



**Board of Trustees Finance Committee**

Tuesday, May 24, 2022

8:30 – 10:30am (or upon adjournment of previous committee meeting)

Microsoft Teams Virtual Meeting

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

*Foundation Board Liaison:* Chip Newton

**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 February 21, 2022 Meeting Notes](#) Chair Griffin
  - b. [Energy Savings Project and Award to Siemens](#) University Treasurer Fell Stubbs
  - c. [Authorizing Issuance of Debt for USF SM Student Housing and Student Center Project](#) University Treasurer Fell Stubbs
  - d. [2022-23 Continuation Operating Budget](#) Asst. VP/USF Budget Director Masha Galchenko
  - e. [Judy Genshaft Honors College - New Philanthropic Funds Request](#) Sr. Vice President Jay Stroman  
Vice President Carole Post
  - f. [Expenditure Authorization Requests](#) Vice President/CFO Nick Trivunovich
  - g. [DSO 2022-23 Annual Financial Plans](#) University Treasurer Fell Stubbs/  
DSO CEOs and CFOs
    - 1. University Medical Services Assoc., Inc., USF Medical Services Support Corp. & USF Health Services Support Organization, Inc.
    - 2. USF Foundation, Inc.
    - 3. USF Research Foundation, Inc.
    - 4. USF Health Professions Conferencing Corp.
    - 5. Sun Dome, Inc.

6. USF Institute of Applied Engineering
7. USF Alumni Association, Inc.
8. USF Financing Corp. & USF Property Corp.

h. [Student Green Energy Fee](#)

Associate Vice President Alexis Mootoo

IV. New Business – Information Items

a. [Budget Update](#)

SrVP/CFO Rich Sobieray

V. Adjournment

Chair Griffin



**USF Board of Trustees  
Finance Committee  
NOTES  
February 21, 2022  
Microsoft Teams Virtual Meeting**

**I. Call to Order and Comments**

The meeting of the Finance Committee was called to order by Chair Michael Griffin at 10:20am. Chair Griffin asked Kiara Guzzo to call roll. Ms. Guzzo called roll with the following committee members present: Michael Griffin, Mike Carrere, Shilen Patel, Melissa Seixas, and Will Weatherford. A quorum was established.

**II. Public Comments Subject to USF Procedure**

No requests for public comments were received.

**III. New Business – Action Items**

**a. Approval of November 16, 2021 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 November 16<sup>th</sup> meeting notes were unanimously approved as submitted by all committee members present.

**b. Approve Revisions to USF BOT Investment Policy**

Fell Stubbs, University Treasurer, presented for approval revisions to the USF BOT Investment Policy. The Policy requires annual review by management, which has been done. The last revisions to the Policy were seven years ago. The current revisions were developed by the University, the USF Foundation and the USF DSOs. These revisions were promulgated to the University community for comment on October 21, 2021. No comments were received. The Investment Policy provides investment governance and guidance for 10 portfolios ranging in size from \$500K to \$800M, in aggregate, approximately \$2B. These Policy revisions provide for the management of three distinct University investment portfolios: a University portfolio, a Foundation endowment portfolio and 8 DSO portfolios. These Policy revisions authorize DSO Boards to prudently manage the financial assets of the DSO portfolio, adopt a policy statement, declare asset allocations, and provide quarterly investment performance reports to the DSO Board and University. Annual DSO investment reports may be requested by the BOT. Once approved by the BOT, the final Investment Policy 06-001 will be recommended to the DSOs for approval.

A motion was made to approve the revisions to USF BOT Investment Policy USF BOT 06-001. The motion was seconded and approved by all Committee members present.

**c. Expenditure Authorizations**

Nick Trivunovich, Vice President for Business & Finance and CFO, presented six expenditure authorization requests for approval by the Finance Committee.

○ Adobe Acrobat & Creative Cloud License Agreement

This is a new 3-year agreement that will allow the University to continue the use of Adobe Acrobat and Creative Cloud for faculty, staff, students, and computer labs. The total cost is \$2,555,214 over 3 years. The cost per user increased by 5.86% from the pricing in the 2019 agreement and is locked in thru the end of this new agreement in 2025. A 3-year term is the only option for this type of license agreement with Adobe.

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

○ Microsoft Azure

Microsoft Azure is used for cloud-based computing, storage and services for USF data and applications. Buying of Azure credits to support USF Infrastructure in the Microsoft Azure Cloud will help move USF into an operating expense model based on usage for IT infrastructure versus a capital model. This request is for \$2M for one year. USF is continuing to move its IT infrastructure to the cloud to support the agile needs of the business units. Currently all of USF's ERPs are hosted within Azure, allowing USF much greater flexibility in solutions that go far beyond what USF IT could offer on premise. This shift is expected to continue as USF IT expands to meet its clients' needs.

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

○ AV Equipment Installation and Resellers ITN

IT would like to conduct an ITN to build a structured pool of vendors to provide AV installation and maintenance services as well as equipment to lock in costs. There will be no commitment for the University to spend any money with the vendors, this will just provide us with a contract avenue to conduct installations, maintenance, and repairs as needed. This will be a competitive procurement. Estimated spend is \$14.25M over 5 years. The continual need for audio visual equipment is an ongoing project to ensure that the classrooms for USF have current and leading-edge technology to ensure the best possible experience for the Faculty and Students. IT wishes to conduct this ITN to develop a larger list of vendors than are currently available and develop a structured cost for installation and equipment for the life of the ITN. This will allow IT to better estimate project costs over the life of the ITN.

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

- Baseball & Softball Batting Cage Enclosure

Primary scope of work is to enclose batting cage structures at Baseball and Softball stadia and provide HVAC to protect practice activities from inclement weather. Cost is \$1,950,000. Funded solely from philanthropy.

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

- Athletics Broadcast Production Service ITN

Athletics is requesting authority to issue an ITN for services in executing broadcast and in-arena production of USF Athletics sponsored events for multimedia platforms at all Athletic facilities. These expenses were new to FY21 with the addition of our ESPN+ Broadcast Production Studio. This is required under our ESPN+ contract with our conference. The American Athletic Conference requires USF Athletics to broadcast a number of events on the ESPN+ platform to fulfill contractual obligations to receive Media Rights revenue distributions from the Conference. Seeking a 5-year contract with an estimated cost of \$4M. This will be a competitive procurement.

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

- STG Remodel – Research & Teaching Labs

This project will convert five classrooms on the first floor of the Science, Technology & General (STG) facility on the St. Petersburg campus to flexible research lab space and a new teaching lab with preparation room. This is in support of the new major in environmental chemistry. The estimated cost is \$3M and will be funded with E&G carryforward (an appropriate use of carryforward funds). This will be a competitive procurement. The project will be completed primarily during the summer 2022 term to minimize disruption to students and faculty.

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

#### **IV. New Business – Information Items**

##### **a. USF 2021 Audited Financial Statements**

Jennifer Condon, University Controller, gave a brief review of the USF 2021 Audited Financial Statements. The financial statements and associated audit report were released by the State of Florida Auditor General on December 16, 2021. USF received an unqualified/clean opinion with no adjustments. There were no adjustments to the financial information/results that were presented at the November 16, 2021 Finance Committee meeting.

##### **b. DSO Mid-Year Forecasts**

Mr. Stubbs introduced the agenda item. Each year, the DSOs prepare a Mid-Year Forecast – this Forecast is for FY 2022. These reports include a comparison of the Forecast to the FY 2022 Financial Plans approved by the BOT Finance Committee at its May 25, 2021 meeting,

as well as actual results for FY 2021, FY 2020, and FY 2019. The Mid-Year Forecast describes progress in achieving the key initiatives in the Annual Financial Plan and describes management's actions to close significant unfavorable variances in net income and net cash flows before fiscal year end. Four DSOs will present their Mid-Year Forecasts today (the three largest as requested by the Finance Committee, along with HPCC). The remaining four DSOs have provided their Mid-Year Forecasts and have management present to answer any questions.

### **1. University Medical Services Assoc., Inc. & USF Medical Services Support Corp.**

Alisha Ozmeral presented the mid-year forecasts for UMSA and MSSC combined. Highlights included:

- By January 1st 2022, approximately 1,300 UMSA employees transitioned employment to either USF, USFTGP, or TGH, depending on their function, with the majority moving to USFTGP.
- The practice plan will receive an additional \$14.7M of CARES Act funding in FY22 to reimburse for lost revenue associated with the COVID pandemic.
- Forecasting Net Profit of \$21M which exceeds plan.
- Clinical volumes have returned to pre-pandemic levels.
- Will miss Days Cash on Hand target due to large receivable.
  - \$44M receivable for the Medicaid Managed Care Supplemental Payment Program (UPL). The Agency for Healthcare Administration (AHCA) remains challenged with turnaround times due to staffing shortages, therefore we do not anticipate receiving the Medicaid Managed Care Supplemental payments until after the fiscal year end.

### **2. USF Foundation, Inc.**

Jay Stroman and Rob Fischman presented the mid-year forecast for USF Foundation, Inc. Highlights included:

- FY21 was a successful year for the Foundation.
- Forecasting Net Profit of \$24M for FY22, which is \$18M short of plan. Investment losses incurred through December 31st combined with the investment return projections for the 3rd and 4th quarters are driving the decrease in net operating profit compared with the FY22 financial plan. These return projections will not negatively impact endowment spending distributions as the 5-year average market value used to calculate earnings distributions has increased.
- Other transfers and expenses are anticipated to increase compared to the financial plan for FY22 due to additional funding available through fundraising efforts for academic facility construction projects. 14 multimillion-dollar commitments have been received to date.

### **3. USF Research Foundation, Inc.**

Dr. Sylvia Thomas and Patricia Gamble presented the mid-year forecast for the USF Research Foundation, Inc. The Research Foundation supports the USF innovation enterprise encompassing the Research Park, our Technology Transfer Office (TTO) and the Tampa Bay Technology Incubator and provides a broad financial mechanism to administer private research contracts and grants. Goal is to design a business model for sustainability for TTO and focus on enhancing TTO's operational efficiency and

effectiveness while enhancing the business strength of the Research Foundation. One of the key initiatives for FY22 is the new Research Park Mixed Use Lab and Office Building. A certificate of occupancy was issued on February 3<sup>rd</sup> for the shell and core. Construction costs were on budget. Leasing interests have ramped up. FY22 revenues are projected to be \$364K less than budgeted; expenses are projected to be \$745K less than budgeted; resulting in a \$381K improvement to the bottom line. All operating expenses are projected to be less than plan.

#### **4. USF Health Professions Conferencing Corp.**

Dr. Haru Okuda and Greg Vannette presented the mid-year forecast for USF Health Professions Conferencing Corp (HPCC). This is a recovery story. CAMLS is a face-to-face business and was hurt by COVID. In FY2022, HPCC is successfully rescheduling FY2020 programs affected by COVID and CAMLS affirmative actions to proactively postpone many programs has strengthened relationships with external clients, resulting in growing revenue and increasing operating earnings for FY2022 and FY2023. New virtual reality and live streaming capabilities also helped CAMLS identify numerous new clients and offer new training options to established clients. HPCC will exceed plan with no assistance from CARES.

#### **c. Annual DSO Investment Reports**

Periodic DSO Investment Reports, for significant DSOs, will be provided to the USF Board of Trustees, upon request. Three DSOs will present their Investment Reports (as of June 30, 2021) today – the three largest as requested by the Finance Committee.

##### **1. USF Foundation**

Brian Keenan, Chair of the USF Foundation Investment Committee, Rob Fischman, USF Foundation Vice President & CFO, and Ken Souza, USF Foundation Investment Director, presented the annual Foundation investment report. This report includes the Endowment Portfolio and the Operating Portfolio.

Mr. Fischman reviewed the structure and governance of the Foundation's asset pools. The Foundation has 2 separate asset pools – an operating pool and long-term investment pool. Endowment assets reside in the long-term investment pool. Investment governance provided by USF Foundation Board of Directors; its investment committee (consisting of 10 voting members) is responsible for financial oversight and administration of operating and endowment investment pools. The investment committee is supported by Foundation investment staff and investment advisor Wilshire Associates (since 2000).

Mr. Keenan provided highlights of last year's financial performance (year ending June 30, 2021) for the endowment portfolio. All measurements exceeded benchmarks. Realized a 35% return. NACUBO Endowment Assets are close to \$700M. Crossed over the \$500M mark 2 years ago and since then have grown by \$200M. Every asset class exceeded benchmarks as well, led by equities (domestic and international). Had a great year. Top returning asset class for the 5-year period was alternatives which is primarily private equity. Still have not dabbled into hedge funds and have no plans to do so. We've stayed our course, leaning more towards equity at about 65%-70% of our portfolio. This has served us well over the years. USF's Endowment is a leader among peers, based on NACUBO-TIAA Study of

Endowments. We are in the top quartile for every period (1-yr, 3-yr, 5-yr and 10-year); we are in the top decile for the 3-yr, 5-yr and 10-yr periods. We were #2 in the state last year at 35%; only FSU was better, by about 1%. This is first time in several years that we were not #1 in the state.

Long-term returns remain above policy benchmark. Strategic overweight to public equities contributed to performance (USF 64% vs Peers 38%). Active management has added to long-term returns, especially in international equity which has exceeded benchmark by 300 bps over the last ten years. Alternatives (private equity and venture capital partnerships) have been the endowment's best performing asset class across all time periods. Investment manager fees were approximately 88 bps.

Mr. Souza discussed recent Investment Committee initiatives. The Investment Committee has been very busy over the last two years working through the volatility caused by the pandemic. Recent initiatives include: implemented asset allocation changes as well as structure changes with credit assets; committed to private equity secondaries program as well as recommitted to private credit partners; and committed to global infrastructure partnership to bolster inflation exposure in real assets. The 10-yr expected return is about 7%. A couple of years ago this number was 7.85%. This number is moving downward because the economists at Wilshire are taking into account the frothy equity markets as well as the added inflation. The USF Endowment, like all endowments across the country, are reckoning with higher inflation and lower expected returns and the strain that causes on spending.

The Operating Pool (assets of \$174M) is where non-endowment gifts are kept. The investment objective for the Operating Pool is long-term preservation of capital. Foundation management conducts an actuarial review of the operating funds' cash flow activity in order to forecast the pool's liquidity needs; this becomes the basis of the investment strategy. Asset allocation was revised in 2021, based on risk/return forecasts for each asset class. Increased Tier III Capital Enhancement from 15% to 20%, and made a corresponding increase to Tier I Liquidity Vehicle as well to balance off the volatility. The Operating Pool posted a return of 5.7% for the fiscal year, which exceeded its policy benchmark of 4.1%.

Since June 30, the Foundation's investment returns are flat for the year through January, due to the ups and downs in the market.

## **2. University Medical Services Assoc., Inc.**

Rich Sobieray and Alisha Ozmeral presented the investment report for FY2021 which includes UMSA and MSSC. The investment committee is a subcommittee of the UMSA/MSSC Board of Directors and is responsible for oversight and authority of the investment fund. Investment committee membership intentionally overlays with the University Investment Committee. Portfolio objectives include: maintain adequate liquidity (primary objective), with a target of 60-90 days cash on hand (actual 21.3 days cash on hand due to delays in receipt of Upper Payment Limit (UPL) funds, which were received in July/August 2021); mirrors university investment allocations and primarily consist of long-term funds; a total portfolio return which outperforms appropriate market and asset benchmark portfolio returns over a rolling 1, 3, and 5 year time horizon, net of all investment expenses; and target allocations are reviewed once per year and voted on by the committee. Utilizes the University's investment consultant, Cambridge Associates. Asset allocation was



outside targets at the end of the year due to investment appreciation which is an allowable exception in our investment policy. FY2021 was a strong year for investment returns (39%). Portfolio performance was slightly below the benchmark in the quarterly, 1-year and 5-year time horizons; overall portfolio was very closely aligned with the benchmarks.

### **3. USF Research Foundation, Inc.**

Nick Trivunovich, Chair of the Research Foundation's Administrative Finance Committee, and Patricia Gamble, Research Foundation CFO, gave a brief report for the Research Foundation. The total investment portfolio consists of three distinct investment accounts: long term investments (+ 10 Years); intermediate term investments (5 - 7 Years); and short-term investments. The intermediate portfolio will be key as the Research Foundation continues to develop the new research park lab and office building. There will be a need to fund buildout of the space as well as other potential development opportunities. The intermediate investment portfolio allows the Research Foundation to maintain an acceptable rate of return while providing immediate accessibility to reserve funds with no restriction on the number of withdrawals.

The investment portfolio increased by just under \$10M in FY21, to an ending balance of \$52.2M. 70% of the investment portfolio is with the USF Foundation and is part of their Endowment Fund investment pool. Returns for the year echo that of the Foundation with an annual return from the Foundation investment of 35%. Truist, the intermediate fund, provided a return of just slightly under 27% for FY21. Total portfolio weighted return was 29.5%, which exceeded the policy benchmark, with a positive value add of 3.3%. Strong liquidity with 770 days cash on hand which was available for operations.

#### **d. Budget Update**

Rich Sobieray, Interim Sr. Vice President for Financial Strategy, gave an update on the budget planning project. USF has begun a process for modernizing its budget process and funds flow model. The goal is to design and recommend a new value driven university-wide budget process and resource allocation model that balances the budget (Tampa E&G). Accomplishments to date: engaged all constituents across One USF; activated a budget oversight committee (Budget Committee) and five workgroups (Resource Generation, Operational Effectiveness and Efficiency, F&A Distribution, Resource Distribution Methodology, and Reporting) to address our challenges; developed Guiding Principles document to lead our transformation; engaged HelioCampus to assist with benchmarking our spend across One USF; Support Functions are preparing budget requests; identified and defined drivers for elements for a new resource allocation methodology; developed 5-year Tampa E&G plan and identified broad strategies for balancing (identified revenue targets and operational efficiency targets by year for FY23-FY28). By the end of that 5-year plan, we will be a much stronger organization financially with the ability to invest in strategic priorities at a level we have not be able to in quite some time. The Budget Committee has been charged with: 1) designing a new value driven university-wide budget process and resource allocation model that builds on the diverse, equitable and inclusive culture at USF; and 2) providing recommendations for balancing the E&G budget, through developing strategies to maximize the University's financial resources and opportunities for efficiencies. None of this can ignore the Strategic Plan – strategy should drive finance, not the other way around. Mr.

Sobieray described what a resource methodology might look like. Need to look at all sources and see how all the sources of funds are being utilized to support the mission of the University. Working on our strategies of new resource generation, operational excellence and efficiencies and innovative initiatives. Need to eliminate the duplication in our organization and be lean and mean; need to work smarter, not harder. The support functions as well as the colleges need to be operating efficiently. Success is defined as: 1) a balanced budget by establishing a sustainable funds flow model with incentives that advance USF's mission of excellence.; and 2) a new budget model that balances local autonomy with a strong sense of unity in vision and values, provides decision-makers with increased transparency into USF finances and fosters an information-rich disclosure on college priorities and budget matters, advances and encourages Campus and Health strengths and priorities, aligns authority with accountability, and provides for reasonable transitions and bridging strategies over the next several years.

Trustee Carrere stated that this budget model directly supports goal # 5 of the Strategic Plan - A strong, sustainable, and adaptable financial base. This process and resulting budget model are important to the success of the Strategic Plan and strategic initiatives as well as the to the University.

Trustee Boaz stated that this is one of the things the faculty has been concerned about and they have been pushing strongly for this new budget model. He is excited about what has been done so far. This is a broadly inclusive process across the University and he is very optimistic that we will be able to get this done in a way that will be beneficial to the University.

Chair Weatherford stated that this has been a long time coming and is needed. The end product will make a difference for us and the University will benefit in a big way from this process.

**e. INTO Update**

Provost Ralph Wilcox gave an update on the INTO USF Center. This is a 12-year-old public-private partnership. Was part of the 2007-2008 Strategic Plan. Prior to INTO (2009), USF had 1,317 degree seeking international students. In Fall 2021, there were 4,666. USF was the second INTO Center in the U.S. INTO now has 20 centers. The INTO partnership has served both parties well over time, but the current business model is no longer working. Hilary Black, Sr. Associate General Counsel, reviewed the ownership structure and contractual components of the agreement. USF maintains complete control over academic programs.

Provost Wilcox again noted that the partnership has been strong and productive, but Pathways (PW) students have steadily declined since Fall 2015. This is due to an increase in competition in the global marketplace; an increase in the number of INTO centers in the U.S.; the launch of off shore and domestic in-market English language programs, so international students in certain countries didn't see the need to travel to the U.S. to learn English, they could learn it at home; a decline in the number of government sponsored students in key markets; political economic shifts and headwinds including limitations placed on the admission of students to the U.S. from some countries; fluctuation in international monetary exchange rates; and the global pandemic. Important to note that the student decline far preceded the emergence of COVID around the world. During this same period, the number of USF's INTO-sourced students (directly enrolled students [DEs] that are recruited by INTO) have increased. This was not the expectation

of the original business model. INTO students generate approximately \$120M impact to the Tampa Bay economy supporting upward of 1,300 jobs.

