



Board of Trustees Finance Committee

Tuesday, February 27, 2024
Microsoft Teams Virtual Meeting

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

A G E N D A

- 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 16, 2023 Meeting Notes](#) Chair Griffin
 - b. [Expenditure Authorization Requests](#) Vice President Jennifer Condon
- IV. New Business – Information Items
 - a. [Argos Redevelopment](#) Associate Vice President Ana Hernandez
 - b. [DSO Mid-Year Forecasts](#) University Treasurer Fell Stubbs
 - c. [Capital Renewal/Deferred Maintenance Update](#) Vice President Carole Post
 - d. [Budget Update](#) Vice President Jennifer Condon
- V. Adjournment Chair Griffin



**USF Board of Trustees
Finance Committee
NOTES
November 16, 2023
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 9:50am. Chair Griffin asked Kiara Gayle to call roll. Ms. Gayle called roll with the following committee members present: Michael Griffin, Sandra Callahan, Mike Carrere, and Will Weatherford. A quorum was established. Shilen Patel and Melissa Seixas joined the meeting after roll call.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

a. Approval of August 8, 2023 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 8th meeting notes were unanimously approved as submitted by all committee members present.

b. T-Mobile EBS Licences Sale

Fell Stubbs, University Treasurer, presented the T-Mobile EBS Licenses Sale. This agenda item is a resolution to authorize the sale of 8 educational broadband service (EBS) licenses to T-Mobile. USF is the licensee of 8 EBS licenses issued by the Federal Communication Commission (FCC). USF currently leases the eight 2.5 gigahertz EBS licenses to T-Mobile under a 30-year lease agreement that matures in 2041. The FY23 lease payment is \$1.736M. T-Mobile is the only major operator building a nationwide 5G network in 2.5 gigahertz licenses and utilizes the USF EBS licenses currently in the Tampa Bay market. USF received EBS license valuation analyses from KPMG Consulting and RBC Capital Markets under various discounted cash flow and auction value assumptions. T-Mobile has offered to acquire the university's eight 2.5 gigahertz EBS licenses for \$30M. The university has pledged the contingent EBS licenses sale to the USF Stadium project as a component of the \$140M of equity funds, approved by the BOT on June 13, 2023. The sale of the EBS licenses is contingent on the FCC approval of the transfer of the licenses. The anticipated timeframe for this approval is 3 to 6 months. A description of the licenses is provided in the meeting materials.

Chair Griffin stated that he is very pleased with where this sale landed. A lot of individuals put a lot of energy into this – Rich Sobieray, Hilary Black, and the legal team. While this still has to go to the FCC, it has exceeded his expectations. He thought we approached this the right way with the right data and he thanked the team.

A motion was made to authorize the sale of eight EBS licenses to T-Mobile. The motion was seconded and approved by all committee members present.

c. 2024-25 USF Parking System Budget

Mr. Stubbs presented the 2024-25 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 FY25. The Parking System supports the Series 2016A parking system bonds. 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 FY25 Operating Budget for the USF Parking Facilities Revenue Bonds reflects a modest increase in both operating revenues and operating expenses. FY25 Operating Cash Carried Forward decreased \$12.6M from the prior year due to two critical components: 1) \$3M dedicated to the installation of the garage fall protection equipment across 5 parking garages on the Tampa and St. Petersburg campuses; and 2) \$8M pledged to the development of the on-campus stadium project. The cost of the fall protection equipment (\$3M) is reflected in the FY24 Operating Capital Outlay together with ongoing deferred maintenance for various projects at \$1M. The contribution to the on-campus stadium of \$8M is reflected in the FY24 Other Outflows & Transfers Out, together with an overhead assessment of \$1M. The reduction of debt service in FY24 and FY25 is due to the final amortization of the 2016 revenue bonds that mature on July 1, 2026. Unrestricted operating cash funds of \$5.4M in FY24 and \$5.1M in FY25 provide strong support for the "AA" credit ratings on these bonds issued by Moody's, S&P and Fitch. Debt service coverage ratio for FY23 was 1.61x coverage; for FY24 is 2.15x coverage; and for FY25 is 3.53x coverage.

Mr. Stubbs noted that Carole Post and her staff prepared the FY25 operating budget for parking.

A motion was made to approve the 2024-25 Operating Budget for USF Parking Facilities Revenue Bonds, Series 2016A. The motion was seconded and approved by all committee members present.

d. Institutes & Centers (I&C) Report

Masha Galchenko, Associate Vice President for Business & Financial Analysis, presented the Institutes & Centers (I&C) Report. Ms. Galchenko explained that BOG regulation 10.015 defines Institutes and Centers that are expected to enhance existing university activities. Our Office of Decision Support oversees the processes for establishing, evaluating and disbanding these institutes or centers. Deans and Vice Presidents are responsible for operating them. And Business & Finance oversees annual collection of financial reports.

The same regulation also has been updated last fiscal year now for the BOT to approve annual financial reporting which is what we are asking today. BOT ACE committee reviews individual institutes and centers on a 7-year review cycle.

Since annual reporting is done for the prior fiscal year, once the year has been closed, Budget & Financial Analysis reviews submissions from individual institutes and centers to assure accuracy of reporting and compiles a summary report that is included in the meeting materials and that upon BOT approval will be submitted to the State.

Ms. Galchenko presented a graph summarizing the report (page 30 of the meeting materials). Overall, USF has 100 of these institutes or centers. The distribution of these across various academic areas is on the right and the overall funding sources distribution for expenses is on the left. Since the majority of these are research in nature, contracts and grants funding represents 76% of expenditures. The biggest research institute at USF is Health Informatics Institute (HII) and the largest State funded center is Florida Cyber. Again, the full report of these 100 institutes and centers with details for each is included in the meeting materials.

A motion was made to: 1) approve the Institutes & Centers Annual Report for 2023; and 2) authorize the President or her designee to make necessary nonmaterial adjustments to the Institute and Centers Annual report of 2023, with the requirement that any material changes be approved by the University Board of Trustees Executive Committee. The motion was seconded and approved by all Committee members present.

e. Expenditure Authorization

Jennifer Condon, Vice President and Acting CFO, presented six expenditure authorization requests, all construction-related, for approval by the Finance Committee. USF's expenditure policy requires Finance Committee approval for all expenditures in excess of \$3M.

The first two are actually not a change in scope or a request for authorization to expend, but rather a change in funding source.

- Taneja College of Pharmacy at MDD

This is a request for a change in funding source. Requesting to reduce the funding provided by Dean's Academic Support fund and replace it with carry forward funding. This is directly related to the to the relief of restriction for use of carry forward on construction projects that was recently passed by the BOG. There is no change in scope. As of now, the project is on scope and on budget.

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

- MDD Floors 6, 7, 8

This is another request for change in funding source. This was originally approved as a \$14.6M project for using solely Dean's Academic Support funds. The College of Medicine is requesting approval to change the funding sources to use \$1M of foundation funds (philanthropy), and then to transition some of the Deans Academic Support funding into a foundation loan that will be repaid by Dean's Academic Support funding. This project is on time and on budget.

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

The next two requests are University expenditures.

- MDF Research Functional Magnetic Resonance Imaging (fMRI) Core Facility

This is a \$4.5M request to buildout an fMRI facility, which will support the research endeavors of the Morsani College of Medicine (MCOM). MCOM has received \$4M of external funding and will contribute another \$500K from carry forward. This facility will be used for clinical, translational and fundamental research in the MDF building.

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

- MDF Hyperbaric Oxygen Therapy (HBOT) Clinical Research Center

This is a \$4.5M request to build out the Hyperbaric Oxygen Therapy (HBOT) Clinical Research Center. The university received a \$14M allocation from the state of Florida to lead a thorough clinical trial aimed at evaluating the medical efficacy of hyperbaric oxygen therapy in the treatment of PTSD and traumatic brain injuries, specifically for veterans and active-duty military service members. This is a request to use \$4.5M of E&G carryforward funds to build out the center so that we can get the clinical trial started.

Trustee Weatherford stated that for years, people have been going to HBOT facilities to get relief from PTSD, and a lot of them are veterans. USF will be the first university, and really the first research organization, to be able to position and then to be in a posture to prove out whether or not these HBOTs are providing the value that people anecdotally feel like they are getting. This could have a huge impact on our veteran community, on people in our society that are suffering from different challenges as it relates to PTSD. He is very excited that USF was chosen and entrusted with this research. This is a unique opportunity for us to do something and not just on behalf of the state, but on behalf of the veterans across the country. He fully supports this.

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

The last two requests are DSO expenditures.

- Innovative Education Location in Research Park

USF Research Foundation is requesting permission to spend \$3.275M to buildout space for our Innovative Education department. They are planning to take over space that is currently occupied by USF Research and Innovation and by transferring this to Innovative Education, it will reduce the Research and Innovation lease commitment and ensure that the building is productively occupied. Innovative Education is expanding, and they are proposing to build an “Innovative Co-Lab,” which will operate as a dynamic hub where the intersections of learning, creativity and collaboration converge. The buildout will be done by USF Research Foundation and it will be tied to a lease with Innovative Education.

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

- MCOM Infectious Disease Research

This is a request from the USF Research Foundation to build out approximately 21,000 usable square feet for virology and infectious disease research in the new Research Park building. This is a request not to exceed \$16.7M. The request is to build out space that will be used to recruit faculty that will be doing virology and infectious disease research. This is tied to a long-term lease, which is our next action item and will be covered next.

Trustee Weatherford stated that this is an exciting opportunity for the University and our research efforts. Chair Griffin agreed that this is very important to MCOM as their needs are expanding. However, this building's original intent was to attract third party, non USF-affiliated agencies or departments, etc. It is important to get this building filled and active, and it is in a lot of ways the front door to the Tampa campus. But as we think about building more, we need to give some real thought around what are some of the clusters that we want to be known for on all of our campuses, but particularly within research in Tampa. The demand for lab space nationally is significant. He is spending more time with the team on some of this because he believes that being part of our University is really special. He is thankful for MCOM stepping up and injecting a lot of really important work into this incredible asset. He looks forward to really exploring how we can define our ecosystem a bit better so we can attract local and national players.

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

f. Approve Sublease and Real Property Policy Exception

Vice President Condon presented the agenda item. This is tied to the last expenditure approval. Our real property policy calls for BOT approval when a lease exceeds 10 years or \$5M and the lease for the space that was just approved (MCOM Infectious Disease Research Space in USF Research Park) is set to be a 20-year life and it will exceed \$5M. Therefore, we are requesting BOT authority to enter into a 20-year sublease for MCOM Infectious Disease Research based in USF Research Park, which will exceed \$5M and approval of exception to the real property policy for a lease term exceeding 10 years. The 20-year life was requested by MCOM because they are amortizing the cost of construction over the term of the lease.

A motion was made to authorize USF to enter into a 20-year sublease for MCOM Infectious Disease Research Space in USF Research Park RSB/3814 Spectrum Blvd exceeding \$5M and approve exception to Real Property Policy for lease term exceeding 10 years. 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 BOT Finance Committee for the three DSOs with significant investment portfolio balances (USF Foundation, UMSA, and USF Research Foundation). The University's investment report was provided at the August BOT Finance Committee meeting. Mr. Stubbs provided the following FY23 highlights of the three DSO investment reports:

- USF Foundation
 - \$674M endowment
 - \$156M operating portfolio
 - 9.1% return
- University Medical Services Association, Inc. (UMSA)
 - \$49M operating portfolio
 - 10.15% return
- USF Research Foundation, Inc.
 - \$40.9M operating portfolio
 - 8.7% return

These returns for FY23 reflect a good recovery from FY22 levels. All portfolios are governed by investment committees and are all compliant with the BOT Investment Policy,

b. Draft 2023 Financial Statements

Ms. Condon provided highlights of the draft FY23 financial statements. Ms. Condon reviewed significant items on the income statement and the balance sheet. Net operating results this year improved \$53M to where we are back in the black at \$35M. This is good news. Primary drivers for that increase are an increase of \$90M in state appropriations; net investment income recovered (primarily unrealized activity, but it is still a recovery); contracts and grants activity increased \$52M. Those were offset by increases of \$108M in compensation and employee benefits and \$51M for services and supplies. While the \$108M increase for compensation and benefits seems high, we worked very hard last year to improve our compensation including increasing our minimum wage to \$15/hour in advance of the Florida requirements. Our unrestricted net position at the end of the year improved \$28M. This is also good news. Trustee Weatherford commented that it has been a long time since USF has been in the black to this degree as an institution. USF is a multi-billion dollar organization, with almost 50,000 students and 16,000 employees. It is expensive to run an operation of this scale. He is happy to see our financial house being in a much better posture going forward. USF is a much healthier place than it was just a few years ago. This allows us to make strategic investments in the things that will continue to carry us forward and add more value to the students. He thanked the whole team for this and also is thankful to the state as they are a large reason why we are in better posture financially. He is grateful to the legislature and the governor for putting us in this great spot.

Next Ms. Condon looked at our unrestricted net position adjusted for pension, OPEB and related deferrals activity. We look at this because that is what our rating agencies do. Standard & Poor's and Moody's look at our unadjusted net operating results and then they adjust off all of the pension, OPEB and related deferrals activity. It is not as important in FY23 as the net operating results in the black; we had positive results this year. And after

adjusting for the pension, OPEB and related deferrals activity, we are still in the black and that is good news. Perhaps more importantly, our unrestricted net position, which shows us at negative \$300M, and when you adjust for all of the pension, OPEB and deferral accumulation over the last several years (almost \$1B), we get to be positive by \$546M. So it is an important look because these really are not exclusively USF liabilities and that is why we present this picture for the Trustees and we present the same picture for our rating agencies. This is happening to state universities all over the country. The pension, other post employment benefit and related deferrals are being pushed down to the agencies from the states and so the unrestricted positions look negative, but they are not.

USF had a cash and investments balance of almost \$1B at year end, consisting of a \$73.7M increase in unrealized gains in FY23 and a \$4.5M increase in investment income. This is real investment income, not unrealized. Ms. Condon cautioned that this \$1B is not available to go out and spend; there are operational restrictions on these funds as indicated in the materials by the breakdown of the balance by fund source. 37% of that balance is in state appropriations and fees; the second most significant balances are in auxiliaries and then a combined agency, contract & grant, financial aid, loan and DSO funds. More importantly, we have 226 days cash on hand. This is a measure we look at and we ask our DSOs to look at that measure as well. We are three years positive in cash and investments. Even coming through COVID, we continue to add funds to our cash and investment balances. This means that we are certainly in a strong financial position for it to continue.

Ms. Condon then explained variances year to year that are in excess of \$10M or 10% change or \$20M regardless of the percentage. That is the variance analysis that we do in our management discussion and analysis for our financial statements. There is a tremendous amount of construction activity happening on campus and a lot of variances are around capital asset activity. On the balance sheet, assets due from state increased \$94M due to the infusion of capital from that state of Florida. That was booked as a receivable and as we make those construction commitments, we bring down the funds. Nondepreciable capital assets (construction in process) increased \$20M. Once we move that into our buildings we will start to depreciate that. For net position, investment in capital assets increased \$60M and funds restricted for expendable capital projects increased \$114M. On the income statement, as previously discussed, capital appropriations increased \$100M and capital grants, contracts, donations and fees increased \$18M (that is where we account for some of the activity that comes in from foundation). The remaining significant variances are as follows:

- Our higher education emergency relief funds sunset in FY23 so we had some variances that resulted in the sunset of those funds.
- We have some timing that was accounted for with our payments to the Agency for Healthcare Administration (Medicare upper limit payments); UMSA provides the funding to us we send the money to the state, the state sends it back to us. This is just timing and there was some activity with accounts payable and due from component units in FY22 that resulted in variances FY23.
- A combination of HEERF and AHCA activity that affected our nonoperating expenses.
- An increase in unearned revenue due to the infusion of funding for cybersecurity and Florida Flood Hub that was made from the state of Florida. We actually account for those activities as grants and contracts. We received the funds in advance of expanding them, so we have to book them as unearned revenue.
- Accounting changes for self-insurance and technology.

We had a lot of variances, but most of it was due to accounting and accrual activity.

c. USF Student Housing Update

Ana Hernandez, Associate Vice President, gave an update on USF student housing. The purpose of the update is to validate the earlier decision of the board for our five-year strategic rate increase for housing. Housing is aligned with the strategic plan for the university in supporting both our student success initiatives as well as responsible fiscal stewardship. The value of living on campus is more than just a bed. That value is certainly recognized by the students and families as demonstrated by the strong demand to be part of the on campus residential experience. Currently, our spring standby list for the Tampa campus is up to 250 students. We just opened the fall 2024 application for our returning students yesterday and on the Tampa campus we had over 2,000 students apply on the first day to come back next year and St. Petersburg had the same level of success with just about 300 applications submitted for the St. Pete campus. This is really high demand and we are expecting that will continue. The first-year students will have the opportunity to apply for housing as soon as the admissions decisions are released on December 8th.

We remain competitive with our peers throughout the SUS and the local market. Following the board's approval of the multi-year strategic housing rate increase, several other SUS institutions followed suit with a similar multi-year plan. This could become the standard and hopefully the other institutions will have the same success that we have with regard to our planning that is allowed or is supported by the multi-year plans. Our off-campus market continues to raise rental rates aggressively. This past year, we saw an 11.6% increase overall on some of the student focused properties that we keep an eye on, where we are looking at our 4.5% increase.

We continue to strategically invest in our facilities to deliver the best in class experience commensurate with our AAU membership. The predictable revenue resulting from the five-year rate plan has supported effective project planning looking out for several years. St. Petersburg has just completed their comprehensive facilities audit to inform their strategic facilities reinvestment plan. The new Sarasota-Manatee Student Center and Residence Hall will be opening in August of 2024. The Tampa campus continues to advance plans for the new Argos redevelopment project to replace aging inventory and expand our capacity. We hope to bring back some information to the board in the spring related to that project.

Housing & Residential Education is fully funded by student rental revenue. We do not receive any E&G, A&S, or carryforward funding. We continue to meet or exceed debt service coverage ratio targets and receive positive ratings from Moody's and S&P. We continue to experience financial pressures in this high inflation environment and tight labor market and make our adjustments accordingly. Fall 2024 is year two of the five-year plan. The housing rates continue to be covered by the Florida prepaid dorm plan.

