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

FINANCIAL STATEMENTS

JUNE 30, 2026

UCF FINANCE CORPORATION
TABLE OF CONTENTS
JUNE 30, 2026

	Page(s)
Independent Auditor's Report	1 – 3
Required Supplementary Information	
Management's Discussion and Analysis	4 – 8
Basic Financial Statements	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position	10
Statement of Cash Flows	11
Notes to Financial Statements	12 – 17
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*	18 – 19
Independent Accountant's Report on Compliance with Section 218.415, *Florida Statutes*	20

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Directors
UCF Finance Corporation
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the UCF Finance 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, 2026, 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, 2026, 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*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 month 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 4-8 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 22, 2026 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

Crowe LLP

Oakbrook Terrace, Illinois
October 22, 2026

UCF FINANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

The management discussion and analysis (MD&A) provides an objective and fact-based analysis of the financial position and results of UCF Finance Corporation (the Corporation) as of and for the fiscal year ended June 30, 2026. Comparative information is presented for the prior fiscal year, with emphasis on the reasons for and magnitude of significant changes. This MD&A should be read together with the basic financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Corporation is a Florida not-for profit corporation, a direct-support organization of the University of Central Florida (the University), and a blended component unit of the University. Formerly known as UCF Health Facilities Corporation, the Corporation's purpose is to assist in financing the construction of facilities located on the Health Sciences Campus at Lake Nona and other projects on behalf of the University. Facilities financed through the Corporation are owned and operated by the University; the Corporation has no responsibility for their operations and reports no capital assets.

The Corporation assisted in financing the construction of the Burnett Biomedical Sciences Building and the College of Medicine's Medical Education Building during 2007. The Burnett facility, which houses on-going research in the biomedical field, began operations in May of 2009. The College of Medicine facility, which is home to the students accepted into the medical school, opened its doors to students in August 2009. Each of these facilities provides the ideal environment for students interested in advancing medical research, as well as facilitating vigorous biomedical research programs. Collaborations with these research institutions and other major Central Florida hospitals will facilitate the translation of laboratory findings into new cures for patients in the Central Florida community and beyond.

The University's downtown campus education facility construction project was approved by the Florida Board of Governors in 2016, and design and build teams were selected during that summer. The Corporation issued a note during 2018 to assist with the financing of the facility. The loan was repaid at the end of fiscal year 2022 and the line of credit was closed.

The Corporation's basic financial statements consist of the statement of net position; the statement of revenues, expenses, and changes in net position; the statement of cash flows; and the accompanying notes. The statement of net position reports assets, deferred outflows of resources, liabilities, and net position at year-end. The statement of revenues, expenses, and changes in net position reports the year's activities, while the statement of cash flows explains changes in cash by operating, noncapital financing, capital financing, and investing classifications. The notes provide information necessary to understand amounts reported in the statements.

The Corporation's financial model is centered on financing rather than operations. Under its operating agreement, the University remits basic rent sufficient to pay principal, interest, and related expenses. Accordingly, changes in amounts due from the University, loans payable, deferred losses on refunding, and restricted cash are the principal drivers of the Corporation's financial position and results.

During fiscal year 2026, the Corporation adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The adoption of this standard primarily affected financial statement presentation and management discussion and analysis requirements and did not affect recognition or measurement of the Corporation's assets, liabilities, revenues, expenses, or net position.

FINANCIAL SUMMARY

Condensed financial information follows. Amounts are presented in dollars.

CONDENSED STATEMENT OF NET POSITION

The statement of net position presents assets, deferred outflows of resources, liabilities, and net position at year end. Assets, plus deferred outflows of resources, less liabilities equals net position, which is one indicator of 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.

Condensed Statement of Net Position
(For the Fiscal Years at June 30)

			Variance	
	2026	2025	Amount	Percentage
Assets				
Current Assets	$ 5,630,472	$ 5,562,170	$ 68,302	1.2%
Noncurrent Assets	29,116,667	31,489,287	(2,372,620)	-7.5%
Total Assets	34,747,139	37,051,457	(2,304,318)	-6.2%
Deferred Outflows	7,489,802	8,170,694	(680,892)	-8.3%
Liabilities				
Current Liabilities	3,531,342	3,489,552	41,790	1.2%
Noncurrent Liabilities	38,564,000	41,591,000	(3,027,000)	-7.3%
Total Liabilities	42,095,342	45,080,552	(2,985,210)	-6.6%
Net position				
Restricted	3,030,691	2,958,667	72,024	2.4%
Unrestricted	(2,889,092)	(2,817,068)	(72,024)	-2.6%
Total Net position	$ 141,599	$ 141,599	$ -	0.0%

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The statement of revenues, expenses and changes in net position presents revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. 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 revenue and expense activities are classified as nonoperating because the Corporation is a single-purpose financing entity whose activities consist primarily of debt administration and related financing arrangements.

