned to host and broadcast events and highlight Orange County and Orlando as a destination for collegiate sports and competition.
- The renovation will provide additional support facilities including restrooms, foodservice preparation, and back of house space needed to support the additional capacity and specialized spaces.

Planned Improvements to Ticketed Spaces: Club Seating and Gathering Spaces

- The expansion will increase club level seating capacity by 40 percent and deliver at least 1,200 club level seats once complete.
- The expansion will deliver approximately 16,000 square feet of usable interior and exterior space.

Preliminary Layout for Club Seating in Tower Expansion



Preliminary drawings for increased interior gathering and event space



Preliminary drawings for increased exterior gathering and event space

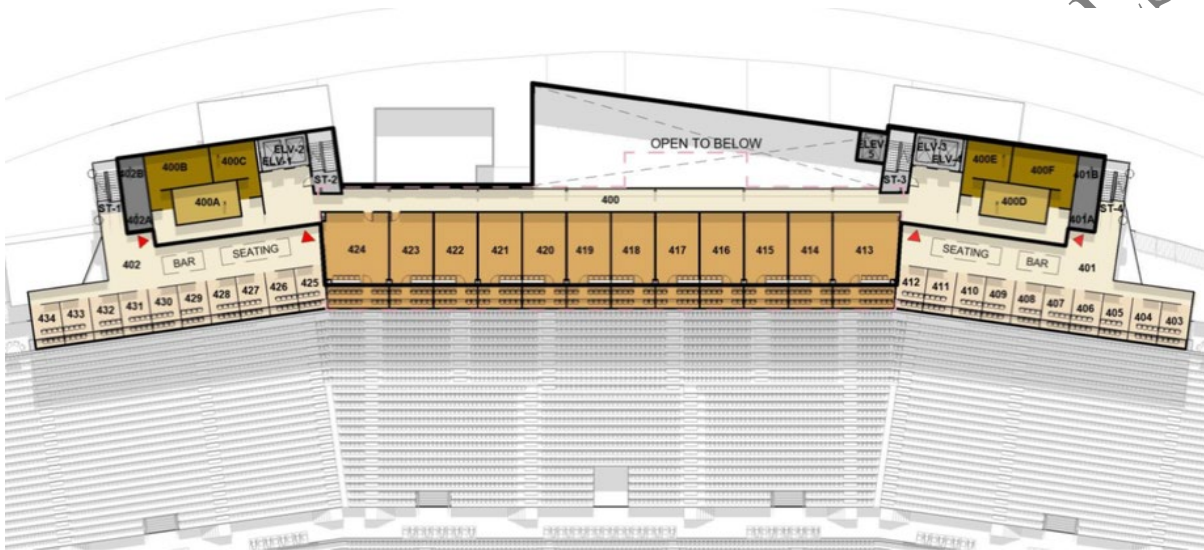


FINAL DRAFT SUBJECT TO A

Planned Improvements to Ticketed Spaces: Sky Cribs and Suites

- The expansion will prioritize the creation of new “Sky Cribs”, which will provide a new product offering for guests leveraging the fan experience of a suite with the benefits of the outdoor environment. The expansion will deliver at least 30 of these new “Sky Cribs” once completed.
- The expansion plans will optimize space utilization to deliver new at least 4 new suites once complete, while increasing the overall depth of the suites.

Preliminary Layout for Upper Floor in Tower Expansion



Preliminary Layout for “Sky Crib” Concept



Preliminary Layout for “Sky Crib” Concept

Summary of the Project's Design and Construction Schedule

To continue operations of the existing tower, construction on the expansion (foundations, structure, skin) will take place between and during the Fall 2024 and Fall 2025 football seasons. The renovation of the existing tower and tie-in to the expansion will take place between the end of the Fall 2025 football season and the start of the Fall 2026 football season. The design and construction schedule is estimated as follows:

- Schematic Design – completed Fall 2023
- Design Development – January to May 2024
- Construction Documents – May to September 2024
- Early Release Packages for foundations, steel, MEP, etc. – Fall 2024
- Permit/Bid – September to November 2024
- Construction GMP and Contracts – November to December 2024
- Construction – December 2024 to June 2026
- Open for Fall 2026 Football Season

Summary of Project Budget: Sources and Uses

UCF STADIUM TOWER EXPANSION PROJECT SOURCES AND USES

Sources:

Loan Proceeds (TDT Agreement)	\$ 63,851,776
Bond Proceeds (Stadium Revenue)	\$ 24,148,224
Total Sources	\$ 88,000,000

Uses:

Design and Pre-Construction Services	\$ 5,020,000
Permitting and Project Management	\$ 905,000
Gross Construction Costs	\$ 76,630,000
Furniture Fixtures and Equipment	\$ 5,445,000
Total Uses	\$ 88,000,000

EXHIBIT "B"

COUNTY CONTRIBUTION

EXCESS TOURIST DEVELOPMENT TAX (TDT) REVENUE ¹						
AMOUNTS USED TO CALCULATE ANNUAL PAYMENT OF COUNTY CONTRIBUTION FROM EXCESS REVENUE						
Base Contract Years						
Payment Date	TDT Excess Revenues Test Based on Lookback of Prior Fiscal Year Collections ³				Potential Revenue Shortfall Catch-up Payment Threshold	
	Fiscal Year ² of Collections for Revenue Test	TDT Revenue Threshold "Floor"	-	TDT Revenue Threshold "Ceiling"	Catch-up Payment Threshold "Floor"	Catch-up Payment Threshold "Ceiling"
Dec. 1, 2024	FY 2024	328,375,000	-	338,375,000		
Dec. 1, 2025	FY 2025	334,942,500	-	344,942,500	344,942,500	349,942,500
Dec. 1, 2026	FY 2026	341,641,350	-	351,641,350	351,641,350	356,641,350
Dec. 1, 2027	FY 2027	348,474,177	-	358,474,177	358,474,177	363,474,177
Dec. 1, 2028	FY 2028	355,443,661	-	365,443,661	365,443,661	370,443,661
Dec. 1, 2029	FY 2029	362,552,534	-	372,552,534	372,552,534	377,552,534
Dec. 1, 2030	FY 2030	369,803,584	-	379,803,584	379,803,584	384,803,584
Dec. 1, 2031	FY 2031	377,199,656	-	387,199,656	387,199,656	392,199,656
Dec. 1, 2032	FY 2032	384,743,649	-	394,743,649	394,743,649	399,743,649
Additional Years for Potential Extended Catch-up Payment(s)						
Payment Date	Fiscal Year ² of Collections for Revenue Test	Catch-up Payment Threshold "Floor"	-	Catch-up Payment Threshold "Ceiling"		
Dec. 1, 2033	FY 2033	392,438,522	-	402,438,522		
Dec. 1, 2034	FY 2034	400,287,293	-	410,287,293		
Dec. 1, 2035	FY 2035	408,293,039	-	418,293,039		
Dec. 1, 2036	FY 2036	416,458,899	-	426,458,899		
Dec. 1, 2037	FY 2037	424,788,077	-	434,788,077		
Dec. 1, 2038	FY 2038	433,283,839	-	443,283,839		
Dec. 1, 2039	FY 2039	441,949,516	-	451,949,516		
Dec. 1, 2040	FY 2040	450,788,506	-	460,788,506		
Dec. 1, 2041	FY 2041	459,804,276	-	469,804,276		
Dec. 1, 2042	FY 2042	469,000,362	-	479,000,362		
Dec. 1, 2043	FY 2043	478,380,369	-	488,380,369		
Dec. 1, 2044	FY 2044	487,947,976	-	497,947,976		
Dec. 1, 2045	FY 2045	497,706,936	-	507,706,936		
<i>Tourist Development Tax Revenues (TDT) shown reflect the collections of the 1st - 6th cents as authorized by Section 125.0104(3)(c), (d), (m), (l), and (n) Florida Statutes. Amounts shown above are presented for the purpose of determining Excess Revenue available to make the County Contribution payments in accordance with Section 2(a) of the funding agreement. The source of the County Contribution is limited to TDT authorized by Section 125.0104(3)(c) and (m), Florida Statutes.</i>						
<i>Based on County's fiscal year beginning on October 1st and ending on September 30th.</i>						
<i>TDT collections are determined by the County Comptroller on an accrual basis of accounting</i>						

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UCF Stadium Corporation
Contract Tourist Development Tax Revenue Note, Series 2024
Targeted Amortization
Assumes a taxable bank interest rate of 6.5%

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SOURCES AND USES OF FUNDS

UCF Stadium Corporation
Contract Tourist Development Tax Revenue Note, Series 2024
Targeted Amortization
Assumes a taxable bank interest rate of 6.5%

Preliminary and Subject to Change

Dated Date	10/01/2024
Delivery Date	10/01/2024

Sources:

Bond Proceeds:	
Par Amount	60,865,000.00
Other Sources of Funds:	
FY 2025 TDT Receipt	10,000,000.00
	70,865,000.00

Uses:

Project Fund Deposits:	
Project Fund	63,851,775.97
Other Fund Deposits:	
Liquidity Reserve	6,000,000.00
Capitalized Interest Fund	813,224.03
	6,813,224.03
Delivery Date Expenses:	
Cost of Issuance	200,000.00
	70,865,000.00

BOND SUMMARY STATISTICS

UCF Stadium Corporation
Contract Tourist Development Tax Revenue Note, Series 2024
Targeted Amortization
Assumes a taxable bank interest rate of 6.5%

Preliminary and Subject to Change

Dated Date	10/01/2024
Delivery Date	10/01/2024
First Coupon	12/15/2024
Last Maturity	12/15/2032
Arbitrage Yield	6.405504%
True Interest Cost (TIC)	6.405504%
Net Interest Cost (NIC)	6.500000%
All-In TIC	6.484169%
Average Coupon	6.500000%
Average Life (years)	5.035
Weighted Average Maturity (years)	5.035
Duration of Issue (years)	4.321
Par Amount	60,865,000.00
Bond Proceeds	60,865,000.00
Total Interest	19,918,349.03
Net Interest	19,918,349.03
Bond Years from Dated Date	306,436,138.89
Bond Years from Delivery Date	306,436,138.89
Total Debt Service	80,783,349.03
Maximum Annual Debt Service	9,998,625.00
Average Annual Debt Service	9,844,957.90
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Loan	60,865,000.00	100.000	6.500%	5.035	37,736.30
	60,865,000.00			5.035	37,736.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	60,865,000.00	60,865,000.00	60,865,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(200,000.00)	
- Other Amounts			
Target Value	60,865,000.00	60,665,000.00	60,865,000.00
Target Date	10/01/2024	10/01/2024	10/01/2024
Yield	6.405504%	6.484169%	6.405504%

NET DEBT SERVICE

UCF Stadium Corporation
Contract Tourist Development Tax Revenue Note, Series 2024
Targeted Amortization
Assumes a taxable bank interest rate of 6.5%

Preliminary and Subject to Change

Period Ending	Principal	Coupon	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/30/2025			813,224.03	813,224.03	(813,224.03)	
06/30/2026	6,040,000	6.500%	3,956,225.00	9,996,225.00		9,996,225
06/30/2027	6,435,000	6.500%	3,563,625.00	9,998,625.00		9,998,625
06/30/2028	6,850,000	6.500%	3,145,350.00	9,995,350.00		9,995,350
06/30/2029	7,295,000	6.500%	2,700,100.00	9,995,100.00		9,995,100
06/30/2030	7,770,000	6.500%	2,225,925.00	9,995,925.00		9,995,925
06/30/2031	8,275,000	6.500%	1,720,875.00	9,995,875.00		9,995,875
06/30/2032	8,815,000	6.500%	1,183,000.00	9,998,000.00		9,998,000
06/30/2033	9,385,000	6.500%	610,025.00	9,995,025.00		9,995,025
	60,865,000		19,918,349.03	80,783,349.03	(813,224.03)	79,970,125

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Contract Tourist Development Tax Revenue Note, Series 2024
\$2M/year principal amortization with balance due at maturity (15 years)
Assumes a taxable bank interest rate of 6.5%

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SOURCES AND USES OF FUNDS

UCF Stadium Corporation
Contract Tourist Development Tax Revenue Note, Series 2024
\$2M/year principal amortization with balance due at maturity (15 years)
Assumes a taxable bank interest rate of 6.5%

Preliminary and Subject to Change

Dated Date	10/01/2024
Delivery Date	10/01/2024

Sources:

Bond Proceeds:	
Par Amount	60,865,000.00
Other Sources of Funds:	
FY 2025 TDT Receipt	10,000,000.00
	70,865,000.00

Uses:

Project Fund Deposits:	
Project Fund	63,851,775.97
Other Fund Deposits:	
Liquidity Reserve	6,000,000.00
Capitalized Interest Fund	813,224.03
	6,813,224.03
Delivery Date Expenses:	
Cost of Issuance	200,000.00
	70,865,000.00

BOND SUMMARY STATISTICS

UCF Stadium Corporation
Contract Tourist Development Tax Revenue Note, Series 2024
\$2M/year principal amortization with balance due at maturity (15 years)
Assumes a taxable bank interest rate of 6.5%

----- Preliminary and Subject to Change

Dated Date	10/01/2024
Delivery Date	10/01/2024
First Coupon	12/15/2024
Last Maturity	12/15/2038
Arbitrage Yield	6.401920%
True Interest Cost (TIC)	6.401920%
Net Interest Cost (NIC)	6.500000%
All-In TIC	6.444574%
Average Coupon	6.500000%
Average Life (years)	11.215
Weighted Average Maturity (years)	11.215
Duration of Issue (years)	7.969
Par Amount	60,865,000.00
Bond Proceeds	60,865,000.00
Total Interest	44,370,374.03
Net Interest	44,370,374.03
Bond Years from Dated Date	682,621,138.89
Bond Years from Delivery Date	682,621,138.89
Total Debt Service	105,235,374.03
Maximum Annual Debt Service	37,131,225.00
Average Annual Debt Service	7,408,043.54
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Loan	60,865,000.00	100.000	6.500%	11.215	55,387.15
	60,865,000.00			11.215	55,387.15

	TIC	All-In TIC	Arbitrage Yield
Par Value	60,865,000.00	60,865,000.00	60,865,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(200,000.00)	
- Other Amounts			
Target Value	60,865,000.00	60,665,000.00	60,865,000.00
Target Date	10/01/2024	10/01/2024	10/01/2024
Yield	6.401920%	6.444574%	6.401920%

NET DEBT SERVICE

UCF Stadium Corporation
Contract Tourist Development Tax Revenue Note, Series 2024
\$2M/year principal amortization with balance due at maturity (15 years)
Assumes a taxable bank interest rate of 6.5%

Preliminary and Subject to Change

Period Ending	Principal	Coupon	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/30/2025			813,224.03	813,224.03	(813,224.03)	
06/30/2026	2,000,000	6.500%	3,956,225.00	5,956,225.00		5,956,225
06/30/2027	2,000,000	6.500%	3,826,225.00	5,826,225.00		5,826,225
06/30/2028	2,000,000	6.500%	3,696,225.00	5,696,225.00		5,696,225
06/30/2029	2,000,000	6.500%	3,566,225.00	5,566,225.00		5,566,225
06/30/2030	2,000,000	6.500%	3,436,225.00	5,436,225.00		5,436,225
06/30/2031	2,000,000	6.500%	3,306,225.00	5,306,225.00		5,306,225
06/30/2032	2,000,000	6.500%	3,176,225.00	5,176,225.00		5,176,225
06/30/2033	2,000,000	6.500%	3,046,225.00	5,046,225.00		5,046,225
06/30/2034	2,000,000	6.500%	2,916,225.00	4,916,225.00		4,916,225
06/30/2035	2,000,000	6.500%	2,786,225.00	4,786,225.00		4,786,225
06/30/2036	2,000,000	6.500%	2,656,225.00	4,656,225.00		4,656,225
06/30/2037	2,000,000	6.500%	2,526,225.00	4,526,225.00		4,526,225
06/30/2038	2,000,000	6.500%	2,396,225.00	4,396,225.00		4,396,225
06/30/2039	34,865,000	6.500%	2,266,225.00	37,131,225.00		37,131,225
	60,865,000		44,370,374.03	105,235,374.03	(813,224.03)	104,422,150

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Assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024

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SOURCES AND USES OF FUNDS

UCF Stadium Corporation
Stadium Revenue Bonds, Series 2024
Assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024

Preliminary and Subject to Change

Dated Date	10/01/2024
Delivery Date	10/01/2024

Sources:

Bond Proceeds:	
Par Amount	27,755,000.00
	<u>27,755,000.00</u>

Uses:

Project Fund Deposits:	
Project Fund	24,148,224.03
Other Fund Deposits:	
Capitalized Interest Fund	700,240.99
Debt Service Reserve Fund	<u>2,075,578.40</u>
	2,775,819.39
Delivery Date Expenses:	
Cost of Issuance	236,071.51
Underwriter's Discount	138,775.00
Bond Insurance	<u>456,110.07</u>
	830,956.58
	<u>27,755,000.00</u>

BOND SUMMARY STATISTICS

UCF Stadium Corporation
Stadium Revenue Bonds, Series 2024
Assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024

Preliminary and Subject to Change

Dated Date	10/01/2024
Delivery Date	10/01/2024
First Coupon	03/01/2025
Last Maturity	03/01/2054
Arbitrage Yield	6.298111%
True Interest Cost (TIC)	6.188492%
Net Interest Cost (NIC)	6.194439%
All-In TIC	6.430207%
Average Coupon	6.168545%
Average Life (years)	19.310
Weighted Average Maturity (years)	19.310
Duration of Issue (years)	10.905
Par Amount	27,755,000.00
Bond Proceeds	27,755,000.00
Total Interest	33,059,675.79
Net Interest	33,198,450.79
Bond Years from Dated Date	535,939,583.33
Bond Years from Delivery Date	535,939,583.33
Total Debt Service	60,814,675.79
Maximum Annual Debt Service	2,075,578.40
Average Annual Debt Service	2,067,354.42
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bond	810,000.00	100.000	5.2993952%	1.929	150.75
Term Bond due in 2029	895,000.00	100.000	5.2510000%	3.931	349.05
Term Bond due in 2031	995,000.00	100.000	5.3670000%	5.929	537.30
Term Bond due in 2034	1,695,000.00	100.000	5.5730000%	8.452	1,220.40
Term Bond due in 2039	3,545,000.00	100.000	5.9230000%	12.534	3,403.20
Term Bond due in 2044	4,745,000.00	100.000	6.1070000%	17.536	5,361.85
Term Bond due in 2054	15,070,000.00	100.000	6.2570000%	25.414	20,193.80
	27,755,000.00			19.310	31,216.35

	TIC	All-In TIC	Arbitrage Yield
Par Value	27,755,000.00	27,755,000.00	27,755,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	(138,775.00)	(138,775.00)	
- Cost of Issuance Expense		(236,071.51)	
- Other Amounts		(456,110.07)	(456,110.07)
Target Value	27,616,225.00	26,924,043.42	27,298,889.93
Target Date	10/01/2024	10/01/2024	10/01/2024
Yield	6.188492%	6.430207%	6.298111%

NET DEBT SERVICE

UCF Stadium Corporation
Stadium Revenue Bonds, Series 2024
Assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024

Preliminary and Subject to Change

Period Ending	Principal	Coupon	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/30/2025			700,240.99	700,240.99	(700,240.99)	
06/30/2026	395,000	5.370%	1,680,578.40	2,075,578.40		2,075,578.40
06/30/2027	415,000	5.260%	1,659,366.90	2,074,366.90		2,074,366.90
06/30/2028	435,000	5.251%	1,637,537.90	2,072,537.90		2,072,537.90
06/30/2029	460,000	5.251%	1,614,696.04	2,074,696.04		2,074,696.04
06/30/2030	485,000	5.367%	1,590,541.44	2,075,541.44		2,075,541.44
06/30/2031	510,000	5.367%	1,564,511.48	2,074,511.48		2,074,511.48
06/30/2032	535,000	5.573%	1,537,139.78	2,072,139.78		2,072,139.78
06/30/2033	565,000	5.573%	1,507,324.22	2,072,324.22		2,072,324.22
06/30/2034	595,000	5.573%	1,475,836.78	2,070,836.78		2,070,836.78
06/30/2035	630,000	5.923%	1,442,677.42	2,072,677.42		2,072,677.42
06/30/2036	665,000	5.923%	1,405,362.52	2,070,362.52		2,070,362.52
06/30/2037	705,000	5.923%	1,365,974.56	2,070,974.56		2,070,974.56
06/30/2038	750,000	5.923%	1,324,217.42	2,074,217.42		2,074,217.42
06/30/2039	795,000	5.923%	1,279,794.92	2,074,794.92		2,074,794.92
06/30/2040	840,000	6.107%	1,232,707.06	2,072,707.06		2,072,707.06
06/30/2041	890,000	6.107%	1,181,408.26	2,071,408.26		2,071,408.26
06/30/2042	945,000	6.107%	1,127,055.96	2,072,055.96		2,072,055.96
06/30/2043	1,005,000	6.107%	1,069,344.80	2,074,344.80		2,074,344.80
06/30/2044	1,065,000	6.107%	1,007,969.46	2,072,969.46		2,072,969.46
06/30/2045	1,130,000	6.257%	942,929.90	2,072,929.90		2,072,929.90
06/30/2046	1,200,000	6.257%	872,225.80	2,072,225.80		2,072,225.80
06/30/2047	1,275,000	6.257%	797,141.80	2,072,141.80		2,072,141.80
06/30/2048	1,355,000	6.257%	717,365.06	2,072,365.06		2,072,365.06
06/30/2049	1,440,000	6.257%	632,582.70	2,072,582.70		2,072,582.70
06/30/2050	1,530,000	6.257%	542,481.90	2,072,481.90		2,072,481.90
06/30/2051	1,625,000	6.257%	446,749.80	2,071,749.80		2,071,749.80
06/30/2052	1,730,000	6.257%	345,073.56	2,075,073.56		2,075,073.56
06/30/2053	1,835,000	6.257%	236,827.46	2,071,827.46		2,071,827.46
06/30/2054	1,950,000	6.257%	122,011.50	2,072,011.50		2,072,011.50
	27,755,000		33,059,675.79	60,814,675.79	(700,240.99)	60,114,434.80

SOURCES AND USES OF FUNDS

UCF Stadium Corporation
Stadium Revenue Bonds, Series 2024 + Contract TDT Revenue Note, Series 2024
Bond Issue assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024
TDT Loan assumes taxable bank interest rate of 6.5%
Targeted Amortization for TDT Loan

Preliminary and Subject to Change

Dated Date 10/01/2024
Delivery Date 10/01/2024

Sources:	Stadium Revenue Bonds, Series 2024	Contract Tourist Development Tax Revenue Note, Series 2024	Total
Bond Proceeds:			
Par Amount	27,755,000.00	60,865,000.00	88,620,000.00
Other Sources of Funds:			
FY 2025 TDT Receipt		10,000,000.00	10,000,000.00
	27,755,000.00	70,865,000.00	98,620,000.00

Uses:	Stadium Revenue Bonds, Series 2024	Contract Tourist Development Tax Revenue Note, Series 2024	Total
Project Fund Deposits:			
Project Fund	24,148,224.03	63,851,775.97	88,000,000.00
Other Fund Deposits:			
Capitalized Interest Fund	700,240.99	813,224.03	1,513,465.02
Debt Service Reserve Fund	2,075,578.40		2,075,578.40
Liquidity Reserve		6,000,000.00	6,000,000.00
	2,775,819.39	6,813,224.03	9,589,043.42
Delivery Date Expenses:			
Cost of Issuance	236,071.51	200,000.00	436,071.51
Underwriter's Discount	138,775.00		138,775.00
Bond Insurance	456,110.07		456,110.07
	830,956.58	200,000.00	1,030,956.58
	27,755,000.00	70,865,000.00	98,620,000.00

BOND SUMMARY STATISTICS

UCF Stadium Corporation

Stadium Revenue Bonds, Series 2024 + Contract TDT Revenue Note, Series 2024

Bond Issue assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024

TDT Loan assumes taxable bank interest rate of 6.5%

Targeted Amortization for TDT Loan

Preliminary and Subject to Change

	Stadium Revenue Bonds, Series 2024	Contract Tourist Development Tax Revenue Note, Series 2024	Aggregate
Dated Date	10/01/2024	10/01/2024	10/01/2024
Delivery Date	10/01/2024	10/01/2024	10/01/2024
First Coupon	03/01/2025	12/15/2024	03/01/2025
Last Maturity	03/01/2054	12/15/2032	03/01/2054
Arbitrage Yield	6.348788%	6.348788%	6.348788%
True Interest Cost (TIC)	6.188492%	6.405504%	6.290236%
Net Interest Cost (NIC)	6.194439%	6.500000%	6.305595%
All-In TIC	6.430207%	6.484169%	6.455862%
Average Coupon	6.168545%	6.500000%	6.289121%
Average Life (years)	19.310	5.035	9.505
Weighted Average Maturity (years)	19.310	5.035	9.505
Duration of Issue (years)	10.905	4.321	6.339
Par Amount	27,755,000.00	60,865,000.00	88,620,000.00
Bond Proceeds	27,755,000.00	60,865,000.00	88,620,000.00
Total Interest	33,059,675.79	19,918,349.03	52,978,024.82
Net Interest	33,198,450.79	19,918,349.03	53,116,799.82
Bond Years from Dated Date	535,939,583.33	306,436,138.89	842,375,722.22
Bond Years from Delivery Date	535,939,583.33	306,436,138.89	842,375,722.22
Total Debt Service	60,814,675.79	80,783,349.03	141,598,024.82
Maximum Annual Debt Service	2,075,578.40	9,998,625.00	12,072,991.90
Average Annual Debt Service	2,067,354.42	9,844,957.90	4,813,530.59
Underwriter's Fees (per \$1000)			
Average Takedown			
Other Fee	5.000000		1.565956
Total Underwriter's Discount	5.000000		1.565956
Bid Price	99.500000	100.000000	99.843404

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bond	810,000.00	100.000	5.2993952%	1.929	150.75
Term Bond due in 2029	895,000.00	100.000	5.2510000%	3.931	349.05
Term Loan	60,865,000.00	100.000	6.5000000%	5.035	37,736.30
Term Bond due in 2031	995,000.00	100.000	5.3670000%	5.929	537.30
Term Bond due in 2034	1,695,000.00	100.000	5.5730000%	8.452	1,220.40
Term Bond due in 2039	3,545,000.00	100.000	5.9230000%	12.534	3,403.20
Term Bond due in 2044	4,745,000.00	100.000	6.1070000%	17.536	5,361.85
Term Bond due in 2054	15,070,000.00	100.000	6.2570000%	25.414	20,193.80
	88,620,000.00			9.505	68,952.65

BOND SUMMARY STATISTICS

UCF Stadium Corporation

Stadium Revenue Bonds, Series 2024 + Contract TDT Revenue Note, Series 2024

Bond Issue assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024

TDT Loan assumes taxable bank interest rate of 6.5%

Targeted Amortization for TDT Loan

Preliminary and Subject to Change

	TIC	All-In TIC	Arbitrage Yield
Par Value	88,620,000.00	88,620,000.00	88,620,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	(138,775.00)	(138,775.00)	
- Cost of Issuance Expense		(436,071.51)	
- Other Amounts		(456,110.07)	(456,110.07)
Target Value	88,481,225.00	87,589,043.42	88,163,889.93
Target Date	10/01/2024	10/01/2024	10/01/2024
Yield	6.290236%	6.455862%	6.348788%

NET DEBT SERVICE

UCF Stadium Corporation
Stadium Revenue Bonds, Series 2024 + Contract TDT Revenue Note, Series 2024
Bond Issue assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024
TDT Loan assumes taxable bank interest rate of 6.5%
Targeted Amortization for TDT Loan