Mr. Trivunovich presented a summary of INTO's financial results back to 2013. Got off to a quick start for a startup entity. Functioned at breakeven almost from the start. Reached a peak in the number of students entering the program in the 2016-2017 time period and this is reflected in the operating results. It was during this time that a special distribution of \$6M to each partner was provided. The University has used a portion of this distribution to meet USF student needs; it still holds part of this distribution to cover a contractually required \$2M line of credit. There has yet been no commitment on drawing down against this line of credit and this line of credit requirement expires at the beginning of 2024. From the program's peak in 2016-2017, the summary shows the steady decline in enrollment and the related financial results. The University has initiated discussions with our INTO partners to consider the efficacy of our current Pathways model and what the appropriate state might be. Projecting an additional loss of \$3M in FY2022. This will require an infusion of liquidity into the entity. The last two columns of the summary show the forecasted financial results for FY 2022 with and without the infusion.

Currently considering our next steps in moving forward with our INTO relationship. The first issue to be resolved is to determine the appropriate methodology in funding to address the liquidity issue just mentioned. Second, we must develop a high level of confidence in (a) the enrollment forecast for FY23, and (b) cost reductions, to restore INTO-USF financials to no less than a breakeven status for this next fiscal year. Our INTO partners have stated that they are committed to working with us in reducing the cost structure of INTO USF to an appropriate level. Will be looking at three types of costs: costs in the INTO Center; costs charged by the partners to the partnership (USF will look at its instructional and administrative costs) and our INTO partners will look at their recruiting and marketing costs. And lastly, with changing market conditions (compared to FY11), we must reassess the status and structure of the INTO USF partnership given the downward trend in PW enrollment and the steady gains in DEs (sourced not only by INTO but through our own USF International Admissions Office). In the most recent national report, USF is the leading destination for international student enrollment in the state of Florida,

Trustee Seixas asked, if a decision is made to sunset the program, will there be an opportunity to work with international student groups so they understand the strategy behind this and that there is an ongoing commitment to their success. Provost Wilcox responded that our international admissions and recruitment efforts are not going to slow down. In fact, over time, they have picked up the pace. Trustee Patel stated that the key is not only what we are doing, but how we communicate this externally. We need to explain that we are not moving away from this commitment, but rather accomplishing this outreach in different ways that made the program redundant, etc. Provost Wilcox stressed that no decision has been made yet on the status and structure of our relationship with INTO. This has been a productive partnership, but market conditions are changing and demand is shifting and we recognize the need to adapt and respond to those changing needs. Chair Weatherford explained that while this relationship has been productive in the past, it needs to continue to be productive and meet the needs that we have today as they are changing and evolving. We are living in a dynamic world and we need to be sure our relationships and partnerships are reflective of that. He is confident that we will get not only the best deal, but the right deal for the University. Chair Griffin added that this is not an ideal situation; there are several contributing factors that have led us to this

point. Times have changed and our expectation at USF is one of excellence, and we expect our partners to share that. Based on today's presentation, the path we are on tells a story that is inconsistent with our amazing trajectory at USF and we need to correct this. He looks forward to future updates on this issue.

**V. Adjournment**

Having no further business, the Finance Committee meeting was adjourned at 11:59am.

**Agenda item: IIIb**

**USF Board of Trustees**

June 15, 2022

**Issue:** Energy Savings Contract and Award to Siemens

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**Proposed action:** Award Energy Performance Contract Agreement to Siemens Industry, Inc.

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**Executive Summary:**

The Central Plant on the Tampa campus was built in 1960 and major heating and cooling systems and components have failed or are at the end of their useful life. These systems need to be modernized to provide reliable heating and air conditioning to research and academic buildings, residence halls and other facilities.

Florida Statutes 255.05 and 1013.23 provide the means to contract with a licensed energy performance contractor to acquire, construct and install energy savings equipment to reduce the University's energy costs and to finance the costs of the project.

The University conducted an ITN process to secure the services of an energy service company to provide design, engineering and construction services to improve and modernize the Central Plant. On March 24, 2021, Siemens Industry, Inc. was notified of an intent to award. On June 2, 2021, the Board of Trustees approved energy savings performance contract methodology and an energy services company to provide an investment grade audit of the Central Plant. USF subsequently selected Siemens Industry, Inc. to perform a feasibility assessment of the facilities to determine that there is sufficient scope for the implementation of an energy performance contracting project at the Central Plant. Siemens has completed an investment grade audit and related design services for the project to determine the costs associated with the energy conservation measures and the amount of the energy cost savings.

Siemens provided a scope of work to install 2 chillers, removal of old primary pumps, installation of a condenser water pump and variable drives, plant optimization / demand flow, lighting upgrades to improve cooling system capacity and performance, all construction commissioning, design and engineering with a current estimated cost of \$9.4 million and a not-to-exceed cost of \$9.9 million.

Siemens' energy performance contract agreement for the cooling system upgrades to the Central Plant will guarantee energy savings to the University of approximately \$19.2 million over 20 years, which is guaranteed to exceed the costs of the cooling system project and the costs of the financing. The Siemens contract will also provide a guaranteed maximum price and a 100% public construction bond.

USF previously received seven proposals in response to a competitive selection process for the financing of the Central Plant upgrades and selected the proposal submitted by Banc of America Public Capital Corp that contained the most advantageous terms.

The University expects to complete negotiations of the Performance Contract Agreement with Siemens in the next 1-2 months.

**Financial Impact:**

The energy savings project with Siemens is expected to produce a reduction in University energy costs of \$19.2 million, which will exceed the acquisition, construction, installation and financing costs of the project.

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<b>Strategic Goal(s) Item Supports:</b>	<b>Goal 5: A strong, sustainable, and adaptable financial base</b>
<b>Committee Review Date:</b>	<b>Finance Committee – May 24, 2022</b>
<b>Supporting Documentation Online (<i>please circle</i>):</b>	<b><u>Yes</u> No</b>
<b>Prepared by:</b>	<b>Fell L. Stubbs, University Treasurer, (813) 974-3298</b>

**A RESOLUTION OF THE UNIVERSITY OF SOUTH FLORIDA  
BOARD OF TRUSTEES AUTHORIZING THE ACQUISITION  
AND INSTALLATION OF CERTAIN ENERGY  
CONSERVATION IMPROVEMENTS AND THE LEASE  
PURCHASE FINANCING OF SUCH ENERGY  
CONSERVATION IMPROVEMENTS; AUTHORIZING THE  
EXECUTION AND DELIVERY OF A PERFORMANCE  
CONTRACT AGREEMENT FOR MANAGEMENT AND  
ENERGY EFFICIENCY SERVICES; A MASTER EQUIPMENT  
LEASE/PURCHASE AGREEMENT, ONE OR MORE LEASING  
SCHEDULES, AND RELATED INSTRUMENTS;  
DETERMINING OTHER MATTERS IN CONNECTION  
THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, following a competitive selection process, the University of South Florida Board of Trustees (the "Board of Trustees"), as the governing board of the University of South Florida (the "University"), authorized University staff to negotiate with Siemens Industry, Inc. (the "Energy Performance Contractor"), to enter into an energy performance based contract; and

**WHEREAS**, the Board of Trustees desires to enter into a performance contract agreement with the Energy Performance Contractor (the "Energy Performance Based Contract"), which includes a scope of work for approximately \$9,400,000 and in any event not to exceed \$9,900,000 in energy conservation measures; and

**WHEREAS**, the Board of Trustees desires to provide authority to finance the costs of implementing the Energy Performance Based Contract, including the acquisition, construction, and installation of certain energy conservation measures (collectively, the "Equipment"), as more fully described in the form of Energy Performance Based Contract; and

**WHEREAS**, the Equipment is essential for the University to perform its governmental functions; and

**WHEREAS**, the University has previously received seven proposals in response to a competitive selection process for the lease purchase financing for the financing of the acquisition, construction, and installation of similar energy savings equipment and the University selected the proposal submitted by Banc of America Public Capital Corp as lessor ("Lessor") containing the terms most advantageous to the University; and

**WHEREAS**, the financing will be provided pursuant to a master equipment lease/purchase agreement by and between the Board of Trustees and the Lessor (the "Lease Agreement") the proceeds of which will be deposited with the Escrow Agent named in the Financing Documents and applied to the acquisition, construction, and installation of the Equipment in accordance with the terms thereof; and

**WHEREAS**, the Board of Trustees has taken the necessary steps to arrange for the energy performance based contracting for the Equipment, including but not limited to: (i) publishing notice of the meeting in which the Board of Trustees is awarding the Energy Performance Based Contract, the names of the parties to the Energy Performance Based Contract, and the purpose of the Energy Performance Based Contract, (ii) obtaining a report signed and sealed by a registered professional engineer disclosing all costs associated with the Equipment and providing an estimate of the amount of energy cost savings (the "Report"), (iii) finding the amount the Board of Trustees will spend on the Equipment recommended in the Report will not exceed the amount to be saved in energy and operation costs over 20 years from the date of installation, based on life-cycle costing calculations, if the recommendation in the Report were followed and if the Energy Performance Contractor provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system, and (iv) receiving a 100-percent public construction bond from the Energy Performance Contractor for its faithful performance as required by Section 255.05, Florida Statutes; and

**WHEREAS**, all obligations of the Board of Trustees under the Lease Agreement shall be payable solely from legally available revenues of the Board of Trustees lawfully appropriated in each fiscal year, and the obligation of the Board of Trustees to continue such Lease Agreement for each fiscal year shall be subject to appropriation of legally available non-ad valorem revenues for the payment of obligations under the Lease Agreement in such fiscal year; and

**WHEREAS**, the Board of Trustees now desires to (i) authorize and approve entering into the Energy Performance Based Contract with the Energy Performance Based Contractor (ii) authorize and approve financing the cost of the Equipment, (iii) and delegating to the President, or in the President's absence the President's designee, the authority to finalize negotiations with the Energy Performance Contractor and the Lessor including the form of the Lease Agreement, one or more leasing schedules to the Lease Agreement, any additional exhibits attached to the Lease Agreement, an escrow agreement and any other related documents (collectively, the "Financing Documents"), (ii) authorize the execution and delivery of the Financing Documents, and (iii) provide additional authority in connection therewith.

**NOW, THEREFORE, BE IT RESOLVED BY THE UNIVERSITY OF SOUTH FLORIDA BOARD OF TRUSTEES:**

**SECTION 1. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the laws of the State of Florida, Section 1013.23 Florida Statutes, as amended, and other provisions of law.

**SECTION 2. FINDINGS.** It is hereby found, ascertained, determined and declared that:

A. The WHEREAS clauses recited above are hereby incorporated herein as a part of this Resolution.



B. The University is a duly constituted and validly existing State University institution and its Board of Trustees is a body corporate under the laws of the State of Florida pursuant to Sections 1000.21(6)(d) and 1001.72, Florida Statutes, each as amended.

C. The Board of Trustees is authorized pursuant to the provisions of the Section 1013.23, Florida Statutes, to borrow moneys to finance the acquisition, construction, and installation of the Equipment.

D. The amount the Board of Trustees would spend on the acquisition, construction, and installation of the Equipment to be verified by the Report will not exceed the amount to be saved in energy and operation costs over 20 years from the date of installation, based on lifecycle costing calculations, if the recommendation in the Report were followed.

E. The Energy Performance Contractor is providing a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system.

**SECTION 3. AUTHORIZATION OF THE ENERGY PERFORMANCE BASED CONTRACT; AUTHORIZATION OF FINANCING AND FINANCING DOCUMENTS.**

A. The acquisition, construction, and installation of the Equipment under the terms and conditions of the Energy Performance Based Contract to be entered into with the Energy Performance Contractor is hereby approved. The President, or in the President's absence the President's designee, is hereby authorized to execute and deliver the Energy Performance Based Contract with an aggregate purchase price of approximately \$9,400,000 and in any event not to exceed \$9,900,000 in substantially in a form acceptable to the Board of Trustees, with such changes, amendments, modifications, deletions, and additions as may be approved by the President, or in the President's absence the President's designee, upon the advice of Bryant Miller Olive, P.A., special counsel to the Board of Trustees and the general counsel to the Board of Trustees delivery thereof to be conclusive evidence of such approval.

B. The financing of the Equipment under the terms and conditions of the Financing Documents to be entered into with the Lessor is hereby approved.

C. The President, or in the President's absence the President's designee, is hereby authorized to execute and deliver the Financing Documents provided the Financing Documents provide for financing of approximately \$9,400,000 and in any event not to exceed \$9,900,000 for a term of not to exceed 20 years, at an interest rate not to exceed 3.00% per annum. The Financing Documents shall provide for payments of not less than one-twentieth of the price to be paid within two years from the date of the complete installation and acceptance by the Board of Trustees of the Equipment, and the remaining costs to be paid quarterly, not to exceed a 20-year term based on life-cycle costing calculations. The Financing Documents shall contain all provisions required by, and otherwise comply with, Section 1013.23, Florida Statutes.

D. The Board of Trustees authorizes the execution and delivery, on behalf of the Board of Trustees, by the President, or in the President's absence the President's designee, under the seal of the Board of Trustees, attested by the Secretary of the Board of Trustees, the Financing Documents. The Financing Documents shall be in the form acceptable to the President, or in the President's absence the President's designee, upon the advice of Bryant Miller Olive, P.A., special counsel to the Board of Trustees and the general counsel to the Board of Trustees, with such changes, amendments, modifications, deletions, and additions as may be approved by the President, delivery thereof to be conclusive evidence of such approval. Prior to the execution and delivery of the Financing Documents, the Board of Trustees shall receive a Disclosure Letter from the Lessor containing the information required by Section 218.385, Florida Statutes and comply with the provisions of paragraph C. above.

E. Because of the unique characteristics of financing energy performance based contracts, the current volatility of the credit markets, and the fact that the Lease Agreement is not expected to be rated or insured, it is in the best interests of the Board of Trustees to enter into the Financing Documents with the Lessor pursuant to a negotiated placement.

**SECTION 4. INSTALLMENT PAYMENTS; LIMITED OBLIGATION.** The Board of Trustees promises that it will promptly pay installment payments, consisting of principal and interest components, as described in the Financing Documents, and all other amounts due under the Financing Documents at the place, on the dates, and in the manner provided in the Financing Documents according to the true intent and meaning hereof and thereof. Amounts due under the Financing Documents shall be payable solely from legally available non-ad valorem revenues of the Board of Trustees lawfully appropriated in each fiscal year, and the obligation of the Board of Trustees to continue such Lease Agreement for each fiscal year shall be subject to appropriation of legally available non-ad valorem revenues for the payment of obligations under the Lease Agreement in such fiscal year, all in accordance with the terms hereof and of the Lease Agreement. The Lessor shall never be entitled to payment of the installment payments from any funds of the Board of Trustees except from legally available non-ad valorem revenues of the Board of Trustees lawfully appropriated in each fiscal year, as described herein and in the Lease Agreement. The Lease Agreement does not and will not constitute a debt, liability, or obligation of the State of Florida or the Board of Trustees, or a pledge of the faith and credit of the State or the Board of Trustees.

**SECTION 5. USE OF PROCEEDS.** The proceeds of the lease purchase financing shall be used to finance the acquisition, construction, installation, and financing of the Equipment.

**SECTION 6. GENERAL AUTHORIZATION.** The Chair and the Secretary of the Board of Trustees and the President are each designated as agents of the Board of Trustees in connection with the making of the lease purchase and entering into the Financing Documents and the Energy Performance Based Contract and are authorized and empowered, collectively or individually, to take all actions and steps and to execute all instruments, documents, and contracts on behalf of the Board of Trustees that are necessary or desirable in connection with the execution and delivery of

the Financing Documents and the Energy Performance Based Contract, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

**SECTION 7. PREREQUISITES PERFORMED.** The Board of Trustees has performed all acts, conditions, and things relating to the passage of this Resolution as are required by the laws of the State of Florida.

**SECTION 8. SEVERABILITY.** If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

**SECTION 9. APPLICABLE PROVISIONS OF LAW.** This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

**SECTION 10. RULES OF INTERPRETATION.** Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word are used.

**SECTION 11. CAPTIONS.** The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

**SECTION 12. MEMBERS OF THE BOARD OF TRUSTEES EXEMPT FROM PERSONAL LIABILITY.** No recourse under or upon any obligation, covenant or agreement of this Resolution, the Financing Documents, the Energy Performance Based Contract or for any claim based thereon or otherwise in respect thereof, shall be had against any member of the Board of Trustees, as such, past, present or future, either directly or through the University it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the members of the Board of Trustees, as such, under or by reason of the obligations, covenants or agreements contained in this Resolution, the Financing Documents, the Energy Performance Based Contract or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such member of the Board of Trustees, as such, are waived and released as a condition of, and as a consideration for, the execution of this Resolution, the Financing Documents, the Energy Performance Based Contract, on the part of the Board of Trustees.

**SECTION 13. REPEALER.** All resolutions or parts thereof in conflict herewith, if any, are hereby repealed.

**SECTION 14. NO THIRD PARTY BENEFICIARIES.** Except such other persons as may be expressly described in this Resolution, nothing in this Resolution, expressed or implied, is intended

or shall be construed to confer upon any person, other than the Board of Trustees and the Lessor, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, or any provision thereof, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Board of Trustees and the Lessor.

**SECTION 15. EFFECTIVE DATE.** The provisions of this Resolution shall take effect immediately upon their adoption.

**Agenda Item: IIIc**

**USF Board of Trustees**

June 15, 2022

**Issue:** USF Sarasota-Manatee Housing and Student Center Project

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**Proposed action:** Authorize Issuance of Debt by USF Financing Corporation and Request Approval by the Florida Board of Governors

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**Executive Summary:**

The USF Financing Corporation (USFFC) proposes to construct the USF Sarasota-Manatee Housing and Student Center Project. The Project will consist of a mixed-use facility containing approximately 100,000 square feet of space, of which approximately 32,000 square feet will be allocated to a student center and the balance to a student housing facility. The student center portion of the Project will be contained in a one- to two-story structure and will support the student activities on campus. The student housing portion of the Project will consist of a three- to four-story student housing facility consisting of approximately 68,000 square feet of student residential units, totaling 200 beds, above the student center. The Project will be located on the Sarasota-Manatee Campus of the University and is consistent with the mission of the University because it will provide needed student center and student housing. Design and construction of the Project is expected to begin in September of 2022 and be completed in May of 2024.

The total cost of the Project, which includes construction, design costs, contingency, and furnishings and equipment is estimated between \$36.2 million and \$41.7 million. For the purpose of projections, a cost of \$40,000,000 is assumed and includes construction contingency of \$1,000,000 (2.6%). The University will also include a \$2M (5.3%) owner's contingency to mitigate current environmental risks such as supply chain disruptions and cost inflation.

The Project will be funded through bond proceeds and a \$16,500,000 contribution from the University. The Project will be financed by USFFC with proceeds from a fixed rate tax-exempt public bond issuance in an expected amount of \$27,000,000, and in any event not to exceed \$30,000,000. The debt will be structured with a 30-year final maturity with level debt service. Approximately \$2,250,000 of the debt will fund capitalized interest during the construction period (approximately 20 months), and \$300,000 will fund estimated costs of issuance. Once the Project is completed and final costs are known, any excess proceeds will be used to make debt service payments on the bonds. A debt service reserve fund equal to the maximum annual debt service on the bonds will be funded with USF Housing System cash on hand. The Debt will be secured by a first lien on USF Housing System Revenues on parity with the lien granted to the holders of USFFC's outstanding \$176 million of Housing System Debt. See attached Resolution and appendices.

Legislative approval of the Project has been obtained pursuant to section 1010.62 (7)(a), Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO. This Project financing is in compliance with the Debt Management Guidelines adopted by the Florida Board of Governors on April 27, 2006, as subsequently amended, the USF Board of Trustees Debt Management Policy, and applicable law.

### **Financial Impact:**

The Project will make a direct contribution to the core educational mission of the University because a high-quality university residential life program can lead to demonstrated improvements in long-term student retention and graduation.

The Project is projected to produce a debt service coverage ratio of 1.06x in 2024-25, the first full year of operations and debt service, an internal rate of return estimated at 4.07%, and make a positive annual financial contribution to the University. The USF Housing System is projected to produce a debt service coverage ratio of 1.46x in 2024-25.

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<b>Strategic Goal(s) Item Supports:</b>	<b>Goal #5 (Strong and Sustainable Financial Base)</b>
<b>Workgroup Review Date:</b>	<b>Finance Committee - May 24, 2022</b>
<b>Supporting Documentation Online (please circle):</b>	<b>Yes                      No</b>
<b>Prepared by:</b>	<b>Fell L. Stubbs, University Treasurer, (813) 974-3298</b>

**A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF SUCH DEBT TO FINANCE THE CONSTRUCTION OF A STUDENT HOUSING AND STUDENT CENTER FACILITY TO BE LOCATED ON THE SARASOTA-MANATEE CAMPUS OF THE UNIVERSITY OF SOUTH FLORIDA; AND PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED BY THE UNIVERSITY OF SOUTH FLORIDA BOARD OF TRUSTEES:**

**Section 1.** The University of South Florida Board of Trustees (the "Board of Trustees") as the governing body of the University of South Florida (the "University") hereby authorizes the issuance of debt by the USF Financing Corporation (the "DSO") and requests the Florida Board of Governors (the "Board of Governors") to approve the issuance of debt in an amount expected to equal \$27,000,000 and, in any event, not to exceed \$30,000,000 (the "Debt") for the purpose of financing the costs to construct and equip a mixed-use student housing and student center facility (the "Project") to be located on the Sarasota-Manatee Campus of the University.