Condensed Statement of Revenues, Expenses and Changes in Net Position
(For the Fiscal Years at June 30)

			Variance	
	2026	2025	Amount	Percentage
Operating revenues	$ -	$ -	$ -	0.0%
Operating expenses	23,796	28,333	(4,537)	-16.0%
Operating income (loss)	(23,796)	(28,333)	4,537	16.0%
Total operating income (loss) and noncapital subsidies	(23,796)	(28,333)	4,537	16.0%
Nonoperating revenues (expenses)	23,796	28,333	(4,537)	-16.0%
Increase (decrease) in net position	-	-	-	0.0%
Net position, beginning of year	141,599	141,599	-	0.0%
Net position, end of year	$ 141,599	$ 141,599	$ -	0.0%

CONDENSED STATEMENT OF CASH FLOWS

The statement of cash flows presents 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 and related financing activities include changes associated with long-term financing activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments and interest earned on those investments.

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

			Variance	
	2026	2025	Amount	Percentage
Cash flows provided by (used) in				
Operating activities	$ (18,546)	$ (28,333)	$ 9,787	34.5%
Noncapital financing activities	(76,271)	(42,951)	(33,320)	-77.6%
Investing activities	131,381	106,698	24,683	23.1%
Net increase in cash	36,564	35,414	1,150	3.2%
Cash and cash equivalents				
Beginning of year	3,493,219	3,457,805	35,414	1.0%
End of year	$ 3,529,783	$ 3,493,219	$ 36,564	1.0%

DETAILED ANALYSES

Financial Position

Total assets decreased $2.3 million, or 6.2%, to $34.7 million. Current assets remained essentially unchanged at $5.6 million and consisted of $3.5 million of restricted cash and $2.1 million due from the University. Noncurrent assets decreased $2.4 million, or 7.5%, to $29.1 million as the University's payments reduced the long-term receivable associated with the financed facilities.

Deferred outflows of resources decreased $0.7 million, or 8.3%, to $7.5 million because of scheduled amortization of the deferred loss on refunding. That amortization was included in interest expense. The Corporation reported no deferred inflows of resources in either year.

Total liabilities decreased $3.0 million, or 6.6%, to $42.1 million, primarily reflecting scheduled principal payments on the 2017 term loan. Current liabilities remain essentially unchanged at $3.5 million, as the increase in the current portion of the loan was partly offset by lower accrued interest. Noncurrent liabilities declined $3.0 million to $38.6 million as principal moved into the current portion and was paid in accordance with the debt schedule.

Total net position was unchanged at $141,599. The unrestricted deficit reflects the reporting effects of the financing structure, including debt and the deferred loss on refunding, rather than an operating shortfall in facilities owned by the University. The Corporation reports no net investment in capital assets because it owns no capital assets.

Results of Operations

The Corporation had no operating revenue in either year because it does not provide goods or services in exchange for revenue. Operating expenses totaled $23,796 for the year ended June 30, 2026, which is comprised of audit, banking and other professional service expenses, and is materially consistent with the previous fiscal year. The Corporation reported an operating loss of $23,796 in 2026 compared with $28,333 in 2025.

For 2026, nonoperating activity consisted of $1.6 million of rent from the University and $131,381 of interest earnings, offset by $1.7 million of interest expense. Interest expense included $0.7 million of amortization of the deferred loss on refunding. Net nonoperating revenues of $23,796 offset the operating loss, leaving total net position essentially unchanged. The University paid the Corporation $3.9 million during 2026; $1.6 million was reported as rent revenue and $2.3 million reduced the receivable due from the University.

Cash Flows and Liquidity

Cash increased $36,564 to $3.5 million. Operating activities used $18,546, a decrease of $9,787 from 2025 that corresponds with lower professional and banking costs and increased liabilities. Noncapital financing activities used $76,271 in 2026, nearly twice the $42,951 used in 2025 resulting from a decrease in rent received from the University. Investing activities provided $131,381, an increase of $24,683 from 2025, because of higher dividends and realized gains allocated by the University.

