

Board of Trustees Finance Committee

Tuesday, February 14, 2023 10:15am-12pm Microsoft Teams Virtual Meeting

Trustees: Michael Griffin, Chair; Michael Carrere, N. Rogan Donelly, Shilen Patel, Melissa Seixas, Will Weatherford

Foundation Board Liaison: Chip Newton

AGENDA

I.	Call to Order and Comments	Chair Michael Griffin		
II.	Public Comments Subject to USF Procedure	Chair Griffin		
III.	New Business – Action Items			
	a. Approval of November 15, 2022 Meeting Notes	Chair Griffin		
	b. Stadium Deal Terms and Design Phase	Sr. Vice President Jay Stroman		
	c. Student Housing Rental Rates	Asst. Vice President Ana Hernandez		
	d. Expenditure Authorization Requests	Vice President Jennifer Condon		
IV.	New Business – Information Items			
	a. USF 2022 Audited Financial Statements	Vice President Jennifer Condon		
	b. DSO Mid-Year Forecasts	University Treasurer Fell Stubbs		
	c. Capital Renewal/Deferred Maintenance Update	Vice President Carole Post		
	d. Budget Update	Sr. Vice President/CFO Rich Sobieray		
V.	Adjournment	Chair Griffin		



USF Board of Trustees Finance Committee NOTES November 15, 2022 Microsoft Teams Virtual Meeting

I. Call to Order and Comments

The meeting of the Finance Committee was called to order by Chair Michael Griffin at 9:05am. Chair Griffin asked Kiara Guzzo to call roll. Ms. Guzzo called roll with the following committee members present: Michael Griffin, Mike Carrere, Rogan Donelly, Shilen Patel, Melissa Seixas and Chip Newton. A quorum was established.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

a. Approval of August 16, 2022 Meeting Notes

Upon request and receiving no changes to the draft meeting notes, Chair Griffin requested a motion for approval, it was seconded and the August 16th meeting notes were unanimously approved as submitted by all committee members present.

b. 2023-24 USF Parking System Budget

Fell Stubbs, University Treasurer, presented the 2023-24 USF Parking System Operating Budget and requested approval at this time to meet a February filing requirement by the Board of Governors (BOG). This is the University's annual approval of the Parking System Operating Budget for FY 2023-24. The Parking System supports the Series 2016A parking system bonds, rated AA by Standard and Poor's. This rating was recently affirmed in September. The bonds were issued by the Florida Division of Bond Finance, who requires the approval and submission of a detailed operating budget to the BOG at least ninety (90) days before the beginning of the fiscal year which means a filing deadline in February of the coming year. The parking bonds are the only bonds issued by the Division of Bond Finance subject to this requirement.

The FY 2023-24 Operating Budget for the USF Parking Facilities Revenue Bonds reflects modest increases in permit and fee revenues in FY 2022-23 and FY 2023-24 due to the continued recovery from the pandemic with students and staff returning to campus. The FY 2022-23 estimate and the FY 2023-24 budget reflect adjustments to salaries consistent with objectives to restore multiple vacancies, increase wages to meet new university-wide minimum wage requirements, and market value adjustments; also, capital outlay expenditures to complete long-standing deferred preventative maintenance projects for the garages and lots and strategically replace and upgrade the aging bus fleet. In the Spring and Summer of 2023, Parking will conduct a comprehensive assessment of how demand for

services has evolved and seek to adjust the FY 2023-24 operating budget as needed. This would be a positive adjustment to cash flows and expenditures relative to the real revenues. The estimated unrestricted operating cash flows of \$13.7M in FY2022-23 and \$11.1M in FY 2023-24 provide support for the AA credit ratings. The Parking System also has \$12M in restricted reserves for debt service and for maintenance and equipment (a general reserve); they also hold some interest earned on reserve balances.

The budget format is from the Division of Bond Finance and contains three columns – actual for FY 2021-22; estimated pro forma for FY 2022-23; and projected budget for FY 2023-24. Revenue from Permits only increases modestly from FY 2021-22 (\$8.4M) to FY 2023-24 (\$9M). This revenue line item is critical for the Parking System, and it is still below the 2019 pre-pandemic level of \$11M. Overall, modest negative cash flow for the years presented. Debt service coverage ratio for FY 2021-22 was 2.06x coverage. A good, strong ratio which did benefit from federal funds; without the federal funds, the ratio was 1.43x coverage. Estimated coverage ratio for FY 2022-23 is 1.3x coverage and is projected to increase to 1.8x coverage in FY 2023-24.

A motion was made to approve the 2023-24 Operating Budget for USF Parking Facilities Revenue Bonds, Series 2016A. The motion was seconded and approved by all committee members present.

c. Energy Savings Contract and Award to Siemens

Mr. Stubbs presented the agenda item. This item is requesting approval of an award of the energy performance contract agreement to Siemens Industry, Inc. This is the third energy savings contract award for Siemens. Siemens provided a scope of work to install critical electrical upgrades for resiliency; various structural, building envelope and civil improvements to the Central Energy Plant to address storm code and storm hardening requirements; chiller plant optimization and automation improvements for the Southeast Chiller Plant; general HVAC system upgrades at various buildings to reduce energy consumption; and lighting system upgrades at various buildings to reduce energy consumption. All construction, commissioning, design and engineering has a current estimated cost of \$8.5M and a not-to-exceed cost of \$8.95M. The contract will guarantee energy savings to the university of approximately \$14.9M over 20 years, which is guaranteed to exceed the costs of the upgrades and the cost of the financing. The financing will be provided by Banc of America Public Capital Corp at a fixed, long-term (20 years) tax-exempt rate of 4.09%.

The contract with Siemens as well as the financing with Banc of America Capital Corp were both procured by competitive process.

A motion was made to award the Energy Performance Contract Agreement to Siemens Industry, Inc. as presented. The motion was seconded and approved by all committee members present.

d. Institutes & Centers (I&C) Report

Dr. Theresa Chisolm, Vice Provost, and Kevin Toso, Associate Director, presented the Institutes & Centers (I&C) Report. Dr. Chisolm explained that per BOG regulation for state of Florida Institutes and Centers (I&C), universities must provide annual financial reports to the BOG. In accordance with the updated regulation, these reports must now be approved by each University's board of trustees prior to submission. As the report must be

submitted to the BOG for all I&Cs for Fiscal Year 2021-2022 by close of business December 1, 2022, approval has been delegated to the Finance Committee to meet the BOG deadline. All future submissions will be brought to the entire BOT for approval at a regularly scheduled meeting. This financial reporting is not new; what is new is bringing to the BOT for approval. Dr. Chisolm provided an overview Institutes & Centers as well as BOG Regulation 10.015.

Mr. Toso gave an overview of the reporting process and data validation and provided highlights of the FY 2022 expenditures.

A motion was made to approve the Institutes & Centers Annual Report for 2022. The motion was seconded and approved by all Committee members present.

e. Expenditure Authorization

1. Threshold Changes

Jennifer Condon, Vice President for Business & Finance and Deputy CFO and Controller, presented the request to adjust USF expenditure approval authorization levels to align with SUS benchmark peers (UF, FSU, UCF). USF expenditure approval authorizations are more constrictive that our SUS peers. This request seeks approval to increase the authority delegated from the President to the CFO up to \$1.5M.and increase the authority granted to the Board of Trustee Finance Committee Chair up to \$3M. Currently USF Procurement has authority for up to \$1M and then the BOT Finance Committee Chair has authority from \$1M up to \$2M and authority for \$2M and over is with the full Finance Committee. Our currently process skips the CFO. This request would keep the Procurement limits the same (\$1M), would insert the CFO in the delegation of authority process, and would focus the Finance Committee on the higher dollar transactions.

Ms. Condon compared approval thresholds for FSU, UF and UCF to USF's current and recommended levels and presented USF volume information at the new authority levels. At the new levels, USF would still be below its peers FSU, UF, and UCF – all have more expansive authority at the CFO level and when they go to the BOT.

Action includes expenditures of USF and DSOs and will need to be approved by full Board if endorsed by Finance Committee. New thresholds would be effective 07/01/23.

Chair Griffin explained that he, Mr. Sobieray and Ms. Condon have been discussing this issue for some time. These thresholds are here for a reason, but given the activity and where pricing is going, we need to be sure that the Finance Committee Chair and the Finance Committee are focused on the on the higher ticket items. From a reporting standpoint, there are still reporting requirements in place to be sure the Finance Committee is aware of all spends over \$1M. The Chair is pleased with where we are headed and we will continue to look at these levels as we go forward.

Trustee Seixas asked why the threshold recommendation for the CFO (\$1.5M) wasn't higher. Chair Griffin explain that that was discussed and is something we will look at in the future. But given the history of why these thresholds are in

place, we should move slowly towards a major shift. We will continue to look at this, but this is the level Chair Griffin was most comfortable with.

A motion was made to recommend an increase in expenditure approval authorization limits for approval by full Board of Trustees as follows:

- Authorize CFO to approve transactions up to \$1.5M
- Authorize BOTFC Chair to approve transactions up to \$3M
- Require BOTFC approval of transactions greater than \$3M

The motion was seconded and approved by all Committee members present.

2. Requests

Ms. Condon presented nine expenditure authorization requests for approval by the Finance Committee. USF's expenditure policy requires Finance Committee approval for all expenditures in excess of \$2M. Ms. Condon noted that a few would fall off the list with the new thresholds.

o Morgan Stanley – Advisor Services for P3 Opportunities

USF is requesting the authority to contract with Morgan Stanley for advisory services for P3 opportunities. We will review multiple opportunities for monetizing certain auxiliary revenue streams. The purpose is to generate much needed capital to reinvest in our students, faculty and infrastructure. The contract is a performance-based contract, which means that the expenditure

amount will be a percentage-based transaction fee dependent upon the value of opportunities that are identified and executed. As opportunities are identified, they will come back to the Finance Committee for approval. This is not an approval to proceed unilaterally, but rather to engage Morgan Stanley on advisory services.

Trustee Seixas asked what other P3 work has Morgan Stanley done. Mr. Sobieray explained that they were the advisor for Ohio State (raised almost \$1.6B in various concession agreements for the university) and they are one of the biggest players in this arena (parking and housing), they are leaders in this market. Mr. Sobieray will send the Trustees information he has on Morgan Stanley and their roles in this.

Chair Griffin asked if the transaction fees structures were negotiated. Mr. Sobieray responded yes, the transaction fees were negotiated down. Morgan Stanley wanted 2.25% for parking and 2% for housing which were negotiated to 1.75%-1.875% and 1.5%-1.75% respectively.

Trustee Schneider asked if this has been discussed with the Budget Committee. Mr. Sobieray responded yes, it has been discussed with the Revenue Generating Committee (subcommittee of the Budget Committee). Right now bringing Morgan Stanley on is just an evaluation, we want to see what opportunities exist. We are not suggesting that we are ready to execute on anything yet. Just want to be sure we have the information we need to make a sound decision about what direction we should go. There are a lot of steps in this process and it will take some time.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

Cypress C&D Apartment Renovation

This request is to replace flooring in apartments, hallways, entry and elevator lobbies with LVT, paint door frames, update apartment signage, update kitchens and baths to meet current residential standards. This is for Cypress C & D which house 296 beds in apartment-style living. This request is \$2.8M and is budgeted in the Tampa Housing & Residential Education (HRE) Auxiliary Reserves. The project is included in HRE Facilities Project Plan and 2022-2023 USF Fixed Capital Outlay Plan.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

Roof repair/replacement

This request is for roofing repair/replacement on one-story buildings in Holly, Maple, and Magnolia. Includes roof access stairs. These buildings are non-residential and are used for office space and student services/activity spaces. The building roofs are beyond their useful life span and are prone to leaks. This request is \$2.5M and is budgeted in the Tampa Housing & Residential Education (HRE) Auxiliary Reserves. The project is included in HRE Facilities Project Plan and 2022-2023 USF Fixed Capital Outlay Plan.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

o USF Health Student Resource Center/MDA Renovations

This request is in the amount of \$3,946,777 for renovations at MDA (USF Health Center for Wellness, Engagement, Leadership, and Learning, also know as the WELL). This is the fourth phase of a project that had previously been approved by this board. This phase completes the development of the student support services area at the Health Complex on the Tampa Campus. Funding sources are CITF (\$3.1M) and carryforward (\$800K). Since this is a renovation, carryforward is an allowable source. Prior approvals include Fixed Capital Outlay, Health CITF Committee, Tampa Campus CITF Committee, and funds allocated by the state.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

Low-Voltage Cabling Installation Providers ITN

IT would like to conduct an ITN to build a structured pool of vendors to provide low-voltage cabling installation services as well as equipment to lock in costs. There will be no commitment for the University to spend any money with the vendors, this will just provide us with a contract avenue to conduct installations, maintenance, and repairs as needed. This will be a competitive procurement. Estimated spend is \$7.5M over 5 years. IT wishes to conduct

this ITN to develop a list of diverse vendors and develop a structured cost for installation and equipment for the life of the agreements. This will allow IT to better estimate project costs over the life of the agreements. This ITN does not require funding for a specific project at this point. Funding sources will be identified for each individual project as they arise.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

o Tampa Sports Authority License Agreement

This request is a 5-year renewal for use of Raymond James Stadium for up to 7 collegiate football games per season with an opportunity to host a Conference Championship. It includes the game fee, ticket surcharge as well as the support costs incurred by the Tampa Sports Authority for the USF Football games. The estimated cost is \$17.05M for five years (dependent on the number of games per year and the attendance at those games). Year 1-5 of the renewal are estimated based on 7 games with attendance of 30,000 fans per game. The agreement does allow for early termination with 24 months notice.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

Chilled Water Infrastructure Upgrade, SM

This request is for chilled water infrastructure upgrades at the Sarasota-Manatee campus in the amount of \$2.2M. Sarasota-Manatee campus is expanding to include a new residence hall and student center, and a nursing-STEM academic facility. These new facilities will get their chilled water from the existing central energy plant which currently lacks the capacity to produce the volume of chilled water required by the campus expansion. This project will provide a new chiller, pumps, valves, ice storage, and associated piping to support campus expansion. This project was included on the Fixed Capital Outlay plan. This project will be funded from carryforward funds and is an allowable expense.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

Office Supplies Prime Supplier

This request is for a new contract in the amount of \$4.7M over 6.75 years (\$700K annually) with Office Depot for office supplies (university-wide). This is a declining commodity spend due to changing business processes and remote work. Participation agreement to be co-terminous with the parent FIU agreement on August 12, 2027. There are two one-year renewal option years available (included in the authorization request). Agreement may be cancelled without cause. USF participated in an FIU ITN sourcing office supplies with the award going to Office Depot, USF's incumbent prime supplier. Office Depot is established in the USF eProcurement platform.

Market basket analysis of offer was approximately a 40% savings from list plus highly discounted core list of items plus 10% rebate.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

o Lab Supplies, Equipment & Services Prime Supplier

This request is for a new contract in the amount of \$33M over 6.6 years (\$5M annually) with Fisher Scientific for lab supplies (university-wide). This is an increasing commodity spend correlated to an increase in research spending. Participation agreement to be co-terminous with the parent UF agreement on June 30, 2027. There are two one-year renewal option years available (included in the authorization request). Agreement may be cancelled without cause. UF conducted ITN sourcing lab supplies on behalf of the SUS with the award going to Fisher Scientific, USF's incumbent prime supplier. Fisher Scientific is established in the USF eProcurement platform. Participation Agreement highlights include new 0.65% rebate, access to exceptional discounts benchmarked for Academic/Medical Research Institutions and discounts for Hotlist items representing ~25% of the high-volume items and waived transportation charges.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

IV. New Business – Information Items

a. Annual DSO Investment Reports

- 1. USF Foundation
- 2. University Medical Services Assoc., Inc.
- 3. USF Research Foundation, Inc.

Mr. Stubbs presented the Annual DSO Investment Reports. This is an annual request from the Finance Committee for the three largest DSOs (USF Foundation, UMSA, and USF Research Foundation). These reports are as of 06/30/22. Per request, these reports address the following: portfolio governance; performance for 1, 3, 5 and from inception time periods; asset allocation; recent initiatives; and objectives. All three reports are consistent with the request. All three portfolios had a difficult 12 months ending June 30, 2022, although this is coming off a very strong performance in the previous year. The portfolios gave back some, but not all, of their previous year's returns. The Foundation's one-year return was -11.3%; UMSA was -9.4% for the year; and Research Foundation was -10.9% for the year.

b. Draft 2022 Financial Statements

Ms. Condon provided highlights of the draft FY 2022 financial statements. Ms. Condon reviewed significant items on the income statement and the balance sheet. GASB Accounting for Pension & Other Post Employment Benefits (OPEB) are actuarially estimated liabilities of promises to retirees which are out of USF control and significantly impacted by annual investment returns, covered payroll proportions, and various other actuarial assumptions. Even though the State of Florida pays the contributions,

USF must record the liability and cannot record the offsetting receivable. This is an issue for every public higher education institution. OPEB and GASB continue to impact net operating results and net position. Our Unadjusted Net Operating Results for FY2022 is (\$18M). We have operated in a deficit position for the past three years and FY2022 is the smallest deficit position. After adding back the annual expenses booked for pension and other post employment benefits, we are still in a deficit position of (\$32.8M). While the adjusted results were a surplus in FY2021, for FY2022 this is a deficit due to a \$73M year over year decrease primarily caused by unrealized investment losses. Our FY2021 unrealized investment gains became unrealized investment losses in FY2022. A cumulative picture of this is our unrestricted net position. Our unadjusted unrestricted net position is also a deficit (\$330.4M). When we adjust off the significant non-cash accruals for OPEB and pension and related deferrals, we end up with a \$523.8M positive adjusted unrestricted net position. Another significant accounting pronouncement happened in FY2022. This turned our operating leases into capital leases. The net effect of all of this is very insignificant. We had a \$0.5M impact predominantly from a reclassification of a prepaid related to Moffit and some revenue received in advance from Tampa General Hospital.

Ms. Condon then explained variances between 2021 and 2022 in excess of \$10M and 10% as well as variances in excess of \$20M. USF is operating very well. This can be seen by the change on the balance sheet in cash & investments balances. We added \$58M in cash & investments to our balance sheet. This is a 7% increase primarily accountable to the auxiliary recovery coming out of the COVID pandemic. 4 additional accounts fit the criteria on the balance sheet. Net Receivables decreased \$11M of which \$12.5M was a decrease in the CARES receivable. Net depreciable capital assets decreased by \$56M. This is an unusual variance. Depreciation expense exceeded additions in FY2022. Nondepreciable capital assets increased \$57M due to all the construction in progress on campus (JGHC, Wellness, IPF). When the projects are completed, they will become depreciable capital assets and our capital assets additions will exceed depreciation and next year these two items are expected to be reversed. Accounts payable increased \$19M due to the accrual for the upper payment limit payments for Medicaid (AHCA). Increases are caused by year end timing; we receive the funds from UMSA and then pay the State of Florida. 10 accounts fit the criteria on the income statement – all green, all good. Increase in net tuition & fees of \$20M – gross tuition was up, scholarship allowance was down. Auxiliary sales and services increased \$46M due to COVID recovery in Housing, Dining Athletics. Both federal/state financial aid and noncapital grants & donations were up due to the student and institutional components of the Higher Education Emergency Relief Funds (HEERF). Capital grants, contracts, donations & fees was also up due to construction in progress (funding coming over from USFF for JGHC and IPF). Net investment income decreased (turned into a loss) – this was not unexpected due to market conditions over the past year. This category combines real investment income and unrealized gains and losses. In FY 2021, we had \$36M in investment income; in FY 2022, we had a \$47M loss. Ms. Condon stressed these are unrealized losses – we have not sold any of these investments, nor do we plan to until they are no longer losses. A graph of Net Investment Income was provided which showed investment income and unrealized gains/losses separately over the past three years. Investment income was constant from year to year. Unrealized gains and losses accounted for the entire variance (\$14M in losses in FY2020, \$18M in gains in FY2021 and \$65M in losses in FY2022). On the expense side, compensation & employee benefits decreased \$84M due to the previously mentioned pension adjustments. There is a one-year investment lag (one year in arrears); this will reverse next year. Services & supplies increased (grant subcontracts, dining, travel) due to emergence from pandemic. Scholarships, fellowships & waivers increased - this the expense to the federal funds (student HEERF) revenue. Other non-operating expenses increased \$29M also due to the

pandemic (payments to UMSA for faculty practice plan lost revenue and expenses for graduate medical education). Even though we had some increases in expenses, this is good because we are emerging from the pandemic.