Preliminary and Subject to Change

Period Ending	Principal	Coupon	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/30/2025			1,513,465.02	1,513,465.02	(1,513,465.02)	
06/30/2026	6,435,000	** %	5,636,803.40	12,071,803.40		12,071,803.40
06/30/2027	6,850,000	** %	5,222,991.90	12,072,991.90		12,072,991.90
06/30/2028	7,285,000	** %	4,782,887.90	12,067,887.90		12,067,887.90
06/30/2029	7,755,000	** %	4,314,796.04	12,069,796.04		12,069,796.04
06/30/2030	8,255,000	** %	3,816,466.44	12,071,466.44		12,071,466.44
06/30/2031	8,785,000	** %	3,285,386.48	12,070,386.48		12,070,386.48
06/30/2032	9,350,000	** %	2,720,139.78	12,070,139.78		12,070,139.78
06/30/2033	9,950,000	** %	2,117,349.22	12,067,349.22		12,067,349.22
06/30/2034	595,000	5.573%	1,475,836.78	2,070,836.78		2,070,836.78
06/30/2035	630,000	5.923%	1,442,677.42	2,072,677.42		2,072,677.42
06/30/2036	665,000	5.923%	1,405,362.52	2,070,362.52		2,070,362.52
06/30/2037	705,000	5.923%	1,365,974.56	2,070,974.56		2,070,974.56
06/30/2038	750,000	5.923%	1,324,217.42	2,074,217.42		2,074,217.42
06/30/2039	795,000	5.923%	1,279,794.92	2,074,794.92		2,074,794.92
06/30/2040	840,000	6.107%	1,232,707.06	2,072,707.06		2,072,707.06
06/30/2041	890,000	6.107%	1,181,408.26	2,071,408.26		2,071,408.26
06/30/2042	945,000	6.107%	1,127,055.96	2,072,055.96		2,072,055.96
06/30/2043	1,005,000	6.107%	1,069,344.80	2,074,344.80		2,074,344.80
06/30/2044	1,065,000	6.107%	1,007,969.46	2,072,969.46		2,072,969.46
06/30/2045	1,130,000	6.257%	942,929.90	2,072,929.90		2,072,929.90
06/30/2046	1,200,000	6.257%	872,225.80	2,072,225.80		2,072,225.80
06/30/2047	1,275,000	6.257%	797,141.80	2,072,141.80		2,072,141.80
06/30/2048	1,355,000	6.257%	717,365.06	2,072,365.06		2,072,365.06
06/30/2049	1,440,000	6.257%	632,582.70	2,072,582.70		2,072,582.70
06/30/2050	1,530,000	6.257%	542,481.90	2,072,481.90		2,072,481.90
06/30/2051	1,625,000	6.257%	446,749.80	2,071,749.80		2,071,749.80
06/30/2052	1,730,000	6.257%	345,073.56	2,075,073.56		2,075,073.56
06/30/2053	1,835,000	6.257%	236,827.46	2,071,827.46		2,071,827.46
06/30/2054	1,950,000	6.257%	122,011.50	2,072,011.50		2,072,011.50
	88,620,000		52,978,024.82	141,598,024.82	(1,513,465.02)	140,084,559.80

NET DEBT SERVICE BREAKDOWN

UCF Stadium Corporation

Stadium Revenue Bonds, Series 2024 + Contract TDT Revenue Note, Series 2024

Bond Issue assumes 'AA' Insured Taxable Interest Rates (with 'A-' Underlying) as of 2/12/2024

TDT Loan assumes taxable bank interest rate of 6.5%

Targeted Amortization for TDT Loan

Preliminary and Subject to Change

Period Ending	Stadium Revenue Bonds, Series 2024	Contract Tourist Development Tax Revenue Note, Series 2024	Total
06/30/2025			
06/30/2026	2,075,578.40	9,996,225	12,071,803.40
06/30/2027	2,074,366.90	9,998,625	12,072,991.90
06/30/2028	2,072,537.90	9,995,350	12,067,887.90
06/30/2029	2,074,696.04	9,995,100	12,069,796.04
06/30/2030	2,075,541.44	9,995,925	12,071,466.44
06/30/2031	2,074,511.48	9,995,875	12,070,386.48
06/30/2032	2,072,139.78	9,998,000	12,070,139.78
06/30/2033	2,072,324.22	9,995,025	12,067,349.22
06/30/2034	2,070,836.78		2,070,836.78
06/30/2035	2,072,677.42		2,072,677.42
06/30/2036	2,070,362.52		2,070,362.52
06/30/2037	2,070,974.56		2,070,974.56
06/30/2038	2,074,217.42		2,074,217.42
06/30/2039	2,074,794.92		2,074,794.92
06/30/2040	2,072,707.06		2,072,707.06
06/30/2041	2,071,408.26		2,071,408.26
06/30/2042	2,072,055.96		2,072,055.96
06/30/2043	2,074,344.80		2,074,344.80
06/30/2044	2,072,969.46		2,072,969.46
06/30/2045	2,072,929.90		2,072,929.90
06/30/2046	2,072,225.80		2,072,225.80
06/30/2047	2,072,141.80		2,072,141.80
06/30/2048	2,072,365.06		2,072,365.06
06/30/2049	2,072,582.70		2,072,582.70
06/30/2050	2,072,481.90		2,072,481.90
06/30/2051	2,071,749.80		2,071,749.80
06/30/2052	2,075,073.56		2,075,073.56
06/30/2053	2,071,827.46		2,071,827.46
06/30/2054	2,072,011.50		2,072,011.50
	60,114,434.80	79,970,125	140,084,559.80

Stadium Global Amortization Schedule													
FISCAL YEAR	Stadium Series 2015A (Nontaxable)		Stadium Series 2015B (Taxable)		Stadium Series 2015C (Nontaxable)		Stadium Proposed Tourist Development Tax Loan (Taxable)		Stadium Proposed Series 2024A (Taxable)		Total Prinicipal & Interest		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	1,490,000	1,028,169	425,000	354,845	296,000	34,437	-	-	-	-	2,211,000	1,417,450	3,628,450
2025	1,560,000	953,669	440,000	338,185	303,000	27,066	-	813,224	-	700,241	2,303,000	2,832,385	5,135,385
2026	1,640,000	875,669	455,000	320,365	311,000	19,522	6,040,000	3,956,225	395,000	1,680,578	8,841,000	6,852,358	15,693,358
2027	1,725,000	793,669	480,000	298,980	318,000	11,778	6,435,000	3,563,625	415,000	1,659,367	9,373,000	6,327,418	15,700,418
2028	1,780,000	741,919	500,000	276,420	-	3,860	6,850,000	3,145,350	435,000	1,637,538	9,565,000	5,805,086	15,370,086
2029	1,865,000	652,919	525,000	252,920	155,000	3,860	7,295,000	2,700,100	460,000	1,614,696	10,300,000	5,224,494	15,524,494
2030	1,920,000	592,306	550,000	228,245			7,770,000	2,225,925	485,000	1,590,541	10,725,000	4,637,017	15,362,017
2031	2,020,000	496,306	575,000	202,395			8,275,000	1,720,875	510,000	1,564,511	11,380,000	3,984,087	15,364,087
2032	2,095,000	425,606	605,000	172,783			8,815,000	1,183,000	535,000	1,537,140	12,050,000	3,318,529	15,368,529
2033	2,165,000	352,281	635,000	141,625			9,385,000	610,025	565,000	1,507,324	12,750,000	2,611,255	15,361,255
2034	2,240,000	273,800	670,000	108,923					595,000	1,475,837	3,505,000	1,858,560	5,363,560
2035	2,325,000	189,800	705,000	74,418					630,000	1,442,677	3,660,000	1,706,895	5,366,895
2036	2,420,000	96,800	740,000	38,110					665,000	1,405,363	3,825,000	1,540,273	5,365,273
2037									705,000	1,365,975	705,000	1,365,975	2,070,975
2038									750,000	1,324,217	750,000	1,324,217	2,074,217
2039									795,000	1,279,795	795,000	1,279,795	2,074,795
2040									840,000	1,232,707	840,000	1,232,707	2,072,707
2041									890,000	1,181,408	890,000	1,181,408	2,071,408
2042									945,000	1,127,056	945,000	1,127,056	2,072,056
2043									1,005,000	1,069,345	1,005,000	1,069,345	2,074,345
2044									1,065,000	1,007,969	1,065,000	1,007,969	2,072,969
2045									1,130,000	942,930	1,130,000	942,930	2,072,930
2046									1,200,000	872,226	1,200,000	872,226	2,072,226
2047									1,275,000	797,142	1,275,000	797,142	2,072,142
2048									1,355,000	717,365	1,355,000	717,365	2,072,365
2049									1,440,000	632,583	1,440,000	632,583	2,072,583
2050									1,530,000	542,482	1,530,000	542,482	2,072,482
2051									1,625,000	446,750	1,625,000	446,750	2,071,750
2052									1,730,000	345,074	1,730,000	345,074	2,075,074
2053									1,835,000	236,827	1,835,000	236,827	2,071,827
2054									1,950,000	122,012	1,950,000	122,012	2,072,012
Total	25,245,000	7,472,913	7,305,000	2,808,213	1,383,000	100,521	60,865,000	19,918,349	27,755,000	33,059,676	122,553,000	63,359,671	185,912,671



UCFAA West Tower - \$65.0M construction cost; \$88M project cost
DOES NOT INCLUDE BROADCAST RELOCATION OR DEBT SERVICE
03/01/24

DESIGN		
A/E Basic Service Fees - 50% DD (15% - progress print only)		\$570,000
A/E Basic Service Fees - DD (15%)		\$570,000
A/E Basic Service Fees - 50% CD (25%)		\$950,000
A/E Basic Service Fees - 100% CD (20%)		\$760,000
A/E Basic Service Fees - CA (20%)		\$760,000
A/E Basic Service Fees - Turnover, Post Occ (5%)		\$190,000
SUBTOTAL A/E BASIC SERVICE FEES:		\$3,800,000
A/E Add Service - LCCA, Code Consulting		\$85,000
A/E Add Service - Food Service		\$90,000
A/E Add Service - FF&E Design		\$95,000
A/E Add Service - LEED Management		\$50,000
A/E Add Service - Reimbursables (Construction Travel, etc.)		\$200,000
SUBTOTAL A/E ADD SERVICE FEES:		\$520,000
Commissioning		\$100,000
UCF Planning Contingency		\$400,000
DESIGN SUBTOTAL	5.5%	\$4,820,000
PRECONSTRUCTION		
CM Preconstruction Services (Barton Malow Construction)		\$196,589
Insurance Consultant		\$0
Misc. Contingency		\$3,411
PRECONSTRUCTION SUBTOTAL	0.2%	\$200,000
PERMITTING		
Building Permit - BCO base permit fee		\$350,000
State Fire Marshall		\$150,000
Additional Permit Contingency		
PERMITTING SUBTOTAL	0.6%	\$500,000
CONTRACTOR CONSTRUCTION COST		
COST OF WORK		
SUBTOTAL COST OF WORK:		\$53,400,000
FEE, BONDS, INSURANCE, CONTINGENCY:		
SUBTOTAL FEES, BONDS, INSURANCE, CONTINGENCY:		\$11,600,000
CONTRACTOR CONSTRUCTION COST SUBTOTAL	73.9%	\$65,000,000
UCF CONSTRUCTION		
Utilities / Infrastructure		\$50,000
Owner Commissioning		\$0
Multi-Vista		\$30,000
UCF IT Telecom (Outside Plant)		\$2,000,000
Owner work orders, operations support		\$50,000
Owner Contingency - 15%		\$9,500,000
Deductive Change Order Scope Reductions		\$0
DOPO Tax Savings		\$0
UCF CONSTRUCTION SUBTOTAL	13.2%	\$11,630,000
FURNITURE, FIXTURES, & EQUIPMENT		
Furniture, Fixtures, & Equipment (office furniture, equipment, etc.)		\$2,500,000
UCF IT Telecom (Network Electronics)		\$2,000,000
Access Control / Security Cameras Allowance		\$500,000
OIR Audio / Visual Allowance		\$0
Owner FF&E Contingency		\$445,000
FF&E SUBTOTAL	6.2%	\$5,445,000

PREVIOUSLY COMMITTED	=	\$1,356,701
NEEDED NOW TO JUNE 30	=	\$1,183,299
NEEDED JUNE 30 TO NOV 1	=	\$6,816,701
INTERNAL LOAN	=	\$8,000,000

OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
										135,000										135,000													135,000					

2023			2024												2025												2026											
OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
0	0	668,773	0	687,928	0	1,183,299	0	2,481,357	0	4,335,344	0	0	1,674,287	4,466,224	1,601,346	4,037,680	2,410,620	2,794,968	4,105,523	3,552,087	5,644,461	4,862,447	5,985,847	4,089,461	5,113,090	4,056,535	6,768,109	4,222,081	3,458,784	3,044,508	2,544,056	1,982,227	1,403,823	468,647	95,000	95,000	0	0

CONSTRUCTION

ESTIMATED \$8.0M CASH NEEDED BETWEEN NOW AND NOVEMBER 2024

UCF Stadium Corporation
Historical Coverage and 5-Year Projected ProForma

	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Actuals 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Revenues										
Operating revenues										
Ticket sales ¹	\$ 4,362,319	\$ 4,399,535	\$ 1,581,984	\$ 4,229,550	\$ 4,663,761	\$ 4,803,674	\$ 4,947,784	\$ 5,096,218	\$ 5,249,104	\$ 5,406,577
Premium seating ²	2,373,452	2,587,946	940,255	2,595,281	2,866,008	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000
NEW PREMIUM SEATING REVENUES	-	-	-	-	-	-	-	-	2,419,200	2,491,776
Naming rights	800,000	-	-	-	-	-	-	-	-	-
Concessions and Catering ³	589,592	330,608	292,541	677,811	658,500	691,425	725,996	762,296	800,411	840,431
Coke Sponsorship	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
B&N Merchandise Sales and Other Income ⁴	314,620	371,287	369,232	604,296	346,358	375,000	375,000	375,000	375,000	375,000
Total operating revenues	8,619,983	7,869,376	3,364,012	8,286,938	8,714,627	8,900,099	9,078,780	9,263,514	11,873,715	12,143,785
Non-Operating revenues from UCFAA										
NEW TDT REVENUES	-	-	-	-	-	-	10,000,000	10,000,000	10,000,000	10,000,000
Stadium rent	2,121,000	2,121,000	2,121,000	2,121,000	2,121,000	2,121,000	2,121,000	2,121,000	2,121,000	2,121,000
Guaranteed Royalty	-	1,800,000	1,850,000	1,900,000	1,950,000	1,975,000	2,000,000	2,025,000	2,050,000	2,075,000
Non-conference away game guarantees ⁵	200,000	450,000	250,000	350,300	320,000	200,000	800,000	400,000	450,000	500,000
Conference revenue distributions ⁶	2,801,598	2,666,547	5,213,413	5,003,571	9,932,486	20,818,337	20,243,000	38,153,000	39,353,000	41,433,000
Fundraising ⁷	421,820	143,300	510,880	255,080	254,196	255,000	255,000	255,000	255,000	255,000
Total non-operating revenues from UCFAA	5,544,418	7,180,847	9,945,293	9,629,951	14,577,682	25,369,337	35,419,000	52,954,000	54,229,000	56,384,000
Total revenues	14,164,401	15,050,223	13,309,305	17,916,889	23,292,309	34,269,436	44,497,780	62,217,514	66,102,715	68,527,785
Expenses										
Stadium expenses	146,234	38,015	64,538	375,637	35,652	55,000	60,000	60,000	60,000	60,000
Total Expenses	146,234	38,015	64,538	375,637	35,652	55,000	60,000	60,000	60,000	60,000
Net Increase/(decrease) from operations	\$ 14,018,168	\$ 15,012,208	\$ 13,244,767	\$ 17,541,252	\$ 23,256,657	\$ 34,214,436	\$ 44,437,780	\$ 62,157,514	\$ 66,042,715	\$ 68,467,785
Debt Service										
Series 2015A	2,515,419	2,517,169	2,515,919	2,516,669	2,519,169	2,518,169	2,513,669	2,515,669	2,518,669	2,521,919
Series 2015B	778,444	778,544	777,185	779,455	775,235	779,845	778,185	775,365	778,980	776,420
Series 2015C	332,724	330,175	330,502	330,655	330,633	330,437	330,066	330,522	329,778	3,860
TDT Loan	-	-	-	-	-	-	813,224	9,996,225	9,998,625	9,995,350
Series 2024A - New Towers Bonds	-	-	-	-	-	-	700,241	2,075,578	2,074,367	2,072,358
Total Debt Service	3,626,587	3,625,888	3,623,606	3,626,779	3,625,037	3,628,451	5,135,385	15,693,359	15,700,419	15,369,907
Coverage	3.87	4.14	3.66	4.84	6.42	9.43	8.65	3.96	4.21	4.45

1. Ticket Sales assume a 3% price increase per year at approximately 98% of available tickets sold.

2. Premium seating assumes no premium rate changes, but a continued sold out crowd.

3. Concession sales average approximately \$125K per home game. The projected totals for concession income is due to the number of home games anticipated for each fiscal year. Income has increased substantially due to increased alcohol sales in recent years.

4. Other income includes a fixed amount of Barnes and Noble Merchandise Sales at \$250K, plus interest income per year.

5. Away game guarantees are in alignn with Athletics projected game schedules as of the end of FY 23.

6. Conference Distributions are forecasted based on the new Big 12 payment schedule

7. Annual Wayne Densch Pledge of \$255K expires in FY 2029

UCF Stadium Corporation
5-Year Projected Stand Alone ProForma and IRR Calculation

	Projected 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2027-29
Revenues						
Operating revenues						
New Premium Seating Revenues	-	-		2,419,200	2,491,776	2,566,529
New Tourist Development Tax Revenues	-	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total revenues	-	10,000,000	10,000,000	12,419,200	12,491,776	12,566,529
Expenses						
Capitla Project Outlay	-	88,000,000	-	-	-	-
Total Expenses	-	88,000,000	-	-	-	-
Net Increase/(decrease) from operations	\$ -	\$ (78,000,000)	\$ 10,000,000	\$ 12,419,200	\$ 12,491,776	\$ 12,566,529
 TDT Loan	-	813,224	9,996,225	9,998,625	9,995,350	9,995,100
New Towers Bond Series	-	700,241	2,075,578	2,074,367	2,072,358	2,074,696
Total Debt Service	-	1,513,465	12,071,803	12,072,992	12,067,708	12,069,796
 Coverage			0.83	1.03	1.04	1.04
IRR Calculation	10.61%					

The IRR Calculations take into account projected revenues and debt service on the Stadium Expansion project over the 35 year useful life period of the asset.

**UCF STADIUM CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY
OF CENTRAL FLORIDA)**

FINANCIAL STATEMENT

JUNE 30, 2023

UCF STADIUM CORPORATION
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JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
UCF Stadium Corporation
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the UCF Stadium Corporation (the "Corporation"), a direct support organization and component unit of the University of Central Florida, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Crowe LLP

Tampa, Florida
October 17, 2023

**UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The management discussion and analysis (MD&A) provides an overview of the financial position and activities of the UCF Stadium Corporation, (the Corporation), for the years ended June 30, 2023 and should be read in conjunction with the financial statement and notes thereto. The MD&A, and financial statement and notes thereto, are the responsibility of management. The MD&A contains financial activity of the Corporation for the fiscal years ended June 30, 2023 and 2022.

The Corporation is presented as a discrete component unit of the University of Central Florida (the University) and was certified as a direct support organization in December 2005. The purpose of the Corporation is to finance, construct and operate a football stadium on behalf of the University and the UCF Athletics Association, Inc. (the Association).

Pursuant to GASB Statement No. 35, the Corporation's basic financial statement include: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets, deferred outflows of resources, and liabilities of the Corporation, and presents the net position of the Corporation at a specified time. Assets, plus deferred outflows of resources, less liabilities equals net position, which is one indicator of the Corporation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Corporation's financial condition. Restricted net position consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. Unrestricted net position consists of net assets that do not meet the definition of either restricted or net investment in capital assets. The Corporation's liabilities exceeded assets and deferred outflow of resources creating a deficit net position of \$33.0 million at June 30, 2023, primarily due to the transfer of fixed assets to the University from the Corporation's debt refunding in fiscal year 2016. The deficit net position will continue to improve in future years as the Corporation continues to reduce its outstanding long-term debt obligations with pledged revenues from the Association.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

The following summarizes the Corporation's total net position for fiscal years ended June 30:

	<u>2023</u>	<u>2022</u>	<u>Amount</u>	<u>Percentage</u>
Assets				
Current Assets	\$ 7,126,646	\$ 5,630,829	\$ 1,495,817	26.56%
Noncurrent Assets	22,442,702	24,084,186	(1,641,484)	-6.82%
Total Assets	<u>29,569,348</u>	<u>29,715,015</u>	<u>(145,667)</u>	<u>-0.49%</u>
Deferred Outflows	<u>484,810</u>	<u>523,084</u>	<u>(38,274)</u>	<u>-7.32%</u>
Liabilities				
Current Liabilities	6,171,741	5,222,683	949,058	18.17%
Noncurrent Liabilities	33,181,060	35,507,249	(2,326,189)	-6.55%
Total Liabilities	<u>39,352,801</u>	<u>40,729,932</u>	<u>(1,377,131)</u>	<u>-3.38%</u>
Deferred Inflows	<u>23,635,427</u>	<u>25,453,537</u>	<u>(1,818,110)</u>	<u>-7.14%</u>
Net position				
Unrestricted	(32,934,070)	(35,945,370)	3,011,300	-8.38%
Total Net position	<u>\$ (32,934,070)</u>	<u>\$ (35,945,370)</u>	<u>\$ 3,011,300</u>	<u>-8.38%</u>

The Corporation's assets totaled \$29.6 million as of June 30, 2023. This balance reflects a \$0.1 million, or 0.49 percent decrease from the prior fiscal year. The decrease is due to a decrease in the lease receivable partially offset by an increase in the due from the university.

Liabilities totaled \$39.4 million at June 30, 2023. This balance reflects a \$1.4 million, or 3.4 percent decrease from the prior fiscal year. This decrease is primarily due to payments on the Corporation's long-term debt partially offset by an increase in the due to the Association. The increases in the due from university and due to Association are related to excess revenues received from the Association at the end of the fiscal year.

The Corporation has a deficit net position balance of \$33.0 million as of June 30, 2023. This balance reflects a \$3.0 million, or 8.4 percent decrease from the prior fiscal year primarily due to the payments on the Corporation's long-term debt. This deficit net position is expected to decrease over time as the Corporation continues to make annual debt repayments.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The statement of revenues, expenses and changes in net position presents the Corporation's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. GASB Statement No. 35 categorizes revenues and expenses as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value. The majority of the Corporation's revenues and expenses are non-operating revenues and expenses as defined by GASB.

Operating revenue consists primarily of revenues related to the rights granted to donors in connection with luxury suites and club seats located within the football stadium, as well as sponsorship and concession commission revenues. During fiscal year 2020, the Corporation granted sponsorship and advertising rights to the stadium's footprint to the UCF Athletics Association in exchange for an annual guaranteed royalty payment. The term of this agreement is effective July 1, 2019, to June 30, 2024, thereby terminating the prior agreement with Spectrum, and is expected to yield \$9.5 million over the term of the agreement.

Operating expenditures reported for the Corporation include repairs and improvements to the Stadium and other financing related costs. Nonoperating activity consists primarily of interest payments on the Stadium's long-term debt obligations and distributions between the Corporation and the Association.

The following summarizes the Corporation's changes in net position for the fiscal years ended June 30:

Condensed Statements of Revenues, Expenses and Changes in Net Position				
(For the Fiscal Years at June 30)				
	<u>2023</u>	<u>2022</u>	<u>Variance</u>	
			<u>Amount</u>	<u>Percentage</u>
Operating revenues	\$ 3,954,508	\$ 3,453,092	\$ 501,416	14.52%
Operating expenses	<u>35,531</u>	<u>910,301</u>	<u>(874,770)</u>	<u>-96.10%</u>
Operating income	<u>3,918,977</u>	<u>2,542,791</u>	<u>1,376,186</u>	<u>54.12%</u>
Net nonoperating revenues				
(expenses)	<u>(907,677)</u>	<u>(320,785)</u>	<u>(586,892)</u>	<u>182.95%</u>
Change in net position	3,011,300	2,222,006	789,294	35.52%
Net position, beginning of year	<u>(35,945,370)</u>	<u>(38,167,376)</u>	<u>2,222,006</u>	<u>-5.82%</u>
Total Net position	<u><u>\$ (32,934,070)</u></u>	<u><u>\$ (35,945,370)</u></u>	<u><u>\$ 3,011,300</u></u>	<u><u>-8.38%</u></u>

The Corporation's operating revenues totaled \$4.0 million at June 30, 2023. This balance reflects a \$0.5 million increase from the prior fiscal year primarily due to increases in premium seating revenues resulting from a full football game schedule, as we transition to the Big 12 Athletic conference with the stadium at full seating capacity.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

Operating expenses totaled \$0.04 million at June 30, 2023. This balance reflects a \$0.9 million decrease from the prior fiscal year due to a decrease in repair expenses for the football stadium.

Net nonoperating expense totaled \$0.9 million at June 30, 2023. This balance reflects a \$0.5 million increase from the prior fiscal year primarily due to an increase of \$0.2 million in net distributions to the Association after required debt payments are made and \$0.3 million of non-recurring insurance loss proceeds received in the previous fiscal year.

The Corporation's Series 2015A, 2015B, and 2015C refunding revenue bonds are secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, and guaranteed royalty revenue. The Corporation utilized these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Once the covenants attached to the bonds are met, any excess unrestricted funds are distributed back to the Association. Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as non-operating revenues and non-operating expenses, respectively. The net activity from these distributions for the fiscal year ended June 30, 2023, was a \$0.06 million distribution from the Association to the Corporation.

The following table details net activity with the Association for the years ended June 30:

Net Distributions with the UCF Athletic Association, Inc.
(For the Fiscal Years Ended June 30)

	2023	2022	Variance	
			Amount	Percentage
Ticket sales	\$ 4,663,761	\$ 4,229,550	\$ 434,211	10%
Guaranteed royalty payment	1,950,000	1,900,000	50,000	3%
Distributions from the Association	6,613,761	6,129,550	484,211	8%
Association rent	2,121,000	2,121,000	-	0%
Distributions to the Association	(8,798,736)	(7,927,513)	(871,223)	11%
Net Distributions	<u>\$ (63,975)</u>	<u>\$ 323,037</u>	<u>\$ (387,012)</u>	-120%

Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be distributed from the Association to the Corporation unless they are needed to meet the Corporation's annual debt service obligations. In the current fiscal year these revenues, totaling \$7.1 million, were not needed by the Corporation for debt service, or to meet the coverage ratio requirements on the debt.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the Corporation's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Corporation's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the Corporation. Cash flows from noncapital financing activities include changes in the amounts due from related parties. Cash flows from capital and related financing activities include changes associated with long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments and earning income on those investments.

The following summarizes cash flows for the fiscal years ended June 30:

Condensed Statements of Cash Flows
(For the Fiscal Years at June 30)

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	
			<u>Amount</u>	<u>Percentage</u>
Cash flows provided by (used in)				
Operating activities	\$3,682,086	\$2,912,910	\$ 769,176	26.41%
Non-capital financing activities	(382,112)	105,277	(487,389)	-462.96%
Capital and related financing activities	(3,625,038)	(3,626,778)	1,740	-0.05%
Investing activities	607,919	625,239	(17,320)	-2.77%
Net increase (decrease) in cash	<u>282,855</u>	<u>16,648</u>	<u>266,207</u>	<u>1599.03%</u>
Cash and cash equivalents				
Beginning of year	39,595	22,947	16,648	72.55%
End of year	<u>\$ 322,450</u>	<u>\$ 39,595</u>	<u>\$ 282,855</u>	<u>714.37%</u>

DEBT ADMINISTRATION

As of June 30, 2023, the Corporation had \$35.4 million in outstanding revenue bonds. This represents a decrease of \$2.2 million, or 6 percent, from the prior fiscal year. Additional information about the Corporation's long-term debt is presented in Note 4 of the financial statement.

The following summarizes the outstanding revenue bonds for the fiscal years ended June 30:

Long-Term Debt
(For the Fiscal Years Endend June 30)

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	
			<u>Amount</u>	<u>Percentage</u>
Loans Payable	\$ 35,392,060	\$ 37,621,249	\$ (2,229,189)	-5.93%
Total	<u>\$ 35,392,060</u>	<u>\$ 37,621,249</u>	<u>\$ (2,229,189)</u>	<u>-5.93%</u>

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

ECONOMIC OUTLOOK

The Corporation's economic condition is closely tied to that of the Association. The Corporation has enhanced the University's footprint by aiding in the construction of an on-campus stadium, the stadium's east side club expansion, and the student leadership center, and with such, added great value to the University, the Association, and the community as a whole. Despite the impact to the Corporation's net position in fiscal year 2016 due to the transfer of capital assets to the University, the Corporation still maintains a strong ability to fulfill its annual debt service requirements since the debt is secured by pledge revenues from the Association.

