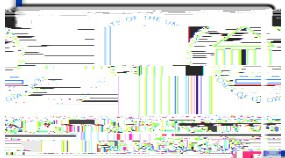


# Capital Liability Management Plan

## **FY 2017 - 2021**

Susan H. Ridley

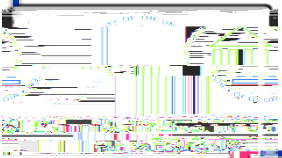
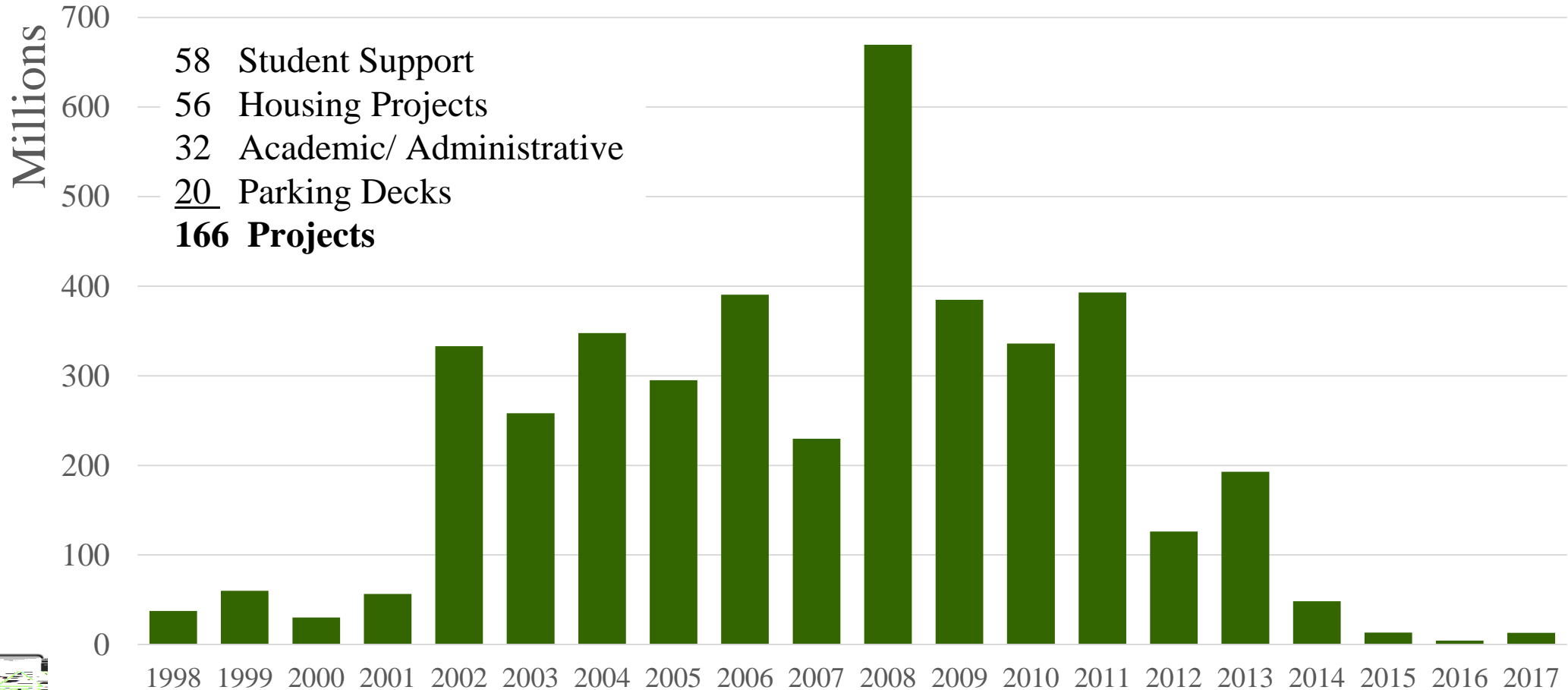
Associate Vice Chancellor For Fiscal Affairs, Finance Director