Mr. Sobieray echoed that the financial statements look good. He explained that the challenge we have as a university with a balance sheet and income statement that looks relatively strong is that over 70% of our cash has some form of restriction and the things we need money for need more unrestricted funds (need access to more than the 30% unrestricted funds available to us). We are working different angles to try to improve that picture. That is the challenge from a university perspective - we need more unrestricted funds available to us so we can use it for the purposes that we need it for at this particular point in time as a university.

c. Resource Allocation Model

Mr. Sobieray gave an overview of the planned resource allocation model for USF. The current incremental budget process has run its course. Decisions are centrally driven, and changes are at the margins of historical base budgets. The central incremental budget decisions over time have caused a maldistribution of resources relative to growth needs; the sense of inappropriate entitlements to challenge the legitimacy of the centralized budget model; the lack of incentive to adequately engage the full range of resources that might be available; and mistrust between senior leadership and Deans. RCM is not a new concept. This is a modern way of looking at the world that we live in and work in. Many universities have moved to this model, including UF, FIU, and UCF is just moving to RCM as well. The big-time universities have already moved to this and are in their version 2.0 and 3.0 and are working to upgrade and update their particular models. RCM is an entrepreneurship and accountability model; it is not a resource generation model. RCM is simply an allocation model. It allocates all revenues and all expenses based off of drivers so that we can see at a college level/program level who provides resources to the institution and who are those that require more subvention. We can then ask the questions about where our future investment needs to be as an organization. The model utilizes strategic investment/subvention to achieve a balance between local (college) optimization and investment in the best interest of the university as a whole. All resources are not allocated out to the colleges. There is a subvention/strategic investment pool that is kept centrally so that the University (President, Trustees) still steers the ship as we go forward.

RCM is important for USF's strategic and financial success. USF's current incremental budget approach to resource management is not sustainable because it limits the university's

ability to strategically deploy resources while at the same time disincentivizing colleges and schools from being active "partners" in the success of university. RCM comports with broadly accepted guiding principles approved in FY2022. RCM provides Deans with greater responsibility and authority to align the needs of their colleges with that of the university. RCM enables and rewards entrepreneurship through shared revenue ownership. RCM enables cost/benefit trade-offs by connecting revenues and their associated expenses. This means we can better direct resources to strategies that provide high academic return relative to their net costs. RCM does not introduce new expenses, but it does create the opportunity to examine allocated costs with respect to the quality of services delivered. RCM provides a basic foundation for analysis, including funds flow, portfolio, margin, service cost, and strategic investment/subvention. RCM does not suggest that all university activities should be profitable; we will always have some sort of subvention. Quality considerations and strategic priorities may well warrant financial support. RCM

implementation is a multi-year process. We will run it parallel in FY24; in FY25 we will implement in small increments; and will fully rollout in FY27. We are committed to periodically reviewing and refining the approach as warranted.

All campuses and Health will participate in the RCM model. The three (3) campuses (Tampa, SM, STP) will participate in the revenue and expense portions of the model. USF Health will participate in the expense portion of the model only.

Mr. Sobieray recently attended the NACUBO national meeting. He shared what he learned from representative from many of the universities who have implemented RCM who were there as well. These included: we are on the right track; RCM can be a powerful facilitator of strategic implementation; avoid excessive complexity; ensure academic and financial planning are in-sync; be aware and minimize unproductive competition and misaligned Incentives; provide sufficient central strategic investment pool; and communication is key.

Mr. Sobieray provided a pictorial of how we are changing in going from an incremental budget approach to RCM and the impact on the funds flow model.

Lastly, Mr. Sobieray addresses the strategic investment fund. One of the biggest lessons learned from previous universities who have rolled out RCM (including UF) is to make sure to provide sufficient central strategic investment pool. The purpose is to maintain the balance between individual college/school desires and university strategic priorities. The pool should be between 2% - 5% of total revenue (we will aim for 2% initially, which based on a \$2.5B operation would be a \$50M investment pool). We want to ensure that the President and the Trustees have access to this pool to make those critical decisions around how to steer the University in the direction they want it to go.

Chair Griffin thanked Mr. Sobieray for a great briefing. This is a continuous process and he is pleased with where this is heading to empower our deans (those closest to our students) to drive student success. Relying on universities that are a bit ahead of us in this to learn about their lessons learned and that we not doing this in a silo or vacuum is much appreciated. He is looking forward to continued progress updates.

Trustee Seixas commented that she appreciated the bullet point on unproductive competition internally. She further stated that going into this, it is truly the overall financial health of the university that is paramount, not the individual colleges. She then asked how well is everyone prepared for this change and what is the role of chancellor at the regional campuses and does RCM bring benefit to the regional campuses. Mr. Sobieray responded that we have been working with EAB (Educational Advisory Board) who are putting together a training program and tools for leadership including the deans. We want them to be successful. We want them to understand how the model works, what strategies they can use, and what tools they have available to them to make certain decisions that they have to make. We will be providing online education as well as in-person education – no short cuts in this area. In response to the branch campuses, Mr. Sobieray responded that there will be an overarching RCM model that will impact all the campuses including Health. And then once the resources are set at the campus level, they will also then have an RCM model that rolls out the distribution of the resources down to the colleges. The chancellors will still have access to a strategic investment fund as well. The strategic investment fund will not just be pooled centrally. There will be opportunities for the chancellors, working with the President, to make sure that the campuses and the ship that is being driven takes them into consideration as we move this forward and we strengthen the campuses as well along this journey. He further stated that as we mature, he envisions a President's advisory

committee (includes the President, Regional Campus Chancellors, Health Executive VP, Provost, CFO) that sits over top this entire operation and looks at the strategic investment fund, making sure the resources are distributed appropriately out of this fund.

Trustee Schneider informed the group that the Faculty Senate created the Academic Planning & Budget Council, led by Dr. Tim Boaz who has been working with Mr. Sobieray and has been involved in the budget committees. She expressed interest in the EAB training and Mr. Sobieray provided additional details. Trustee Schneider further expressed that in addition to the Deans, the faculty have a role in understanding this process (the training, etc.) If faculty have entrepreneurial ideas, there is not currently a mechanism across the university for those to be elevated or to be considered. Therefore, the Faculty Senate has to have a role in understanding RCM and helping all of the faculty, not just from the college down. Mr. Sobieray explained that the website will be updated and there will be online training. He has updated the committees and increased Faculty Senate participation. He is also getting Student Government involved as well.

President Law thanked Mr. Sobieray and the Budget Committee for all their work. This presentation is the culmination of an incredible amount of work that has gone into rethinking how we are more strategic about our funding, our revenue generation, our cost containment. There are a lot of things on the outside of the RCM budget process that are going on at the same time. This is not the only thing happening. And they will all come together in a much better way to run a university and to make sure that we are being thoughtful about how we ae expending our limited funds in those area which provide the most benefit for our students, our faculty, our research and our communities.

President Law recognized Dr. Boaz and Ms. Condon who started with this process when she first came onboard as Interim President by bringing to her attention how much they tried to impact how the budget was looked at and that there were systemic problems. We have now come up with a solution that will ultimately put us far ahead of many of our peers and give us the leg up we need to achieve our goals.

V. Adjournment

Having no further business, Chair Griffin adjourned the Finance Committee meeting at 10:50am.

Agenda Item: IIIb

USF Board of Trustees March 7, 2023

Issue: Stadium Design Build Agreement Terms and Design Phase

Proposed action: Approval of the USF Stadium Design Build Agreement ("DBA") contingent on representations from management the DBA aligns with the term sheet and approval of up to \$22 million dollars for the design phase expenditures

Executive Summary:

This approval of the Stadium Design Build Agreement is the next step in the USF On-Campus Stadium Project. This initial design phase will result in the preparation and completion of the plans for the stadium and will include multiple opportunities for the USF community to provide input on the design of the stadium. The final plans will reflect USF's unique needs and specifications, the plans will align with USF's financial plan for the project, and USF will own the plans. Additional approval will be sought for the financing and construction of the project following the design phase.

Financial Impact: Authorization is being requested for up to \$22M.

Strategic Goal(s) Item Supports: Goal 5: A strong, sustainable, and adaptable financial base: To practice continuous visionary planning and sound stewardship throughout USF to ensure a strong and sustainable financial base and adapt proactively to emerging opportunities in a dynamic environment.

BOT Committee Review Date: Finance Committee, February 14, 2023

Supporting Documentation Online (please circle): (Yes)

Prepared by: Jay Stroman

No

STADIUM DESIGN BUILD AGREEMENT

- Project Phase Request for up to \$22,000,000 for total services
 - o \$14,800,000 Preconstruction and Design Services
 - o \$3,900,000 Additional planning services by USF
 - o \$850,000 Financing Costs
 - o \$2,300,000 Owner Contingency for design services
- Contract structure
 - o Design-Build Agreement Structure
 - o GMP proposal at 75% CD completion
 - o BOT approval of GMP and financing structure at future meeting
 - USF has the option to pause or terminate the Project or the DB team at the end of the design phase.
- Basis of Design-Design Phase Deliverable
 - Conceptual design based on extensive USF stakeholder input and basic requirements.
 - Obligation to design to final financial plan
 - o Detailed Construction Schedule
 - o Determination of specifications for stadium systems
- DB Fee percentage (2.3%) and application to
 - Defined work elements
 - Design-Builder's Fee only adjusted due to increases in the GMP. Design-Builder's fee is not subject to reduction resulting from a decrease in the GMP.
- Use of Contingency and savings to the GMP
 - Unspent contingency and GMP savings remain with USF (no sharing with DB Team)
 - Material and equipment cost increase contingency for supply chain and inflationary issues (amount and materials to which it may be applied will be part of GMP proposal)
- Responsibility Matrix
 - Detailed allocation of responsibilities for various matters that are ancillary, but necessary to, performance of the work (e.g., utilities)

Schedule and Substantial Completion date

- Project Schedule showing Substantial Completion in time to allow for the use of the stadium for the 2026 football season
- Milestones for the further development of the Design, and any Pre-Construction procurement or work authorized by Owner, the establishment of the Guaranteed Maximum Price, and commencement of Construction consistent with the date for Substantial Completion.

Liquidated Damages

- Amount per game; but specific elements of work that must be completed in order for stadium to be used has been left for GMP.
- If the stadium is not available for one or more home football games during the 2026 season, Design-Builder will pay to USF as Liquidated Damages for each scheduled game for which the stadium is not available, Two Million Dollars (\$2,000,000).

DBE commitment

DB Team commits to utilizing (1) small businesses, (2) veteran owned businesses, and (3) certified women or minority owned businesses, and commits to making a good faith effort to meet or exceed the overall participation goal of thirty-six percent (36%) of total design and construction expenditures.

Agenda Item: Illc

No

USF Board of Trustees March 7, 2023

Issue: 2023-2028 USF Student Housing Rate Proposal

Proposed action: Approve 2023-2028 USF Student Housing Rates

Executive Summary:

USF Housing & Residential Education has been on a strategic path of growth, reinvestment, and stewardship resulting in increased student demand for oncampus housing and reliable coverage of our bond covenants and debt service.

We are seeking approval for a five-year strategic housing rate increase for USF housing with a commitment to annually report on impact, including occupancy and facility reinvestment. The proposed rate increases would be effective beginning in Fall 2023 and would fund projected increases in expenses and support our strategic path of facility reinvestment and responsible stewardship.

Financial Impact:

Housing operation is an Auxiliary funded by student rental revenues and Housing & Residential Education capital reserves.

Strategic Goal(s) Item Supports: Goal 5: A strong, sustainable, and adaptable financial base: To practice continuous visionary planning and sound stewardship throughout USF to ensure a strong and sustainable financial base and adapt proactively to emerging opportunities in a dynamic environment.

BOT Committee Review Date: Finance Committee, February 14, 2023

Supporting Documentation Online (please circle): (Yes)

Prepared by: Ana Hernandez, Assistant Vice President, Housing & Residential Education

USF Board of Trustees – February 14, 2023 2023-2028 USF Student Housing Rate Proposal

Executive Summary

USF Housing & Residential Education has been on a strategic path of growth, reinvestment, and stewardship resulting in increased student demand for on-campus housing and reliable coverage of our bond covenants and debt service. We are seeking approval for a five-year strategic housing rate increases for USF Housing & Residential Education with a commitment to annually report on impact, including occupancy and facility reinvestment. The proposed rate increases would be effective beginning in Fall 2023 for Tampa, in Fall 2024 for St. Peterburg, and in Fall 2025 for Sarasota-Manatee, and would fund projected increases in expenses and support our strategic path of facility reinvestment and responsible stewardship.

USF Housing Overview

- Demand for student housing on-campus beds exceeds capacity
- USF Housing rates continue to be 100% covered by Florida Prepaid Dorm Plan.
- All Housing facility improvements are funded from revenue generated by student rent (No E&G, Carry forward, or bonds.)

Driving Factors for Increase

- Rising costs due to inflation (utilities, construction, labor, and materials)
- Increases will fund scheduled maintenance and capital improvements/projects
- Initiating a redevelopment plan for the Argos community (Beta, Castor, Kosove), original residential buildings from the 1960s, located between Marshall Student Center and the new football stadium.
- USF has not raised rates since 2019.

USF Rate History	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tampa	0	3.1%	0	0	9.3%	9%	6.5% *	1%	0	0	0
St. Petersburg	3.8%	2%	0	0	0	4%	4%	2.3%	0	0	0

SUS Rate Increase Comparison

- UF has been approved for a 4.5% increase for 2021-2025.
- FSU has received a steady 2% increase each year while most SUS schools have had no increase.
- UWF has been approved for a 4% increase each year for four years.
- UNF is proposing a three-year 4.25% annual increase to their BOT in February 2023.
- FIU is proposing a 3% rate increase for Fall 2023 to their BOT in March 2023.
- FAMU and FAU will not be increasing their rates for Fall 2023.
- UCF is still reviewing their plans.

Local Market Comparison

- Fall 19 to 22: Off-campus rates increased 10-58% vs. 0% for USF
- Local Market Median rate: \$9,550 for Tampa and \$15,076 for St. Petersburg (12 month)
- USF Apartment rate: \$8,900 for Tampa and \$9,342 for St. Petersburg (Academic Year)

Proposed Board of Trustee Action

Approve five-year strategic housing rate annual increase of 4.5% with staggered implementation dates for all three campuses. USF Housing will report to BOT annually on impact of increase, including occupancy and facility reinvestment.



USF Housing & Residential Education

USF Board of Trustee Finance Committee February 14, 2023

USF Strategic Plan

Goal One: Student success at USF and beyond

The on-campus residential experience provides:

High-impact educational experiences

Enhances support for student engagement, co-curricular activities and well-being at USF

Positively contributes to recruitment, retention, and graduation rates.

Goal Five: A strong, sustainable, and adaptable financial base

Approval of a long-term housing rate plan supports the objective to:

Design strategic, transparent, and predictable budget model.

Value of Living On-campus



2

COVID-19 Impact & Recovery

	2020-2021	2021-2022	2022-2023 Projected
Occupancy	Tampa: 56% occupancy / 508 beds offline St. Pete: 30% occupancy / 198 beds offline	Tampa: 92.7% occupancy/153 beds offline St. Pete: 86.5% occupancy/88 beds offline	Tampa: Opened in Fall over 99% occupied St. Pete: Opened in Fall over 97% occupied
Operations	Tampa: \$15.3 million in lost revenue \$9.3 million in expense reductions including \$1.9 million in personnel St. Pete: \$3.2 million in lost revenue \$405,000 in expense reductions including \$255,000 in personnel	 Implemented recovery plan Restructured service model Reactivated facilities projects Filled vacant positions to near pre- COVID levels 	 Unprecedented cost escalations Supply chain challenges Recruitment and retention efforts in response to changing labor market and campus comparisons
DSC Ratio	Tampa: 1.31 Final DSC Ratio St. Pete: 1.23 Final DSC Ratio .40 DSC w/o one-time Federal funding	Tampa: 2.55 Final DSC Ratio 1.90 DSC w/o one-time Federal funding St. Pete: 1.86 Final DSC Ratio 1.66 DSC w/o one-time Federal funding	Tampa: 1.53 Projected DSC Ratio St. Pete: 1.63 Projected DSC Ratio

USF Housing Financial Overview

- Demand for student housing on-campus beds exceeds capacity
 - Brailsford and Dunlavey Market Demand Study validates the demand
- USF Housing met or exceeded debt service coverage ratio targets and continue positive ratings from Moody's and S&P
- USF Housing rates continue to be 100% covered by Florida Prepaid Dorm Plan.
 - Traditional Halls 40% under threshold; Suites 18-32% under; Apt 9-23% under
- All Housing facility improvements are funded from revenue generated by student rent (No E&G, Carry forward, or bonds.)
- Annual contributions are made to USF Housing reserves while maintaining minimum thresholds
- Building a reserve in Tampa to partially fund the Argos Redevelopment Project from net income surplus

USF Housing Rate Increase Ten Year History

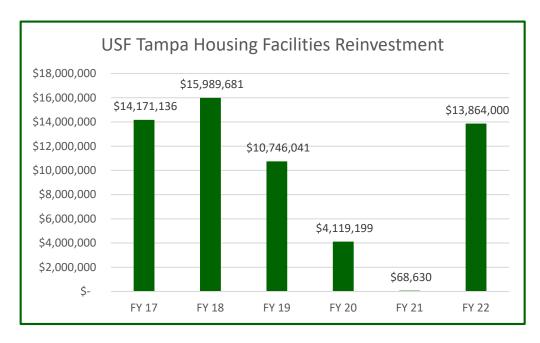
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tampa	0	3.1%	0	0	9.3%	9%	6.5% *	1%	0	0	0
St. Petersburg	3.8%	2%	0	0	0	4%	4%	2.3%	0	0	0

- USF BOT approved a strategic 3-year rate plan for 2016-2018 for Tampa campus with annual information updates.
- Tampa HRE returned to BOT to reduce rate request for 2017 from the approved 8% to 6.5%(*).
- Stated BOT expectation at the time was to implement an annual 1-4% rate increase thereafter.

4

USF Housing Facilities Overview

- **49**% of total gross square feet is between **20 and 61 years old**. (Argos, Beta, Castor, Kosove, Holly & Magnolia.)
- The newest USF-owned residential building on the Tampa campus is 13 years old Juniper-Poplar Hall. (Excludes P3 Village)
- USF Tampa Housing & Residential Education has invested \$59 million in facilities infrastructure and upgrades aligned with the 2017-2026 Deferred Maintenance Program
 - Focused investments have extended the useful life of buildings and systems 15-20 years.
 - Significant improvement to the health and safety of the residential environment via upgrades to air quality.
 - Facilities Condition Assessment (FCA) completed to inform five-year update.
 - o 2023-2028 Facilities Reinvestment Plan \$48 million
 - Initiating a redevelopment plan for the Argos community (Beta, Castor, Kosove), the original residential buildings from the 1960s, located between Marshall Student Center and the new football stadium.
- A strategic facilities reinvestment plan is being developed for St. Petersburg Housing facilities which are newer.



USF Housing Facility Reinvestment

PRIORITY PROJECTS FOR FY 2023 - TAMPA
Juniper-Poplar Chiller Replacement (Phase 1 – completion)
Greek Village HVAC (completion)
Maple, Magnolia, & Holly Buildings Flat Roof Replacement
Holly, Cypress, Magnolia, & Maple IT Network Upgrade
Holly & Greek Environmental Controls
Upgrade Carpet and VCT to LVT
Holly Pod Furniture Upgrade
Support Space Upgrades (Warehouse/Maintenance Shops/Break Rooms)
Maple Bathroom and Vanity Assessment and Upgrade
Cypress C & D Apartment Renovation
Cypress A & B Bathroom Renovation
Juniper-Poplar Chiller Replacement (Phase 2)
Residential Outdoor Experience (furniture, pergolas, & features)

FUTURE PROJECTS - TAMPA						
Cypress A-D Exterior Stairway Enclosure						
Heat exchanger/boilers North campus						
HVAC Upgrades – increase MERV ratings (Optimized)						
Castor ERV Replacement						
Housing Precinct Site Lighting Upgrades						
Public Bathroom assessment and upgrades						
Magnolia Window Replacement						
JPH and Maple Fire Panel replacement						
Upgrade Carpet and VCT to LVT						
Room and apartment furniture replacement						
Interior & Exterior Painting						
Holly Apartment Renovation (kitchen/bathroom/doors)						
Argos Redevelopment Project						

USF Housing Facility Reinvestment

FUTURE PROJECTS - ST. PETERSBURG
HVAC cleaning
Exterior pressure washing of all residential buildings
USC Camera Project
Bike Corral
Ibis Hall furniture renewal and replacement
Ibis Hall HVAC renewal and replacement
Ibis Hall interior suite and corridor painting
Ibis Hall window blind replacement
Pelican Apartments furniture renewal and replacement
Pelican Apartments flooring remodel
Pelican Apartments hot water circulation upgrade
Pelican Apartments HVAC renewal and replacement
Pelican Apartments interior suite and corridor painting
Pelican Apartments kitchen remodels
Pelican Apartments kitchen appliance renewal and replacement
Pelican Apartments shower pan renovation

USF Housing 5 Year Rate Proposal

	2023-24	2024-25	2025-26	2026-27	2027-28
Tampa	4.5%	4.5%	4.5%	4.5%	4.5%
St. Petersburg	0%	4.5%	4.5%	4.5%	4.5%
Sarasota-Manatee*			4.5%	4.5%	4.5%

^{*} The Fall 2024 projected rental rates included with the Sarasota-Manatee Residence Hall Project approval reflected 3% per annum increases for 2023 and 2024. It was disclosed at the time that the rates may change based on market assessments, needs, and BOT approval. We propose 4.5% annual escalation to set the opening Fall 2024 Sarasota-Manatee rates instead of the 3% escalation as originally indicated.