**Section 2.** The Project will consist of a mixed-use facility containing approximately 100,000 square feet of space, of which approximately 32,000 square feet will be allocated to a student center and the balance to a student housing facility. The student center portion of the Project will be contained in a one- to two-story structure and will support the student activities on campus. The student housing portion of the Project will consist of a three- to four-story student housing facility consisting of approximately 68,000 square feet of student residential units, totaling 200 beds, above the student center. The Project will be located on the Sarasota-Manatee Campus of the University and is reflected on the approved master plan for the University and is consistent with the mission of the University because it will provide needed student center and student housing. Design and construction of the Project is expected to begin in September of 2022 and be completed in May of 2024. The University anticipates contributing approximately \$16,500,000 (the "University Contribution") primarily to pay for a significant portion of the student center portion of the Project because the student center will have limited revenues available to pay debt service and also may be leased to a for-profit entity and not qualify for tax-exempt financing due to the private business use. Proceeds of the Debt, along with the University Contribution, are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to section 1010.62 (7)(a), Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

**Section 3.** The Debt will be secured by a first lien on certain "System Revenues" pursuant to the terms of the Master Lease Purchase Agreement dated May 1, 2005 (the "Master Lease") between the DSO and USF Property Corporation on parity with the lien granted to the holders of the DSO's outstanding Certificates of Participation which are currently outstanding in an aggregate principal amount of \$176,185,000. System Revenues are defined in the Master Lease to

include all gross income and revenues including fees, rentals or other charges received by the DSO or the University on behalf of the DSO derived from the ownership and/or operation of the "System Facilities." System Facilities currently consist of the existing student housing facilities owned by the DSO on both the Tampa and St. Petersburg campuses, a structured parking facility located on the St. Petersburg campus, including the commercial and retail facilities located on the first floor of the structure, and will include the Project. The System Revenues therefore include the housing revenues generated by the housing facilities, revenues from parking permits associated with St. Petersburg campus, and revenues from the leasing of the commercial and retail space in the parking facility on the St. Petersburg campus. With respect to the Debt, it is also anticipated that the University will pledge the activity and service fees allocable to the Sarasota-Manatee Campus (the debt service on this portion of the Debt and the St. Petersburg portion payable from activity and service fees will not exceed 5% of the prior fiscal year's collections) to the student center portion of the Project. The DSO is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes on a parity with the lien granted to the holders of the DSO's outstanding Series 2012A, 2012B, 2015A, 2018 and 2019 Certificates of Participation. The University and the DSO are committed to ensuring that sufficient revenues will be generated to fulfill the obligations with respect to the proposed Debt and the outstanding Certificates of Participation.

**Section 4.** The Debt will bear interest at a fixed tax-exempt rate acceptable to the DSO and will mature not more than 30 years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life that exceeds 40 years, which is beyond the anticipated final maturity of the Debt.

**Section 5.** The Debt will be sold through negotiated sale. A negotiated sale is necessary due to market conditions, credit quality and structure of the Debt. An analysis showing that a negotiated sale is desirable and in the best interest of the University is described in Appendix A. The underwriter(s) and financial advisor engaged by the DSO will be selected through a competitive selection process. Bond insurance or other credit enhancement, if any, will be chosen through a competitive selection process analyzing the cost of the insurance or credit enhancement and the expected interest cost savings resulting from their use.

**Section 6.** The Board of Trustees will comply and will require the University and the DSO to comply, with all requirements of federal and state law relating to the Debt, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Debt and continuing secondary market disclosure of information regarding the Debt.

**Section 7.** The Board of Trustees will comply and will require the University and the DSO to comply, with the Debt Management Guidelines adopted by the Board of Governors on April 27, 2006, as subsequently amended by the Board of Governors, the University's debt management policy, and applicable law.

**Section 8.** The President of the University, or the President's designee, and the Chair and Executive Director of the DSO and other authorized representatives of the University, and the Board of Trustees, and the DSO are hereby authorized to take all actions and steps, to execute all



instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Debt.

**Section 9.** In making the determination to finance the Project, the Board of Trustees has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the Debt Management Guidelines adopted by the Board of Governors on April 27, 2006, as subsequently amended by the Board of Governors, the University's debt management policy, and applicable law.

**Section 10.** This Resolution shall take effect immediately upon its adoption.

Adopted this \_\_\_\_\_ day of May, 2022.

## **Appendix A**

The following documents have been reviewed by the Board of Trustees prior to the execution of this Resolution:

- a. The project summary;
- b. Brailsford & Dunlavey Student Housing Analysis;
- c. Anticipated draw down schedule;
- d. Sources and uses of funds for the project;
- e. An estimated debt service schedule;
- f. A schedule showing estimated compliance with the additional debt test;
- g. A description of the security supporting repayment and the lien position the debt will have on that security;
- h. A five year history and a five year projection, of the pledged revenues and the debt service coverage; and
- i. The negotiated sale analysis.

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS**

**Project Summary**

**University of South Florida  
USF Sarasota-Manatee Student Housing and Student Center Project**

**Project Description:**

The University of South Florida (“USF” or “University”) is seeking authorization to finance the proposed design and construction of a new mixed-use facility comprising student housing and a student center to be located on the University’s Sarasota-Manatee campus (the “Project”). Project financing will be provided through the issuance of debt by the USF Financing Corporation (the “DSO”) in an amount expected to equal \$27,000,000 and, in any event, not to exceed \$30,000,000 (the “Debt”) and includes a \$16,500,000 equity contribution from the University.

The student housing component of the Project will be approximately 68,000 GSF and will offer approximately 200 semi-suite and apartment-style beds to match the projected student preferences based upon the market demand analysis. 140 semi-suite beds will offer double-occupancy bedrooms with bathrooms shared by the residents of the double room. The remaining 60 beds will be single-occupancy bedrooms with a shared bathroom(s), living space, and kitchen or kitchenette. The project design will provide academic, social, and service space appropriate for a residential community of this size. These spaces will include but are not limited to: community kitchen/great room, multi-purpose programming/study space, laundry facilities, mail/package delivery, housing services desk operation, key control and storage, high-speed internet, custodial service areas, trash/recycling space, vending, adequate storage, and offices. Additional space will be dedicated to support live-in professional and para-professional residential needs. To maximize the use of space, some amenities and service space may be located in the student center building with access-controlled areas limited to residential students.

At the heart of USF is a vibrant, diverse, and engaged student body. This Project will physically transform the Sarasota-Manatee campus footprint and identity through compelling spaces and robust services. The University’s vision for its student housing and residential education program is to provide a dynamic residential experience to produce proud USF alumni and engaged global citizens. The University is dedicated to creating safe and welcoming residential communities that promote student success. The housing portion of the Project will demonstrate the design tenets adopted by the Association of College and University Housing Officers – International (ACUHO-I) 21st Century Project focused on sustainability, flexibility, community, and technology. The design will incorporate best practices on intimately scaled social and academic spaces, optimal use of natural lighting and ground floor

spaces that are transparent and encourage community identity and passive security.

The student center component will be approximately 32,000 GSF and will include the following spaces and services: student success center (student government, veteran success, student activities), wellness center (student health, counseling, fitness), bookstore/retail/technology center, student lounge, multi-purpose meeting rooms, and dining.

The new student center will offer high-quality programs, services, engagement opportunities, and an environment to support student success. Facilities will be modern, innovative, inclusive, and promote student learning and a sense of pride. The new student center will offer inviting spaces where students, faculty, staff, alumni, and community members can connect, collaborate, and contribute. The University expects the project to be an attractive on-campus destination through the use of space and diverse programmatic opportunities.

This Project will enhance student engagement by creating diverse social spaces and co-locating a student center, dining, health and wellness, retail, and residential space. The University believes that the creation of a quality-of-life activity hub will enhance the Project's desirability amongst students. The Project will provide a competitive, "value-added" campus element when compared to peer institutions in support of the University's goal of increasing its competitive profile for highly qualified, geographically diverse incoming students, as well as when compared to the available off-campus residential offerings. Offering a desirable residential experience that is accessible to the USF student body is a priority.

The Project is included in the University's approved 2015-2025 Campus Master Plan, and was approved by the USF Board of Trustees (BOT) on December 3, 2015.

**Site Location:**

The site is located on the USF Sarasota-Manatee campus and within the boundary of the existing Campus Development Agreement. The identified Project site is on the north side of Seagate Drive adjacent to the South Parking Lots. This site location and zoning will allow for the development of the full Project program.

**Projected Start and Opening Date:**

The DSO Board of Directors approved the Project on May 5, 2022. The USF Board of Trustees is expected to approve the Project on June 15, 2022. The Florida Board of Governors is expected to consider the Project for approval on September 13-14, 2022.

Project design is expected to commence upon Project approval in September 2022 and the Project is expected to be completed in May 2024.

On March 9, 2022, the DSO initiated a competitive procurement process for design and construction services. Four proposals were received from qualified, experienced firms by the April 8, 2022 due date. The selection process is underway, with final selection and award expected in May 2022.

### **Project Cost:**

The University estimates that design and construction costs for the proposed housing and student center Project will total between \$36.2 M to \$41.7M. For the purpose of projections, the cost of design and construction is assumed to equal \$39M, including furniture, fixtures and equipment, with the housing component estimated to cost \$21M and the student center estimated to cost \$17M and construction contingency of \$1M (2.6%).

The University will also include a \$2M (5.3%) owner's contingency to mitigate current environmental risks such as supply chain disruptions and cost inflation.

The dining and bookstore spaces within the student center will be delivered as warm, white shells. The University's outsourced dining services operator and bookstore operator will be responsible for interior build-out and equipping of the dining spaces and bookstore spaces, respectively.

The Total Project Cost is estimated to equal \$40,950,000. (See *Estimated Sources and Uses of Funds*).

The estimated cost of the housing component at \$21M results in a cost of \$105,000 per bed. By comparison, the recent USF St. Petersburg Housing and Dining Project was approved in November 2018 with a cost of \$80,400 per bed. Factors contributing to the higher Project per bed cost compared to the USF St. Petersburg Project include significantly increased material and labor costs over the past several years. However, the estimated cost per bed is more comparable to recent student housing projects in the State University System (*see chart below*).

### **Per-Bed Cost Comparison**

<b>Approval Date</b>	<b>University</b>	<b>Location</b>	<b>Beds</b>	<b>Per-Bed Cost</b>	<b>Notes</b>
Mar 2021	UF	Gainesville	1400	<b>\$157.0 K</b>	
Mar 2020	FIU	Miami	700	<b>\$125.0 K</b>	
Jan 2020	FSU	Panama City	400	<b>\$57.8 K</b>	P3 project
Apr 2019	FAU	Boca Raton	616	<b>\$87.8 K</b>	
Apr 2019	FAU	Jupiter	165	<b>\$91.8 K</b>	Includes parking
Nov 2018	USF	St. Petersburg	375	<b>\$81.8 K</b>	Includes dining shell
Nov 2018	FAMU	Tallahassee	700	<b>\$85.7 K</b>	

\* Calculated on project cost, excluding capitalized interest

The Project scope does not include parking as the campus has sufficient spaces available to meet any increase in demand resulting from the proposed Project.

**Financing Structure:**

The Project will be financed with 30-year, fixed rate, tax-exempt debt issued by the USF Financing Corporation (“DSO”) in an amount expected to equal \$27M and, in any event, not to exceed \$30M; inclusive of capitalized interest (\$2.25M) and cost of issuance (\$300k), as well as a \$16.5M cash equity contribution from the University. The debt will be on parity with the DSO’s outstanding \$176M of USF Housing System debt. The bonds will be structured with a level debt service and a final maturity not to exceed 2052.

According to the University, current market rates are 4.25%-4.75%. However, for the purpose of projections, debt service coverage is conservatively based on a tax-exempt fixed interest rate of 5.00%.

A debt service reserve equal to the maximum annual debt service on the bonds will be accomplished via internal restriction of funds from USF Housing System cash on hand.

**Demand Analysis:**

The University of South Florida has a successful housing program with housing facilities located on the Tampa and St. Petersburg campuses. The University is seeking ways to enhance the on-campus student experience at its Sarasota-Manatee campus. In recent years, the University has changed in terms of increased enrollment, demographics, and growth of the on-campus culture. To achieve the University's targeted objectives during the next 5-10 years, it is widely recognized that building a stronger campus community is imperative. As a result, the University is planning to construct a new student center, new academic facilities, and on-campus student housing. All of these future developments are focused on a vibrant and inviting “24/7” USF Sarasota-Manatee campus where students are comfortable spending more time studying and socializing and less time commuting.

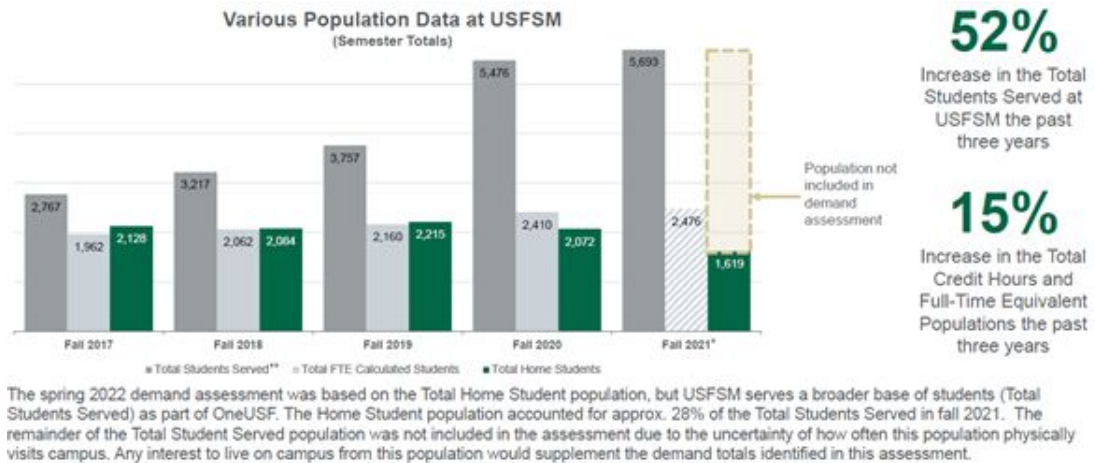
Based on the University’s “Accountability Report”, annual enrollment has steadily increased over the past 5 years, with the University projecting stabilization followed by modest annual growth in enrollment through FY27-28 (*see chart below*).

**Full-Time Equivalent (FTE) Enrollment by Course Level**

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2027-28
LOWER	14,057	14,041	13,971	13,831	13,893	14,314	14,236	14,280	14,337	14,411	14,488
UPPER	20,158	20,796	21,021	21,475	21,703	21,420	20,881	21,019	21,513	21,989	21,989
<b>% UG</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>79%</b>	<b>79%</b>	<b>79%</b>	<b>79.5%</b>	<b>79%</b>
GRAD 1	6,482	6,534	6,404	6,298	6,398	6,388	6,494	6,537	6,569	6,593	6,611
GRAD 2	2,236	2,385	2,452	2,449	2,450	2,505	2,608	2,668	2,729	2,789	2,850
<b>TOTAL</b>	<b>42,932</b>	<b>43,756</b>	<b>43,849</b>	<b>44,053</b>	<b>44,444</b>	<b>44,626</b>	<b>44,219</b>	<b>44,503</b>	<b>45,147</b>	<b>45,783</b>	<b>45,938</b>

Note: Full-time Equivalent (FTE) student is a measure of all instructional activity (regardless of fundability) that is based on the number of credit hours for all students during an academic (summer, fall, spring) year. FTE is based on the standard national definition, which divides undergraduate credit hours by 30 and graduate credit hours by 24. Pursuant to section 1013.31, Florida Statutes, Board facilities staff use this data as a key factor in the calculation of facility space needs for university educational plant surveys.

The University engaged Brailsford & Dunlavy (“B&D”) to study demand for new on-campus housing, the findings of which were reported in an April 2022 analysis. B&D highlighted the 52% increase in the total students served and the 15% increase in the total credit hours and FTE populations over the past three years at the USF Sarasota-Manatee campus (*see graph below*).



B&D concluded that sufficient demand exists to support up to a 200-bed project on the USF Sarasota-Manatee campus through the compilation of demand from multiple student market segments. Noting a limited assumption for enrollment growth, B&D estimated current demand of 226 beds growing to 232 beds by Fall 2024.

As part of its analysis, B&D surveyed off-campus housing where students live in the area around USF Sarasota-Manatee. Average rent for comparable off-campus apartments are reflected in the chart below. Furthermore, B&D reported that recent market trends indicate rental rates in the Sarasota-

Manatee market have increased significantly (30%) over the last two years (see chart below).

Market-Responsive Unit Mix*	Total Beds (200-Bed Project)	Monthly Rental Rate per Bed** (2022 \$)	Monthly Rental Rate per Bed** (2024 \$)	Off-Campus Market Avg. (per bedroom in 2022 \$)***
1-Bed / 1-Bath Semi-Suites (Double-Occupancy Bedrooms)	140	\$1,170	\$1,243	\$1,076 (3-Bed Apt. Comp.)
2-Bed / 1-Bath Apartments (Single-Occupancy Bedrooms)	20	\$1,550	\$1,648	\$1,027 (2-Bed Apt. Comp.)
4-Bed / 2-Bath Apartments (Single-Occupancy Bedrooms)	40	\$1,416	\$1,505	\$1,076 (3-Bed Apt. Comp.)

The following chart shows current and projected on-campus rental rates for the accommodations available to students in the existing residence hall facilities compared to the proposed rates for the new Project.

### Housing System Rental Rates per Bed per Month

Campus	Housing Facility	Unit Type / Occupancy	Rent/Bed per Month *	
			Current	Fall 2024*
Tampa	Beta & Castor	Traditional, Double	\$ 748.75	<b>\$ 795.00</b>
	The Village (Doubles)	Traditional, Double	\$ 987.50	<b>\$1,048.00</b>
	The Village (Singles)	Traditional, Single	\$1,337.50	<b>\$1,419.00</b>
	Cypress A/B, Juniper, Maple, Poplar	Suites, Double	\$ 937.50	<b>\$ 995.00</b>
	The Village (Double)	Suites, Double	\$1,198.75	<b>\$1,272.00</b>
	The Village (Double End Suite)	Suites, Double End	\$1,137.50	<b>\$1,207.00</b>
	The Village (Singles)	Suites, Single	\$1,487.50	<b>\$1,578.00</b>
	Kosove & Magnolia	Apartments, Double	\$ 996.25	<b>\$1,057.00</b>
	Cypress, Holly, Kosove, Magnolia	Apartments, Single	\$1,112.50	<b>\$1,180.00</b>
	Holly (2-bedroom)	Apartments, Single	\$1,225.00	<b>\$1,300.00</b>
St. Petersburg	Pelican Apartments (RHO)	Apartments, Single	\$1,167.75	<b>\$1,239.00</b>
		Studio Apt, Single	\$1,126.25	<b>\$1,195.00</b>
		Apartments, Double	\$1,126.25	<b>\$1,195.00</b>
	Ibis Hall (USC)	Shared room, Double	\$1,126.25	<b>\$1,195.00</b>
	Osprey Suites	Suites, Single	\$1,167.75	<b>\$1,239.00</b>
		Suites, Double	\$1,126.25	<b>\$1,195.00</b>
		Super Single	\$1,498.12	<b>\$1,589.00</b>
Sarasota-Manatee	New Project	Suites, Double		<b>\$1,243.00</b>
		Apartments, Single		<b>\$1,648.00</b>

\* Fall 2024 rental rates for existing housing reflect 3% per annum increases for 2 years. The rates may change based on market assessments, needs and BOT approval.



**Security/Lien Structure:** The Project debt will be secured by a first lien on USF Housing System Revenues, on parity with the lien granted to the holders of the DSO's outstanding \$176M of Housing System Debt. System Revenues include all income and revenues, on a gross basis, including fees, rentals or other charges received by the DSO, or the University on behalf of the DSO, derived from the ownership and operation of all System Facilities. System Facilities currently consist of the existing student housing facilities owned by the DSO on both the Tampa and St. Petersburg campuses, a structured parking facility located on the St. Petersburg campus, including the commercial and retail facilities located on the first floor of the structure, and will include the Project. With respect to the Debt, it is also anticipated that the University will pledge the activity and service fees allocable to the Sarasota-Manatee campus (the debt service on this portion of the Debt and the St. Petersburg portion payable from activity and service fees will not exceed 5% of the prior fiscal year's collections) to the student center portion of the Project. The DSO is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes on a parity with the lien granted to the holders of the DSO's outstanding Series 2012A, 2012B, 2015A, 2018 and 2019 Certificates of Participation. The University and the DSO are committed to ensuring that sufficient revenues will be generated to fulfill the obligations with respect to the proposed Debt and the outstanding Certificates of Participation.

**Pledged Revenues and Debt Service Coverage:**

The debt will be issued as tax-exempt fixed rate debt. While current market rates are 4.25% - 4.75%, debt service is conservatively based on a tax-exempt fixed interest rate of 5.00%. As previously defined in Security/Lien Structure above, Pledged Revenues available to pay debt service consist of those Housing System Revenues, on a gross basis, generated by USF's Housing System Facilities, including revenues from the Project, as well as activity and service fees allocable to the Sarasota-Manatee campus (the debt service on this portion of the Debt and the St. Petersburg portion payable from activity and service fees will not exceed 5% of the prior fiscal year's collections) to the student center portion of the Project.