REQUEST FOR INFORMATION

The financial statement is designed to provide detailed information on the Corporation's operations to the Corporation's Board, management, investors, creditors, and all others with an interest in the Corporation's financial affairs and to demonstrate the Corporation's accountability for the assets it controls and funds it receives and expends. Questions concerning any of the information provided in this report or any requests for additional financial information should be addressed to Assistant Vice President for DSO Accounting and Financial Reporting, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, FL 32826-3249.

UCF STADIUM CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2023

<u>ASSETS</u>	<u>2023</u>
Current assets	
Lease receivable	\$ 1,641,484
Due from the University of Central Florida	4,998,387
Due from the UCF Athletics Association, Inc.	164,325
Restricted cash and cash equivalents	<u>322,450</u>
Total current assets	7,126,646
Noncurrent assets	
Lease receivable	<u>22,442,702</u>
Total noncurrent assets	22,442,702
Total Assets	<u>29,569,348</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>	
Deferred loss on refunding of debt	<u>484,810</u>
 <u>LIABILITIES</u>	
Current liabilities	
Current portion of long-term debt	2,211,000
Interest payable	472,483
Due to the UCF Athletics Association, Inc.	1,287,373
Due to the University of Central Florida	10,222
Unearned revenue	<u>2,190,663</u>
Total current liabilities	6,171,741
Noncurrent liabilities	
Long-term debt, less current portion	33,181,060
Total Liabilities	<u>39,352,801</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>	
Deferred lease inflow	<u>23,635,427</u>
 <u>NET POSITION</u>	
Unrestricted	(32,934,070)
Total Net Position	<u>\$ (32,934,070)</u>

The accompanying notes to the financial statement
are an integral part of the statement.

UCF STADIUM CORPORATION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>
Operating revenues	
Premium seating	\$ 3,116,008
Commissions	658,500
Sponsorships	180,000
Total operating revenues	<u>3,954,508</u>
Operating expenses	
Services and supplies	<u>35,531</u>
Total operating expenses	<u>35,531</u>
Operating income	<u>3,918,977</u>
Nonoperating revenues (expenses)	
Distributions from the UCF Athletics Association, Inc.	6,613,761
Distributions from the UCF Foundation, Inc.	254,196
Distributions to the UCF Athletics Association, Inc.	(8,798,736)
Investment income	607,919
Interest expense	(1,402,927)
Lease revenue	1,818,110
Total nonoperating revenues (expenses)	<u>(907,677)</u>
Change in net position	<u>3,011,300</u>
Net position, beginning of year	<u>(35,945,370)</u>
Net position, end of year	<u><u>\$ (32,934,070)</u></u>

The accompanying notes to the financial statement
are an integral part of the statement.

UCF STADIUM CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>
Cash flows from operating activities	
Receipts from premium seating	\$ 2,879,117
Receipts from commissions	658,500
Receipts from sponsorships	180,000
Payments to suppliers and others	<u>(35,531)</u>
Net cash provided by operating activities	<u>3,682,086</u>
Cash flows from noncapital financing activities	
Net change in funds held by the University of Central Florida	(1,550,922)
Distributions from the UCF Athletics Association, Inc.	6,775,095
Distributions from the UCF Foundation, Inc.	254,196
Distributions to the UCF Athletics Association, Inc.	(7,688,813)
Lease revenue	<u>1,818,110</u>
Net cash used in noncapital financing activities	<u>(392,334)</u>
Cash flows from capital and related financing activities	
Payments on long-term debt	(2,114,000)
Interest paid	<u>(1,511,038)</u>
Net cash used in capital and related financing activities	<u>(3,625,038)</u>
Cash flows from investing activities	
Investment income received	618,141
Net increase in cash and cash equivalents	<u>282,855</u>
Cash and cash equivalents, beginning of year	39,595
Cash and cash equivalents, end of year	<u>\$ 322,450</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 3,918,977
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Unearned revenue	<u>(236,891)</u>
Net cash provided by operating activities	<u>\$ 3,682,086</u>

The accompanying notes to the financial statement
are an integral part of the statement.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(1) Summary of Significant Accounting Policies:

The following is a summary of the significant accounting policies and practices of the UCF Stadium Corporation (the Corporation), which affect significant elements of the accompanying financial statement:

(a) **Reporting entity**—The Corporation is a not-for-profit entity incorporated on October 26, 2005. The Corporation was created by the University of Central Florida (the University), as a direct support organization of the University whose purpose is to construct, operate and maintain the football stadium for and on behalf of the University and the UCF Athletics Association, Inc. (the Association). As a direct support organization and component unit of the University, the Corporation operates for the service and convenience of the University. The Corporation is presented as a discrete component unit of the University on the University's financial statement. The name of the Corporation was changed to UCF Stadium Corporation from Golden Knights Corporation during the year ended June 30, 2015.

(b) **Financial statement presentation**—The Corporation's financial statement is presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended, which requires the Corporation to present:

- ◆ Management's Discussion and Analysis
- ◆ Basic Financial Statement:
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statement

(c) **Basis of accounting**—Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, and liabilities are recognized in the accounts and reported in the financial statement. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Corporation's financial statement is presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The Corporation follows GASB standards of accounting and financial reporting.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. The statement of revenues, expenses and changes in net position is presented in a format which distinguishes operating revenues and expenses from non-operating items. Operating revenues are defined as revenues generated from the primary mission of the Corporation; and include revenues generated from premium seating, commissions and sponsorships. Operating revenues normally, but not always, result from exchange transactions defined as revenues received in exchange for a good or service. Non-operating revenues are defined as revenues not derived from the basic mission operations of the Corporation.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(1) Summary of Significant Accounting Policies: (Continued)

Nonoperating revenues normally, but not always, result from non-exchange transactions, defined as value received with no good or service exchanged. The statement of cash flows is presented using the direct method in compliance with GASB standards of accounting and financial reporting.

(d) **Cash and cash equivalents**—Amounts reported as cash and cash equivalents consist of cash on hand, cash held by a trust institution and invested in money market funds, and investments with original maturities of three months or less. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

(e) **Due From the University of Central Florida**—The amounts recorded as Due from the University of Central Florida include funds held by the University on behalf of the Corporation.

(f) **Capital assets**—The Corporation has no capital assets at June 30, 2023. The Corporation's capital assets previously consisted of furniture and equipment; and works of art and historical treasures. Those assets were capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset were capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The Corporation has a capitalization threshold of \$5,000 for furniture and equipment additions and a threshold of \$100,000 for new buildings and improvements. Depreciation is computed on the straight-line basis over estimated useful lives ranging from 5 to 39 years.

(g) **Revenue recognition**—Association rent and guaranteed royalty payments are recognized as earned. Premium seating, ticket sales, commission, and sponsorship revenues are recognized as revenue at the time the event takes place.

(h) **Unearned revenue**—Unearned revenue consists of advance payments related to luxury suites and club seats in the football stadium. Suite and premium seating revenue is recognized in the period the athletic event occurs.

(i) **Deferred outflows of resources**—The unrestricted net position includes the effect of recognizing a deferred outflow of resources from the loss on the Series 2006A, 2006B and 2014 debt refundings. The balance of the deferred outflow of resources was \$484,810 at June 30, 2023. The deferred loss on refunding will be amortized as a component of interest expense over the life of the remaining debt.

(j) **Net position**—The Corporation's net position is classified as follows:

- **Restricted net position** – This represents the Corporation's resources that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. According to authoritative discussions in the GASB 34 Implementation Guide exercise for calculating net position balances for governmental activities, if the liabilities relating to the restricted assets are greater than those assets, then no balance would be reported as restricted net position. The negative amount would be reported as a reduction to unrestricted net position. The Corporation does not have any restricted net position for 2023.
- **Unrestricted net position** – This represents Corporation resources which do not meet the definition of "restricted" or "net investment in capital assets."

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(1) Summary of Significant Accounting Policies: (Continued)

- Net investment in capital assets – This represents the net amount invested in capital assets (original cost, net of accumulated depreciation and net of capital related debt).

There was no net investment in capital assets at June 30, 2023. When both restricted and unrestricted net position is available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

(k) **Income taxes**—The Corporation is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statement.

When required, the Corporation files income tax returns in the U.S. federal jurisdiction and in the state of Florida. The Corporation's income tax returns for the past three years are subject to examination by the tax authorities, and may change upon examination.

The Corporation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statement of the Corporation.

(l) **Use of estimates**—The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities along with disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Cash Equivalents:

The Corporation's restricted cash shown on the statement of net position represents cash held by the Corporation's trustee in the Corporation's name. These funds consist of funds held for debt service payments and funds held for construction as required in the trust indenture. For the year ended June 30, 2023 the cash was invested in a government money market fund. The value of cash and cash equivalents held at the institution on June 30, 2023, was \$322,450.

The Corporation has cash invested by the University of \$4,998,387 at June 30, 2023. The amounts are included in Due From the University of Central Florida on the accompanying statement of net position. Investment income shown on the statement of revenues, expenses and changes in net position includes interest earned on the cash held by a trust institution, as well as realized gains/losses allocated from the University on funds held and invested on behalf of the Corporation.

Section 1011.42(5), *Florida Statutes*, authorizes universities and their component units to invest funds with the State Treasury and State Board of Administration, and requires that these entities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities and their component units are subject to the requirements of Chapter 218, Part IV, *Florida Statutes*. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University investment manual. Pursuant

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(2) **Cash and Cash Equivalents:** (Continued)

to Section 218.415(16), *Florida Statutes*, the Corporation is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, *Florida Statutes*; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The money market funds invest in diversified portfolios of high-quality, dollar-denominated short-term debt securities.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation's investments in securities must provide sufficient liquidity to pay obligations as they come due.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's investment policy and manual provides information on asset classes, target allocations, and ranges of acceptable investment categories.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to manage the custodial credit risk, the University's investment policy specifies certain requirements to pre-qualify financial institutions and brokers/dealers. The Corporation's investments are held by a third-party custodian, not in the name of the Corporation.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(3) **Concentrations of Credit Risk:**

The Corporation has no policy requiring collateral or other security to support receivables from related parties, as described in Note 6.

Related party receivables and payables are as follows at June 30:

	2023
Due from the University of Central Florida	\$4,998,387
Due from the UCF Athletics Association, Inc.	164,325
Due to the University of Central Florida	(10,222)
Due to the UCF Athletics Association, Inc.	(1,287,373)

(4) **Long-term Obligations:**

In December 2015, the Corporation issued Series 2015A tax-exempt refunding revenue bonds for \$33,995,000 with a net premium of \$2,332,576, Series 2015B taxable refunding revenue bonds for \$10,250,000, and a Series 2015C non-taxable refunding revenue bond for \$3,810,000 (the 2015 debt issue). The Series 2015A and Series 2015B bonds were issued as publicly traded bonds and the Series 2015C bonds were issued as a direct borrowing with a bank. These bonds were issued to refund and replace the Corporation's Series 2006A, 2006B, and 2014 Certificates of Participation. The refunding bonds include both term and serial bonds and are secured by a pledge from the Association of gross ticket revenues, Association rent, away game guarantees, conference distributions, sponsorship, and guaranteed royalty revenues. Principal and interest payments were made in accordance with the schedule set forth at the time of issuance and bear fixed interest rates that range from 2.49 percent to 5.15 percent, and maturity dates that range from March 2029 to March 2036.

The extinguishment of the defeased certificates terminated the ground lease between the Corporation and the University. All the related building and building improvements assets on the leased land transferred to the University.

Distributions of pledged revenues from the UCF Athletic Association Inc. at June 30, 2023 are as follows:

	2023
Ticket sales	\$ 4,663,761
Guaranteed royalty payment	1,950,000
Distributions from the Association	6,613,761
Association rent	2,121,000
Distributions to the Association	(8,798,736)
Net Distributions	<u>\$ (63,975)</u>

Note 8 contains additional information about the Association rent.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(4) **Long-term Obligations:** (Continued)

The following is a schedule of future principal and interest payments for the Series 2015A, Series 2015B and 2015C revenue bonds as of June 30, 2023:

	Direct Borrowings Payable		Other Bonds Payable		Total Principal and Interest
	Principal	Interest	Principal	Interest	
2024	\$ 296,000	\$ 34,437	\$ 1,915,000	\$ 1,383,014	\$ 3,628,451
2025	303,000	27,066	2,000,000	1,291,854	3,621,920
2026	311,000	19,522	2,095,000	1,196,034	3,621,556
2027	318,000	11,778	2,205,000	1,092,649	3,627,427
2028	-	3,860	2,280,000	1,018,339	3,302,199
2029-2033	155,000	3,860	12,955,000	3,517,386	16,631,246
2034-2036	-	-	9,100,000	781,850	9,881,850
Subtotals	<u>1,383,000</u>	<u>100,523</u>	<u>32,550,000</u>	<u>10,281,126</u>	<u>44,314,649</u>
Plus: Unamortized Bond Premium	-	-	1,459,060	-	1,459,060
Total	<u>\$ 1,383,000</u>	<u>\$ 100,523</u>	<u>\$ 34,009,060</u>	<u>\$ 10,281,126</u>	<u>\$ 45,773,709</u>

The University entered into a support agreement such that it will fund certain deficiencies that may arise in the event the Corporation is unable to make the minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent that it has legally available revenues to cover the unpaid amounts.

With each of the Corporation's debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of thirty days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the Corporation's debt is not subject to any acceleration clauses.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(4) **Long-term Obligations:** (Continued)

Changes in long-term debt for the year ended June 30, 2023, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Direct Borrowings:					
Revenue bonds	\$ 1,672,000	\$ -	\$ (289,000)	\$ 1,383,000	\$ 296,000
Total Direct Borrowings:	<u>\$ 1,672,000</u>	<u>\$ -</u>	<u>\$ (289,000)</u>	<u>\$ 1,383,000</u>	<u>\$ 296,000</u>
Other Debt:					
Revenue bonds	\$ 34,375,000	\$ -	\$ (1,825,000)	\$ 32,550,000	\$ 1,915,000
Unamortized premiums	1,574,249	-	(115,189)	1,459,060	-
Total Other Debt	<u>\$ 35,949,249</u>	<u>\$ -</u>	<u>\$ (1,940,189)</u>	<u>\$ 34,009,060</u>	<u>\$ 1,915,000</u>
Total Long-Term Debt	<u>\$ 37,621,249</u>	<u>\$ -</u>	<u>\$ (2,229,189)</u>	<u>\$ 35,392,060</u>	<u>\$ 2,211,000</u>

The Corporation amortized \$115,189 of the bond premium to interest expense for the year ended June 30, 2023. Bond premiums are amortized on an annual basis using the straight-line method, which is materially consistent with the effective interest method. Interest expense was \$1,402,927 for fiscal year ended June 30, 2023 and is presented on the statement of revenues, expenses and changes in net position.

(5) **Commitments:**

The Corporation has a Management and Use Agreement with the Association to operate, manage and maintain the football stadium as part of the University's football program which is administered by the Association. As discussed in Note 4, the Association pledged gross ticket revenues, rent, away game guarantees, conference distributions, and guaranteed royalty revenues to the Corporation to meet the obligations of the revenue bonds. Once the covenants attached to the revenue bonds are met, any excess unrestricted funds are distributed back to the Association.

(6) **Related Party Transactions:**

As set forth in the trust indenture related to the 2015 debt issue (as more fully described in Note 4 above), the debt is secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, and guaranteed royalty revenues. The Corporation utilizes these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be transferred by the Association unless they are needed to meet the Corporation's annual debt service obligations. Funds remaining after all debt covenants are met, are distributed from the Corporation to the Association.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(6) **Related Party Transactions:** (Continued)

Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as nonoperating revenues and non-operating expenses, respectively.

In September 2015, the Corporation entered into a Fundraising Agreement with the Foundation concurrent with the 2015 debt issuances. In accordance with this agreement the Foundation works with the Association regarding the lease of luxury suites and club seats located at the stadium as well as managing the capital gift campaign designated for the stadium. Any funds collected by the Foundation are remitted to the Corporation. Receipts from the Foundation related to suites and club seats are recorded as premium seating in operating revenues and receipts related to capital gifts are recorded as distributions from the Foundation in nonoperating revenues.

As discussed in Note 4, *Long-Term Obligations*, the Corporation entered into a support agreement with the University, such that the University will fund certain deficiencies that may arise in the event the Corporation is unable to make minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent it has legally available revenue to cover the unpaid amounts.

(7) **Deficit Net Position:**

The Corporation has a deficit net position for the year ended June 30, 2023, of \$32,934,070. This deficit balance can be attributed to the transfer of all building and building improvement assets to the University as a result of the termination of the ground lease between the Corporation and the University with the December 2015 debt refunding. The Corporation's related debt was previously included as a component of the net investment in capital assets portion of net position but are now included as a component of unrestricted net position. The Corporation's debt balances reflected as a component of unrestricted net position for the year ended June 30, 2023, was \$34,907,250.

(8) **Leases Paid to the Corporation:**

As discussed in Note 5 Commitments, The Corporation has a Management and Use Agreement with the Association to operate, manage and maintain the football stadium as part of the University's football program which is administered by the Association. The agreement extends through June 30, 2036 to coincide with the maturity date on the debt held by the Corporation. As previously mentioned, the annual rent payments are pledged to repay outstanding debt. The Corporation adopted the requirements of GASB Statement No. 87, Leases effective July 1, 2021. With the implementation of this standard, a deferred lease inflow of \$27,271,647 was recorded on the statement of net position and is being amortized to lease revenue on a straight-line basis over the term of the lease. Total investment income of \$607,919 includes \$511,560 recorded at the end of the fiscal year per GASB 87 as presented on the statement of revenues, expenses and changes in net position at June 30, 2023.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

(8) Leases Paid to the Corporation: (Continued)

At June 30, 2023, approximate future minimum rental payments to be received under non-cancellable lease of the football stadium to the Association are as follows:

Fiscal Year Ending June 30	Lessor (Landlord)	Total	Related Parties	
			Principal	Interest
2024	Stadium Corporation	\$ 2,121,000	\$ 1,641,484	\$ 479,516
2025	Stadium Corporation	2,121,000	1,674,166	446,834
2026	Stadium Corporation	2,121,000	1,707,498	413,502
2027	Stadium Corporation	2,121,000	1,741,495	379,505
2028	Stadium Corporation	2,121,000	1,776,168	344,832
2029 - 2033	Stadium Corporation	10,605,000	9,425,586	1,179,414
2034 - 2038	Stadium Corporation	6,363,000	6,117,789	245,211
Total Minimum Lease Payments		\$ 27,573,000	\$ 24,084,186	\$ 3,488,814

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the UCF Stadium Corporation (the "Corporation"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
October 17, 2023

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have examined the UCF Stadium Corporation's (the "Corporation") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended June 30, 2023. Management of the Corporation is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements contained in Section 218.415, *Florida Statutes*, during the year ended June 30, 2023.

The purpose of this report is solely to comply with Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
October 17, 2023

**UCF STADIUM CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY
OF CENTRAL FLORIDA)**

FINANCIAL STATEMENT

JUNE 30, 2022

UCF STADIUM CORPORATION
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JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
UCF Stadium Corporation
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the UCF Stadium Corporation (the "Corporation"), a direct support organization and component unit of the University of Central Florida, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2022, the Corporation adopted new accounting guidance, GASB Statement No. 87, Leases. There was no impact to net position as of July 1, 2021 as a result of adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Crowe LLP

Tampa, Florida
December 15, 2022

**UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The management discussion and analysis (MD&A) provides an overview of the financial position and activities of the UCF Stadium Corporation, (the Corporation), for the year ended June 30, 2022, and should be read in conjunction with the financial statement and notes thereto. The MD&A, and financial statement and notes thereto, are the responsibility of management. The MD&A contains financial activity of the Corporation for the fiscal year ended June 30, 2022.

The Corporation is presented as a discrete component unit of the University of Central Florida (the University) and was certified as a direct support organization in December 2005. The purpose of the Corporation is to finance, construct and operate a football stadium on behalf of the University and the UCF Athletics Association, Inc. (the Association).

Pursuant to GASB Statement No. 35, the Corporation's basic financial statement include: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets, deferred outflows of resources, and liabilities of the Corporation, and presents the net position of the Corporation at a specified time. Assets, plus deferred outflows of resources, less liabilities equals net position, which is one indicator of the Corporation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Corporation's financial condition. Restricted net position consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. Unrestricted net position consists of net assets that do not meet the definition of either restricted or net investment in capital assets. The Corporation's liabilities exceeded assets and deferred outflow of resources creating a deficit net position of \$36 million at June 30, 2022, primarily due to the transfer of fixed assets to the University from the Corporation's debt refunding in fiscal year 2016. The deficit net position will continue to improve in future years as the Corporation continues to reduce its outstanding long-term debt obligations with pledged revenues from the Association.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022
(Continued)

The following summarizes the Corporation's total net position for fiscal years ended June 30:

Condensed Statement of Net Position (For the Fiscal Years at June 30)				
	2022	2021	Variance	
			Amount	Percentage
Assets				
Current assets	\$ 5,630,829	\$ 3,826,942	\$ 1,803,887	47%
Noncurrent assets	24,084,186	-	24,084,186	
Total Assets	<u>29,715,015</u>	<u>3,826,942</u>	<u>25,888,073</u>	676%
 Deferred outflows	 <u>523,084</u>	 <u>561,359</u>	 <u>(38,275)</u>	 -7%
 Liabilities				
Current liabilities	5,222,683	4,819,239	403,444	8%
Noncurrent liabilities	35,507,249	37,736,438	(2,229,189)	-6%
Total Liabilities	<u>40,729,932</u>	<u>42,555,677</u>	<u>(1,825,745)</u>	-4%
 Deferred inflows	 <u>25,453,537</u>	 <u>-</u>	 <u>25,453,537</u>	
 Net Position				
Unrestricted	(35,945,370)	(38,167,376)	2,222,006	-6%
Total Net Position	<u>\$ (35,945,370)</u>	<u>\$ (38,167,376)</u>	<u>\$ 2,222,006</u>	-6%

The Corporation's assets totaled \$29.7 million as of June 30, 2022. This balance reflects a \$25.9 million, or 676 percent increase from the prior fiscal year. This is primarily due to an increase of \$25.7 million in lease receivables in accordance with the adoption of GASB 87.

Liabilities totaled \$40.7 million at June 30, 2022. This balance reflects a \$1.8 million, or 4.3 percent decrease from the prior fiscal year primarily due to payments on the Corporation's long-term debt.

The Corporation has a deficit net position balance of \$36 million as of June 30, 2022. This balance reflects a \$2.2 million, or 5.8 percent decrease from the prior fiscal year primarily due to the payments on the Corporation's long-term debt. This deficit net position is expected to decrease over time as the Corporation continues to make annul debt repayments.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022
(Continued)

THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The statement of revenues, expenses and changes in net position presents the Corporation's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. GASB Statement No. 35 categorizes revenues and expenses as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value. The majority of the Corporation's revenues and expenses are non-operating revenues and expenses as defined by GASB.

Operating revenue consists primarily of revenues related to the rights granted to donors in connection with luxury suites and club seats located within the football stadium, as well as sponsorship revenues. During fiscal year 2020, the Corporation granted sponsorship and advertising rights to the stadium's footprint to the UCF Athletics Association in exchange for an annual guaranteed royalty payment. The term of this agreement is effective July 1, 2019, to June 30, 2024, thereby terminating the prior agreement with Spectrum, and is expected to yield \$9.5 million over the term of the agreement.

Operating expenditures reported for the Corporation include repairs and improvements to the Stadium and other financing related costs. Nonoperating activity consists primarily of interest payments on the Stadium's long-term debt obligations and distributions between the Corporation and the Association.

The following summarizes the Corporation's changes in net position for the fiscal years ended June 30:

Condensed Statement of Revenues, Expenses and Changes in Net Position (For Fiscal Years Ended June 30)				
	2022	2021	Variance Amount	Percentage
Operating revenues	\$ 3,453,092	\$ 1,735,086	\$ 1,718,006	99%
Operating expenses	<u>910,301</u>	<u>1,174,035</u>	<u>(263,734)</u>	-22%
Operating income	<u>2,542,791</u>	<u>561,051</u>	<u>1,981,740</u>	353%
Net nonoperating revenues (expenses)	(320,785)	692,027	(1,012,812)	-146%
Increase (decrease) in net position	2,222,006	1,253,078	968,928	77%
Net position, beginning of year	<u>(38,167,376)</u>	<u>(39,420,454)</u>	<u>1,253,078</u>	-3%
Net position, end of year	<u><u>\$ (35,945,370)</u></u>	<u><u>\$ (38,167,376)</u></u>	<u><u>\$ 2,222,006</u></u>	-6%

The Corporation's operating revenues totaled \$3.5 million at June 30, 2022. This balance reflects a \$1.7 million increase from the prior fiscal year primarily due to increases in premium seating revenues resulting from a full football game schedule, and the university campus returning to normal operations to allow full participation in athletic and social events across the campus community with multiple safety precautions.

Operating expenses totaled \$0.9 million at June 30, 2022. This balance reflects a \$0.3 million decrease from the prior fiscal year due to a decrease in repair expenses for the football stadium. Expenses prior year were funded by the settlement proceeds received in fiscal year 2020.

Net nonoperating expense totaled \$0.3 million at June 30, 2022. This balance reflects a \$1 million decrease from the prior fiscal year primarily due to an increase of \$2.6 million in net distributions from the

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022
(Continued)

Association offset by an increase in revenue distributions after required debt payments and are consistent with pre-pandemic transfers.

The Corporation's Series 2015A, 2015B, and 2015C refunding revenue bonds are secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, and guaranteed royalty revenue. The Corporation utilized these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Once the covenants attached to the bonds are met, any excess unrestricted funds are distributed back to the Association. Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as non-operating revenues and non-operating expenses, respectively. The net activity from these distributions for the fiscal year ended June 30, 2022, was a \$0.3 million distribution from the Association to the Corporation.

The following table details net activity with the Association for the years ended June 30:

Net Distributions with the UCF Athletic Association, Inc.				
(For the Fiscal Years Ended June 30)				
	2022	2021	Variance	
			Amount	Percentage
Ticket sales	\$ 4,229,550	\$ 1,645,316	\$ 2,584,234	157%
Association rent	2,121,000	2,121,000	-	-
Guaranteed royalty payment	1,900,000	1,850,000	50,000	3%
Distributions from the Association	<u>6,129,550</u>	<u>5,616,316</u>	513,234	9%
Distributions to the Association	<u>(7,927,513)</u>	<u>(3,903,363)</u>	<u>(4,024,150)</u>	103%
Net Distributions	<u>\$ 323,037</u>	<u>\$ 1,712,953</u>	<u>\$ (1,389,916)</u>	-81%

Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be distributed from the Association to the Corporation unless they are needed to meet the Corporation's annual debt service obligations. In the current fiscal year these revenues, totaling \$5.4 million, were not needed by the Corporation for debt service, or to meet the coverage ratio requirements on the debt.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022
(Continued)

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the Corporation's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Corporation's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the Corporation. Cash flows from noncapital financing activities include changes in the amounts due from related parties. Cash flows from capital and related financing activities include changes associated with long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments and earning income on those investments.

The following summarizes cash flows for the fiscal years ended June 30:

Condensed Statements of Cash Flows (For the Fiscal Years Ended June 30)				
	2022	2021	Variance	
			Amount	Percentage
Cash flows provided by (used in)				
Operating activities	\$ 2,912,910	\$ 855,281	\$ 2,057,629	241%
Non-capital financing activities	105,277	2,627,857	(2,522,580)	-96%
Capital and related financing activities	(3,626,778)	(3,623,606)	(3,172)	0%
Investing activities	625,239	46,942	578,297	1232%
Net increase (decrease) in cash	16,648	(93,526)	110,174	118%
Cash and cash equivalents				
Beginning of year	22,947	116,473	(93,526)	-80%
End of year	<u>\$ 39,595</u>	<u>\$ 22,947</u>	<u>\$ 16,648</u>	<u>773%</u>

DEBT ADMINISTRATION

As of June 30, 2022, the Corporation had \$37.6 million in outstanding revenue bond. This represents a decrease of \$2.1 million, or 5.4 percent, from the prior fiscal year. Additional information about the Corporation's long-term debt is presented in Note 4 of the financial statement.