2023-2024 Housing Rate Proposal

	USF Room Type	Bed Count	2022-2023 Annual Rate	Proposed % Increase	Proposed Annual \$ Increase	Proposed 2023-2024 Annual Rate
STP	USF Triple (PEL)	42	\$5,844	0%	0%	\$5,844
STP	USF Suite Triple (IBIS)	99	\$5,844	0%	0%	\$5,844
TPA	USF Traditional Triple	12	\$5,990	2.50%	\$150	\$6,140
TPA	USF Traditional Double	650	\$5,990	2.50%	\$150	\$6,140
TPA	USF Suite Double	1452	\$7,500	4.00%	\$300	\$7,800
TPA	USF Traditional Single	10	\$7,960	1.51%	\$120	\$8,080
TPA	USF Apartment Double	196	\$7,970	4.09%	\$326	\$8,296
STP	USF Suite Double (IBIS)	124	\$9,010	0%	0%	\$9,010
STP	USF Suite Double - 4 person (OSP)	240	\$9,010	0%	0%	\$9,010
TPA	USF Apartment Single – 4 person	1471	\$8,900	4.45%	\$396	\$9,296
STP	USF Suite Single - 3 person (OSP)	15	\$9,342	0%	0%	\$9,342
STP	USF Suite Single - 4 person (OSP)	120	\$9,342	0%	0%	\$9,342
STP	USF Apartment Single - 4 person (PEL)	307	\$9,342	0%	0%	\$9,342
TPA	USF Suite Corner Double (Comparable with P3 suite double)	80	\$7,500	32.27%	\$2,420	\$9,920
TPA	USF Apartment Single – 2 person	48	\$9,800	5.06%	\$496	\$10,296

	P3 Village Room Type	Bed Count	2022-2023 Annual Rate	% Increase	\$ Increase	2023-2024 Annual Rate
TPA	P3 Traditional Double	1148	\$7,900	3.49%	\$276	\$8,176
TPA	P3 End Suite Double w/private bath	38	\$9,100	3.52%	\$320	\$9,420
TPA	P3 Suite Double w/private bath	852	\$9,590	3.50%	\$336	\$9,926
TPA	P3 Traditional Single	23	\$10,700	3.51%	\$376	\$11,076
TPA	P3 Suite Single w/private bath	25	\$11,900	3.50%	\$416	\$12,316

Cost of Attendance

USF Owned Tampa Only Weighted Average	4.5%
P3 Village Weighted Average	3.5%
USF Tampa Weighted Average	4.15%
USF St. Petersburg Only Weighted Average	0.0%
Total Student Housing Weighted Average (USF Tampa, USF St. Pete, and P3 Village)	3.6%
USF Median Rate (Cost of Attendance)	\$8,176

2022-2023 Local Market Comparison

More than just a bed...

Living on campus includes 24-hour support, RAs, professional staff, and faculty living in the buildings;

University Police, crisis response, emergency facility response on-call;

convenience, connection, community, flexible leasing,

USF IT wireless access, housing service desks, and more ...

Campus	USF Apartment Rate	Local Market Median
Tampa	\$8,900	\$9,550
St. Petersburg	\$9,342	\$15,076



- Off-campus Leases are 12-month obligations.
- Meal plans are required for all St Petersburg residents and FTIC residents in Tampa.



SUS Rate Increase Comparison

	Fall 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025	Fall 2026	Fall 2027
FAMU (Final)	0	0	0				
FAU	0	0	TBD				
FGCU (Final)	0	0	0				
FIU (March BOT)	0	0	3%*				
FPU			3%*				
FSU	2%	2%	2%*	2%*	2%*		
NCF	0	8%	TBD	TBD			
UCF	0	0	5%*		•••		
UF (Approved)	4.5%	4.5%	4.5%	4.5%	4.5%		
UNF (Feb BOT)	0	0	4.25%*	4.25%*	4.25%		
USF	0	0	4.5%*	4.5%*	4.5%*	4.5%*	4.5%*
UWF (Approved)	0	0	4%	4%	4%	4%	4%

^{*} Proposed

Proposed Action

Approve five-year strategic housing rate increases as proposed with a commitment to annually report on impact, including occupancy and facility reinvestment.

	2023-24	2024-25	2025-26	2026-27	2027-28
Tampa	4.5%	4.5%	4.5%	4.5%	4.5%
St. Petersburg	0%	4.5%	4.5%	4.5%	4.5%
Sarasota-Manatee			4.5%	4.5%	4.5%

Agenda Item: IIId

USF Board of Trustees

Finance Committee February 14, 2023

Issue: Expenditure Authorization Requests

Proposed action:

Approval of the following expenditures:

a) Microsoft Enrollments – 4-Year Extension	\$24,525,915
b) Firewall/VPN Services	\$2,305,542
c) Huron Grants Management System Contract	\$2,264,046
d) ALZ 6 th Floor Remodel Space to Research Labs	\$2,500,000
e) LIB Student Success/Life Enhancements	\$2,835,084
f) Lehigh Valley Health Network (LVHN) Campus	\$2,000,000

Executive Summary: The USF Policy for Delegations of General Authority and Signatory Authority requires the approval of the Finance Committee Chair for the procurement of goods and services above \$1 million and the approval of the Finance Committee for the procurement of goods and services above \$2 million. Approval is being requested for the items listed above.

Financial Impact: Authorization is being requested for over \$36M in transactions.

Strategic Goal(s) Item Supports: Goal 5: A strong, sustainable, and adaptable financial base

BOT Committee Review Date: February 14, 2023

Supporting Documentation Online (please circle): Yes No

Prepared by: Jennifer Condon, Vice President/Deputy CFO/Controller

USF Approval of Expenditures Exceeding Two Million Dollars

Project/Initiative Name:	4-Year Extension of all Microsoft Enrollments

Total Project/Initiative Cost: Estimated spend through FY27 \$24,525,915

Description: (description and rationale for the project/initiative)

The table below lists the current Enrollments USF has with Microsoft. We currently have multiple amendments providing discounts of more than \$900,000 annually across all the enrollments.

The purpose of this amendment is to extend out the end dates of each of our enrollments for 4 years and maintain the current discount structure we have in place. We are looking for spending authority approval for the next 4 years estimated to be approximately \$24,525,915. As each renewal comes due on a yearly basis IT will negotiate with Microsoft to ensure we maximize the buying power of USF.

Enrollment #	Description	FY23	FY24	FY25	FY26	FY27	Total Requested Spending Authority	New End Date
66617173	Primary OneUSF Enrollment (A5)	\$1,535,550 °	\$1,566,261	\$1,597,586	\$1,629,538	\$1,662,129	\$6,455,514	9/30/27
66572989	IT Azure Enrollment	\$2,500,000	\$2,500,000	\$2,750,000	\$2,750,000	\$3,000,000	\$13,500,000	11/30/27
70850559	Individual (Dept) License Enrollment	\$145,000	\$166,750	\$191,763	\$220,527	\$253,606	\$977,645	12/31/27
88639606	Dynamics/Power Platform Enrollment	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$3,325,000	5/31/27
56322542	Grant 10% Azure Enrollment	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000	3/31/27
52690024	Test Tenant Enrollment	\$0	\$0	\$0	\$0	\$0	\$0	9/30/27
73781122	HSC Enrollment	\$0	\$0	\$0	\$0	\$0	\$0	9/30/27
51321576	Epidemiology Azure Enrollment	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500	12/31/27
68501436	FC2 Dynamics Enrollment	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155	\$ 55,256	8/31/27
54258383	CFS Enrollment	\$0	\$0	\$0	\$0	\$0	\$0	9/30/27

\$5,267,874

\$5.329.141

\$5,645,390

\$24,525,915

\$4.961.011

\$4.858.050

^{*} This figure was already spent and approved through an Expenditure form; it is placed in the table for reference purposes only. It is not part of the Requested Spending Authority.

Description of Enrollments:

Each enrollment was created to segment licenses based on area and license type to provide better visibility and ensure we are not over/under licensed. This also allows us to negotiate specific discounts per enrollment to maximize savings for the University.

Primary OneUSF Enrollment (A5)

This is the primary enrollment for USF that provides the Office, email, and online services for all faculty, staff, and students of USF. This also includes our site license for all server licenses.

IT Azure Enrollment

This enrollment licenses the IT Azure cloud environment that supports over 80% of the compute, storage and server infrastructure used to run USF's critical business systems.

Individual (Department) License Enrollment

This is a generic enrollment that is used to manage all licenses bought on an individual basis by USF Departments.

Dynamics/PowerPlatform Enrollment

Dynamics is the primary Customer Relationship Management (CRM) system used by admissions and several other business units across USF. Power Platform licensing included Power Automate and Power Apps solutions that allows academic and business units including IT to automate processes and develop solutions creating greater efficiencies,

Grant 10% Azure Enrollment

This is a new Azure enrollment that will researchers to gain 10% extra buying power when expending NIH and other grant dollars within this specific azure enrollment.

Test Tenant Enrollment

This is a test environment that allows IT to test new licenses and services before allowing them to go to production.

HSC Enrollment

This is the legacy HSC Tenant. All users have been consolidated down to the primary USF tenant. Once all services are terminated, the HSC Enrollment will be shutdown.

Epidemiology Azure Enrollment

Epidemiology has their own independent Azure environment to support mission specific goals of their department.

FC2(Florida Cyber) Dynamics Enrollment

These are Dynamics licenses needed by Florida Cyber to support their Dynamics environment.

CFS (Child and Family Studies) Enrollment

Required to support legacy Live Meeting requirements for CFS

Objective: (strategic priority or needs the project/initiative addresses; include strategic goal this project/initiative supports)

Due to the platform and far-reaching nature of many of these services, these enrollments directly support all 5 USF Strategic Goals.

Funding Source(s):

Funding Sources will be identified as each renewal is processed. Funding sources will include E&G, C/F, Auxiliary, and Tech Fee.

Are the funds supporting the project budgeted or non-budgeted?

Funds are budgeted

Prior Approval Process:

Prior approvals were completed for each enrollment as required by USF Policy.

List Related Projects/Initiatives: (if any)

USF or Campus specific: USF Prepared by: Carl Smith Date Requested: 1-27-2023

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee.

USF Approval of Expenditures Exceeding Two Million Dollars

Project/Initiative Name: 5-Year Palo Alto Purchase and Maintenance Agreement

Total Project/Initiative Cost: Upfront payment of \$2,305,542

Description: (description and rationale for the project/initiative)

The existing firewall infrastructure which protects USF's digital infrastructure and assets is going "end of life" this fiscal year. This upgrade of the current firewall infrastructure will continue to protect USF's digital infrastructure and assets, and devices on the USF wired and wireless networks. This purchase also includes Virtual Private Network capabilites (hardware and licensing) for people and services needing to connect to the network securely and remotely, which is required to maintain our cybersecurity insurance policy.

Objective: (strategic priority or needs the project/initiative addresses; include strategic goal this project/initiative supports)

This project helps ensure a safe computing environment for USF's Faculty, students and staff. As such it directly supports the following USF Goals:

Goal 1: Student Success at USF and beyond – Helping to Ensure our student activities and data are protected

Goal 2: Faculty excellence in research and innovation – Helping to Ensure our research, faculty data and systems are protected

Goal 5: A strong, sustainable, and adaptable financial base – Helping to Ensure our sensitive data is not breached and/or exploited

Funding Source(s):

Funding Source	Cost
Research Initiative Account	\$238,432
Auxiliary	\$2,067,110
	\$2,305,542

Are the funds supporting the project budgeted or non-budgeted?

Funds are budgeted

Prior Approval Process:

Prior order was approved by BOT in 2018

List Related Projects/Initiatives: (if any)

USF or Campus specific: USF Prepared by: Carl Smith Date Requested: 1-27-2023

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee.

USF Approval of Expenditures Exceeding Two Million Dollars

Project/Initiative Name: <u>Huron Grants Management System</u>
Total Project/Initiative Cost: \$2,264,046
Description: (description and rationale for the project/initiative)
Huron Consulting LLC will install the Huron Research Suite's Grants & Agreements <i>Software as a Service</i> system. This software is needed to optimize operations by enabling real-time analytics and adjustments and by providing faculty and end-users with transparency into Sponsored Research processes. The initial term of the contract is 5 years with implementation costs of \$600,000 and <i>Software as a Service</i> cost of \$301,223 in the first year with a 5% increase each subsequent year.
Objective: (strategic priority or needs the project/initiative addresses; include strategic goal this project/initiative supports)
This request is for a university-wide service that streamlines the pre- and post-award processing of contracts and grants and will allow users (including faculty) to access real time information for sponsored project proposals and awards. This service will facilitate Goal Two of the USF Strategic Plan which is Faculty excellence in research and innovation.
Funding Source(s):
Carry Forward and E&G funds
Are the funds supporting the project budgeted or non-budgeted?
Budgeted
Prior Approval Process:
Approved by USF Information Technology. ITSB number is 7537337.
List Related Projects/Initiatives: (if any)
N/A
USF or Campus specific: USF Prepared by: Mark McLaughin

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee.

Date Requested: 01/05/2023

USF Approval of Expenditures Exceeding Two Million Dollars

Project/Initiative Name: USF Health ALZ 6th Floor Remodel Space to research labs

Total Project/Initiative Cost: \$ 2,500,000

Description: (description and rationale for the project/initiative)

Scope:

Remodel space on the 6th floor of ALZ to 1,500+ SF wet lab space. The lab space will include open benches, small dedicated support room/s, PI office space and sitting space for support staff. Space includes a dedicated equipment room, mechanical room, air handler and rooftop unit.

Objective:

Provide additional research space for USF Health. This additional space will provide basic laboratory space for R01 NIH-funded principal investigators (PI), so that they can conduct their research in a state-of-the art research laboratory. In addition, USF Health is essentially out of wet lab space and is challenged in recruiting additional R01s without having additional, modern, open lab spaces ready for occupancy; therefore, this request helps to remedy this issue.

Funding Source(s):

\$2,500,000 from USF Health Carryforward Funds

Are the funds supporting the project budgeted or non-budgeted?

Budgeted

Prior Approval Process: USF Health Leadership

List Related Projects/Initiatives: (if any)

USF or Campus specific: Tampa campus, Health

Prepared by: Stephen B. Liggett, MD, Matthew Anderson, & Joseph M. Jackson

Date Requested: February 2023

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee.

USF Approval of Expenditures Exceeding Two Million Dollars

Project/Initiative Name: LIB Student Success/Life Enhancements

Total Project/Initiative Cost: \$2,835,084

Description:

This project will provide space renovations to student support services including tutoring spaces, student academics success space, the writing center, and student undergraduate research initiatives on the second floor of the Library. The project will also include a large multifunctional, multi-purpose room with space dividing walls to create larger and smaller spaces for student study and meeting spaces. The space will be outfitted with advanced technology to allow collaboration, interaction and connections with others. CITF funding has previously been used to fund remodeling of floors in the building. The total cost for the project is \$2,835,084 comprised of \$2,144,784 in CITF funds and \$690,000 in Library Carry Forward funds.

Objective:

Supports Strategic Plan, Goal 1: "To promote the lifelong success of well-educated, highly skilled, and adaptable alums..." and specifically, Objective 1A: "Increase the development and availability of high-impact educational experiences for student success." The spaces and functionality receiving renovations in the Library directly support student success.

Funding Source(s):

Capital Improvement Trust Fund (\$2,144,784) and Library Carry Forward (\$690,000)

Are the funds supporting the project budgeted or non-budgeted?

Budgeted

Prior Approval Process:

List Related Projects/Initiatives:

Capital Improvement Plan, CITF Committee Approval

USF or Campus specific: Tampa campus

Prepared by: Scot Berrian
Date Requested: February 2023

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee.

USF Approval of Expenditures Exceeding Two Million Dollars

Project/Initiative Name: Center for Healthcare Education at the Morsani College of Medicine (MCOM) Lehigh Valley Health Network (LVHN) campus.

Total Project/Initiative Cost \$2,000,000.

Description: (description and rationale for the project/initiative)

The current educational facilities at LVHN are becoming inadequate and sub-standard for MCOM's SELECT MD program's educational purposes. The LVHN Department of Education is currently scattered across several locations. The new Center for Healthcare Education will provide our students access to a state-of-the-art educational facility in a consolidated location. It will also provide students 24/7 study access which is something they have asked for at this location. The Center will be a 70,000 sq.ft. educational facility with increased classroom and simulation lab space, an auditorium, and a cadaver lab among other improvements as compared to present facilities.

Objective: (strategic priority or needs the project/initiative addresses; include strategic goal this project/initiative supports)

Provide state of the art educational facilities for learners to carry us forward in our mission to heal, comfort and care for our community by designing and delivering exceptional education for exceptional care.

Funding Source(s):

Auxiliary fund 01533

Are the funds supporting the project budgeted or non-budgeted?

Budgeted as part of a reinvestment reserve created in accordance with the USF/LVHN Affiliation Agreement

Prior Approval Process:

Support for the Center for Healthcare Education at LVHN was approved at the November 2022 Joint Affiliation Committee (JAC) pending USF BOT approval.

List Related Projects/Initiatives: (if any)

\$1.124M was used for the construction of the USF MCOM Downtown Building to support the SELECT MD program.

USF or Campus specific: USF Health

Prepared by: Montaha Kanj and Dr. Bryan Bognar, Dept of Medical Education, MCOM

Date Requested: 1/20/23

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee.

Agenda Item: IVa

USF Board of Trustees

Finance Committee February 14, 2023

Issue: USF Fiscal Year 2022 Audited Financial Statements

Proposed actions Informational

Proposed action: Informational

Executive Summary:

The USF Fiscal Year 2022 Financial Statements and associated audit report were released by the State of Florida Auditor General on December 16, 2022.

There were no adjustments to the financial information that was presented at the November 15, 2022 finance committee meeting.

Financial Impact:

None

Strategic Goal(s) Item Supports: Goal 5: Strong, Sustainable and Adaptable Financial Base

BOT Committee Review Date:

Supporting Documentation Online (please circle): Yes

USF FY22 Financial Report

Prepared by: Jennifer Condon, VP, Deputy CFO & Controller (813) 974-7696

Agenda Item: IVb

USF Board of Trustees

Finance Committee February 14, 2023

Issue: DSO Mid-Year Forecasts for FY 2023

Proposed action: Informational

Executive Summary:

The Direct Support Organizations of the University (DSOs) have prepared their Mid-Year Forecasts for FY 2023.

These reports include a comparison of the Forecast to the FY 2023 Financial Plans approved by the BOT Finance Committee at its May 24, 2022 Meeting, as well as actual results for FY 2022, FY 2021 and FY 2020 and summary forecasts for FY 2024 and FY 2025.

The DSOs are:

- University Medical Services Association, Inc., USF Medical Services
 Support Corporation & USF Health Services Support Organization, Inc.
- 2. USF Foundation, Inc.
- 3. USF Research Foundation, Inc.
- 4. USF Health Professions Conferencing Corporation
- 5. Sun Dome, Inc.
- 6. USF Institute of Applied Engineering
- 7. USF Alumni Association, Inc.
- 8. USF Financing Corporation & USF Property Corporation

Financial Impact:

The Direct Support Organizations of the University of South Florida (DSO) are organized and operated exclusively to assist the University achieve excellence by providing supplemental resources from private gifts and bequests and valuable education support services. These organizations are authorized by Florida Statute 1004.28 to receive, hold and administer property and make expenditures for the University.

Strategic Goal(s) Item Supports: Goal 5: Strong, Sustainable and Adaptable Financial Base

Workgroup Review Date: February 14, 2023

Supporting Documentation Online (please circle): Yes No

Prepared by: Fell L. Stubbs, University Treasurer, (813) 974-3298



DIRECT SUPPORT ORGANIZATIONS

MID-YEAR FORECASTS

FISCAL YEAR 2023

February 14, 2023



DSO Mid-Year Forecasts for FY 2023

INDEX

University Medical Services Association, Inc., Medical Services Support Corporation & USF Health Services Support Organization, Inc	. 1-4
USF Foundation, Inc.	. 5-8
USF Research Foundation, Inc	.9-12
USF Health Professions Conferencing Corporation	. 13-16
Sun Dome, Inc.	. 17-20
USF Institute of Applied Engineering	. 21-24
USF Alumni Association, Inc.	. 25-28
USF Financing Corporation and USF Property Corporation	29-32



FY 2023 Mid-Year Forecast

FINANCIAL PLAN STATEMENT

Describe Progress in Achieving the Key Initiatives Described in your Annual Financial Plan.