All year-end cash was restricted. The Corporation's liquidity depends principally on the timing and sufficiency of payments from the University under the operating agreement. At June 30, 2026, amounts due from the University totaled $31.2 million, of which $2.1 million was current and $29.1 million was

noncurrent. The University's required payments are designed to provide the Corporation with the funds needed for scheduled debt service and associated expenses.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

The Corporation had no capital assets as of June 30, 2026 or 2025 and had no capital asset additions or disposals during the most recent year. Facilities financed through the Corporation are owned and operated by the University. The Corporation therefore reports no depreciation expense and no net investment in capital assets.

Long-Term Financing

Loans payable decreased by $2.9 million to $41.6 million. The decrease represents the scheduled payment of principal on the 2017 term loan, which bears interest at a fixed rate of 2.4% and matures July 1, 2037. The loan is secured by University indirect cost revenues derived from federal, state, and private grants. The Corporation issued no new debt in fiscal 2026.

At June 30, 2026 future principal and interest requirements totaled $41.6 million and $6.3 million, respectively. Fiscal 2027 requirements are $3.0 million of principal and $1.0 million of interest, or $4.0 million in total. The deferred loss on refunding associated with the financing was $7.5 million at year-end and will continue to be amortized to interest expense over the applicable debt term. Additional information about debt terms, security, maturities, and the deferred loss is presented in the notes to the financial statements

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Corporation has added great value to the University's mission and its specific vision to construct a state-of-the-art facility for biomedical research. As a direct support organization of the University, the Corporation has demonstrated its commitment to continue to support the mission of unleashing the potential within every individual, enriching the human experience through inclusion, discovery and innovation thereby supporting broad-based prosperity for the many communities we serve.

The Corporation's near-term financial condition will continue to be driven by the University's payments under the operating agreement, scheduled amortization of the deferred loss on refunding, and earnings on restricted cash. No specific new financing or capital project decision was identified in the information available for this analysis. Because the Corporation owns no facilities and conducts no facility operations, changes in University operating results affect the Corporation principally through the University's ability to make the payments required under the agreement. The University's ability to generate research revenue and pay the rent that funds the Corporation's debt service payments remains strong.

UCF FINANCE CORPORATION
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026

ASSETS

Current assets		
Restricted cash and cash equivalents	$	3,529,783
Due from the University of Central Florida		2,100,689
Total current assets		5,630,472
Noncurrent assets		
Due from the University of Central Florida		29,116,667
Total Assets		34,747,139

DEFERRED OUTFLOW OF RESOURCES

Deferred loss on refunding of debt	7,489,802

LIABILITIES

Current liabilities	
Current portion of long-term debt	3,027,000
Interest payable	499,092
Accounts payable and accrued expenses	5,250
Total current liabilities	3,531,342
Noncurrent liabilities	
Long-term debt, less current portion	38,564,000
Total Liabilities	42,095,342

NET POSITION

Restricted for debt service	3,030,691
Unrestricted	(2,889,092)
Total Net Position	$ 141,599

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

UCF FINANCE CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026

Operating revenues	$ -
Operating expenses	
Professional services	23,796
Total operating expenses	23,796
Operating income (loss)	(23,796)
Noncapital subsidies	-
Total operating income (loss) and noncapital subsidies	(23,796)
Nonoperating revenues (expenses)	
Rent - University of Central Florida	1,571,490
Interest expense	(1,679,075)
Interest earnings	131,381
Total other nonoperating revenues (expenses)	23,796
Increase (decrease) in net position	-
Net position, beginning of year	141,599
Net position, end of year	$ 141,599

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

UCF FINANCE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

Cash flows provided by (used in) operating activities		
Payments to suppliers and others	$	(18,546)
Cash flows provided by (used in) noncapital financing activities		
Payments on long-term debt		(2,955,000)
Interest paid		(1,033,643)
Rent from the University of Central Florida		3,912,372
Net cash provided by (used in) noncapital financing activities		(76,271)
Cash flows provided by (used in) investing activities		
Interest earnings received		131,381
Net increase (decrease) in cash and equivalents		36,564
Cash and cash equivalents, beginning of year		3,493,219
Cash and cash equivalents, end of year	$	3,529,783
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating loss	$	(23,796)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Accounts payable and accrued expense		5,250
Net cash used in operating activities	$	(18,546)

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

UCF FINANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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

The following is a summary of the significant accounting policies and practices of the UCF Finance 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 February 21, 2007. The Corporation was created by the University of Central Florida (the University) as a direct support organization whose purpose is to assist in financing the construction of facilities located on the Health Sciences campus at Lake Nona and other projects on behalf of the University. Facilities financed through the Corporation are owned and operated by the University. The Corporation is presented as a blended component unit on the University's financial statements.