Chair Griffin stated that this is a great report and he thanked Ms. Hernandez for her good work and her leadership. The occupancy rates are incredible and it's great to see St. Pete is over capacity and Tampa continues to really overperform. The capital markets right now are a little bumpy, but student housing around our campuses are still trading at high values. The expectation for excellence on on-campus housing is going to continue to increase as competition continues to grow around us. He is very pleased that this board made some commitments around investing further in housing around that entire program, not just the brick and mortar, but security, resident living, etc. It all goes back to really driving student

success, and it is good to see these numbers so strongly and well positioned for the university.

d. DSO Financial Updates

Ms. Condon introduced the agenda item. The FY24 DSO Annual Financial Plans were presented in May 2023. Two DSOs actually presented planned deficits for FY24, and this board is monitoring them more closely. The two DSOs, University Medical Services Association (UMSA) and the Institute for Applied Engineering (IAE) will provide information on their first quarter operating results.

1. UMSA Update

Steve Omli, USF Health CFO, gave the update on UMSA. In the spring, UMSA presented a negative \$7.2M budget for FY24. The reason for this is that for the past 4 1/2 years or so, healthcare costs have skyrocketed. At the onset of the COVID pandemic and for the first three years, UMSA was able to mitigate that with some Cares Act funding and other federal funding that went away in FY23. But the costs did not go away and in the business of healthcare, even though our costs have skyrocketed, we are not able to change our prices. Prices are contractually set (many by the government) and so we are in a situation where we are facing some operating losses.

Mr. Omli then gave an update on some of the major action items that were also presented in the spring.

- QGENDA - Operationally, UMSA implemented QGENDA (a physician and space scheduling platform) in July. It is very popular in medicine. This will help UMSA better utilize clinic space and provider time. So as physician schedules change, we are able to be flexible and put other providers into that space, see our patients and significantly improve our utilization.
- TGH contracts – Currently have hundreds of individual contracts with TGH and new ones every year (probably two or three handfuls of new ones worth millions of dollars). TGH is on a slightly different fiscal year; their fiscal year begins October 1st. A lot of these contracts are still in the process of being closed and signed, and we are working very hard on making sure that happens, which will provide some additional revenue into UMSA.
- USF-TGH funds flow initiative - This is our long term plan to derisk UMSA from the financial risk it is now experiencing. If we look forward, nothing is really going to change significantly on the revenue and expense side and it is important for us to come up with a new financial model to make sure that we can stay in business, serve our mission, see our patients, and educate our medical students and residents. This is something that other progressive academic medical centers have already begun doing, probably for at least the last few years. We are working with TGH on a funds flow model that will pay our physicians a more competitive market rate. This is extremely crucial, something that we cannot do on our own and it also puts more of the clinical expense risk onto TGH. This is still good for both parties and we are working through the modeling now. This process is proceeding at a very good

pace at this point in time. This will be very helpful for UMSA going forward into FY25 and beyond. It will help our physicians immensely and will also align our clinical strategies with our primary hospital partner.

Mr. Omli then reviewed the first quarter financials which show the following:

- Negative variance on revenue
- Positive variance on expenses
- Positive variance on net operating profit though still negative

Mr. Omli presented and explained three forecasts – actual plus budget forecast, actual plus trend forecast, and predicted forecast. All three are still forecasting negative at year end, but not as large. Taking all this into consideration and being conservative, Mr. Omli expects UMSA will end the year 3% below budget in revenue and also 3% below in expenses. If UMSA does that, UMSA’s performance for the year will be a little bit better than budget but still close to -\$7M. The good thing is that for this fiscal year, UMSA has a strong balance sheet. They do have cash in the bank, but this is not sustainable. Mr. Omli would like to bring a similar report back to the committee at each meeting and update it as we have more months and quarters of actual performance.

Chair Griffin thanked Mr. Omli for the update.

2. Institute of Applied Engineering (IAE) Update

Scott Dalziel, IAE CFO, presented for IAE. He gave an update on the financial plan statement that was presented with the budget back in May.

- IAE executed a restructuring or reorganization in the fourth quarter of last year prior to the budget being presented. There are operational efficiencies identified in doing so and the actual performance to date shows that some of those improvements have occurred already.
- Implementation of an ERP system, to fully integrate into operations, has been completed at the end of the first quarter and seeing efficiencies further there.
- Rapid Experimentation Lab - expansion of the services we provide to our customers. Adding 8,000 square feet to our facility. Construction started in June and is expected to come online and be able to be occupied by our customers at the turn of the year, opening up in January.
- Business Development Team – focused on building out this team to drive some strategic growth in revenue and strategic partnerships with our customers. A new business development director started this week to lead that part of the organization for further results.

Mr. Dalziel then discussed actual performance to date by looking at the annual financial plan and how we are progressing toward that. Presented in the annual plan was to have a positive operating profit of \$276K and then after depreciation of many of the assets including construction/expansion of the Rapid Experimentation Lab funded by an economic development grant by Hillsborough County, a negative net income of -\$114K. Actual performance to date shows revenues are down 4% from budget predominantly due to one contract that also

corresponds to the major subcontractor direct project expense. For that particular project, our customer just decided it was better to go a different route. We have already made up some of that negative variance that will come to fruition over the next three quarters. Optimistic that we can recover the full amount of that variance throughout the year. In the general administrative expenses, the operational efficiencies have taken place. So operating profit is up with a positive 17% variance predominantly due to those efficiencies. Professional services did include a one-time expense for ERP implementation. It was expected to occur in the fourth quarter of last year, but the expenses for that hit in the first quarter of this year. Overall, we made up \$94K of that negative variance that was projected in the annual budget in the first quarter. Optimistic that will continue throughout the fiscal year to be in the black by the end of the year.

Chair Griffin stated that this is good news and he hopes to not have to have a special discussion about IAE for much longer. This is great work and this board has high aspirations and high expectations for the future of IAE.

e. Budget Model Update

Special Advisor Darren Schumacher gave an update on the budget model. Over the last month, Dr. Schumacher has been digging into the RCM budgeting process, reviewing what has been done with the consulting group that was previously hired. He thanked the Provost for his active work in benchmarking and talking to colleagues at other universities so that we can learn from their experiences without repeating their mistakes. We have been reviewing other universities' online activities, including within the State University System of Florida. There was a very good presentation by the Faculty Senate where they had raised some concerns about various aspects of the model and sensitivities, etc. So we are digging through those and working with the Faculty Senate to make sure that their concerns are addressed. While a model is important, it is only part of the process. It is important to have governance around the model, so we have been spending a lot of time working on creating a governance process around the model-based budgeting process. That is going well. We have gone through two drafts with one more that will be done later this week. Part of that governance is making sure that the budget aligns with our strategic centers of gravity and the metrics that drive Preeminence, AAU membership, and of course other things like medical success and athletics. We are making very good progress and will have more to report in the near future.

V. Adjournment

Trustee Weatherford thanked everyone for their time. He appreciates and encourages engagement by the Trustees.

President Law stated that we are working very hard, but we are having tremendous successes. She thanked the Trustees for their guidance and support.

Having no further business, Chair Griffin adjourned the Finance Committee meeting at 10:55am.

Agenda Item: IIIb

USF Board of Trustees
Finance Committee
February 27, 2024

Issue: Expenditure Authorization Requests

Proposed action:

1) Approval of updated Expenditure Authorization Request:

	Original Approval		
	<u>Amount</u>	<u>Increase</u>	<u>New Total</u>
o College of Nursing Tampa Expansion	\$28,000,000	\$2,400,000	\$30,400,000

2) Approval of the following expenditure over \$3,000,000:

o West Campus Maintenance Facility	\$3,525,000
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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 \$1.5 million and the approval of the Finance Committee for the procurement of goods and services above \$3 million. Approval is being requested for the items listed above.

Financial Impact: Authorization is being requested for \$33,925,000 in transactions.

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

BOT Committee Review Date:

Supporting Documentation Online (please circle): Yes **No**

Prepared by: Jennifer Condon, Vice President & Acting CFO
(813) 974-3297

USF Approval of Expenditures Exceeding Three Million Dollars

Project/Initiative Name: USF Health College of Nursing Tampa Expansion

Total Project/Initiative Cost: Original Approval (Aug 2022) \$28,000,000
Updated Cost \$30,400,000 (\$2,400,000 increase)

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

Seeking addition of \$2.4M in project budget for College of Nursing expansion project to increase the total project budget from \$28M to \$30.4M.

Background:

In the 2022 regular session, the Florida Legislature recognized a significant shortage in nursing professionals to meet increasing healthcare needs in the state. The Governor approved line-item funding for an expansion to USF nursing education in the amount of \$33,000,000 to enable the expansion of nursing education; of that allocation, \$5M was designated to the Taneja College of Pharmacy project to support their relocation to a new location downtown thus freeing space for the College of Nursing to expand.

In August of 2022, the Board of Trustees Finance Committee authorized expenditure of \$28M for the College of Nursing project. Since then, USF has completed the Schematic Design process for the renovation and expansion.

The project was conceptualized as a remodel of existing interior space. However, during design phase, consideration was given to maximize the benefit to the University by demolishing a portion of the existing MDN building, rebuilding a more space efficient structure within the same footprint, and renovating remaining portions. The updated plan provides for an innovative, integrated learning environment that allows students smooth transitions from didactic to simulation education, and allows an environment highly conducive to student, staff, and faculty success. It also allows for future expansion.

Summary of Request:

We are requesting approval to increase the project budget by \$2,400,000 to achieve the desired program enhancements. The total project budget will increase from \$28M to \$30.4M.

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

This project supports Strategic Goal #1 - Student success at USF and beyond; Strategic Goal #3 - Partnerships and engagement with local, national, and global impact; Strategic Goal #4 - A diverse and inclusive community for learning and discovery; and Strategic Goal #5 - A strong, sustainable and adaptable financial base.

Funding Source(s):

ARPA Funding - State Appropriations: \$28,000,000
Dean's Academic Success Fund (UMSA): \$2,400,000

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

Budgeted

Prior Approval Process:

Original form approved by Finance Committee on 8/16/2022 for \$28,000,000
Educational Plant Survey Recommendation Supplement approved by Board of Governors on 5/30/23

List Related Projects/Initiatives: (if any)

Taneja College of Pharmacy, Capital Renewal Projects which support the MDN and MDC buildings.

USF or Campus specific: USF Health Tampa Campus

Prepared by: Michelle Begué

Date Requested: 02/27/24

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

USF Approval of Expenditures Exceeding Three Million Dollars

Project/Initiative Name: West Campus Maintenance Facility

Total Project/Initiative Cost: \$3,525,000

Description: A strategic initiative to locate maintenance facilities closer to the outer perimeter of our campus and in proximity to the areas they serve.

Summary of Request:

The new location aims to support our growing campus by providing more convenient maintenance facilities to the areas they serve. Project design is 100% complete and a Guaranteed Maximum Price and Schedule have been secured.

The new West Campus Maintenance Facility (comprised of renovating the existing Health Partnership Complex Annex Building plus use of additional open space nearby) will enable covered storage for machines, material bays, and a covered washdown station, a maintenance shop, a fuel tank for operational needs, and infrastructure by Campus Grounds Teams on the west side of campus.

Conclusion:

We are seeking approval to proceed with the aforementioned scope, ensuring full funding at a not-to-exceed amount of \$3,525,000.

Construction activities are scheduled to commence immediately, with the facility ready for use by mid to late 2024, no later than November 28, 2024.

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

To strategically position maintenance facilities closer to the outer perimeter of our campus and in proximity to the areas they serve. Supports Strategic Goal #1 - Student success at USF and beyond.

Funding Source(s):

Carry Forward

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

Budgeted

Prior Approval Process:

This project is included on the Fixed Capital Outlay and Carry Forward Spend Plan (at a value of \$4M).

List Related Projects/Initiatives: (if any)

USF or Campus specific: Tampa Campus

Prepared by: Everet Simmons

Date Requested: 02/27/24

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 27, 2024

Issue: Argos Redevelopment Proposal – USF Tampa Student Housing

Proposed action: Information Item

Executive Summary:

Demand continues to be strong for the on-campus residential experience at USF. Housing & Residential Education hired an outside firm to complete a comprehensive Facilities Condition Assessment of the residential facilities on the Tampa campus. They have also engaged a leading housing consultant firm to complete a detailed market analysis and demand study. As a result, this project proposal was initiated to create a vibrant new residential community in the heart of campus between the Marshall Student Center and New Stadium. The proposed project will focus on student success and serve as a recruitment and retention tool aligned with the expectations of students at an AAU and preeminent institution. This multi-phase project will capitalize on the limited campus footprint by increasing site density and housing capacity to serve more students.

With the Board’s support, Housing & Residential Education will proceed with the design solicitation and, upon further development, return to the Board for Project Approval.

Financial Impact:

Initial design will be funded by Housing & Residential Education. This will be a bonded project.

Strategic Goal(s) Item Supports:

Goal 1: Student Success at USF and beyond: To promote the success of well-educated, highly skilled, and adaptable alums who, as lifelong learners, lead enriched lives, contribute to the democratic process, function as engaged community citizens, and thus thrive in a dynamic global market.

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 27, 2024

Supporting Documentation Online (please circle): **Yes**

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



UNIVERSITY OF
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A PREEMINENT
RESEARCH
UNIVERSITY

USF Housing & Residential Education

Argos Redevelopment Proposal

Student Housing as a Strategic Priority

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

The Argos Redevelopment Project supports the objective to:

- *Design a strategic, transparent, and predictable budget model*
- *Ensure cost-effective and strategic use of resources*

Value of Living On-campus – More than just a bed



Background

Room Type	Number of Beds
Traditional	1,861
Suites	2,520
Apartments	1,800
Greek Village	347
	6,528

USF Village 1,211 Traditional, 936 Suites, 9 Apartments

1961-1963



912 beds

2000-2009



3,460 beds

2016-2017



2,156 beds



Award Winning Residential Curriculum
10 Living Learning Communities

Award Winning Public-Private
Partnership (USF Village)



Financial Stability and Facility Reinvestment

BUDGET	FYE 2023 (Actual)	FYE 2024 (Projection)	FYE 2025 (Projection)	FYE 2026 (Projection)	FYE 2027 (Projection)
Total Operating Revenues	40,679,048	42,353,348	43,606,113	45,447,002	47,286,543
Total Operating Expenses	23,594,095	26,750,524	23,016,284	24,520,292	25,039,420
Net Income	17,084,954	15,602,824	20,589,828	20,926,710	22,247,123
Debt Service Payment	10,980,729	11,166,609	11,119,886	11,066,532	11,046,442
Debt Service Coverage Ratio	1.56	1.40	1.85	1.89	2.01
Rate Increase	4.5%	4.5%	4.5%	4.5%	4.5%
Occupancy Rate	99%	95%	95%	95%	95%

FACILITY REINVESTMENT	FYE 2023 (Actual)	FYE 2024 (Projection)	FYE 2025 (Projection)	FYE 2026 (Projection)	FYE 2027 (Projection)
Facilities Projects – Non-capital	1,777,767	3,000,000	3,180,000	3,180,000	3,180,000
Facilities Projects – Capital (incl. OCO)	12,233,906	5,429,498	5,353,000	5,353,000	5,353,000
Total Reinvestment	14,011,673	8,429,498	8,533,000	8,533,000	8,533,000
Argos Redevelopment Fund	0	718,768	717,117	748,290	781,921

Argos Community Profile

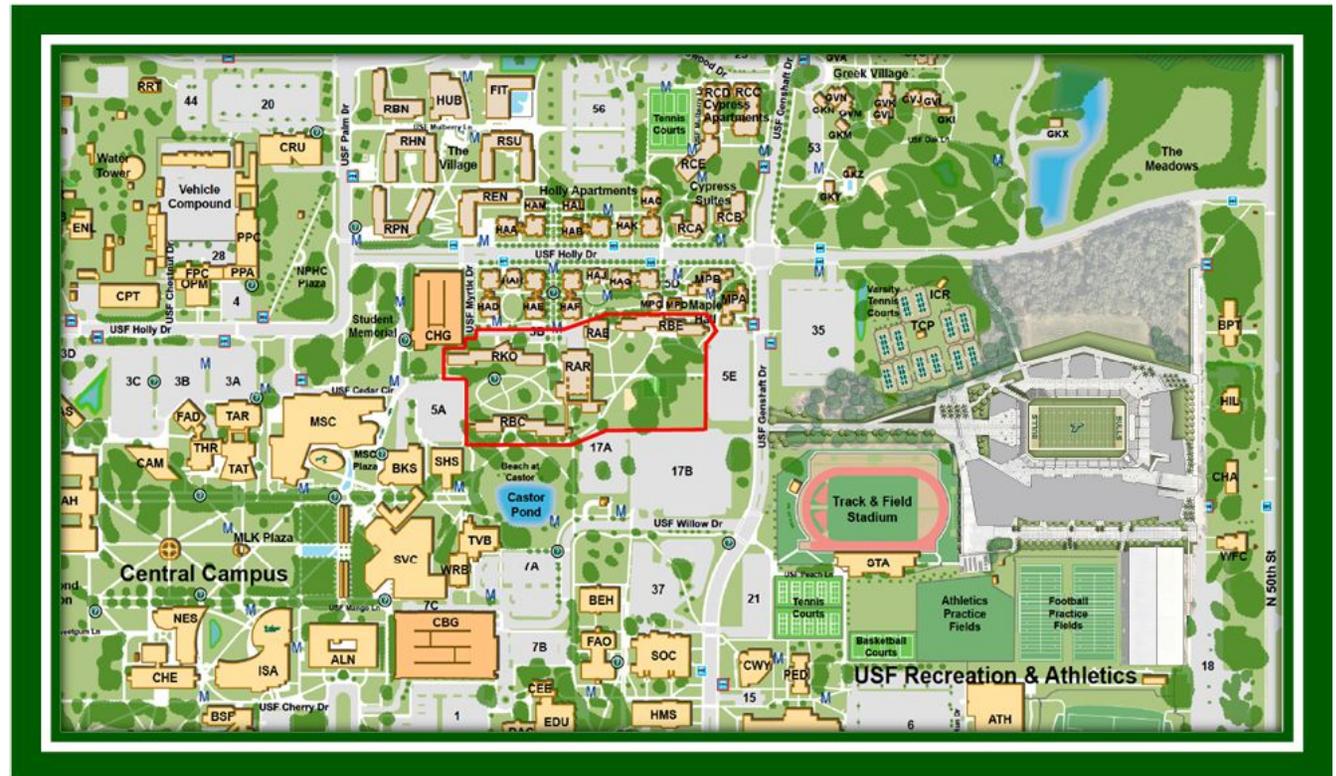
Approximately 6 acres, 295,774 sq. ft. including 4 support buildings and Dining Hall
 Beta, Castor and Kosove have been home to 54,000 students since 1961

Building	Style	Constructed	Renovated	Capacity	FY23 Revenue
Kosove Apartments	Apartment	1961	1998	290	\$1,985,267
Beta Hall	Traditional	1962	2004	364	\$1,718,901
Betty Castor Hall	Traditional	1963	2001	258	\$2,387,255



Argos Redevelopment - Project Drivers

- Aging facilities require significant financial reinvestment and are beyond their useful life as certified by an independent firm
- Provide attractive and affordable student housing options that support student success
- Meet AAU and Preeminence expectations to recruit and retain students
- Increase density to maximize the use of limited campus footprint
- Provide adequate ancillary space to deliver high quality services and support operational needs
- Create showcase residential community in the heart of campus between the Marshall Student Center and the new stadium



Brailsford & Dunlavy: Strategic Asset Valuation

Purpose of SAV: To provide executive insight on current standing and targeted direction.