- In January 2022, the practice plan and Tampa General Hospital built upon their nearly 50 year affiliation to become Florida's leading academic medical center (AMC) through a sustainable, collaborative, and comprehensive relationship that mutually benefits each organization, and the communities we serve, across all missions including patient care, teaching, research, and advocacy. During FY23, the practice plan and USF Tampa General Physicians (USFTGP) leadership have been focusing on stabilizing operations, specifically as it pertains to recruiting and retaining team members. As anticipated, the new organization has led to additional costs during stabilization due to temporarily redundant systems as staff transition to new computer and phone systems as well as some software licenses.
- Due to successful SIP claims management, the SIP Council approved a request for a premium holiday for UMSA in FY23.
- UMSA forecasts to end FY23 with a \$21M receivable for the Medicaid Managed Care Supplemental Payment Program (UPL) which negatively impacts the practice plan's cash projections for the end of the year. The Agency for Healthcare Administration (AHCA) remains challenged with turnaround times due to staffing shortages, therefore we do not anticipate receiving a significant portion of the Medicaid Managed Care Supplemental payments until after the fiscal year end. USF Health leadership will continue government relations efforts to improve the frequency and predictability of these payments. We also anticipate a approximately \$1.5M less in UPL funds due to the end of the public health emergency.
- The practice plan continues to support unfunded and underfunded academic time as we have received no incremental funding to support academics (tuition and E&G).
- The practice plan will delay the transition of the Dean's Academic Support Fund into HSSO until FY24 due to the complexity of
 the IT build in the general ledger, training requirements, and competing priorities for the finance & accounting team.

<u>Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End</u>

- Finding opportunities to increase the number of clinics and patients per clinic to make up for the loss of 4 business days of clinical revenue due to closures for Hurricane Ian in September which resulted in a loss of approximately \$3M in patient service revenue.
- Increasing efforts on recruitment and retention in our continuing battle against the healthcare labor shortage. Examples include targeted career fairs, improve targeted online advertising of job postings, and enhance exit interview reporting.
- Complete negotiations with Tampa General Hospital for a Purchased Services Agreement for our Cardiology Division and an increase to the Supplemental Professional Services Agreement which supports medical directorships, call, hospital and clinic coverage which will result in \$9M of additional contract revenue for the practice plan.
- Better align the hiring of contract supported clinical faculty with hospital affiliates in order to reduce startup losses.
- Reduce discretionary expenditures in the second half of FY23 and require additional approvals for discretionary expenditures.



FY 2023 Mid-Year Forecast

INCOME STATEMENT

(In thousands) REVENUES	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	Varia	nce	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
Net Patient Service	\$204,725	\$191,074	\$13,651	7 %	\$187,498	\$191,974	\$166,121
Grants, Contracts & Awards	113,876	100,592	13,283	13 %	100,024	94,719	79,757
UPL/PCIP	37,728	34,973	2,755	8 %	43,090	40,491	38,726
Other Revenue	32,940	40,888	(7,949)	(19)%	53,511	41,798	43,383
Total Revenues	\$389,269	\$367,528	\$21,741	6 %	\$384,122	\$368,983	\$327,986
EVEN VOTO							
EXPENSES		0.00			****		****
Faculty Support	\$212,885	\$192,565	\$20,320	11 %	\$193,049	\$172,985	\$158,468
Housestaff Support	14,384	14,812	(428)	(3)%	15,046	12,660	13,068
Other Staff Support	31,156	32,532	(1,376)	(4)%	63,428	101,031	97,863
USFTGP Staff Support	71,687	60,412	11,275	19 %	29,287	0	0
Depreciation/Amortization	5,894	4,375	1,519	35 %	6,136	5,047	4,573
Other Expenses	48,334	53,980	(5,646)	(10)%	48,024	55,384	55,412
Total Expenses	\$384,340	\$358,676	\$25,665	7 %	\$354,970	\$347,108	\$329,384
OPERATING PROFIT BEFORE							
NON-CASH CHANGES	\$4,929	\$8,852	(\$3,923)	(44)%	\$29,152	\$21,875	(\$1,398)
Unrealized Investment Gains (Losses)	860	0	860	%	(2,904)	3,041	1,068
Contribution to MCOM	(9,343)	(9,700)	357	4 %	0	0	(7,003)
Gain (Loss) on Disposal of Capital Assets	0	0			2,454	0	0
Other Non Operating Expense	0	0	0	%	(18)	0	0
Total Non-Cash Changes	(\$8,483)	(\$9,700)	\$1,217	13 %	(\$468)	\$3,041	(\$5,935)
NET OPERATING PROFIT	(\$3,554)	(\$848)	(\$2,707)	(319)%	\$28,684	\$24,916	(\$7,332)
Operating Profit Margin	1%	2%	-1%	(47)%	8%	6%	0%



FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)	FY 2023 MID-YEAR	FY 2023 FINANCIAL	Variar	nce	FY 2022 ACTUAL	FY 2021 ACTUAL	FY 2020 ACTUAL
	FORECAST	PLAN	\$	%	RESULTS	RESULTS	RESULTS
OPERATING ACTIVITIES							
Net Operating Profit	\$(3,554)	\$(848)	\$(2,707)	-319%	\$28,684	\$24,916	\$(7,332)
Adjustments for Non-Cash Activities:		, , ,					
Depreciation/Amortization	5,894	4,375	1,519	35%	6,136	5,047	4,573
Non Cash Impact of EPIC	0	0	0	%	0	0	0
Unrealized Gains	0	0	0	%	0	0	0
Operating Assets and Liabilities	(4,563)	40,231	(44,794)	-111%	8,945	(72,055)	36,060
Total Cash From Operating Activities	\$(2,223)	\$43,758	\$(45,981)	-105%	\$43,765	\$(42,093)	\$33,301
FINANCING ACTIVITIES							
Capital Expenditures	\$(9,920)	\$(6,500)	\$(3,420)	-53%	\$(3,906)	\$(1,613)	\$(2,514)
Proceeds from Sale of Capital Assets	0	0	0	%	3,465	13	
Interest Payments	(2,500)	(2,500)	0	0%	(2,295)	(2,429)	(1,566)
Transfer to USF FC - Leases on MOBs	(2,536)	(2,536)	0	0%	(2,465)	(2,306)	(2,245)
Principal paid on right-to-use lease liability	(2,435)	0	(2,435)	%	(2,411)		
Total Cash From Financing Activities	\$(17,392)	\$(11,536)	\$(5,855)	-51%	\$(7,612)	\$(6,335)	\$(6,325)
INVESTING ACTIVITIES							
Net (Purchases) Sales of Investments	0	0	0	%	(20,000)	21,042	(1,803)
Interest and Dividends on Investments	0		0	%	395	3,041	1,068
Total Cash From Investing Activities	\$0	\$0	\$0	%	\$(19,605)	\$24,083	\$(735)
CHANGE IN CASH	(19,615)	32,222	(51,837)	-161%	16,548	(24,345)	26,241
Cash, Beginning of Year	27,198	6,112	21,086	345%	10,650	34,996	8,755
Cash, End of Year	\$7,583	\$38,334	\$(30,751)	-80%	\$27,198	\$10,650	\$34,996
Total Cash & Investments	621 242	SEE 540	\$(24.207)	449/	\$50.057	¢17 214	\$62,672
Total Cash & Investments	\$31,342	\$55,549	\$(24,207)	-44%	\$50,957	\$17,314	\$62,672
Days Cash on Hand	31	60	(28)	-47%	56	19	73



FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)	ACTUAL			
	FY 2020	FY 2021	FY 2022	
<u>ASSETS</u>				
Cash & Investments	\$62,672	\$17,314	\$50,957	
Fixed Assets	54,145	51,410	64,806	
Other Assets	50,104	83,336	121,910	
Total Assets	\$166,921	\$152,060	\$237,672	
LIABILITIES				
Payables	\$17,637	\$12,991	\$39,493	
Long-Term Debt	48,754	46,536	40,758	
Other Liabilities and deferred inflows	46,398	26,001	57,316	
Total Liabilities	\$112,788	\$85,528	\$137,567	
NET ASSETS	\$54,133	\$66,532	\$100,106	
Days Cash on Hand	73	19	56	
REVENUES				
Net Patient Service	\$166,121	\$191,974	\$187,498	
Grants, Contracts & Awards	79,757	94,719	100,024	
UPL	38,726	40,491	43,090	
Other Revenues	43,383	41,798	53,511	
Total Revenues	\$327,986	\$368,983	\$384,122	
EXPENSES				
Faculty Support	\$158,468	\$172,985	\$193,049	
Housestaff Support	13,068	12,660	15,046	
Other Staff Support	97,863	101,031	63,428	
USFTGP Staff Support	0	0	29,287	
Other Expenses	55,412	55,384	48,024	
Total Expenses	\$324,811	\$342,061	\$348,834	
Operating Profit Before Non-Cash Changes	\$3,176	\$26,922	\$35,289	
Total Non-Cash Changes	\$(4,573)	\$(5,047)	\$(6,136)	
NET OPERATING PROFIT	\$(1,398)	\$21,875	\$29,152	
Operating Profit Margin	0%	6%	8%	
Unrealized Investment Gains (Losses)	\$1,068	\$3,041	\$(2,922)	
Gain (Loss) on Disposal of Capital Assets	0	0	2,454	
Contribution to MCOM	(7,003)		0	
Total Non-Operating Changes	\$(5,935)	\$3,041	\$(468)	
NET OPERATING PROFIT	\$(7,332)	\$24,916	\$28,684	

FORECAST						
FY 2025	FY 2024	FY 2023				
\$61,61	\$51,342	\$31,342				
82,38	78,462	74,726				
99,50	98,520	117,347				
\$243,50	\$228,325	\$223,415				
\$14,78	\$14,638	\$14,493				
38,37	43,820	50,032				
77,87	65,901	62,339				
\$131,03	\$124,359	\$126,864				
\$112,46	\$103,966	\$96,551				
6	51	31				
\$212,99	\$208,820	\$204,725				
116,16	115,015	113,876				
38,48	38,106	37,728				
33,60	33,269	32,940				
\$401,25	\$395,209	\$389,269				
\$219.22	£215.014	¢212 005				
\$218,23	\$215,014	\$212,885				
12,56	12,438	14,384				
31,78	31,468	31,156				
73,12	72,404	71,687				
51,02	50,517 \$381,841	48,334 \$378,446				
\$386,73	\$301,041	\$570,440				
\$14,51	\$13,368	\$10,823				
\$(6,01	\$(5,953)	\$(5,894)				
\$8,50	\$7,415	\$4,929				
2	2%	1%				
\$	\$0	\$860				
4	0	0				
	0	(9,343)				
\$	\$0	\$(8,483)				



USF Foundation, Inc.

FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

Describe Progress in Achieving the Key Initiatives Described in your Annual Financial Plan.

- Several initiatives for the Division of University Advancement are underway to facilitate and grow the crucial impact of philanthropy
 for USF. The talent acquisition for these new initiatives and restructuring of resources will continue throughout fiscal year 2023.
 These initiatives will further the USF Foundation's ability to meet annual fundraising goals and progress on these initiatives are
 described in the following bullets.
- The newly formed Principal Gifts Team has already produced transformative gift commitments of over \$22 million providing an expansion of resources across the University.
- The Regional Fundraising Team is being assembled and will provide an enhanced regional presence aiding college and unit development teams with additional resources to increase overall engagement outside of the USF campus areas.
- In an effort to adapt to a rapidly changing donor base, the Annual Giving Team has expanded to include a Digital Engagement Center of well-trained students that will provide needed outreach to University supporters by sharing success stories and University news through text-to-give programs, social media platforms, etc. The Digital Engagement Center (DEC) officially launched on January 1st after implementing a new engagement software system loaded with over 200,000 Alumni. The DEC manager and 72 students began their 1st campaign on January 17th.

<u>Describe Management's Actions to Close Significant Unfavorable</u> Variances in Net Income and Net Cash Flows Before Fiscal Year End

- Investment performance through December 31st combined with the investment return projections for the 3rd and 4th quarters are reflected in the mid-year forecast; thereby, driving the decrease in net operating profit compared with the FY 2023 financial plan. These return projections will not negatively impact endowment spending distributions as the 5-year average market value used to calculated earnings distributions has increased.
- Fundraising and operating salaries are projected to increase based on the talent acquisition and retention initiatives for the programs described above.



USF FOUNDATION, INC.

FY 2023 Mid-Year Forecast

INCOME STATEMENT

Operating Profit Margin

(In thousands) REVENUES	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAI PLAN
Gifts & Donations	\$62,450	\$60,4
Investment Income (Loss)	28,816	51,3
University Support	14,123	13,5
Other Revenues	2,907	2,9
Total Revenues	\$108,296	\$128,2
EXPENSES		
Program Services		
Salaries & Benefits	\$20,662	\$20,2
Scholarship & Fellowship	10,104	10,0
Service & Independent contractors	4,242	4,1
Supplies	2,340	2,2
Other Transfers & Expenses	25,719	25,7
Total Program Service Expenses	63,067	62,4
Fundraising & Operating Expenses		
Salaries & Benefits	17,265	16,4
Service & Independent contractors	1,386	1,1
Other Transfers & Expenses	2,434	2,2
Total Fundraising & Operating Expenses	21,085	19,8
Total Expenses	\$84,152	\$82,3
OPERATING PROFIT BEFORE	Í	,
NON-CASH CHANGES	\$24,145	\$45,89
Total Non-Cash Changes	\$0	
NET OPERATING PROFIT	\$24,145	\$45,89

FY 2023	FY 2023	Variance	
FORECAST	PLAN	\$	0/0
\$62,450	\$60,450	\$2,000	3 %
28,816	51,325		(44)%
14,123	13,523	600	4 %
2,907	2,907	0	0 %
\$108,296	\$128,205	\$(19,909)	(16)%
#20.662	Ф20, 200	#2.C2	2.0/
			2 %
,	′		0 %
			2 %
			6 %
			0 %
63,067	62,464	603	1 %
17,265	16,487	777	5 %
1,386	1,141	245	21 %
2,434	2,216	218	10 %
21,085	19,844	1,240	6 %
\$84,152	\$82,308	\$1,843	2 %
\$24,145	\$45,897	\$ (21,752)	(47)%
\$2.1,1.E	\$ 10,05 T	ψ(=1). Θ=)	(.,),,
\$0	\$0	\$0	%
\$24,145	\$45,897	\$(21,752)	(47)%
	\$62,450 28,816 14,123 2,907 \$108,296 \$20,662 10,104 4,242 2,340 25,719 63,067 17,265 1,386 2,434 21,085 \$84,152 \$24,145	MID-YEAR FORECAST FINANCIAL PLAN \$62,450 \$60,450 28,816 51,325 14,123 13,523 2,907 2,907 \$108,296 \$128,205 \$20,662 \$20,299 10,104 10,090 4,242 4,148 2,340 2,208 25,719 25,719 63,067 62,464 17,265 16,487 1,386 1,141 2,434 2,216 21,085 19,844 \$84,152 \$82,308 \$24,145 \$45,897	MID-YEAR FORECAST FINANCIAL PLAN Variance \$62,450 \$60,450 \$2,000 28,816 51,325 (22,509) 14,123 13,523 600 2,907 2,907 0 \$108,296 \$128,205 \$(19,909) \$20,662 \$20,299 \$363 10,104 10,090 14 4,242 4,148 94 2,340 2,208 132 25,719 25,719 0 63,067 62,464 603 17,265 16,487 777 1,386 1,141 245 2,434 2,216 218 21,085 19,844 1,240 \$84,152 \$82,308 \$1,843 \$24,145 \$45,897 \$(21,752)

36%

22%

FY 2022	FY 2021	FY 2020
ACTUAL	ACTUAL	ACTUAL
RESULTS	RESULTS	RESULTS
\$82,693	\$64,667	\$70,565
(103,786)	192,303	31,323
13,729	13,209	16,284
2,424	2,473	2,489
\$(4,940)	\$272,652	\$120,661
\$22,514	\$20,721	\$18,498
11,452	10,802	13,213
4,700	1,619	3,145
957	884	1,517
37,599	18,791	14,573
77,222	52,817	50,946
17,110	16,188	14,942
1,669	1,042	1,728
1,796	1,429	1,772
20,575	18,659	18,442
\$97,797	\$71,476	\$69,388
\$(102,737)	\$201,176	\$51,273
(102,707)	ψ <u>=</u> υ <u>+</u> ,170	\$0.2, 2 70
\$0	\$0	\$0
\$(102,737)	\$201,176	\$51,273
→ (- •-,••·)	4-2-,110	

(14)%



USF FOUNDATION, INC.

FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	Varianc \$	e %	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
OPERATING ACTIVITIES	101120131	12,11,	Ψ	,,,	RESCEIS	TESCETS	TESCEIS
Net Operating Profit	\$24,145	\$45,897	\$(21,752)	(47)%	\$(134,363)	\$201,176	\$51,273
Adjustments for Non-Cash Activities:	4=1,11	4 .2,02 .	+(==,,==)	(11)11	4(101,000)	*=**,**	40.7,270
Investment (gain) losses	(28,816)	(51,325)	22,509	44 %	103,785	(179,278)	(21,485)
Change in assets & liabilities	(12,364)	(14,526)	2,162	15 %	(16,971)	N 1	(45,053)
S	())	())	, -		(-))	(, , , , ,	(- / /
Total Cash From Operating Activities	\$(17,036)	\$(19,954)	\$2,919	15 %	\$(47,549)	\$1,922	\$(15,265)
FINANCING ACTIVITIES							
Proceeds of sales of contributed land held for resale	\$0	\$0	\$0	%	\$0	\$0	\$0
Interest Paid on Debt	(125)	(125)	0	0 %	(99)	* *	(119)
Principal Paid on Debt	(380)	(380)	0	0 %	(402)	\ /	(382)
NonCapital Financing activities	12,564	13,521	(957)	(7)%	17,662	13,139	15,545
1 &	,	- 7-	()		.,	-,	- /
Total Cash From Financing Activities	\$12,059	\$13,016	\$(957)	(7)%	\$17,161	\$12,639	\$15,044
INVESTING ACTIVITIES							
Receipt of loan repayment on loan to DSO	\$5,992	\$0	\$5,992	%	\$400	\$400	\$400
Net (Purchases) Sales of Investment	(8,785)	(1,985)	(6,800)	(343)%	23,328	(32,359)	(6,504)
Interest dividends reinvested	8,932	8,932	0	0 %	7,839	13,025	9,839
Total Cash From Investing Activities	\$6,139	\$6,947	\$(808)	(12)%	\$31,567	\$(18,934)	\$3,735
CT 1 1 CT 1 1 C1 CT	1.150			12.260.07	4.450	(4.272)	2.714
CHANGE IN CASH	1,163	9	1,154	13,369 %	1,179	(4,373)	3,514
Cash, Beginning of Year	1,730	2,770	(1,041)	(38)%	551	4,924	1,410
Cash, End of Year	\$2,892	\$2,779	\$113	4 %	\$1,730	\$551	\$4,924
Total Cash & Investments	\$109,070	\$108,957	\$113	0 %	\$116,951	\$132,115	\$112,621
Days Cash on Hand	473	483	(10)	(2)%	436	675	592



USF FOUNDATION, INC.

FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)	ACTUAL			
	FY 2020	FY 2021	FY 2022	
<u>ASSETS</u>				
Cash & Investments	\$112,621	\$132,115	\$116,951	
Fixed Assets	10,844	10,725	10,606	
Other Assets	594,379	786,838	693,518	
Total Assets	\$717,844	\$929,678	\$821,075	
I I A DIN ITALIC				
<u>LIABILITIES</u>	¢1.052	6400	¢1.005	
Payables	\$1,053	\$408	\$1,985	
Long-Term Debt	4,332	3,942	3,540	
Other Liabilities	24,405	36,098	29,057	
Total Liabilities	\$29,790	\$40,448	\$34,582	
NET ASSETS	\$688,054	\$889,230	\$786,493	
	\$000,001	\$505,200	\$7.00,120	
Days Cash on Hand	592	675	436	
DEVENIEG				
REVENUES C'G & F 1 ' ' B	\$70.565	PCA CC7	¢05 117	
Gifts & Fundraising Revenue	\$70,565	\$64,667	\$85,117	
University Support	16,284	13,209	13,729	
Other Revenues	33,812	194,776	(103,786)	
Total Revenues	\$120,661	\$272,652	\$(4,940)	
EXPENSES				
Salaries & Benefits	\$33,440	\$36,910	\$39,624	
Scholarships & Fellowships	13,213	10,802	13,121	
Other Expenses	22,735	23,764	45,052	
Total Expenses	\$69,388	\$71,476	\$97,797	
Total Emperiors	\$65,200	\$71,170	42.,	
Operating Profit Before Non-Cash Changes	\$51,273	\$201,176	\$(102,737)	
Total Non-Cash Changes	\$0	\$0	\$0	
NET OPERATING PROFIT	\$51,273	\$201,176	\$(102,737)	
Operating Profit Margin	42%	74%	-2080%	
Operating Front Margin	42%	/4%0	-2080%	

FORECAST						
FY 2023	FY 2024	FY 2025				
\$109,070	\$110,047	\$111,147				
10,485	10,361	\$10,265				
726,362	755,687	790,449				
\$845,917	\$876,095	\$911,861				
\$1,095	\$1,117	\$1,139				
3,127	2,704	\$2,335				
31,057	33,232	35,582				
\$35,279	\$37,053	\$39,056				
\$810,638	\$839,042	\$872,805				
473	456	453				
\$62,450	\$67,937	\$72,619				
14,123	14,547	\$15,148				
31,723	34,006	35,570				
\$108,296	\$116,490	\$123,337				
\$37,927	\$36,717	\$37,268				
10,104	10,609	\$11,140				
36,120	40,760	41,168				
\$84,151	\$88,086	\$89,575				
\$24,145	\$28,404	\$33,762				
\$0	\$0	\$0				
\$24,145	\$28,404	\$33,762				
22%	24%	27%				



FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

Describe Progress in Achieving the Key Initiatives Described in your Annual Financial Plan.