The Project's operating revenues are projected at \$2,525,000 in FY24-25 and \$2,594,750 in FY25-26, which, net of operating expense yields a Project net debt service coverage ratio of 1.06x and 1.09x, respectively. However, in this case, the pledge is a gross revenue pledge, specifically a first lien pledge of USF's aggregate Housing System gross revenues ("System Revenues"), providing a priority for the payment of debt service. As such, calculation of gross debt service coverage from the aggregate Housing System is appropriate and, for the two periods cited above, results in coverage ratios of 3.02x and 3.11x, respectively. For informational purposes only, net debt service coverage from the aggregate Housing System results in coverage ratios of 1.46x and 1.47x, respectively. (See *Historical and Projected Debt Service Coverage*)

**Assessment of Private Sector Alternatives:**

The University considered a public-private partnership (P3) structure during the Project evaluation process. USF's Tampa campus employed a P3 approach in developing its recent "Village" student housing project; chosen due to the large size, scale and density of the project, and to avoid use of the University's bonding capacity (if bonded, USF would have needed to stage the development over 8-10 years). However, those same attributes were not present in the proposed Project. The significantly smaller size, scope and nature of the Project did not make the P3 approach advantageous. According to the University, in the P3 scenario that was considered, the cost to students would have been higher (development, operating and financing costs were higher) and it would have placed the University in a subordinate position regarding design input, financial benefits, and operational controls. In light of these factors, a University-financed approach was chosen for the Project.

**Return on Investment:**

The Project is expected to achieve an internal rate of return (IRR) estimated at 4.07%, based upon assumptions provided by the University. (See *Projected IRR*)

**Method of Sale:**

The Project debt will be issued using a tax-exempt, fixed interest rate structure, but will be in the form of Certificates of Participation (COPs), issued on a parity basis with the DSO's outstanding \$176M of Housing System COPs. According to the DSO, COPs are viewed by the market as less attractive. Furthermore, the DSO is an infrequent issuer without a broad investor base, and the pledge of non-tax-based revenues is considered somewhat weaker (by the market) than a general receipts/obligations pledge. Consequently, based on the analysis of the characteristics of the proposed Project debt, the DSO concluded that a negotiated sale is in the best interest of the University and DSO.

**Selection of Professionals:**

The professionals involved in this transaction were selected through a competitive process. The bond counsel for the debt will be Bryant Miller Olive; disclosure counsel, GrayRobinson; and financial advisor, PFM Financial Advisors LLC.

**Recommendation:**

[To be completed by the Board of Governors and Division of Bond Finance]



# Student Housing Analysis

## MARKET OPPORTUNITY ASSESSMENT

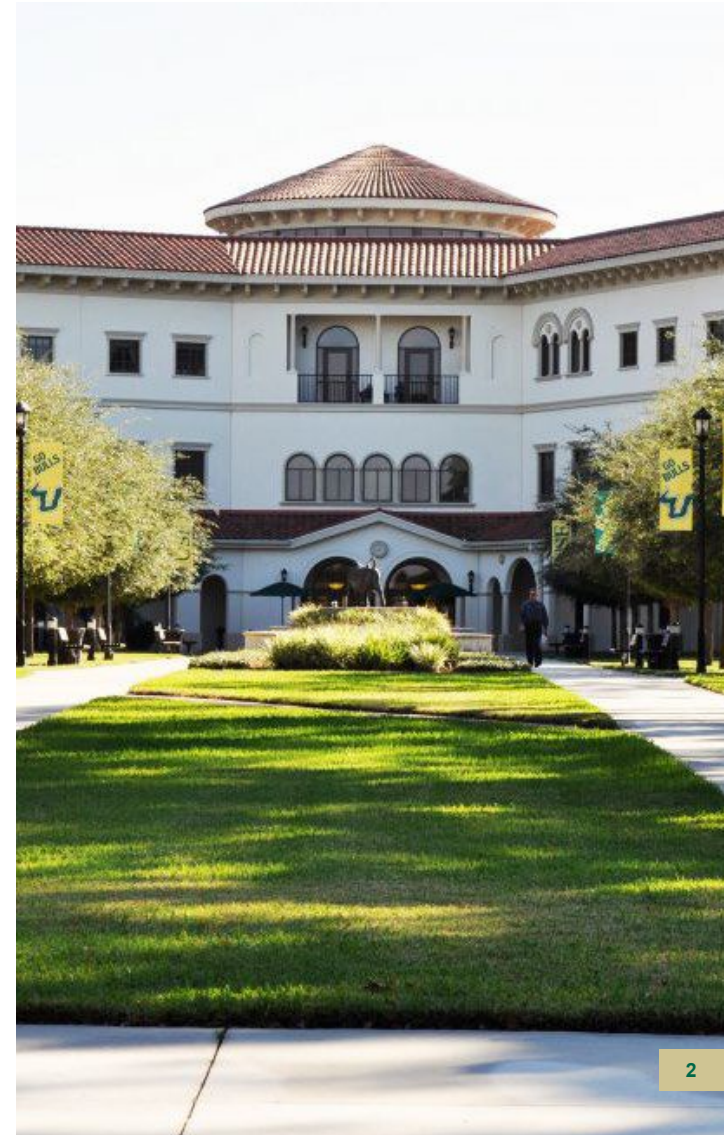
April 14, 2022



# Agenda

APRIL 14, 2022

- 1 Process Overview
- 2 Market Opportunity Assessment
- 3 Next Steps



# 01

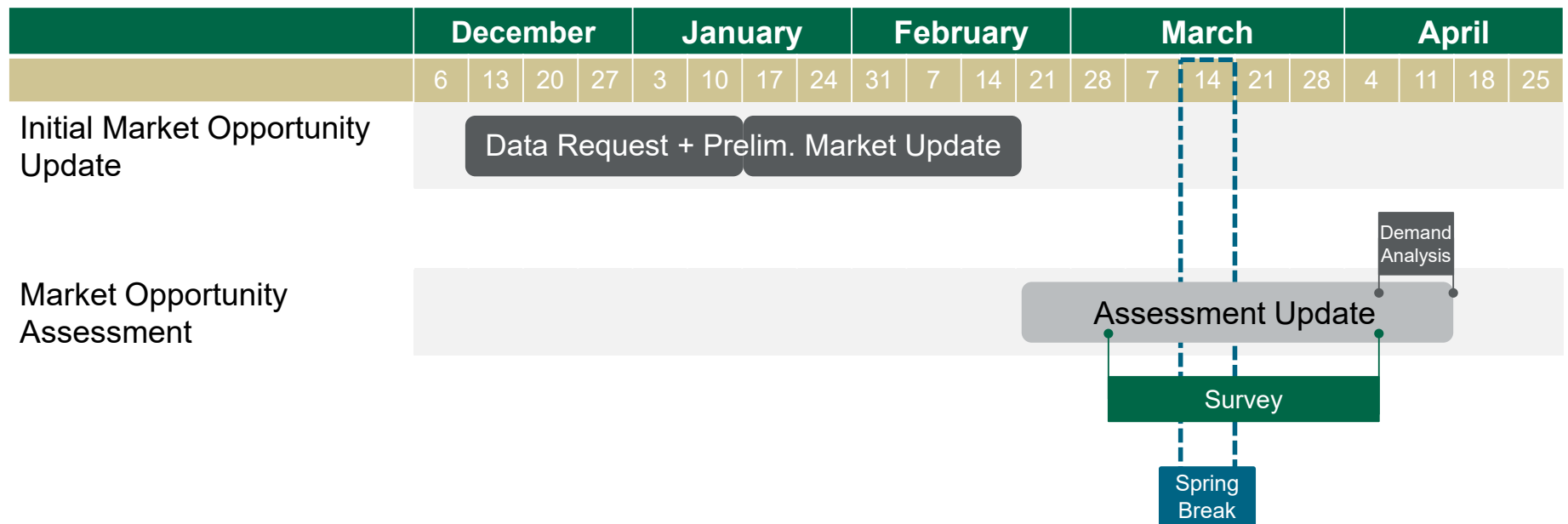
## Process Overview





# Assessment Timeline

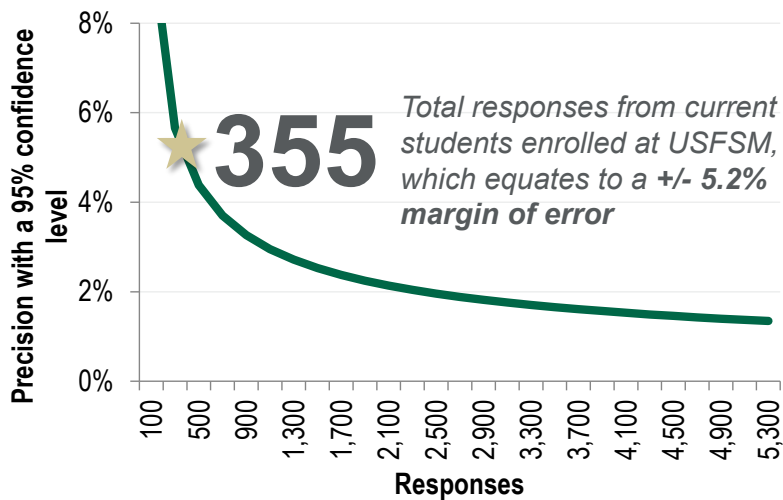
## PROCESS OVERVIEW



# Survey Response + Assumptions Included in Assessment

## PROCESS OVERVIEW

### Survey Overview



$$\begin{array}{rcl}
 355 & \div & 1,610 \\
 \text{Total responses from} & & \text{Total USFSM-} \\
 \text{current USFSM} & & \text{homed population} \\
 \text{students} & & \text{in fall 2021} \\
 & = & 22\% \\
 & & \text{Total Survey} \\
 & & \text{Participation} \\
 & & \text{Rate}
 \end{array}$$

### Enrollment Assumptions

**1,619** Total "Home" students at USF-SM campus in Fall 2021

**1,091** Total USFSM-Home students that took classes in-person or a hybrid scenario

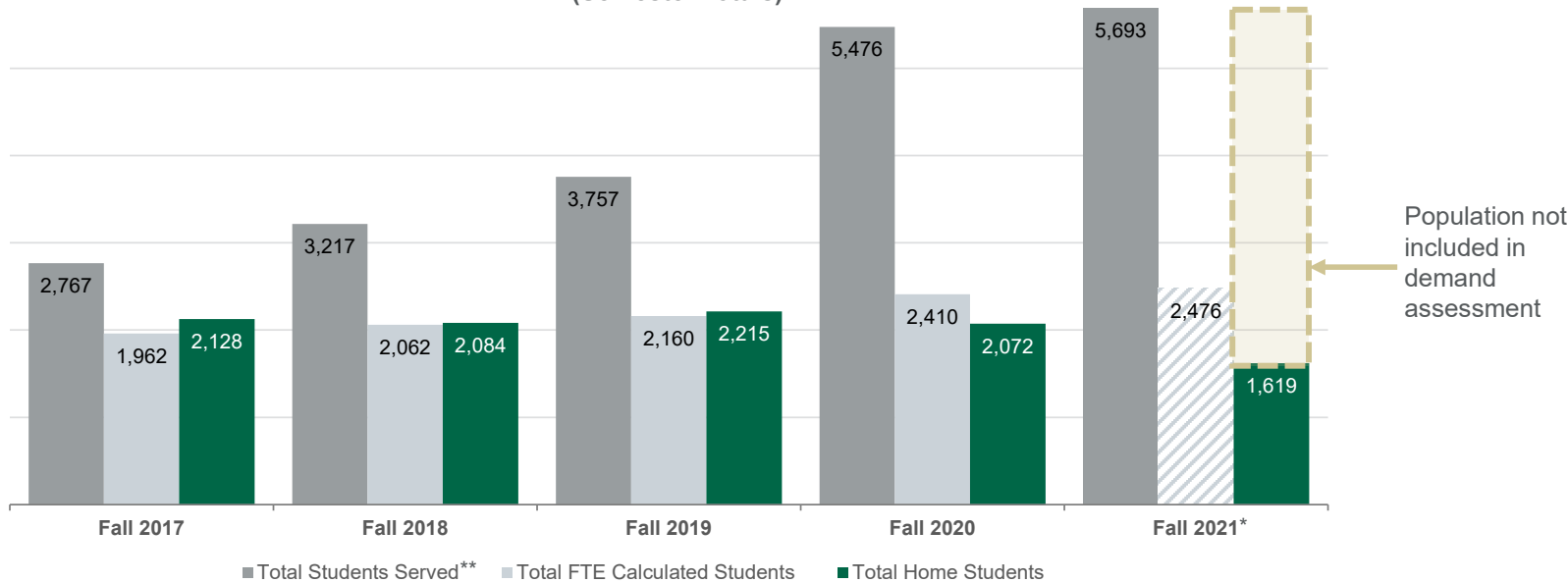
**480** Total in-person/hybrid USFSM-Home students that were enrolled full-time

- Moderate enrollment increase of 1.3% annually assumed for UGs and graduates
- Post-Bachelors Nursing program was assumed as an additional 99 students with no enrollment increases
- Total "Home" students accounts for students who claim the Sarasota-Manatee Campus as their "main" campus

# Student Population Context

## PROCESS OVERVIEW

Various Population Data at USFSM  
(Semester Totals)



# 52%

Increase in the Total Students Served at USFSM the past three years

# 15%

Increase in the Total Credit Hours and Full-Time Equivalent Populations the past three years

The spring 2022 demand assessment was based on the Total Home Student population, but USFSM serves a broader base of students (Total Students Served) as part of OneUSF. The Home Student population accounted for approx. 28% of the Total Students Served in fall 2021. The remainder of the Total Student Served population was not included in the assessment due to the uncertainty of how often this population physically visits campus. Any interest to live on campus from this population would supplement the demand totals identified in this assessment.



# 02

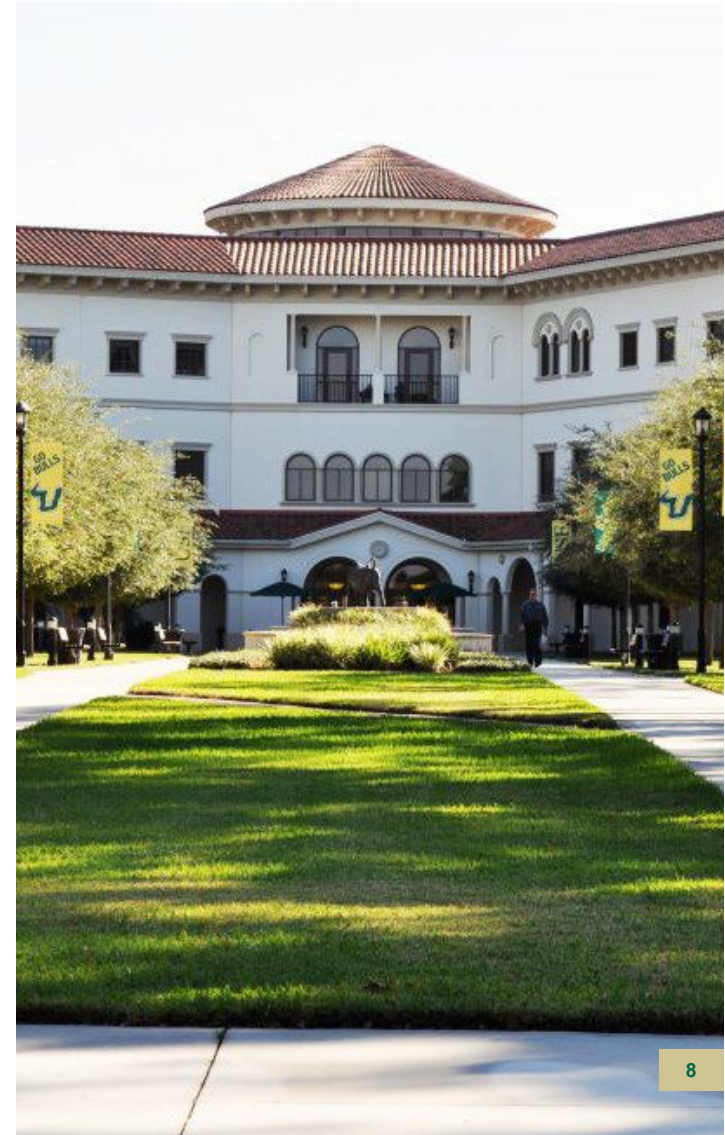
## Market Opportunity Assessment



# Conclusions + Recommended Response

## MARKET OPPORTUNITY ASSESSMENT

- ◆ On-campus housing will play a critical role in supporting the University's strategic objectives for USFSM, including the ability to create a broader applicant pool.
- ◆ Sufficient demand exists to support up to a 200-bed project on USFSM's campus through the compilation of demand from multiple student market segments.
- ◆ A combination of semi-suite and apartment-style units should be considered for the project with housing rates that achieve a financially feasible project.
- ◆ The University's ONE USF initiative will be a strong occupancy risk mitigating factor during the initial lease-up years for the project prior to reaching stabilization.



# Strategic Importance of Housing

## MARKET OPPORTUNITY ASSESSMENT

### Overall Campus Experience

#### Top Reasons Students Chose USFSM:

- 55%** Specific academic program offerings
- 43%** Ability to commute to campus from parents'/guardians' house
- 40%** Proximity to parents'/guardians' house
- 38%** Interested in more intimate campus + academic environment

**53%** Of all USFSM students reported being at least interested in living on campus

**84%** Of students said a union would increase their interaction with USFSM campus

### Current Living Conditions

2018	Off-Campus Living Characteristics	2022
<b>33%</b>	Commute more than 30 minutes one-way	<b>45%</b>
<b>34%</b>	Percent of students paying more than \$700 in monthly rent	<b>48%</b>
<b>\$680</b>	Weighted average of rent paid by students per month	<b>\$842</b>
<b>93%</b>	Believe it's challenging to find affordable housing	<b>92%</b>
<b>89%</b>	Believe it's challenging to find housing close to campus	<b>82%</b>

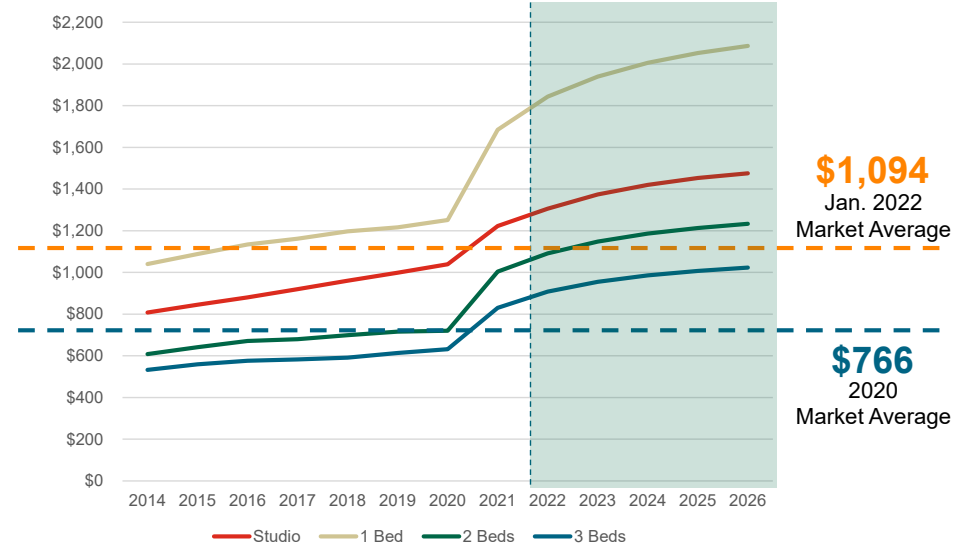
# Strategic Importance of Housing – Maintain Student Affordability

## MARKET OPPORTUNITY ASSESSMENT

- ◆ Recent market trends indicate rental rates have increased significantly (30%) over the last two years
- ◆ Market characteristics and trends indicate relatively similar situation to St. Pete Campus
  - ◆ Expensive surrounding market continues to experience rate increases
  - ◆ 45% of students surveyed in spring 2022 reported to one-way commute times to campus of longer than 30 minutes.
- ◆ Maintaining financial feasibility and accessibility for students will remain crucial for a new on-campus development at USFSM



5-Mile Radius Off-Campus Market  
Rental Rates by Bed, 2014 - 2026



Market Comparison	Market	Avg. Rate	2-Yr. Delta
	Sarasota	\$1,094	↑ 30%
	Tampa	\$970	↑ 10%
	St. Pete	\$1,184	↑ 14%

Note: Does not include utilities or additional costs

# Student Interest in Housing

## MARKET OPPORTUNITY ASSESSMENT

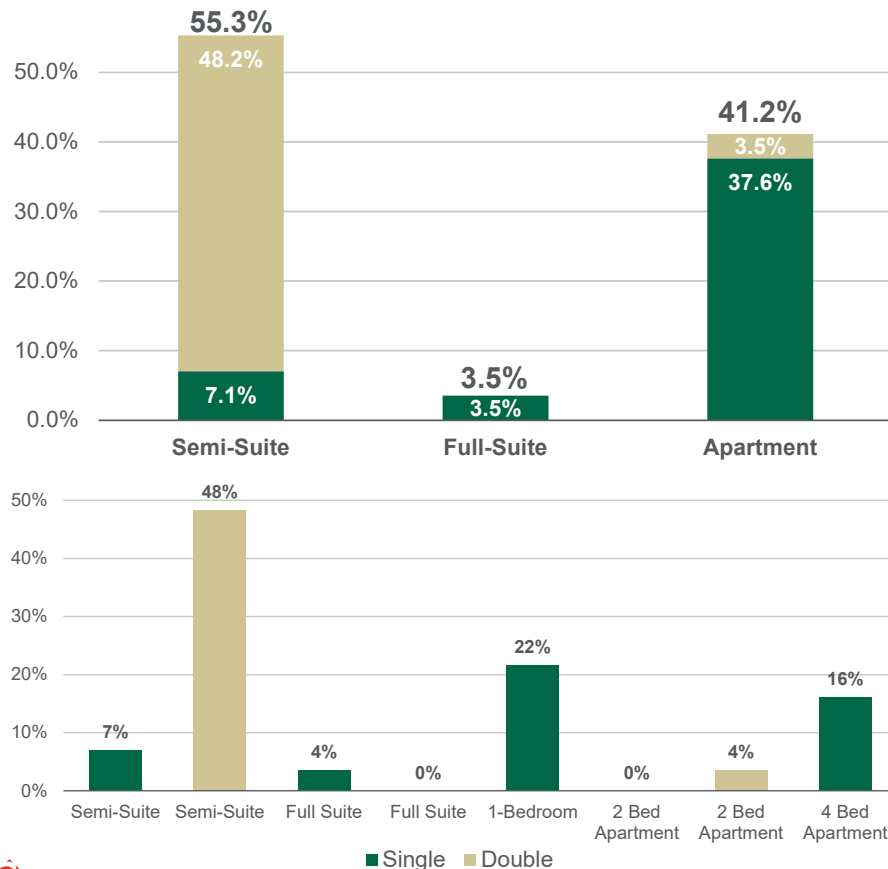
Market Segments	Fall 2021 Projected Enrollment	Fall 2024 Projected Enrollment
FT Undergraduate + Graduate Students (full-time, in-person and hybrid)	88 Beds	91 Beds
Post-Bachelors Nursing Students (full-time and in-person)	56 Beds	56 Beds
FT Students Living with Parents* (full-time, in-person and hybrid)	74 Beds	77 Beds
Full-Time Distance Ed. Students (online, and currently renting off-campus)	8 Beds	8 Beds
Part-Time In-Person Students* (in-person + hybrid, and currently renting off-campus)	0 Beds	0 Beds
<b>Total</b>	<b>226 Beds</b>	<b>232 Beds</b>

*\*Note: Totals from these market segments assumed capturing 25% of identified potential demand, given the speculative nature of students currently not paying to live (but interested in living on campus), as well as those who are enrolled part time.*

- ◆ There is sufficient demand to support up to a 200-bed project on USFSM's campus, based on the current demographic composition of its students.
  - ◆ Due to current commuter-campus situation, multiple market segments will need to be targeted in the initial years of the project's opening to fill the beds.
- ◆ Limited enrollment growth was assumed in the demand assessment, so fall 2024 projections would likely increase should enrollment increase in future years.