- Housing Market Supplement
- Competitive Amenity

- Residential Campus Designation
- Neighborhood Creation
- Quality-of-Life System Integration



- Sustainable Design
- Integration of Campus Systems

- Revenue/Occupancy Risk Tolerance
- Financial Accessibility

- Supervision Through Maturity
- Proximity to Educational Resources

Brailsford & Dunlavy: Demand Analysis

Over 5,000 students responded to the survey

Target Market for Demand Analysis:

- > Full-time students
- > 17-24 years old (undergraduate)
- > Living on campus OR if living off campus:
 - Single (without children);
 - Do not live with family / relatives;
 - Personally paying more than \$900 per month

Fall 2022 Housing Demand by Unit-Type

MARKET CONTEXT – HOW MUCH ON-CAMPUS HOUSING DEMAND EXISTS?

Student Classification	Traditional	Semi-Suite	Apartment	Total
First-Years	640	1,407	1,695	3,742
Sophomore	157	366	745	1,268
Junior	177	390	814	1,381
Senior	149	432	605	1,186
Total Demand	1,123	2,595	3,859	7,577
On-Campus Inventory ¹	2,206	2,514	1,816	6,536
Unmet Demand	(1,083)	81	2,043	1,041

Note: Argos Inventory = 651 Traditional + 261 Apartment Beds (914)

Demonstrated Demand

Historical Housing Occupancy	
Year	Tampa
Fall 2023	99%
Fall 2022	97%
Fall 2021*	88%
Fall 2020*	54%
Fall 2019	97%

* COVID-19 Recovery



Demand Exceeds Capacity

8,811 Applications Received for Fall 2023
6,488 = Current capacity

- 1,266 Projected demand shortfall for Fall 2027
- 51% of demand for Fall 2027 is from Non-FTIC students
- Currently, 18% of Tampa undergraduates live on campus.
 - Argos Redevelopment will bring USF Tampa to 21% UND on-campus
 - 74% of AAU institutions are primarily residential with more than 50% of their undergraduate students living in university owned or operated housing.
 - Approximately 13,000 USF Tampa students live within 4 miles of campus

SUS Comparison			
Institution	UND Enrollment	Housing Capacity	% of UND living on-campus
FIU	39,213	4,403	11%
FSU	31,933	6,707	21%
USF (Tampa)	36,759	6,488	18%
UCF	59,548	12,282	21%
UF	40,044	8,903	22%

USF beds count does not include beds for FT staff, show spaces, emergency spaces or guest housing.

Vision for Argos Redevelopment

- Replace 912 beds built in 1960s with approximately 2,100 new beds in a phased approach
- Develop a residential student focused community space and Housing services support center
- Design cutting edge spaces that meet the needs of future student
- Increase site density with 5-6 story buildings
- Create and maintain intentional greenways
- Anticipated budget is \$250M



Illustration to show potential density only. Design, building placement, and phasing to be determined.

Showcase Facilities, Modern Design, and Inviting Community Gathering Space



Next Steps

2024

- Secure support of campus leadership and Board of Trustees for project drivers and vision
- Complete project feasibility assessment (underway)
- Issue Intent to Negotiate (ITN) documents for Project Design, Construction, and Bond underwriters
- Secure appropriate project approvals
- Award Design and Construction firms

2025

- Complete Design
- Secure authorization to issue debt and complete bond offering statement
- Issue initial bonds (2-3 series anticipated)
- Start site preparation work
- Begin construction phase

2027 – 2029

- Fall 2027: Phase I (First new building opens, one building offline)
- Fall 2028: Phase II (Replacement beds)
- Fall 2029: Phase III (Full Expanded Capacity achieved)



UNIVERSITY OF SOUTH FLORIDA

BEST PLACE TO LIVE.

BEST PLACE TO WORK.

BEST PLACE TO LEARN.

USF HOUSING & RESIDENTIAL EDUCATION



DIRECT SUPPORT ORGANIZATIONS

MID-YEAR FORECASTS

FISCAL YEAR 2024

February 27, 2024



DSO Mid-Year Forecasts for FY 2024

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UMSA/MSSC Combined

FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

- UMSA is working with ECG Management Consulting to review the business model between Tampa General Hospital, UMSA, and Academic Medical Group. This group is investigating funds flow models at other academic medical centers that align strategies and financial outcomes between the medical center and faculty practice plan. A model between TGH, UMSA and AMG will be implemented that will de-risk the practice while providing opportunities to share in financial gains.

UMSA and ECG worked through the gathering and analysis of UMSA's FY2023 financial data, and then determined the financial goals to be achieved through clinical integration. Those goals are primarily increased faculty support for clinical activities and for GME activities, as well as support to be invested in the academic and research missions. The financial impact has been presented to TGH, and the next step is to negotiate how to get there and how long it will take.

Describe Management's Actions to Close Significant **Unfavorable Variances or Operating Losses and **Negative Cash Flows Before Fiscal Year End****

- The focus in FY2024 has been to negotiate income support agreements with UMSA's primary affiliated hospital to cover both new and existing providers. It is then important to follow up and make sure these contracts are fully executed. UMSA has been successful in this process, which has led to increased contract revenue.
- The implementation of Qgenda continues across UMSA. While still early in the process, UMSA is confident it will materially improve clinical space utilization, which will ultimately improve provider productivity and patient access.



UMSA/MSSC Combined
FY 2024 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>REVENUES</u>							
Net Patient Service	\$219,804	\$203,887	\$15,917	8 %	\$197,429	\$187,498	\$191,974
Grants, Contracts & Awards	127,773	114,865	12,908	11 %	113,029	100,024	94,719
UPL/PCIP	33,151	38,832	(5,681)	(15)%	35,171	43,090	40,491
Other Revenue	38,325	35,770	2,555	7 %	41,265	53,511	41,798
Total Revenues	\$419,053	\$393,353	\$25,700	7 %	\$386,894	\$384,123	\$368,982
<u>EXPENSES</u>							
Faculty Support	\$244,566	\$223,306	\$21,260	10 %	\$218,363	\$193,049	\$172,985
Housestaff Support	17,400	15,364	2,036	13 %	15,742	15,046	12,660
Other Staff Support	26,054	30,416	(4,362)	(14)%	28,590	63,428	101,031
USFTGP Staff Support	75,106	74,276	830	1 %	66,196	29,287	0
Depreciation/Amortization	7,390	5,912	1,478	25 %	7,166	6,136	5,047
Other Expenses	46,334	51,328	(4,994)	(10)%	46,392	48,024	55,384
Total Expenses	\$416,850	\$400,602	\$16,248	4 %	\$382,449	\$354,970	\$347,107
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$2,203	\$(7,249)	\$9,452	130 %	\$4,445	\$29,153	\$21,875
Unrealized Investment Gains (Losses)	1,105	0	1,105	%	2,552	(2,904)	3,041
Contribution to MCOM	(8,743)	0	(8,743)	%	(10,242)	0	0
Gain (Loss) on Disposal of Capital Assets	0	0	0	%	(44)	2,454	0
Other Non Operating Expense	0	0	0	%	(35)	(18)	0
Total Non-Cash Changes	\$(7,638)	\$0	\$(7,638)	%	\$(7,769)	\$(468)	\$3,041
NET OPERATING PROFIT	\$(5,435)	\$(7,249)	\$1,814	25 %	\$(3,324)	\$28,685	\$24,916
Operating Profit Margin	1%	-2%	2 %		1%	8%	6%



UMSA/MSSC Combined
FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$(5,435)	\$(7,249)	\$1,814	25 %	\$(3,324)	\$28,684	\$24,916
Adjustments for Non-Cash Activities:							
Depreciation/Amortization	7,390	5,912	1,478	25 %	7,166	6,136	5,047
Unrealized (gains) losses	0	0	0	%	2,552	2,904	(3,041)
Operating Assets and Liabilities	4,761	17,916	(13,155)	(73)%	11,058	6,041	(69,014)
Total Cash From Operating Activities	\$6,716	\$16,580	\$(9,864)	(59)%	\$17,452	\$43,765	\$(42,093)
<u>FINANCING ACTIVITIES</u>							
Capital Expenditures	\$(4,000)	\$(4,000)	\$0	0 %	\$(4,517)	\$(3,906)	\$(1,613)
Proceeds from Sale of Capital Assets	0	0	0	%	53	3,465	13
Interest Payments	(2,438)	(2,362)	(76)	(3)%	(2,589)	(2,295)	(2,429)
Transfer to USF FC - Leases on MOBs	(2,576)	(2,710)	135	5 %	(2,525)	(2,465)	(2,306)
Principal paid on right-to-use lease liability	(2,460)	(2,460)	0	0 %	(3,318)	(2,411)	
Total Cash From Financing Activities	\$(11,474)	\$(11,532)	\$59	1 %	\$(12,896)	\$(7,612)	\$(6,335)
<u>INVESTING ACTIVITIES</u>							
Net (Purchases) Sales of Investments	\$1,105	\$0	\$1,105	%	\$0	\$(20,000)	\$21,042
Interest and Dividends on Investments	0	0	0	%	257	395	3,041
Total Cash From Investing Activities	\$1,105	\$0	\$1,105	%	\$257	\$(19,605)	\$24,083
CHANGE IN CASH							
Cash, Beginning of Year	32,011	2,418	29,593	1,224 %	4,813	16,548	(24,345)
Cash, End of Year	\$28,359	\$7,466	\$20,893	280 %	\$32,011	\$27,198	\$10,650
Total Cash & Investments	\$30,446	\$31,225	\$(779)	(2)%	\$47,790	\$50,957	\$17,314
Days Cash on Hand	29	30	(1)	(3)%	49	56	19



UMSA/MSSC Combined
FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST*	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
ASSETS								
Cash & Investments	\$17,314	\$50,957	\$47,790	\$30,446	\$34,347	\$34,691	\$35,038	\$35,388
Fixed Assets	51,410	64,806	71,395	78,726	82,726	83,726	84,726	85,726
Other Assets	83,336	121,910	99,572	105,638	72,075	55,929	43,109	30,819
Total Assets	\$152,060	\$237,672	\$218,757	\$214,810	\$189,149	\$174,346	\$162,873	\$151,933
LIABILITIES								
Payables	\$12,991	\$39,493	\$40,889	\$14,928	\$15,077	\$15,228	\$15,380	\$15,534
Long-Term Debt	46,536	40,758	56,858	43,820	38,379	33,613	29,440	25,784
Other Liabilities	26,001	57,316	20,873	67,802	51,584	46,426	44,104	41,899
Total Liabilities	\$85,528	\$137,567	\$118,620	\$126,549	\$105,040	\$95,267	\$88,924	\$83,217
NET ASSETS	\$66,532	\$100,106	\$100,137	\$88,261	\$84,109	\$79,079	\$73,949	\$68,716
Days Cash on Hand	19	57	46	29	31	31	30	30
REVENUES								
Net Patient Service	\$191,974	\$187,498	\$197,429	\$219,804	\$223,995	\$228,816	\$233,759	\$238,827
Grants, Contracts & Awards	94,719	100,024	113,029	127,773	131,606	135,554	139,621	143,810
UPL	40,491	43,090	35,171	33,151	39,609	40,401	41,209	42,033
Other Revenues	41,798	53,511	41,265	38,325	38,900	39,872	40,869	41,891
Total Revenues	\$368,983	\$384,122	\$386,894	\$419,053	\$434,109	\$444,643	\$455,458	\$466,560
EXPENSES								
Faculty Support	\$172,985	\$193,049	\$218,363	\$244,566	\$251,903	\$259,461	\$267,244	\$275,262
Housestaff Support	12,660	15,046	15,742	17,400	15,672	15,985	16,305	16,631
Other Staff Support	101,031	63,428	28,590	26,054	31,025	31,645	32,278	32,924
USFTGP Staff Support	0	29,287	66,196	75,106	75,761	77,276	78,822	80,398
Other Expenses	55,384	48,024	46,392	46,334	52,355	52,878	53,407	53,941
Total Expenses	\$342,061	\$348,834	\$375,283	\$409,460	\$426,716	\$437,245	\$448,056	\$459,156
Changes	\$26,922	\$35,289	\$11,611	\$9,593	\$7,394	\$7,398	\$7,402	\$7,405
Total Non-Cash Changes	\$(5,047)	\$(6,136)	\$(7,166)	\$(7,390)	\$(7,394)	\$(7,398)	\$(7,402)	\$(7,405)
NET OPERATING PROFIT	\$21,875	\$29,152	\$4,445	\$2,203	\$0	\$0	\$0	\$0
Operating Profit Margin	6%	8%	1%	1%	0%	0%	0%	0%
Unrealized Investment Gains (Losses)	\$3,041	\$(2,904)	\$2,552	\$1,105	\$0	\$0	\$0	\$0
Contribution to MCOM	0	0	(10,242)	(8,743)	0	0	0	0
Gain (Loss) on Disposal of Capital Assets	0	2,454	(44)	0	0	0	0	0
Other Non Operating Expense	0	(18)	(35)	0	0	0	0	0
Total Non-Operating Changes	\$3,041	\$(468)	\$(7,769)	\$(7,638)	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$24,916	\$28,684	\$(3,324)	\$(5,435)	\$0	\$0	\$0	\$0

*Note: FY25 forward assumes new USF-TGH Funds Flow.



USF FOUNDATION, INC.

FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

- The Division of University Advancement has made a significant investment in Prospect Research Management to facilitate and grow the crucial impact of philanthropy for USF. This initiative will further the USF Foundation's ability to meet annual fundraising goals with enhanced support and training provided by this team to front-line fundraisers.
- The newly formed Principal Gifts Team has already produced over \$22 million in new gifts for the university and this team will cultivate transformative gift opportunities that will generate an expansion of resources over the long term for the University.
- The talent acquisition is underway for a Regional Fundraising Team that 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.

Describe Management's Actions to Close Significant **Unfavorable Variances or **Operating Losses** and **Negative Cash Flows Before Fiscal Year End****

- Other Transfers and expenses under program services is projected to increase in comparison to the annual plan, due to a transfer to USF to advance fund pledges associated with the on campus stadium.



USF FOUNDATION, INC.

FY 2024 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>REVENUES</u>							
Gifts & Donations	\$66,550	\$64,550	\$2,000	3 %	\$64,769	\$82,693	\$64,667
Investment Income (Loss)	57,632	57,632	0	0 %	43,509	(103,786)	192,303
University Support	14,723	14,123	600	4 %	15,684	13,729	13,209
Other Revenues	2,951	2,951	0	0 %	2,341	2,424	2,473
Total Revenues	\$141,856	\$139,256	\$2,600	2 %	\$126,303	\$(4,940)	\$272,652
<u>EXPENSES</u>							
Program Services							
Salaries & Benefits	\$24,277	\$21,768	\$2,509	12 %	\$26,306	\$22,514	\$20,721
Scholarship & Fellowship	11,976	11,653	323	3 %	13,201	11,452	10,802
Service & Independent Contractors	4,414	4,327	87	2 %	4,948	4,700	1,619
Supplies	788	2,387	(1,599)	(67)%	2,473	957	884
Other Transfers & Expenses	40,985	23,985	17,000	71 %	43,946	37,599	18,791
Total Program Expenses	\$82,440	\$64,120	\$18,320	29 %	\$90,874	\$77,222	\$52,817
Fundraising & Operating Expenses							
Salaries & Benefits	\$18,217	\$17,860	\$357	2 %	\$19,373	\$17,110	\$16,188
Service & Independent Contractors	1,266	1,421	(155)	(11)%	870	1,669	1,042
Other Transfers & Expenses	2,571	2,434	137	6 %	3,452	1,796	1,429
Total Fundraising & Operating Expenses	\$22,055	\$21,715	\$340	2 %	\$23,695	\$20,575	\$18,659
Total Expenses	\$104,494	\$85,835	\$18,659	22 %	\$114,569	\$97,797	\$71,476
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$37,362	\$53,421	\$(16,059)	(30)%	\$11,734	\$(102,737)	\$201,176
Total Non-Cash Changes	\$0	\$0	\$0	%	\$0	\$0	\$0
NET OPERATING PROFIT	\$37,362	\$53,421	\$(16,059)	(30)%	\$11,734	\$(102,737)	\$201,176
Operating Profit Margin	26%	38%	(12)%		9%	2080%	74%



USF FOUNDATION, INC.

FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$37,362	\$53,421	\$(16,059)	(30)%	\$11,734	\$(134,363)	\$201,176
Adjustment for Non-Cash Activities:							
Investment (gain) losses	(57,632)	(57,632)	0	0 %	(43,509)	103,785	(179,278)
Change in assets & liabilities	(14,071)	(14,071)	0	0 %	(13,474)	(16,971)	(19,976)
Total Cash From Operating Activities	\$(34,341)	\$(18,282)	\$(16,059)	(88)%	\$(45,249)	\$(47,549)	\$1,922
<u>FINANCING ACTIVITIES</u>							
Interest Paid on Debt	\$(105)	\$(105)	\$0	0 %	\$(93)	\$(99)	\$(109)
Principal Paid on Debt	(423)	(423)	0	0 %	(443)	(402)	(391)
NonCapital Financing activities	17,226	17,226	0	0 %	13,680	17,662	13,139
Total Cash From Financing Activities	\$16,698	\$16,698	\$0	0 %	\$13,144	\$17,161	\$12,639
<u>INVESTING ACTIVITIES</u>							
Receipt of loan repayment on loan to DSO	\$0	\$0	\$0	%	\$266	\$400	\$400
Net (Purchases) Sales of Investment	9,480	(7,325)	16,805	229 %	18,270	23,328	(32,359)
Interest dividends reinvested	8,921	8,921	0	0 %	12,340	7,839	13,025
Total Cash From Investing Activities	\$18,401	\$1,596	\$16,805	1,053 %	\$30,876	\$31,567	\$(18,934)
CHANGE IN CASH	758	12	746	6,213 %	(1,229)	1,179	(4,373)
Cash, Beginning of Year	501	1,247	(746)	(60)%	1,730	551	4,924
Cash, End of Year	\$1,259	\$1,259	\$(0)	(0)%	\$501	\$1,730	\$551
Total Cash & Investments	\$111,146	\$111,146	\$0	0 %	\$107,314	\$116,951	\$132,115
Days Cash on Hand	388	473	(84)	(18)%	342	436	675

[7]



USF FOUNDATION, INC.

FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
<u>ASSETS</u>								
Cash & Investments	\$132,115	\$116,951	\$107,314	\$111,146	\$108,646	\$106,146	\$103,646	\$104,682
Fixed Assets	10,725	10,606	10,488	10,380	10,276	10,174	10,072	9,971
Other Assets	786,838	693,518	719,726	776,009	836,349	906,034	985,038	1,070,030
Total Assets	\$929,678	\$821,075	\$837,528	\$897,536	\$955,271	\$1,022,354	\$1,098,756	\$1,184,683
<u>LIABILITIES</u>								
Payables	\$408	\$1,985	\$2,758	\$1,117	\$1,039	\$1,060	\$1,081	\$1,103
Long-Term Debt	3,942	3,540	3,127	2,704	2,269	1,822	1,364	894
Other Liabilities	36,098	29,057	33,415	33,232	33,682	35,682	38,032	40,462
Total Liabilities	\$40,448	\$34,582	\$39,300	\$37,053	\$36,990	\$38,564	\$40,477	\$42,459
NET ASSETS	\$889,230	\$786,493	\$798,228	\$860,483	\$918,281	\$983,790	\$1,058,279	\$1,142,224
Days Cash on Hand	675	436	342	388	456	440	425	424
<u>REVENUES</u>								
Gifts & Fundraising Revenue	\$64,667	\$85,117	\$67,110	\$66,550	\$67,778	\$71,166	\$74,725	\$78,461
University Support	13,209	13,729	15,684	14,723	15,148	15,873	16,598	17,323
Other Revenues	194,776	(103,786)	43,509	60,583	61,765	66,431	72,212	78,305
Total Revenues	\$272,652	\$(4,940)	\$126,303	\$141,856	\$144,691	\$153,470	\$163,535	\$174,089
<u>EXPENSES</u>								
Salaries & Benefits	\$36,910	\$39,624	\$45,679	\$42,494	\$40,222	\$40,826	\$41,438	\$42,060
Scholarships & Fellowship	10,802	13,121	14,071	11,976	11,770	11,887	12,006	12,126
Other Expenses	23,764	45,052	54,819	50,024	34,900	35,249	35,601	35,957
Total Expenses	\$71,476	\$97,797	\$114,569	\$104,494	\$86,892	\$87,962	\$89,045	\$90,143
Changes	\$201,176	\$(102,737)	\$11,734	\$37,362	\$57,799	\$65,508	\$74,490	\$83,946
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$201,176	\$(102,737)	\$11,734	\$37,362	\$57,799	\$65,508	\$74,490	\$83,946
Operating Profit Margin	74%	2080%	9%	26%	40%	43%	46%	48%



USF Research Foundation, Inc.

FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

- Lease up of the Research Park Mixed Use Lab and Office building (3814 Spectrum) continues to make good progress. We are on target for the FY24 revenue projection. The FY25 projection expects an increase to 80,000sf and full occupancy in FY26. Capital expenditures for tenant improvements and research facility infrastructure will be largely captured in FY24 and FY25. All other Research Park buildings remain fully occupied and leased.
- As directed by the University, the FY24 Approved Plan included a cost allocation of \$4.28M 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, these expenses are tracking in line with the Annual Plan.

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 track in line with the Annual Plan.

- 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 2024. The transfer of this fiduciary cash to the University's chartfield for benefit of the USF Incubator Program, reduces the University's FY 2024 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.

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

- Construction on 23,000 square feet of research lab space is underway with occupancy and revenue generation expected by September. Negotiations on space in the 3814 Spectrum building continue with interest from several university units along with external marketing for corporate research teams. The Soft Landing Labs consisting of 5 wet lab/work modules are fully leased with a waitlist. A grant application is pending for the development of additional incubator facilities that will add new labs, offices, and collaborative spaces to serve the university spinout and technology startup community. The incubator program's existing wet lab facilities have a three-year waitlist and an external demand study validates the need for additional facilities.
- Technology Transfer continues to place an emphasis on the monetization of the IP portfolio through licensing as well as through infringement litigation and currently has lawsuits pending. The timing and settlement amounts cannot be easily forecasted, but when settled, would provide a favorable budget variance.
- Technology Transfer/Research Foundation are collaborating with the University for support of the metrics produced by the Technology Transfer Office which contribute to preeminence and AAU.
- Technology Transfer is actively seeking partnering opportunities with third parties to provide technology transfer services as a fee for service.



USF Research Foundation, Inc.

FY 2024 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
REVENUES							
Rental Revenue	\$10,814	\$10,814	\$0	0 %	\$8,763	\$9,257	\$9,252
Intellectual Property Revenue (TTO Initiator)	3,050	3,050	-	0 %	2,264	3,868	2,561
Intellectual Property Revenue - Equity Transactions	-	-	-	%	-	-	7,433
NMR Use License Fee	-	-	-	%	-	-	244
Other Operating Revenues	163	163	-	0 %	176	183	172
Total Revenues	\$14,027	\$14,027	\$0	0 %	\$11,202	\$13,308	\$19,661
EXPENSES							
Salaries & Benefits	\$1,449	\$1,449	-	0 %	\$1,250	\$1,143	\$1,196
Operations - Research Park	4,576	4,576	-	0 %	3,698	3,879	3,212
Operations - New Research Park Building	993	993	-	0 %	409	509	5
IP Program Expense - Royalties & Direct Tech Costs	2,255	2,255	-	0 %	1,575	2,823	1,836
IP University Exp - TTO Cost Allocation to DSO	4,279	4,279	-	0 %	3,299	2,169	-
Other Program Expense	40	40	-	0 %	22	64	87
Other Operating Expenses	211	211	-	0 %	182	215	164
UBC Net Expense (University Business Center)	123	123	-	0 %	(345)	338	234
Interest Expense	1,254	1,254	-	0 %	874	910	621
Depreciation & Amortization	3,863	3,863	-	0 %	4,599	2,847	2,786
Total Expenses	\$19,042	\$19,042	\$0	0 %	\$15,562	\$14,898	\$10,142
NET OPERATING PROFIT (LOSS)	\$(5,015)	\$(5,015)	\$0	0 %	\$(4,360)	\$(1,589)	\$9,520
Investment Income	1,757	1,757	-	0 %	3,292	(6,095)	11,864
Investment Income (Loss) - IP Equity Transaction	-	-	-	%	(531)	(11,602)	5,509
Interest Income - GASB 87 Lessor Revenue	-	-	-	%	1,579	1,733	-
Non-Operating Interest Exp (New Bldg Construction)	-	-	-	%	(470)	(487)	(927)
Total Non-Operating	\$1,757	\$1,757	\$0	0 %	\$3,870	\$(16,451)	\$16,446
NET INCOME (LOSS)	\$(3,259)	\$(3,259)	\$0	0 %	\$(490)	\$(18,041)	\$25,966
Operating Profit Margin	-35.8%	-35.8%		0.0 %	-38.9%	-11.9%	48.4%



USF Research Foundation, Inc.

FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Income (Loss)	\$(3,259)	\$(3,259)	\$0	0 %	\$(490)	\$(18,041)	\$25,966
Adjustments for Non-Cash Activities:							
Add back (deduct) Non-Cash Investment Loss (Gain)	(1,357)	(1,357)	-	0 %	(2,219)	18,191	(16,875)
Add back Depreciation/Amortization Expense	3,863	3,863	-	0 %	4,599	2,847	2,786
Add back Other Non-Cash Expense	80	80	-	0 %	30	131	119
Less Other Non-Cash Revenue	-	-	-	%	(696)	(1,162)	(7,685)
Changes in Operating Assets and Liabilities	105	105	-	0 %	(3,906)	1,670	(2,381)
Total Cash From Operating Activities	\$(568)	\$(568)	\$0	0 %	\$(2,682)	\$3,636	\$1,930
<u>FINANCING ACTIVITIES</u>							
Principal Payment - Note Payable	\$(870)	\$(870)	\$0	0 %	\$(835)	\$(805)	\$(775)
Finance Purchase Lease Obligation - UDI Bldg	(274)	(274)	-	0 %	(263)	(252)	(261)
Finance Purchase Lease Obligation - 3814 Bldg	(1,014)	(1,014)	-	0 %	(975)	(936)	(900)
Redeem Investments for New Building	8,825	8,825	-	0 %	4,299	3,500	1,827
Payment - UBC Lease Liability	-	-	-	%	(666)	-	-
Redeem Investments - Truist Equity to Operating Cash	3,259	3,259	-	0 %	-	-	275
Total Cash From Financing Activities	\$9,926	\$9,926	\$0	0 %	\$1,561	\$1,507	\$166
<u>INVESTING ACTIVITIES</u>							
Capital Expenditures	\$(4,371)	\$(4,371)	\$0	0 %	\$(612)	-	\$(258)
Capital Expenditures - New Building	(8,825)	(8,825)	-	0 %	-	(3,417)	-
Purchase of Investments	-	-	-	%	(339)	-	-
Seed Capital Loan Repayments (Issuance)	-	-	-	%	-	-	35
Total Cash From Investing Activities	\$(13,197)	\$(13,197)	\$0	0 %	\$(951)	\$(3,417)	\$(223)
CHANGE IN CASH							
Cash, Beginning of Year	(3,839)	(3,839)	-	0 %	(2,072)	1,726	1,874
Cash, End of Year	4,983	4,229	754	18 %	7,056	5,330	3,456
	\$1,145	\$391	\$754	193 %	\$4,983	\$7,056	\$5,330
Total Cash & Investments	\$39,051	\$35,182	\$3,869	11 %	\$45,793	\$49,407	\$57,521
Days Cash on Hand	304	257	47	18 %	597	488	770

[11]



USF Research Foundation, Inc.

FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST				
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
ASSETS								
Cash & Investments	\$57,521	\$49,407	\$45,793	\$39,051	\$28,601	\$25,894	\$27,518	\$29,227
Fixed Assets	33,225	57,497	54,275	83,357	93,213	102,110	108,679	115,158
Other Assets	40,148	79,194	77,507	71,274	65,659	60,543	55,927	51,811
Total Assets	\$130,894	\$186,097	\$177,576	\$193,682	\$187,472	\$188,547	\$192,123	\$196,196
LIABILITIES								
Payables	\$10,178	\$2,777	\$3,447	\$4,327	\$3,889	\$3,967	\$4,046	\$4,167
Long-Term Debt	17,618	41,726	39,653	37,494	35,247	32,909	30,479	27,947
Other Liabilities	7,205	63,743	57,115	51,404	46,263	41,637	37,473	33,726
Total Liabilities	\$35,002	\$108,246	\$100,215	\$93,225	\$85,399	\$78,513	\$71,998	\$65,841
NET ASSETS	\$95,892	\$77,852	\$77,361	\$100,457	\$102,072	\$110,034	\$120,125	\$130,355
Days Cash on Hand	770	488	597	304	107	32	56	79
REVENUES								
Rental Revenue	\$9,252	\$9,257	\$8,763	\$10,814	\$12,723	\$14,724	\$15,699	\$17,145
Intellectual Property Revenue	9,993	3,868	2,264	3,050	3,160	3,365	3,570	3,875
Other Revenues	416	183	176	163	171	180	189	198
Total Revenues	\$19,661	\$13,308	\$11,202	\$14,027	\$16,054	\$18,269	\$19,457	\$21,218
EXPENSES								
Salaries & Benefits	\$1,196	\$1,143	\$1,250	\$1,449	\$1,507	\$1,553	\$1,599	\$1,647
Operations - Research Park	3,212	3,879	4,107	5,569	6,110	6,656	6,610	7,082
Other Expenses	5,733	9,876	10,206	12,024	13,946	14,276	14,598	14,837
Total Expenses	\$10,142	\$14,898	\$15,562	\$19,042	\$21,563	\$22,484	\$22,807	\$23,565
Operating Profit Before Non-Operating	\$9,520	\$(1,589)	\$(4,360)	\$(5,015)	\$(5,509)	\$(4,216)	\$(3,350)	\$(2,347)
Total Non-Operating, Net	16,446	(16,451)	3,870	1,757	1,598	1,535	1,624	1,718
NET INCOME (LOSS)	\$25,966	\$(18,041)	\$(490)	\$(3,259)	\$(3,911)	\$(2,681)	\$(1,726)	\$(629)
Operating Profit Margin	48.4%	-11.9%	-38.9%	-35.8%	-34.3%	-23.1%	-17.2%	-11.1%

[12]



USF Health Professions Conferencing Corporation

FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

- HPCC, through the CAMLS facility, continues to support USF's mission by providing access to flexible simulation, education, and anatomical/cadaveric training space to our students, including Morsani College of Medicine Undergraduate Medical Education (UME), Graduate Medical Education (GME), and Physician's Assistant (PA), College of Nursing Certified Registered Nurse Anesthetist (CRNA) Program, Muma College of Business, and most recently Taneja College of Pharmacy. HPCC provides these services at cost, inclusive of all PO&M funding received for CAMLS.
- The FY24 financial plan anticipated continued momentum from external clients witnessed during the first half of FY23, due to post-COVID pent up demand. Unfortunately, because of unanticipated economic factors such as the increased costs for travel, decreased continuing education dollars for physicians, and lack of local hotel availability, the demand was not sustained in the first half of FY24. Clients are conducting smaller trainings, requiring less space, and many medical associations are choosing venues outside of Florida due to their organization's perspectives related to recent changes in Florida laws. Special projects that help HPCC achieve breakeven such as governmental contracts and grants as well as international consulting require longer lead-times and thus have not yet been secured for FY24.
- CAMLS has successfully leveraged its unique capabilities and expertise to build out a research division focused on emerging technologies in training and education including virtual reality, artificial intelligence, and simulation. This division has already achieved its first milestone by being awarded a National Institutes of Health SBIR Phase 2 grant in partnership with Immertec, a local virtual reality startup, for a combined award amount of \$1.6M (\$530K USF) which will also help support USF's goal of maintaining AAU status. Currently, HPCC does not receive indirect support from the university for the use of simulation and vivarium space for research, but the desired long term is to receive indirect fees from research which will offset costs for staff and space, leading to a positive impact on HPCC's operating income.
- The Office of Continuing Professional Development (OCPD) has expanded its portfolio of online programming in partnership with medical education companies (MECs) and although it will produce incrementally better results in FY24 support, continued support will be required from MCOM to underwrite USF programming.

Describe Management's Actions to Close Significant **Unfavorable Variances or Operating Losses and Negative Cash Flows Before Fiscal Year End**

- The significant unfavorable variance for 'Continuing Professional Development' is partially offset by decreased 'Direct Program Expense' and decreased 'Wages and Benefits', but the expected \$200K shortfall to achieve breakeven will be closed with support from MCOM. Future price increases for below cost USF services will decrease support.
- The significant unfavorable variance for 'CAMLS - Industry, Societies, Healthcare' is partially offset by decreased 'Direct Program Expense' and decreases in other expense line items. The expected shortfall to cover debt service, capital improvement needs, and operating expenses will be closed with support from MCOM. While the core external business of providing services and space for diversified clientele one-time events continues to grow, the longer lead time international consulting clients, CAMLS developed curriculum, government contracts and dedicated training site contracts for device makers will reduce the support required from MCOM as they have in the past.
- Year over year increasing wage expenses is driven by competitive wage increases, staffing additions for social media, instructional design and faculty to create content unique to CAMLS and other longer term initiatives of enhancing the quality of programming, expanding and enhancing the USF Health CAMLS brand, research and international opportunities. The staffing profile is right for long term success. USF Health Facilities staff and MDD external event staff have also shifted to HPCC from MCOM.
- With the increased demand to use CAMLS space by USF basic science and clinical researchers, renegotiation of the flow of indirect fees back to HPCC will maintain minimal line-item costs for NIH grant proposals and ensure maximal opportunity for successful award.
- HPCC leadership involvement in the negotiation of USF and USF Health service line contracts will ensure services are based on the needs of CAMLS while maintaining USF's flexibility to leverage economies of scale through centralized contracts.