- Construction of the new 120,000sf Mixed Use Lab and Office Building (3814 Spectrum) located within the USF Research Park was completed in late FY22. Revenue projection initially anticipated 60,000sf of the building would be occupied by the end of FY23. The mid-year update has reduced FY23 occupancy to 3,600sf plus 10,000sf of common and event space with a corresponding reduction in rent revenue of -\$762K. As initially planned, occupancy is still projected to increase to 110,000sf by the end of FY24. The Income Statement impact for FY23 is updated to forecast -\$2.5M operating loss from the initially planned -\$1.9M operating loss. This includes interest expense of \$794K, operating expenses of \$359K, salaries of \$159K, non-cash depreciation of \$1.2M, offset by rent revenue of \$50K. Debt service for the new building of \$1.8M (interest and principal) and Capital Expenditures of \$3.6M for buildout of tenant improvements will be funded by redemption of investments, consistent with Annual Plan.
- As advised by the University, the FY23 Approved Plan included a cost allocation of \$3.99M to the Research Foundation for 100% of the USF Technology Transfer Office (TTO) operating expense budget that prior to FY22 had been supported by the University (principally salaries and legal costs for patent prosecution and litigation efforts). This line item expense is reported on the Income Statement as "IP University Expense TTO Cost Allocation to DSO". Through the date of this report, the FY23 year-to-date expense for TTO cost allocation is tracking favorably to plan by \$247K and this favorable variance is reflected in our mid-year forecast.
 - The TTO Cost Allocation expense is in addition to the IP expenses associated with the IP Fee Revenue (principally royalty expenses) that are directly incurred by the Research Foundation for Intellectual property transactions. TTO's mid-year forecast projects IP Program revenue to be \$3M with an unfavorable variance of -\$1.1M from FY23 Plan. The reduction in fee revenue will correlate to a decrease of -\$742K in royalty & other direct IP costs. The net effect on FY23 Operating Profit is a reduction of -\$358K. (\$1.1M less \$742K).
- To reduce the Incubator program expenses incurred by the University, cash payments totaling \$1.0M from the Research Foundation to the University's Incubator program (TBTI) as planned, continue to occur in FY 2023. The transfer of this fiduciary cash to the University's chartfield for benefit of the USF Incubator Program, reduces the University's FY 2023 program expense. A quarterly transfer of \$250,000 on an ongoing basis (\$1,000,000 per annum) approximates the positive cash flow generated from tenant rents and sponsor support that is processed by our DSO on behalf of the University. Cash reserves of approximately \$1.0M remain.
- Unfavorable Variance in Investment Income from Approved Plan is due to forecasting lower market returns for FY23, with consideration of actual performance year to date.

<u>Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End</u>

- Grant applications and fundraising activities are in process to develop a 12,000sf expansion of incubator facilities that will add new labs, offices, and collaborative spaces. Negotiations on space in the new building continue, with interest from several university units, while also actively marketing externally for corporate research teams. Construction on 5 lab/work modules totaling 3,600sf will be complete before fiscal year end and are generating significant interest from both start-up companies and university units that need to temporarily locate recruited research teams.
- TTO continues to focus on increasing high value Intellectual Property agreements with well-established companies and in an effort to reduce legal costs, transparent communication with licensees, in order to avoid compliance litigation.



FY 2023 Mid-Year Forecast

INCOME STATEMENT

(In thousands)	FY 2023	FY 2023	Varianc	Δ.	FY 2022	FY 2021	FY 2020
	MID-YEAR	FINANCIAL	v ai iaiic		ACTUAL	ACTUAL	ACTUAL
	FORECAST	PLAN	\$	%	RESULTS	RESULTS	RESULTS
<u>REVENUES</u>							
Rental Revenue	\$10,001	\$10,763	\$(762)	(7)%	\$9,257	\$9,252	\$8,968
Intellectual Property Revenue (TTO Initiator)	3,000	4,100	(1,100)	(27)%	3,868	2,561	2,666
Intellectual Property Revenue - Equity Transactions	-	-	-	%	-	7,433	-
NMR Use License Fee	-	-	-	%	-	244	307
Other Operating Revenues	170	170	-	0 %	183	172	188
Total Revenues	\$13,171	\$15,033	\$(1,862)	(12)%	\$13,308	\$19,661	\$12,129
<u>EXPENSES</u>							
Salaries & Benefits	\$1,466	\$1,466	-	0 %	\$1,143	\$1,196	\$1,297
Operations - Research Park	3,895	3,895	-	0 %	3,879	3,212	3,489
Operations - New Research Park Building	359	549	(190)	(35)%	509	5	-
IP Program Expense - Royalties & Direct Tech Costs	2,203	2,945	(742)	(25)%	2,823	1,836	1,826
IP University Exp - TTO Cost Allocation to DSO	3,742	3,989	(247)	(6)%	2,169	-	-
Other Program Expense	60	60	-	0 %	64	87	56
Other Operating Expenses	200	200	-	0 %	215	164	195
UBC Net Expense (University Business Center)	336	336	-	0 %	338	234	256
Interest Expense	1,323	1,323	-	0 %	910	621	526
Depreciation & Amortization	4,292	4,292	-	0 %	2,847	2,786	2,562
Total Expenses	\$17,875	\$19,054	\$(1,179)	(6)%	\$14,898	\$10,142	\$10,207
NET OPERATING PROFIT (LOSS)	\$(4,704)	\$(4,021)	\$(683)	(17)%	\$(1,589)	\$9,520	\$1,922
Investment Income	1,088	2,471	(1,383)	(56)%	(6,095)	11,864	1,917
Investment Income (Loss) - IP Equity Transaction	1,000	2,4/1	(1,505)	(30)/0	(11,602)	5,509	1,717
Interest Income - GASB 87 Lessor Revenue			_	%	1,733	3,307	
Non-Operating Interest Exp (New Bldg Construction)			_	0/0	(487)	(927)	(401)
Total Non-Operating	\$1,088	\$2,471	\$(1,383)	(56)%	\$(16,451)	\$16,446	\$1,516
• 0			,		` ' '		
NET INCOME (LOSS)	\$(3,617)	\$(1,551)	\$(2,066)	(133)%	\$(18,041)	\$25,966	\$3,438
Operating Profit Margin	-35.7%	-26.8%		(9.0)%	-11.9%	48.4%	15.8%



FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)	FY 2023 MID-YEAR	FY 2023 FINANCIAL	Varian	ce	FY 2022 ACTUAL	FY 2021 ACTUAL	FY 2020 ACTUAL
	FORECAST	PLAN	\$	%	RESULTS	RESULTS	RESULTS
OPERATING ACTIVITIES	10120131	2 2.1 2. (Ψ	, ,	TESCETS	TESCEIS	ILLSCLIS
Net Income (Loss)	\$(3,617)	\$(1,551)	\$(2,066)	(133)%	\$(18,041)	\$25,966	\$3,438
Adjustments for Non-Cash Activities:		, ,					. ,
Add back (deduct) Non-Cash Investment Loss (Gain)	(688)	(2,071)	1,383	67 %	18,191	(16,875)	(1,550)
Less Other Non-Cash Revenue		-	· -	%	(1,162)	(7,685)	(18)
Add back Depreciation/Amortization Expense	4,292	4,292	-	0 %	2,847	2,786	2,562
Add back Other Non-Cash Expense	50	50	-	0 %	131	119	333
Changes in Operating Assets and Liabilities	(400)	(400)	-	0 %	1,670	(2,381)	(1,113)
Total Cash From Operating Activities	\$(362)	\$321	\$(683)	(213)%	\$3,636	\$1,930	\$3,653
• 0	, , ,		. ,			ŕ	ŕ
FINANCING ACTIVITIES							
Principal Payment - Note Payable	\$(835)	\$(835)	\$0	0 %	\$(805)	\$(775)	\$(1,745)
Finance Purchase Lease Obligation - UDI Bldg	(263)	(263)	-	0 %	(252)	(261)	(261)
Finance Purchase Lease Obligation - 3814 Bldg	(975)	(975)	-	0 %	(936)	(900)	-
Redeem Investments for New Building	5,414	5,414	-	0 %	3,500	1,827	2,514
New Bldg - Debt Sinking Fund, Debt Reserves & Costs	-	-	-	%	-	-	(2,566)
Redeem Investments - Truist Equity to Operating Cash	-	-	-	%	-	275	-
Total Cash From Financing Activities	\$3,341	\$3,341	\$0	0 %	\$1,507	\$166	\$(2,059)
INVESTING ACTIVITIES							
Capital Expenditures	\$(2,161)	\$(2,161)	\$0	0 %	\$(963)	\$(258)	\$(1,242)
Capital Expenditures - New Building	(3,645)	(3,645)	-	0 %	(2,454)	-	-
Purchase of Investments	-	-	-	%	-	-	(4,050)
Seed Capital Loan Repayments (Issuance)	-	-	-	%	-	35	28
Total Cash From Investing Activities	\$(5,806)	\$(5,806)	\$0	0 %	\$(3,417)	\$(223)	\$(5,264)
CHANGE IN CASH	(2,826)	(2,144)	(683)	(32)%	1,726	1,874	(3,670)
Cash, Beginning of Year	7,056	\$5,877	1,179	20 %	5,330	3,456	7,127
Cash, End of Year	\$4,229	\$3,733	\$496	13 %	\$7,056	\$5,330	\$3,456
Cash, Line VI 1 Cai	Ψ τ ς Δ Δ /	ф5,155	ψτ/Ο	13 /0	\$7,030	ψ3,330	Φυ, ΤΟ
Total Cash & Investments	\$42,254	\$49,101	\$(6,846)	(14)%	\$49,407	\$57,521	\$46,106
Days Cash on Hand	412	480	(68)	(14)%	488	770	339



FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)		ACTUAL			FORECAST	
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<u>ASSETS</u>						
Cash & Investments	\$46,106	\$57,521	\$49,407	\$42,254	\$39,787	\$42,064
Fixed Assets	34,512	33,225	57,497	60,454	60,987	56,968
Other Assets	19,247	40,148	79,194	76,226	73,257	70,289
Total Assets	\$99,864	\$130,894	\$186,097	\$178,934	\$174,031	\$169,321
I I A DILL ATTITUDO						
<u>LIABILITIES</u>	Ф2.000	010.170	#2.777	02.067	Ф2 220	Ф2 227
Payables	\$2,089	\$10,178	\$2,777	\$3,067	\$3,220	\$3,237
Long-Term Debt	18,654	17,618	41,726	39,653	37,494	35,247
Other Liabilities	9,196	7,205	63,743	60,556	57,528	54,652
Total Liabilities	\$29,938	\$35,002	\$108,246	\$103,276	\$98,242	\$93,136
NET ASSETS	\$69,926	\$95,892	\$77,852	\$75,658	\$75,789	\$76,185
TEL ROSEIS	\$60,020	\$75,672	\$77,032	\$75,050	\$75,767	\$70,103
Days Cash on Hand	339	770	488	412	365	394
REVENUES						
Rental Revenue	\$8,968	\$9,252	\$9,257	\$10,001	\$13,943	\$15,532
Intellectual Property Revenue	2,666	9,993	3,868	3,000	4,400	4,600
Other Revenues	495	416	183	170	179	187
Total Revenues	\$12,129	\$19,661	\$13,308	\$13,171	\$18,521	\$20,319
EXPENSES						
Salaries & Benefits	\$1,297	\$1,196	\$1,143	\$1,466	\$1,510	\$1,555
Operations - Research Park	3,489	3,212	4,388	4,253	4,918	5,712
Other Expenses	5,421	5,733	9,367	12,156	13,947	14,604
Total Expenses	\$10,207	\$10,142	\$14,898	\$17,875	\$20,375	\$21,870
	4-4,-41	*,	4-1,000	4-1,010	4-0,000	4==,0.0
Operating Profit Before Non-Operating	\$1,922	\$9,520	\$(1,589)	\$(4,704)	\$(1,853)	\$(1,551)
Total Non-Operating, Net	1,516	16,446	(16,451)	1,088	1,912	1,910
NET INCOME (LOSS)	\$3,438	\$25,966	\$(18,041)	\$(3,617)	\$58	\$359
Operating Profit Margin	15.8%	48.4%	-11.9%	-35.7%	-10.0%	-7.6%
Operating Front Margin	13.070	40.470	-11.970	-55.170	-10.070	-7.070



FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

Describe Progress in Achieving the Key Initiatives Described in your Annual Financial Plan.

- HPCC's business model was severely impacted due to the global COVID-19 crisis and the ongoing variants continue to slow the movement of participants to live events and supply chain delivery. In FY2023, HPCC is coordinating the rescheduling of any remaining programs affected by COVID19 and is experiencing excellent momentum continuing from the last six months of FY2022. CAMLS affirmative actions to proactively postpone many programs with long lead times, has strengthened relationships with external clients and as a result, is on pace to return revenue and operating earnings for FY2023 to pre-COVID levels. FY2023 has a much more diversified client base and new virtual reality, live streaming and research capabilities compared to CAMLS pre-COVID client mix and offerings.
- HPCC and the CAMLS facility is continuing to provide flexible space and access to simulation learning and healthcare education to USF students, including Morsani College of Medicine Undergraduate Medical Education (UME), MCOM Anatomy Laboratory, Graduate Medical Education (GME), and Physician's Assistant (PA) students, College of Nursing Certified Registered Nurse Anesthetist (CRNA) students, College of Pharmacy students, and Muma College of Business students. HPCC provides these services at cost, inclusive of all PO&M funding received for CAMLS.
- CAMLS has successfully developed new relationships and acquired a rescue vehicle from Hillsborough County to deliver programming that
 occurs off-site ('CAMLS Without Walls'), which exports CAMLS' talent, tools, and resources to support our community and other Florida
 hospitals and healthcare systems where face to face lifesaving training is needed.
- CAMLS has developed new original simulation training content and recently conducted it first Mass Casualty Incident Training, which attracted participants internationally. The training is designed specifically to teach emergency department teams from small towns and rural communities how to respond to catastrophes. CAMLS also offers a variety of hands on trainings like Minimally Invasive Gynecologic Surgery, Advanced Trauma Life Support (ATLS), Fundamental Critical Care Support (FCCS), Advanced Surgical Skills for Exposure in Trauma (ASSET), Advanced Trauma Operative Management (ATOM), Fundamental of Laparoscopic Surgery (FLS) to improve healthcare provider skills regionally and nationally.
- CAMLS is expanding research focused on simulation-based training and virtual/augmented reality to utilize CAMLS's unique expertise, assets
 and USF Health faculty to obtain external grants in partnership with small businesses and USF Health affiliates.
- HPCC continues to provide the financial management support for 16 healthcare accreditations held by USF Health (part of the Office of
 Continuing Professional Development (CPD)), as well as two institutional accreditations (Society for Simulation in Healthcare and the
 American College of Surgeons Accredited Education Institute). Although live events are postponed indefinitely, CPD has expanded its
 portfolio of online programming in partnership with medical education companies (MEC) and transitioned its business model to accreditation
 only services and away from management of live events.

<u>Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End</u>

Although economic recession and new variants of COVID loom, USF and external clients have proven resilient and the interest in CAMLS
continues to build. The strength of client bookings and the pace of bookings compared to pre-COVID pacing provides confidence that the
FY2023 Plan remains intact and achievable. Therefore, other than cash balance at the beginning of the year, there are no significant variances
in Net Income or Net Cash Flows.



FY 2023 Mid-Year Forecast

INCOME STATEMENT

(In thousands)	FY 2023 MID-YEAR	FY 2023 FINANCIAL	Variance	
REVENUES	FORECAST	PLAN	\$	%
Continuing Professional Development	\$7,275	\$7,275	\$0	0 %
CAMLS - USF Health Programming	2,179	2,179	0	0 %
CAMLS - Industry, Societies, Healthcare	4,648	4,648	0	0 %
Other HPCC Divisions	0	0	0	%
In Kind Donations	17	17	0	0 %
Rents, Parking, Rebates, Interest	472	472	0	0 %
Gain on Sale of Fixed Assets	0	0	0	%
Transfer from USF-Plant Operations & Maint.	1,293	1,293	0	0 %
USF Carryforward funding - temp staffing - programs	0	0	0	%
Transfer from UMSA Continuing Ed - Faculty, Students	900	900	0	0 %
Total Revenues	\$16,784	\$16,784	\$0	0 %
<u>EXPENSES</u>				
Wages and Benefits	\$4,183	\$4,183	\$0	0 %
Wages - program driven temporary staffing	60	60	0	0 %
Utilities, Leases, Maint., Supplies, Marketing	1,976	1,976	0	0 %
Direct Program Expense	8,332	8,332	0	0 %
Interest	260	260	0	0 %
In Kind Expense	0	0	0	%
Depreciation & Amortization	708	708	0	0 %
Total Expenses	\$15,519	\$15,519	\$0	0 %
OPERATING PROFIT BEFORE				
NON-CASH CHANGES	\$1,265	\$1,265	\$0	0 %
Unrealized Investment Gains (Losses)	0	0	0	%
Total Non-Cash Changes	\$0	\$0	\$0	%
NET OPERATING PROFIT	\$1,265	\$1,265	\$0	0 %
Operating Profit Margin	8%	8%		0 %

FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
\$8,721	\$3,454	\$7,162
2,268	2,085	2,313
3,402	1,595	2,661
0	10	205
0	11	29
451	227	484
6	7	0
1,293	1,293	1,293
0	69	60
884	270	250
\$17,025	\$9,021	\$14,458
\$3,769	\$3,611	\$3,898
60	71	250
1,885	1,568	1,891
9,583	3,537	7,348
287	346	527
0	11	29
938	961	1,089
\$16,522	\$10,105	\$15,033
\$503	\$(1,084)	\$(576)
0	0	0
\$0	\$0	\$0
50	30	30
\$503	\$(1,084)	\$(576)

-12%

-4%

3%



FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)	FY 2023 MID-YEAR	FY 2023 FINANCIAL	Varian	ce	FY 2022 ACTUAL	FY 2021 ACTUAL	FY 2020 ACTUAL
	FORECAST	PLAN	\$	%	RESULTS	RESULTS	RESULTS
OPERATING ACTIVITIES							
Net Operating Profit	\$1,265	\$1,265	\$0	0 %	\$503	\$(1,084)	\$(576)
Adjustments for Non-Cash Activities:	0	0	0	%	0		
Depreciation and Amortization	708	708	0	0 %	938	961	1,089
Adjustments for Changes in	0	0	0	%	0		
Operating Assets and Liabilities	0	0	0	%	(497)	(921)	644
Total Cash From Operating Activities	\$1,973	\$1,973	\$0	0 %	\$944	\$(1,044)	\$1,157
FINANCING ACTIVITIES							
Principal Payments	\$(1,066)		\$0	0 %	\$(1,253)	\$(1,142)	\$(1,096)
Total Cash From Financing Activities	\$(1,066)	\$(1,066)	\$0	0 %	\$(1,253)	\$(1,142)	\$(1,096)
INVESTING ACTIVITIES	0.770	0.77.00			0.00	44.50	0420
Capital Expenditures	\$(750)	\$(750)	\$0	0 %	\$(39)	\$(126)	\$(134)
(Gain)/Loss on sale of fixed assets	0	0	0	%	6	7	0
Total Cash From Investing Activities	\$(750)	\$(750)	\$0	0 %	\$(33)	\$(119)	\$(134)
CHANGE IN CASH	157	157	0	0 %	(342)	(2,305)	(73)
Cash, Beginning of Year	1,641	2,098	(457)	(22)%	1,983	4,288	4,361
Cash, End of Year	\$1,798	\$2,255	\$(457)	(20)%	\$1,641	\$1,983	\$4,288
,		- ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-()	(- // -	7,012	, , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Total Cash & Investments	\$1,798	\$2,255	\$(457)	(20)%	\$1,641	\$1,983	\$4,288
Days Cash on Hand	44	56	(11)	(20)%	38	79	112



FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)	ACTUAL					
	FY 2020	FY 2021	FY 2022			
<u>ASSETS</u>						
Cash & Investments	\$4,288	\$1,983	\$1,641			
Fixed Assets/Right of Use Assets	16,307	15,473	14,617			
Other Assets	960	960	1,577			
Total Assets	\$21,555	\$18,416	\$17,835			
I I A DILLIMING						
LIABILITIES Describber	¢1.760	\$982	\$1,843			
Payables	\$1,760	** -	10,395			
Long-Term Debt Other Liabilities	12,678	11,450	,			
Total Liabilities	3,554 \$17,992	3,505 \$15,937	2,615 \$14,853			
1 Otal Liabilities	\$17,992	\$15,957	\$14,855			
NET ASSETS	\$3,563	\$2,479	\$2,982			
	. ,	<u> </u>	<u> </u>			
Days Cash on Hand	112	79	38			
DEVENITIES						
REVENUES Program Revenues	\$13,703	\$8,537	\$15,769			
Transfer from UMSA Continuing Ed - Faculty, Students	270	250	884			
Other Revenues	484	234	373			
Total Revenues	\$14,458	\$9,021	\$17,026			
Total Revenues	\$14,430	\$9,021	\$17,020			
EXPENSES						
Salaries & Benefits	\$4,148	\$3,682	\$3,829			
Program services	10,357	6,077	12,406			
Other Expenses	527	346	288			
Total Expenses	\$15,033	\$10,105	\$16,523			
Operating Profit Before Non-Cash Changes	\$(576)	\$(1,084)	\$503			
Total Non-Cash Changes	\$(37 0) \$0	\$0	\$0			
NET OPERATING PROFIT	\$(576)	\$(1,084)	\$503			
NET OTERATING I ROTTI	\$(370)	σ(1,004)	\$303			
Operating Profit Margin	-4%	-12%	3%			

FORECAST								
FY 2023	FY 2024	FY 2025						
\$1,798	\$2,498	\$3,198						
14,659	14,459	14,259						
1,277	977	677						
\$17,734	\$17,934	\$18,134						
\$1,843	\$1,843	\$1,843						
9,329	8,185	7,041						
2,315	2,015	1,715						
\$13,487	\$12,043	\$10,599						
\$4,247	\$5,891	\$7,535						
. ,	. ,							
44	60	75						
\$15,412	\$15,912	\$16,412						
900	900	900						
472	481	491						
\$16,784	\$17,293	\$17,803						
\$4,243	\$4,328	\$4,414						
11,016	11,316	11,616						
260	255	250						
\$15,519	\$15,898	\$16,280						
\$1,265	\$1,395	\$1,523						
\$1,203	\$0	\$1,323						
\$1,265	\$1,395	\$1,523						
8%	8%	9%						



FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

Describe Progress in Achieving the Key Initiatives Described in your Annual Financial Plan.