The following summarizes the outstanding revenue bonds for the fiscal years ended June 30:

Long-Term Debt (For the Fiscal Years Ended June 30)				
	2022	2021	Variance	
			Amount	Percentage
Revenue bonds	\$ 37,621,249	\$ 39,763,438	\$ (2,142,189)	-5%
Total	<u>\$ 37,621,249</u>	<u>\$ 39,763,438</u>	<u>\$ (2,142,189)</u>	<u>-5%</u>

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022
(Continued)

ECONOMIC OUTLOOK

The Corporation's economic condition is closely tied to that of the Association. The Corporation has enhanced the University's footprint by aiding in the construction of an on-campus stadium, the stadium's east side club expansion, and the student leadership center, and with such, added great value to the University, the Association, and the community as a whole. Despite the impact to the Corporation's net position in fiscal year 2016 due to the transfer of capital assets to the University, the Corporation still maintains a strong ability to fulfill its annual debt service requirements since the debt is secured by pledge revenues from the Association. During the 2020 fiscal year, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. Based on guidance from the Board of Governors and in collaboration with other state universities the university have returned to normal operations to allow full participation in athletic and social events across the campus community. In keeping with these expectations, the pandemic is not expected to have an impact on the net results of the Corporation for fiscal year 2023. However, the extent to which the coronavirus will impact the Corporation's financial results will depend on future developments in the severity of and required response to the pandemic.

REQUEST FOR INFORMATION

The financial statement is designed to provide detailed information on the Corporation's operations to the Corporation's Board, management, investors, creditors, and all others with an interest in the Corporation's financial affairs and to demonstrate the Corporation's accountability for the assets it controls and funds it receives and expends. Questions concerning any of the information provided in this report or any requests for additional financial information should be addressed to Assistant Vice President for DSO Accounting and Financial Reporting, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, FL 32826-3249.

UCF STADIUM CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2022

<u>ASSETS</u>	<u>2022</u>
Current assets	
Lease receivable	\$ 1,609,440
Due from the University of Central Florida	3,447,465
Due from the UCF Athletics Association, Inc.	534,329
Restricted cash and cash equivalents	39,595
Total current assets	<u>5,630,829</u>
Noncurrent assets	
Lease receivable	<u>24,084,186</u>
Total noncurrent assets	<u>24,084,186</u>
Total Assets	<u><u>29,715,015</u></u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>	
Deferred loss on refunding of debt	<u>523,084</u>
 <u>LIABILITIES</u>	
Current liabilities	
Current portion of long-term debt	2,114,000
Interest payable	503,679
Due to the UCF Athletics Association, Inc.	177,450
Unearned revenue	2,427,554
Total current liabilities	<u>5,222,683</u>
Noncurrent liabilities	
Long-term debt, less current portion	35,507,249
Total Liabilities	<u>40,729,932</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>	
Deferred lease inflow	<u>25,453,537</u>
 <u>NET POSITION</u>	
Unrestricted	(35,945,370)
Total Net Position	<u><u>\$ (35,945,370)</u></u>

The accompanying notes to the financial statement
are an integral part of the statement.

UCF STADIUM CORPORATION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>
Operating revenues	
Premium seating	\$ 2,595,281
Commissions	677,811
Sponsorships	180,000
Total operating revenues	<u>3,453,092</u>
Operating expenses	
Services and supplies	910,301
Total operating expenses	<u>910,301</u>
Operating income	<u>2,542,791</u>
Nonoperating revenues (expenses)	
Distributions from the UCF Athletics Association, Inc.	6,129,550
Distributions from the UCF Foundation, Inc.	255,080
Distributions to the UCF Athletics Association, Inc.	(7,927,513)
Investment income	625,239
Interest expense	(1,493,284)
Lease revenue	1,818,110
Loss claim proceeds	272,033
Total nonoperating revenues (expenses)	<u>(320,785)</u>
Change in net position	<u>2,222,006</u>
Net position, beginning of year	<u>(38,167,376)</u>
Net position, end of year	<u>\$ (35,945,370)</u>

The accompanying notes to the financial statement
are an integral part of the statement.

UCF STADIUM CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022
Cash flows from (to) operating activities	
Receipts from premium seating	\$ 2,965,400
Receipts from commissions	677,811
Receipts from sponsorships	180,000
Payments to suppliers and others	(910,301)
Net cash provided by operating activities	<u>2,912,910</u>
Cash flows from (to) noncapital financing activities	
Net change in funds held by the University of Central Florida	(1,830,896)
Distributions from the UCF Athletics Association, Inc.	7,814,591
Distributions from the UCF Foundation, Inc.	255,080
Distributions to the UCF Athletics Association, Inc.	(7,951,608)
Lease revenue	1,818,110
Net cash provided by (used in) noncapital financing activities	<u>105,277</u>
Cash flows from capital and related financing activities	
Payments on long-term debt	(2,027,000)
Interest paid	(1,599,778)
Net cash used in capital and related financing activities	<u>(3,626,778)</u>
Cash flows from investing activities	
Investment income received	625,239
Net increase (decrease) in cash and cash equivalents	<u>16,648</u>
Cash and cash equivalents, beginning of year	22,947
Cash and cash equivalents, end of year	<u>\$ 39,595</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,542,791
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Unearned revenue	370,119
Net cash provided by operating activities	<u>\$ 2,912,910</u>

The accompanying notes to the financial statement
are an integral part of the statement.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

(1) Summary of Significant Accounting Policies:

The following is a summary of the significant accounting policies and practices of the UCF Stadium Corporation (the Corporation), which affect significant elements of the accompanying financial statement:

(a) **Reporting entity**—The Corporation is a not-for-profit entity incorporated on October 26, 2005. The Corporation was created by the University of Central Florida (the University), as a direct support organization of the University whose purpose is to construct, operate and maintain the football stadium for and on behalf of the University and the UCF Athletics Association, Inc. (the Association). As a direct support organization and component unit of the University, the Corporation operates for the service and convenience of the University. The Corporation is presented as a discrete component unit of the University on the University's financial statement. The name of the Corporation was changed to UCF Stadium Corporation from Golden Knights Corporation during the year ended June 30, 2015.

(b) **Financial statement presentation**—The Corporation's financial statement is presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended, which requires the Corporation to present:

- ◆ Management's Discussion and Analysis
- ◆ Basic Financial Statement:
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statement

(c) **Basis of accounting**—Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, and liabilities are recognized in the accounts and reported in the financial statement. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Corporation's financial statement is presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The Corporation follows GASB standards of accounting and financial reporting.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. The statement of revenues, expenses and changes in net position is presented in a format which distinguishes operating revenues and expenses from non-operating items. Operating revenues are defined as revenues generated from the primary mission of the Corporation; and include revenues generated from premium seating, commissions and sponsorships. Operating revenues normally, but not always, result from exchange transactions defined as revenues received in exchange for a good or service. Non-operating revenues are defined as revenues not derived from the basic mission operations of the Corporation.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

(1) Summary of Significant Accounting Policies: (Continued)

Nonoperating revenues normally, but not always, result from non-exchange transactions, defined as value received with no good or service exchanged. The statement of cash flows is presented using the direct method in compliance with GASB standards of accounting and financial reporting.

(d) **Cash and cash equivalents**—Amounts reported as cash and cash equivalents consist of cash on hand, cash held by a trust institution and invested in money market funds, and investments with original maturities of three months or less. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

(e) **Due From the University of Central Florida**—The amounts recorded as Due from the University of Central Florida include funds held by the University on behalf of the Corporation.

(f) **Capital assets**—The Corporation has no capital assets at June 30, 2022. The Corporation's capital assets previously consisted of furniture and equipment; and works of art and historical treasures. Those assets were capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset were capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The Corporation has a capitalization threshold of \$5,000 for furniture and equipment additions and a threshold of \$100,000 for new buildings and improvements. Depreciation is computed on the straight-line basis over estimated useful lives ranging from 5 to 39 years.

(g) **Revenue recognition**—Association rent and guaranteed royalty payments are recognized as earned. Premium seating, ticket sales, commission, and sponsorship revenues are recognized as revenue at the time the event takes place.

(h) **Unearned revenue**—Unearned revenue consists of advance payments related to luxury suites and club seats in the football stadium. Suite and premium seating revenue is recognized in the period the athletic event occurs.

(i) **Deferred outflows of resources**—The unrestricted net position includes the effect of recognizing a deferred outflow of resources from the loss on the Series 2006A, 2006B and 2014 debt refundings. The balance of the deferred outflow of resources was \$523,084 at June 30, 2022. The deferred loss on refunding will be amortized as a component of interest expense over the life of the remaining debt.

(j) **Net position**—The Corporation's net position is classified as follows:

- **Restricted net position** – This represents the Corporation's resources that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. According to authoritative discussions in the GASB 34 Implementation Guide exercise for calculating net position balances for governmental activities, if the liabilities relating to the restricted assets are greater than those assets, then no balance would be reported as restricted net position. The negative amount would be reported as a reduction to unrestricted net position. The Corporation does not have any restricted net position for 2022.
- **Unrestricted net position** – This represents Corporation resources which do not meet the definition of "restricted" or "net investment in capital assets."

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

(1) **Summary of Significant Accounting Policies:** (Continued)

- Net investment in capital assets – This represents the net amount invested in capital assets (original cost, net of accumulated depreciation and net of capital related debt).

There was no net investment in capital assets at June 30, 2022. When both restricted and unrestricted net position is available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

(k) **Income taxes**—The Corporation is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statement.

When required, the Corporation files income tax returns in the U.S. federal jurisdiction and in the state of Florida. The Corporation's income tax returns for the past three years are subject to examination by the tax authorities, and may change upon examination.

The Corporation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statement of the Corporation.

(l) **Use of estimates**—The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities along with disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) **Adoption of New Accounting Standard – GASB Statement No. 87, *Leases***—In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Corporation adopted the requirements of the guidance effective July 1, 2021. With the implementation of GASB Statement No. 87 a deferred inflow of resources \$27,271,647 was recorded at the beginning of the fiscal year. The implementation of GASB Statement No. 87 increased investment income, totaling \$625,239 as presented on the statement of revenues, expenses and changes in net position. Total interest recorded was \$542,978 and is included in the total \$625,239 investment income.

(2) **Cash and Cash Equivalents:**

The Corporation's restricted cash shown on the statement of net position represents cash held by the Corporation's trustee in the Corporation's name. These funds consist of funds held for debt service payments and funds held for construction as required in the trust indenture. For the year ended June 30, 2022 the cash was invested in a government money market fund. The value of cash and cash equivalents held at the institution on June 30, 2022, was \$39,595.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

The Corporation has cash invested by the University of \$3,447,465 at June 30, 2022. The amounts are included in Due From the University of Central Florida on the accompanying statement of net position. Investment income shown on the statement of revenues, expenses

(2) Cash and Cash Equivalents: (Continued)

and changes in net position includes interest earned on the cash held by a trust institution, as well as realized gains/losses allocated from the University on funds held and invested on behalf of the Corporation.

Section 1011.42(5), *Florida Statutes*, authorizes universities and their component units to invest funds with the State Treasury and State Board of Administration, and requires that these entities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities and their component units are subject to the requirements of Chapter 218, Part IV, *Florida Statutes*. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University investment manual. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, *Florida Statutes*; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The money market funds invest in diversified portfolios of high-quality, dollar-denominated short-term debt securities.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation's investments in securities must provide sufficient liquidity to pay obligations as they come due.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's investment policy and manual provides information on asset classes, target allocations, and ranges of acceptable investment categories.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to manage the custodial credit risk, the University's investment policy specifies certain requirements to pre-qualify financial institutions and brokers/dealers. The Corporation's investments are held by a third-party custodian, not in the name of the Corporation.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

(3) Concentrations of Credit Risk:

The Corporation has no policy requiring collateral or other security to support receivables from related parties, as described in Note 6.

Related party receivables and payables are as follows at June 30:

	<u>2022</u>
Due from the University of Central Florida	\$ 3,447,465
Due from the UCF Athletics Association, Inc.	534,329
Due to the UCF Athletics Association, Inc.	(177,450)

(4) Long-term Obligations:

In December 2015, the Corporation issued Series 2015A tax-exempt refunding revenue bonds for \$33,995,000 with a net premium of \$2,332,576, Series 2015B taxable refunding revenue bonds for \$10,250,000, and a Series 2015C non-taxable refunding revenue bond for \$3,810,000 (the 2015 debt issue). The Series 2015A and Series 2015B bonds were issued as publicly traded bonds and the Series 2015C bonds were issued as a direct borrowing with a bank. These bonds were issued to refund and replace the Corporation's Series 2006A, 2006B, and 2014 Certificates of Participation. The refunding bonds include both term and serial bonds and are secured by a pledge from the Association of gross ticket revenues, Association rent, away game guarantees, conference distributions, sponsorship, and guaranteed royalty revenues. Principal and interest payments were made in accordance with the schedule set forth at the time of issuance and bear fixed interest rates that range from 2.49 percent to 5.15 percent, and maturity dates that range from March 2029 to March 2036.

The extinguishment of the defeased certificates terminated the ground lease between the Corporation and the University. All the related building and building improvements assets on the leased land transferred to the University.

Distributions of pledged revenues from the UCF Athletic Association Inc. at June 30, 2022 are as follows:

	<u>2022</u>
Ticket sales	\$ 4,229,550
Association rent	2,121,000
Guaranteed royalty payment	1,900,000
Distributions from the Association	6,129,550
Distributions to the Association	(7,927,513)
Net Distributions	<u>\$ 323,037</u>

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

(4) **Long-term Obligations:** (Continued)

The following is a schedule of future principal and interest payments for the Series 2015A, Series 2015B and 2015C revenue bonds as of June 30, 2022:

	Direct Borrowings Payable		Other Bonds Payable		Total
	Principal	Interest	Principal	Interest	Principal and Interest
2023	\$ 289,000	\$ 41,633	\$ 1,825,000	\$ 1,469,404	\$ 3,625,037
2024	296,000	34,437	1,915,000	1,383,014	3,628,451
2025	303,000	27,066	2,000,000	1,291,854	3,621,920
2026	311,000	19,521	2,095,000	1,196,034	3,621,555
2027	318,000	11,778	2,205,000	1,092,649	3,627,427
2028-2032	155,000	7,719	12,435,000	4,041,819	16,639,538
2033-2036	-	-	11,900,000	1,275,756	13,175,756
Subtotals	1,672,000	142,154	34,375,000	11,750,530	47,939,684
Plus: Unamortized Bond Premium	-	-	1,574,249	-	1,574,249
Total	<u>\$ 1,672,000</u>	<u>\$ 142,154</u>	<u>\$ 35,949,249</u>	<u>\$ 11,750,530</u>	<u>\$ 49,513,933</u>

The University entered into a support agreement such that it will fund certain deficiencies that may arise in the event the Corporation is unable to make the minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent that it has legally available revenues to cover the unpaid amounts.

With each of the Corporation's debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of thirty days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the Corporation's debt is not subject to any acceleration clauses.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

(4) **Long-term Obligations:** (Continued)

Changes in long-term debt for the year ended June 30, 2022, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Direct Borrowings:</u>					
Revenue bonds	\$ 1,954,000	\$ -	\$ (282,000)	\$ 1,672,000	\$ 289,000
Total Direct Borrowings	<u>\$ 1,954,000</u>	<u>\$ -</u>	<u>\$ (282,000)</u>	<u>\$ 1,672,000</u>	<u>\$ 289,000</u>
<u>Other Debt:</u>					
Revenue bonds	\$ 36,120,000	\$ -	\$ (1,745,000)	\$ 34,375,000	\$ 1,825,000
Unamortized premiums	1,689,438	-	(115,189)	1,574,249	-
Total Other Debt	<u>\$ 37,809,438</u>	<u>\$ -</u>	<u>\$ (1,860,189)</u>	<u>\$ 35,949,249</u>	<u>\$ 1,825,000</u>
Total Long-Term Debt	<u>\$ 39,763,438</u>	<u>\$ -</u>	<u>\$ (2,142,189)</u>	<u>\$ 37,621,249</u>	<u>\$ 2,114,000</u>

The Corporation amortized \$115,189 of the bond premium to interest expense for the year ended June 30, 2022. Bond premiums are amortized on an annual basis using the straight-line method, which is materially consistent with the effective interest method. Interest expense was \$1,493,284 for fiscal year ended June 30, 2022 and is presented on the statement of revenues, expenses and changes in net position.

(5) **Commitments:**

The Corporation has a Management and Use Agreement with the Association to operate, manage and maintain the football stadium as part of the University's football program which is administered by the Association. As discussed in Note 4, the Association pledged gross ticket revenues, rent, away game guarantees, conference distributions, sponsorships, and guaranteed royalty revenues to the Corporation to meet the obligations of the revenue bonds. Once the covenants attached to the revenue bonds are met, any excess unrestricted funds are distributed back to the Association.

(6) **Related Party Transactions:**

As set forth in the trust indenture related to the 2015 debt issue (as more fully described in Note 4 above), the debt is secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, sponsorships, and guaranteed royalty revenues. The Corporation utilizes these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be transferred by the Association unless they are needed to meet the Corporation's annual debt service obligations. Funds remaining after all debt covenants are met, are distributed from the Corporation to the Association.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

(6) Related Party Transactions: (Continued)

Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as nonoperating revenues and non-operating expenses, respectively.

In September 2015, the Corporation entered into a Fundraising Agreement with the Foundation concurrent with the 2015 debt issuances. In accordance with this agreement the Foundation works with the Association regarding the lease of luxury suites and club seats located at the stadium as well as managing the capital gift campaign designated for the stadium. Any funds collected by the Foundation are remitted to the Corporation. Receipts from the Foundation related to suites and club seats are recorded as premium seating in operating revenues and receipts related to capital gifts are recorded as distributions from the Foundation in nonoperating revenues.

As discussed in Note 4, *Long-Term Obligations*, the Corporation entered into a support agreement with the University, such that the University will fund certain deficiencies that may arise in the event the Corporation is unable to make minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent it has legally available revenue to cover the unpaid amounts.

(7) Deficit Net Position:

The Corporation has a deficit net position for the year ended June 30, 2022, of \$35,945,370. This deficit balance can be attributed to the transfer of all building and building improvement assets to the University as a result of the termination of the ground lease between the Corporation and the University with the December 2015 debt refunding. The Corporation's related debt was previously included as a component of the net investment in capital assets portion of net position but are now included as a component of unrestricted net position. The Corporation's debt balances reflected as a component of unrestricted net position for the year ended June 30, 2022, was \$37,098,165.

(8) Litigation Settlement & Loss Claim Proceeds:

On February 10, 2020, the Corporation executed a mediated settlement agreement for a total of \$1.4 million. The remaining balance from the settlement proceeds of \$262,631 was spent during the current fiscal year and is included in the \$910,301 total operating expenses presented on the statement of revenues, expenses and changes in net position at June 30, 2022.

At June 30, 2022 there was a total of \$272,033 representing insurance proceeds received from an insurance loss claim for stadium damage. These funds were remitted to UCF Athletics Association to administer payments for the repairs and is also included in the \$910,301 total operating expenses presented on the statement of statement of revenues, expenses and changes in net position.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

(9) Leases Paid to the Corporation:

As discussed in Note 5 *Commitments*, The Corporation has a Management and Use Agreement with the Association to operate, manage and maintain the football stadium as part of the University's football program which is administered by the Association. The agreement commencement date was July 1st, 2021, extending through June 30, 2036, to coincide with the maturity date on the debt held by the Corporation. As previously mentioned, the annual rent payments are pledged to repay outstanding debt. At June 30, 2022 a deferred lease inflow of \$25,453,537 was recorded on the statement of net position. Total investment income of \$625,239 includes \$542,978 recorded at the end of the fiscal year per GASB 87 as presented on the statement of revenues, expenses and changes in net position at June 30, 2022.

At June 30, 2022, approximate future minimum rental payments to be received under non-cancellable lease of the football stadium to the Association are as follows:

Fiscal Year Ending June 30	Lessor (Landlord)	Total	Related Parties	
			Principal	Interest
2023	Stadium Corporation	\$ 2,121,000	\$ 1,609,440	\$ 511,560
2024	Stadium Corporation	2,121,000	1,641,484	479,516
2025	Stadium Corporation	2,121,000	1,674,166	446,834
2026	Stadium Corporation	2,121,000	1,707,498	413,502
2027	Stadium Corporation	2,121,000	1,741,495	379,505
2028 - 2032	Stadium Corporation	10,605,000	9,241,586	1,363,414
2033 - 2037	Stadium Corporation	8,484,000	8,077,957	406,043
Total Minimum Lease Payments		\$ 29,694,000	\$ 25,693,626	\$ 4,000,375

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the UCF Stadium Corporation (the "Corporation"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated December 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
December 15, 2022

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have examined the UCF Stadium Corporation's (the "Corporation") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended June 30, 2022. Management of the Corporation is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements contained in Section 218.415, *Florida Statutes*, during the year ended June 30, 2022.

The purpose of this report is solely to comply with Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
December 15, 2022

**UCF STADIUM CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY
OF CENTRAL FLORIDA)**

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

**UCF STADIUM CORPORATION
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
UCF Stadium Corporation
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the UCF Stadium Corporation (the "Corporation"), a direct support organization and component unit of the University of Central Florida, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Crowe LLP

Tampa, Florida
October 29, 2021

**UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

The management discussion and analysis (MD&A) provides an overview of the financial position and activities of the UCF Stadium Corporation, (the Corporation), for the years ended June 30, 2021 and 2020, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of management. The MD&A contains financial activity of the Corporation for the fiscal years ended June 30, 2021, 2020, and 2019.

The Corporation is presented as a discrete component unit of the University of Central Florida (the University) and was certified as a direct support organization in December 2005. The purpose of the Corporation is to finance, construct and operate a football stadium on behalf of the University and the UCF Athletics Association, Inc. (the Association).

Pursuant to GASB Statement No. 35, the Corporation's basic financial statements include: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets, deferred outflows of resources, and liabilities of the Corporation, and presents the net position of the Corporation at a specified time. Assets, plus deferred outflows of resources, less liabilities equals net position, which is one indicator of the Corporation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Corporation's financial condition. Restricted net position consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. Unrestricted net position consists of net assets that do not meet the definition of either restricted or net investment in capital assets. The Corporation's liabilities exceeded assets and deferred outflow of resources creating a deficit net position of \$38.2 million at June 30, 2021, primarily due to the transfer of fixed assets to the University from the Corporation's debt refunding in fiscal year 2016. The deficit net position will continue to improve in future years as the Corporation continues to reduce its outstanding long-term debt obligations with the pledged revenues from the Association.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020
(Continued)

The following summarizes the Corporation's total net position for fiscal years ended June 30:

Condensed Statement of Net Position
(For the Fiscal Years at June 30)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets	\$ 3,826,942	\$ 4,124,587	\$ 3,574,200
Total Assets	<u>3,826,942</u>	<u>4,124,587</u>	<u>3,574,200</u>
 Deferred Outflows	 <u>561,359</u>	 <u>599,633</u>	 <u>637,908</u>
 Liabilities			
Current liabilities	4,819,239	4,266,047	4,713,329
Noncurrent liabilities	<u>37,736,438</u>	<u>39,878,627</u>	<u>41,933,816</u>
Total Liabilities	<u>42,555,677</u>	<u>44,144,674</u>	<u>46,647,145</u>
 Net Position			
Restricted	-	-	222,930
Unrestricted	<u>(38,167,376)</u>	<u>(39,420,454)</u>	<u>(42,657,967)</u>
Total Net Position	<u>\$ (38,167,376)</u>	<u>\$ (39,420,454)</u>	<u>\$ (42,435,037)</u>

The Corporation's assets totaled \$3.8 million as of June 30, 2021. This balance reflects a \$0.3 million, or 7.2 percent decrease from the prior fiscal year mostly due a decrease of \$2.2 million in the amount due from the University of Central Florida offset by an increase of \$2.0 million Due from the UCF Athletic Association for unearned revenues. These funds are being held on behalf of the Corporation at June 30, 2021.

Liabilities totaled \$42.6 million at June 30, 2021. This balance reflects a \$1.6 million, or 3.6 percent decrease from the prior fiscal year primarily due to payments on the Corporation's long-term debt.

The Corporation has a deficit net position balance of \$38.2 million as of June 30, 2021. This balance reflects a \$1.3 million, or 3.2 percent decrease from the prior fiscal year primarily due to the payments on the Corporation's long-term debt.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020
(Continued)

THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The statement of revenues, expenses and changes in net position presents the Corporation's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. GASB Statement No. 35 categorizes revenues and expenses as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value. The majority of the Corporation's revenues and expenses are non-operating revenues and expenses as defined by GASB.

Operating revenue consists primarily of revenues related to the rights granted to donors in connection with luxury suites and club seats located within the football stadium, as well as sponsorship revenues. During fiscal year 2020, the Corporation granted sponsorship and advertising rights to the stadium's footprint to the UCF Athletics Association in exchange for an annual guaranteed royalty payment. The term of this agreement is effective July 1, 2019, to June 30, 2024, thereby terminating the prior agreement with Spectrum, and is expected to yield \$9.5 million over the term of the agreement.

Operating expenditures reported for the Corporation include repairs and improvements to the Stadium and other financing related costs. Nonoperating activity consists primarily of interest payments on the Stadium's long-term debt obligations and distributions between the Corporation and the Association.

The following summarizes the Corporation's changes in net position for the fiscal years ended June 30:

Condensed Statement of Revenues, Expenses and Changes in Net Position
(For the Fiscal Years Ended June 30)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 1,735,086	\$ 3,348,571	\$ 4,173,555
Operating expenses	1,174,035	38,015	146,229
Operating income	<u>561,051</u>	<u>3,310,556</u>	<u>4,027,326</u>
Net non-operating revenues (expenses)	<u>692,027</u>	<u>(295,973)</u>	<u>(1,936,460)</u>
Change in net position	1,253,078	3,014,583	2,090,866
Net position, beginning of year	<u>(39,420,454)</u>	<u>(42,435,037)</u>	<u>(44,525,903)</u>
Net position, end of year	<u><u>\$ (38,167,376)</u></u>	<u><u>\$ (39,420,454)</u></u>	<u><u>\$ (42,435,037)</u></u>

The Corporation's operating revenues totaled \$1.7 million at June 30, 2021. This balance reflects a \$1.6 million decrease from the prior fiscal year primarily due to reductions in premium seating revenues resulting from a reduced football game schedule and seating capacity restrictions due to the coronavirus pandemic.

Operating expenses totaled \$1.2 million at June 30, 2021. This balance reflects a \$1.1 million increase from the prior fiscal year that was funded by settlement proceeds received in the prior fiscal year.

Net nonoperating revenue totaled \$0.7 million at June 30, 2021. This balance reflects a \$1.0 million increase from the prior fiscal year primarily due to an increase of \$2.4 million in net distributions from the Association offset by a reduction in revenues from the \$1.4 million settlement proceeds received prior year.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020
(Continued)

The Corporation's Series 2015A, 2015B, and 2015C refunding revenue bonds are secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, and guaranteed royalty revenue. The Corporation utilized these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Once the covenants attached to the bonds are met, any excess unrestricted funds are distributed back to the Association. Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as non-operating revenues and non-operating expenses, respectively. The net activity from these distributions for the fiscal year ended June 30, 2021, was a \$1.7 million distribution from the Association to the Corporation.

The following table details net activity with the Association for the years ended June 30:

Net Distributions with the UCF Athletic Association, Inc.
(For the Fiscal Years Ended June 30)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Ticket sales	\$ 1,645,316	\$ 4,399,535	\$ 4,362,319
Association rent	2,121,000	2,121,000	2,121,000
Guaranteed royalty payment	1,850,000	1,050,000	-
Distributions from the Association	5,616,316	7,570,535	6,483,319
Distributions to the Association	(3,903,363)	(8,281,433)	(7,180,462)
Net Distributions	<u>\$ 1,712,953</u>	<u>\$ (710,898)</u>	<u>\$ (697,143)</u>

Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be distributed from the Association to the Corporation unless they are needed to meet the Corporation's annual debt service obligations. In the current fiscal year these revenues, totaling \$5.5 million, were not needed by the Corporation for debt service, or to meet the coverage ratio requirements on the debt.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020
(Continued)

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the Corporation's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Corporation's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the Corporation. Cash flows from noncapital financing activities include changes in the amounts due from related parties. Cash flows from capital and related financing activities include changes associated with long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments and earning income on those investments.