# Projected Student Unit Preferences

## MARKET OPPORTUNITY ASSESSMENT



 BRAILSFORD & DUNLAVEY

Students indicated a preference for privacy within their units, but their unit selection and current living conditions suggest a cost-conscious population.

***This would suggest the need for a project with multiple configurations and price points.***

Based on demand results and financial feasibility, USF should consider one of the following two unit-mixes for the project:

### 1. Demand-Responsive Unit Mix:

- ◆ Double-Occ. Semi-Suite Beds: 67%
- ◆ 2-Bed / 1-Bath Apart. (Single): 20%
- ◆ 4-Bed / 2-Bath Apart. (Single): 13%

### 2. Alternate Unit-Mix:

- ◆ Double-Occ. Semi-Suite Beds: 67%
- ◆ 2-Bed / 1-Bath Full Suite (Single): 7%
- ◆ 4-Bed / 2-Bath Full Suite (Single): 27%

# Proposed Rates for Market-Responsive Unit-Mix

## MARKET OPPORTUNITY ASSESSMENT

Market-Responsive Unit Mix*	Total Beds (200-Bed Project)	Monthly Rental Rate per Bed** (2022 \$)	Monthly Rental Rate per Bed** (2024 \$)	Off-Campus Market Avg. (per bedroom in 2022 \$)***
1-Bed / 1-Bath Semi-Suites (Double-Occupancy Bedrooms)	140	\$1,170	\$1,243	\$1,076 (3-Bed Apt. Comp.)
2-Bed / 1-Bath Apartments (Single-Occupancy Bedrooms)	20	\$1,550	\$1,648	\$1,027 (2-Bed Apt. Comp.)
4-Bed / 2-Bath Apartments (Single-Occupancy Bedrooms)	40	\$1,416	\$1,505	\$1,076 (3-Bed Apt. Comp.)

- ◆ This proposed unit mix aligns with demand and preferences indicated by USFSM students as it provides a blend of units that develop community among residents (semi-suites) and units that focus on privacy and independence (apartments).
- ◆ The proposed rental rates should provide USF the ability to meet financial obligations while also balancing the costs of housing for students.



# 03

## Next Steps

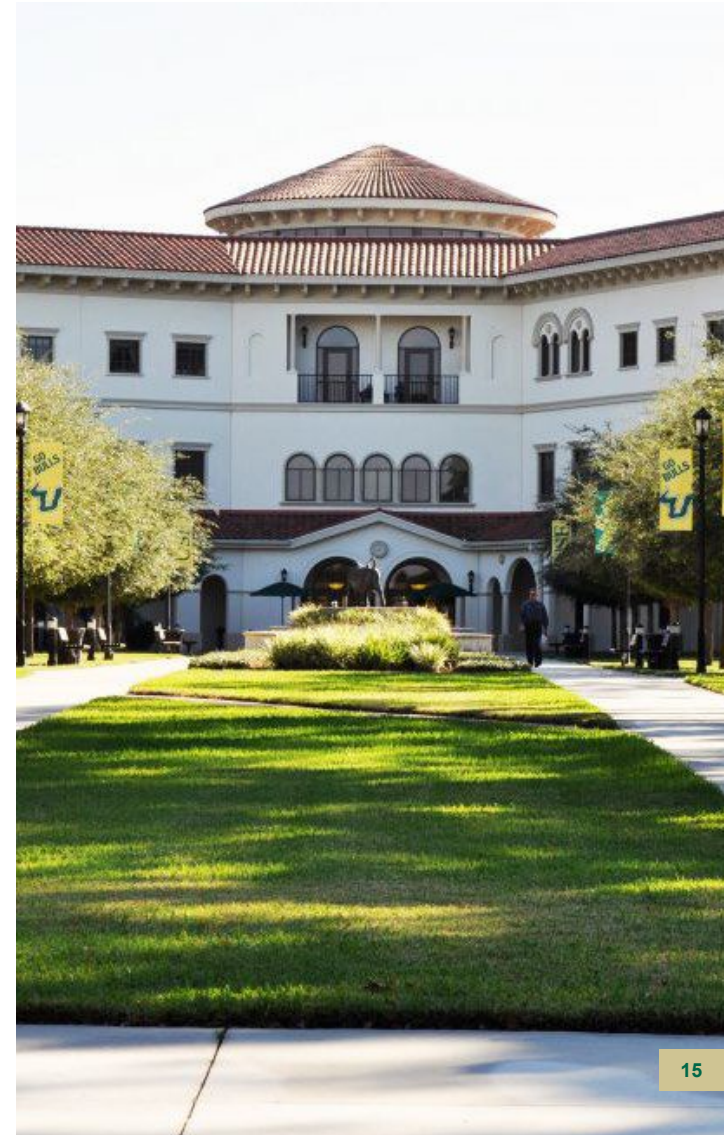




# Conclusions + Recommended Response

## NEXT STEPS

- ◆ On-campus housing will play a critical role in supporting the University's strategic objectives for USFSM, including the ability to create a broader applicant pool.
- ◆ Sufficient demand exists to support up to a 200-bed project on USFSM's campus through the compilation of demand from multiple student market segments.
- ◆ A combination of semi-suite and apartment-style units should be considered for the project with housing rates that achieve a financially feasible project.
- ◆ The University's ONE USF initiative will be a strong occupancy risk mitigating factor during the initial lease-up years for the project prior to reaching stabilization.



## Next Steps

APRIL 14, 2022

1

Finalize USF's preferred unit-mix approach  
(*market-responsive vs. affordable response*)

2

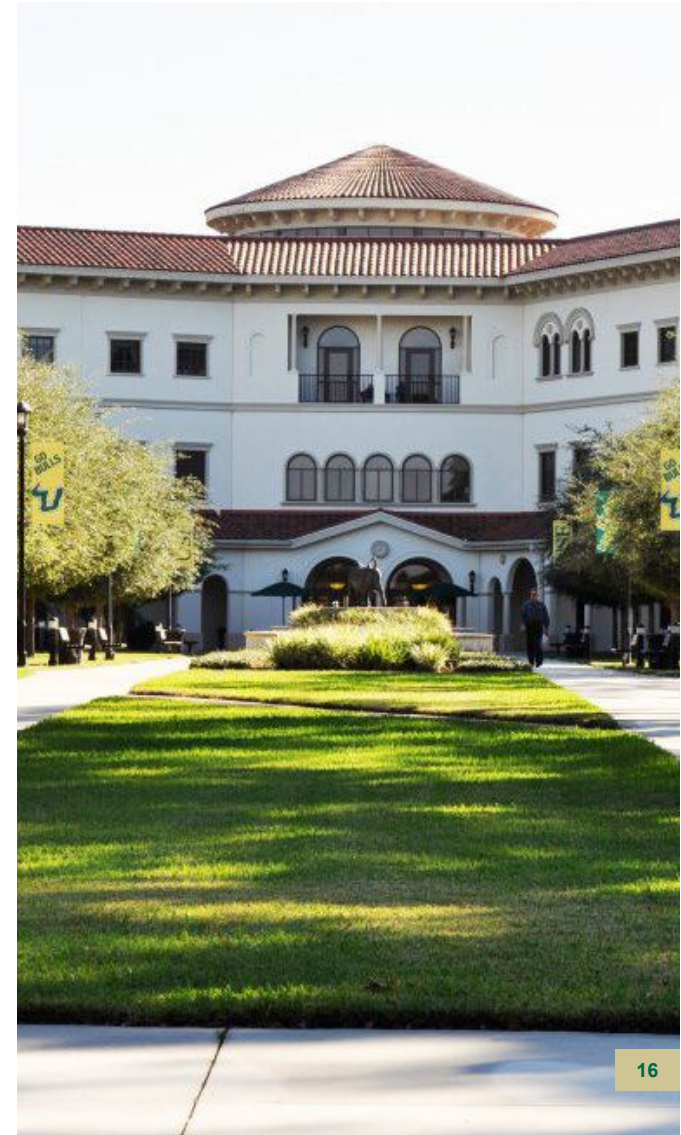
Develop outline program and further define  
development opportunity  
(*community spaces, study spaces, integration with union, etc.*)

3

Explore creative design solutions that can  
allow for alternative markets to live in facility if  
occupancy issues arise

4

Monitor enrollment shifts and projections to  
refine / update demand expectations.







# Student Housing Analysis

MARKET OPPORTUNITY ASSESSMENT

April 14, 2022



**USF Financing Corporation**  
**USF Sarasota-Manatee Housing and Student Center Project**

**Project Account Draw Schedule**

<u>Date</u>	<u>Monthly Draw</u>	<u>Project Account Balance</u>
		\$ -
Oct-22	\$ -	0
Nov-22	0	27,000,000
Dec-22	540,000	26,460,000
Jan-23	540,000	25,920,000
Feb-23	540,000	25,380,000
Mar-23	540,000	24,840,000
Apr-23	540,000	24,300,000
May-23	1,890,000	22,410,000
Jun-23	1,890,000	20,520,000
Jul-23	1,890,000	18,630,000
Aug-23	1,890,000	16,740,000
Sep-23	1,890,000	14,850,000
Oct-23	1,620,000	13,230,000
Nov-23	1,620,000	11,610,000
Dec-23	1,620,000	9,990,000
Jan-24	1,620,000	8,370,000
Feb-24	1,620,000	6,750,000
Mar-24	1,125,000	5,625,000
Apr-24	1,125,000	4,500,000
May-24	1,125,000	3,375,000
Jun-24	1,125,000	2,250,000
Jul-24	1,125,000	1,125,000
Aug-24	1,125,000	0
<b>TOTAL</b>	<b>\$ 27,000,000</b>	

STATE OF FLORIDA, BOARD OF GOVERNORS  
 UNIVERSITY OF SOUTH FLORIDA  
 USF Financing Corporation  
 Estimated Sources and Uses of Funds  
 USF Sarasota-Manatee Housing and Student Center Project  
 for Fiscal Year 2024-2025

Sources of FundsBasis for Amounts

Bond Par Amount	\$ 27,000,000	Bond par amount based on fixed, tax-exempt interest rate of 5.00% for 30 years; not to exceed \$30,000,000.
Other Sources of Funds	\$ 16,500,000	Anticipated cash equity contributed by USF Sarasota-Manatee
<b>Total Sources of Funds</b>	<b>\$ 43,500,000</b>	

Uses of Funds

Project Cost	\$ 40,950,000	\$39M Design, Construction, FF&E (\$21M Housing component, \$17M Student Center Component, \$1M (2.6%) Construction Contingency) plus a \$2.0M Owner's Contingency (5.3% of Project Cost).
Estimated Interest to be paid during Construction (Capitalized Interest)	\$ 2,250,000	This represents 20 months of capitalized interest to be paid from bond proceeds at an interest rate of 5.00%.
Costs of Issuance	\$ 300,000	Estimated Underwriter's Discount (\$100,000), Bond Counsel Fee (\$50,000), Disclosure Counsel Fee (\$30,000), Financial Advisor Fee (\$25,000), Rating Agency Fees (\$65,000), and Other Misc. (\$30,000).
<b>Total Uses of Funds</b>	<b>\$ 43,500,000</b>	

**USF Financing Corporation**  
**USF Sarasota-Manatee Housing and Student Center Project**

**Debt Service on Proposed Debt**

**Assumptions**

Par Amount	\$ 27,000,000
Rate (%)	5.00%
Term (Yrs.)	30

	Fiscal Year	Beg. Balance	Borrowing	Principal	Interest	Less: Capitalized	Annual Debt Service	End. Balance
						Interest		
0	2023	\$0	\$27,000,000	\$0	\$900,000	(\$900,000)	\$0	\$27,000,000
1	2024	\$27,000,000	\$0	\$0	\$1,350,000	(\$1,350,000)	\$0	\$27,000,000
2	2025	\$27,000,000	\$0	\$433,000	\$1,350,000	\$0	\$1,783,000	\$26,567,000
3	2026	\$26,567,000	\$0	\$454,650	\$1,328,350	\$0	\$1,783,000	\$26,112,350
4	2027	\$26,112,350	\$0	\$477,383	\$1,305,618	\$0	\$1,783,000	\$25,634,968
5	2028	\$25,634,968	\$0	\$501,252	\$1,281,748	\$0	\$1,783,000	\$25,133,716
6	2029	\$25,133,716	\$0	\$526,314	\$1,256,686	\$0	\$1,783,000	\$24,607,402
7	2030	\$24,607,402	\$0	\$552,630	\$1,230,370	\$0	\$1,783,000	\$24,054,772
8	2031	\$24,054,772	\$0	\$580,261	\$1,202,739	\$0	\$1,783,000	\$23,474,510
9	2032	\$23,474,510	\$0	\$609,274	\$1,173,726	\$0	\$1,783,000	\$22,865,236
10	2033	\$22,865,236	\$0	\$639,738	\$1,143,262	\$0	\$1,783,000	\$22,225,498
11	2034	\$22,225,498	\$0	\$671,725	\$1,111,275	\$0	\$1,783,000	\$21,553,773
12	2035	\$21,553,773	\$0	\$705,311	\$1,077,689	\$0	\$1,783,000	\$20,848,461
13	2036	\$20,848,461	\$0	\$740,577	\$1,042,423	\$0	\$1,783,000	\$20,107,884
14	2037	\$20,107,884	\$0	\$777,606	\$1,005,394	\$0	\$1,783,000	\$19,330,278
15	2038	\$19,330,278	\$0	\$816,486	\$966,514	\$0	\$1,783,000	\$18,513,792
16	2039	\$18,513,792	\$0	\$857,310	\$925,690	\$0	\$1,783,000	\$17,656,482
17	2040	\$17,656,482	\$0	\$900,176	\$882,824	\$0	\$1,783,000	\$16,756,306
18	2041	\$16,756,306	\$0	\$945,185	\$837,815	\$0	\$1,783,000	\$15,811,121
19	2042	\$15,811,121	\$0	\$992,444	\$790,556	\$0	\$1,783,000	\$14,818,677
20	2043	\$14,818,677	\$0	\$1,042,066	\$740,934	\$0	\$1,783,000	\$13,776,611
21	2044	\$13,776,611	\$0	\$1,094,169	\$688,831	\$0	\$1,783,000	\$12,682,442
22	2045	\$12,682,442	\$0	\$1,148,878	\$634,122	\$0	\$1,783,000	\$11,533,564
23	2046	\$11,533,564	\$0	\$1,206,322	\$576,678	\$0	\$1,783,000	\$10,327,242
24	2047	\$10,327,242	\$0	\$1,266,638	\$516,362	\$0	\$1,783,000	\$9,060,604
25	2048	\$9,060,604	\$0	\$1,329,970	\$453,030	\$0	\$1,783,000	\$7,730,634
26	2049	\$7,730,634	\$0	\$1,396,468	\$386,532	\$0	\$1,783,000	\$6,334,166
27	2050	\$6,334,166	\$0	\$1,466,292	\$316,708	\$0	\$1,783,000	\$4,867,875
28	2051	\$4,867,875	\$0	\$1,539,606	\$243,394	\$0	\$1,783,000	\$3,328,268
29	2052	\$3,328,268	\$0	\$1,616,587	\$166,413	\$0	\$1,783,000	\$1,711,682
30	2053	\$1,711,682	\$0	\$1,711,682	\$85,584	\$0	\$1,797,266	\$0
<b>Totals:</b>			<b>\$27,000,000</b>	<b>\$27,000,000</b>	<b>\$26,971,266</b>	<b>(\$2,250,000)</b>	<b>\$51,721,266</b>	

Board of Trustees Finance Committee - New Business - Action Items

University of South Florida  
USF Financing Corporation Housing System  
5-YEAR HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE (1)  
As of June 30, 2021

	Forecast					
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>Operating Revenues</b>						
Tampa Housing	\$42,024,588	\$38,068,172	\$39,210,217	\$40,386,524	\$41,598,119	\$42,846,063
St. Petersburg Housing	9,226,613	7,908,937	8,146,205	8,390,591	8,642,309	8,901,578
St. Petersburg Parking	1,086,000	1,193,000	1,228,790	1,265,654	1,303,623	1,342,732
St. Petersburg Student Center Lease	504,756	504,326	503,358	504,003	504,003	503,358
Sarasota-Manatee Housing	0	0	0	2,325,000	2,394,750	2,466,593
Sarasota-Manatee Student Center	0	0	0	200,000	200,000	200,000
<b>Total Pledged Housing System Revenues</b>	<b>\$52,841,957</b>	<b>\$47,674,435</b>	<b>\$49,088,570</b>	<b>\$53,071,772</b>	<b>\$54,642,805</b>	<b>\$56,260,324</b>
<b>Annual Debt Service - Housing System:</b>						
COPs - Series 2010A	0	0	0	0	0	0
COPs - Series 2010B	0	0	0	0	0	0
COPs - Series 2012A	4,014,125	5,576,375	8,029,625	8,050,375	8,068,875	8,104,625
COPs - Series 2012B	4,762,026	4,751,138	4,710,580	4,691,520	4,667,792	4,664,394
COPs - Series 2015A	3,736,250	2,168,250	0	0	0	0
COPs - Series 2018	1,902,150	1,904,650	1,905,650	1,905,150	1,903,150	1,904,650
COPs - Series 2019	1,173,850	1,172,850	1,170,600	1,172,100	1,172,100	1,170,600
Proposed Debt - Fixed Rate Bonds (30 Yr @ 5.00%)	0	0	0	1,783,000	1,783,000	1,783,000
<b>Total Housing System Debt Service</b>	<b>\$15,588,401</b>	<b>\$15,573,263</b>	<b>\$15,816,455</b>	<b>\$17,602,145</b>	<b>\$17,594,917</b>	<b>\$17,627,269</b>
<b>Estimated Maximum Annual Debt Service</b>	<b>\$15,844,269</b>	<b>\$15,844,269</b>	<b>\$15,844,269</b>	<b>\$17,627,269</b>	<b>\$17,627,269</b>	<b>\$17,627,269</b>
<b>Coverage Ratios - Housing System:</b>						
Annual Debt Service - Housing System	3.39x	3.06x	3.10x	3.02x	3.11x	3.19x
Maximum Annual Debt Service - Housing System	3.34x	3.01x	3.10x	3.01x	3.10x	3.19x
<b>Total Housing System Revenues Pledged</b>	<b>\$52,841,957</b>	<b>\$47,674,435</b>	<b>\$49,088,570</b>	<b>\$53,071,772</b>	<b>\$54,642,805</b>	<b>\$56,260,324</b>
<b>Operating Expenses</b>						
Tampa Housing	\$19,727,973	\$22,180,375	\$22,845,786	\$23,531,160	\$24,737,095	\$25,979,207
St. Petersburg Housing	2,315,647	2,722,512	2,804,187	2,888,313	2,974,962	3,064,211
St. Petersburg Parking	484,235	470,867	484,993	499,543	514,529	529,965
Sarasota-Manatee Housing	0	0	0	630,700	649,621	669,110
<b>Total Housing System Expenses</b>	<b>\$22,527,855</b>	<b>\$25,373,754</b>	<b>\$26,134,967</b>	<b>\$27,549,716</b>	<b>\$28,876,207</b>	<b>\$30,242,493</b>
Operating Income (Loss)	\$30,314,102	\$22,300,681	\$22,953,604	\$25,522,056	\$25,766,598	\$26,017,830
Add: Interest Income	164,284	169,152	170,844	172,552	174,277	176,020
<b>Projected Net Income</b>	<b>\$30,478,386</b>	<b>\$22,469,833</b>	<b>\$23,124,447</b>	<b>\$25,694,608</b>	<b>\$25,940,875</b>	<b>\$26,193,851</b>
<b>Implied Net Coverage Ratios - Total Housing System</b>						
<i>For Information Purposes Only, Pledge is Gross</i>						
Annual Debt Service - Housing System	1.96x	1.44x	1.46x	1.46x	1.47x	1.49x
Maximum Annual Debt Service - Housing System	1.92x	1.42x	1.46x	1.46x	1.47x	1.49x
<b>Project Debt Service Coverage - Sarasota-Manatee</b>	<b>0.00x</b>	<b>0.00x</b>	<b>0.00x</b>	<b>1.06x</b>	<b>1.09x</b>	<b>1.12x</b>