# Lease Revenue Bond Issuance

**\$3.2 Billion Outstanding**

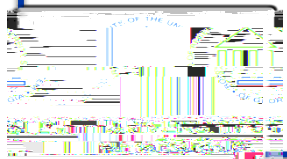
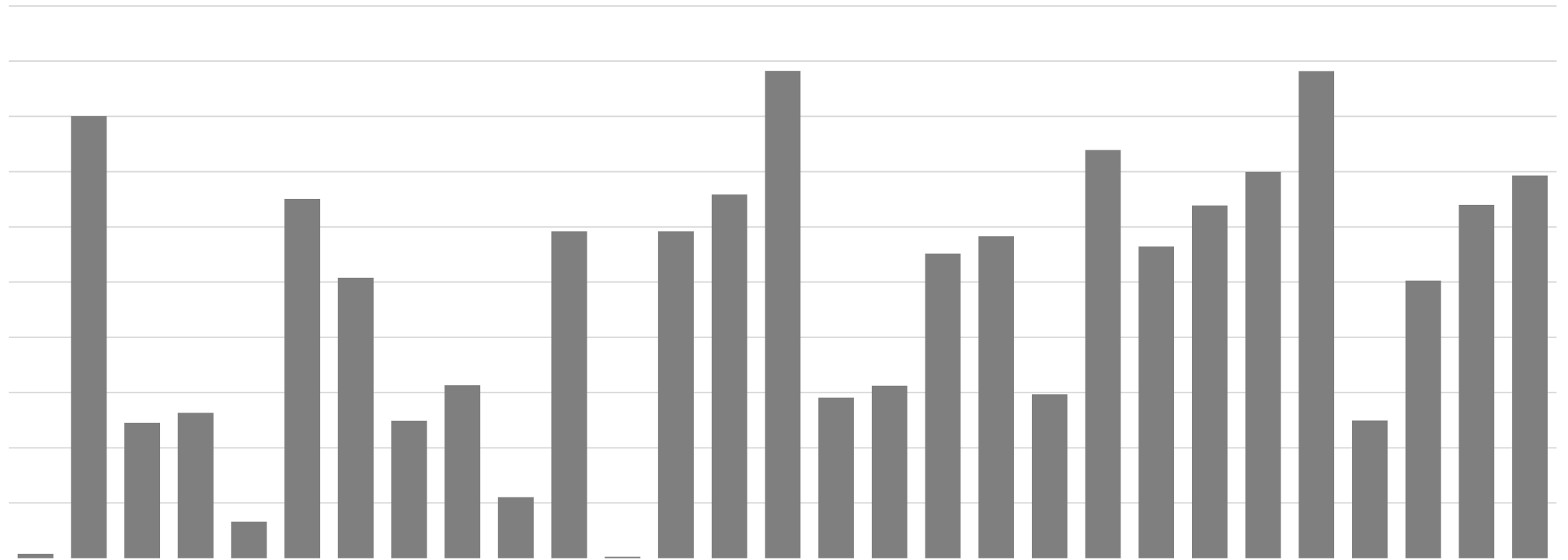
**FY17 Capital Lease Payments = \$266 Million**