USF Health Professions Conferencing Corporation
FY 2024 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

REVENUES

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
Continuing Professional Development	\$9,715	\$11,986	\$(2,271)	(19)%	\$5,630	\$8,721	\$3,455
CAMLS - USF Health Programming	2,252	2,220	32	1 %	2,607	2,246	2,076
CAMLS - Industry, Societies, Healthcare	3,723	4,816	(1,093)	(23)%	3,678	3,391	1,555
Other HPCC Divisions	500	500	0	0 %	398	33	10
In Kind Donations	0	0	0	%	0	0	11
Rents, Parking, Rebates, Interest	384	401	(17)	(4)%	510	452	274
Gain on Sale of Fixed Assets	0	0	0	%	10	6	7
Gain on Lease Termination	0	0	0	%	683	0	0
Transfer from USF-Plant Operations & Maint.	1,293	1,293	0	0 %	1,293	1,293	1,294
USF Carryforward funding - temp staffing - programs	597	0	597	%	0	0	69
Transfer from UMSA Continuing Ed - Faculty, Students	890	400	490	123 %	458	884	270
Total Revenues	\$19,354	\$21,616	\$(2,262)	(10)%	\$15,267	\$17,025	\$9,021
<u>EXPENSES</u>							
Wages and Benefits	\$4,582	\$4,765	\$(182)	(4)%	\$4,159	\$3,758	\$3,611
Wages - program driven temporary staffing	60	160	(100)	(63)%	71	71	71
Utilities, Leases, Maint., Supplies, Marketing	1,766	1,976	(210)	(11)%	1,885	1,870	1,567
Direct Program Expense	11,097	13,296	(2,199)	(17)%	6,887	9,597	3,538
Interest	249	235	14	6 %	275	289	346
In Kind Expense	0	0	0	%	0	0	11
Depreciation & Amortization	842	747	95	13 %	795	938	961
Total Expenses	\$18,596	\$21,179	\$(2,583)	(12)%	\$14,072	\$16,523	\$10,105
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$758	\$437	\$321	73 %	\$1,195	\$503	\$(1,084)
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Total Non-Cash Changes	\$0	\$0	\$0	%	\$0	\$0	\$0
NET OPERATING PROFIT	\$758	\$437	\$321	73 %	\$1,195	\$503	\$(1,084)
Operating Profit Margin	4%	2%		2 %	8%	3%	-12%



USF Health Professions Conferencing Corporation

FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$758	\$437	\$321	73 %	\$1,195	\$503	\$(1,084)
Adjustments for Non-Cash Activities:							
Depreciation	842	747	95	13 %	795	938	961
Adjustments for Changes in Operating Assets and Liabilities	350	0	350	%	(1,779)	(497)	(921)
Total Cash From Operating Activities	\$1,950	\$1,184	\$766	65 %	\$211	\$944	\$(1,044)
<u>FINANCING ACTIVITIES</u>							
Proceeds of Long-Term Debt	\$0	\$0	\$0	%	\$0	\$0	\$0
Principal Payments	(1,132)	(1,132)	0	0 %	(1,210)	(1,253)	(1,142)
Total Cash From Financing Activities	\$(1,132)	\$(1,132)	\$0	0 %	\$(1,210)	\$(1,253)	\$(1,142)
<u>INVESTING ACTIVITIES</u>							
Capital Expenditures	\$(749)	\$(200)	\$(549)	(275)%	\$(859)	\$(39)	\$(126)
Proceeds on Sale of Fixed Assets (net)	0	0	0	%	10	6	7
Proceeds on Lease Termination	0	0	0	%	683	0	0
Total Cash From Investing Activities	\$(749)	\$(200)	\$(549)	(275)%	\$(166)	\$(33)	\$(119)
CHANGE IN CASH	69	(148)	217	147 %	(1,165)	(342)	(2,305)
Cash, Beginning of Year	476	1,492	(1,016)	(68)%	1,641	1,983	4,288
Cash, End of Year	\$546	\$1,344	\$(799)	(59)%	\$476	\$1,641	\$1,983
Total Cash & Investments	\$546	\$1,344	\$(799)	(59)%	\$476	\$1,641	\$1,983
Days Cash on Hand	11	24	(13)	(53)%	13	38	79



USF Health Professions Conferencing Corporation
FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
ASSETS								
Cash & Investments	\$1,983	\$1,641	\$476	\$546	\$746	\$946	\$1,146	\$1,346
Fixed Assets	15,473	14,617	15,341	15,248	14,948	14,648	14,348	14,048
Other Assets	960	1,577	1,370	1,000	1,000	1,000	1,000	1,000
Total Assets	\$18,416	\$17,835	\$17,187	\$16,794	\$16,694	\$16,594	\$16,494	\$16,394
LIABILITIES								
Payables	\$1,482	\$1,843	\$841	\$841	\$841	\$841	\$841	\$841
Long-Term Debt	11,450	10,395	9,583	8,700	7,556	6,412	5,268	4,124
Other Liabilities	3,004	2,615	2,586	2,500	2,500	2,500	2,500	2,500
Total Liabilities	\$15,936	\$14,853	\$13,010	\$12,041	\$10,897	\$9,753	\$8,609	\$7,465
NET ASSETS	\$2,480	\$2,982	\$4,177	\$4,753	\$5,797	\$6,841	\$7,885	\$8,929
Days Cash on Hand	79	38	12	11	14	18	21	24
REVENUES								
Program Revenues	\$8,537	\$15,769	\$13,606	\$17,483	\$17,983	\$18,483	\$18,983	\$19,483
Transfer from UMSA Continuing Ed - Faculty, Students	250	884	458	1,487	900	900	900	900
Other Revenues	234	373	1,203	384	384	384	384	384
Total Revenues	\$9,021	\$17,026	\$15,267	\$19,354	\$19,268	\$19,768	\$20,268	\$20,768
EXPENSES								
Salaries & Benefits	\$3,682	\$3,829	\$4,230	\$4,642	\$4,735	\$4,830	\$4,926	\$5,025
Program services	6,077	12,406	9,567	13,705	14,005	14,305	14,605	14,905
Interest	346	288	275	249	239	229	219	209
Total Expenses	\$10,105	\$16,523	\$14,072	\$18,596	\$18,979	\$19,364	\$19,750	\$20,139
Changes	\$(1,084)	\$503	\$1,195	\$758	\$289	\$404	\$517	\$629
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$(1,084)	\$503	\$1,195	\$758	\$289	\$404	\$517	\$629
Operating Profit Margin	-12%	3%	8%	4%	1%	2%	3%	3%



Sun Dome Inc.

FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

- Yuengling Center has continued to secure high end concerts and events during the first two quarters of FY 2024, including *AEW Wrestling* and *Yellowcard*. Similar to FY23 when the *Rod Wave* concert was held, the *Fuerza Regida* event set the record again for most profitable concert at the Yuengling Center.
 - Due to the success of shows in the surrounding Tampa Bay area, there is focus on scheduling a wide variety of artists with passionate followings into the building and these have demonstrated to be highly successful & profitable events for Sun Dome.
 - The increase in population to the Tampa Bay area makes the city a key destination for emerging artists and promoters from all types of genres. Due to the city's demand for entertainment, we are working with select tours for multiple day events, such as *Billy Strings* in April.
- Due to strong cash flows coming from maximizing the building for concerts and events, Sun Dome has been able to stay current on outstanding payables and begin to paydown liabilities arising from the COVID-19 pandemic.
- Organization is also focused on updating the appearance and structure of the arena, including replacing the arena floor and lighting around the building to maximize customer experience and support future business operations. This will allow continued growth in the future for not only booking high quality concerts, but for USF events as well.

Describe Management's Actions to Close Significant Unfavorable Variances or Operating Losses and Negative Cash Flows Before Fiscal Year End

- Negative cash flow variance partly due to excess advanced ticket sales carried into FY24 for concerts occurring early in FY24 (such as *Yellowcard*, *Fuerza Regida*, *Louis Tomlinson and more*), resulting in cash outflows being shown for the fiscal year due to settlements. However, no material unfavorable change to net operating profit from original annual plan submission.
 - Other item driving the negative cash flow variance is related to the paydown of outstanding liabilities incurred throughout the COVID-19 pandemic, primarily to TBEP for support operations. Because of the excess cash held throughout the pandemic and the Yuengling Center now being fully open in driving concert/event revenue and cash flow, this liability is being repaid to TBEP with careful consideration of cash needs for future event and University transfers.
 - Similar to FY23, expect more concerts and events will be announced prior to year-end resulting in on-sales driving additional cash flow for Sun Dome to support operational needs. We have multiple dates held for artists (including second date events) that we're negotiating the contracts and availability.
- Due to changes within the concert marketplace, direct event income is trending lower as we're booking high end, highly attended shows, which require increased staffing and promoter shares. However, these higher quality events drive greater revenues from ancillary revenue sources such as rebates, parking, concession, etc. that outweigh the loss in direct event income.



Sun Dome Inc.
FY 2024 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2024	FY 2024	Variance		FY 2023	FY 2022	FY 2021
	MID-YEAR FORECAST	FINANCIAL PLAN	\$	%	ACTUAL RESULTS	ACTUAL RESULTS	ACTUAL RESULTS
REVENUES							
Direct Event Income	\$104	\$263	\$(159)	(60)%	\$(34)	\$336	\$652
Ancillary Revenue:							
Suites/Loge	78	58	20	35 %	76	41	0
Concessions & Novelty	498	430	68	16 %	657	333	8
Parking	424	381	42	11 %	447	391	28
Service Charges	396	406	(10)	(3)%	471	310	17
Ticketmaster Rebates	979	855	124	15 %	1,010	777	0
Total Ancillary Revenues	2,374	2,130	244	11 %	2,662	1,852	53
Miscellaneous	50	50	0	0 %	131	42	(24)
Total Revenues	\$2,528	\$2,443	\$85	3 %	\$2,759	\$2,230	\$681
EXPENSES							
Salaries & Benefits	\$853	\$840	\$13	2 %	\$1,062	\$759	\$784
General & Administrative	485	600	(115)	(19)%	433	482	308
Marketing & Sales	16	16	(0)	(1)%	7	7	6
Equipment & Supplies	139	78	61	78 %	167	62	38
Utilities	30	34	(4)	(12)%	28	40	27
Insurance	168	123	46	37 %	117	102	148
Incentive Fees/Profit Share	296	273	23	9 %	314	295	0
Total Expenses	\$1,987	\$1,964	\$24	1 %	\$2,128	\$1,747	\$1,311
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$540	\$479	\$61	13 %	\$631	\$483	\$(630)
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Total Non-Cash Changes	\$0	\$0	\$0	%	\$0	\$0	\$0
NET OPERATING PROFIT	\$540	\$479	\$61	13 %	\$631	\$483	\$(630)
Operating Profit Margin	21%	20%		2 %	23%	22%	-93%



Sun Dome Inc.
FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024	FY 2024	Variance		FY 2023	FY 2022	FY 2021
	MID-YEAR FORECAST	FINANCIAL PLAN	\$	%	ACTUAL RESULTS	ACTUAL RESULTS	ACTUAL RESULTS
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$540	\$479	\$61	13 %	\$631	\$483	\$(630)
Adjustments for Non-Cash Activities:							
(Increase) Decrease in Accounts Receivable	231	150	81	54 %	(115)	(221)	133
(Increase) Decrease in Prepaids	51	2	49	2,450 %	(79)	0	12
Increase (Decrease) in Accounts Payable	(515)	0	(515)	%	480	85	53
Increase (Decrease) in Accrued Liabilities	(1,070)	(715)	(355)	(50)%	(122)	428	1,231
Increase (Decrease) in Deferred Revenue	(1,139)	225	(1,364)	(606)%	296	2,145	(190)
Total Cash From Operating Activities	\$(1,902)	\$141	\$(2,043)	(1,448)%	\$1,091	\$2,920	\$609
<u>FINANCING ACTIVITIES</u>							
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0
Total Cash From Financing Activities	\$0	\$0	\$0	%	\$0	\$0	\$0
<u>INVESTING ACTIVITIES</u>							
Event Revenue Transfers to USF, net	\$(413)	\$(413)	\$0	0 %	\$(414)	\$(413)	\$(250)
Total Cash From Investing Activities	\$(413)	\$(413)	\$0	0 %	\$(414)	\$(413)	\$(250)
CHANGE IN CASH	(2,315)	(272)	(2,043)	(751)%	677	2,507	359
Cash, Beginning of Year	3,768	2,169	1,599	74 %	3,091	584	225
Cash, End of Year	\$1,454	\$1,897	\$(444)	(23)%	\$3,768	\$3,091	\$584
Total Cash & Investments	\$1,454	\$1,897	\$(444)	(23)%	\$3,768	\$3,091	\$584
Days Cash on Hand	267	353	(86)	(24)%	646	646	163



Sun Dome Inc.
FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
ASSETS								
Cash & Investments	\$584	\$3,091	\$3,768	\$1,454	\$1,253	\$916	\$969	\$1,005
Fixed Assets	279	502	617	386	129	129	129	129
Other Assets	12	12	91	40	27	27	27	27
Total Assets	\$875	\$3,605	\$4,476	\$1,880	\$1,409	\$1,072	\$1,125	\$1,161
LIABILITIES								
Payables	\$121	\$208	\$689	\$174	\$65	\$65	\$65	\$65
Long-Term Debt	2,110	2,538	2,416	1,346	806	398	262	206
Other Liabilities	21	2,166	2,462	1,323	1,821	1,921	2,021	2,121
Total Liabilities	\$2,252	\$4,912	\$5,567	\$2,843	\$2,692	\$2,384	\$2,348	\$2,392
NET ASSETS	\$(1,377)	\$(1,307)	\$(1,091)	\$(963)	\$(1,283)	\$(1,312)	\$(1,223)	\$(1,231)
Days Cash on Hand	163	646	646	267	223	157	159	159
REVENUES								
Direct Event Income	\$652	\$336	\$(34)	\$104	\$250	\$237	\$225	\$214
Ancillary Revenue:								
Suites/Loge	0	41	76	78	61	64	67	71
Concessions & Novelty	8	333	657	498	456	479	503	528
Parking	27	391	447	424	404	424	446	468
Service Charges	17	310	471	396	431	452	475	499
Ticketmaster Rebates	0	777	1,010	979	906	951	999	1,049
Total Ancillary Revenues	52	1,852	2,662	2,374	2,258	2,371	2,489	2,614
Miscellaneous	(23)	42	131	50	50	50	50	50
Total Revenues	\$681	\$2,230	\$2,759	\$2,528	\$2,557	\$2,658	\$2,765	\$2,878
EXPENSES								
Salaries & Benefits	\$784	\$759	\$1,062	\$853	\$891	\$935	\$982	\$1,031
General & Administrative	308	482	433	485	606	618	630	643
Marketing & Sales	6	7	7	16	16	17	17	17
Equipment & Supplies	38	62	167	139	80	81	83	85
Utilities	27	40	28	30	35	35	36	37
Insurance	148	102	117	168	125	128	130	133
Incentive Fees/Profit Share	0	295	314	296	299	319	340	363
Total Expenses	\$1,311	\$1,747	\$2,128	\$1,987	\$2,052	\$2,133	\$2,218	\$2,308
Changes	\$(630)	\$483	\$631	\$540	\$506	\$525	\$546	\$569
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$(630)	\$483	\$631	\$540	\$506	\$525	\$546	\$569
Operating Profit Margin	-93%	22%	23%	21%	20%	20%	20%	20%



University of South Florida Institute of Applied Engineering

FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

- IAE is in year four of its \$85M USSOCOM task order contract and entered into a 5 year \$10M task order based contract supporting USCENTCOM & the USAF 6th Air Refueling Wing. Existing and new task orders, along with contracts with USAF, SOFWERX, and others are projected to generate \$11M in FY24. The IAE is impacted by Congresses delay in approving the Federal Budget and operating on Continuing Resolutions preventing the Federal Government from initiating new projects.
- The IAE has developed an updated 4 year Strategic Plan for growth for partnership with new customers. USF has committed to providing \$4M over two years to invest the IAE Business Development function necessary to achieve economies of scale for a self sustainable organization.
- The IAE completed the implementation of an Enterprise Resource Management System 1Q FY23-24 increasing automation of workflows, quality of data management, and compliance with contractual requirements. This has enabled high quality data available throughout the organization and enabled efficiencies across all departments.
- The IAE has changed the pricing model across all contracts to better align indirect costs across the portfolio. The IAE has also targeted strategic business development opportunities increasing our B2B relationship and repurposing existing assets for increased utilization or higher value add activities.
- IAE has constructed a new 8000 sq ft Rapid Experimentation Laboratory, establishing IAE as a premiere Internet-of-Things applied research provider to DoD and other sponsors. The REL is scheduled to open 3Q FY23-24 and will be opening up new business opportunities with customers within USSOCOM, USCENTCOM, 6ARW, and B2B customers who are awaiting it's opening.

Describe Management's Actions to Close Significant **Unfavorable Variances or Operating Losses and **Negative Cash Flows Before Fiscal Year End****

- Although contract revenues have an unfavorable variance to the budget, this is a result from a single pass-through contract in which 80% of the work was to be executed by a subcontractor. The loss of this contract does not have a significant impact on Net Income.
- The IAE has developed a strategic plan to grow the customers served. As a result, the IAE has made significant investment in sales & marketing to expand the awareness of the capabilities of IAE. We are already seeing growth in development of a partnership with ARL and Federal Health Organizations that will grow over the next 3-5 years.