The following summarizes cash flows for the fiscal years ended June 30:

Condensed Statements of Cash Flows
(For the Fiscal Years Ended June 30)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flows provided by (used in)			
Operating activities	\$ 855,281	\$ 3,299,422	\$ 4,171,328
Noncapital financing activities	2,627,857	(488,907)	(157,051)
Capital and related financing activities	(3,623,606)	(3,625,888)	(3,871,589)
Investing activities	46,942	121,287	64,620
Change in cash	<u>(93,526)</u>	<u>(694,086)</u>	<u>207,308</u>
Cash and cash equivalents			
Beginning of year	116,473	810,559	603,251
End of year	<u>\$ 22,947</u>	<u>\$ 116,473</u>	<u>\$ 810,559</u>

DEBT ADMINISTRATION

As of June 30, 2021, the Corporation had \$39.8 million in outstanding revenue bond. This represents a decrease of \$2.1 million, or 5 percent, from the prior fiscal year. Additional information about the Corporation's long-term debt is presented in Note 4 of the financial statements.

The following summarizes the outstanding revenue bonds for the fiscal years ended June 30:

Long-Term Debt
(For the Fiscal Years Ended June 30)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue Bonds	\$ 39,763,438	\$ 41,818,627	\$ 43,796,816
Total	<u>\$ 39,763,438</u>	<u>\$ 41,818,627</u>	<u>\$ 43,796,816</u>

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020
(Continued)

ECONOMIC OUTLOOK

The Corporation's economic condition is closely tied to that of the Association. The Corporation has enhanced the University's footprint by aiding in the construction of an on-campus stadium, the stadium's east side club expansion, and the student leadership center, and with such, added great value to the University, the Association, and the community as a whole. Despite the impact to the Corporation's net position in fiscal year 2016 due to the transfer of capital assets to the University, the Corporation still maintains a strong ability to fulfill its annual debt service requirements since the debt is secured by pledge revenues from the Association. During the 2020 fiscal year, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. It is not expected to have an impact on the net results of the Corporation for fiscal year 2022. However, the extent to which the coronavirus will impact the Corporation's financial results will depend on future developments in the severity of and required response to the pandemic.

REQUEST FOR INFORMATION

These financial statements are designed to provide detailed information on the Corporation's operations to the Corporation's Board, management, investors, creditors, and all others with an interest in the Corporation's financial affairs and to demonstrate the Corporation's accountability for the assets it controls and funds it receives and expends. Questions concerning any of the information provided in this report or any requests for additional financial information should be addressed to Assistant Vice President for DSO Accounting and Financial Reporting, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, FL 32826-3249.

UCF STADIUM CORPORATION
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current assets		
Due from the University of Central Florida	\$ 1,344,536	\$ 3,571,957
Due from the UCF Athletics Association, Inc.	2,459,459	436,157
Restricted cash and cash equivalents	22,947	116,473
Total current assets	3,826,942	4,124,587
Total Assets	3,826,942	4,124,587
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred loss on refunding of debt	561,359	599,633
 <u>LIABILITIES</u>		
Current liabilities		
Current portion of long-term debt	2,027,000	1,940,000
Interest payable	533,259	561,202
Due to the UCF Athletics Association, Inc.	201,545	1,640
Unearned revenue	2,057,435	1,763,205
Total current liabilities	4,819,239	4,266,047
Noncurrent liabilities		
Long-term debt, less current portion	37,736,438	39,878,627
Total Liabilities	42,555,677	44,144,674
 <u>NET POSITION</u>		
Unrestricted	(38,167,376)	(39,420,454)
Total Net Position	<u>\$ (38,167,376)</u>	<u>\$ (39,420,454)</u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Premium seating	\$ 940,255	\$ 2,587,946
Commissions	614,831	580,625
Sponsorships	180,000	180,000
Total operating revenues	<u>1,735,086</u>	<u>3,348,571</u>
Operating expenses		
Services and supplies	<u>1,174,035</u>	<u>38,015</u>
Total operating expenses	<u>1,174,035</u>	<u>38,015</u>
Operating income	<u>561,051</u>	<u>3,310,556</u>
Nonoperating revenues (expenses)		
Distributions from the UCF Athletics Association, Inc.	5,616,316	7,570,535
Distributions from the UCF Foundation, Inc.	510,880	1,084,771
Distributions to the UCF Athletics Association, Inc.	(3,903,363)	(8,281,433)
Distributions to the University of Central Florida	-	(281,586)
Investment income	46,942	121,287
Interest expense	(1,578,748)	(1,659,547)
Settlement proceeds	-	1,150,000
Total nonoperating revenues (expenses)	<u>692,027</u>	<u>(295,973)</u>
Change in net position	<u>1,253,078</u>	<u>3,014,583</u>
Net position, beginning of year	<u>(39,420,454)</u>	<u>(42,435,037)</u>
Net position, end of year	<u>\$ (38,167,376)</u>	<u>\$ (39,420,454)</u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from (to) operating activities		
Receipts from premium seating	\$ 1,234,485	\$ 2,518,283
Receipts from naming rights	-	58,529
Receipts from commissions	614,831	580,625
Receipts from sponsorships	180,000	180,000
Payments to suppliers and others	(1,174,035)	(38,015)
Net cash provided by operating activities	<u>855,281</u>	<u>3,299,422</u>
Cash flows from (to) noncapital financing activities		
Net change in funds held by the University of Central Florida	2,227,421	(1,294,832)
Distributions from the UCF Athletics Association, Inc.	3,593,014	7,551,365
Distributions from the UCF Foundation, Inc.	510,880	1,095,771
Distributions to the UCF Athletics Association, Inc.	(3,703,458)	(8,709,625)
Distributions to the University of Central Florida	-	(281,586)
Receipts from settlement proceeds	-	1,150,000
Net cash provided by (used in) noncapital financing activities	<u>2,627,857</u>	<u>(488,907)</u>
Cash flows from capital and related financing activities		
Payments on long-term debt	(1,940,000)	(1,863,000)
Interest paid	(1,683,606)	(1,762,888)
Net cash used in capital and related financing activities	<u>(3,623,606)</u>	<u>(3,625,888)</u>
Cash flows from investing activities		
Investment income received	46,942	121,287
Net decrease in cash and cash equivalents	<u>(93,526)</u>	<u>(694,086)</u>
Cash and cash equivalents, beginning of year	116,473	810,559
Cash and cash equivalents, end of year	<u>\$ 22,947</u>	<u>\$ 116,473</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 561,051	\$ 3,310,556
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Other receivables	-	58,529
Unearned revenue	294,230	(69,663)
Net cash provided by operating activities	<u>\$ 855,281</u>	<u>\$ 3,299,422</u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(1) Summary of Significant Accounting Policies:

The following is a summary of the significant accounting policies and practices of the UCF Stadium Corporation (the Corporation), which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Corporation is a not-for-profit entity incorporated on October 26, 2005. The Corporation was created by the University of Central Florida (the University), as a direct support organization of the University whose purpose is to construct, operate and maintain the football stadium for and on behalf of the University and the UCF Athletics Association, Inc. (the Association). As a direct support organization and component unit of the University, the Corporation operates for the service and convenience of the University. The Corporation is presented as a discrete component unit of the University on the University's financial statements. The name of the Corporation was changed to UCF Stadium Corporation from Golden Knights Corporation during the year ended June 30, 2015.

(b) **Financial statement presentation**—The Corporation's financial statements are presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended, which requires the Corporation to present:

- ◆ Management's Discussion and Analysis
- ◆ Basic Financial Statements:
 - Statements of Net Position
 - Statements of Revenues, Expenses and Changes in Net Position
 - Statements of Cash Flows
 - Notes to Financial Statements

(c) **Basis of accounting**—Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Corporation's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The Corporation follows GASB standards of accounting and financial reporting.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. The statement of revenues, expenses and changes in net position is presented in a format which distinguishes operating revenues and expenses from non-operating items. Operating revenues are defined as revenues generated from the primary mission of the Corporation; and include revenues generated from premium seating, commissions and sponsorships. Operating revenues normally, but not always, result from exchange transactions defined as revenues received in exchange for a good or service. Non-operating revenues are defined as revenues not derived from the basic mission operations of the Corporation.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(1) Summary of Significant Accounting Policies: (Continued)

Nonoperating revenues normally, but not always, result from non-exchange transactions, defined as value received with no good or service exchanged. The statement of cash flows is presented using the direct method in compliance with GASB standards of accounting and financial reporting.

(d) **Cash and cash equivalents**—Amounts reported as cash and cash equivalents consist of cash on hand, cash held by a trust institution and invested in money market funds, and investments with original maturities of three months or less. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

(e) **Due From the University of Central Florida**—The amounts recorded as Due from the University of Central Florida include funds held by the University on behalf of the Corporation.

(f) **Capital assets**—The Corporation has no capital assets at June 30, 2021 and 2020. The Corporation's capital assets previously consisted of furniture and equipment; and works of art and historical treasures. Those assets were capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset were capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The Corporation has a capitalization threshold of \$5,000 for furniture and equipment additions and a threshold of \$100,000 for new buildings and improvements. Depreciation is computed on the straight-line basis over estimated useful lives ranging from 5 to 39 years.

(g) **Revenue recognition**—Association rent and guaranteed royalty payments are recognized as earned. Premium seating, ticket sales, commission, and sponsorship revenues are recognized as revenue at the time the event takes place.

(h) **Unearned revenue**—Unearned revenue consists of advance payments related to luxury suites and club seats in the football stadium. Suite and premium seating revenue is recognized in the period the athletic event occurs.

(i) **Deferred outflows of resources**—The unrestricted net position includes the effect of recognizing a deferred outflow of resources from the loss on the Series 2006A, 2006B and 2014 debt refundings. The balance of the deferred outflow of resources was \$561,359 and \$599,633 at June 30, 2021 and 2020 respectively. The deferred loss on refunding will be amortized as a component of interest expense over the life of the remaining debt.

(j) **Net position**—The Corporation's net position is classified as follows:

- **Restricted net position** – This represents the Corporation's resources that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. According to authoritative discussions in the GASB 34 Implementation Guide exercise for calculating net position balances for governmental activities, if the liabilities relating to the restricted assets are greater than those assets, then no balance would be reported as restricted net position. The negative amount would be reported as a reduction to unrestricted net position. The Corporation does not have any restricted net position for 2021 and 2020.
- **Unrestricted net position** – This represents Corporation resources which do not meet the definition of "restricted" or "net investment in capital assets."

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(1) Summary of Significant Accounting Policies: (Continued)

There was no net investment in capital assets at June 30, 2021 and 2020. When both restricted and unrestricted net position is available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

(k) **Income taxes**—The Corporation is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

When required, the Corporation files income tax returns in the U.S. federal jurisdiction and in the state of Florida. The Corporation's income tax returns for the past three years are subject to examination by the tax authorities, and may change upon examination.

The Corporation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Corporation.

(l) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities along with disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Cash Equivalents:

The Corporation's restricted cash shown on the statement of net position represents cash held by the Corporation's trustee in the Corporation's name. These funds consist of funds held for debt service payments and funds held for construction as required in the trust indenture. For the year ended June 30, 2021 the cash was invested in a government money market fund. The value of cash and cash equivalents held at the institution on June 30, 2021 and 2020 was \$22,947 and \$116,473, respectively.

The Corporation has cash invested by the University of \$1,344,536 and \$3,571,957 at June 30, 2021 and 2020, respectively. The amounts are included in Due From the University of Central Florida on the accompanying statement of net position. Investment income shown on the statement of revenues, expenses and changes in net position includes interest earned on the cash held by a trust institution, as well as realized gains/losses allocated from the University on funds held and invested on behalf of the Corporation. Section 1011.42(5), *Florida Statutes*, authorizes universities and their component units to invest funds with the State Treasury and State Board of Administration, and requires that these entities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities and their component units are subject to the requirements of Chapter 218, Part IV, *Florida Statutes*. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University investment manual. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, *Florida Statutes*; direct

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(2) **Cash and Cash Equivalents:** (Continued)

obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The money market funds invest in diversified portfolios of high-quality, dollar-denominated short-term debt securities.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation's investments in securities must provide sufficient liquidity to pay obligations as they come due.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's investment policy and manual provides information on asset classes, target allocations, and ranges of acceptable investment categories.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to manage the custodial credit risk, the University's investment policy specifies certain requirements to pre-qualify financial institutions and brokers/dealers. The Corporation's investments are held by a third-party custodian, not in the name of the Corporation.

(3) **Concentrations of Credit Risk:**

The Corporation has no policy requiring collateral or other security to support receivables from related parties, as described in Note 6.

Related party receivables and payables are as follows at June 30:

	<u>2021</u>	<u>2020</u>
Due from the University of Central Florida	\$ 1,344,536	\$ 3,571,957
Due from the UCF Athletics Association, Inc.	2,459,459	436,571
Due to the UCF Athletics Association, Inc.	(201,545)	(1,640)

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(4) Long-term Obligations:

In December 2015, the Corporation issued Series 2015A tax-exempt refunding revenue bonds for \$33,995,000 with a net premium of \$2,332,576, Series 2015B taxable refunding revenue bonds for \$10,250,000, and a Series 2015C non-taxable refunding revenue bond for \$3,810,000 (the 2015 debt issue). The Series 2015A and Series 2015B bonds were issued as publicly traded bonds and the Series 2015C bonds were issued as a direct borrowing with a bank. These bonds were issued to refund and replace the Corporation's Series 2006A, 2006B, and 2014 Certificates of Participation. The refunding bonds include both term and serial bonds and are secured by a pledge from the Association of gross ticket revenues, Association rent, away game guarantees, conference distributions, sponsorship, and guaranteed royalty revenues. Principal and interest payments were made in accordance with the schedule set forth at the time of issuance and bear fixed interest rates that range from 2.49 percent to 5.15 percent, and maturity dates that range from March 2029 to March 2036.

The extinguishment of the defeased certificates terminated the ground lease between the Corporation and the University. All the related building and building improvements assets on the leased land transferred to the University.

The following is a schedule of future principal and interest payments for the Series 2015A, Series 2015B and 2015C revenue bonds as of June 30, 2021:

	<u>Direct Borrowings Payable</u>		<u>Other Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
2022	\$ 282,000	\$ 48,655	\$ 1,745,000	\$ 1,551,123	\$ 3,626,778
2023	289,000	41,633	1,825,000	1,469,404	3,625,037
2024	296,000	34,436	1,915,000	1,383,014	3,628,450
2025	303,000	27,066	2,000,000	1,291,854	3,621,920
2026	311,000	19,521	2,095,000	1,196,034	3,621,555
2027-2031	473,000	19,497	11,940,000	4,536,079	16,968,576
2032-2036	-	-	14,600,000	1,874,144	16,474,144
Subtotals	1,954,000	190,808	36,120,000	13,301,652	51,566,460
Plus: Unamortized Bond Premium	-	-	1,689,438	-	1,689,438
Total	<u>\$ 1,954,000</u>	<u>\$ 190,809</u>	<u>\$ 37,809,438</u>	<u>\$ 13,301,652</u>	<u>\$ 53,255,898</u>

The University entered into a support agreement such that it will fund certain deficiencies that may arise in the event the Corporation is unable to make the minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent that it has legally available revenues to cover the unpaid amounts.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(4) **Long-term Obligations:** (Continued)

With each of the Corporation's debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of thirty days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the Corporation's debt is not subject to any acceleration clauses.

Changes in long-term debt for the year ended June 30, 2021, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Direct Borrowings:</u>					
Revenue bonds	\$ 2,229,000	\$ -	\$ (275,000)	\$ 1,954,000	\$ 282,000
Total Direct Borrowings	<u>\$ 2,229,000</u>	<u>\$ -</u>	<u>\$ (275,000)</u>	<u>\$ 1,954,000</u>	<u>\$ 282,000</u>
<u>Other Debt:</u>					
Revenue bonds	\$ 37,785,000	\$ -	\$ (1,665,000)	\$ 36,120,000	\$ 1,745,000
Unamortized premiums	1,804,627	-	(115,189)	1,689,438	-
Total Other Debt	<u>\$ 39,589,627</u>	<u>\$ -</u>	<u>\$ (1,780,189)</u>	<u>\$ 37,809,438</u>	<u>\$ 1,745,000</u>
Total Long-Term Debt	<u>\$ 41,818,627</u>	<u>\$ -</u>	<u>\$ (2,055,189)</u>	<u>\$ 39,763,438</u>	<u>\$ 2,027,000</u>

Changes in long-term debt for the year ended June 30, 2020, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Direct Borrowings:</u>					
Revenue bonds	\$ 2,497,000	\$ -	\$ (268,000)	\$ 2,229,000	\$ 275,000
Total Direct Borrowings	<u>\$ 2,497,000</u>	<u>\$ -</u>	<u>\$ (268,000)</u>	<u>\$ 2,229,000</u>	<u>\$ 275,000</u>
<u>Other Debt:</u>					
Revenue bonds	\$ 39,380,000	\$ -	\$ (1,595,000)	\$ 37,785,000	\$ 1,665,000
Unamortized premiums	1,919,816	-	(115,189)	1,804,627	-
Total Other Debt	<u>\$ 41,299,816</u>	<u>\$ -</u>	<u>\$ (1,710,189)</u>	<u>\$ 41,818,627</u>	<u>\$ 1,665,000</u>
Total Long-Term Debt	<u>\$ 43,796,816</u>	<u>\$ -</u>	<u>\$ (1,978,189)</u>	<u>\$ 41,818,627</u>	<u>\$ 1,940,000</u>

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(4) **Long-term Obligations:** (Continued)

The Corporation amortized \$115,189 and \$115,189 of the bond premium to interest expense for the years ended June 30, 2021 and 2020, respectively. Bond premiums are amortized on an annual basis using the straight-line method, which is materially consistent with the effective interest method. Interest expense was \$1,578,748 and \$1,659,547 for fiscal years ended June 30, 2021 and 2020, respectively.

(5) **Commitments:**

The Corporation has a Management and Use Agreement with the Association to operate, manage and maintain the football stadium as part of the University's football program which is administered by the Association. As discussed in Note 4, the Association pledged gross ticket revenues, rent, away game guarantees, conference distributions, sponsorships, and guaranteed royalty revenues to the Corporation to meet the obligations of the revenue bonds. Once the covenants attached to the revenue bonds are met, any excess unrestricted funds are distributed back to the Association.

(6) **Related Party Transactions:**

As set forth in the trust indenture related to the 2015 debt issue (as more fully described in Note 4 above), the debt is secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, sponsorships, and guaranteed royalty revenues. The Corporation utilizes these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be transferred by the Association unless they are needed to meet the Corporation's annual debt service obligations. Funds remaining after all debt covenants are met, are distributed from the Corporation to the Association.

Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as nonoperating revenues and non-operating expenses, respectively.

In September 2015, the Corporation entered into a Fundraising Agreement with the Foundation concurrent with the 2015 debt issuances. In accordance with this agreement the Foundation works with the Association regarding the lease of luxury suites and club seats located at the stadium as well as managing the capital gift campaign designated for the stadium. Any funds collected by the Foundation are remitted to the Corporation. Receipts from the Foundation related to suites and club seats are recorded as premium seating in operating revenues and receipts related to capital gifts are recorded as distributions from the Foundation in nonoperating revenues.

As discussed in Note 4, *Long-Term Obligations*, the Corporation entered into a support agreement with the University, such that the University will fund certain deficiencies that may arise in the event the Corporation is unable to make minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent it has legally available revenue to cover the unpaid amounts.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(7) Deficit Net Position:

The Corporation has a deficit net position for the year ended June 30, 2021 and 2020 of \$38,167,376 and \$39,420,454, respectively. This deficit balance can be attributed to the transfer of all building and building improvement assets to the University as a result of the termination of the ground lease between the Corporation and the University with the December 2015 debt refunding. The Corporation's related debt was previously included as a component of the net investment in capital assets portion of net position but are now included as a component of unrestricted net position. The Corporation's debt balances reflected as a component of unrestricted net position for the year ended June 30, 2021 and 2020 was \$39,202,080 and \$41,218,994 respectively.

(8) Litigation Settlement Proceeds:

On February 10, 2020, the Corporation executed a mediated settlement agreement for a total of \$1.4 million. This total includes \$250,000 of settlement proceeds that were remitted to the UCF Foundation in the form of a charitable donation and then transferred to the Corporation. This amount is included in the Distributions from the UCF Foundation on the statement of revenues, expenses and changes in net position for fiscal year 2020. The remaining \$1,150,000 is presented on the statement of revenues, expenses and changes in net position as settlement proceeds for the previous fiscal year. At June 30, 2021 there was a balance remaining of \$260,677 included in the total Due From UCF Athletics on the statement of net position.

(9) Recent Event:

In the Spring of 2020, local, U.S. and world governments encouraged social distancing to curtail the spread of the coronavirus pandemic. Restrictions were imposed on the size and duration of social and business gatherings. Most industries are continuing to experience disruption to business operations and reduced consumer spending. Due to the impact on the 2020 football season, the operations and business results of the Corporation were affected in fiscal year 2021. The Association is planning for full stadium capacity and a nearly sold-out football season. However, the extent to which the coronavirus may continue to impact business activity will depend on future developments, which are unknown and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain or treat its impact among others. Pledge distributions from the Association for stadium rent and guaranteed royalty payments are estimated to be sufficient to meet the Corporation's fiscal 2022 debt service obligations. Should these revenues fall short of estimates the university support agreement disclosed in Note 4 will cover the debt service obligations.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the UCF Stadium Corporation (the "Corporation"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
October 29, 2021

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have examined the UCF Stadium Corporation's (the "Corporation") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended June 30, 2021. Management of the Corporation is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements contained in Section 218.415, *Florida Statutes*, during the year ended June 30, 2021.

The purpose of this report is solely to comply with Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
October 29, 2021

**UCF STADIUM CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY
OF CENTRAL FLORIDA)**

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

**UCF STADIUM CORPORATION
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JUNE 30, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
UCF Stadium Corporation
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the UCF Stadium Corporation (the "Corporation"), a direct support organization and component unit of the University of Central Florida, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position the Corporation, as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2020, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Crowe LLP

Tampa, Florida
October 19, 2020

**UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

The management discussion and analysis (MD&A) provides an overview of the financial position and activities of the UCF Stadium Corporation, (the Corporation), for the years ended June 30, 2020 and 2019, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of management. The MD&A contains financial activity of the Corporation for the fiscal years ended June 30, 2020, 2019, and 2018.

The Corporation is presented as a discrete component unit of the University of Central Florida (the University) and was certified as a direct support organization in December 2005. The purpose of the Corporation is to finance, construct and operate a football stadium on behalf of the University and the UCF Athletics Association, Inc. (the Association).

Pursuant to GASB Statement No. 35, the Corporation's basic financial statements include: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets, deferred outflows of resources, and liabilities of the Corporation, and presents the net position of the Corporation at a specified time. Assets, plus deferred outflows of resources, less liabilities equals net position, which is one indicator of the Corporation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Corporation's financial condition. Restricted net position consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. Unrestricted net position consists of net assets that do not meet the definition of either restricted or net investment in capital assets. The Corporation's liabilities exceeded assets and deferred outflow of resources creating a deficit net position of \$39.4 million at June 30, 2020, primarily due to the transfer of fixed assets to the University from the Corporation's debt refunding in fiscal year 2016. The deficit net position will improve in future years as the Corporation continues to reduce its outstanding long-term debt obligations with the pledged revenues from the Association.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019
(Continued)

The following summarizes the Corporation's total net position for fiscal years ended June 30:

Condensed Statement of Net Position
(For the Fiscal Years at June 30)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets			
Current assets	\$ 4,124,587	\$ 3,574,200	\$ 3,063,841
Total Assets	<u>4,124,587</u>	<u>3,574,200</u>	<u>3,063,841</u>
 Deferred Outflows	 <u>599,633</u>	 <u>637,908</u>	 <u>676,182</u>
 Liabilities			
Current liabilities	4,266,047	4,713,329	4,108,921
Noncurrent liabilities	<u>39,878,627</u>	<u>41,933,816</u>	<u>44,157,005</u>
Total Liabilities	<u>44,144,674</u>	<u>46,647,145</u>	<u>48,265,926</u>
 Net Position			
Restricted	-	222,930	710
Unrestricted	<u>(39,420,454)</u>	<u>(42,657,967)</u>	<u>(44,526,613)</u>
Total Net Position	<u>\$ (39,420,454)</u>	<u>\$ (42,435,037)</u>	<u>\$ (44,525,903)</u>

The Corporation's assets totaled \$4.1 million as of June 30, 2020. This balance reflects a \$0.5 million, or 15.4 percent increase from the prior fiscal year primarily due an increase in the amount due from the University of Central Florida. These funds are being held on behalf of the corporation at June 30, 2020.

Liabilities totaled \$44.1 million at June 30, 2020. This balance reflects a \$2.5 million, or 5.4 percent decrease from the prior fiscal year primarily due to payments on the Corporation's long-term debt.

The Corporation has a deficit net position balance of \$39.4 million as of June 30, 2020. This balance reflects a \$3.0 million, or 7.1 percent increase from the prior fiscal year primarily due to the payments on the Corporation's long-term debt.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019
(Continued)

THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The statement of revenues, expenses and changes in net position presents the Corporation's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. GASB Statement No. 35 categorizes revenues and expenses as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value. The majority of the Corporation's revenues and expenses are non-operating revenues and expenses as defined by GASB.

Operating revenue consists primarily of revenues related to the rights granted to donors in connection with luxury suites and club seats located within the football stadium, as well as sponsorship revenues. During fiscal year 2020, the Corporation granted sponsorship and advertising rights to the stadium's footprint to the UCF Athletics Association in exchange for an annual guaranteed royalty payment. The term of this agreement is effective July 1, 2019 to June 30, 2024 thereby terminating the prior agreement with Spectrum. Operating expenditures reported for the Corporation include repairs and improvements to the Stadium and other financing related costs. Non-operating activity consists primarily of interest payments on the Stadium's long-term debt obligations and distributions between the Corporation and the Association.

The following summarizes the Corporation's changes in net position for the fiscal years ended June 30:

Condensed Statement of Revenues, Expenses and Changes in Net Position
(For the Fiscal Years Ended June 30)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 3,348,571	\$ 4,173,555	\$ 3,644,882
Operating expenses	38,015	146,229	438,710
Operating income	<u>3,310,556</u>	<u>4,027,326</u>	<u>3,206,172</u>
Net non-operating expense	<u>(295,973)</u>	<u>(1,936,460)</u>	<u>(1,778,946)</u>
Change in net position	3,014,583	2,090,866	1,427,226
Net position, beginning of year	<u>(42,435,037)</u>	<u>(44,525,903)</u>	<u>(45,953,129)</u>
Net position, end of year	<u><u>\$ (39,420,454)</u></u>	<u><u>\$ (42,435,037)</u></u>	<u><u>\$ (44,525,903)</u></u>

The Corporation's operating revenues totaled \$3.3 million at June 30, 2020. This balance reflects a \$0.8 million decrease from the prior fiscal year primarily due to the termination of the naming rights agreement.

Operating expenses totaled \$0.03 million at June 30, 2020. This balance reflects a \$0.1 million decrease from the prior fiscal year primarily due to a decrease in repair expenses for the football stadium.

Net non-operating expense totaled \$0.3 million at June 30, 2020. This balance reflects a \$1.6 million decrease from the prior fiscal year primarily due to \$1.4 million settlement proceeds, of which \$0.2 million was remitted in the form of a charitable donation and is included in distributions from the UCF Foundation.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019
(Continued)

The Corporation's Series 2015A, 2015B, and 2015C refunding revenue bonds are secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, and guaranteed royalty revenue. The Corporation utilized these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Once the covenants attached to the bonds are met, any excess unrestricted funds are distributed back to the Association. Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as non-operating revenues and non-operating expenses, respectively. The net activity from these distributions for the fiscal year ended June 30, 2020 was a \$0.7 million distribution from the Corporation to the Association.

The following table details net activity with the Association for the years ended June 30:

Net Distributions with the UCF Athletic Association, Inc.
(For the Fiscal Years Ended June 30)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Ticket sales	\$ 4,399,535	\$ 4,362,319	\$ 3,678,481
Association rent	2,121,000	2,121,000	2,121,000
Guaranteed royalty payment	1,050,000	-	-
Other distributions	-	-	379,589
Distributions from the Association	<u>7,570,535</u>	<u>6,483,319</u>	<u>6,179,070</u>
Distributions to the Association	<u>(8,281,433)</u>	<u>(7,180,462)</u>	<u>(6,567,475)</u>
Net Distributions	<u>\$ (710,898)</u>	<u>\$ (697,143)</u>	<u>\$ (388,405)</u>

Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be distributed from the Association to the Corporation unless they are needed to meet the Corporation's annual debt service obligations. In the current fiscal year these revenues, totaling \$3.1 million, were not needed by the Corporation for debt service, or to meet the coverage ratio requirements on the debt.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019
(Continued)

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the Corporation's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Corporation's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the Corporation. Cash flows from noncapital financing activities include changes in the amounts due from related parties. Cash flows from capital and related financing activities include changes associated with long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments and earning income on those investments.