**(A) Look Back Test**

The System Revenues (excluding the Student System Facilities Fees designated by the University) derived by the Lessee for the Fiscal Year immediately preceding the date of the Lease Schedule, shall have been equal to at least one hundred ten percent (110%) of the largest amount of Basic Rent required to be paid out of such System Revenues in any Fiscal Year following the date thereof (not including Basic Rent requirements with respect to the proposed Series of Certificates) plus one hundred percent (100%) of Supplemental Rent for the immediately preceding year Fiscal Year.		
<b>System Revenues</b>	<b>FY 2020-21</b> <b>34,218,675</b>	System Revenues from FY 2020-21
<b>Basic Rent</b>	17,627,269 <b>(1,783,000)</b> 15,844,269 x 1.1% <b>17,428,696</b>	Largest amount of Basic Rent (MADS), excluding Debt related to proposed Project 110% of Largest amount of MADS, excluding Debt related to proposed Project
<b>Supplemental Rent</b>	<b>15,770,196</b>	100% of System Operating Expense from FY 20-21
<b>Test</b>	<b>1,019,783</b>	<b>Net Revenues exceed 110% of MADS + 100% of Op Expense</b>

**(B) Pro Forma Test**

The estimated average annual System Revenues (excluding the Student System Facilities Fees) for the two Fiscal Years immediately following the date the Project to be financed pursuant to the Lease Schedule is placed in service, shall be equal to at least one hundred ten percent (110%) of Basic Rent required to be paid out of such System Revenues in any succeeding Fiscal Year, plus one hundred percent (100%) of the average amount of Supplemental Rent following the commencement of such operation.		
<b>Avg System Revs</b>	<b>FY 25/26 - 26/27</b> <b>55,451,564</b>	Average System Revenues from 2025-26 to 2026-27, including Revenues for new facilities
<b>Basic Rent</b>	17,627,269 x 1.1% <b>19,389,996</b>	Largest amount of Basic Rent (MADS), including new Debt related to proposed Project 110% of MADS including new Debt
<b>Supplemental Rent</b>	<b>29,559,350</b>	Average System Expenses from 2025-26 to 2026-27, including Expenses for new facilities
<b>Test</b>	<b>6,502,218</b>	<b>Net Revenues exceed 110% of MADS + 100% of Op Expense</b>

**Item g. A DESCRIPTION OF THE SECURITY SUPPORTING REPAYMENT AND THE LIEN POSITION THE DEBT WILL HAVE ON THAT SECURITY.**

In May of 2005 the USF Financing Corporation (the “DSO”) entered into a Master Lease Purchase Agreement dated May 1, 2005 (the “Master Lease”) between the DSO and USF Property Corporation. The Master Lease authorized the financing of capital facilities to be used for the benefit of the University of South Florida. Individual projects are financed by entering into a lease schedule which supplements the terms of the Master Lease. The lease payments due under the lease schedules are then assigned to The Bank of New York Trust Company, N.A., as Trustee, to secure the repayments of Certificates of Participation issued by the Trustee pursuant to the terms of the Master Trust Agreement by and between the Trustee, the DSO and USF Property Corporation. As the DSO makes its lease payments to the Trustee, the Trustee in turn uses the payments to pay the holders of the Certificates of Participation. Currently, there are five lease schedules under the Master Lease Purchase Agreement which financed and refinanced the costs of constructing certain housing facilities on both the Tampa and St. Petersburg campus, and related parking located on the St. Petersburg campus.

To finance this Project, the debt will be secured by a first lien on “System Revenues” pursuant to the Master Lease Purchase Agreement described above, on parity with the lien granted to the holders of the DSO’s then outstanding Certificates of Participation. System Revenues are defined in the Master Lease to include all gross income and revenues including fees, rentals or other charges received by the DSO or the University on behalf of the DSO derived from the ownership and/or operation of the “System Facilities.” System Facilities currently consist of the existing student housing facilities owned by the DSO on both the Tampa and St. Petersburg campuses, a structured parking facility located on the St. Petersburg campus, including the commercial and retail facilities located on the first floor of the structure, and will include the Project. The System Revenues therefore include the housing revenues generated by the housing facilities, revenues from parking permits associated with St. Petersburg campus, and revenues from the leasing of the commercial and retail space in the parking facility on the St. Petersburg campus. With respect to the Debt, it is also anticipated that the University will pledge the activity and service fees allocable to the Sarasota-Manatee Campus (the debt service on this portion of the Debt and the St. Petersburg portion payable from activity and service fees will not exceed 5% of the prior fiscal year's collections) to the student center portion of the Project. The DSO is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes on a parity with the lien granted to the holders of the DSO's outstanding Series 2012A, 2012B, 2015A, 2018 and 2019 Certificates of Participation. The University and the DSO are committed to ensuring that sufficient revenues will be generated to fulfill the obligations with respect to the proposed Debt and the outstanding Certificates of Participation.



Board of Trustees Finance Committee - New Business - Action Items

**University of South Florida**  
**USF Financing Corporation Housing System**  
**5-YEAR HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE (1)**  
**As of June 30, 2021**

	Forecast										
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21 (2)	FY 2021-22 (2)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>Operating Revenues</b>											
Tampa Housing	\$37,215,666	\$38,968,787	\$37,520,336	\$38,470,440	\$27,953,684	\$42,024,588	\$38,068,172	\$39,210,217	\$40,386,524	\$41,598,119	\$42,846,063
St. Petersburg Housing	5,056,323	5,363,442	4,978,346	4,459,329	4,942,738	9,226,613	7,908,937	8,146,205	8,390,591	8,642,309	8,901,578
St. Petersburg Parking	1,450,122	1,419,108	1,413,226	1,264,889	817,605	1,086,000	1,193,000	1,228,790	1,265,654	1,303,623	1,342,732
St. Petersburg Student Center Lease (3)	556,541	556,220	536,778	501,509	504,648	504,756	504,326	503,358	504,003	504,003	503,358
Sarasota-Manatee Housing	0	0	0	0	0	0	0	0	2,325,000	2,394,750	2,466,593
Sarasota-Manatee Student Center	0	0	0	0	0	0	0	0	200,000	200,000	200,000
<b>Total Pledged Housing System Revenues</b>	<b>\$44,278,652</b>	<b>\$46,307,557</b>	<b>\$44,448,686</b>	<b>\$44,696,167</b>	<b>\$34,218,675</b>	<b>\$52,841,957</b>	<b>\$47,674,435</b>	<b>\$49,088,570</b>	<b>\$53,071,772</b>	<b>\$54,642,805</b>	<b>\$56,260,324</b>
<b>Annual Debt Service - Housing System:</b>											
COPs - Series 2010A (3)	429,363	429,962	429,025	430,500	0	0	0	0	0	0	0
COPs - Series 2010B (3)	864,919	863,572	430,888	0	0	0	0	0	0	0	0
COPs - Series 2012A	4,011,425	4,005,025	3,998,425	4,011,625	4,005,625	4,014,125	5,576,375	8,029,625	8,050,375	8,068,875	8,104,625
COPs - Series 2012B	4,669,494	4,760,300	4,752,384	4,804,234	4,799,919	4,762,026	4,751,138	4,710,580	4,691,520	4,667,792	4,664,394
COPs - Series 2015A	3,737,494	3,735,094	3,739,094	3,730,594	3,739,844	3,736,250	2,168,250	0	0	0	0
COPs - Series 2018	0	0	0	0	1,903,400	1,902,150	1,904,650	1,905,650	1,905,150	1,903,150	1,904,650
COPs - Series 2019 (3)	0	0	388,408	735,800	1,173,600	1,173,850	1,172,850	1,170,600	1,172,100	1,172,100	1,170,600
Proposed Debt - Fixed Rate Bonds (30 Yr @ 5.00%) (4)	0	0	0	0	-	0	0	0	1,783,000	1,783,000	1,783,000
<b>Total Housing System Debt Service</b>	<b>\$13,712,695</b>	<b>\$13,793,953</b>	<b>\$13,738,224</b>	<b>\$13,712,753</b>	<b>\$15,622,388</b>	<b>\$15,588,401</b>	<b>\$15,573,263</b>	<b>\$15,816,455</b>	<b>\$17,602,145</b>	<b>\$17,594,917</b>	<b>\$17,627,269</b>
<b>Estimated Maximum Annual Debt Service</b>	<b>\$13,712,695</b>	<b>\$13,851,464</b>	<b>\$13,851,464</b>	<b>\$13,851,464</b>	<b>\$15,844,269</b>	<b>\$15,844,269</b>	<b>\$15,844,269</b>	<b>\$15,844,269</b>	<b>\$17,627,269</b>	<b>\$17,627,269</b>	<b>\$17,627,269</b>
<b>Coverage Ratios - Housing System:</b>											
Annual Debt Service - Housing System	3.23x	3.36x	3.24x	3.26x	2.19x	3.39x	3.06x	3.10x	3.02x	3.11x	3.19x
Maximum Annual Debt Service - Housing System	3.23x	3.34x	3.21x	3.23x	2.16x	3.34x	3.01x	3.10x	3.01x	3.10x	3.19x
<b>Total Housing System Revenues Pledged</b>	<b>\$44,278,652</b>	<b>\$46,307,557</b>	<b>\$44,448,686</b>	<b>\$44,696,167</b>	<b>\$34,218,675</b>	<b>\$52,841,957</b>	<b>\$47,674,435</b>	<b>\$49,088,570</b>	<b>\$53,071,772</b>	<b>\$54,642,805</b>	<b>\$56,260,324</b>
<b>Operating Expenses (5)</b>											
Tampa Housing	\$21,792,431	\$23,310,749	\$21,566,761	\$20,297,884	\$13,403,286	\$19,727,973	\$22,180,375	\$22,845,786	\$23,531,160	\$24,737,095	\$25,979,207
St. Petersburg Housing	2,380,778	3,145,860	2,439,959	2,110,180	1,807,387	2,315,647	2,722,512	2,804,187	2,888,313	2,974,962	3,064,211
St. Petersburg Parking	507,406	557,961	608,522	728,008	559,523	484,235	470,867	484,993	499,543	514,529	529,965
Sarasota-Manatee Housing	0	0	0	0	0	0	0	0	630,700	649,621	669,110
<b>Total Housing System Expenses</b>	<b>\$24,680,615</b>	<b>\$27,014,570</b>	<b>\$24,615,242</b>	<b>\$23,136,072</b>	<b>\$15,770,196</b>	<b>\$22,527,855</b>	<b>\$25,373,754</b>	<b>\$26,134,967</b>	<b>\$27,549,716</b>	<b>\$28,876,207</b>	<b>\$30,242,493</b>
Operating Income (Loss)	\$19,598,037	\$19,292,987	\$19,833,444	\$21,560,095	\$18,448,479	\$30,314,102	\$22,300,681	\$22,953,604	\$25,522,056	\$25,766,598	\$26,017,830
Add: Interest Income	216,775	484,504	717,116	471,359	146,457	164,284	169,152	170,844	172,552	174,277	176,020
<b>Projected Net Income</b>	<b>\$19,814,812</b>	<b>\$19,777,491</b>	<b>\$20,550,560</b>	<b>\$22,031,454</b>	<b>\$18,594,936</b>	<b>\$30,478,386</b>	<b>\$22,469,833</b>	<b>\$23,124,447</b>	<b>\$25,694,608</b>	<b>\$25,940,875</b>	<b>\$26,193,851</b>
<b>Implied Net Coverage Ratios - Total Housing System</b>											
<b>For Information Purposes Only, Pledge is Gross</b>											
Annual Debt Service - Housing System	1.44x	1.43x	1.50x	1.61x	1.19x	1.96x	1.44x	1.46x	1.46x	1.47x	1.49x
Maximum Annual Debt Service - Housing System	1.44x	1.43x	1.48x	1.59x	1.17x	1.92x	1.42x	1.46x	1.46x	1.47x	1.49x
<b>Project Debt Service Coverage - Sarasota-Manatee</b>	<b>0.00x</b>	<b>0.00x</b>	<b>0.00x</b>	<b>0.00x</b>	<b>0.00x</b>	<b>0.00x</b>	<b>0.00x</b>	<b>0.00x</b>	<b>1.06x</b>	<b>1.09x</b>	<b>1.12x</b>

**Notes & Assumptions**

- (1) The financial information related to revenues and expenses was provided by the University of South Florida. The model assumes 95% occupancy. For the purpose of the projections, revenues and expenses each increase annually by 3%.
- (2) In March 2020, the University of South Florida converted to remote instruction in response to the public health crisis created by the COVID-19 pandemic. In FY 2020-21, Housing was open with limited occupancy. Housing rental revenues were adversely affected by the pandemic in FY 2019-20 and FY 2020-21; however, the University received federal stimulus monies under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA Act). A portion of the CARES Act and CRRSA Act funding was provided to the Tampa Campus Housing System in the amount of \$8.5 million in FY 2019-20, \$4.1 million in FY 2020-21 and \$7 million in FY 2021-2022, and to the St. Petersburg Campus Housing System in the amount of \$737 thousand in FY 2019-20 and \$1.8 million in FY 2020-21. These amounts are included in Revenues above.
- (3) St. Petersburg Student Center Lease Payments are equal to 100% of Series 2010A Certificates and Series 2019 Certificates (issued to advance refund the Series 2010B Build America Bonds) debt service allocable to the Student Center portion of the facility.
- (4) Proposed Debt Service is based on the par amount of \$27 million, including \$2.25 million for capitalized interest, at a tax-exempt fixed interest rate of 5.00% for a term of 30 years. Debt service for FY 2022-23 and FY 2023-24 is interest-only during the construction phase and will be paid from bond proceeds (capitalized interest).
- (5) Operating Expenses include Bad Debt Expenses and Administrative Overhead.

**USF Financing Corporation**  
**USF Sarasota-Manatee Housing and Student Center Project**

**Competitive versus Negotiated Sale Analysis**

**Conclusion and Recommendation Regarding Method of Sale**

The USF Financing Corporation proposes to finance the USF Sarasota-Manatee Housing and Student Center Project on parity with USF Housing System debt. The debt issuance guidelines established by the Board of Governors Debt Management Guidelines require that prior to issuing any debt obligations an analysis be done to assess the relative benefits of a negotiated sale versus a competitive sale.

While the Debt related to the Project is expected to be issued using a traditional, tax-exempt, fixed interest rate structure, and the relatively small transaction size of \$27,000,000 can easily be absorbed into the market, the USF Financing Corporation expects to issue Certificates of Participation, which are viewed by the market as a less attractive structure. Additionally, the USF Financing Corporation is an infrequent issuer and does not have a broad investor base. Finally, the pledge of non-tax based Gross Revenues are considered weaker than a general receipts or general obligations pledge of the University and the Project's pro forma is primarily based on enrollment growth assumptions, thus, these revenues are viewed as somewhat uncertain.

***Based on the analysis of the characteristics of the proposed USF Sarasota-Manatee Housing and Student Center Project Debt, the USF Financing Corporation has concluded that a negotiated sale is in the best interest of the University and the USF Financing Corporation.***

**Competitive vs. Negotiated Sales: Analysis of Conditions Favoring Each Method of Sale  
USF Financing Corporation, USF Sarasota-Manatee Housing Student Center Project**

<b>Debt Structure</b>	<b>Conditions Favoring a Competitive Sale</b>	<b>Conditions Favoring a Negotiated Sale</b>	<b>Sale Type Favored By Conditions</b>	<b>Explanation</b>
Pledged Revenues	General Obligation or Strong Revenue Stream	Non-tax based or Project Supported Revenues	N	The pledged payments are classified as non-tax based, project supported revenue. Florida law does not allow the University to issue general obligation bonds and/or permit the pledging of student tuition revenues (i.e. a “general receipts pledge” that includes all non-State revenues of the University). Thus, due to the limited gross revenue pledge of the Housing System, lack of a security interest in assets of the University and/or the land, and the lack of a tax-based revenue pledge, this gross revenue pledge is a weaker pledge and is considered more speculative and vulnerable than a general obligation or general receipts pledge.
Security Structure	Conventional resolution and cash flow: Rate Covenant and Coverage	Unusual or weak covenants	C	The Debt will be secured by Gross Revenues derived from the Housing System. The System Revenues are expected to equal at least 100% of the estimated amount of Supplemental Rent (operating and other expense) and at least 110% of the Basic Rent (debt service) required to be paid out of such System Revenues. These are minimum, yet common, covenants for project-based public university financings using the issuance of additional certificates.
Debt Instrument	Traditional Serial and Term Bonds, Semi-annual Interest and Annual Maturities	Use of Innovative Structuring, Structure to Attract Particular Investors	N/C	The Debt will be issued as traditional serial and/or term bonds with semi-annual interest and annual principal and will bear interest at a tax exempt fixed rate with level debt service. However, the Debt will be issued as Certificates of Participation which is viewed by the market as a less attractive structure.
Size	A transaction the size of which the market is used to and can comfortably manage.	A large size which the market cannot readily handle without the need to consolidate syndicates	C	The anticipated \$27,000,000 issue can be easily absorbed in the market.
<b>Credit Quality</b>	<b>Conditions Favoring a Competitive Sale</b>	<b>Conditions Favoring a Negotiated Sale</b>	<b>Sale Type Favored By Conditions</b>	<b>Explanation</b>
Rating	‘A’ or better	Below Single A	C	The project ratings for previously issued Housing System Debt are in the “A1 / A+” category.
Outlook	Stable	Uncertain, Vulnerable or weak	N	Due to the Gross Revenue pledge of System Revenue and the nature of the System, the market’s reaction to the issue outlook will likely be stable. However, because the Project’s pro forma is based on certain enrollment growth projections and project cost assumptions, the view of the Housing System will be somewhat uncertain. Therefore, a negotiated sale is recommended so that pre-marketing of the Debt to institutional investors and retail markets can assist such investors to understand the underlying credit and increase the potential interest by investors.

<b>Issuer Characteristics</b>	<b>Conditions Favoring a Competitive Sale</b>	<b>Conditions Favoring a Negotiated Sale</b>	<b>Sale Type Favored By Conditions</b>	<b>Explanation</b>
Type of organization	Well Known Broad-based General Purpose Borrower	Special Purpose, Independent Authority	N	There is implied credit strength for the Financing Corporation Debt from the University. However, the Financing Corporation is the borrower, not the University, which increases the need for pre-marketing efforts for the transaction. Also, the Debt is not a general obligation of the State of Florida, the University or the Financing Corporation.
Frequency of issuance	Regular borrower in the public market	New or infrequent issuer	N	The USF Financing Corporation is an infrequent issuer in the public market.
<b>Market Conditions</b>	<b>Conditions Favoring a Competitive Sale</b>	<b>Conditions Favoring a Negotiated Sale</b>	<b>Sale Type Favored By Conditions</b>	<b>Explanation</b>
Market Awareness	Active Secondary Market with broad Investor Base	Little or no institutional Awareness of Issuer	N/C	While the Financing Corporation has a considerable amount of bonds outstanding in the public market, it does not have a broad investor base.
Interest Rates	Stable/Predictable Market	Volatile or declining market	N	The financial markets have been volatile, especially recently with concerns over trade tariffs. A negotiated sale provides flexibility to access the market during favorable times of strong demand.
Supply and Demand	Strong Investor Demand, Good Liquidity, Light Forward Calendar	Oversold Market/heavy supply	N/C	In the current market there has been strong investor demand. However as discussed above market conditions are volatile and could change prior to the planned sale date.
Changes or anticipated changes in the law	No recent changes or anticipated changes	Recent changes which the market has not adapted to and which would require additional marketing efforts to explain.	N	While there have not been recent changes to Florida law regarding the issuance of debt by universities and their direct support organizations, the recent changes in federal law continue to affect the market. A negotiated sale allows for additional marketing efforts to explain the potential impact of such changes in law on the debt issued.

**Agenda Item: IIIId**

**USF Board of Trustees**

June 15, 2022

**Issue:** 2022-23 Continuation Operating Budget

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**Proposed action:** Approve 2022-23 Continuation Operating Budget at last year's Operating Budget level. A subsequent approval will be needed once the legislative budget process has concluded with the Governor's approval and the USF annual budget has been established.