University of South Florida Institute of Applied Engineering

FY 2024 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

REVENUES

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
Contracts Revenues	\$10,775	\$12,675	\$(1,900)	(15)%	\$12,631	\$7,363	\$5,071
Hillsborough County Grant	1,228	0	1,228	%	1,010	1,608	621
Other Revenues	1,593	875	718	82 %	610	665	1,027
Total Revenues	\$13,596	\$13,550	\$46	0 %	\$14,251	\$9,636	\$6,720

EXPENSES

Direct Project Expenses							
Direct Project Labor	\$3,616	\$3,195	\$421	13 %	\$3,165	\$2,060	\$1,911
Subcontractors & Consultants	3,283	4,787	(1,504)	-31%	5,551	3,381	1,304
Direct Project Travel	370	354	16	4%	44	14	3
Materials & Equipment	159	246	(87)	-35%	307	352	278
USF Shared Services	174	267	(93)	-35%	176	121	266
Other Direct Proj Expenses	288	93	195	210%	69	42	234
Total Direct Project Expenses	\$7,891	\$8,942	\$(1,052)	(66)%	\$9,312	\$5,970	\$3,996
General & Administrative							
G&A Labor	\$1,864	\$2,300	\$(436)	(19)%	\$3,132	\$2,675	\$1,581
Sales & Marketing	224	36	188	528%	55	17	2
Professional Services	382	306	76	25%	303	229	159
Computers & Software	183	194	(11)	-6%	208	158	140
Insurance & Banking	43	58	(15)	-26%	62	42	32
Internal R&D	135	41	94	232%	37	11	21
Human Resources	48	29	19	64%	158	28	9
Facilities	268	452	(185)	-41%	200	144	267
Other Operating Expenses	7	40	(33)	-84%	25	4	48
Total G&A Expenses	\$3,153	\$3,456	\$(303)	(9)%	\$4,180	\$3,309	\$2,261
USF Funded Labor, Marketing, & Travel	\$1,270	\$875	\$395	45 %	\$2	\$81	\$33
Total Expenses	\$12,314	\$13,274	\$(960)	(7)%	\$13,494	\$9,360	\$6,289
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$1,282	\$277	\$1,006	364 %	\$757	\$276	\$430
Depreciation & Amortization	271	391	(119)	(31)%	206	195	64
Total Non-Cash Changes	\$271	\$391	\$(119)	(31)%	\$206	\$195	\$64
NET OPERATING PROFIT	\$1,011	\$(114)	\$1,125	988 %	\$551	\$81	\$366
Operating Profit Margin	9%	2%	7 %		5%	3%	6%



University of South Florida Institute of Applied Engineering

FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024	FY 2024	Variance		FY 2023	FY 2022	FY 2021
	MID-YEAR FORECAST	FINANCIAL PLAN	\$	%	ACTUAL RESULTS	ACTUAL RESULTS	ACTUAL RESULTS
<u>OPERATING ACTIVITIES</u>							
Net Operating Income	\$1,011	\$(114)	\$1,126	984 %	\$551	\$82	\$409
Adjustment for Depreciation & Amortization	271	391	(119)	(31)%	206	137	63
Changes to Current Assets	390	298	92	31 %	6	(1,043)	(1,103)
Changes to Current Liabilities	(130)	(258)	128	50 %	(329)	2,341	1,884
Total Cash From Operating Activities	\$1,542	\$316	\$1,226	388 %	\$434	\$1,517	\$1,252
<u>FINANCING ACTIVITIES</u>							
Long Term Capital Leases	\$931	\$0	\$931	%	(\$301)	\$29	\$(29)
Total Cash From Financing Activities	\$931	\$0	\$931	%	\$(301)	\$29	\$(29)
<u>INVESTING ACTIVITIES</u>							
Rapid Experimentation Lab	\$(2,342)	\$0	\$(2,342)	%	\$(73)	\$(233)	\$(840)
Total Cash From Investing Activities	\$(2,342)	\$0	\$(2,342)	%	\$(73)	\$(233)	\$(840)
CHANGE IN CASH	131	316	(185)	(58)%	61	1,313	383
Cash, Beginning of Year	2,022	1,228	794	65 %	1,961	648	265
Cash, End of Year	\$2,153	\$1,544	\$609	39 %	\$2,022	\$1,961	\$648
Total Cash & Investments	\$2,153	\$1,544	\$609	39 %	\$2,022	\$1,961	\$648
Days Cash on Hand	64	42	21	50 %	55	76	38



University of South Florida Institute of Applied Engineering

FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
ASSETS								
Cash & Investments	\$648	\$1,961	\$2,022	\$2,153	\$3,341	\$3,902	\$5,112	\$6,785
Current Assets	1,292	2,335	2,329	1,940	3,823	5,619	6,952	8,602
Fixed Assets	696	910	1,019	3,361	4,061	4,952	6,063	7,444
Total Assets	\$2,636	\$5,206	\$5,370	\$7,454	\$11,225	\$14,473	\$18,126	\$22,830
LIABILITIES								
Payables	\$2,017	\$4,064	\$3,824	\$3,694	\$6,426	\$7,870	\$8,853	\$9,858
Long-Term Debt	29	0	101	1,032	792	540	276	288
Other Liabilities	174	497	234	214	372	497	615	761
Total Liabilities	\$2,220	\$4,561	\$4,159	\$4,940	\$7,589	\$8,907	\$9,743	\$10,906
NET ASSETS	\$416	\$645	\$1,211	\$2,514	\$3,636	\$5,566	\$8,383	\$11,924
Days Cash on Hand	38	76	55	64	57	50	53	57
REVENUES								
Contract Revenues ¹	\$5,071	\$7,363	\$12,631	\$10,775	\$21,241	\$31,214	\$38,622	\$47,787
Hillsborough County Grant	621	1,608	1,010	1,228	0	0	0	0
Other Revenues	1,070	665	610	1,593	2,250	0	0	0
Total Revenues	\$6,763	\$9,636	\$14,251	\$13,596	\$23,491	\$31,214	\$38,622	\$47,787
EXPENSES								
Direct Project Expenses	3,996	5,970	9,312	7,891	14,774	21,710	26,862	33,236
Indirect Expenses	2,295	3,447	4,182	4,423	6,645	6,909	8,548	10,577
Total Expenses	\$6,291	\$9,417	\$13,494	\$12,314	\$21,419	\$28,619	\$35,410	\$43,813
Changes	\$472	\$218	\$757	\$1,282	\$2,072	\$2,595	\$3,211	\$3,974
Total Non-Cash Changes	\$63	\$137	\$206	\$271	\$672	\$812	\$990	\$1,213
NET OPERATING PROFIT	\$409	\$82	\$551	\$1,011	\$1,400	\$1,783	\$2,221	\$2,762
Operating Profit Margin	7%	2%	5%	9%	9%	8%	8%	8%

Notes: 1. The Extended Forecast assumes the IAE adding 2 Strategic Contracts Starting in 2025. An IDIQ with ARL with Revenues of \$10M annually starting mid year FY25 and Federal Health Customers totaling \$3M in 2025, \$5M in 2026, & \$8M in 2027.



University of South Florida Alumni Association, Inc.

FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

- Focus given to student engagement including the implementation of a robust student philanthropy initiative as well as the student/alumni mentoring program which is anticipated to positively impact 3,000-5,000 alumni and students over the next three years.
- Engaging Alumni at the chapter and society level to increase the number of alumni who will have long term involvement with USF. This engagement support comes in the form in both financial and personnel. Alumni staff have budgeted an increase in travel to chapters outside of the Tampa area. These trips will help establish strong leadership, program growth, long term engagement continuity.
- The Association has sent one Circle of Excellence solicitation so far during the year and the results were in line with our budget.

Describe Management's Actions to Close Significant **Unfavorable Variances or **Operating Losses** and **Negative Cash Flows** Before Fiscal Year End**

- All unfavorable variances have been offset by favorability in other areas. The Association is forecasting a more favorable net income for the year as compared to the original budget, with the anticipation of achieving or exceeding budget for the 13th consecutive year.



University of South Florida Alumni Association, Inc.
FY 2024 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2024	FY 2024	Variance		FY 2023	FY 2022	FY 2021
	MID-YEAR FORECAST	FINANCIAL PLAN	\$	%	ACTUAL RESULTS	ACTUAL RESULTS	ACTUAL RESULTS
REVENUES							
Membership	\$399	\$406	\$(7)	(2)%	\$278	\$324	\$535
License Plates	387	403	(16)	(4)%	382	383	396
Budget support	1,077	972	105	11 %	957	556	360
Affinity Royalty	415	436	(21)	(5)%	338	356	367
Investment Income	370	370	0	0 %	249	317	298
Sponsorships	158	188	(30)	(16)%	267	256	183
Gifts and Donations	225	226	(1)	(0)%	295	145	280
Event and other revenue	200	211	(11)	(5)%	206	204	56
Total Revenues	\$3,231	\$3,212	\$19	1 %	\$2,972	\$2,541	\$2,475
EXPENSES							
Salaries	\$1,766	\$1,782	\$(16)	(1)%	\$1,653	\$1,542	\$1,812
Membership and membership services	87	82	5	6 %	153	140	111
Printing & Postage	166	160	6	4 %	63	63	56
Event Services	438	391	47	12 %	442	292	98
Professional Services	79	94	(15)	(16)%	136	109	89
Travel	74	79	(5)	(6)%	59	21	3
Advertising & Marketing	13	11	2	18 %	18	19	19
Insurance	41	44	(3)	(7)%	33	40	48
Community Relations	16	25	(9)	(36)%	37	19	11
Credit Card fees and other services	22	25	(3)	(12)%	24	32	21
Scholarships	75	78	(3)	(4)%	148	83	75
Other expenses	31	21	10	48 %	35	29	31
Total Expenses	\$2,808	\$2,792	\$16	1 %	\$2,801	\$2,389	\$2,374
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$423	\$420	\$3	1 %	\$171	\$152	\$101
Unrealized Investment Gains (Losses)	218	218	0	0 %	336	(1,760)	2,302
Total Non-Cash Changes	\$218	\$218	\$0	0 %	\$336	\$(1,760)	\$2,302
NET OPERATING PROFIT	\$641	\$638	\$3	0 %	\$507	\$(1,608)	\$2,403
Operating Profit Margin	13%	13%		0 %	6%	6%	4%



University of South Florida Alumni Association, Inc.

FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024	FY 2024	Variance		FY 2023	FY 2022	FY 2021
	MID-YEAR FORECAST	FINANCIAL PLAN	\$	%	ACTUAL RESULTS	ACTUAL RESULTS	ACTUAL RESULTS
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$641	\$638	\$3	0 %	\$507	\$(1,608)	\$2,403
Adjustments for Non-Cash Activities:							
Unrealized gain on investments	(218)	(218)	0	0 %	(336)	1,760	(2,302)
Adjustments for Changes in Operating Assets and Liabilities	0	0	0	%	0	88	95
Total Cash From Operating Activities	\$423	\$420	\$3	1 %	\$171	\$240	\$196
<u>FINANCING ACTIVITIES</u>							
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0
Total Cash From Financing Activities	\$0	\$0	\$0	%	\$0	\$0	\$0
<u>INVESTING ACTIVITIES</u>							
Net (Purchases) Sales of Investments	\$(424)	\$(421)	\$(3)	(1)%	\$(175)	\$(234)	\$(221)
Total Cash From Investing Activities	\$(424)	\$(421)	\$(3)	(1)%	\$(175)	\$(234)	\$(221)
CHANGE IN CASH	(1)	(1)	0	0 %	(4)	6	(25)
Cash, Beginning of Year	8	8	0	0 %	8	2	27
Cash, End of Year	\$7	\$7	\$0	0 %	\$4	\$8	\$2
Total Cash & Investments	\$1,256	\$1,256	\$0	0 %	\$1,534	\$1,163	\$1,316
Days Cash on Hand	163	164	(1)	(1)%	200	178	202



University of South Florida Alumni Association, Inc.

FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
ASSETS								
Cash & Investments	\$1,316	\$1,163	\$1,534	\$1,256	\$1,357	\$1,465	\$1,582	\$1,709
Restricted Cash & Investments	9,228	8,177	8,593	10,920	11,793	12,737	13,756	14,856
Other Assets	280	340	308	275	275	275	275	275
Total Assets	\$10,824	\$9,680	\$10,435	\$12,451	\$13,425	\$14,477	\$15,613	\$16,840
LIABILITIES								
Payables	\$147	\$154	\$227	\$125	\$125	\$125	\$125	\$125
Long-Term Debt	0	0	0	0	0	0	0	0
Other Liabilities and deferred inflows	2,273	2,731	2,832	2,734	2,871	3,014	3,165	3,323
Total Liabilities	\$2,420	\$2,885	\$3,059	\$2,859	\$2,996	\$3,139	\$3,290	\$3,448
NET ASSETS	\$8,404	\$6,795	\$7,376	\$9,592	\$10,429	\$11,338	\$12,323	\$13,392
Days Cash on Hand	202	178	200	163	174	176	178	181
REVENUES								
Membership	\$535	\$324	\$278	\$399	\$447	\$491	\$540	\$594
Support	360	556	957	1,077	1,100	1,150	1,200	1,250
Other Revenues	1,580	1,661	1,737	1,755	1,926	2,022	2,123	2,229
Total Revenues	\$2,475	\$2,541	\$2,972	\$3,231	\$3,473	\$3,663	\$3,863	\$4,073
EXPENSES								
Salaries & Benefits	\$1,812	\$1,542	\$1,653	\$1,766	\$2,138	\$2,309	\$2,494	\$2,694
Event Expenses	98	292	442	438	78	82	86	91
Other Expenses	464	555	706	604	631	644	657	670
Total Expenses	\$2,374	\$2,389	\$2,801	\$2,808	\$2,847	\$3,035	\$3,237	\$3,455
Changes	\$101	\$152	\$171	\$423	\$626	\$628	\$626	\$618
Total Non-Cash Changes	\$2,303	\$(1,760)	\$336	\$218	\$874	\$943	\$1,019	\$1,100
NET OPERATING PROFIT	\$2,404	\$(1,608)	\$507	\$641	\$1,500	\$1,571	\$1,645	\$1,718
Operating Profit Margin	4%	6%	6%	13%	18%	17%	16%	15%



USF Financing Corporation & USF Property Corporation

FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

- Initiative #1: Consider issuing \$200 million of debt to finance the construction of an on-campus stadium in the form of long-term, taxable, fixed interest rate debt. The University would explore additional funding strategies for the Project, including philanthropy, designated auxiliary funds, designated CITF funds and other potential sources.
 - The USF Financing Corporation's Board of Directors approved the project and financing on May 9, 2023. The USF Board of Trustees' approval followed on June 13, 2023, and the project received Florida Board of Governors' final approval on September 8, 2023.
 - On December 5, 2023, the Financing Corporation closed on a \$200 million Promissory Note with Truist Bank - 20-year, taxable, fixed interest rate bank loan, 6.48% interest rate, on parity with the outstanding \$26.0 million Athletics loans, to finance the construction of an on-campus stadium located on the Tampa campus, together with an approximately \$140 million equity contribution from the University. The equity contribution included funds received from philanthropy, designated auxiliary funds, designated CITF funds and other designated sources.
 - The loan was issued with a 20-year final maturity, including the first 3 years of interest-only debt service, followed by 17 years of fully amortizing level debt service at \$19.6 million annually.
 - Management is working closely with the University to ensure that USF Athletics manages revenues and expenses to maintain pledged revenues and makes debt service payments on a priority payment basis.
 - The FY 2024 mid-year forecast includes the first semi-annual debt service obligation according to the Debt Service Schedule pursuant to the Loan Agreement with Truist Bank - \$6,480,000 due on June 1, 2024. Full year interest expense begins in FY 2025 and is reflected in the 5-year forecast.
 - Design work began in October 2022 and groundbreaking is expected in Fall 2024. Construction is expected to be completed in time for Fall 2027.
- Initiative #2: Management is working closely with the University and the design-builder to ensure that the \$46.5 million, 100,000 square-foot Sarasota-Manatee Housing and Student Center Project is delivered on time and on budget.
 - Construction is underway and is expected to be completed in May 2024 - on time and on budget.
 - The \$30 million debt, together with a \$16.5 million cash contribution from the University, is financing the construction of this mixed-use facility comprising a 200-bed student housing component and student center.
 - The FY 2024 mid-year forecast reflects the estimated capital expenditures for this project of \$18 million.
- Initiative #3: Protect USF's "AA" credit ratings.
 - Formal presentations were made to Moody's, Standard & Poor's and Fitch in August 2023 emphasizing USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage.
 - USF's "AA" credit rating, along with all of its system ratings, were affirmed by Moody's and S&P with Stable Outlooks (December 2023).
- Initiative #4: 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.

- Management continues to work closely with all DSOs and Auxiliaries and all are on track to continue meeting required debt service obligations, preserving essential liquidity, and maintaining required reserves.
- **Initiative #5:** Ongoing compliance with covenants for 16 Series of debt, including IRS rules on tax-exempt bonds and required SEC reporting.
 - Management recently complied with reporting requirements for all 16 Series of debt, including SEC reporting, and continues to ensure compliance with all other covenants.
- **Initiative #6:** Wind-up and dissolution of INTO USF, Inc.
 - On April 21, 2022, the University of South Florida terminated its Agreements with INTO USF, Inc. 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.

Describe Management's Actions to Close Significant Unfavorable Variances or Operating Losses and Negative 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.
 - Minor variances between the FY 2024 mid-year forecast and the FY 2024 financial plan are as follows:

Revenues: Lease payments from related parties include an allocated portion of All Risk insurance premium. This year's premium was lower than expected, resulting in a slight change in revenues collected. Athletics revenue increased due to the first semi-annual debt service obligation for the Stadium Note due on June 1, 2024 of \$6,480,000, driving the overall increase in revenues.

Expenses: Interest expense increased in the amount of the semi-annual debt service obligation for the Stadium Note due on June 1, 2024 of \$6,480,000.

Operating Profit Margin: Operating Revenues will contractually cover Operating Expenses and debt service, with modest year-over-year variances. While Total Revenues increased \$6.4 million from the FY 2024 Plan, Total Expenses increased \$6.5 million reducing Operating Profit by \$102 thousand to \$2.5 million. Similarly, Operating Profit Margin decreased slightly to 11.8% from 17.6% (both strong margins).

Change in Cash: The \$200 million Promissory Note with Truist Bank was issued resulting in an increase in cash of the same amount, resulting in a larger, positive change in cash.

Days Cash on Hand: Restricted cash such as project funds and R & R reserves are excluded from this liquidity metric. As such, the slight decrease in Operating profit would suggest a minor decrease in Days Cash on Hand.