The following summarizes cash flows for the fiscal years ended June 30:

Condensed Statements of Cash Flows
(For the Fiscal Years Ended June 30)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash flows provided by (used in)			
Operating activities	\$ 3,299,422	\$ 4,171,328	\$ 3,571,184
Noncapital financing activities	(488,907)	(157,051)	(243,653)
Capital and related financing activities	(3,625,888)	(3,871,589)	(3,628,712)
Investing activities	121,287	64,620	58,170
Change in cash	<u>(694,086)</u>	<u>207,308</u>	<u>(243,011)</u>
Cash and cash equivalents			
Beginning of year	810,559	603,251	846,262
End of year	<u>\$ 116,473</u>	<u>\$ 810,559</u>	<u>\$ 603,251</u>

DEBT ADMINISTRATION

As of June 30, 2020, the Corporation had \$41.8 million in outstanding revenue bonds as of June 30, 2020. This represents a decrease of \$2.0 million, or 4.5 percent, from the prior fiscal year. Additional information about the Corporation's long-term debt is presented in Note 4 of the financial statements.

The following summarizes the outstanding revenue bonds for the fiscal years ended June 30:

Long-Term Debt
(For the Fiscal Years Ended June 30)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenue Bonds	\$ 41,818,627	\$ 43,796,816	\$ 45,943,005
Total	<u>\$ 41,818,627</u>	<u>\$ 43,796,816</u>	<u>\$ 45,943,005</u>

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019
(Continued)

ECONOMIC OUTLOOK

The Corporation's economic condition is closely tied to that of the Association. The Corporation has enhanced the University's footprint by aiding in the construction of an on-campus stadium, the stadium's east side club expansion, and the student leadership center, and with such, added great value to the University, the Association, and the community as a whole. Despite the impact to the Corporation's net position in fiscal year 2016 due to the transfer of capital assets to the University, the Corporation still maintains a strong ability to fulfill its annual debt service requirements since the debt is secured by pledge revenues from the Association. In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. It is expected to have an impact on the net results of operations in fiscal 2021. However, the extent to which the coronavirus will impact the Corporation's financial results will depend on future developments in the severity of and required response to the pandemic.

REQUEST FOR INFORMATION

These financial statements are designed to provide detailed information on the Corporation's operations to the Corporation's Board, management, investors, creditors, and all others with an interest in the Corporation's financial affairs and to demonstrate the Corporation's accountability for the assets it controls and funds it receives and expends. Questions concerning any of the information provided in this report or any requests for additional financial information should be addressed to Andrea Brown, Assistant Controller, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, FL 32826-3249.

UCF STADIUM CORPORATION
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets		
Other receivables	\$ -	\$ 58,529
Due from the University of Central Florida	3,571,957	2,277,125
Due from the UCF Athletics Association, Inc.	436,157	416,987
Due from the UCF Foundation, Inc.	-	11,000
Restricted cash and cash equivalents	116,473	810,559
Total current assets	4,124,587	3,574,200
Total Assets	4,124,587	3,574,200
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred loss on refunding of debt	599,633	637,908
 <u>LIABILITIES</u>		
Current liabilities		
Current portion of long-term debt	1,940,000	1,863,000
Interest payable	561,202	587,629
Due to the UCF Athletics Association Inc.	1,640	429,832
Unearned revenue	1,763,205	1,832,868
Total current liabilities	4,266,047	4,713,329
Noncurrent liabilities		
Long-term debt, less current portion	39,878,627	41,933,816
Total Liabilities	44,144,674	46,647,145
 <u>NET POSITION</u>		
Restricted for:		
Construction	-	125
Other	-	222,805
Unrestricted	(39,420,454)	(42,657,967)
Total Net Position	<u>\$ (39,420,454)</u>	<u>\$ (42,435,037)</u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Operating revenues		
Naming rights	\$ -	\$ 960,490
Premium seating	2,587,946	2,373,452
Commissions	580,625	839,613
Sponsorships	180,000	-
Total operating revenues	<u>3,348,571</u>	<u>4,173,555</u>
Operating expenses		
Services and supplies	<u>38,015</u>	<u>146,229</u>
Total operating expenses	<u>38,015</u>	<u>146,229</u>
Operating income	<u>3,310,556</u>	<u>4,027,326</u>
Nonoperating revenues (expenses)		
Distributions from the UCF Athletics Association, Inc.	7,570,535	6,483,319
Distributions from the UCF Foundation, Inc.	1,084,771	432,820
Distributions to the UCF Athletics Association, Inc.	(8,281,433)	(7,180,462)
Distributions to the University of Central Florida	(281,586)	-
Investment income	121,287	64,620
Interest Expense	(1,659,547)	(1,736,757)
Settlement Proceeds	1,150,000	-
Total nonoperating revenues (expenses)	<u>(295,973)</u>	<u>(1,936,460)</u>
Change in net position	<u>3,014,583</u>	<u>2,090,866</u>
Net position, beginning of year	<u>(42,435,037)</u>	<u>(44,525,903)</u>
Net position, end of year	<u><u>\$ (39,420,454)</u></u>	<u><u>\$ (42,435,037)</u></u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash flows from (to) operating activities		
Receipts from premium seating	\$ 2,518,283	\$ 2,497,945
Receipts from naming rights	58,529	979,999
Receipts from commissions	580,625	839,613
Receipts from sponsorships	180,000	-
Payments to suppliers and others	(38,015)	(146,229)
Net cash provided by operating activities	<u>3,299,422</u>	<u>4,171,328</u>
Cash flows from (to) noncapital financing activities		
Net change in funds held by the University of Central Florida	(1,294,832)	(151,139)
Distributions from the UCF Athletics Association, Inc.	7,551,365	6,312,898
Distributions from the UCF Foundation, Inc.	1,095,771	431,820
Distributions to the UCF Athletics Association, Inc.	(8,709,625)	(6,750,630)
Distributions to the University of Central Florida	(281,586)	-
Receipts from settlement proceeds	1,150,000	-
Net cash used in noncapital financing activities	<u>(488,907)</u>	<u>(157,051)</u>
Cash flows from capital and related financing activities		
Payments on long-term debt	(1,863,000)	(2,031,000)
Interest paid	(1,762,888)	(1,840,589)
Net cash used in capital and related financing activities	<u>(3,625,888)</u>	<u>(3,871,589)</u>
Cash flows from investing activities		
Investment income received	121,287	64,620
Net increase (decrease) in cash and cash equivalents	<u>(694,086)</u>	<u>207,308</u>
Cash and cash equivalents, beginning of year	810,559	603,251
Cash and cash equivalents, end of year	<u>\$ 116,473</u>	<u>\$ 810,559</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,310,556	\$ 4,027,326
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Other receivables	58,529	19,509
Unearned revenue	(69,663)	124,493
Net cash provided by operating activities	<u>\$ 3,299,422</u>	<u>\$ 4,171,328</u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

(1) Summary of Significant Accounting Policies:

The following is a summary of the significant accounting policies and practices of the UCF Stadium Corporation (the Corporation), which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Corporation is a not-for-profit entity incorporated on October 26, 2005. The Corporation was created by the University of Central Florida (the University), as a direct support organization of the University whose purpose is to construct, operate and maintain the football stadium for and on behalf of the University and the UCF Athletics Association, Inc. (the Association). As a direct support organization and component unit of the University, the Corporation operates for the service and convenience of the University. The Corporation is presented as a discrete component unit of the University on the University's financial statements. The name of the Corporation was changed to UCF Stadium Corporation from Golden Knights Corporation during the year ended June 30, 2015.

(b) **Financial statement presentation**—The Corporation's financial statements are presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended, which requires the Corporation to present:

- ◆ Management's Discussion and Analysis
- ◆ Basic Financial Statements:
 - Statements of Net Position
 - Statements of Revenues, Expenses and Changes in Net Position
 - Statements of Cash Flows
 - Notes to Financial Statements

(c) **Basis of accounting**—Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Corporation's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The Corporation follows GASB standards of accounting and financial reporting. In the year ended June 30, 2019, the Corporation implemented GASB 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which improved the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. The statement of revenues, expenses and changes in net position is presented in a format which distinguishes operating revenues and expenses from non-operating items. Operating revenues are defined as revenues generated from the primary mission of the Corporation; and include revenues generated from premium seating, commissions and sponsorships. Operating revenues normally, but not always, result from exchange transactions defined as revenues received in exchange for a good or service. Non-operating revenues are defined as revenues not derived from the basic mission operations of the Corporation.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

Nonoperating revenues normally, but not always, result from non-exchange transactions, defined as value received with no good or service exchanged. Guaranteed royalty revenues, included in distributions from the Association are now included in non-operating revenues for fiscal year ending June 30, 2020. The statement of cash flows is presented using the direct method in compliance with GASB standards of accounting and financial reporting.

(d) **Cash and cash equivalents**—Amounts reported as cash and cash equivalents consist of cash on hand, cash held by a trust institution and invested in money market funds, and investments with original maturities of three months or less. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

(e) **Due From the University of Central Florida**—The amounts recorded as Due from the University of Central Florida include funds held by the University on behalf of the Corporation.

(f) **Capital assets**—The Corporation has no capital assets at June 30, 2020 and 2019. The Corporation's capital assets previously consisted of furniture and equipment; and works of art and historical treasures. Those assets were capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset were capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The Corporation has a capitalization threshold of \$5,000 for furniture and equipment additions and a threshold of \$100,000 for new buildings and improvements. Depreciation is computed on the straight-line basis over estimated useful lives ranging from 5 to 39 years.

(g) **Revenue recognition**—In prior years, revenues from sponsorship naming rights were recognized ratably over the term of the sponsorship agreement. The naming rights agreement terminated during fiscal year 2020. Revenues from the guaranteed royalty agreement will be recognized as revenue at the time the amounts are transferred from the Association. Premium seating, commission, and sponsorship revenues are recognized as revenue at the time the event takes place.

(h) **Unearned revenue**—Unearned revenue consists of advance payments related to luxury suites and club seats in the football stadium. Suite and premium seating revenue is recognized in the period the athletic event occurs.

(i) **Deferred outflows of resources**—The unrestricted net position includes the effect of recognizing a deferred outflow of resources from the loss on the Series 2006A, 2006B and 2014 debt refundings. The balance of the deferred outflow of resources was \$599,633 and \$637,908 at June 30, 2020 and 2019 respectively. The deferred loss on refunding will be amortized as a component of interest expense over the life of the remaining debt.

(j) **Net position**—The Corporation's net position is classified as follows:

- **Restricted net position** – This represents the Corporation's resources that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. According to authoritative discussions in the GASB34 Implementation Guide exercise for calculating net position

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

balances for governmental activities, if the liabilities relating to the restricted assets are greater than those assets, then no balance would be reported as restricted net position. The negative amount would be reported as a reduction to unrestricted net position.

- Unrestricted net position – This represents Corporation resources which do not meet the definition of “restricted” or “net investment in capital assets.”

There was no net investment in capital assets at June 30, 2020 and 2019. When both restricted and unrestricted net position is available for use, it is the Corporation’s policy to use restricted resources first, then unrestricted resources as they are needed.

- (k) **Income taxes**—The Corporation is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

When required, the Corporation files income tax returns in the U.S. federal jurisdiction and in the state of Florida. The Corporation’s income tax returns for the past three years are subject to examination by the tax authorities, and may change upon examination.

The Corporation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Corporation.

- (l) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities along with disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) **Cash and Cash Equivalents:**

The Corporation’s restricted cash shown on the statement of net position represents cash held by the Corporation’s trustee in the Corporation’s name. These funds consist of funds held for debt service payments and funds held for construction as required in the trust indenture. For the year ended June 30, 2020 the cash was invested in a government money market fund. The value of cash and cash equivalents held at the institution on June 30, 2020 and 2019 was \$116,473 and \$810,559, respectively.

The Corporation has cash invested by the University of \$3,571,957 and \$2,277,125 at June 30, 2020 and 2019, respectively. The amounts are included in Due From the University of Central Florida on the accompanying statement of net position. Investment income shown on the statement of revenues, expenses and changes in net position includes interest earned on the cash held by a trust institution, as well as realized gains/losses allocated from the University on funds held and invested on behalf of the Corporation. Section 1011.42(5), *Florida Statutes*, authorizes universities and their component units to invest funds with the State Treasury and State Board of Administration, and requires that these entities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities and their component units are subject to the requirements of Chapter 218, Part IV, *Florida*

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

(2) **Cash and Cash Equivalents:** (Continued)

Statutes. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University investment manual. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, *Florida Statutes*; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The money market funds invest in diversified portfolios of high-quality, dollar-denominated short-term debt securities.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation's investments in securities must provide sufficient liquidity to pay obligations as they come due.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's investment policy and manual provides information on asset classes, target allocations, and ranges of acceptable investment categories.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to manage the custodial credit risk, the University's investment policy specifies certain requirements to pre-qualify financial institutions and brokers/dealers. The Corporation's investments are held by a third-party custodian, not in the name of the Corporation.

(3) **Concentrations of Credit Risk:**

The Corporation has no policy requiring collateral or other security to support receivables from related parties, as described in Note 6.

Related party receivables and payables are as follows at June 30:

	<u>2020</u>	<u>2019</u>
Due from the University of Central Florida	\$ 3,571,957	\$ 2,277,125
Due from the UCF Athletics Association, Inc.	436,571	416,987
Due from the UCF Foundation, Inc.	-	11,000
Due to the UCF Athletics Association, Inc.	(1,640)	(429,832)

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

(4) Long-term Obligations:

In December 2015, the Corporation issued Series 2015A tax-exempt refunding revenue bonds for \$33,995,000 with a net premium of \$2,332,576, Series 2015B taxable refunding revenue bonds for \$10,250,000, and a Series 2015C non-taxable refunding revenue bond for \$3,810,000 (the 2015 debt issue). The Series 2015A and Series 2015B bonds were issued as publicly traded bonds and the Series 2015C bonds were issued as a direct borrowing with a bank. These bonds were issued to refund and replace the Corporation's Series 2006A, 2006B, and 2014 Certificates of Participation. The refunding bonds include both term and serial bonds and are secured by a pledge from the Association of gross ticket revenues, Association rent, away game guarantees, conference distributions, sponsorship, and guaranteed royalty revenues. Principal and interest payments were made in accordance with the schedule set forth at the time of issuance and bear fixed interest rates that range from 2.49 percent to 5.15 percent, and maturity dates that range from March 2029 to March 2036.

The extinguishment of the defeased certificates terminated the ground lease between the Corporation and the University. All the related building and building improvements assets on the leased land transferred to the University.

The following is a schedule of future principal and interest payments for the Series 2015A, Series 2015B and 2015C revenue bonds as of June 30, 2020:

	<u>Direct Borrowings Payable</u>		<u>Other Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
2021	\$ 275,000	\$ 55,502	\$ 1,665,000	\$ 1,628,104	\$ 3,623,606
2022	282,000	48,655	1,745,000	1,551,123	3,626,778
2023	289,000	41,633	1,825,000	1,469,404	3,625,037
2024	296,000	34,436	1,915,000	1,383,014	3,628,450
2025	303,000	27,066	2,000,000	1,291,854	3,621,920
2026-2030	784,000	39,019	11,440,000	5,033,411	17,296,430
2031-2035	-	-	14,035,000	2,437,936	16,472,936
2036-2036	-	-	3,160,000	134,910	3,294,910
Subtotals	2,229,000	246,311	37,785,000	14,929,756	55,190,067
Plus: Unamortized Bond Premium	-	-	1,804,627	-	1,804,627
Total	<u>\$ 2,229,000</u>	<u>\$ 246,311</u>	<u>\$ 39,589,627</u>	<u>\$ 14,929,756</u>	<u>\$ 56,994,694</u>

The University entered into a support agreement such that it will fund certain deficiencies that may arise in the event the Corporation is unable to make the minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent that it has legally available revenues to cover the unpaid amounts.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

(4) **Long-term Obligations:** (Continued)

With each of the Corporation's debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of thirty days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the Corporation's debt is not subject to any acceleration clauses.

Changes in long-term debt for the year ended June 30, 2020, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Direct Borrowings:</u>					
Revenue bonds	\$ 2,497,000	\$ -	\$ (268,000)	\$ 2,229,000	\$ 275,000
Total Direct Borrowings	<u>\$ 2,497,000</u>	<u>\$ -</u>	<u>\$ (268,000)</u>	<u>\$ 2,229,000</u>	<u>\$ 275,000</u>
<u>Other Debt:</u>					
Revenue bonds	\$ 39,380,000	\$ -	\$ (1,595,000)	\$ 37,785,000	\$ 1,665,000
Unamortized premiums	1,919,816	-	(115,189)	1,804,627	-
Total Other Debt	<u>\$ 41,299,816</u>	<u>\$ -</u>	<u>\$ (1,710,189)</u>	<u>\$ 39,589,627</u>	<u>\$ 1,665,000</u>
Total Long-Term Debt:	<u>\$ 43,796,816</u>	<u>\$ -</u>	<u>\$ (1,978,189)</u>	<u>\$ 41,818,627</u>	<u>\$ 1,940,000</u>

Changes in long-term debt for the year ended June 30, 2019, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Direct Borrowings:</u>					
Revenue bonds	\$ 3,003,000	\$ -	\$ (506,000)	\$ 2,497,000	\$ 268,000
Total Direct Borrowings	<u>\$ 3,003,000</u>	<u>\$ -</u>	<u>\$ (506,000)</u>	<u>\$ 2,497,000</u>	<u>\$ 268,000</u>
<u>Other Debt:</u>					
Revenue bonds	\$ 40,905,000	\$ -	\$ (1,525,000)	\$ 39,380,000	\$ 1,595,000
Unamortized premiums	2,035,005	-	(115,189)	1,919,816	-
Total Other Debt	<u>\$ 42,940,005</u>	<u>\$ -</u>	<u>\$ 1,640,189</u>	<u>\$ 41,299,816</u>	<u>\$ 1,595,000</u>
Total Long-Term Debt:	<u>\$ 45,943,005</u>	<u>\$ -</u>	<u>\$ (2,146,189)</u>	<u>\$ 43,796,816</u>	<u>\$ 1,863,000</u>

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

(4) **Long-term Obligations:** (Continued)

The Corporation amortized \$115,189 and \$115,189 of the bond premium to interest expense for the years ended June 30, 2020 and 2019, respectively. Bond premiums are amortized on an annual basis using the straight-line method, which is materially consistent with the effective interest method. Interest expense was \$1,659,547 and \$1,736,757 for fiscal years ended June 30, 2020 and 2019, respectively.

(5) **Commitments:**

The Corporation has a Management and Use Agreement with the Association to operate, manage and maintain the football stadium as part of the University's football program which is administered by the Association. As discussed in Note 4, the Association pledged gross ticket revenues, rent, away game guarantees, conference distributions, sponsorships, and guaranteed royalty revenues to the Corporation to meet the obligations of the revenue bonds. Once the covenants attached to the revenue bonds are met, any excess unrestricted funds are distributed back to the Association.

(6) **Related Party Transactions:**

As set forth in the trust indenture related to the 2015 debt issue (as more fully described in Note 4 above), the debt is secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, and sponsorships, and guaranteed royalty revenues. The Corporation utilizes these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be transferred by the Association unless they are needed to meet the Corporation's annual debt service obligations. Funds remaining after all debt covenants are met, are distributed from the Corporation to the Association.

Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as nonoperating revenues and non-operating expenses, respectively.

In September 2015, the Corporation entered into a Fundraising Agreement with the Foundation concurrent with the 2015 debt issuances. In accordance with this agreement the Foundation works with the Association regarding the lease of luxury suites and club seats located at the stadium as well as managing the capital gift campaign designated for the stadium. Any funds collected by the Foundation are remitted to the Corporation. Receipts from the Foundation related to suites and club seats are recorded as premium seating in operating revenues and receipts related to capital gifts are recorded as distributions from the Foundation in nonoperating revenues. During fiscal year ended June 30, 2020 the Foundation remitted \$750,000 to Stadium on behalf of the Association towards the guaranteed royalty annual payment, and \$250,000 of settlement proceeds that were remitted in the form of a charitable donation, and is included in the distributions from the Foundation on the statement of revenues, expenses and changes in net position.

As discussed in Note 4, *Long-Term Obligations*, the Corporation entered into a support agreement with the University, such that the University will fund certain deficiencies that may arise in the event the Corporation is unable to make minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

(6) **Related Party Transactions:** (Continued)

any such deficiencies. The University is obligated only to the extent it has legally available revenue to cover the unpaid amounts.

(7) **Deficit Net Position:**

The Corporation has a deficit net position for the year ended June 30, 2020 and 2019 of \$39,420,454 and \$42,435,037, respectively. This deficit balance can be attributed to the transfer of all building and building improvement assets to the University as a result of the termination of the ground lease between the Corporation and the University with the December 2015 debt refunding. The Corporation's related debt was previously included as a component of the net investment in capital assets portion of net position but are now included as a component of unrestricted net position. The Corporation's debt balances reflected as a component of unrestricted net position for the year ended June 30, 2020 and 2019 was \$41,218,994 and \$43,158,908, respectively.

(8) **Litigation Settlement Proceeds:**

On February 10, 2020, the Corporation executed a mediated settlement agreement for a total of \$1.4 million. This total includes \$250,000 of settlement proceeds that were remitted to the UCF Foundation in the form of a charitable donation and then transferred to the Corporation. This amount is included in the Distributions from the UCF Foundation on the statement of revenues, expenses and changes in net position. The remaining \$1,150,000 is presented on the statement of revenues, expenses and changes in net position as settlement proceeds.

(9) **Recent Event:**

In the Spring of 2020, local, U.S. and world governments encouraged social distancing to curtail the spread of the coronavirus pandemic. Restrictions were imposed on the size and duration of social and business gatherings. Most industries are continuing to experience disruption to business operations and reduced consumer spending. Due to the impact on the 2020 football season, the operations and business results of the Corporation are expected to be affected in fiscal 2021. The extent to which the coronavirus may impact business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

At the issuance of these financial statements, it is estimated that Premium Seating revenues and Distributions from the Association will decline due to fewer home football games and limitations on spectator attendance. However, pledged revenue distributions, including its annual rent and guaranteed royalty payment, received from the Association are estimated to meet the Corporation's fiscal 2021 debt service obligations. Should these revenues fall short of estimate the university support agreement disclosed in Note 4 will cover the debt service obligations.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the UCF Stadium Corporation (the "Corporation"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
October 19, 2020

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have examined the UCF Stadium Corporation's (the "Corporation") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended June 30, 2020. Management of the Corporation is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements contained in Section 218.415, *Florida Statutes*, during the year ended June 30, 2020.

The purpose of this report is solely to comply with Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Tampa, Florida
October 19, 2020

**UCF STADIUM CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY
OF CENTRAL FLORIDA)**

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

**UCF STADIUM CORPORATION
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
UCF Stadium Corporation
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the UCF Stadium Corporation (the "Corporation"), a direct support organization and component unit of the University of Central Florida, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position the Corporation, as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2019, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Crowe LLP

Tampa, Florida
September 27, 2019

**UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018**

The management discussion and analysis (MD&A) provides an overview of the financial position and activities of the UCF Stadium Corporation, (the Corporation), for the years ended June 30, 2019 and 2018, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of management. The MD&A contains financial activity of the Corporation for the fiscal years ended June 30, 2019, 2018, and 2017.

The Corporation is presented as a discrete component unit of the University of Central Florida (the University) and was certified as a direct support organization in December 2005. The purpose of the Corporation is to finance, construct and operate a stadium on behalf of the University and the UCF Athletics Association, Inc. (the Association).

Pursuant to GASB Statement No. 35, the Corporation's basic financial statements include: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets, deferred outflows of resources, and liabilities of the Corporation, and presents the net position of the Corporation at a specified time. Assets, plus deferred outflows of resources, less liabilities equal net position, which is one indicator of the Corporation's current financial condition. The changes in net position that occurs over time indicate improvement or deterioration in the Corporation's financial condition. Restricted net position consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. Unrestricted net position consists of net assets that do not meet the definition of either restricted or net investment in capital assets. The Corporation's liabilities exceeded assets and deferred outflow of resources creating a deficit net position of \$42.4 million at June 30, 2019, primarily due to the transfer of fixed assets to the University from the Corporation's debt refunding in fiscal year 2016. The deficit net position will improve in future years as the Corporation continues to reduce its outstanding long term debt obligations with the pledged revenues from the Association.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018
(Continued)

The following summarizes the Corporation's total net position for fiscal years ended June 30:

Condensed Statement of Net Position
(For the Fiscal Years at June 30)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets			
Current assets	\$ 3,574,200	\$ 3,063,841	\$ 3,316,874
Total Assets	<u>3,574,200</u>	<u>3,063,841</u>	<u>3,316,874</u>
 Deferred Outflows	 <u>637,908</u>	 <u>676,182</u>	 <u>714,457</u>
 Liabilities			
Current liabilities	4,713,329	4,108,921	3,926,266
Noncurrent liabilities	<u>41,933,816</u>	<u>44,157,005</u>	<u>46,058,194</u>
Total Liabilities	<u>46,647,145</u>	<u>48,265,926</u>	<u>49,984,460</u>
 Net Position			
Restricted	222,930	710	208,358
Unrestricted	<u>(42,657,967)</u>	<u>(44,526,613)</u>	<u>(46,161,487)</u>
Total Net Position	<u>\$ (42,435,037)</u>	<u>\$ (44,525,903)</u>	<u>\$ (45,953,129)</u>

The Corporation's assets totaled \$3.6 million as of June 30, 2019. This balance reflects a \$0.5 million, or 16.7 percent increase from the prior fiscal year primarily due to an increase in the Corporation's restricted cash and an increase in the amount due from the Association.

Liabilities totaled \$46.6 million at June 30, 2019. This balance reflects a \$1.6 million, or 3.4 percent decrease from the prior fiscal year primarily due to payments on the Corporation's long-term debt.

The Corporation has a deficit net position balance of \$42.4 million as of June 30, 2019. This balance reflects a \$2.1 million, or 4.7 percent increase from the prior fiscal year primarily due to the payments on the Corporation's long-term debt.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018
(Continued)

THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The statement of revenues, expenses and changes in net position presents the Corporation's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. GASB Statement No. 35 categorizes revenues and expenses as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value. The majority of the Corporation's revenues and expenses are non-operating revenues and expenses as defined by GASB.

Operating revenue consists primarily of revenues related to the rights granted to donors in connection with luxury suites and club seats located within the stadium, as well as revenues related to the Corporation's sponsorship agreement with Spectrum, formerly known as Bright House Networks. Operating expenditures reported for the Corporation include repairs and improvements to the Stadium and other financing related costs. Non-operating activity consists primarily of interest payments on the Stadium's long-term debt obligations and distributions between the Corporation and the Association.

The following summarizes the Corporation's changes in net position for the fiscal years ended June 30:

Condensed Statement of Revenues, Expenses and Changes in Net Position
(For the Fiscal Years Ended June 30)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 4,173,555	\$ 3,644,882	\$ 3,712,291
Operating expenses	146,229	438,710	125,283
Operating income	<u>4,027,326</u>	<u>3,206,172</u>	<u>3,587,008</u>
 Net non-operating expense	 <u>(1,936,460)</u>	 <u>(1,778,946)</u>	 <u>(2,329,379)</u>
 Change in net position	 2,090,866	 1,427,226	 1,257,629
Net position, beginning of year	<u>(44,525,903)</u>	<u>(45,953,129)</u>	<u>(47,210,758)</u>
Net position, end of year	<u><u>\$ (42,435,037)</u></u>	<u><u>\$ (44,525,903)</u></u>	<u><u>\$ (45,953,129)</u></u>

The Corporation's operating revenues totaled \$4.2 million at June 30, 2019. This balance reflects a \$0.5 million increase from the prior fiscal year primarily due to increases in premium seating and commission revenues.

Operating expenses totaled \$0.1 million at June 30, 2019. This balance reflects a \$0.3 million decrease from the prior fiscal year primarily due to a decrease in repair expenses for Spectrum stadium.