- The first two quarters of fiscal 2023 have been focused on booking high quality events with some of the largest promoters in the business. Some of these acts include *\$uicideBoy\$* and *Jack Harlow* with Live Nation along with *Cody Johnson* with AEG. Additionally, *Rod Wave* set a record for the most profitable concert at Yuengling, setting a new benchmark for the building.
- A focus has also been placed on booking comedy acts such as *Katt Williams* and *Round Up Comedy*, along with booking non-ticketed events such as *Pasco HS's commencement*. Adding these other types of events will maximize usage of the building.
- We have continued to utilize our experience as venue operators to manage costs efficiently. By managing expenses and budgeting
 properly we can cut costs without sacrificing the quality of the building and events. Currently, YTD there are savings of operational
 expenditures that will be monitored throughout the rest of the Fiscal Year.
- The organization has been able to manage cash flow effectively, allowing the building to stay current on outstanding liabilities.
- Negotiations for an extension are underway to extend the existing DSO agreement.
 - Proposal for services will be produced to allow USF to evaluate the incumbent manager.
 - With the increased profitability of events, combined with the ongoing pipeline of future acts, the manager has successfully
 enabled Yuengling Center to become cash positive and plan for future growth.
 - Concepts ranging from capital improvement fund, highest standards of care, and sound financial management are being discussed.

<u>Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End</u>

• The negative variance to cash flow is due to increased advance sales being carried to FY23 than originally anticipated. Net Income has not materially changed from the budget submission.



FY 2023 Mid-Year Forecast

INCOME STATEMENT

(In thousands)	FY 2023 MID-YEAR	FY 2023 FINANCIAL	Variano		FY 2022 ACTUAL	FY 2021 ACTUAL	FY 2020 ACTUAL
REVENUES	FORECAST	PLAN	\$	%	RESULTS	RESULTS	RESULTS
Direct Event Income	\$225	\$339	\$(114)	(34)%	\$336	\$652	\$155
Ancillary Revenue:							
Suites/ Loge	58	49	10	20 %	41	0	37
Concessions & Novelty	399	346	53	15 %	333	8	315
Parking	325	350	(25)	(7)%	391	28	325
Service Charges	348	381	(33)	(9)%	310	17	372
Ticketmaster Rebates	805	641	164	26 %	777	0	550
Total Ancillary Revenue	1,936	1,767	169	10 %	1,852	53	1,600
Miscellaneous	191	50	141	282 %	42	(24)	70
Total Revenues	\$2,352	\$2,157	\$196	9 %	\$2,230	\$681	\$1,825
<u>EXPENSES</u>							
Salaries & Benefits	\$790	\$790	\$0	0 %	\$759	\$784	943
General & Administrative	595	495	100	20 %	482	308	461
Marketing & Sales	10	10	0	0 %	7	6	15
Equipment & Supplies	65	65	0	0 %	62	38	63
Utilities	40	40	0	0 %	40	27	29
Insurance	118	118	0	0 %	102	148	146
Incentive Fees/ Profit Share	264	216	48	22 %	295	0	25
Total Expenses	\$1,882	\$1,734	\$148	9 %	\$1,747	\$1,311	\$1,682
OPERATING PROFIT BEFORE							
NON-CASH CHANGES	\$470	\$422	\$48	11 %	\$483	\$(630)	\$143
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Total Non-Cash Changes	<u>\$0</u>	\$0	<u>\$0</u>	%	\$0	\$0	<u>so</u>
Total Ton-Cash Changes	50	30	50	/0	50	30	50
NET OPERATING PROFIT	\$470	\$422	\$48	11 %	\$483	\$(630)	\$143
O CONT.	200/	200/		0.04	222/	020/	00/
Operating Profit Margin	20%	20%		0 %	22%	-93%	8%



FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	Variance \$	e %		FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
OPERATING ACTIVITIES								
Net Operating Profit	\$470	422	\$48	11 %		\$483	\$(630)	\$143
Adjustments for Non-Cash Activities:							· /	
(Increase) Decrease in Accounts Receivable	223	100	123	123 %		(221)	133	(49)
(Increase) Decrease in Prepaids	(22)	0	(22)	%		0	12	(25)
Increase (Decrease) in Accounts Payable	(137)	0	(137)	%		85	53	(331)
Increase (Decrease) in Accrued Liabilities	(373)	(100)	(273)	(273)%		428	1,231	62
Increase (Decrease) in Deferred Revenue	(670)	200	(870)	(435)%		2,145	(190)	(975)
Total Cash From Operating Activities	\$(509)	\$622	\$(1,131)	(182)%		\$2,920	\$609	\$(1,176)
FINANCING ACTIVITIES Capital Expenditures	\$0	\$0	\$0	%		\$0	\$0	\$0
Total Cash From Financing Activities	\$0	\$0 \$0	\$0 \$0	%	_	\$0 \$0	\$0	\$0 \$0
INVESTING ACTIVITIES	30	90	30	70		90	30	30
Event Revenue Transfers to USF, net	\$(413)	\$(413)	\$0	0 %		\$(413)	\$(250)	\$(118)
Total Cash From Investing Activities	\$(413)	\$(413)	\$0	0 %		\$(413)	\$(250)	\$(118)
CHANGE IN CASH	(922)	209	(1,131)	(541)%		2,507	359	(1,294)
Cash, Beginning of Year	3,091	1,307	1,784	136 %		584	225	1,519
Cash, End of Year	\$2,169	\$1,516	\$653	43 %		\$3,091	\$584	\$225
					_			
Total Cash & Investments	\$2,169	\$1,516	\$653	43 %		\$3,091	\$584	\$225
Days Cash on Hand	421	319	102	32 %		646	163	49



FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)		ACTUAL	
	FY 2020	FY 2021	FY 2022
ASSETS			
Cash & Investments	\$225	\$584	\$3,091
Fixed Assets	411	279	502
Other Assets	24	12	12
Total Assets	\$661	\$875	\$3,605
<u>LIABILITIES</u>			
Payables	\$68	\$121	\$208
Long-Term Debt	880	2,110	2,538
Other Liabilities	210	21	2,166
Total Liabilities	\$1,158	\$2,252	\$4,912
NET ASSETS	(\$498)	(\$1,377)	(\$1,307)
Days Cash on Hand	49	163	646
REVENUES			
Direct Event Income	\$155	\$652	\$336
Ancillary Revenue:			
Suites/ Loge	37	0	41
Concessions & Novelty	315	8	333
Parking	325	27	391
Service Charges	372	17	310
Ticketmaster Rebates	550	0	777
Total Ancillary Revenue	1,600	52	1,852
Miscellaneous	70	(23)	42
Total Revenues	\$1,825	\$681	\$2,230
EXPENSES			
Salary & Benefits	\$943	\$784	\$759
General & Administrative	461	308	482
Marketing & Sales	15	6	7
Equipment & Supplies	63	38	62
Utilities	29	27	40
Insurance	146	148	102
Incentive Fees/ Profit Share	25	0	295
Total Expenses	\$1,682	\$1,311	\$1,747
Operating Profit Before Non-Cash Changes	\$143	(\$630)	\$483
Total Non-Cash Changes	0	0	0
NET OPERATING PROFIT	\$143	(\$630)	\$483
Operating Profit Margin	8%	-93%	22%

FORECAST							
FY 2023	FY 2024	FY 2025					
\$2,169	\$2,269	\$2,369					
279	179	179					
34	34	34					
\$2,482	\$2,482	\$2,582					
0.74	\$	0.74					
\$71	\$71	\$71					
2,165	2,138	2,219					
1,496	1,596	1,696					
\$3,732	\$3,805	\$3,986					
(\$1,250)	(\$1,323)	(\$1,404)					
(#1,200)	(\$1,626)	(01,101)					
421	407	405					
\$225	\$400	\$400					
\$223	\$400	\$400					
58	50	52					
399	370	385					
325	372	395					
348	437	460					
805	695	725					
1,936	1,924	2,017					
191	50	50					
\$2,352	\$2,374	\$2,467					
, ,	,	,					
\$790	\$850	\$890					
595	510	550					
10	12	15					
65	88	100					
40	40	40					
118	150	165					
264	384	375					
\$1,882	\$2,034	\$2,135					
\$470	\$340	\$332					
0	0	0					
\$470	\$340	\$332					
·							
20%	14%	13%					



USF Institute of Applied Engineering, Inc

FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

Describe Progress in Achieving the Key Initiatives Described in your Annual Financial Plan.

- The revenue plan for 2023 can be characterized as aggressive as the 2023 plan called for a 94% increase in revenue above the 2022 actuals. While the team projects to miss this revenue target by \$2.123M, this still represents an increase of 66% on a year-over-year basis, representing over a 700% increase in sales since the 2020 fiscal year. Expenses are also down relative to budget as a result of less business activity than in the FY 23 Plan. Operating income as a percentage of sales held steady at 7%, matching plan, with a decremental total profit proportional to the lower sales.
- Note that the variance in depreciation is related to delays in executing previously approved capital projects. These projects were delayed, and this variation is expected to return to budget once these projects are completed at roughly year end.
- IAE Phase 1 Rapid Experimentation Lab (REL) opened August. Phase 2 design complete. Construction will commence upon final USF approvals and commitment from County to fund; six month schedule to complete. REL brings jobs, economic development, customer engagement to University Mall district.

<u>Describe Management's Actions to Close Significant Unfavorable</u> Variances in Net Income and Net Cash Flows Before Fiscal Year End

- Planned cash DOH projected at FY23 is 8 days, with a variance to plan of 23 days. IAE is regularly, and closely, monitoring cash
 flows and accelerating invoicing and managing expenses to improve IAE's cash position.
- Operating profit (positive) expectation is partly dependent on the inflow of construction funding from Hillsborough County. As noted, USF and IAE are currently confirming County's commitment.



USF Institute of Applied Engineering, Inc.

FY 2023 Mid-Year Forecast

INCOME STATEMENT

(In t	housands)
-------	-----------

REVENUES
Contracts Revenues
Hillsborough County Grant
University Support
College of Engineering Support
Donation and Other Revenue

Total Revenues

EXPENSES

Salaries & Benefits
COE Salary Support
Travel
Depreciation & Amortization
Materials, Supplies, Software & Equip., Travel
Banking, Insurance, Audit, Tax Services
Facilities, Utilities, Telecomm., Security
Other Operating Expenses
Direct Program Costs
Indirect Return to University
Total Expenses
OPERATING PROFIT BEFORE
NON-CASH CHANGES

Unrealized Investment Gains (Losses) Equipment Donations to USF

Total Non-Cash Changes

NET OPERATING PROFIT

Operating Profit Margin

e	Variance	FY 2023 FINANCIAL	FY 2023 MID-YEAR
%	\$	PLAN	FORECAST
(15)%	\$(2,128)	\$14,347	\$12,218
0 %		2,941	2,941
1 %	5	603	608
%	0	0	0
%	0	0	0
(12)%	\$(2,123)	\$17,890	\$15,766
1 %	\$40	\$4,117	\$4,157
%	0	0	0
%	16	0	16
(70)%	(344)	492	148
592 %	869	147	1,015
43 %	135	314	449
(45)%	(214)	474	260
%	196	0	196
(24)%	(2,571)	10,907	8,336
(59)%	(158)	267	109
(12)%	\$(2,032)	\$16,717	\$14,685
(8)%	\$ (91)	\$1,172	\$1,081
%	0	0	0
%	0	0	0
%	0	0	0
(8)%	\$(91)	\$1,172	\$1,081

FY 2022	FY 2021	FY 2020
ACTUAL	ACTUAL	ACTUAL
RESULTS	RESULTS	RESULTS
\$7,363	\$5,071	\$947
1,608	621	151
648	691	770
16	21	23
1	358	6
\$9,636	\$6,763	\$1,897
\$2,756	\$1,614	\$782
16	21	20
6		3
137	63	0
178	168	64
255	170	145
188	242	18
49	80	13
5,849	3,730	698
121	266	15
\$9,554	\$6,353	\$1,758
\$82	\$409	\$139
0	0	0
0	0	(82)
0	0	(82)
\$82	\$409	\$57
\$02	970 2	φυ

1%	6%	7%
----	----	----

0 %

7%

7%



USF Institute of Applied Engineering, Inc.FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)	FY 2023	FY 2023	Variano	10	FY 2022	FY 2021	FY 2020
	MID-YEAR	FINANCIAL	v ai iaiic		ACTUAL	ACTUAL	ACTUAL
	FORECAST	PLAN	\$	%	RESULTS	RESULTS	RESULTS
OPERATING ACTIVITIES							
Cash Receipt from Customers	\$12,749	\$13,767	\$(1,017)	(7)%	\$6,974	\$4,190	\$931
Cash Receipt from Hillsborough County	3,452	2,898	553	19 %	1,216	408	0
Salaries & Benefits	(5,500)	(3,885)	(1,615)	(42)%	(1,029)	(1,275)	(624)
Payment for Direct Program Costs	(14,277)	(10,088)	(4,190)	(42)%	(2,468)	(272)	(205)
Payment to Suppliers	3,426	(875)	4,301	492 %	(3,622)	(2,720)	(548)
Total Cash From Operating Activities	\$(150)	\$1,818	\$(1,968)	(108)%	\$1,071	\$331	\$(447)
FINANCING ACTIVITIES							
Transfer from USF Support	\$603	\$603	0	0 %	\$603	\$603	\$702
Transfer to USF-IDR	(148)	(242)	94	39 %	(167)	(187)	0
Gift In-Kind Contributions	0	0	0	%	1		6
Total Cash From Financing Activities	\$454	\$361	\$94	26 %	\$437	\$416	\$708
TANKE CONTRACTOR OF CONTRACTOR							
INVESTING ACTIVITIES	475						* (8)
Hills. County Capital Expenditures	\$(5)	\$(541)	\$536	99 %	\$(195)	\$(364)	\$(8)
Hills. County Lease Improvements	(1,023)	(842)	(181)	(22)%	0	0	0
Proceeds of Long-Term Debt	0	0	0	%	0	0	0
Principal Payments	0	0	0	%	0	0	0
Interest Payments	0	0	0	%	0	0	0
Total Cash From Investing Activities	\$(1,028)	\$(1,383)	\$355	26 %	\$(195)	\$(364)	\$(8)
CHANGE IN CASH	(724)	795	(1,519)	(191)%	1,313	383	253
	N /			× /	′		
Cash, Beginning of Year	1,038	242	795	329 %	648	265	11
Cash, End of Year	\$314	\$1,038	\$(724)	(70)%	\$1,961	\$648	\$265
Total Cash & Investments	\$314	\$1,038	\$(724)	(70)%	\$1,961	\$648	\$265
Days Cash on Hand	8	23	(15)	(66)%	75	37	55
	· ·	20	(10)	(00)/0	7.5		



USF Institute of Applied Engineering, Inc.

FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)		ACTUAL	
	FY 2020	FY 2021	FY 2022
ASSETS			
Cash & Investments	\$265	\$648	\$1,961
Account Receivables	168	1,262	2,306
Prepmts and Other Curr Assets	21	30	29
Fixed Assets	8	696	705
Other Assets	0	0	204
Total Assets	\$461	\$2,636	\$5,206
LIABILITIES			
Accounts Payable	\$286	\$2,017	\$4,064
Accrued Salaries	21	27	(4)
Long-Term Debt	0	29	0
Other Liabilities	0	147	501
Total Liabilities	\$307	\$2,220	\$4,561
NET ASSETS	\$154	\$416	\$645
Days Cash on Hand	55	37	75
REVENUES			
Contracts Revenues	\$947	\$5,071	\$7,363
Hillsborough County Grant	151	621	1,608
University Support	770	691	648
College of Engineering Support	23	21	16
Donation and Other Revenue	6	358	1
Total Revenues	\$1,897	\$6,763	\$9,636
EXPENSES			
Salaries & Benefits	\$782	\$1,614	\$2,756
COE Salary Support	20	21	16
Travel	3	0	6
Depreciation & Amortization	0	63	137
Materials, Supplies, Software & Equip., Travel	64	168	178
Banking, Insurance, Audit, Tax Services	145	170	255
Facilities, Utilities, Telecomm., Security	18	242	188
Other Operating Expenses	13	80	49
Direct Program Costs	698	3,730	5,849
Indirect Return to University	15	266	121
Total Expenses	\$1,758	\$6,353	\$9,554
Operating Profit Before Non-Cash Changes	\$139	\$409	\$82
Total Non-Cash Changes	(82)	0	0
NET OPERATING PROFIT	\$57	\$409	\$82
Operating Profit Margin	7%	6%	1%

	FORECAST	
FY 2023	FY 2024	FY 2025
\$314	\$300	\$400
1,263	1,078	1,186
9	0	0
1,592	1,272	952
139	79	20
\$3,316	\$2,729	\$2,558
\$2,086	\$2,169	\$2,030
4	0	0
0	0	0
174	101	26
\$2,264	\$2,270	\$2,056
\$1,052	\$459	\$502
8	8	11
U	U	11
\$12,218	\$12,940	\$14,234
2,941	0	0
608	0	0
000	0	0
0	0	0
\$15,766	\$12,940	\$14,234
\$13,700	\$12,740	Ø17,237
\$4,157	\$3,152	\$3,310
0	0	0
16	16	17
148	320	320
1,015	247	259
449	238	250
260	346	363
196	116	121
8,336	9,000	9,450
109	107	118
\$14,685	\$13,541	\$14,207
ŕ	ŕ	·
\$1,081	\$(601)	\$26
0	0	0 \$26
\$1,081	\$(601)	
7%	-5%	0%



University of South Florida, Alumni Association

FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

Describe Progress in Achieving the Key Initiatives Described in your Annual Financial Plan.

- Solicitation of life members for giving under the Circle of Excellence program has been successful and we expect to end the year \$7k favorable to budget. Life Membership also continues to grow and we now have more than 9,700 members.
- Our student engagement initiative is on track to achieve its annual goal. The Student Alumni Association was named the 2022 USF Student Organization of the Year and has added 300 new members during the fall. Progress has been made within the BOLD young alumni program with leadership in place and events underway with focus on student connections. The USF Link alumni mentoring program has been fully rolled out this spring, with a goal of 200 student/alumni mentorship pairs.
- The Alumni Association's geographic chapters and interest based societies are providing an increasingly valuable connection point for USF alumni. Fourteen of the 43 groups have renewed leadership and focus, and all are providing relevant and meaningful connection and engagement opportunities for alumni. These activities include networking, cultural, service and social events.

<u>Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End</u>

• Investment performance through December 31 combined with the investment return projections for the 3rd and 4th quarters are reflected in the mid-year forecast and reflect the decrease in net operating profit compared to the FY 2023 financial plan. This will not impact on our operating income, as these are non-cash adjustments. USFAA's operating profit is \$14k favorable to budget.



