

**USF PROPERTY CORPORATION**

**MINUTES OF ANNUAL MEETING**

**BOARD OF DIRECTORS**

**NOVEMBER 8, 2019**

The annual meeting of the Board of Directors of the USF Property Corporation was held on November 8, 2019 at the University of South Florida, 4202 E. Fowler Avenue, CGS 402, Tampa, Florida, pursuant to the Corporation’s Bylaws, for the purpose of discussing corporate operations and for the transaction of any other business that may properly come before the Board.

The meeting was held pursuant to Notice duly provided on October 11, 2019. A copy of the meeting Notice is attached to these minutes.

The meeting was called to order by Chair Smith at 1:25 p.m.

The following directors, who constitute a quorum of the Board of Directors, were present or participated in the meeting via conference telephone:

- Mr. Richard D. Smith
- Ms. Sandra W. Callahan
- Mr. Steven A. Williamson
- Ms. Lori V. Vaughan
- Mr. David E. Lechner

The following persons were also present or participated in the meeting via conference telephone:

- Mr. Fell L. Stubbs, Executive Director
- Mr. Nick J. Trivunovich, University Chief Financial Officer
- Ms. Hilary Black, Senior Associate General Counsel
- Ms. Dawn M. Rodriguez, Assistant Treasurer
- Mr. Todd Webster, KPMG
- Ms. Tristen Pena, KPMG

Call to Order  
and Roll Call



Mr. Stubbs announced that Director Callahan has been appointed to the USF Board of Trustees beginning in January 2020. To avoid any conflict of interest, Director Callahan will have to resign as Director and Secretary/Treasurer of the USF Property Corporation. The Corporation Boar

Corporation. The motion was made and seconded, and the following was unanimously approved:

**RESOLVED**, Resolution PC 11-08-19A, which each director has read, is hereby adopted and the secretary is hereby ordered to attach a copy of the aforesaid resolution to the minutes of this meeting.

Chair Smith asked Mr. Stubbs to introduce the resolution to approve the audited financial statements reported by the independent accounting firm, KPMG, LLP. Mr. Stubbs first reminded the Board that the entire Board acts as the Audit Committee of the Corporation. He then introduced the KPMG representatives in attendance: Mr. Todd Webster and Ms. Tristin Pena. Ms. Lori Nissen, the partner in charge on the audit, was not able to attend this meeting. Mr. Stubbs stated that the Board was provided with a copy of the audited financial statements on November 1, 2019. Mr. Stubbs noted that the financial statements are the responsibility of the Corporation’s management and that the Corporation’s management has been active in managing existing programs. He informed the Board that the statements were prepared as of June 30, 2019. Mr. Stubbs stated that KPMG also provided a report assessing internal controls over financial reporting and compliance and other matters.

Mr. Stubbs provided an overview of the audited financial statements. He noted that, as a result of the Florida Excellence in Higher Education Act of 2018, applicable to all universities within the State University System (SUS) of Florida, the Financing Corporation was required to transition from following FASB reporting to GASB reporting effective July 1, 2018. Mr. Stubbs noted the most significant changes resulting from the transition to GASB reporting, including how certain items

Resolution: Approval of Audited Financial Statements

are reported on the financial statements, the addition of the Management's Discussion and Analysis section, and that the USF Property Corporation is now included as a blended component unit rather than being presented as a consolidated entity.

Chair Smith asked KPMG for their report. Mr. Webster presented KPMG's report to the Corporation's Board of Directors. He noted that the audit was performed in accordance with auditing standards generally accepted in the United States and Government Auditing Standards, and included a review of internal controls over financial reporting and compliance to the extent necessary to render an opinion on the financial statements. KPMG issued an unmodified opinion on the Corporation's financial statements for the year ended June 30, 2019. Mr. Webster and Ms. Pena stated that KPMG received full cooperation from the Corporation's staff and full access to the books and records, and there were no disagreements with the Corporation's management. Ms. Pena added that the documentation and cooperation received from management and staff during the audit were excellent.

Mr. Webster stated that there were no significant deficiencies or material weaknesses to report. Management's estimates related to the valuation of interest rate swap instruments were deemed reasonable in relation to the financial statements as a whole, and that the application of significant accounting policies and financial presentation were deemed materially correct for fiscal year 2019. Mr. Webster noted that, in accordance with applicable standards, KPMG is independent with regard to the Corporation. He added that there were no fees for management advisory or other services during fiscal year 2019 which might affect auditor independence.

Mr. Webster informed the Board of newly effective accounting standards, pursuant to GASB, that might impact the Corporation. Mr. Webster completed KPMG's report and required communications to the Board, and asked if there were any questions.

The Board thanked the Corporation's management and staff for their presentation and for a successful audit.

The Board thanked KPMG for their attendance, presentation, and thoroughness during the audit.

Chair Smith requested a motion to approve the audited financial statements as presented. The motion was made and seconded, and the following was unanimously approved:

**RESOLVED**, Resolution PC 11-08-19B, which each director has read, is hereby adopted and the secretary is hereby ordered to attach a copy of the aforesaid resolution to the minutes of the meeting.

Chair Smith asked Mr. Stubbs to provide a brief overview of the annual reports and status of Corporation projects. Mr. Stubbs reviewed the annual report to the Board, which includes the Corporation's long-term financing objectives, highlights of the past year, near-term initiatives, outstanding debt and swaps as of June 30, 2019, the 14-year corporate track record, and the corporate governance structure.

Mr. Stubbs stated that the Corporation provides low-cost, low-risk, long-term financing for the University's major capital projects by negotiating sound credit structures and capitalizing on opportunities to convert variable to fixed rates, reduce

credit risks, reduce swaps, and refund at call dates to lock in low interest rates. The Corporation also maintains strong credit ratings for the USF Housing, Marshall Center, and Parking systems. To date, the Corporation has closed 36 transactions, totaling \$1.7 billion. Current outstanding long-term debt equals \$346 million.

Mr. Stubbs reviewed the Investment Policy Statement and Guidelines, noting that 100% of the investments held by the Trustee are short-term, and are swept daily into an Invesco Short Term Money Market Fund. No changes were proposed to the guidelines.

Mr. Stubbs also reviewed the Annual DSO Certification, stating that this certification process is a good business practice and is essential for good governance. USF Financing and Property Corporations are in full compliance with all laws, regulations, standards and requirements. This report is provided annually to the USF Board of Trustees, as well.

Mr. Stubbs asked the Board to review and sign the Conflict of Interest Policy

Mr. Stubbs disclosed a likely special meeting to be called in April for the annual appointment of the Corporation's auditor and approval of the Corporation's financial plan for next fiscal year. Mr. Stubbs added that he does not expect any new transactions to come before the Board for consideration at the special meeting.

Hearing no additional items for the Board's consideration, Chair Smith thanked the Board of Directors for attending the Annual meeting.

There being no further business to come before the Board, the meeting was adjourned on motion duly made and carried at 1:30 p.m.

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Richard D. Smith, Chair

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Richard D. Smith, Secretary / Treasurer

Adjournment