Non-operating expenses totaled \$1.9 million at June 30, 2019. This balance reflects a \$0.2 million increase from the prior fiscal year primarily due to an increase in net distributions to the Association.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018
(Continued)

The Corporation's Series 2015A, 2015B, and 2015C refunding revenue bonds are secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, and sponsorship revenue. The Corporation utilized these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Once the covenants attached to the bonds are met, any excess unrestricted funds are distributed back to the Association. Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association, and classifies them as non-operating revenues and non-operating expenses, respectively. The net activity from these distributions for the fiscal year ended June 30, 2019 was a \$0.7 million distribution from the Corporation to the Association.

The following table details net activity with the Association for the years ended June 30:

Net Distributions with the UCF Athletic Association, Inc.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Ticket sales	\$ 4,362,319	\$ 3,678,481	\$ 3,020,592
Association rent	2,121,000	2,121,000	1,671,000
Other distributions	-	379,589	-
Distributions from the Association	6,483,319	6,179,070	4,691,592
Distributions to the Association	(7,180,462)	(6,567,475)	(5,147,888)
Net Distributions	<u>\$ (697,143)</u>	<u>\$ (388,405)</u>	<u>\$ (456,296)</u>

Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be distributed from the Association to the Corporation unless they are needed to meet the Corporation's annual debt service obligations. In the current fiscal year these revenues, totaling \$3.0 million, were not needed by the Corporation for debt service, or to meet the coverage ratio requirements on the debt.

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018
(Continued)

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the Corporation's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Corporation's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the Corporation. Cash flows from noncapital financing activities include changes in the amounts due from related parties. Cash flows from capital and related financing activities include changes associated with long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments.

The following summarizes cash flows for the fiscal years ended June 30:

Condensed Statements of Cash Flows
(For the Fiscal Years Ended June 30)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash flows provided by (used in)			
Operating activities	\$ 4,171,328	\$ 3,571,184	\$ 3,438,234
Noncapital financing activities	(157,051)	(243,653)	55,397
Capital and related financing activities	(3,871,589)	(3,628,712)	(3,633,038)
Investing activities	<u>64,620</u>	<u>58,170</u>	<u>42,797</u>
Change in cash	207,308	(243,011)	(96,610)
Cash and cash equivalents			
Beginning of year	603,251	846,262	942,872
End of year	<u>\$ 810,559</u>	<u>\$ 603,251</u>	<u>\$ 846,262</u>

DEBT ADMINISTRATION

As of June 30, 2019, the Corporation had \$43.8 million in outstanding revenue bonds. This represents a decrease of \$2.1 million, or 4.7 percent, from the prior fiscal year. Additional information about the Corporation's long-term debt is presented in Note 4 of the financial statements.

The following summarizes the outstanding revenue bonds for the fiscal years ended June 30:

Long-Term Debt
(For the Fiscal Years Ended June 30)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue Bonds	\$ 43,796,816	\$ 45,943,005	\$ 47,773,194
Total	<u>\$ 43,796,816</u>	<u>\$ 45,943,005</u>	<u>\$ 47,773,194</u>

UCF STADIUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018
(Continued)

ECONOMIC OUTLOOK

The Corporation's economic condition is closely tied to that of the Association. The Corporation has enhanced the University's footprint by aiding in the construction of an on-campus stadium, the stadium's east side club expansion, and the student leadership center, and with such, added great value to the University, the Association, and the community as a whole. Despite the impact to the Corporation's net position in fiscal year 2016 due to the transfer of capital assets to the University, the Corporation still maintains a strong ability to fulfill its annual debt service requirements since the debt is secured by pledge revenues from the Association.

REQUEST FOR INFORMATION

These financial statements are designed to provide detailed information on the Corporation's operations to the Corporation's Board, management, investors, creditors, and all others with an interest in the Corporation's financial affairs and to demonstrate the Corporation's accountability for the assets it controls and funds it receives and expends. Questions concerning any of the information provided in this report or any requests for additional financial information should be addressed to Bert Francis, Assistant Controller, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, FL 32826-3249.

UCF STADIUM CORPORATION
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Current assets		
Other receivables	\$ 58,529	\$ 78,038
Due from the University of Central Florida	2,277,125	2,125,986
Due from the UCF Athletics Association, Inc.	416,987	246,566
Due from the UCF Foundation, Inc.	11,000	10,000
Restricted cash and cash equivalents	810,559	603,251
Total current assets	3,574,200	3,063,841
Total Assets	3,574,200	3,063,841
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred loss on refunding of debt	637,908	676,182
 <u>LIABILITIES</u>		
Current liabilities		
Current portion of long-term debt	1,863,000	1,786,000
Interest payable	587,629	614,546
Due to the UCF Athletics Association Inc.	429,832	-
Unearned revenue	1,832,868	1,708,375
Total current liabilities	4,713,329	4,108,921
Noncurrent liabilities		
Long-term debt, less current portion	41,933,816	44,157,005
Total Liabilities	46,647,145	48,265,926
 <u>NET POSITION</u>		
Restricted for:		
Construction	125	122
Other	222,805	588
Unrestricted	(42,657,967)	(44,526,613)
Total Net Position	<u>\$ (42,435,037)</u>	<u>\$ (44,525,903)</u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating revenues		
Naming rights	\$ 960,490	\$ 960,490
Premium seating	2,373,452	1,938,405
Commissions	839,613	511,987
Sponsorships	-	234,000
Total operating revenues	<u>4,173,555</u>	<u>3,644,882</u>
Operating expenses		
Services and supplies	<u>146,229</u>	<u>438,710</u>
Total operating expenses	<u>146,229</u>	<u>438,710</u>
Operating income	<u>4,027,326</u>	<u>3,206,172</u>
Nonoperating revenues (expenses)		
Distributions from the UCF Athletics Association, Inc.	6,483,319	6,179,070
Distributions from the UCF Foundation, Inc.	432,820	418,580
Distributions to the UCF Athletics Association, Inc.	(7,180,462)	(6,567,475)
Distributions to the University of Central Florida	-	(53,851)
Interest income	64,620	58,170
Interest expense	<u>(1,736,757)</u>	<u>(1,813,440)</u>
Total nonoperating revenues (expenses)	<u>(1,936,460)</u>	<u>(1,778,946)</u>
Change in net position	<u>2,090,866</u>	<u>1,427,226</u>
Net position, beginning of year	<u>(44,525,903)</u>	<u>(45,953,129)</u>
Net position, end of year	<u>\$ (42,435,037)</u>	<u>\$ (44,525,903)</u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Receipts from premium seating	\$ 2,497,945	\$ 2,283,907
Receipts from naming rights	979,999	980,000
Receipts from commissions	839,613	511,987
Receipts from sponsorships	-	234,000
Payments to suppliers and others	(146,229)	(438,710)
Net cash provided by operating activities	<u>4,171,328</u>	<u>3,571,184</u>
Cash flows from noncapital financing activities		
Net change in funds held by the University of Central Florida	(151,139)	(187,580)
Distributions from the UCF Athletics Association, Inc.	6,312,898	5,932,504
Distributions from the UCF Foundation, Inc.	431,820	843,238
Distributions to the UCF Athletics Association, Inc.	(6,750,630)	(6,567,475)
Distributions to the University of Central Florida	-	(264,340)
Net cash used in noncapital financing activities	<u>(157,051)</u>	<u>(243,653)</u>
Cash flows from capital and related financing activities		
Payments on long-term debt	(2,031,000)	(1,715,000)
Interest paid	(1,840,589)	(1,913,712)
Net cash used in capital and related financing activities	<u>(3,871,589)</u>	<u>(3,628,712)</u>
Cash flows from investing activities		
Interest income received	64,620	58,170
Net increase (decrease) in cash and cash equivalents	<u>207,308</u>	<u>(243,011)</u>
Cash and cash equivalents, beginning of year	603,251	846,262
Cash and cash equivalents, end of year	<u>\$ 810,559</u>	<u>\$ 603,251</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,027,326	\$ 3,206,172
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Other receivables	19,509	19,510
Unearned revenue	124,493	345,502
Net cash provided by operating activities	<u>\$ 4,171,328</u>	<u>\$ 3,571,184</u>

The accompanying notes to the financial statements
are an integral part of these statements.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the significant accounting policies and practices of the UCF Stadium Corporation (the Corporation), which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Corporation is a not-for-profit entity incorporated on October 26, 2005. The Corporation was created by the University of Central Florida (the University), as a direct support organization of the University whose purpose is to construct, operate and maintain the football stadium for and on behalf of the University and UCF Athletics Association, Inc. (the Association). As a direct support organization and component unit of the University, the Corporation operates for the service and convenience of the University. The Corporation is presented as a discrete component unit of the University on the University's financial statements. The name of the Corporation was changed to UCF Stadium Corporation from Golden Knights Corporation during the year ended June 30, 2015.

(b) **Financial statement presentation**—The Corporation's financial statements are presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended, which requires the Corporation to present:

- ◆ Management's Discussion and Analysis
- ◆ Basic Financial Statements:
 - Statements of Net Position
 - Statements of Revenues, Expenses and Changes in Net Position
 - Statements of Cash Flows
 - Notes to Financial Statements

(c) **Basis of accounting**—Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Corporation's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The Corporation follows GASB standards of accounting and financial reporting. In the year ending June 30, 2019, the Corporation implemented GASB 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which improved the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. The statement of revenues, expenses and changes in net position is presented in a format which distinguishes operating revenues and expenses from non-operating items. Operating revenues are defined as revenues generated from the primary mission of the Corporation; and include revenues generated from naming rights, premium seating, commissions and sponsorships. Operating revenues normally, but not always, result from exchange transactions defined as revenues received in exchange for a good or service. Non-operating revenues are defined as revenues not derived from the basic mission operations of the Corporation.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(1) **Summary of Significant Accounting Policies:** (Continued)

Nonoperating revenues normally, but not always, result from non-exchange transactions, defined as value received with no good or service exchanged. The statement of cash flows is presented using the direct method in compliance with GASB standards of accounting and financial reporting.

(d) **Cash and cash equivalents**—Amounts reported as cash and cash equivalents consist of cash on hand, cash held by a trust institution and invested in money market funds, and investments with original maturities of three months or less. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

(e) **Due From the University of Central Florida**—The amounts recorded as Due from the University of Central Florida include funds held by the University on behalf of the Corporation.

(f) **Capital assets**—The Corporation has no remaining capital assets at June 30, 2019 and 2018. The Corporation's capital assets previously consisted of furniture and equipment; and works of art and historical treasures. Those assets were capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset were capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The Corporation has a capitalization threshold of \$5,000 for furniture and equipment additions and a threshold of \$100,000 for new buildings and improvements. Depreciation is computed on the straight-line basis over estimated useful lives ranging from 5 to 39 years.

(g) **Revenue recognition**—Revenues from sponsorship naming rights are recognized ratably over the term of the sponsorship agreement. Premium seating and commission revenues are recognized as revenue at the time the event takes place.

(h) **Unearned revenue**—Unearned revenue consists of advance payments related to luxury suites and club seats in the football stadium. Suite and premium seating revenue is recognized in the period the athletic event occurs.

(i) **Deferred outflows of resources**—The unrestricted net position includes the effect of recognizing a deferred outflow of resources from the loss on the Series 2006A, 2006B and 2014 debt refundings. The balance of the deferred outflow of resources was \$637,908 and \$676,182 at June 30, 2019 and 2018 respectively. The deferred loss on refunding will be amortized as a component of interest expense over the life of the remaining debt.

(j) **Net position**—The Corporation's net position is classified as follows:

- **Restricted net position** – This represents the Corporation's resources that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.
- **Unrestricted net position** – This represents Corporation resources which do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted net position is available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Income taxes**—The Corporation is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

When required, the Corporation files income tax returns in the U.S. federal jurisdiction and in the state of Florida. The Corporation's income tax returns for the past three years are subject to examination by the tax authorities, and may change upon examination.

The Corporation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Corporation.

- (l) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities along with disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (m) **Reclassification**—Certain amounts in the prior year financial statements may have been reclassified to conform to the current year presentation. Such reclassifications had no effect on previously reported net position.

(2) **Cash and Cash Equivalents:**

The Corporation's restricted cash shown on the statement of net position represents cash held by the Corporation's trustee in the Corporation's name. These funds consist of funds held for debt service payments and funds held for construction as required in the trust indenture. For the year ended June 30, 2019 the cash was invested in a government money market fund. The value of cash and cash equivalents held at the institution on June 30, 2019 and 2018 was \$810,559 and \$603,251, respectively.

The Corporation has cash invested by the University of \$2,277,125 and \$2,125,986 at June 30, 2019 and 2018, respectively. The amounts are included in Due From the University of Central Florida on the accompanying statement of net position. Section 1011.42(5), *Florida Statutes*, authorizes universities and their component units to invest funds with the State Treasury and State Board of Administration, and requires that these entities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities and their component units are subject to the requirements of Chapter 218, Part IV, *Florida Statutes*. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University investment manual. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, *Florida Statutes*; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(2) **Cash and Cash Equivalents:** (Continued)

University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The money market funds invest in diversified portfolios of high-quality, dollar-denominated short-term debt securities.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation's investments in securities must provide sufficient liquidity to pay obligations as they come due.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's investment policy and manual provides information on asset classes, target allocations, and ranges of acceptable investment categories.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to manage the custodial credit risk, the University's investment policy specifies certain requirements to pre-qualify financial institutions and brokers/dealers. The Corporation's investments are held by a third party custodian, not in the name of the Corporation.

(3) **Concentrations of Credit Risk:**

The Corporation has no policy requiring collateral or other security to support receivables from related parties, as described in Note 6.

Related party receivables and payables are as follows at June 30:

	<u>2019</u>	<u>2018</u>
Due from the University of Central Florida	\$ 2,277,125	\$ 2,125,986
Due from the UCF Athletics Association, Inc.	416,987	246,566
Due from the UCF Foundation, Inc.	11,000	10,000
Due to the UCF Athletics Association, Inc.	(429,832)	-

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(4) Long-term Obligations:

In December 2015, the Corporation issued Series 2015A tax-exempt refunding revenue bonds for \$33,995,000 with a net premium of \$2,332,576, Series 2015B taxable refunding revenue bonds for \$10,250,000, and a Series 2015C non-taxable refunding revenue bond for \$3,810,000 (the 2015 debt issue). The Series 2015A and Series 2015B bonds were issued as publicly traded bonds and the Series 2015C bonds were issued as a direct borrowing with a bank. These bonds were issued to refund and replace the Corporation's Series 2006A, 2006B, and 2014 Certificates of Participation. The refunding bonds include both term and serial bonds and are secured by a pledge from the Association of gross ticket revenues, Association rent, away game guarantees, conference distributions, and sponsorship revenue. Principal and interest payments were made in accordance with the schedule set forth at the time of issuance and bear fixed interest rates that range from 2.49 percent to 5.15 percent, and maturity dates that range from March 2029 to March 2036.

The extinguishment of the defeased certificates terminated the ground lease between the Corporation and the University. All the related building and building improvements assets on the leased land transferred to the University.

The following is a schedule of future principal payments for the Series 2015A, Series 2015B and 2015C revenue bonds as of June 30, 2019:

	Direct Borrowings Payable		Other Bonds Payable		Total
	Principal	Interest	Principal	Interest	Principal and Interest
2020	\$ 268,000	\$ 62,175	\$ 1,595,000	\$ 1,700,713	\$ 3,625,888
2021	275,000	55,502	1,665,000	1,628,104	3,623,606
2022	282,000	48,654	1,745,000	1,551,124	3,626,778
2023	289,000	41,632	1,825,000	1,469,404	3,625,036
2024	296,000	34,436	1,915,000	1,383,014	3,628,450
2025-2029	1,087,000	66,084	10,970,000	5,504,714	17,627,798
2030-2034	-	-	13,475,000	2,994,270	16,469,270
2035-2036	-	-	6,190,000	399,127	6,589,127
Subtotals	2,497,000	308,483	39,380,000	16,630,470	58,815,953
Plus: Unamortized Bond Premium	-	-	1,919,816	-	1,919,816
Total	<u>\$ 2,497,000</u>	<u>\$ 308,483</u>	<u>\$ 41,299,816</u>	<u>\$ 16,630,470</u>	<u>\$ 60,735,769</u>

The University entered into a support agreement such that it will fund certain deficiencies that may arise in the event the Corporation is unable to make the minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent that it has legally available revenues to cover the unpaid amounts.

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(4) **Long-term Obligations:** (Continued)

With each of the Corporation's debt issuances, in the event either party fails to perform the covenants and obligations provided in the respective debt agreements, and such failure continues for a period of thirty days following written notice from the other party, such failure shall constitute a default under the terms and provisions of the agreements. In the event of default, interest rates are subject to change and other fees and penalties may be assessed. Upon any such default, the non-defaulting party shall have the right to pursue any and all available legal remedies in order to protect and enforce its rights. In any event of default, the Corporation's debt is not subject to any acceleration clauses.

Changes in long-term debt for the year ended June 30, 2019, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Direct Borrowings:</u>					
Revenue bonds	\$ 3,003,000	\$ -	\$ (506,000)	\$ 2,497,000	\$ 268,000
Total Direct Borrowings	<u>\$ 3,003,000</u>	<u>\$ -</u>	<u>\$ (506,000)</u>	<u>\$ 2,497,000</u>	<u>\$ 268,000</u>
<u>Other Debt:</u>					
Revenue bonds	\$ 40,905,000	\$ -	\$ (1,525,000)	\$ 39,380,000	\$ 1,595,000
Unamortized premiums	2,035,005	-	(115,189)	1,919,816	-
Total Other Debt	<u>\$ 42,940,005</u>	<u>\$ -</u>	<u>\$ (1,640,189)</u>	<u>\$ 41,299,816</u>	<u>\$ 1,595,000</u>
<u>Total Long Term Debt:</u>	<u>\$ 45,943,005</u>	<u>\$ -</u>	<u>\$ (2,146,189)</u>	<u>\$ 43,796,816</u>	<u>\$ 1,863,000</u>

Changes in long-term debt for the year ended June 30, 2018, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Direct Borrowings:</u>					
Revenue bonds	\$ 3,258,000	\$ -	\$ (255,000)	\$ 3,003,000	\$ 506,000
Total Direct Borrowings	<u>\$ 3,258,000</u>	<u>\$ -</u>	<u>\$ (255,000)</u>	<u>\$ 3,003,000</u>	<u>\$ 506,000</u>
<u>Other Debt:</u>					
Revenue bonds	\$ 42,365,000	\$ -	\$ (1,460,000)	\$ 40,905,000	\$ 1,280,000
Unamortized premiums	2,150,194	-	(115,189)	2,035,005	-
Total Other Debt	<u>\$ 44,515,194</u>	<u>\$ -</u>	<u>\$ (1,575,189)</u>	<u>\$ 42,940,005</u>	<u>\$ 1,280,000</u>
<u>Total Long Term Debt:</u>	<u>\$ 47,773,194</u>	<u>\$ -</u>	<u>\$ (1,830,189)</u>	<u>\$ 45,943,005</u>	<u>\$ 1,786,000</u>

UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(4) **Long-term Obligations:** (Continued)

The Corporation amortized \$115,189 and \$115,189 of the bond premium to interest expense for the years ended June 30, 2019 and 2018, respectively. Bond premiums are amortized on an annual basis using the straight-line method, which is materially consistent with the effective interest method. Interest expense was \$1,736,757 and \$1,813,440 for fiscal years ended June 30, 2019 and 2018, respectively.

(5) **Commitments:**

The Corporation has a Management and Use Agreement with the Association to operate, manage and maintain the football stadium as part of the University's football program which is administered by the Association. As discussed in Note 4, the Association pledged gross ticket revenues, rent, away game guarantees, conference distributions, and sponsorship revenues to the Corporation to meet the obligations of the revenue bonds. Once the covenants attached to the revenue bonds are met, any excess unrestricted funds are distributed back to the Association

(6) **Related Party Transactions:**

As set forth in the trust indenture related to the 2015 debt issue (as more fully described in Note 4 above), the debt is secured by a pledge from the Association of their gross ticket revenues for football, Association rent, away game guarantees, conference distributions, and sponsorship revenue. The Corporation utilizes these funds in meeting its annual debt service obligation and satisfying other debt covenant requirements as set forth related to the debt issuance. Away game guarantees and conference distributions are pledged revenues of the Corporation's debt issuances. However, these revenues are not required to be transferred by the Association unless they are needed to meet the Corporation's annual debt service obligations. Funds remaining after all debt covenants are met, are distributed from the Corporation to the Association.

Pursuant to GASB No. 35, the Corporation records these receipts and payments with the Association as distributions from the Association and distributions to the Association and classifies them as nonoperating revenues and non-operating expenses, respectively.

In September 2015, the Corporation entered into a Fundraising Agreement with the Foundation concurrent with the 2015 debt issuances. In accordance with this agreement the Foundation works with the Association regarding the lease of luxury suites and club seats located at the stadium as well as managing the capital gift campaign designated for the stadium. Any funds collected by the Foundation are remitted to the Corporation. Receipts from the Foundation related to suites and club seats are recorded as premium seating in operating revenues and receipts related to capital gifts are recorded as distributions from the Foundation in nonoperating revenues.

As discussed in Note 4, *Long-Term Obligations*, the Corporation entered into a support agreement with the University, such that the University will fund certain deficiencies that may arise in the event the Corporation is unable to make minimum payments on the bonds. In addition, if the Corporation has deficiencies for debt service coverage requirements or reserve account shortfalls, the University agrees to transfer funds to cover any such deficiencies. The University is obligated only to the extent it has legally available revenue to cover the unpaid amounts.

**UCF STADIUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

(7) Deficit Net Position:

The Corporation has a deficit net position for the year ended June 30, 2019 and 2018 of \$42,435,037 and \$44,525,903, respectively. This deficit balance can be attributed to the transfer of all building and building improvement assets to the University as a result of the termination of the ground lease between the Corporation and the University with the December 2015 debt refunding. The Corporation's related debt was previously included as a component of the net investment in capital assets portion of net position but are now included as a component of unrestricted net position. The Corporation's debt balances reflected as a component of unrestricted net position for the year ended June 30, 2019 and 2018 was \$43,158,908 and \$45,266,823, respectively.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the UCF Stadium Corporation (the "Corporation"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Tampa, Florida
September 27, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

Board of Directors
UCF Stadium Corporation
Orlando, Florida

We have examined the UCF Stadium Corporation's (the "Corporation") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended June 30, 2019. Management of the Corporation is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements contained in Section 218.415, *Florida Statutes*, during the year ended June 30, 2019.

The purpose of this report is solely to comply with Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Tampa, Florida
September 27, 2019



Planning, Design and Construction

UNIVERSITY OF CENTRAL FLORIDA

March 11, 2024

Dear Members of the Board of Governors,

Subject: Compliance with University Master Plan

I am writing to confirm that the proposed UCF Stadium Tower Expansion Debt is fully compliant with our university's Campus Master Plan, with Amendments.

Sincerely,

A handwritten signature in blue ink, appearing to read "William E. Martin", is written in a cursive style.

Bill Martin

University Architect
University of Central Florida

Board of Trustees
May 26, 2022

FAC-2: Campus Master Plan Minor Amendment, Football Campus

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

UCF proposes a Minor Amendment (MA 2022-1) to the UCF 2020-30 Campus Master Plan (CMP) to remove Project 33 McNamara Cove and add six UCFAA Football Campus Projects. This amendment requires revisions to CMP Element 10.0 CAPITAL IMPROVEMENTS & IMPLEMENTATION.

The specific changes included in this Minor Amendment are:

- On the Capital Improvements Map (Figure 10.0-1):
 - Replacement of “33 McNamara Cove” with “UCFAA Football Campus Projects”
 - Stadium South Tower
 - Football Practice Field Relocation
 - McNamara Cove
 - Nicholson Plaza, the Boulevard, & Parking Lot E2
 - Wayne Densch Sports Center Renovation
 - Stadium North Tower
- On the Schedule of Capital Projects (Figure 10.0-2):
 - Replacement of “33 McNamara Cove” with “UCFAA Football Campus Projects” (listed above), and their supporting details
- No revisions to any other element of the CMP are required.

See Attachment A for additional information, including a markup with changes in strikethrough and highlight.

Background Information:

The UCF 2020-30 Campus Master Plan was adopted by the UCF Board of Trustees on November 14, 2019. This Minor Amendment (MA2022-1) is the first proposed amendment to that plan.

Recommended Action:

Approve Minor Amendment MA2022-1 to the UCF 2020-30 Campus Master Plan.

Alternatives to Decision:

There is no alternative; the UCFAA FOOTBALL CAMPUS PROJECTS cannot proceed without an amendment to the Campus Master Plan.

Fiscal Impact and Source of Funding:

The Campus Master Plan does not include cost estimates for projects, it is a visionary plan based on project needs. This CMP Minor Amendment does not trigger any funding requirements, it is simply a modification to our Campus Master Plan. Funding information and approvals for the project will be presented as separate board items.

Authority for Board of Trustees Action:

Amendments to campus master plans are governed by Florida Statute 1013.30(9). If a proposed amendment does not exceed any of the thresholds in the statute, it is considered a minor amendment and requires only adoption by the University Board of Trustees. These thresholds are:

- (a) Increase density or intensity of use of land on the campus by more than ten percent;
- (b) Decrease the amount of natural areas, open space, or buffers on the campus by more than 10 percent;
- (c) Rearrange land uses in a manner that will increase the impact of any proposed campus development by more than 10 percent on a road or on another public facility or service provided or maintained by the state, the county, the host local government, or any affected local government.

These projects do not trip any of the above thresholds, see Attachment A for additional details.

Contract Reviewed/Approved by General Counsel ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒

Submitted by:

Jonathan Varnell, Vice President for Facilities and Business Operations

Supporting Documentation:

Attachment A - MA 2022-1, a proposed Minor Amendment to the UCF 2020-30 Campus Master Plan.

Facilitators/Presenters:

Jonathan Varnell

Bill Martin, Senior Director for Facilities Planning and Construction



UNIVERSITY OF CENTRAL FLORIDA

Minor Amendment (MA 2022-1)

to the

2020-30 Campus Master Plan

Add UCFAA Football Campus Projects

- Stadium South Tower (Bldg. #135 addition)
- Football Practice Field Relocation
- McNamara Cove (New Bldg. #363)
- Parking and Plaza Expansion
- Wayne Densch Sports Center Renovation (Bldg. #077)
- Stadium North Tower (Bldg. #135 addition)

MINOR AMENDMENT MA 2022-1

MINOR AMENDMENT

UCF proposes a Minor Amendment (MA 2022-1) to the UCF 2020-30 Campus Master Plan (CMP) to revise Project 33 McNAMARA COVE to become six UCFAA FOOTBALL CAMPUS PROJECTS.

- STADIUM SOUTH TOWER – Addition to Building #135 - Multi-story football office building and club/lounge/restaurant, with replacement of 4,600 bleacher seats with 1,050 Loge seats
- FOOTBALL PRACTICE FIELD RELOCATION - Site improvement to clear a site for McNamara Cove at the SW corner of the Stadium
- McNAMARA COVE - McNamara Cove was included on the 2020-30 CMP, but its scope has changed. This new facility (Bldg. #363) will be located in a different site from that shown in the 2020-30 CMP
- PARKING AND PLAZA EXPANSION - Site improvements, including Nicholson Plaza, the Boulevard, and the expansion of Parking Lot E2
- WAYNE DENSCH SPORTS CENTER RENOVATION - Renovation/Remodeling of existing building #077
- STADIUM NORTH TOWER - Addition to Building #135 of 5,000 student bleacher seats and a new upper level concourse

STATUTORY THRESHOLDS

Please find below the three statutory thresholds, under Florida Statute 1013.30, that define an amendment as major vs. minor; and the university response to each threshold demonstrating that MA 2022-1 is a minor amendment to the campus master plan.