(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:
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Statement 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 Corporation distinguishes operating revenues and expenses from nonoperating revenues and expenses in accordance with Governmental Accounting Standards Board standards. Operating revenues and expenses consist of transactions that are not required to be classified as non-operating. Nonoperating revenues and expenses include subsidies received or provided, financing-related revenues and expenses, investment income and expenses, contributions to permanent and term endowments, and gains or losses from the disposal of capital assets and inventory.

The Corporation is a single-purpose financing entity and does not provide goods or services in exchange for revenue. Accordingly, the Corporation generally reports no operating revenue. Professional services, banking fees and other administrative costs that do not meet the definition of non-operating expenses are reported as operating expenses.

Under the operating agreement, the University of Central Florida makes payments to the Corporation to fund principal, interest and other expenses associated with the financing of University facilities. Amounts recognized as revenue under the agreement are reported as non-operating financing revenue. Amounts received that represent collections of the outstanding receivable from the University reduce

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

the Due from the University of Central Florida and are not reported as revenue. Interest expense, including amortization of deferred loss on refunding, is reported as a non-operating financing expense. Earnings on restricted cash and other investments are reported as non-operating income.

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 current portion of the Due from the University of Central Florida represents cash held by the University on behalf of the Corporation. The noncurrent portion represents the amount that will be received to fund the outstanding principal and interest on debt incurred for the Burnett Biomedical Sciences Building over the life of the loan. As shown in Note 5, this balance also includes a historical funding deficit and is offset by restricted cash held by the trustee, cash held by the University, and the unamortized deferred loss on refunding of debt.

(f) **Revenue Recognition**—Revenues are generated from basic rent received from the University in accordance with an operating agreement that was necessary to secure the Corporation's debt. As further described in Note 5, basic rent is defined as being equal to principal, interest, and other expenses incurred by the Corporation. It represents a reimbursement of debt service costs incurred on UCF's behalf and is reported as a reduction of the Due from the University of Central Florida with the balance classified as a nonoperating financing activity. The requirements of GASB Statement No. 87, *Leases* do not apply because the Corporation is reported as a blended component unit of the University. Other nonoperating revenues also include interest earnings on balances held by a trust institution as well as realized gains and losses allocated on funds held and invested by the University on behalf of the Corporation.

(g) **Fair value measurement**—The Corporation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(h) **Deferred outflows of resources**—The unrestricted net position previously included the effect of recognizing a deferred outflow of resources for the change in the fair value on the interest rate swap agreement from year to year. Gains and losses realized upon settlement of these agreements were deferred until the underlying hedged instrument was settled. In fiscal year 2018, the interest rate swap was terminated as a result of the Corporation's debt refinancing. The resulting deferred loss on refunding will be amortized as a component of interest expense over the remaining life of the debt.

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

- Restricted – 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

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

imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.

- Unrestricted – 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, 2026 because the Corporation does not report capital assets on its statement of net position. When both restricted and unrestricted net positions are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

(j) **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 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.

(k) **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.

(l) **New Accounting Pronouncements**— During fiscal year 2026, the Corporation adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. GASB 103 revises the required content of Management's Discussion and Analysis, redefines operating and nonoperating revenues and expenses, replaces the extraordinary and special items classification with unusual or infrequent items, and modifies the presentation of the statement of revenues, expenses and changes in net position. Implementation did not affect any financial statement line item. GASB 104 requires separate note disclosure of certain capital asset categories, including intangible right-to-use assets and assets held for sale. The Corporation had no capital assets, lease assets, subscription-based information technology arrangement assets, or assets held for sale at June 30, 2026; accordingly, the adoption of GASB 104 had no effect on the financial statements.

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

The Corporation's restricted cash represents cash held by a trust institution in the Corporation's name. These funds are held for debt service payments. As of June 30, 2026, $3,529,783 was invested in a government money market fund through a national bank in accordance with the University's investment policy for managing credit risks, which the Corporation follows.