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**Executive Summary:**

The University of South Florida Board of Trustees (the BOT) is required to adopt an annual budget for the operation of the University. The BOT must approve the budget prior to June 22, 2022 for the State Comptroller to process cash releases for state funds. The universities are still required to submit a detailed operating budget to the BOG by August 19, 2022.

We are requesting approval of the following:

Approval of a Continuation Operating Budget at the same level as 2021-22 Operating Budget. We are requesting approval of a continuation budget due to pending performance-based funding and state appropriation allocation decisions. Once those decisions have been finalized, USF will prepare an operating budget according to our guidelines and the laws and regulations of the Board of Governors and submit to the BOT for approval at a later meeting.

**Financial Impact:** See attached.

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

**Workgroup Review Date:** Finance Committee - May 24, 2022

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

2022-23 Continuation Operating Budget Summary

**USF or campus specific:** USF

**Prepared by:** Masha Galchenko  
974-8442

**University of South Florida**  
**2022-23 Continuation Operating Budget Summary**

	2020-21 BOT Approved Budget	2021-22 BOT Approved Budget	Requested Continuation Operating Budget for 2022-23
<b>Budgeted Revenues:</b>			
Educational & General (E&G)			
General Revenue	\$ 363,512,828	\$ 354,642,250	\$ 354,642,250
Lottery	\$ 70,660,496	\$ 81,508,364	\$ 81,508,364
Tuition (Budget Authority)	\$ 284,152,217	\$ 286,312,217	\$ 286,312,217
Interest	\$ 3,980,376	\$ 1,084,585	\$ 1,084,585
Total E&G	\$ 722,305,917	\$ 723,547,416	\$ 723,547,416
Contracts & Grants	\$ 509,485,805	\$ 634,997,063	\$ 634,997,063
Auxiliaries	\$ 296,294,074	\$ 280,087,124	\$ 280,087,124
Student Activities	\$ 28,590,918	\$ 30,834,285	\$ 30,834,285
Financial Aid	\$ 412,788,563	\$ 412,910,401	\$ 412,910,401
Concessions	\$ 714,445	\$ 676,186	\$ 676,186
Athletics	\$ 49,961,004	\$ 56,500,000	\$ 56,500,000
Technology Fee	\$ 9,984,992	\$ 10,279,603	\$ 10,279,603
Board Approved Fees	\$ 1,254,700	\$ 1,469,087	\$ 1,469,087
Self-Insurance Trust Funds	\$ 5,069,042	\$ 5,177,286	\$ 5,177,286
Faculty Practice	\$ 345,059,355	\$ 365,824,901	\$ 365,824,901
Total Revenue	\$ 2,381,508,815	\$ 2,522,303,352	\$ 2,522,303,352
<b>Budgeted Expenditures:</b>			
Salaries & Benefits	\$ 1,123,191,538	\$ 1,204,032,715	\$ 1,204,032,715
Expenses	\$ 570,785,348	\$ 663,494,934	\$ 663,494,934
Operating Capital Outlay	\$ 11,765,841	\$ 12,551,956	\$ 12,551,956
Risk Management Insurance	\$ 6,174,592	\$ 6,712,087	\$ 6,712,087
Financial Aid	\$ 411,231,427	\$ 411,656,992	\$ 411,656,992
Library Resources	\$ 7,782,742	\$ 8,606,460	\$ 8,606,460
Debt Service	\$ 3,016,910	\$ 3,003,522	\$ 3,003,522
Carry Forward	\$ 117,749,044	\$ 153,748,377	\$ 153,748,377
Non-Operating Expenses	\$ 274,539,570	\$ 245,106,689	\$ 245,106,689
Total Budgeted Expenditures	\$ 2,526,237,012	\$ 2,708,913,732	\$ 2,708,913,732

Note: The 2022-23 Continuation Budget is requested at last year's level. USF will prepare a 2022-23 budget for submission to the BOG by August 19, 2022 and for presentation to the Board of Trustees at a future meeting.

**Agenda Item: IIIe**

**USF Board of Trustees**  
June 15, 2022

**Issue:** Judy Genshaft Honors College – New Donor Funds

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**Proposed action:** Approve spending authority for use of new philanthropic funds.

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**Executive Summary:**

In the December 7, 2021 meeting of the Board of Trustees' Finance Committee, the Trustees received an update on the Judy Genshaft Honors College building project and approved a budget increase from \$54.5 million to \$55.6 million. The Committee then requested that any future changes to the budget be brought before the Committee for review, and if appropriate, the Committee's approval.

Last month, a new philanthropic donor committed to support the project, namely the buildout of the Food Service Lab Studio on the 5<sup>th</sup> Floor. This support will help to complete this functionality for the College and enable the installation to occur during construction rather than after the fact which can typically trigger additional costs.

The cost of the equipment is approximately \$231,000 which will be funded through additional philanthropic support. The request does not change the Project Owner's Contingency and does not affect the Project Schedule, however, consistent with the Committee's request in December, we are seeking approval to increase the project budget by \$231,000 and for expenditure authority to purchase the desired kitchen equipment.

**Financial Impact:** Increased expenditure authority for an additional \$231,000 of philanthropic funds resulting in total project budget of \$55,846,467.

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**Strategic Goal(s) Item Supports:** Strategic Goal #1

**BOT Committee Review Date:** Finance Committee – May 24, 2022

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

No

**Prepared by:** David Wildes/Jen Fleischman



# USF Honors College



**A/E:** FleischmanGarcia / Morphosis  
**CM:** HCBeck, Ltd. / Envision

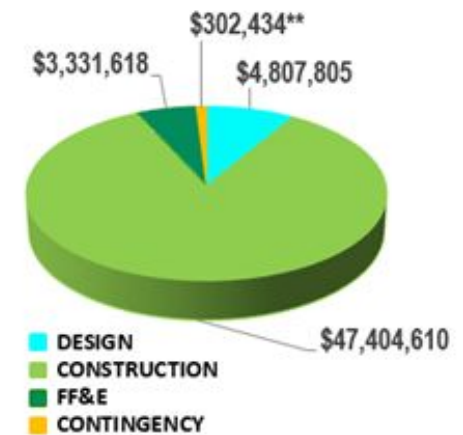
## Scope:

Dedicated building for Judy Genshaft Honors College including Lecture Hall, Classrooms, Workshops, Seminar Rooms, Food and Cultural Studio, Café and Offices.

Total Program Spaces **86,487 GSF**

**Status:** Construction

**Budget:** \$55,846,467\*

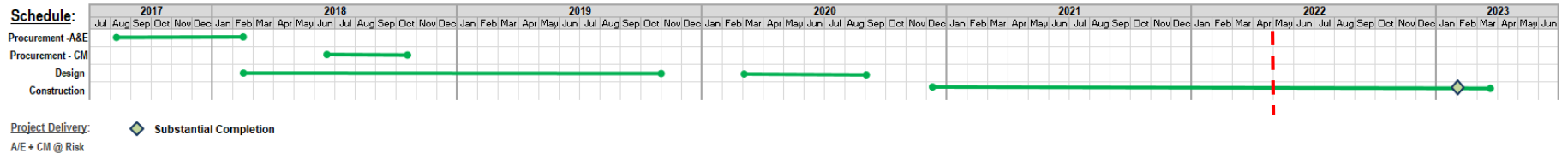


## Funding Sources:

Private Sources: (\$44,302,000)  
 State Funds: (\$8,100,000)  
 University Funds: (\$3,444,467)

\* \$55,846,467 Total Budget includes \$231,000 anticipated Donor Funding

\*\* \$302,434 = \$164,950 Owner's Project Contingency + \$137,484 Funding for Designated Donor Changes



## **USF Honors College**

- BOT approved a revised Total Project Budget of \$54,518,512 (including \$43,316,853 GMP) in November 2020
- BOT approved a revised Total Project Budget of \$55,615,467 on December 7, 2021  
(\$1,071,000 for Donor Scope Changes and \$25,955 for Electrical Site Switchgear Modification).

### **Funding Status**

- \$44.1M Philanthropy
- \$8.1M (funds received from the State appropriations)
- \$3.4M (funds from allowable University Sources)

Note: Total Current Funding for the Project is \$55,615,467.

Funding requirements outstanding:

Additional Donor Funding                      \$231,000.

$\$55,615,467 + \$231,000 = \$55,846,467.$

# Designated Donor Funding Log

USF JUDY GENSHAFT HONORS COLLEGE										5/9/2022	
Item	DONOR SCOPE CHANGES	ADDITIONAL DONOR FUNDING		ACTUAL COST						BALANCE	
		BOT FC APPROVED 11/16/21 BOT APPROVED 12/7/21		ASA's 3, 5, 6	CO 09	CO 11	CO 12	CO 13	CO 15	SUBTOTAL ACTUAL COSTS	Remaining in Designated Donor Funding
	<u>Exterior Signage</u>										
1a	Creative Signs/MG McGrath/APG Elec.	\$268,600			\$107,487.90		\$91,835.00			\$199,322.90	
	Subtotal	\$268,600			\$107,487.90		\$91,835.00			\$199,322.90	\$69,277.10
	<u>Food &amp; Cultural Studio Enhancements</u>										
2a	A/E Design Services	\$41,000		\$41,010.00						\$41,010.00	
2b	Kitchen Consultant	\$33,700		\$33,700.00						\$33,700.00	
2c	Construction Scope (Estimate)	\$175,000				\$137,110.98				\$137,110.98	
	Subtotal	\$249,700		\$74,710.00		\$137,110.98				\$211,820.98	\$37,879.02
	<u>Finishes</u>										
3a	L1 Flooring - Porcelain Tile	\$228,000				\$222,884.69		\$559.32		\$223,444.01	
3b	L2-L5 Flooring - Carpet/LVT	\$38,800					\$26,618.31			\$26,618.31	
3c	L1-L5 Bathroom Tile (Option 1)	\$83,300				\$49,211.25				\$49,211.25	
3d	Stair 4 Modifications - Bulletin #6					\$34,261.53				\$34,261.53	
	Subtotal	\$350,100				\$306,357.47	\$26,618.31	\$559.32		\$333,535.10	\$16,564.90
	<u>Landscape</u>										
4a	A/E Re-Design	\$13,000		\$12,885.00						\$12,885.00	
4b	Sidewalks (inc. lighting)	\$12,000						\$20,700.76		\$20,700.76	
4c	Arboretum walk (Add Alt #1)	\$24,600						\$135,747.89		\$135,747.89	
4d	Outdoor Classroom (Add Alt #2)	\$153,000				\$19,502.93				\$19,502.93	
	Subtotal	\$202,600		\$12,885.00		\$19,502.93		\$156,448.65	\$0.00	\$188,836.58	\$13,763.42
	TOTAL		\$1,071,000	\$87,595.00	\$107,487.90	\$462,971.38	\$26,618.31	\$157,007.97	\$0.00	\$933,515.56	\$137,484.44
	<u>Additional Changes</u>										
2d	Kitchen Equipment Modifications	\$231,000							\$230,984.68	\$230,984.68	
	Subtotal	\$231,000							\$230,984.68	\$230,984.68	\$15.32
	Grand Total		\$1,302,000	\$87,595.00	\$107,487.90	\$462,971.38	\$26,618.31	\$157,007.97	\$230,984.68	\$1,164,500.24	\$137,499.76

**Agenda Item: IIIf**

**USF Board of Trustees**  
**Finance Committee**  
**May 24, 2022**

**Issue:** Expenditure Authorization Requests

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**Proposed action:**

- 1) Approval of updated Expenditure Authorization Requests:

	<u><b>New Total</b></u>	<u><b>Increase</b></u>
a) Elsevier ScienceDirect Ejournals Renewal Agreement	\$4,095,667	\$604,852
b) Athletics Broadcast Production Service	\$7,164,551	\$3,164,551
c) Pharmaceutical Supplies/Cardinal Health	\$3,200,000	\$500,000

- 2) Approval of the following expenditures over \$2,000,000:

a) Pharmaceutical Supplies/Cardinal Health	\$3,500,000
b) USF Health ALZ 2 <sup>nd</sup> Floor Renovation	\$2,230,175
c) USF Health ALZ 4 <sup>th</sup> Floor Renovation	\$2,132,654
d) FM and Health Contracted Labor for General and Enhanced Cleaning	\$3,974,918
e) USF Sarasota-Manatee Custodial & Maintenance Services	\$2,553,682
f) State of Florida Critical Infrastructure Risk Assessment	\$7,000,000

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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 million and the approval of the Finance Committee for the procurement of goods and services above \$2 million. Approval is being requested for the items listed above.

**Financial Impact:** Authorization is being requested for \$35,851,647 in transactions.

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**Strategic Goal(s) Item Supports:**      **Goal 5: A strong, sustainable, and adaptable financial base**  
**BOT Committee Review Date:**      **May 24, 2022**  
**Supporting Documentation Online (please circle):**      **Yes**      **No**  
**Prepared by:**      **Nick Trivunovich, Vice President/CFO**  
   **(813) 974-3297**

## USF Approval of Expenditures Exceeding One Million Dollars

**Project/Initiative Name:** Elsevier ScienceDirect Ejournals & Book Series

**Total Project/Initiative Cost:** Original Approval (Nov 2021) \$3,490,814.87  
Updated Cost \$4,095,666.62 (\$604,851.75 increase)

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

We are requesting the Board's approval for the perpetual purchase of selected Elsevier ScienceDirect ejournal Subject Backfile Collections. The terms of this purchase were provided under the original 2017-2021 Elsevier ScienceDirect Master Agreement, extended through 12/31/2024 at the state level by the University of Florida for and on behalf of the universities of the State University System of Florida (Amendment #1), with USF's participation amendment under these terms dated 9/9/2021 (Amendment #2). This Amendment #3 exercises the option per the fees set forth under Sub-Schedule 1.14 of the original agreement for the one-time purchase of the journal backfiles at the 25% discount level. This a one-time perpetual purchase with no recurring costs.

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

This online journal content supports GOAL 2: Faculty excellence in research and innovation, facilitating research by providing immediate digital access to highly valued stem-focused foundational research and supports GOAL 5: A strong, sustainable, and adaptable financial base, through this one-time cost-effective perpetual purchase.

**Funding Source(s):**

E&G

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

**Budgeted**

**Prior Approval Process:**

Approved at 11/16/21 Finance Committee:

- 3-year Renewal of Elsevier ScienceDirect ejournal package and book series through 12/31/2024
- \$3.49M over 3 years

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**List Related Projects/Initiatives: (if any)**

**Wiley Online Library 2019-2023; Springer Ejournal Multi-Year Renewal.**

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**USF or Campus specific: USF**

**Prepared by: Laura Pascual**

**Date Requested: 05/11/2022**

**USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.**

## USF Approval of Expenditures Exceeding One Million Dollars

**Project/Initiative Name:** USF Athletics Broadcast Production Service

**Total Project/Initiative Cost:** Original Approval \$4M for 5 years  
Updated Cost \$7.164 M for 4 years (\$3.164M increase)

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

Provide services in executing broadcast and in-arena production of USF Athletics sponsored events for multimedia platforms at all Athletic facilities. These expenses were new to FY21 with the addition of our ESPN+ Broadcast Production Studio. The American Athletic Conference requires us to broadcast a number of events on the ESPN+ platform to fulfill contractual obligations to receive Media Rights revenue distributions from the Conference. Seeking (3) year contract with (1) year renewal.

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

Produce and broadcast USF Athletic Events for national and local media outlets which can be used for promotional distribution and serve as an alternative means for recruiting prospective student athletes. Producing and Broadcasting high-level event/entertainment will enhance the reach of USF Athletics and the University across all multi-media platforms.

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**Funding Source(s):**

Athletics Auxiliary

	<u>Contract</u>	<u>Original</u>	<u>Proposed</u>	<u>Notes</u>
FY23	Year 1	775,000	1,511,970	
FY24	Year 2	800,000	1,691,151	Adding W. Lacrosse Competition Season
FY25	Year 3	825,000	1,884,194	Adding Beach Volleyball Competition Season
FY26	Renewal (1)	825,000	2,077,236	
FY27	Renewal (2)	825,000		
		<u>4,050,000</u>	<u>7,164,551</u>	

Amounts Include required equipment rentals, staffing costs, etc.

# of events will vary based on Conference assignments & ESPN contract obligations



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

Budgeted Funding – following completion of the formal ITN

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**Prior Approval Process:**

Temporary Contracts were executed in FY21, FY22 for broadcast services until which time a formal ITN could be completed.

Prior BOT FC approval received 02/21/22 for \$4M

ITN# 2022-051-ITN-PRO ESPN+ Production Services has been completed

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**List Related Projects/Initiatives: (if any)**

ESPN+ Buildout to construct the Bulls Broadcast & Video Production Center  
(Completed)

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**USF or Campus specific: Tampa Campus, Intercollegiate Athletics**

**Prepared by: Ashley Leko, Sr. Associate AD/CFO, Intercollegiate Athletics**

**Date Requested: May 2022**

**USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.**

## USF Approval of Expenditures Exceeding One Million Dollars

**Project/Initiative Name:** Pharmaceutical Supplies for USF Health Pharmacy Plus (Blanket Purchase Order) with Cardinal Health.

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<b>Total Project/Initiative Cost:</b>	Original Approval (May 2021) \$2,700,000 Updated Cost \$3,200,000 (\$500,000 increase)
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### Description:

USF Health Pharmacy Plus is requesting to initiate the process of approval for an increase to the existing purchase order by \$500,000; this would bring the existing purchase order to \$3,200,000 for Fiscal Year 2021-2022.

The Pharmacy has consistently increased the number of patients and prescriptions on an annual basis. Additionally, Cardinal provides 90-95% of the Pharmacy Plus prescription needs. During the pandemic the Pharmacy was able to adapt to changes and continue serving patients without interruption. New services are now added for the patients to ensure medication access; for example, shipping medications directly to patient's homes and supporting Morsani patients and providers by offering a curb-side pickup on site to make the patient's experience more convenient.

For this fiscal year, Pharmacy Plus had a total of 727 new patients and 10,199 prescriptions processed. Additionally, Pharmacy Plus is the preferred pharmacy for the newly formed USFTGP (the USF/TGH healthcare collaboration).

The current purchase order was calculated using the average monthly sales for July 2020 - January 2021 (about \$226,000 per month) which yielded an estimated annual sales amount of \$2.7M. However, due to the pandemic, resources were limited and an increase in medication costs resulted in Pharmacy Plus incurring more expenses. Thus far, expenses for Pharmacy Plus have averaged As a result, unanticipated increases in expenses contributed to an acceleration in usage of the FY 2022 purchase order.

The FY 2022 purchase order will need additional funds to cover the expenses from November 2021 – June 2022. Thus, this request is to increase the purchase order to cover the remaining expenses anticipated for fiscal year 2022. Based on the remaining balance on the blanket purchase order and the anticipated expenses and revenue for fiscal year 2022, an additional \$500,000 will need to be added to the current \$2.7M purchase order (total purchase order for FY 2022 - \$3,200,000).

It is anticipated that the Cardinal Health blanket purchase order request for FY 2023 will be \$3,200,000 for Pharmacy Plus.

**Objective**

USF Health Pharmacy Plus is a full-service community pharmacy that provides services that supports USF and USF Health through collaboration with physicians, pharmacist, students, and researchers. The pharmacy dispenses medications and related supplies which contribute to successful research outcomes and the health of patients. It is currently operating with a Pharmacy Manager, a Pharmacy Operations Manager/Pharmacy Technician, and a part-time pharmacist scheduled on a need basis.

The objectives of USF Health Pharmacy Plus are to provide excellent services to all patients and to be a contributor to student success (Goal 1: Student Success at USF and beyond). USF Health Taneja College of Pharmacy students practice all scopes of pharmacy operations, patient safety and prescription education as part of their advanced pharmacy practice experience (APPE) rotation.

**Funding Source(s):**

**Auxiliary Funds** – As an educational business activity, USF Health Pharmacy Plus provides pharmacy services that generate revenue. **This is an allowable source for this expenditure.**

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

Budgeted. The funds are budgeted and dependent upon patient demand and physician order.

**Prior Approval Process:**

Fiscal Year 2022 Blanket PO request was \$2.7M  
 Fiscal Year 2021 Blanket PO request was \$2.2M  
 Fiscal Year 2020 Blanket PO request was \$1.9M  
 Fiscal Year 2019 Blanket PO request was \$1.7M  
 Fiscal Year 2018 Blanket PO request was \$1.2 M  
 Fiscal Year 2017 Blanket PO request was \$750,000

**List Related Projects/Initiatives: (if any)**

**USF or Campus specific: USF Health Taneja College of Pharmacy – Pharmacy Plus**  
**Prepared by: Janice M Vega Dr. Kymia Love Jackson Dr. Rossina Chevasco**  
**Date Requested: May 2, 2022**

**USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.**

## **USF Approval of Expenditures Exceeding One Million Dollars**

**Project/Initiative Name:** Pharmaceutical Supplies for USF Health Pharmacy Plus (Blanket Purchase Order) with Cardinal Health.

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**Total Project/Initiative Cost:** \$3,500,000 for Fiscal Year 2022-2023 (estimated spend)

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### **Description:**

USF Health Pharmacy Plus is requesting to initiate the process of approval for a new purchase order in the amount of \$3,500,000 for Fiscal Year 2022-2023.