University of South Florida, Alumni Association

FY 2023 Mid-Year Forecast

FY 2023

FY 2023

INCOME STATEMENT

(In thousands)

REV	ENUES
Memb	pership
Licen	se Plates
Budge	et support
Affini	ity Royalty
Invest	tment Income
Spons	sorships
Gifts	and Donations
Event	and other revenue
Total	Revenues
EXP	ENSES
Salari	es
	pership and membership services

Printing & Postage
Event Services
Professional Services
Travel
Advertising & Marketing
Insurance
Community Relations
Credit Card fees and other services
Scholarships
Other expenses
Total Expenses

OPERATING PROFIT BEFORE NON-CASH CHANGES

Unrealized Investment Gains (Losses) **Total Non-Cash Changes**

NET OPERATING PROFIT

Operating Profit Margin

\$485 389 954 353 353 276 209	\$491 395 911 352 354 258 202 201	\$ \$(6) (6) 43 1 (1) 18 7	(2)% 5 % 0 % (0)% 7 %
389 954 353 353 276 209	395 911 352 354 258 202	(6) 43 1 (1) 18	7 %
954 353 353 276 209	911 352 354 258 202	43 1 (1) 18	(2)% 5 % 0 % (0)% 7 %
353 353 276 209	352 354 258 202	1 (1) 18	5 % 0 % (0)% 7 %
353 276 209	354 258 202	(1) 18	(0)% 7 %
276 209	258 202	18	(0)% 7 % 3 %
209	202		
		7	20,
100	201		5 /
199		(2)	(1)%
\$3,218	\$3,164	\$54	2 %
£1.722	¢1.725	ф 7	0.0
\$1,732 95	\$1,725	\$7 2	0 % 2 %
75	93 138	(63)	(46)%
436	365	71	19 %
124	106	18	17 %
75	85	(10)	(12)%
18	12	6	50 %
43	45	(2)	(4)%
43	35	8	23 %
27	28	(1)	(4)%
101	101	0	0 %
32	28	4	14 %
\$2,801	\$2,761	\$40	1 %
\$417	\$403	\$14	3 %
109	203	(94)	(47)%
\$109	\$203	\$(94)	(47)%
\$526	\$606	\$(80)	(13)%

FY 2022	FY 2021	FY 2020
ACTUAL	ACTUAL	ACTUAL
RESULTS	RESULTS	RESULTS
\$324	\$535	\$550
383	396	381
556	360	804
356	367	399
317	298	272
256	183	141
145	280	225
204	56	207
\$2,541	\$2,475	\$2,979
\$1,542	\$1,812	\$1,840
140	111	112
63	56	80
292	98	242
109	89	103
21	3	42
19	19	18
40	48	49
19	11	33
32	21	26
83	75	85
29	31	29
\$2,389	\$2,374	\$2,659
\$152	\$101	\$320
(1,760)	2,302	(32)
\$(1,760)	\$2,302	\$(32)
\$(1,608)	\$2,403	\$288

4%

11%

6%

0 %

13%

13%



University of South Florida, Alumni Association

FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)	FY 2023 MID-YEAR	FY 2023 FINANCIAL	Varianc	ee	FY 2022 ACTUAL	FY 2021 ACTUAL	FY 2020 ACTUAL
	FORECAST	PLAN	\$	%	RESULTS	RESULTS	RESULTS
OPERATING ACTIVITIES							
Net Operating Profit	\$526	\$606	\$(80)	(13)%	\$(1,608)	\$2,403	\$288
Adjustments for Non-Cash Activities:							
Unrealized gain on investments	(109)	(203)	94	47 %	1,760	(2,302)	32
Adjustments for Changes in							
Operating Assets and Liabilities	0	0	0	%	88	95	(76)
Total Cash From Operating Activities	\$417	\$403	\$14	3 %	\$240	\$196	\$244
FINANCING ACTIVITIES							
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0
Total Cash From Financing Activities	\$0	\$0	\$0	%	\$0	\$0	\$0
INVESTING ACTIVITIES							
Net (Purchases) Sales of Investments	\$(409)	\$(395)	\$(14)	(3)%	\$(234)	\$(221)	` /
Total Cash From Investing Activities	\$(409)	\$(395)	\$(14)	(3)%	\$(234)	\$(221)	\$(224)
CHANGE IN CASH	8	o	0	4 %		(25)	20
		8	0		6	(25)	20
Cash, Beginning of Year	0	0	0	%	2	27	7
Cash, End of Year	\$8	\$8	\$0	4 %	\$8	\$2	\$27
_							
Total Cash & Investments	\$1,163	\$1,243	\$(80)	(6)%	\$1,163	\$1,316	\$1,408
•							
Days Cash on Hand	151	164	(13)	(8)%	178	202	193



University of South Florida, Alumni Association

FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)		ACTUAL	
	FY 2020	FY 2021	FY 2022
<u>ASSETS</u>			
Cash & Investments	\$1,408	\$1,316	\$1,163
Restricted Cash & Investments	6,783	9,228	8,177
Other Assets	243	280	340
Total Assets	\$8,434	\$10,824	\$9,680
<u>LIABILITIES</u>	0.422	01.45	01.7.4
Payables	\$432	\$147	\$154
Long-Term Debt	0	0	0
Other Liabilities and deferred inflows	2,002	2,273	2,731
Total Liabilities	\$2,434	\$2,420	\$2,885
NET ASSETS	\$6,000	\$8,404	\$6,795
THE TROOPER	\$0,000	\$0,101	\$6,775
Days Cash on Hand	193	202	178
REVENUES	0.550		
Membership	\$550	\$535	\$324
Support	804	360	556
Other Revenues	1,625	1,580	1,661
Total Revenues	\$2,979	\$2,475	\$2,541
EXPENSES			
Salaries & Benefits	\$1,840	\$1,812	\$1,542
Event Expenses	242	98	292
Other Expenses	577	464	555
Total Expenses	\$2,659	\$2,374	\$2,389
Total Expenses	\$2,037	\$2,577	\$2,50)
Operating Profit Before Non-Cash Changes	\$320	\$101	\$152
Total Non-Cash Changes	\$(32)	\$2,302	\$(1,760)
NET OPERATING PROFIT	\$288	\$2,403	\$(1,608)
Operating Profit Margin	11%	4%	6%

	FORECAST	
FY 2023	FY 2024	FY 2025
\$1,163	\$1,431	\$1,545
10,111	10,819	11,576
275	275	275
\$11,549	\$12,525	\$13,396
\$125	\$125	\$125
0	0	0
2,460	2,700	2,975
\$2,585	\$2,825	\$3,100
\$8,964	\$9,700	\$10,296
151	181	188
131	101	100
\$485	\$500	\$515
954	954	1,000
1,779	1,850	1,943
\$3,218	\$3,304	\$3,458
\$1,732	\$1,811	\$1,902
436	402	415
633	675	680
\$2,801	\$2,888	\$2,997
\$417	\$416	\$461
\$109	\$708	\$757
\$526	\$1,124	\$1,218
13%	13%	13%
10,0	10,0	10 / (



FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.

- The Board approved \$30 million of debt to finance the USF Sarasota-Manatee Housing and Student Center Project:
 - On October 31, 2022, the Financing Corporation issued the \$30 million Series 2022 Certificates of Participation 30-year, tax-exempt, fixed interest rate public bonds, 4.85% interest rate, issued on parity with the \$176 million "A1/A+" rated USF Housing System.
 - The debt, along with a \$16.5 million cash contribution from the University, will finance the construction of the \$46.5 million mixed-use facility comprising a 200-bed student housing component and student center.
 - CORE Construction and Mackey Mitchell Architects were selected to design and deliver the project. A design/build agreement
 was negotiated and signed on October 31, 2022. Construction is expected to be completed in May of 2024.
 - The Corporation is closely monitoring risks to the Project described above, specifically supply chain disruptions and cost inflation. The University funded an owner's contingency of over \$4 million to mitigate some of these risks.
- Protect USF's "AA" credit ratings. Formal presentations were made to Moody's, Standard & Poor's and Fitch in March 2022
 emphasizing USF's strengths in management and governance, market position and enrollment demand, operating performance,
 wealth and liquidity, and leverage.
 - o Moody's and S&P Affirmed all USF credit ratings with Stable Outlooks (September 2022).
- Ongoing oversight of DSOs and Auxiliaries with debt to ensure they are managing revenues and expenses to maintain pledged revenues and debt service coverage ratios, preserve essential liquidity, and maintain required reserves.
- Ongoing compliance with covenants for 15 Series of debt, including IRS rules on tax-exempt bonds and required SEC reporting.
- On April 21, 2022, the University of South Florida terminated its Agreements with INTO USF, Inc. This resulted in a positive change in equity investment in FY 2022 to limit its share of INTO USF, Inc.'s losses to the Corporation's initial investment amount. On July 15, 2022, the Financing Corporation filed a lawsuit against INTO South Florida and INTO USF, Inc. to compel the wind-up and dissolution of INTO USF, Inc. Litigation is ongoing.

<u>Describe Management's Actions to Close Significant Unfavorable</u> Variances in Net Income and Net Cash Flows Before Fiscal Year End

• The Corporation is not anticipating any significant unfavorable variances. The Corporation continues to maintain strong liquidity and operating cash flows will fully cover debt service payments.



FY 2023 Mid-Year Forecast

INCOME STATEMENT

MID-YEAR FORECAST		Variance	e
	FINANCIAL PLAN	\$	%
101120131	T EZ T	Ψ	70
\$9.916	\$9.912	\$4	0 %
	1 /	*	0 %
	· · · · · · · · · · · · · · · · · · ·	0	0 %
652	652	0	0 %
1,984	1,984	0	0 %
365	365	0	0 %
949	959	(10)	(1)%
\$15,494	\$15,499	\$(5)	(0)%
	. ,		
\$827	\$827	0	0 %
629	782	(154)	(20)%
\$1,456	\$1,610	\$(154)	(10)%
(11.824)	(12.477)	653	5 %
A Company of the Comp	N 1		5,148 %
			9 %
(11,022)	\$(12,107)	\$1,115	7 70
\$2,715	\$1,422	\$1,293	91 %
0	0	0	%
	-	0	%
		· ·	%
	~		%
	4.0		91 %
\$2,715	\$1,422	\$1,273	<i>7</i> 1 70
17.5%	9.2%		8 %
	1,984 365 949 \$15,494 \$827 629 \$1,456 (11,824) 502 \$(11,322) \$ \$ 0 0 \$0 \$2,715	1,255 1,255 372 372 652 652 1,984 1,984 365 365 949 959 \$15,494 \$15,499 \$827 \$827 629 782 \$1,456 \$1,610 (11,824) (12,477) 502 10 \$(11,322) \$(12,467) S \$2,715 \$1,422 0 0 0 0 0<	1,255 1,255 0 372 372 0 652 652 0 1,984 1,984 0 365 365 0 949 959 (10) \$15,494 \$15,499 \$(5) \$827 \$827 0 629 782 (154) \$1,456 \$1,610 \$(154) \$(11,824) (12,477) 653 502 10 492 \$(11,322) \$(12,467) \$1,145 \$2,715 \$1,422 \$1,293 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$1,422 \$1,293

FY 2022	FY 2021	FY 2020
ACTUAL	ACTUAL	ACTUAL
RESULTS	RESULTS	RESULTS
\$10,125	\$7,789	\$10,334
1,312	1,273	1,419
437	636	764
695	736	778
1,977	1,493	1,766
381	520	588
989	1,002	641
\$15,916	\$13,448	\$16,290
\$803	\$0	\$1
601	639	604
\$1,405	\$639	\$1,323
(12.0(2)	(10.175)	(10.022)
(12,062)	(12,175)	(10,822)
65	28	444
\$(11,998)	\$(12,147)	\$(10,378)
\$2,513	\$662	\$4,589
0	0	2 400
0	0	3,409
0	0	(2,200)
1,544	(1,638)	(103)
\$1,544	\$(1,638)	\$1,106
\$4,058	\$(977)	\$5,695

4.9%

28.2%

15.8%



FY 2020 ACTUAL RESULTS

> \$21,940 4,106 1,479 860 (719) (601) \$27,065

\$(23,852) 27,000 (95) (13,059) (14,347) 4,210 5,210 (5,130) \$(20,063)

\$7,596 (5,707) (2,200) 974 \$663 7,665 64,950 \$72,615

\$76,323

403

FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)	FY 2023 MID-YEAR	FY 2023 FINANCIAL	Variance		FY 2022 ACTUAL	FY 2021 ACTUAL	
	FORECAST	PLAN	\$	%	RESULTS	RESULTS	╄
OPERATING ACTIVITIES							
Lease payments received from USF	\$23,987	\$23,983	\$4	0 %	\$24,096	\$22,336	
Lease payments received from UMSA	4,515	4,515	0	0 %	4,442	3,892	
Lease payments received from HPCC	1,431	1,431	0	0 %	1,386	1,465	
Lease payments received from Research Foundation	2,195	2,205	(10)	(0)%	2,167	2,234	
Payment to USF for management services	(827)	(827)	0	0 %	(803)	0	
General and administrative disbursements	(629)	(782)	154	20 %	(600)	(642)	
Total Cash From Operating Activities	\$30,672	\$30,525	\$147	0 %	\$30,688	\$29,285	
FINANCING ACTIVITIES			****			.	
Capital expenditures	\$(6,678)	\$(6,480)	\$(198)	(3)%	\$(11,499)	\$(20,581)	1
Proceeds of long-term debt	30,000	27,000	3,000	11 %	0	0	
Debt issuance costs	(265)	(300)	35	12 %	0	0	
Principal payments	(16,360)	(16,360)	0	0 %	(15,722)	(14,518)	
Interest payments	(13,392)	(14,017)	625	4 %	(13,522)	(14,346)	1
Equity contribution from USF/DSO for Project	0	0	0	%	1,385	0	
Security received from (returned to) lessee for swap collateral	0	0	0	%	3,963	5,007	
Security (pledged to) returned from counterparty	0	0	0	%	(3,963)	(5,104)	
Total Cash From Financing Activities	\$(6,695)	\$(10,157)	\$3,462	34 %	\$(39,358)	\$(49,542)	
INVESTING ACTIVITIES							
Proceeds from maturity/redemption of INTO CD	\$3,774	\$3,776	\$(2)	(0)%	\$3,774	\$3,708	
Purchase of INTO CD	0	(3,776)	3,776	100 %	(3,774)	(3,774)	
Distribution to USF of INTO CD Proceeds	0	(3,770)	0	100 /6	(3,774)	(3,774)	
Interest income	502	10	492	5,148 %	36	88	
Total Cash From Investing Activities	\$4,276	\$10	\$4,266	44,608 %	\$35,481	\$22	t
Total Cash From Investing Activities	φ+,270	\$10	Φ4,200	44,000 70	\$55,401	<u>س</u> سوب	t
CHANGE IN CASH	28,253	20,377	\$7,876	39 %	\$(8,635)	(19,917)	
Cash, Beginning of Year	44,063	44,209	(146)	(0)%	52,698	72,615	
Cash, End of Year	\$72,316	\$64,586	\$7,730	12 %	\$44,063	\$52,698	T
Total Cash & Investments	\$72,316	\$68,362	\$3,954	6 %	\$47,836	\$56,472	
							_
Days Cash on Hand	420	394	26	7 %	407	405	



FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)		ACTUAL	
	FY 2020	FY 2021	FY 2022
<u>ASSETS</u>			
Cash & Investments	\$76,323	\$56,472	\$47,836
Financing Receivable	311,645	309,896	304,391
Other Assets	28,271	17,273	7,978
Total Assets	\$416,239	\$383,641	\$360,205
LIABILITIES			
Payables - Interest and Construction	\$9,584	\$10,032	\$7,253
Long-Term Debt	358,162	341,983	324,693
Interest Rate Swap & Other Payables	25,769	13,858	6,433
Total Liabilities	\$393,515	\$365,873	\$338,379
NET ASSETS	\$22,724	\$17,768	\$21,826
Days Cash on Hand	403	405	407
•			
REVENUES USF Debt Payments UMSA Debt Payments HPCC Debt Payments Research Debt Payments Total Revenues	\$13,295 1,766 588 641 \$16,290	\$10,434 1,492 520 1,002 \$13,448	\$12,569 1,977 381 989 \$15,916
EXPENSES			
Operating Expenses	1,323	639	1,405
Total Expenses	\$1,323	\$639	\$1,405
OTHER REVENUES (EXPENSES) Interest Expense on Debt Other Revenues/Expenses Total Other Revenues (Expenses)	\$(10,822) 444 \$(10,378)	\$(12,175) 28 \$(12,147)	\$(12,062) 65 \$(11,998)
Operating Profit Before Non-Cash Changes	\$4,589	\$661	\$2,513
University/DSO support - Project related	3,409	0	0
Distribution of INTO CD Proceeds to Foundation	(2,200)	0	0
Change in INTO USF equity investment	(103)	(1,638)	1,544
NET OPERATING PROFIT	\$5,695	\$(977)	\$4,058
Operating Profit Margin	28.2%	4.9%	15.8%

	FORECAST	
FY 2023	FY 2024	FY 2025
\$72,316	\$56,416	\$53,216
293,955	296,433	283,332
6,000	5,409	4,871
\$372,270	\$358,258	\$341,418
05.506	06045	# 5.000
\$5,596	\$6,845	\$5,899
336,928	319,610	301,444
5,202	4,640	4,078
\$347,727	\$331,096	\$311,421
\$24,544	\$27,163	\$29,997
420	200	305
420	389	395
\$12,196	\$11,937	\$12,766
1,984	1,901	1,820
365	357	336
949	923	879
\$15,494	\$15,118	\$15,801
1 456	1.500	1 5 4 5
1,456	1,500 \$1,500	1,545 \$1,545
\$1,456	\$1,500	\$1,545
\$(11,824)	\$(11,502)	\$(11,925)
502	500	500
\$(11,322)	\$(11,002)	\$(11,425)
\$2,715	\$2,617	\$2,832
0	0	0
0	0	0
0	0	0
\$2,715	\$2,617	\$2,832
45 507	45.007	45.007
17.5%	17.3%	17.9%

Agenda Item: IVc

USF Board of Trustees Finance Committee

February 14, 2023

Issue: USF Capital Renewal Update

Proposed action: Informational Presentation

Executive Summary:

On June 15, 2022, the Office of Administrative Services presented a plan to the University Board of Trustees depicting the strategy to allocate and manage an investment of \$72.8 million dollars for USF capital renewal projects as allocated through approved line-item funding by the Governor. On August 16, 2022 the Office of Administrative Services returned to the Finance Committee with an expenditure authorization request for projects with a value between \$2-4 million which was approved by the Finance Committee.

During the August 16, 2022 presentation, the Office of Administrative Services promised to return to the Finance Committee with frequent updates on the program. This presentation provides a review of the capital renewal / deferred building maintenance program, a status update on the projects and associated funding, and describes the University's next steps.