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

As of June 30, 2026, the University held $2,100,689 on behalf of the Corporation. This is classified as Due From the University of Central Florida on the accompanying statement of net position. Interest earnings 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 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 or 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. Related party receivables consist of amounts due from the University and are reflected in the accompanying statement of net position.

(4) Long-term Obligations:

The Corporation issued series 2007 capital improvement revenue bonds with an aggregate principal amount of $60,000,000 to assist in financing the University's construction of the Burnett Biomedical Sciences Building. The bonds were set to mature on July 1, 2037 and secured by the University's indirect cost revenues received from Federal, State, and private grants and further secured by an irrevocable direct pay letter of credit issued by Fifth Third Bank of Central Florida. In accordance with the letter of credit, the Corporation was required to pay the bank an annual commitment fee.

In September 2017, the Corporation issued a 2017 refinancing term loan (2017 term loan) to a bank. The loan will mature on July 1, 2037 and bears interest at a fixed rate of 2.4 percent per annum with a 15-year interest put option. The loan is secured by the University's indirect cost revenues received from Federal, State, and private grants.

The 2017 term loan proceeds of $63,359,000, plus an additional $918,460 contributed from the Corporation, were used to purchase $50,627,660 of U.S. Treasury State and Local Government Securities, to pay $13,447,600 to terminate the Series 2007 bond swap liability and fund $202,200 of issuance costs. The U.S. Treasury State and Local Government Securities were placed in an irrevocable trust with an escrow agent to defease the series 2007 bonds. The trust extinguished the defeased bonds on October 20, 2017. As a result of the refinancing, the Corporation reduced its debt service requirements by $5,804,859 over the next 20 years and obtained an economic gain of $4,315,688. For the fiscal year ended June 30, 2026, the Corporation recognized interest expense of $1,679,075, which included amortization of the deferred loss on refunding of $680,892.

Changes in long-term debt for the year ended June 30, 2026 were as follows:

Direct Borrowings:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loans payable	$ 44,546,000	$ -	$ (2,955,000)	$ 41,591,000	$ 3,027,000
Total	$ 44,546,000	$ -	$ (2,955,000)	$ 41,591,000	$ 3,027,000

Future principal and interest as of June 30, 2026 were as follows:

Year Ending June 30,	Loans Payable Principal	Loans Payable Interest	Total Principal and Interest
2027	$ 3,027,000	$ 961,860	$ 3,988,860
2028	3,100,000	888,336	3,988,336
2029	3,176,000	813,024	3,989,024
2030	3,253,000	735,876	3,988,876
2031	3,332,000	656,856	3,988,856
2032-2036	17,914,000	2,030,136	19,944,136
2037-2038	7,789,000	188,052	7,977,052
Total	$ 41,591,000	$ 6,274,140	$ 47,865,140

(5) **Related Party Transactions:**

In September 2017, the Corporation entered into an amended and restated operating agreement with the University in which the University makes basic rent payments to the Corporation equal to principal, interest, and associated expenses incurred by the Corporation for the financing of facilities constructed on the Health Sciences Campus located at Lake Nona. Total payments received from the University under this agreement for the year ended June 30, 2026, were $3,912,372. Of this amount, $1,571,490 is reflected as Rent from the University of Central Florida, in the accompanying statement of revenues, expenses and changes in net position, and the remaining $2,340,882 as a reduction of the Due from the University of Central Florida.

The amount due from the University as of June 30, 2026, was comprised of the following:

Outstanding Principal - 2017 term loan	$	41,591,000
Interest payable - 2017 term loan		499,092
Historical funding deficit		141,599
Amounts payable to third parties		5,250
Less:		
Unamortized deferred loss on refunding of debt		(7,489,802)
Restricted cash		(3,529,783)
Total Due from the University of Central Florida	**$**	**31,217,356**
Due from the University of Central Florida, current		2,100,689
Due from the University of Central Florida, noncurrent		29,116,667
Total Due from the University of Central Florida	**$**	**31,217,356**

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 Finance 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 Finance 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, 2026, 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 22, 2026.

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

Crowe LLP

Oakbrook Terrace, Illinois
October 22, 2026

Crowe LLP
Independent Member Crowe Global

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

Board of Directors
UCF Finance Corporation
Orlando, Florida

We have examined the UCF Finance Corporation's (the "Corporation") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended June 30, 2026. 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, 2026.

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

Oakbrook Terrace, Illinois
October 22, 2026