USF Financing Corporation & USF Property Corporation

FY 2024 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>REVENUES</u>							
Housing lease revenue	\$9,096	\$9,139	\$(43)	(0)%	\$9,462	\$10,125	\$7,789
Marshall Center lease revenue	1,276	1,286	(10)	(1)%	1,255	1,312	1,273
Athletics lease revenue	6,845	381	6,464	1,696 %	371	437	636
Arena lease revenue	678	687	(9)	(1)%	652	695	736
DSO (UMSA) lease revenue	1,853	1,888	(35)	(2)%	1,990	1,977	1,493
DSO (HPCC) lease revenue	344	355	(10)	(3)%	365	381	520
DSO (Research) lease revenue	919	906	13	1 %	977	989	1,002
Total Revenues	\$21,011	\$14,643	\$6,368	43 %	\$15,072	\$15,916	\$13,448
<u>OPERATING EXPENSES</u>							
Management fee	852	852	0	0 %	827	803	0
General and administrative expenses	749	760	(10)	(1)%	630	601	639
Total Operating Expenses	\$1,602	\$1,612	\$10	(1)%	\$1,457	\$1,405	\$639
<u>OTHER REVENUES (EXPENSES)</u>							
Interest expense on debt	(\$17,776)	(\$11,296)	\$6,480	(57)%	(\$11,614)	(\$12,062)	(\$12,175)
Interest income	840	840	0	0 %	1,387	65	28
Total Other Revenues (Expenses)	(\$16,936)	(\$10,456)	\$6,480	(62)%	(\$10,226)	(\$11,998)	(\$12,147)
OPERATING PROFIT BEFORE NON-CASH CHANGES							
	\$2,473	\$2,575	\$(102)	(4)%	\$3,388	\$2,513	\$662
Change in INTO USF equity investment	0	0	0	%	0	1,544	(1,638)
Total Contributions and Non-Cash Changes	\$0	\$0	\$0	%	\$0	\$1,544	(\$1,638)
NET OPERATING PROFIT (LOSS)	\$2,473	\$2,575	\$(102)	(4)%	\$3,388	\$4,058	\$(977)
Operating Profit Margin	11.8%	17.6%	(6)%		22.5%	15.8%	4.9%



USF Financing Corporation & USF Property Corporation

FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Lease payments received from USF	\$29,781	\$23,391	\$6,390	27 %	\$23,678	\$24,096	\$22,336
Lease payments received from UMSA	4,443	4,478	(35)	(1)%	4,515	4,442	3,892
Lease payments received from HPCC	1,476	1,486	(10)	(1)%	1,431	1,386	1,465
Lease payments received from Research Foundation	2,197	2,184	13	1 %	2,176	2,167	2,234
Payment to USF for management services	(852)	(852)	0	0 %	(827)	(803)	0
General and administrative disbursements	(749)	(760)	10	1 %	(630)	(600)	(642)
Total Cash From Operating Activities	\$36,296	\$29,928	\$6,368	21 %	\$30,342	\$30,688	\$29,285
<u>FINANCING ACTIVITIES</u>							
Capital expenditures	(\$18,000)	(\$18,000)	\$0	0 %	(\$7,562)	(\$11,499)	(\$20,581)
Proceeds of long-term debt	200,000	0	200,000	%	29,999	0	0
Debt issuance costs	(260)	0	(260)	%	(254)	0	0
Proceeds of long-term debt - Refunding	0	0	0	%	0	0	30,056
Principal payments - Refunding	0	0	0	%	0	0	(30,056)
Principal payments	(16,020)	(16,020)	0	0 %	(16,358)	(15,722)	(14,518)
Interest payments	(20,473)	(13,993)	(6,480)	(46)%	(14,202)	(13,522)	(14,346)
Equity contribution from USF/DSO for Project	0	0	0	%	0	1,385	0
Security received from (returned to) lessee for swap collateral	0	0	0	%	0	3,963	5,007
Security (pledged to) returned from counterparty	0	0	0	%	(0)	(3,963)	(5,104)
Total Cash From Financing Activities	\$145,247	(\$48,013)	\$193,260	403 %	(\$8,377)	(\$39,358)	(\$49,542)
<u>INVESTING ACTIVITIES</u>							
Proceeds from maturity/redemption of INTO CD	\$0	\$0	\$0	%	\$3,774	\$3,774	\$3,708
Purchase of INTO CD	0	0	0	%	0	(3,774)	(3,774)
Interest income	840	840	0	0 %	1,954	36	88
Total Cash From Investing Activities	\$840	\$840	\$0	0 %	\$5,728	\$35,481	\$22
CHANGE IN CASH	\$182,383	(\$17,245)	199,628	1,158 %	\$27,693	(\$8,635)	(\$19,917)
Cash, Beginning of Year	71,755	71,256	500	1 %	44,062	52,698	72,615
Cash, End of Year	\$254,139	\$54,010	\$200,128	371 %	\$71,755	\$44,063	\$52,698
Total Cash & Investments	\$254,139	\$54,010	\$200,128	371 %	\$71,755	\$47,837	\$56,472
Days Cash on Hand	395	400	(5)	(1)%	415	407	405



USF Financing Corporation & USF Property Corporation

FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
ASSETS								
Cash & Investments	\$56,472	\$47,836	\$71,755	\$254,139	\$250,829	\$177,508	\$89,305	\$56,031
Financing Receivable	309,896	304,391	295,131	297,664	285,044	341,071	407,843	415,086
Other Assets	17,273	7,978	4,503	3,055	2,445	1,855	1,283	729
Total Assets	\$383,641	\$360,205	\$371,390	\$554,857	\$538,318	\$520,434	\$498,432	\$471,846
LIABILITIES								
Payables - Interest and Construction	\$10,032	\$7,253	\$5,802	\$10,237	\$13,130	\$12,759	\$12,364	\$11,788
Long-Term Debt	341,983	324,693	336,851	514,610	493,555	474,637	451,714	424,518
Interest Rate Swap & Other Payables	13,858	6,433	3,523	2,323	1,823	1,323	823	323
Total Liabilities	\$365,873	\$338,379	\$346,176	\$527,170	\$508,508	\$488,718	\$464,901	\$436,629
NET ASSETS	\$17,768	\$21,826	\$25,214	\$27,687	\$29,810	\$31,716	\$33,530	\$35,217
Days Cash on Hand	405	407	415	395	315	307	300	296
REVENUES								
USF Debt Payments	\$10,434	\$12,569	\$11,740	\$17,894	\$25,459	\$25,023	\$24,612	\$23,699
UMSA Debt Payments	1,492	1,977	1,990	1,853	1,817	1,739	1,659	1,579
HPCC Debt Payments	520	381	365	344	325	304	282	258
Research Debt Payments	1,002	989	977	919	872	826	777	729
Total Revenues	\$13,448	\$15,916	\$15,072	\$21,011	\$28,472	\$27,891	\$27,330	\$26,264
EXPENSES								
Operating Expenses	639	1,405	1,457	1,602	1,672	1,758	1,851	1,949
Total Expenses	\$639	\$1,405	\$1,457	\$1,602	\$1,672	\$1,758	\$1,851	\$1,949
OTHER REVENUES (EXPENSES)								
Interest Expense on Debt	(\$12,175)	(\$12,062)	(\$11,614)	(\$17,776)	(\$25,178)	(\$24,577)	(\$23,915)	(\$22,879)
Other Revenues/Expenses	28	65	1,387	840	500	350	250	250
Total Other Revenues (Expenses)	(\$12,147)	(\$11,998)	(\$10,226)	(\$16,936)	(\$24,678)	(\$24,227)	(\$23,665)	(\$22,629)
Operating Profit Before Non-Cash Changes	\$661	\$2,513	\$3,388	\$2,473	\$2,123	\$1,906	\$1,814	\$1,686
Change in INTO USF equity investment	(1,638)	1,544	0	0	0	0	0	0
NET OPERATING PROFIT	\$(977)	\$4,058	\$3,388	\$2,473	\$2,123	\$1,906	\$1,814	\$1,686
Operating Profit Margin	4.9%	15.8%	22.5%	11.8%	7.5%	6.8%	6.6%	6.4%

Agenda Item: IVc

**USF Board of Trustees
Finance Committee
February 27, 2024**

Issue: USF Capital Renewal and Current Facilities Conditions 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 setting forth a strategy for the allocation and oversight of \$72.8 million dollars designated for deferred maintenance projects. The funds were part of a statewide investment in deferred maintenance across the SUS. On August 16, 2022, the Office of Administrative Services returned to the Finance Committee seeking expenditure authorization for projects with a cost projected between \$2-4 million which was approved. At that time, it was agreed that periodic progress reports would be provided to the Finance Committee.

This presentation provides a review of the capital renewal / deferred building maintenance program, a status update on the projects and associated funding, highlights from recent facilities conditions assessments, and sets forth the plan to continue progress to complete the projects and meet all expenditure compliance requirements within the established timelines.

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 27, 2024

Supporting Documentation Online (please circle): Yes No

Prepared by: Jen Fleischman, Assistant Vice President for Administration and Operations

USF Capital Renewal Update

Carole Post, JD

VP Facilities & Public Safety Operations

February 27, 2024

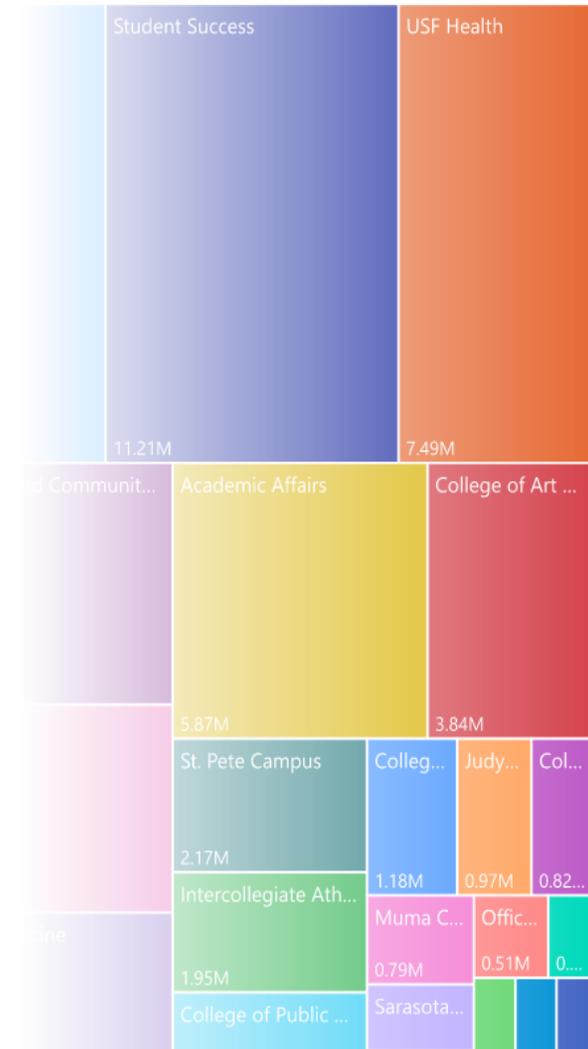


UNIVERSITY of
SOUTH FLORIDA

Office of Administrative Services

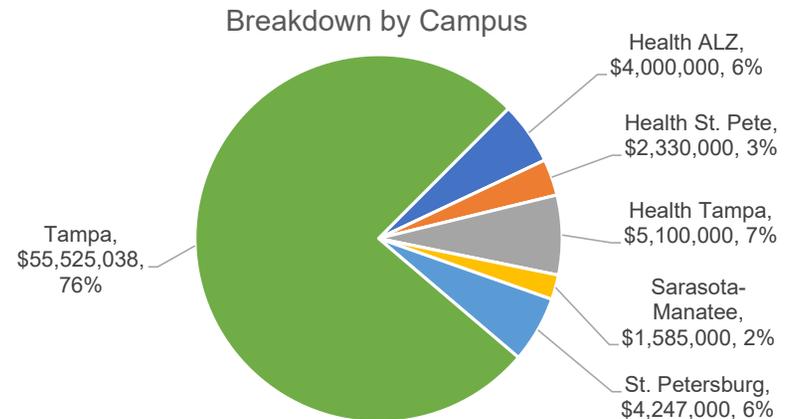
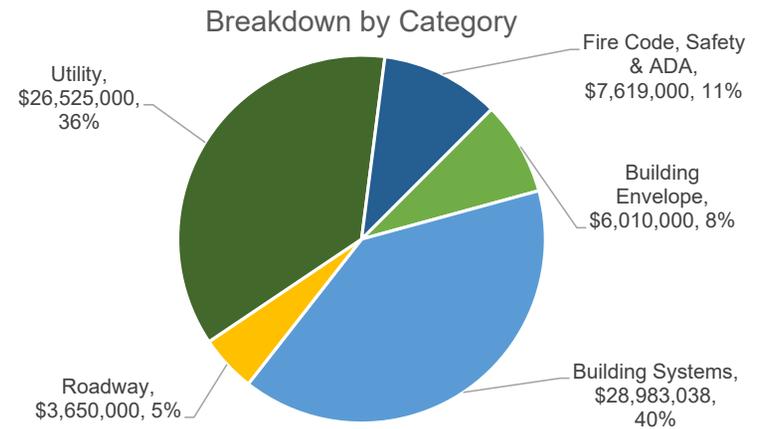
Program Recap: FY23 Deferred Maintenance Funds

- **\$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:
 - Achieve the **greatest impact** for each dollar spent
 - Ensure a **data driven** and fact-based approach
 - Align with USF's **Strategic Plan** objectives and initiatives
 - Successfully meet the spending **deadlines and criteria**
 - Ensure **rigorous oversight** for tracking progress



Summary of Capital Renewal Priorities

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



Program Milestones and Deadlines: Updated

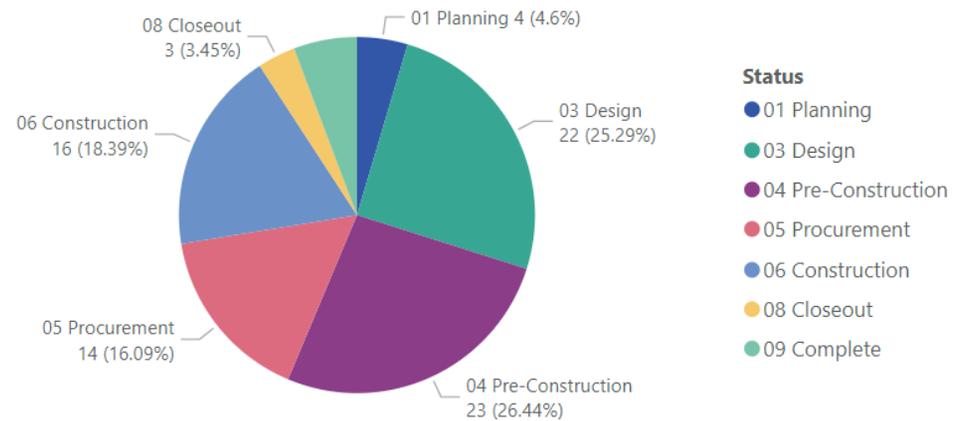
Date	Update
5/20/22	USF priority deferred maintenance list submitted to State
11/04/22	Funds released to USF
11/16/22	Spending Guidelines Confirmed:
	<ul style="list-style-type: none"> • Project lists are locked; no adapting or adjusting to changing needs
	<ul style="list-style-type: none"> • Project 'budgets' are locked; may not move funds across projects to adjust for inflation-driven increases or share savings where achieved
	<ul style="list-style-type: none"> • Project cost shortfalls must be funded by other university funds
9/22/23*	Ability to realign funds across projects approved (e.g., surplus to offset deficits)
12/31/24	Deadline to have all funds 'obligated' with a purchase order
12/31/26	Deadline to have all funds "liquidated"

**New update*



Status Update

- As of end of CY23, \$39.96M (54%) expensed or encumbered
- 61 Projects in process
- 26 Projects in Planning or Design
 - Domestic Water System Valve Replacements (strategically planning)
 - Chilled Water / Hot Water Manhole Replacements (intentionally staggered)
 - Lowest priority projects
- Currently on track to meet obligation deadline of Dec 31, 2024