Financial Impact:

\$72.8 M received from state-appropriated federal funding

Strategic Goal(s) Item Supports: This initiative aligns with Strategic Goal #5 BOT Committee Review Date: February 14, 2023

Supporting Documentation Online (please circle): Yes No Prepared by: Jen Fleischman, Assistant Vice President for Administration and Operations

FY23 Capital Renewal / Deferred Building Maintenance Program

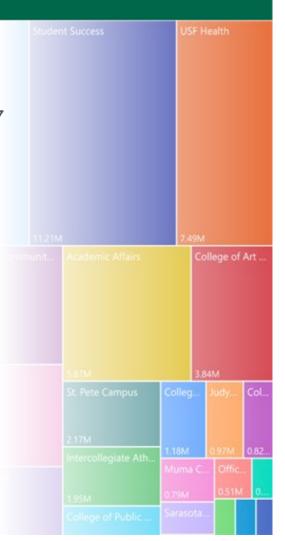
- 1. Program Recap
- 2. Program Status
- 3. Next Steps

Carole Post, JD VP Facilities & Public Safety Operations February 14, 2023



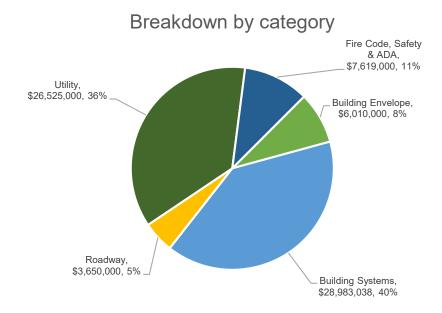
Program Recap: FY23 Deferred Maintenance Funds

- \$72.8M received from State per House Bill 5001 (2022) Section 197
- Funds are from Federal American Rescue Plan Act (ARPA) and must meet guidelines set forth by Federal & State legislations
- Implemented a **tracking and reporting approach** for transparency and accountability with 5 objectives:
 - 1. Achieve the **greatest impact** for each dollar spent
 - 2. Ensure a **data driven** and fact-based approach
 - 3. Align with USF's **Strategic Plan** objectives and initiatives
 - 4. Successfully meet the spending deadlines and criteria
 - 5. Ensure **rigorous oversight** for tracking progress



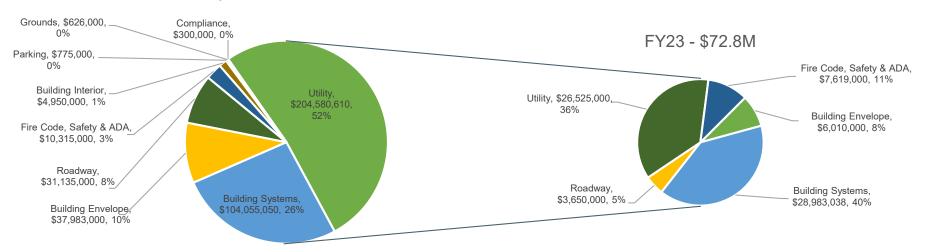
Summary of FY23 Capital Renewal Priorities

- Identified 87 critical projects university-wide
- Most projects are utility and plant operations, e.g., HVAC, electrical, roofing, and buildings systems
- Improvements will impact all colleges across all campuses and facilities
- More than half (39 projects with estimated cost of \$40.8M) are for university-wide improvements

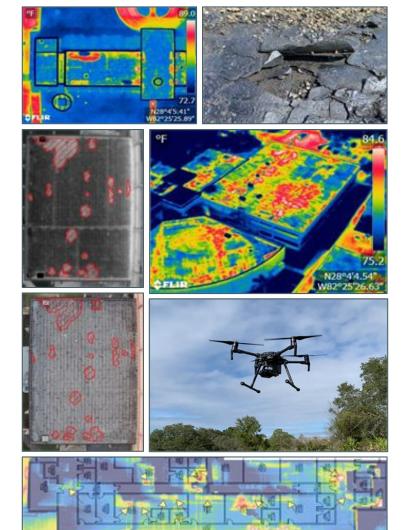


Capital Renewal / Deferred Maintenance

Deferred Capital Renewal - \$394M



- \$72.8M received from state covers 18.5% of current Deferred Maintenance needs
- USF size and scale requires approx. **\$45M annually** to sustain a state of good repair; average investment in prior years has been \$5M

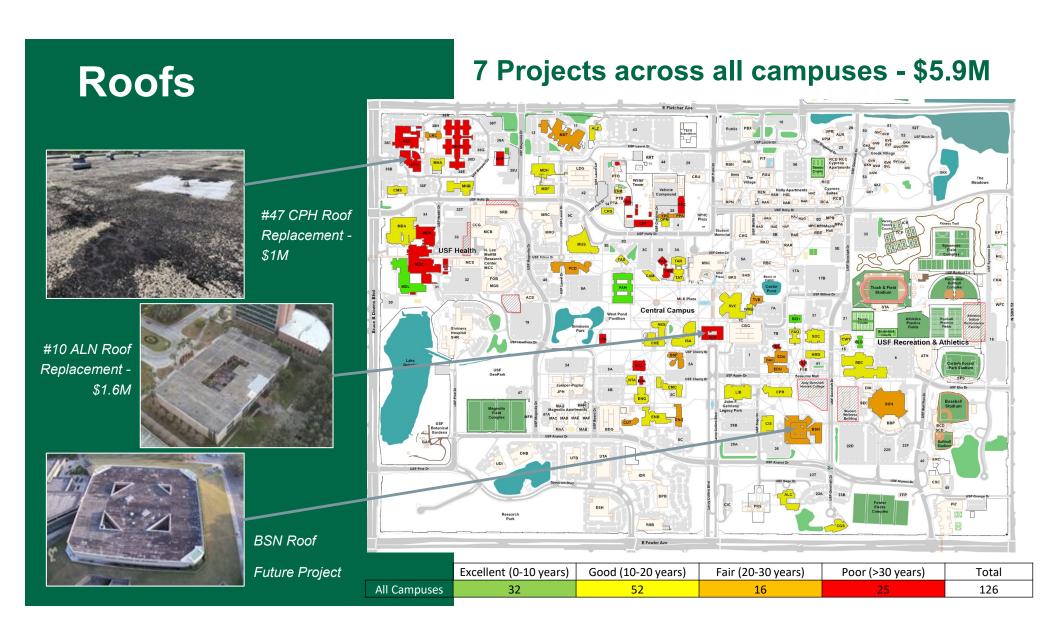


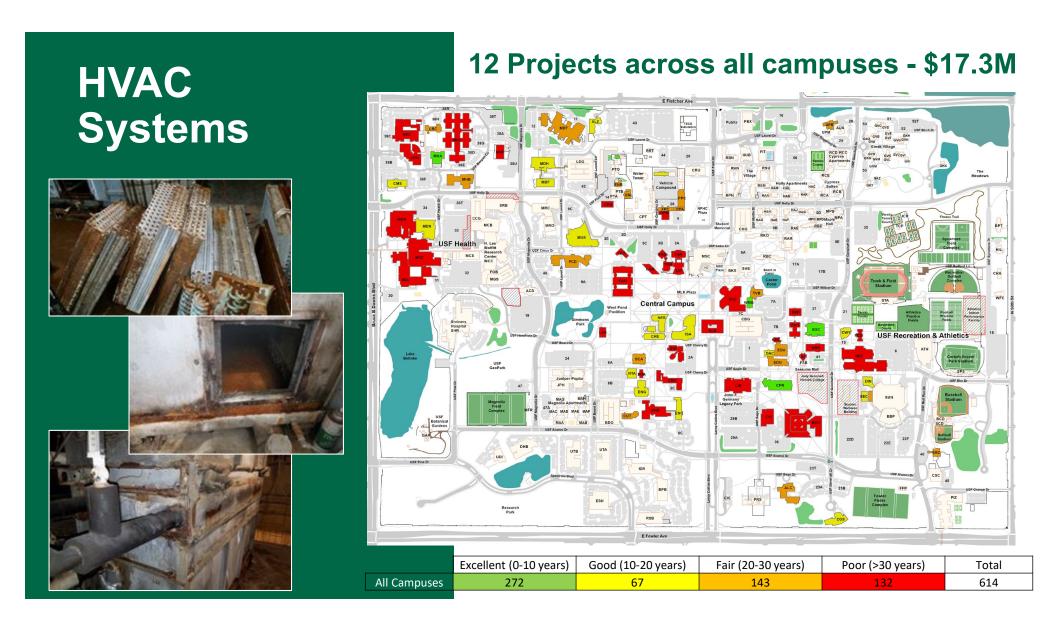
Roof Asset Management Program

- Physical Walkthroughs
 33% > 20 years old
- Drone Arial Capture
- Thermal Imaging

- 'State of Good Repair' typically a 20-to-30-year cycle

Campus	Total Roofs	0-10 years	10-20 years	20-30 years	> 20-30 years	Total Capital Renewal Needs
Tampa	91	15	41	13	22	\$84,820,000
St. Pete	26	14	6	3	3	\$13,125,000
Sarasota	5	2	2	0	0	\$1,390,000
Health	4	1	3	0	0	TBD
Total	126	32	52	16	25	\$99,335,000





Program Milestones and Deadlines: Updated

Date	Update
5/20/22	USF priority deferred maintenance list submitted to State
11/4/22	Funds released to USF
11/16/22	Spending Guidelines Confirmed:
	 Project lists are locked; no adapting or adjusting to changing needs
	 Project 'budgets' are locked; may not move funds across projects to adjust for inflation-driven increases or share savings where achieved
	Project cost shortfalls must be funded by other university funds
12/31/24	Deadline to have all funds at least 'obligated" with a purchase order
12/31/26	Deadline to have all funds "liquidated"

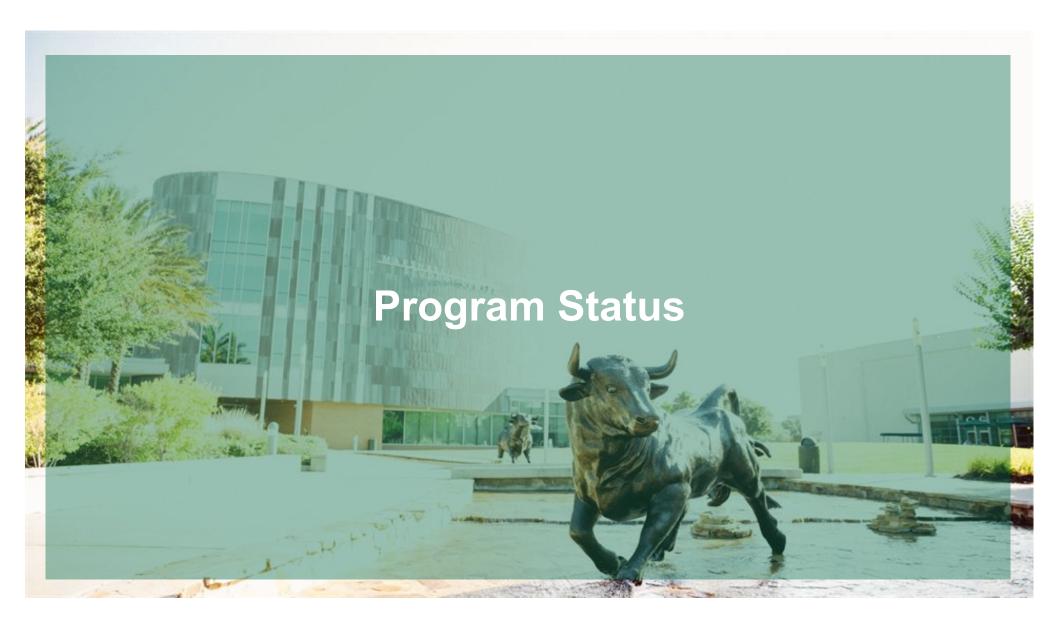
Initiated 'Bundled Approvals' to streamline process and expedite securing design work and long lead time materials in a competitive economic environment.

8/16/22: Approved Phase 1 Projects (\$41.8M)

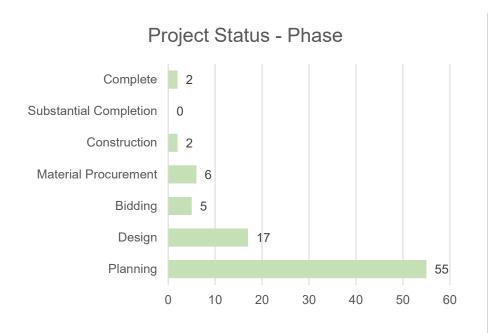
 A set of 16 projects with long lead times and/or design requirements and individual project budgets > \$2M.

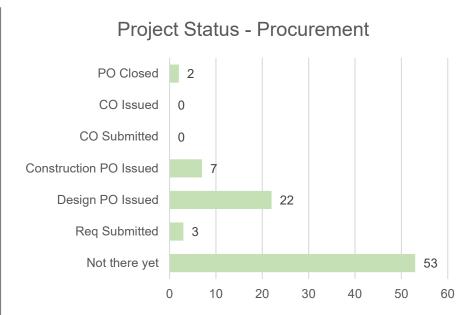
9/12/22: Approved Phase 2 Projects (\$11.8M)

A set of 9 projects with individual project budgets between \$1M-\$2M



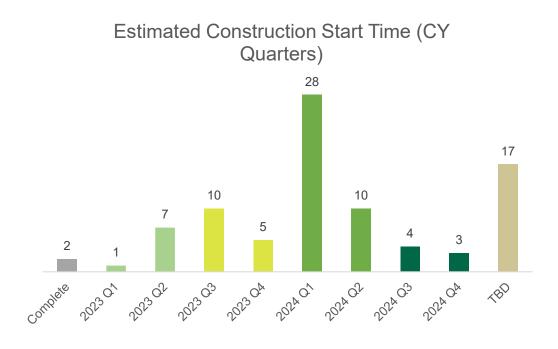
Program Metrics – Status





Data valid as of 1/13/23; information changes daily

Program Metrics – Schedule & Budget



Data valid as of 1/11/23; information changes daily

- Majority of projects are in planning and design phase
- Received bids/early GMP for 16 projects
- 9 projects are within budget and moving forward
- 7 projects projected to exceed original cost estimates

Project #1 – Water Tower Repairs



Project Status

- Design Complete
- Bidding in progress





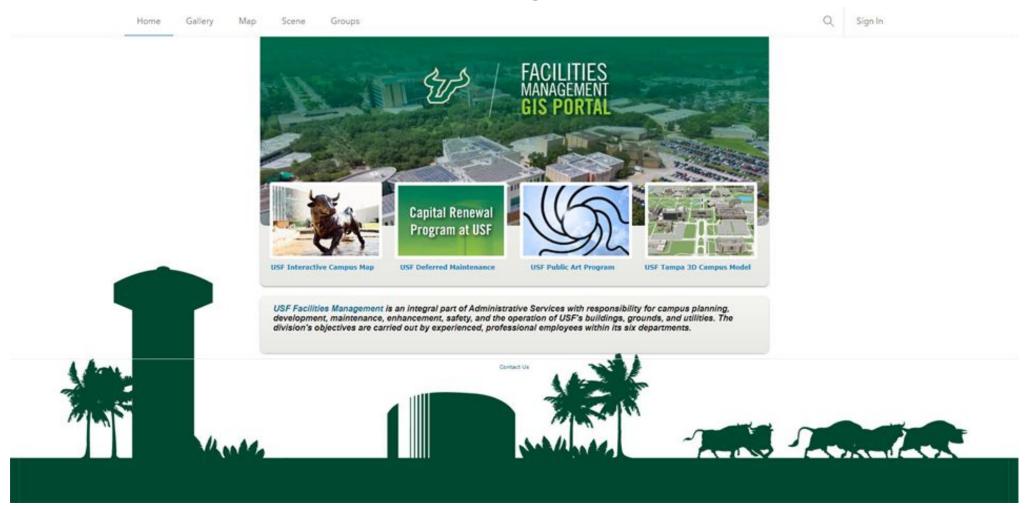


Challenges & Risks

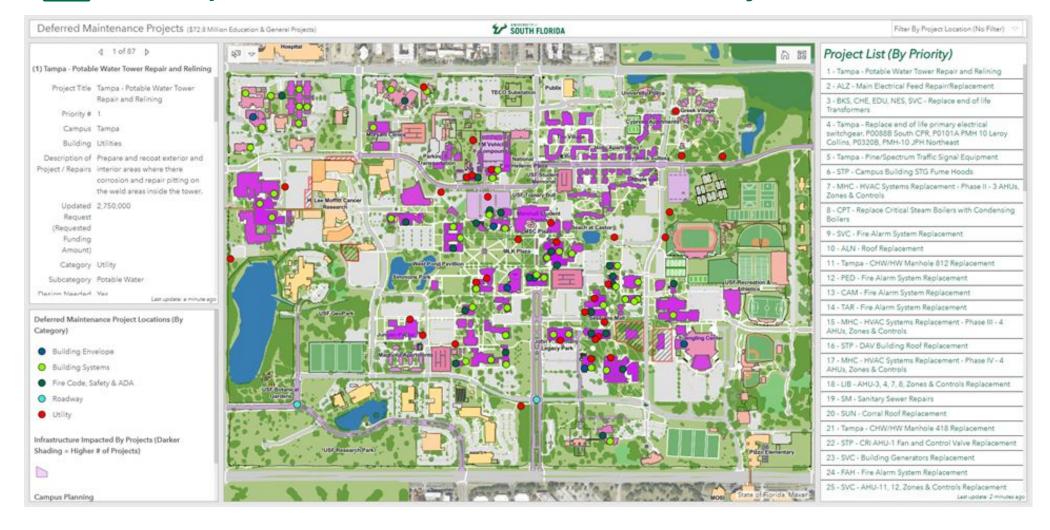
- Construction industry still experiencing long lead times
 - Roofing material lead times 12-14 months
 - Electrical equipment lead times 12-18 months
 - Fire Alarm system component lead times 6-8 months
- Most projects involve infrastructure that is in high demand locally, statewide, and nationally (and with other SUS institutions)
- BOG guidelines are extremely inflexible
 - Unable to adjust priorities to reflect evolving and urgent needs
 - Unable to move surplus funds from an under-budget project to an overbudget project

14

Communication & Transparency – USF Maps Portal



USF Maps Portal – All Deferred Maintenance Projects -TPA



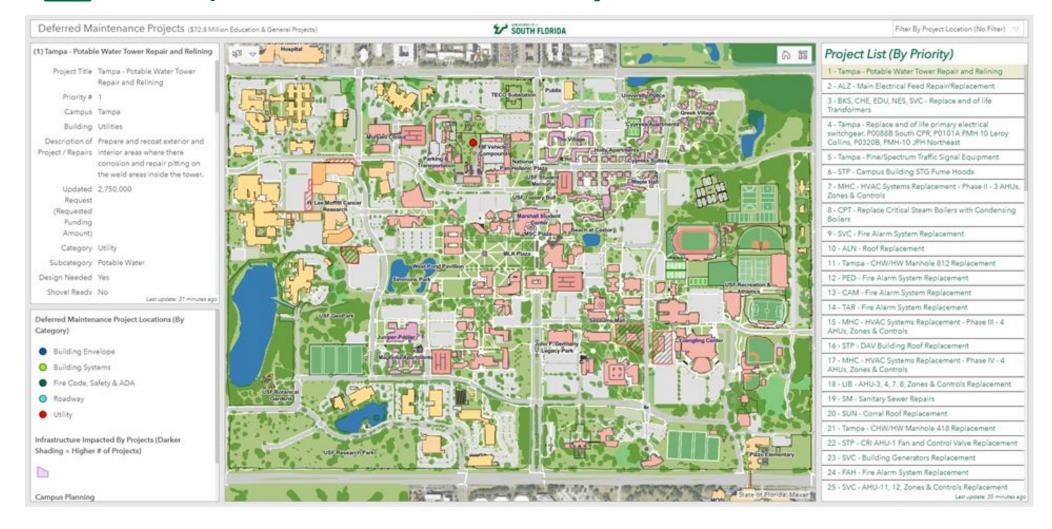
USF Maps Portal – All Projects STP and SM



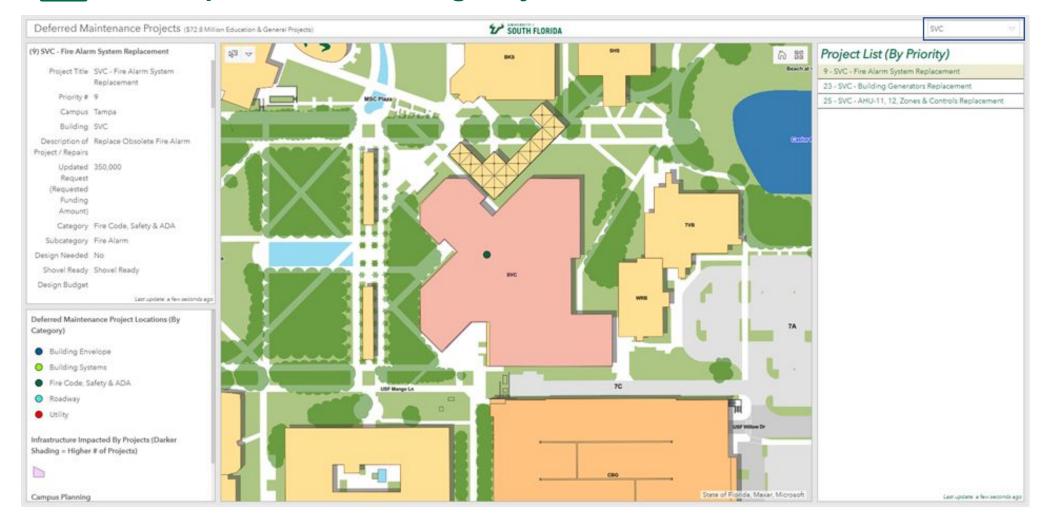


(

USF Maps Portal – Infrastructure Project



USF Maps Portal – Building Project





Next Steps



Incorporate Trustee feedback



Establish oversight governance for program portfolio



Scopes of Work defined for 32 projects



Continue defining scope of work for 55 projects



Establish **Communications Plan** for campus stakeholders prior to major work starting; mitigate noise, temporary closures, impacts to classes, research, etc.



Socialize and engage with all stakeholders

o Administration, Faculty, Staff, Student Leaders



Periodic updates to USF Leadership and Board of Trustees

Agenda Item: IVd

USF Board of Trustees Finance Committee

February 14, 2023

	Issue: Budget Upo	late		
Proposed action: Information Only	Proposed action:	Information Only		

Executive Summary:

USF has begun a process for modernizing its budget process and funds flow model. The goal is to design and recommend a new value driven university-wide budget process and resource allocation model that balances the budget and builds on the diverse, equitable and inclusive culture at USF.

Financial Impact: TBD

Strategic Goal(s) Item Supports: Goal #5 (Strong and Sustainable Financial Base)

BOT Committee Review Date: February 14, 2023

Supporting Documentation Online (please circle): Yes No

Prepared by: Richard J Sobieray