F.S.1013.30(9) An amendment to a campus master plan must be reviewed and adopted under subsections (6)-(8)¹ if such amendment, alone or in conjunction with other amendments, would:

a) Increase density or intensity of use of land on the campus by more than ten percent;

University Response:

- STADIUM SOUTH TOWER and NORTH TOWER will renovate the south end and add seats to the north end of the existing stadium. Over the years, stadium upgrades have provided Knights fans with more amenities, but reduced the stadium capacity from the original 2007 quantity of 46,983 seats to 45,040 seats. The construction of both proposed towers will add fewer than 1,500 seats, and increase the stadium capacity to 46,490 seats. This increased capacity is less than the original stadium capacity.
- FOOTBALL PRACTICE FIELD RELOCATION – A new practice field will be rebuilt east of practice field #2. Then practice field #1 will be removed to create a site for McNamara Cove
- McNAMARA COVE will be developed on the site from which practice field #1 was relocated.
- PARKING AND PLAZA EXPANSION includes a Boulevard leading to the new Nicholson Plaza, and the enlargement of Parking Lot E2, and will be will be developed on the site from which practice field #1 was relocated.
- WAYNE DENSCH SPORTS CENTER RENOVATION will be renovated within its existing

¹ F.S.1013.30(6-8) describes the lengthy and complicated process required to adopt a Campus Master Plan or Campus Master Plan Update.

MINOR AMENDMENT MA 2022-1

footprint.

These projects will not increase the density or intensity of use of land on the campus by more than ten percent.

(b) Decrease the amount of natural areas, open space, or buffers on the campus by more than ten percent:

University Response:

None of the projects, alone or in combination, decrease the amount of natural areas, open space, or buffers in any way. These projects are sited on developed land, not in undeveloped natural areas, open space, or buffers.

(c) Rearrange land uses in a manner that will increase the impact of any proposed campus development by more than 10 percent on a road or on another public facility or service provided or maintained by the state, the county, the host local government, or any affected local government.

University Response:

None of the projects, alone or in combination, will rearrange land uses in any way. The existing Land Use is and will remain Recreation & Open Space.

CHANGES TO THE CMP

MA 2022-1 requires the following revisions to element 10.0 CAPITAL IMPROVEMENTS & IMPLEMENTATION:

- Revise Figure 10.0-1 Capital Improvements Map
Change from project 33 McNAMARA COVE to 33 UCFAA FOOTBALL CAMPUS PROJECTS
- Revise Figure 10.1-2 Main Campus 10-year Schedule of Capital Projects (SCP)
Change from project 33 McNAMARA COVE to 33 UCFAA FOOTBALL CAMPUS PROJECTS

No revision to any other element of the CMP will be required.

REPLACEMENT MAPS AND CHARTS

Figure 10.0-1 Capital Improvements Map

Figure 10.0-2 Main Campus 10-Year Schedule of Capital Projects (SCP), page 2

10.0 CAPITAL IMPROVEMENTS & IMPLEMENTATION
 Revised Figures 10.0-1 and 10.0-2



Figure 10.0-1 Capital Improvements Map

Revised by Minor Amendment
 MA2022-2 (May 2022)



10-Year Schedule of Capital Projects

(Main Campus)

1. John C. Hitt Library Renovation Ph. II
2. Campus Entryways – Phase I
3. Campus Entryways – Phase II
4. Engineering Building Renovation
5. Biological Sciences Renovation
6. Theatre Building Renovation - HVAC
7. Howard Phillips Hall Renovation
8. Learning Laboratory
9. Research II
10. Wet Teaching Lab And Expanded STEM Facility
11. Performing Arts Complex Phase I
12. Chemistry Renovation
13. Visual Arts Renovation & Expansion
14. Mathematical Sciences Renovation
15. Ferrell Commons E&G Space Renovation
16. Arboretum, Urban Ecology, & Sustainability Center
17. Classroom Building III
18. Simulation and Training Building
19. Welcome Center Expansion
20. Research III
21. Dining, Housing, Residence Life Facility
22. Special Purpose Housing
23. Graduate Housing
24. Spectrum Stadium Steel Re-Coating
25. Basketball Excellence Center
26. Soccer Stadium
27. Tennis Complex (location TBD)
28. Recreation & Wellness Center Phase III
29. RWC Park Phase IV
30. Creative School for Children
31. Intercept Garage
32. Environmental Health & Safety Support Facility
- ~~33. McNamara Cove~~
33. UCFAA Football Campus Projects
 - Stadium South Tower
 - Football Practice Field Relocation
 - McNamara Cove
 - Parking and Plaza Expansion
 - Wayne Densch Sports Center Renovation
 - Stadium North Tower
34. Lake Claire Recreation Area Expansion
35. UCF Cross-Campus Bike Trail

Figure 10.0-2 Main Campus 10-Year Schedule of Capital Projects (SCP)

MAP KEY	SCP 2020-30 For variables (Priority, Projected Cost, Timing), see the annually-updated 5-YEAR CAPITAL IMPROVEMENTS PLAN (CIP)	BUILDING #	OTHER NAMES (AKA)	COLLEGE OR DIVISION REQUESTING	PROJECT TYPE	EXISTING GSF	RENOVATION SF	NEW CONSTR. SF	PROJECT SCOPE	2020 CIP Fund /Priority	2015 EPS Proj. #
MAIN CAMPUS 10-YEAR PROJECTED PROJECTS											
1	JOHN C. HITT LIBRARY RENOVATION PH. II	002		IT&R	Renovation 5 Phases	226,506	226,506		Renovate 5 Floors for efficient/flexible interiors, more seating, study, special collections/archives, and technology workstations. Digital Initiatives Center.	CITF / 1	5
2	CAMPUS ENTRYWAYS - PHASE I			2016 CDA	Roadway				University & Alafaya Gateway - improve roads, sidewalks, landing pads, signage, landscape	State / 1 NonState	
3	CAMPUS ENTRYWAYS - PHASE II			2016 CDA	Roadway				Remaining items from CDA	State / 2 NonState	
35	UCF CROSS-CAMPUS BIKE TRAIL		Innovation Way Trail / East Orange Trail						On-campus bike trail linking the existing trail systems of Orange and Seminole Counties		
4	ENGINEERING BUILDING RENOVATION	040		CECS	Renovation	130,885	TBD		Total Renovation	PECO / 1	
5	BIOLOGICAL SCIENCES RENOVATION	020		COS	Renovation	116,607	116,607		Total Renovation	PECO / 4	
6	THEATRE BUILDING RENOVATION - HVAC	006		CAH	Renovation	29,469	TBD		HVAC	PECO / 5	
7	HOWARD PHILLIPS HALL RENOVATION	014		Campus	Renovation	64,619	64,619		Total Renovation	PECO / 6	
8	LEARNING LABORATORY Active Learning, Teaching Lab, & Maker Space Facility			COS, CCIE, CECS, COM	New Building			150,000	Multidisciplinary Classroom and Teaching Lab facility for several colleges		Spot Survey
9	RESEARCH II Science, Engineering, & Commercialization Facility		Research II	COS, CECS, CREOL, ORC	New Building			138,000	Multidisciplinary Research Facility to serve several colleges		16
10	WET TEACHING LAB AND EXPANDED STEM FACILITY (Classroom Lab Building)			COM / BSBS	New Building			240,950	Facility to provide wetprep labs for several programs, study space, offices, and a lecture hall.		
11	PERFORMING ARTS COMPLEX PH. II	119	Arts Complex Ph. I (Performance)	CAH	Addition	83,670	3,000	122,800	Flexible Performance Space, configurable into 4 venues, including Proscenium Theatre and Concert Hall. The facility includes assembly and production support, as well as storage.		7
12	CHEMISTRY RENOVATION	005		COS	Renovation	49,073	49,073		Total Renovation		10
13	VISUAL ARTS RENOVATION & EXPANSION	051		CAH	Renovation	85,000	85,000	TBD	Total Renovation and Expansion		12/13
14	MATHEMATICAL SCIENCES RENOVATION	012	Math Sciences Building Remodeling & Renovation	COS	Renovation	106,523	106,523		Total Renovation		
15	FERRELL COMMONS E&G SPACE RENOVATION	007		Campus	Renovation	93,860	-28,000		Total Renovation of E&G space (100% of 7B, 7F, 7G, 90% of 7C, 50% of 7E.)		
16	ARBORETUM, URBAN ECOLOGY, & SUSTAINABILITY CENTER		Sustainability Center Ph. I Sustainability Center Ph. II	COS, F&S	New Building			15,000	Arboretum and Urban Ecology Center - replaces aging modular. Sustainability Center - for collaborative research in sustainability/energy.		
17	CLASSROOM BUILDING III			Campus	New Building			80,000	A state-of-the-art facility to support enhanced teaching and learning - variety of advanced-technology classrooms and multimedia facilities. Faculty offices and support spaces.		17
18	SIMULATION AND TRAINING BUILDING			CECS	New Building			60,000	Research Facility for IST, includes lab and office space for multiple disciplines in modeling, simulation and training, immersive environments and mobile learning		
19	WELCOME CENTER EXPANSION	096		Campus	Addition	18,717		11,000	Improve recruitment of top undergrad and grad students, steer students toward strategic programs, focus on under-represented populations, advise students toward timely graduation.		20
20	RESEARCH III			Campus	New Building			150,000	Future Research Facility		
21	DINING, HOUSING, RESIDENCE LIFE FACILITY			SDES	New Building			260,000	Includes student housing and meal-plan dining hall Creative School may be collocated		
22	SPECIAL PURPOSE HOUSING		Special Purpose Housing and Parking Garage	SDES	New Building			32,000	Greek Housing on ~7 ac. Greek Park Expansion		
23	GRADUATE HOUSING			SDES	New Building			150,000	Graduate Student Housing		
24	SPECTRUM STADIUM STEEL RE-COATING	135	Rust Remediation	UCFAA	Renovation	76,527			Re-coat steel structure to prevent rust	NonState	

3-Year Committed

Consistent with the Campus Development Agreement (CDA)

Other Projected Projects

Note: MAP KEY numbers are associated with Figure 10.0-1 Capital Improvements Map, and are not associated with project priority.

Figure 10.0-2 Main Campus SCP (Continued)
Revised by Minor Amendment
MA2022-1 (May 2022)

MAP KEY	SCP 2020-30	BUILDING #	ALTERNATE OF OLD PROJECT NAMES (AKA)	COLLEGE OR DIVISION REQUESTING	PROJECT TYPE	EXISTING GSF	RENOVATION SF	NEW CONSTR. SF	PROJECT SCOPE	2020 CIP Funds/Priority	2015 EPS #
MAIN CAMPUS 10-YEAR PROJECTED PROJECTS											
25	BASKETBALL EXCELLENCE CENTER	50C	Venue Expansion and Renovation	UCFAA	Add & Reno	48,000		TBD	Renovation of The Venue. Add student-athlete team space and office space.		
26	SOCCER STADIUM & PARKING			UCFAA	New Bldg./Field			TBD	Soccer Stadium north of Spectrum Stadium		
27	TENNIS COMPLEX			UCFAA	New Bldg./Courts			7,500	Tennis Support Building and Tennis Courts (#12)		
28	RECREATION & WELLNESS CENTER PH. III	088		SDES	Addition	156,111		50,000	Addition the Recreation and Wellness Facility		
29	RWC PARK PHASE IV			SDES	New Bldg./Fields			TBD	Entrance Element and Field Improvements		
30	CREATIVE SCHOOL FOR CHILDREN	Replace 24		Auxiliary	New Building			18,000	New Creative School to support 170 UCF families (increase of 40 families).		
31	INTERCEPT GARAGE		Parking Garage VII	Parking	New Garage			TBD	Intercept Garage at University & Alafaya		
32	ENVIRONMENTAL HEALTH AND SAFETY SUPPORT FACILITY	48A		Support	New Building			4,000	Facility to centralize specialty material receiving, storage, and distribution		
33	McNAMARA COVE		Recovery Cove	UCFAA	New Facility			4.5-6M	Lazy River (recovery, rehab, and fun), zero-entry pool, volleyball pool, gathering plaza, sand volleyball, putting, bocce, support buildings (food, dressing, restrooms, etc.)		
33	UCFAA FOOTBALL CAMPUS PROJECTS	Project #43 includes six projects on the UCFAA Football Campus									
	• Stadium South Tower	135			Addition				Multistory addition to add FB offices, a Club lounge, Loose Seats		
	• Football Practice Field Relocation				Stewwork				FB Practice Field #1 moves from west to east of FB Practice Field #2		
	• McNamara Cove (new site)	363			New Facility				New site for "Recovery River", lounge pool, plaza, support buildings		
	• Parking and Plaza Expansion				Stewwork				Includes Nicholson Plaza, The Boulevard, Expansion of Lot E-2		
	• Wayne Densch Sports Center Renovation	077			Renovation				Total renovation/remodeling of WDSC		
	• Stadium North Tower	135			Addition				Addition of 5,000 student seats and a new upper-level concourse		
34	LAKE CLAIRE RECREATION AREA EXPANSION	0334		SDES	Addition & Reno				Expand Bathhouse (0334), Improve Parking Lot		

Figure 10.0-3 Satellite Campuses 10-Year Schedule of Capital Projects (SCP)
Revised MAY 2022⁴

Campus	SATELLITE CAMPUSES 10-YEAR PROJECTED PROJECTS										
DT	UCF COMMUNICATION AND MEDIA BUILDING - EXTERIOR	0906	Center for Emerging Media		Renovation	130,000	Ext			PECO / 3	
DT	DOWNTOWN CAMPUS BUILDING II				New Building						
DT	DOWNTOWN CAMPUS PARKING GARAGE II				New Garage						
DT	DOWNTOWN CAMPUS PHASE III				New Building						
DT	DOWNTOWN CAMPUS PHASE IV				New Building						
RCHM	ROSEN GARAGE			Parking	New Garage						
AHSC	COLLEGE OF NURSING AND HEALTH SCIENCES BUILDING		College of Nursing & Allied Health	CHPS	New Building			150,000	New academic home for College of Nursing (~100,000 GSF), Additional space for other CHPS Units. (TBD)	NonState	15
AHSC	HEALTH SCIENCES PARKING GARAGE			Parking	New Garage			160,000	New Parking Garage to support Lake Nona Campus		
AHSC	UTILITIES INFRASTRUCTURE/STEWWORK - CLINICAL FACILITIES		Infrastructure and Stewwork, Lake Nona Clinical Facilities		Infrastructure			3,400LF			
AHSC	BURNETT BIO-MEDICAL SCIENCE CENTER INFRASTRUCTURE				Infrastructure			150,000			
AHSC	INSTITUTE FOR HOSPITALITY IN HEALTHCARE			COM/RC/MI	New Building			150,000			
Cocoa B.	FLORIDA SOLAR ENERGY CENTER RENOVATION	Many ⁵	FSEC		Renovation	14,418	TBD			PECO / 2	
Melbourne B.	MARINE TURTLE & COASTAL RESEARCH STATION		Coastal Biology Station	COS	New Buildings			9,500			19

Note: Figure 10.0-1 Capital Improvements Map does not include Satellite Campus projects

⁵ FSEC has 18 buildings numbered between #1910 and #1950



UNIVERSITY OF CENTRAL FLORIDA

Office of the Senior Vice President and Chief Financial Officer
Division of Administration and Finance

4365 Andromeda Loop N, MH 384
Orlando, FL 32816

Dear Members of the Board of Governors,

Subject: Compliance with University Debt Management Policy

I am writing to confirm that the proposed UCF Stadium Tower Expansion Debt is fully compliant with our university's debt management policy.

Thank you for your attention to this important issue.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Bert Francis', is positioned below the word 'Sincerely,'.

Bert Francis
University Treasurer and Assistant Vice President of Debt Management
University of Central Florida



Board of Trustees

Board Workshop

March 28, 2024

Agenda Item

BOT-5: Board of Trustees Reimbursement Resolution

Proposed Board Action

The UCF Board of Trustees is asked to approve a reimbursement resolution associated with the UCF Stadium Tower Expansion Project.

Authority for Board Action

Board of Governors Regulation 1.001(3), (6) – University Board of Trustees Powers and Duties
Board of Governors Regulation 9.013 – Auxiliary Operations

Supporting Documentation Included

Attachment A: Stadium Tower Expansion Reimbursement Resolution

Attachment B: Letter Summarizing the Use of Internal Funds for the Stadium Tower Expansion Project

Facilitators/Presenters

Gerald Hector, Sr. Vice President for Administration & Finance

Albert Francis, Assistant Vice President for Debt Management & University Treasurer



Board of Trustees Reimbursement Resolution

EXECUTIVE SUMMARY

Objective

The university is seeking approval of the attached reimbursement resolution associated with the UCF Stadium Expansion Project. This resolution would allow for the university to be reimbursed up to \$8,000,000 in temporary advances provided to the project from debt proceeds expected to be issued in October or November of 2024.

Summary of Key Observations/Recommendations

- **Funds Being Reimbursed** - The university intends to utilize \$3.7 million of unrestricted UCF Foundation funds and \$4.3 million in legally available auxiliary funds for a total of \$8 million being advanced for the project.
- **Use of Funds** – The funds will be utilized to cover additional design costs associated with the project and to secure construction materials in advance of the December 2024 construction commencement date. Purchasing materials in advance ensures project timelines can be met and will help mitigate rising material costs.
- **Auxiliary Fund Loan** – The university plans to utilize \$4.3 million of non-athletic auxiliary funds from the General Auxiliary fund of the university. Separate approval is being requested for the use of these funds in accordance with Board of Governors Regulation 9.013 (Auxiliary Operations).
- **Inherent Risks** – The reimbursement of any temporarily advanced funds will be provided from debt proceeds reasonably anticipated to be issued by October or November 2024. If, for any reason, the debt is unable to be issued, it would impact the ability to reimburse the university for the funds provided.

Additional Background

The UCF Stadium Tower Expansion Project is estimated to cost \$88,000,000 and is expected to be funded using a combination of two separate debt issuances. The debt issuances are projected to be completed by October or November 2024.

For design work to continue, and for materials to be purchased and available in time for construction to commence in December 2024, staff anticipates the need for funds in advance of the debt issuances.

Rationale

For progress to continue on the Stadium Expansion Project prior to the issuance of debt in October or November of 2024, funds will be needed immediately. The temporary use of unrestricted UCF Foundation funds and legally available non-athletic auxiliary funds is recommended to maintain the construction timeline and to save on material-related costs. The temporary use of these funds is not expected to negatively impact the operations of the university and would be fully reimbursed from debt proceeds at the time of issuance.

Implementation Plan

Pending approval of the reimbursement resolution, the university will transfer unrestricted UCF Foundation funds to the project in April 2024. Pending separate approval from the UCF Board of Trustees for the loan of legally available non-athletic auxiliary funds and pending further approval from the Florida Board of Governors on the loan, the auxiliary funds would be transferred to the project in July 2024. All temporarily advanced funds are projected to be reimbursed from debt proceeds by December 2024.

Resource Considerations

The university intends to utilize \$3.7 million of unrestricted UCF Foundation funds and \$4.3 million in legally available non-athletic auxiliary funds for a total of \$8 million being advanced for the project. The use of these funds is not anticipated to impact any university operations negatively.

Conclusion

The UCF Board of Trustees is asked to review and approve the attached Resolution of the University of Central Florida Board of Trustees to Declare Intent to be Reimbursed for Expenditures Related to Certain Capital Projects.

**RESOLUTION OF THE UNIVERSITY OF
CENTRAL FLORIDA BOARD OF TRUSTEES TO
DECLARE INTENT TO BE REIMBURSED FOR
EXPENDITURES RELATED TO CERTAIN
CAPITAL PROJECTS**

WHEREAS, The University of Central Florida Board of Trustees (the "University"), expects to incur capital expenditures for the acquisition, construction, reconstruction and/or equipping of educational facilities, including the **UCF Stadium Expansion Project** and related infrastructure (the "Projects") and

WHEREAS, funds for the Projects will be provided on an interim basis from existing cash resources of the University which include the **\$8,000,000** (the "Temporary Advances"); and

WHEREAS, pursuant to the budgetary and financial policies and practices of the University, the Temporary Advances are not available to fund the Projects on a long-term basis; and

WHEREAS, it is reasonably expected that the Projects will be financed on a long-term basis with tax-exempt debt to be issued by UCF Stadium Corporation; and

WHEREAS, except for architectural, engineering and similar preliminary expenditures, this Resolution is being adopted prior to or within 60 days after payment of the capital expenditure to be reimbursed; and

NOW, THEREFORE, it is resolved as follows:

RESOLVED, the University hereby declares official intent for the purposes of Section 1.150-2 of the Treasury Regulations, as follows: it is reasonably expected that (a) Temporary Advances for the Project will be reimbursed, in whole or in part, from the proceeds of debt to be incurred by the University; (b) the principal amount of such debt will not exceed **\$100,000,000** in aggregate for the Projects (which amount includes the capital expenditures paid for with the Temporary Advances, plus an allowance for reserve funds, financing costs and original issue discount); (c) the debt for the Projects will be incurred within 18 months following the later of (i) the date the capital expenditure to be reimbursed was paid, or (ii) the date on which the Project is placed in service, but no later than three years after the date of such capital expenditure for the Projects; and (d) the authorization and terms of the debt shall be subject to corporate approval in accordance with the policies of the University.

IN WITNESS WHEREOF, the undersigned Secretary of The University of Central Florida Board of Trustees has hereunto affixed his hand this **28th** day of **March**, 2024.

Secretary



UNIVERSITY OF CENTRAL FLORIDA

**Office of the Senior Vice President and Chief Financial Officer
Division of Administration and Finance**

4365 Andromeda Loop N, MH 384
Orlando, FL 32816

Date: March 28, 2024

To: UCF Board of Trustees and Florida Board of Governors

Subject: Loan for FBC Mortgage Tower Expansion Project

I hope this letter finds you well. I am writing to inform you of a financial development regarding the funding for the FBC Mortgage Tower Expansion project, which is poised to be a landmark initiative for our university.

After thorough assessment and strategic planning, it has been determined that the University of Central Florida will be extending a loan totaling \$8 million towards the commencement of the aforementioned project. This financial support will be allocated as follows: \$3.7 million sourced from unrestricted Foundation funds, and an additional \$4.3 million drawn from legally available auxiliary reserve funds. The latter funding source follows the guidelines established in Board of Governors regulation 9.013, and all the guidance offered there has been followed.

I assure you that the decision to extend this loan has been made after careful consideration of our financial capabilities and obligations. Furthermore, appropriate measures will be undertaken to ensure transparency, accountability, and adherence to regulatory requirements throughout the entirety of this process.

It is important to note that these funds are being utilized as an initial investment to kickstart the project, ensuring its timely commencement and progression. However, I wish to underscore that these allocated funds are not an end unto themselves, but rather a temporary measure to facilitate the initiation of the project. The intention is for these funds to be reimbursed upon the issuance of the full debt, which is anticipated to occur by November of 2024.

I trust that this information provides clarity regarding our decision. Should you require any further details or clarification, please do not hesitate to reach out to me directly.

Thank you for your attention to this matter and for your continued support of our university's endeavors.

Warm regards,

Gerald L. Hector, CPA
Senior Vice President for Administration and Finance
University of Central Florida



Board of Trustees

Board Workshop

March 28, 2024

Agenda Item

BOT-6: Auxiliary Loan to UCF Athletics Association

Proposed Board Action

The UCF Board of Trustees is asked to approve a loan for the UCF Stadium Tower Expansion Project.

Authority for Board Action

Board of Governors Regulation 9.013 - Auxiliary Operations

Supporting Documentation Included

The Auxiliary Loan Summary is attached for reference in BOT-4, Attachment A

Facilitators/Presenters

Gerald Hector, Sr. Vice President for Administration & Finance

Albert Francis, Assistant Vice President for Debt Management and University Treasurer



Auxiliary Loan to UCF Athletics Association

EXECUTIVE SUMMARY

Objective

The University seeks approval to provide a loan totaling \$4,300,000 from non-athletic auxiliary resources to fund the Stadium Tower Expansion Project. These funds will be in the form of a bridge loan to cover costs associated with design and materials prior to the issuance of debt proceeds in the Fall of 2024. These funds will be fully reimbursed at the time of the debt issuance and receipt of the proceeds.

Summary of Key Observations/Recommendations

- **Non-Athletic Auxiliary** – The university would seek to utilize funds from the Auxiliary general fund, which reported a cash balance in excess of \$38,000,000 as of March 12th, 2024. Staff does not project any impact on this auxiliary's ability to meet future expenditure obligations during the brief timeline associated with this loan.
- **Justification** - The expansion of the UCF Stadium benefits the student body and campus community by providing increased opportunities for social engagement, fostering a sense of school pride, and offering a venue for community events, ultimately enhancing the overall collegiate experience.
- **General Auxiliary Fund Background** - The general auxiliary fund consists of several auxiliary related enterprises of the university including, but not limited to, the university food services auxiliary, bookstore auxiliary, card services auxiliary, etc. These auxiliaries are supported through self-generated sales and services and do NOT include any student fees.
- **Bond Covenant Verification** - There are no bond covenants or other debt related agreements directly associated with the general auxiliary fund.

Additional Background

The UCF Stadium Tower Expansion Project is estimated to cost \$88,000,000 and is expected to be funded using a combination of two separate debt issuances. The debt issuances are projected to be completed by October or November 2024.

For design work to continue, and for materials to be purchased and available in time for construction to commence in December 2024, we anticipate the need for funds in advance of the debt issuances.

In June 2023, Board of Governors Regulation 9.013 (Auxiliary Operations) was amended to allow the use of unreserved cash from non-athletic auxiliary funds to be used for athletic purposes on a case-by-case basis.

The university must provide, at a minimum, the following information to the Board of Trustees and the Board of Governors when making such a request:

1. The non-athletic auxiliary from which the funds are coming.
2. Justification that the use of unreserved cash will benefit the broader student body or university community.
3. If the non-athletic auxiliary has outstanding debt, verification that the funds are unrestricted cash balances and that sufficient current revenues exist to cover all expenditures, including debt service payments and required reserves.
4. Assurance by the university, with concurrence by the Division of Bond Finance, that the transfer does not violate bond covenants
5. Documentation that a disclosure has been made to students that non-athletic auxiliary revenue, that may have come from student fees or payments, will be transferred to athletics.

Rationale

Funds will be needed immediately for progress to continue on the Stadium Tower Expansion Project prior to the issuance of debt in October or November 2024. The use of unrestricted university auxiliary funds is permissible under the amended BOG regulation, as approved by the BOG, and is not projected to negatively impact the auxiliary functions in any way during the temporary period they would be utilized prior to reimbursement from the debt proceeds.

Implementation Plan

The request to loan the auxiliary funds will be presented for Board of Governors approval during the June 2024 meeting. If approval is provided, the funds will be transferred to the university construction fund project in July 2024 and will be reimbursed from debt proceeds by December 2024.

Resource Considerations

The university auxiliary general fund would be utilized for this loan. This fund holds over \$38 million in operating cash reserves as of March 12, 2024.

Conclusion

The UCF Board of Trustees is asked to review and approve this loan, subject to further approval from the Board of Governors in June 2024.



Board of Trustees

Board Workshop
March 28, 2024

Agenda Item

DISC-3: Bond Financing in the State of Florida

Proposed Board Action

This item is presented for discussion purposes only.

Authority for Board Action

N/A

Supporting Documentation Included

Attachment A: Ben Watkins Bio

Facilitators/Presenters

Gerald Hector, Sr. Vice President for Administration & Finance
Ben Watkins, Director, Division of Bond Finance, State of Florida



J. Ben Watkins

Director, Division of Bond Finance, State of Florida

Ben Watkins III was appointed by the Governor and confirmed by the Cabinet as the Director of the Florida Division of Bond Finance in 1995. The Division administers bond programs for the Departments of Education, Transportation, Environmental Protection, Management Services as well as borrowings for the State University System, totaling 35 individual credits.

Director Watkins is well known and respected for his work in the municipal “muni” bond industry. He is an active member and has served in a variety of leadership roles on muni associations. He is a past vice chairman and board member of the Municipal Securities Rulemaking Board (MSRB), former chairman of the Committee on Government Debt for the Government Finance Officers Association, and currently serves as a member on the National Association of State Treasurers and National Association of Bond Lawyers.

He has been nationally recognized for his contributions to the muni industry by receiving the Jim Lebenthal Infrastructure Champion Award (2017), the National Federation of Municipal Analyst Industry Contribution Award (2009), and the National Association of Treasurers Tanya Gritz Award for Excellence in Public Finance (2001).

Additionally, Director Watkins serves as the past chairman of the Economic Club of Florida and board member on the Municipal Code Corporation Board, Florida State University Coastal and Marine Lab Advisory Board, Maclay School Board of Trustees, and Tall Timbers Research and Land Conservancy Board.

Prior to his role as Director, he practiced public finance law with Sutherland Asbill & Brennan in Atlanta, Georgia. He received his Juris Doctor from the University of Florida and his Bachelor of Science in Accounting from Auburn University. A Florida native, Director Watkins and his wife Joy have two daughters and reside in Tallahassee.