Completed Project

Priority #1: Water Tower Interior Repair and Exterior Refresh

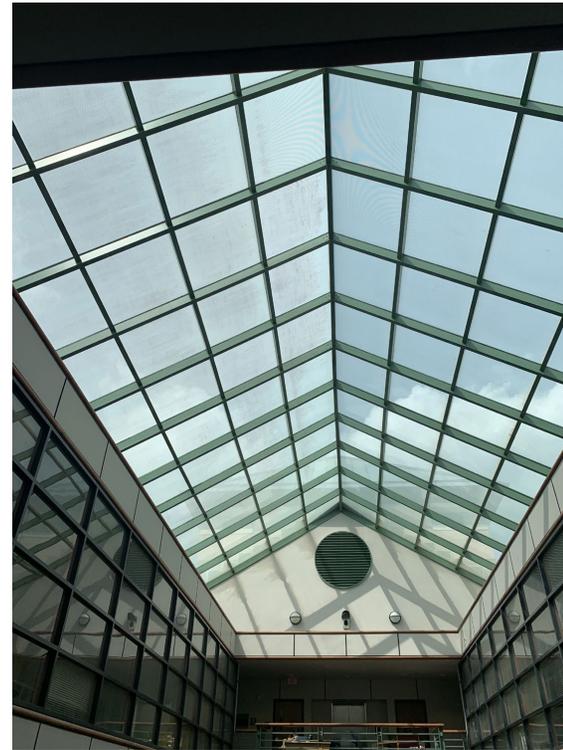


Completed Project: #83 / CIS - Skylight Seal and Glaze

Before



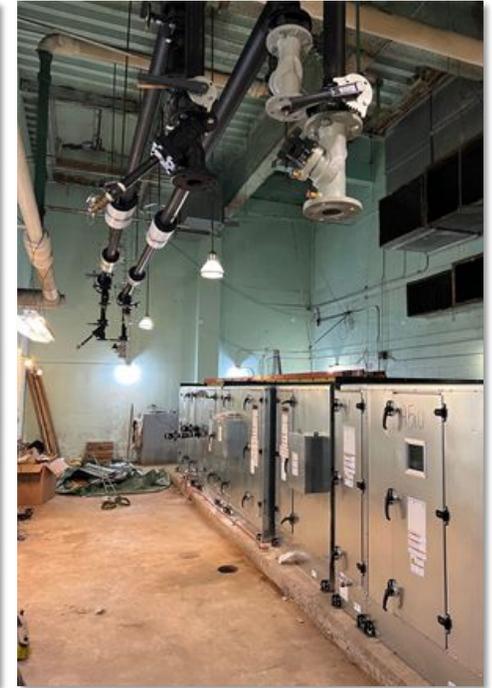
After



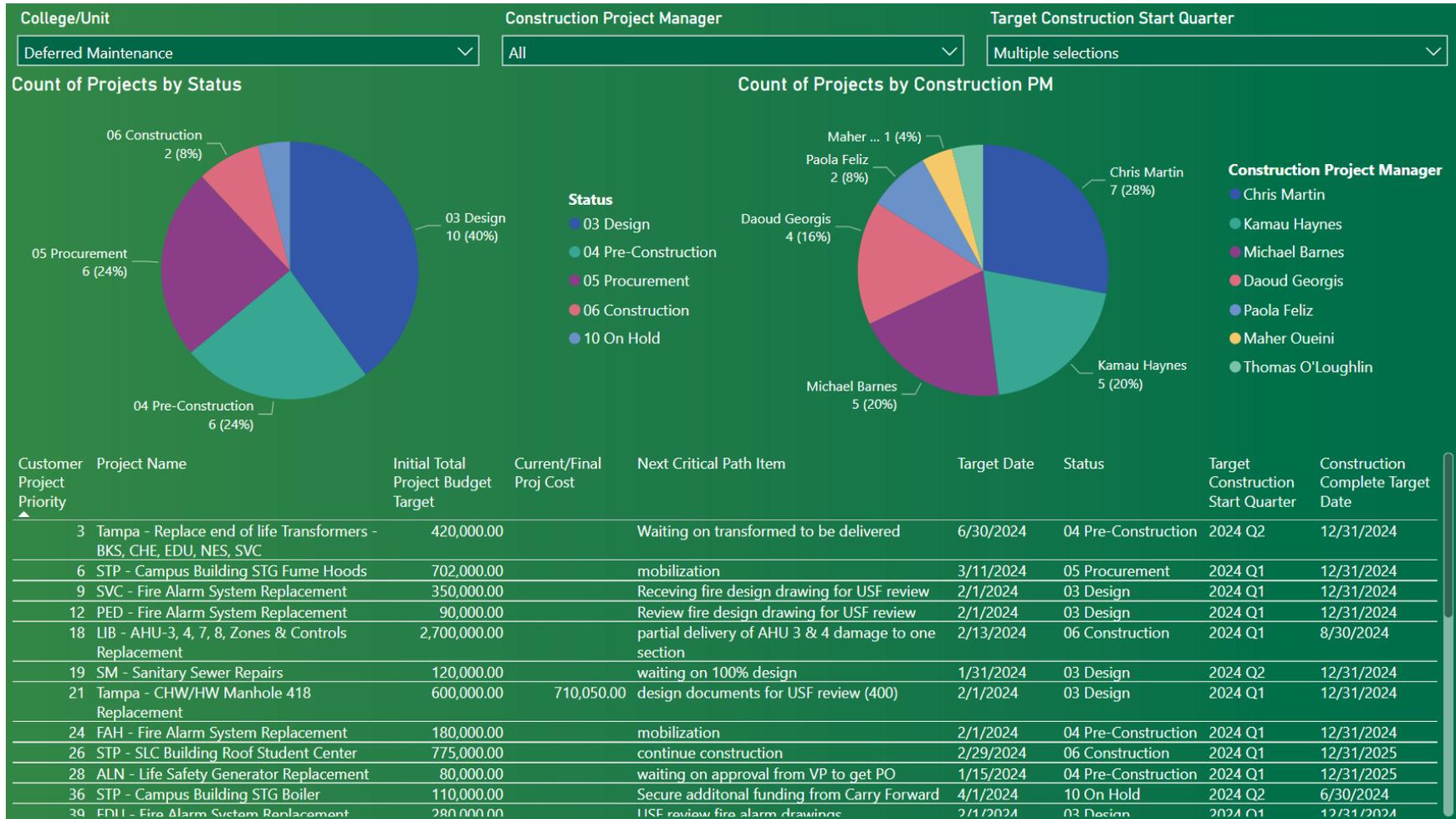
In Process Project: # 10 ALN Roof Replacement



In Process Project: # 18 LIB AHUs Replacement



Accountability and Transparency: Internal Tracking



Accountability and Transparency: External Mapping and Tracking

Deferred Maintenance Projects (\$72.8 Million Education & General Projects)
Filter By Project Location (No Filter)

1 of 87

(1) Tampa - Potable Water Tower Repair and Relining

Project Title: Tampa - Potable Water Tower Repair and Relining

Priority #: 1

Campus: Tampa

Building: Utilities

Description of Project / Repairs: Prepare and recoat exterior and interior areas where there corrosion and repair pitting on the weld areas inside the tower.

Updated Request (Requested Funding Amount): 2,750,000

Category: Utility

Subcategory: Potable Water

Phase Near Start: Yes

Last update: a minute ago

Deferred Maintenance Project Locations (By Category)

- Building Envelope
- Building Systems
- Fire Code, Safety & ADA
- Roadway
- Utility

Infrastructure Impacted By Projects (Darker Shading = Higher # of Projects)

Campus Planning

Project List (By Priority)

- 1 - Tampa - Potable Water Tower Repair and Relining
- 2 - ALZ - Main Electrical Feed Repair/Replacement
- 3 - BKS, CHE, EDU, NES, SVC - Replace end of life Transformers
- 4 - Tampa - Replace end of life primary electrical switchgear, P0088B South CPR, P0101A PMH 10 Leroy Collins, P0320B, PMH-10 JPH Northeast
- 5 - Tampa - Pine/Spectrum Traffic Signal Equipment
- 6 - STP - Campus Building STG Fume Hoods
- 7 - MHC - HVAC Systems Replacement - Phase II - 3 AHUs, Zones & Controls
- 8 - CPT - Replace Critical Steam Boilers with Condensing Boilers
- 9 - SVC - Fire Alarm System Replacement
- 10 - ALN - Roof Replacement
- 11 - Tampa - CHW/HW Manhole 812 Replacement
- 12 - PED - Fire Alarm System Replacement
- 13 - CAM - Fire Alarm System Replacement
- 14 - TAR - Fire Alarm System Replacement
- 15 - MHC - HVAC Systems Replacement - Phase III - 4 AHUs, Zones & Controls
- 16 - STP - DAV Building Roof Replacement
- 17 - MHC - HVAC Systems Replacement - Phase IV - 4 AHUs, Zones & Controls
- 18 - LIB - AHU-3, 4, 7, 8, Zones & Controls Replacement
- 19 - SM - Sanitary Sewer Repairs
- 20 - SUN - Corral Roof Replacement
- 21 - Tampa - CHW/HW Manhole 418 Replacement
- 22 - STP - CRI AHU-1 Fan and Control Valve Replacement
- 23 - SVC - Building Generators Replacement
- 24 - FAH - Fire Alarm System Replacement
- 25 - SVC - AHU-11, 12, Zones & Controls Replacement

Last update: 2 minutes ago

Communication & Outreach

“Many thanks for the update! We appreciate the communication and the response to our questions.”

Luis R. Visot, Ed.D.
Major General, US Army (Retired)
Assistant Dean of Administration & Chief of Staff
College of Education

Subject: EDU_CEE Project Kickoff

Good afternoon Jennifer and Darla

How are you today? I am Kamau Haynes a project manager working out of Design and Construction, and I am writing to formally kick-off the project whose info is tabulated below. As part of our project management services, we are committed to maintaining regular updates on our progress; and most importantly, keeping you informed of any issues that may impact the project scope, schedule, or budget. To deliver this project successfully, we depend on your input and participation in the process throughout as we look forward to working with you. If you have any questions at any time, please feel free to reach out to me. I have attached a pic of the site to identify the work.

Table showing project particulars

Project Name	EDU_CEE Drain Line Replacement
Project Brief Description	Project consists of removal of approximately 80' of existing 18" sub drainpipe and replacement with same
Project Budget	\$56,542.00
Target Start Date	Monday 19 th June 2023
Target Completion Date	Monday 17 th July 2023

Regards
Kamau Damani Haynes
Project Manager
Design and Construction
Office of Administrative Services
University of South Florida
(813) 974-1179 (o)
(813) 729-0503 (m)
kamaudhaynes@usf.edu



Project: CIS Skylight Seal and Glaze- Pressure Washing Activity

Lawrence Mentis <lgmentis@usf.edu>
Thursday, March 9, 2023 at 7:57 AM
To: Joshua Broer; Suchi Daniels; Aaron Nichols; Robert Baynard; +2 more

Hi Everyone,
Today between 8:30 am to 12 pm at the CIS building the Roofing contractor will be pressure washing the Skylight roof to remove all impediments on the roof surface. There may be a possibility of leaks from this process, as such, the contractor will have his team on the lower floors mopping up and placing wet signs if possible. I would also be present in the building to monitor the situation. If there is any additional information needed or reports of this process, please feel free to contact me. Let me know if you have any questions or concerns, and I will address them.

Regards,
Lawrence Mentis
Project Manager – Design And Construction
Office of Administrative Services
University of South Florida
(813) 974-1179 (o)
usf.edu/adminservices




Planning Ahead: General Facilities Conditions Assessment Initiative

KEY	
5	Excellent Condition
4	Good Condition
3	Average Condition
2	Poor Condition
1	Very Poor Condition

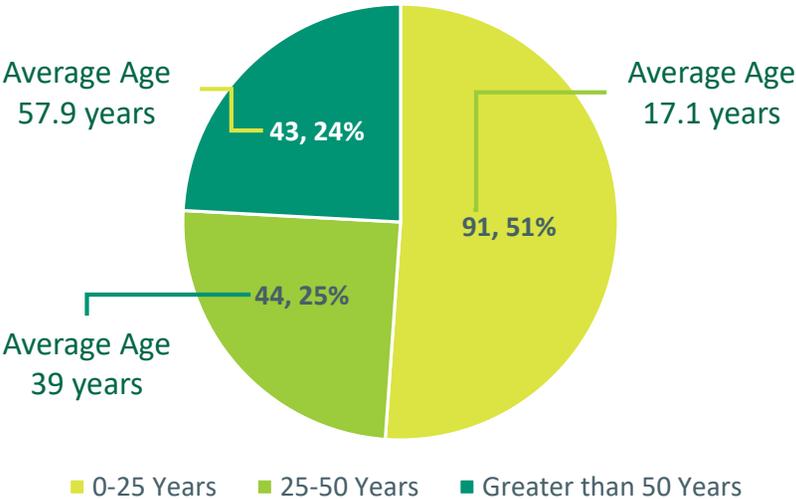
Building	Age	ROOF		HVAC		CONDITION INSPECTION							Overall Score
		Year	Age	Year	Age	Air Vents	Ceiling Tiles	Flooring	Furniture	Lighting	Walls	Restrooms	
BEH	49	2021	2	1975	48	2.5	2	3.5	3	3	2	2.5	2.6
BSF	31	1992	31	1990	33	2.5	3	3	2	3.5	3	3	2.9
CHE	63	2006	17	2004	19	2.5	3	3.5	3.5	3	3	3	3.1
CHS	30	2006	17										
CIS	33	2005	18	1989	34	2.5	3	4	3	3.5	4	2	3.1
CMC	59	2011	12	1963	60	3	2	3	3	3	3	2	2.7
CPR	52	2007	16	2015	8	3	3	2	3	4	4	2	3.0
FAO	54	2008	15	1969	54	3	3.5	3	3	4	4	2	3.2
GHA	52												
ISA	14	2011	12	2011	12	4	2.5	4	4	4	3	4	3.6
NES	19	2004	19	2004	19	4	4	4	4	4	3.5	4	3.9
PCD	23	2000	23	2000	23	3	4	4	3.5	3.5	4	3.5	3.6
RGB	13												
SCA	55	1968	55	1998	25	3	4	2.5	3	4	3	2	3.1
SOC	55	2009	14	2017	6	3	2	4	3.5	4	3	2	3.1
TVB	23	1998	25	1998	25	5	5	5	5	5	5	5	5.0

Average Facility Age 39.1

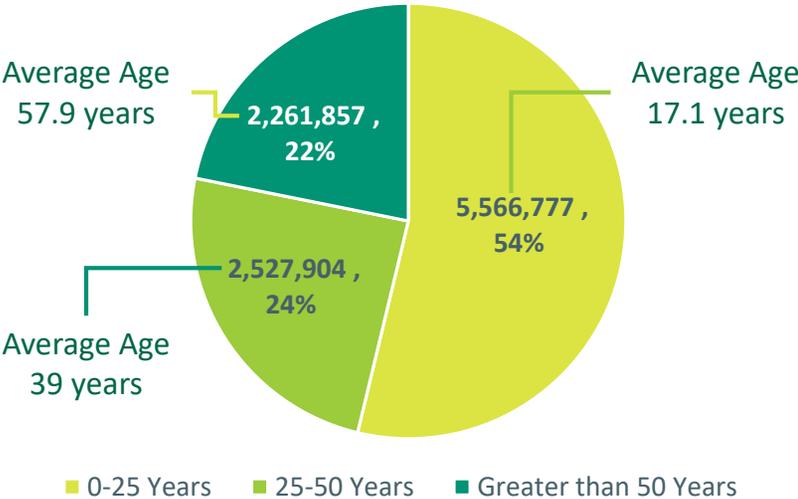


Facilities Breakdown by Age

Count of Facilities by Age Group



Total GSF by Age Group



*Data includes Facilities that are greater than 5,000 GSF in size

**Data Excludes Recently Acquired Shriners Hospital Building and Garages



Next Steps



Continue project execution



Continue to socialize and engage with all stakeholders

- Administration, Faculty, Staff, Student Leaders



Continue periodic updates to USF Leadership and Board of Trustees



Agenda Item: IVd

**USF Board of Trustees
Finance Committee
February 27, 2024**

Issue: Provide an update on USF model-based budgeting process

Proposed action: Information

Executive Summary:

Business & Finance team has been charged with design and implementation of a model-based budgeting process. This will be a status update on the design and implementation of the model.

Financial Impact: Model encourages responsible financial management and fosters a culture of accountability, predictability, transparency, and collaboration. Model is centered on greater alignment with USF Strategic Goals and Objectives during the budgeting / resource allocation process.

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

BOT Committee Review Date:

Supporting Documentation Online (*please circle*): No

Prepared by: Jennifer Condon

Budget Update

BOT Finance Committee
February 2024



RCM Takeaways and Lessons Learned

- Should:
 - Account specifically for President's Strategic Fund
 - Strengthen budget governance
 - Decrease decisioning time and allocate funds to strategic priorities faster
 - Enhance data availability and tools for units to manage budgets
 - Formalize mechanism for gathering feedback from key constituencies
 - Implement incentive structure to drive the right behaviors across the University
 - Include all campuses in the budget process
- Should Not:
 - Fund administrative or support units based on headcount
 - Try to plan everything centrally as it dilutes ownership and strategic thinking

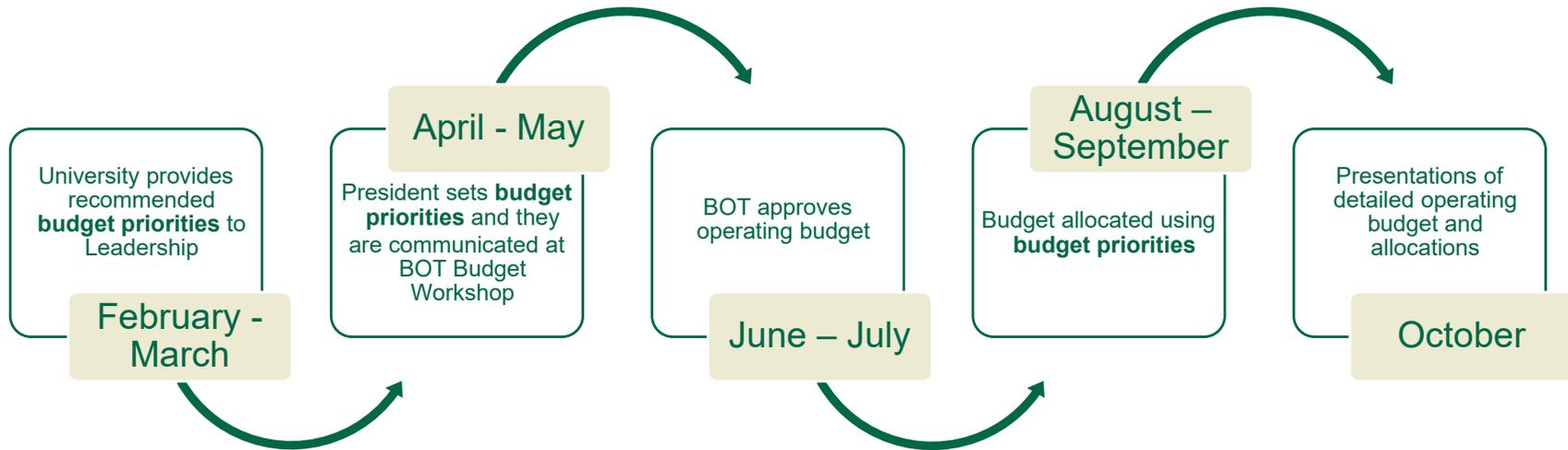
Guiding Principles & Key Elements

- Establish Guiding Principles for university budgeting:
 - Transparency
 - Strategic Plan alignment
 - Incenting cost control & strategic behavior
- Transition global budget presentations to local processes to include:
 - Current year budget performance
 - Accomplishments and challenges
 - New budget requests tied to Strategic Plan
 - Achieved efficiencies and resource optimization plans
 - Identify lower priority items that could sunset if resources are reduced
- Budget adjustments will happen at various levels (analogy: Local/State/Federal)
- Formalize carryforward approach to provide leadership access when balance exceeds target % of unit's operating budget

Filters for Decision Making

- **Will it support PBF, PE and AAU metrics?**
 - USF's commitments to student success, faculty excellence, research and engagement align with performance on these metrics
 - USF funding relies on performance on these metrics
- **Will it support great place to learn, great place to work?**
 - How students and employees experience USF in physical and digital space
 - Engagement with the broader USF community, through clinical activities, intercollegiate athletics, and external partnerships
- **Will it support a competitive advantage?**
 - There are many great opportunities and initiatives available to USF; not all of them make sense for USF
 - Commitment to focus on our strengths

Budget Calendar



The text "Any questions?" is displayed in a white, sans-serif font across three overlapping teal speech bubbles. The bubbles are arranged horizontally and slightly offset from each other, creating a layered effect. The background behind the bubbles is a light gray rectangle with a dark green border.

Any questions?