# Institution Capital Liability Ratios

June 30, 2016

USG: 3.32%



# Lease Revenue Bond Portfolio

## Cash Flow Performance (FY 2016)

All lease payments paid in full and on time

17% of portfolio (29 out of 166 projects) did not meet a 1.0 coverage ratio

17 Student Fee-Supported Projects

10 Housing Projects

1 Bookstore, 1 Dining Hall

Funding gaps typically covered from other auxiliaries

Causes

Fee exemptions

Enrollment or occupancy trends

Expenses

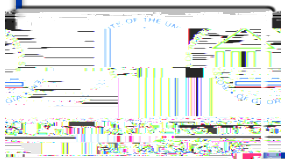
## Capital Liability Management Reserve

\$20.7 Million on deposit

A loan up to \$750,000 will be made to SGSC

Fall 2017  
PPV-Related  
Fee Increases

VSU projects  
Health Facility  
Student Center  
Athletic Fieldhouse



# Policy Implementation

## Refinancings

\$62.9 million in cash flow savings

13 transactions for 8 institutions

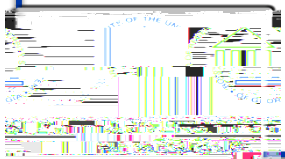
4 additional pending (GGC, GSU (GPC), GSoU)

## Housing Occupancy

63,760 available beds

94.5% system-wide occupancy

# of Institutions	Fall 2016



# USDA Direct Loan Update

## Fort Valley State University

July 2016: Loan Obligation of \$40.4M, **2.75%**

October 2016: Short-term 2 yr. Notes: \$40.4 M, **1.2%**

October 2018: Loan Closing

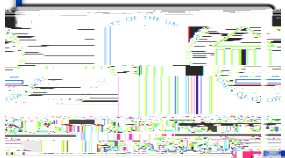
Savings = \$11.2 Million

Acquisition by USG REF LLC IV of Wildcat Commons I

Retired 2007 tax-exempt bonds

**South Georgia State College : Application submitted**

**GSWU, Gordon + MGU (Cochran and Eastman) : Application in development**

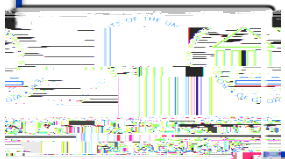




# FY 2017 -2021 USG Capital Liability Management Plan

(000's)

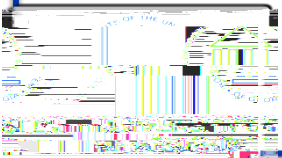
	Fiscal Year <u>2017</u>	Fiscal Year <u>2018</u>	Fiscal Year <u>2019</u>	Fiscal Year <u>2020</u>	Fiscal Year <u>2021</u>
<b>Total Principal Outstanding - Beginning of Year</b>	<b>\$3,222,792</b>	<b>\$3,137,995</b>	<b>\$3,260,305</b>	<b>\$3,457,491</b>	<b>\$3,456,939</b>
Projected New Issuance:					
PPV and/or GHEFA	13,070	200,000	175,500	100,000	100,000
Multi-Year Lease Contracts	0	20,000	128,970	15,000	15,000
Multi-Year Energy Performance Contracts	0	0	10,000	10,000	10,000
Scheduled Retirements	(97,867)	(97,690)	(117,284)	(125,552)	(135,867)
<b>Total Principal Outstanding - End of Year</b>	<b>\$3,137,995</b>	<b>\$3,260,305</b>	<b>\$3,457,491</b>	<b>\$3,456,939</b>	<b>\$3,446,072</b>
Total Annual Rental Agreements	265,957	270,187	287,826	302,993	313,038
Total Capital Liability Obligations (incl. multi-yr)	268,387	272,626	301,742	318,486	330,117
USG Budgeted and Projected Operating Revenues	\$7,898,579	\$8,154,598	\$8,402,255	\$8,658,957	\$8,925,080
<b>Capital Liability Ratios (System Policy Limit of 5%)</b>					
Capital Liability Payment Ratio (With Multi-Year Leases)	<b>3.4%</b>	<b>3.3%</b>	<b>3.6%</b>	<b>3.7%</b>	<b>3.7%</b>
Capital Liability Payment Ratio (Without Multi-Year Leases)	3.4%	3.3%	3.4%	3.5%	3.5%





# Action Item

Request to the Georgia State Financing and Investment Commission for multi-year leasing contract authority for FY 2018 in the amount of \$20 million.



Questions?