Cardinal Health provides 90-95% of the Pharmacy's prescription needs. During the pandemic the pharmacy was able to adapt to changes and continue serving patients without interruption. New services are now added for the patients to ensure medication access; for example, shipping medications directly to patient's homes and supporting Morsani patients and providers by offering a curb-side pickup on site to make the patient's experience more convenient.

During 2021-2022, Pharmacy Plus had more than 700 new patients and over 10,000 prescriptions processed. Pharmacy Plus is also currently recognized as the preferred pharmacy for the newly formed USFTGP (the USF/TGH healthcare collaboration).

Based on prescription sales for 2021-2022 and the increasing prices of pharmaceuticals, Pharmacy Plus is estimating to have expenses that range from \$250,000 – 300,000 per month. Taking that into account, the amount being requested for FY 2023 is \$3,500,000. The team will review the average expenses after the second quarter of the fiscal year to determine if an increase will be needed for FY 2023.

### **Objective**

USF Health Pharmacy Plus is a full-service community pharmacy that provides services that supports USF and USF Health through collaboration with physicians, pharmacist, students, and researchers. The pharmacy dispenses medications and related supplies which contribute to successful research outcomes and the health of patients. It is currently operating with 2 full-time pharmacists, three part-time pharmacists scheduled on a need basis, and a full-time pharmacy technician.

The objectives of USF Health Pharmacy Plus are to provide excellent services to all patients and to be a contributor to student success (Goal 1: Student Success at USF and beyond). USF Health Taneja College of Pharmacy students practice all scopes of pharmacy operations, patient safety and prescription education as part of their advanced pharmacy practice experience (APPE) rotation.

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**Funding Source(s):**

**Auxiliary Funds** – As an educational business activity, USF Health Pharmacy Plus provides pharmacy services that generate revenue. **This is an allowable source for this expenditure.**

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

Budgeted. The funds are budgeted and dependent upon patient demand and physician order.

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**Prior Approval Process:**

Fiscal Year 2022 Additional Blanket PO request: \$500,000 (FY 2022 total \$3,200,000)

Fiscal Year 2022 Blanket PO request was \$2.7M

Fiscal Year 2021 Blanket PO request was \$2.2M

Fiscal Year 2020 Blanket PO request was \$1.9M

Fiscal Year 2019 Blanket PO request was \$1.7M

Fiscal Year 2018 Blanket PO request was \$1.2M

Fiscal Year 2017 Blanket PO request was \$750,000

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**List Related Projects/Initiatives: (if any)**

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**USF or Campus specific: USF Health Taneja College of Pharmacy – Pharmacy Plus**

**Prepared by: Janice M Vega Dr. Kymia Love Jackson Dr. Mariam Gendi**

**Date Requested: May 2, 2022**

**USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.**

## **USF Approval of Expenditures Exceeding One Million Dollars**

**Project/Initiative Name:** USF Health ALZ 2<sup>nd</sup> Floor Convert non-clinical to clinical space.

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**Total Project/Initiative Cost:** \$ 2,230,175

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

**Scope:**

Convert non clinical space on the 2<sup>nd</sup> floor of ALZ to revenue-generating clinical space.

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**Objective:** Provide revenue-generating clinical space out of space that is currently unused CARES space on the east corner of the floorplate and unused IT closet, waiting room, and conference space on the south corner of the floorplate.

ALZ 2<sup>nd</sup> floor South - \$1,081,225

ALZ 2<sup>nd</sup> floor East - \$1,148,950

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**Funding Source(s):**

USF Health Deans Academic Support Fund (UMSA DASF)

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

Budgeted

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**Prior Approval Process:** UMSA Finance Committee and USF Health Leadership

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**List Related Projects/Initiatives:** (if any)

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USF or Campus specific: Tampa campus, Health

Prepared by: Mark Moseley, MD, Joseph M. Jackson, & Elizabeth Clifford

Date Requested: May 2, 2022

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.

## **USF Approval of Expenditures Exceeding One Million Dollars**

**Project/Initiative Name:** USF Health ALZ 4<sup>th</sup> Floor Convert Office Space to research labs

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**Total Project/Initiative Cost:** \$ 2,132,654

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

**Scope:**

Convert underutilized office space on the 4<sup>th</sup> floor of ALZ to 1,500+ SF wet lab space. Includes a dedicated equipment room, mechanical room, air handler and rooftop unit.

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**Objective:** Provide additional research space for USF Health.

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**Funding Source(s):**

\$250,000 from USF Office of Research

\$1,882,654 from USF Health Dean's Academic Support Fund (UMSA DASF)

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

Budgeted

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**Prior Approval Process:** UMSA Finance Committee and USF Health Leadership

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**List Related Projects/Initiatives:** (if any)

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USF or Campus specific: Tampa campus, Health

Prepared by: Mark Moseley, MD, Joseph M. Jackson, & Elizabeth Clifford

Date Requested: May 2, 2022

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.

## USF Approval of Expenditures Exceeding One Million Dollars

**Project/Initiative Name:** Facilities and Maintenance (FM) and Health Contracted Labor for General and Enhanced Cleaning

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**Total Project/Initiative Cost:** \$3,974,918 for FY 2022-2023

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

Hire contracted custodial labor to mitigate challenges in recruiting and retaining staff in the FM Building Services department and Health departments to include Downtown for general cleaning.

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

This initiative aligns with Goal 3: Partnerships and engagement with local, national, and global impact, as well as Goal 5: A strong, sustainable, and adaptive financial base.

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**Funding Source(s):**

\$ 1,015,000	UMSA
\$ 660,800	E&G
\$ 350,000	HPCC
<b>\$ 2,025,800</b>	Total Health
\$ 1,949,118	Facilities Mgmt. E&G Carry Forward
<b>\$ 1,949,118</b>	Total Tampa Facilities
<b>\$ 3,974,918</b>	Total Health & Tampa

These are **allowable expenses** for E&G and E&G Carryforward.

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

Budgeted

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**Prior Approval Process: List Related Projects/Initiatives: (if any)**

FY 2021-22 \$3,218,925 Approved by Finance Committee 05/25/21

FY 2020-21 \$3,834,791 Approved by Finance Committee 11/10/20

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**USF or Campus specific: Tampa campus, Health and Downtown**

**Prepared by: Gabriel Montalvo**

**Date Requested: May 6, 2022**

**USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.**

## USF Approval of Expenditures Exceeding One Million Dollars

**Project/Initiative Name:** Custodial & Maintenance Services for the USF Sarasota-Manatee campus pursuant to Invitation to Negotiate # 2022-047-ITN-PRO

**Total Project/Initiative Cost:** \$2,553,682.37 over 5 years

<b>2022-047-ITN Custodial &amp; Maintenance Services for Sarasota-Manatee Campus</b>			
3 year agreement with 2 one-year optional renewals = 5 years possible			
C&W Facility Services, Inc.	Custodial Services	Maintenance Services	Total
Year 1	\$199,020.67	\$258,285.95	\$457,306.62
Year 2	\$217,113.46	\$266,034.53	\$483,147.99
Year 3	\$235,206.25	\$274,015.57	\$509,221.82
Total Cost at End of 3 Year Contract	\$651,340.38	\$798,336.05	\$1,449,676.43
Optional Renewals - Estimated Costs			
Year 4	\$252,497.94	\$284,731.38	\$537,229.32
Year 5	\$266,385.01	\$300,391.61	\$566,776.62
Total Cost at End of 5 Year Contract	\$1,170,223.33	\$1,383,459.04	\$2,553,682.37

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

The USF Sarasota-Manatee campus outsources Custodial & Maintenance services. The contract with the current vendor expires 6-30-22 and there are no renewals available. An Invitation to Negotiate was issued 2-7-22. Proposals were reviews, suppliers were interviewed, and a Recommendation by the Evaluation Committee was made to issue a contract to C&W Facility Services Inc. The contract would be for 3 years with 2 one-year renewals possible.

The contracted services are needed to start 7-1-22.

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

USF is committed to providing a healthy and safe environment for all students, employees, visitors, suppliers and the campus community. Building cleaning services and maintenance services are required to keep the buildings running properly. In the ITN, USF Sarasota-Manatee outlined criteria for cleaning & maintenance services and will utilize the successful supplier's expertise to promote healthy indoor air quality, increase occupant wellbeing and comfort, assure building cleanliness, and provide a safe environment for all building occupants and visitors to the campus.

**Funding Source(s):**

Education & General (E&G)

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

Budgeted

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**Prior Approval Process:**

The ITN Evaluation Committee approved recommendation to make contract award to C&W Facility Services Inc.:

- Eddie Beauchamp, Regional Vice Chancellor for Business & Finance
  - Dan LaForge, Director Facilities Planning & Management
  - Tom O'Loughlin, Associate Director, Facilities Planning & Management
  - Will Duncan, Building & Operations Manager, Facilities Planning & Management
  - Lisset Greene, Supplier Relations & Outreach Administrator, USF Office of Supplier Diversity
- 

**List Related Projects/Initiatives: (if any)**

N/A

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**USF or Campus specific:** USF Sarasota-Manatee campus

**Prepared by:** Daniel LaForge, Director Facilities Planning & Management  
Michelle Krueger, Assoc. Director of Business Services

**Date Requested:** May 6, 2022

**USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.**

## USF Approval of Expenditures Exceeding One Million Dollars

**Project/Initiative Name:** State of Florida Critical Infrastructure Risk Assessment

**Total Project/Initiative Cost:** up to \$7M, as mandated by the state

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

The 2022 Florida Legislative session appropriated \$7M for the Florida Center for Cybersecurity (Cyber Florida) to conduct a comprehensive cybersecurity risk assessment of Florida's Critical Infrastructure (HB 5001, sec 2944B). Preliminary recommendations are due to the state by January 9, 2023. Florida's critical infrastructure is very broad by definition. This consists of both public and private entities, governed at multiple levels (state, county, municipality). The internal aspects of these entities vary based on industry type, governance structure, and risk mitigation measures. As such, Cyber Florida will require the assistance of at least one experienced organization with a well-defined methodology to perform an assessment of this magnitude. The expenditure amount has not yet been determined, but it will exceed the \$2M limit; therefore, the board's approval has been requested.

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

In response to our global security climate and the influx of cyber threats targeting critical infrastructure sectors, the state legislature has allocated funding to assess the current state of cyber risks to Florida's critical infrastructure. The intent of the funding is to position the legislature to make policy recommendations that will in turn mitigate those risks. In alignment with Cyber Florida's current mission and strategic focus (increasing the security posture of the state), the proposed state budget for the upcoming fiscal year significantly increases Cyber Florida's charge, and budget, to execute multiple directives under the Enterprise Cybersecurity Resilience appropriation. Along with the Risk Assessment, these initiatives include cybersecurity training for state and local governments and the establishment of a multi-purpose state cyber range.

In coordination with the Florida Cybersecurity Advisory Council, Cyber Florida will lead and conduct a comprehensive Cybersecurity Risk Assessment to capture strategic cyber risks to Florida's Critical Infrastructure and make legislative and policy recommendations to address the findings of the assessment, which could later be implemented by other states.

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**Funding Source(s):**

Non-recurring state funds via Appropriation 294B, General Revenue fund

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

Budgeted.

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**Prior Approval Process:**

Per the state directive for the appropriated funds, Cyber Florida is required to seek counsel and guidance from the Florida Cybersecurity Advisory Council. Cyber Florida will attend the next Advisory Council session on May 24<sup>th</sup> to brief members. In addition, Cyber Florida has engaged the Controller's Office and its respective departments to obtain guidance and approval for this expenditure. The project was also presented and approved by Cyber Florida's Board of Advisors.

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**List Related Projects/Initiatives: (if any)**

This project is not currently related to any ongoing projects; however, it is expected that once recommendations are submitted to the state, projects to implement those recommendations will follow.

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**USF or Campus specific:** USF

**Prepared by:** Evelyn Curry

**Date Requested:** 05/12/22

**USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.**

**Agenda Item: IIIg**

**USF Board of Trustees**

June 15, 2022

**Issue:** DSO Annual Financial Plans for FY 2023

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**Proposed action:** Approve DSO Annual Financial Plans for FY 2023

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**Executive Summary:**

The Direct Support Organizations of the University of South Florida (DSOs) have prepared their Annual Financial Plans for FY 2023 for review and approval by the USF Board of Trustees, pursuant to Florida Statutes and DSO Bylaws.

Each DSO has provided a Financial Plan Statement, which includes the Corporation's mission, key initiatives for FY 2023, emerging opportunities and risks that could impact the FY 2023 Financial Plan, and long-term goals that will drive upside financial performance beyond FY 2023.

The Financial Plans, comprised of both Income Statement and Statement of Cash Flows, include a comparison of Net Operating Profit and Net Cash Position for the FY 2023 Financial Plan to the current FY 2022 Forecast, and also provide the original FY 2022 Financial Plan that was approved by the BOT Finance Committee at its May 25, 2021 Meeting, and Actuals for FY 2021 and FY 2020. The Financial Plans also include a three-year forecast.

DSOs are governed by independent Boards of Directors. DSOs have obtained approval of their FY 2023 Financial Plan from their Board or DSO Finance / Audit Committee in advance of this meeting.

The DSOs are:

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

**Financial Impact:**

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

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<b>Strategic Goal(s) Item Supports:</b>	<b>Goal #5 (Strong and Sustainable Financial Base)</b>
<b>Workgroup Review Date:</b>	<b>Finance Committee - May 24, 2022</b>
<b>Supporting Documentation Online (<i>please circle</i>):</b>	<b>Yes                      No</b>
<b>Prepared by:</b>	<b>Fell L. Stubbs, University Treasurer, (813) 974-3298</b>



## **DIRECT SUPPORT ORGANIZATIONS**

### **ANNUAL FINANCIAL PLANS**

**FISCAL YEAR 2023**

*May 24, 2022*





## DSO Annual Financial Plans for FY 2023

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## UMSA/MSSC Combined

### FY 2023 Annual Financial Plan

#### FINANCIAL PLAN STATEMENT

##### State the DSO's Statutory Mission that Supports the Goals of the University

- University Medical Service Association, Inc. (UMSA) is organized as a not for profit, university faculty practice plan. Pursuant to UMSA's operations and activities, exclusively for the support and benefit of the University of South Florida (USF) and its Health Sciences Center, USF Health, the specific purposes for which UMSA is organized shall include the collection, administration and distribution of funds exclusively for the support of the clinical, education and research objectives of USF Health and the University in accordance with the USF Health Faculty Practice Plan regulations.
- Medical Services Support Corporation (MSSC) is organized as a not for profit organized to operate a health care consortium which supports and enhances the University of South Florida's (USF's) approved programs of education, research and service.

##### Describe Key Initiatives that Drive DSO Success and Materially Impact the FY 2023 Financial Plan

##### (Increased Revenues, Cash Flow, Liquidity and Reserves) (Material Capital Expenditures / Needed Added Resources)

- In January 2022, the practice plan and Tampa General Hospital built upon their nearly 50 year affiliation to become Florida's leading academic medical center (AMC) through a sustainable, collaborative, and comprehensive relationship that mutually benefits each organization, and the communities we serve, across all missions including patient care, teaching, research, and advocacy. A key component of the more comprehensive global affiliation agreement was the creation of USF Tampa General Physicians Group (USFTGP) that will include physicians employed by TGH and USF. On January 1, 2022, approximately 1,300 UMSA employees transitioned employment to either USF, USFTGP, or TGH, depending on their function, with the majority moving to USFTGP. During FY23, the practice plan and USFTGP leadership will focus on stabilizing USFTGP operations and develop efficiencies and best practices between UMSA and TGMG to enhance operations and identify opportunities for cost reductions.
- The creation of and transition to USFTGP resulted in \$3.5M of additional capital costs that must be funded by the practice plan during the first 3 years of the relationship. These costs are primarily related to information technology as systems such as email, benefits administration, general ledger, payroll, timekeeping, remote access, phone services, etc. needed to be built and transitioned to the new organization. The capital costs also include new computers for all of our clinical sites to machines that would be capable of Epic's (electronic medical records and billing system) transition from an on premise software to a cloud based software.
- The practice plan instituted financial austerity measures in FY21 and FY22 in response to the COVID-19 pandemic including significant reductions in travel, meals, dues and subscriptions, and continuing medical education. As we return to normal operations and global travel restrictions continue to lift, these expenses are returning to their original level.
- Between FY20 - FY22 the practice plan received \$23M in federal CARES act funding to reimburse for lost revenues and \$2.5M in additional UPL funding in response to the COVID-19 pandemic. These funds will no longer be available, and they account for the reduction in other revenue in FY23.
- The practice plan received \$14.7M of CARES Act funding in FY22 to reimburse for lost revenue associated with the COVID pandemic. In FY22 and FY23, those funds will be used to replenish the Dean's Academic Support fund for investment in future research recruits.
- USF Health leadership requested a premium holiday for UMSA for FY21-FY22 due to continuing financial concerns related to COVID, successful SIP claims management (resulting in significant financial savings), and expenses related to the formation of an academic medical group with Tampa General Hospital. The SIP Council approved this request. The premium holiday amount was \$3M for FY 2021-2022. This does not affect premiums paid by USF affiliates for resident services, nor does it affect the Risk Management Loss Prevention assessment. UMSA is budgeting a return to its usual malpractice rates in FY23.
- The Dean's Academic Support Fund is currently included in the financial statements of UMSA and is projected to have a balance of \$29M at the end of FY22. USF Health leadership plans to move those funds out of UMSA and into HSSO in FY23. At the end of FY23, this would result in a the following key changes to the financial plan of UMSA

(In thousands)	FY23 UMSA		
	FY23 UMSA Financial Plan	FY23 UMSA Financial Plan less Dean's Fund Transfer to HSSO	Impact of Transfer to HSSO
Total Cash & Investments	\$38,334	\$11,410	\$26,924
Net Assets	\$89,862	\$60,261	\$29,600
Total Revenue	\$367,528	\$350,338	\$26,924
Total Expenses	\$368,376	\$348,510	\$37,076
Net Operating Profit (Loss)	\$(848)	\$1,828	\$(2,676)

**Identify Emerging Opportunities / Risks That Might Affect The FY 2023 Financial Plan**

- The COVID pandemic will have a lasting impact on the practice plan's patient service revenue. In FY22, approximately 15% of UMSA's appointments were completed via telehealth. Leadership will need to continually monitor changes in telehealth payment policies from the Center for Medicare and Medicaid Services and private payers. The Omicron surge in FY22 impacted the practice plans clinical volumes as approximately 10% of our staff were either sick or in quarantine during the first two weeks of January. In FY23 the practice plan will need to work with USFTGP to ensure that it is able to flex resources as needed in the event of another surge in cases in our community.

**List Major Long-Term Goals That Will Drive Upside Financial Performance Beyond FY 2023**

- The practice plan has reached maximum occupancy for available clinical spaces. Over the next several fiscal years, UMSA will need to invest in additional space to support growth by either acquiring additional space or converting administrative space to clinical space. USF Health, USFTGP, and TGH leadership are working together to create a space master plan for the entire physician enterprise to best serve the needs of patients, physicians, and team members.



## UMSA/MSSC Combined

### FY 2023 Annual Financial Plan

#### INCOME STATEMENT

(In thousands)

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance \$ %		FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
<b><u>REVENUES</u></b>							
Net Patient Service	\$191,074	\$187,376	\$3,698	2 %	\$189,190	\$191,974	\$166,121
Grants, Contracts & Awards	100,592	99,596	996	1 %	87,112	94,719	79,757
UPL/PCIP	34,973	41,567	(6,594)	(16)%	38,200	40,491	38,726
Other Revenue	40,888	49,125	(8,236)	(17)%	46,653	41,798	43,383
<b>Total Revenues</b>	<b>\$367,528</b>	<b>\$377,664</b>	<b>(\$10,137)</b>	<b>(3)%</b>	<b>\$361,154</b>	<b>\$368,983</b>	<b>\$327,986</b>
<b><u>EXPENSES</u></b>							
Faculty Support	192,565	189,668	2,897	2 %	174,089	172,985	158,468
Housestaff Support	14,812	14,665	147	1 %	12,315	12,660	13,068
Other Staff Support	32,532	64,445	(31,913)	(50)%	60,789	101,031	97,863
USFTGP Staff Support	60,412	29,326	31,086	106 %	29,326	0	0
Depreciation/Amortization	4,375	4,289	86	2 %	4,638	5,047	4,573
Other Expenses	53,980	48,980	5,000	10 %	63,960	55,384	55,412
<b>Total Expenses</b>	<b>\$358,676</b>	<b>\$351,373</b>	<b>\$7,302</b>	<b>2 %</b>	<b>\$345,118</b>	<b>\$347,108</b>	<b>\$329,384</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$8,852</b>	<b>\$26,291</b>	<b>(\$17,439)</b>	<b>(66)%</b>	<b>\$16,036</b>	<b>\$21,875</b>	<b>\$(1,398)</b>
Unrealized Investment Gains (Losses)	0	124	(124)	(100)%	0	3,041	1,068
Contribution to MCOM	(9,700)	(5,000)	(4,700)	(94)%	0	0	(7,003)
Gain (Loss) on Disposal of Capital Assets	0	2,766	(2,766)	(100)%	0	0	0
Other Non Operating Expense	0	(3)	3	100 %	0	0	0
<b>Total Non-Cash Changes</b>	<b>\$(9,700)</b>	<b>\$(2,113)</b>	<b>(\$7,587)</b>	<b>(359)%</b>	<b>\$0</b>	<b>\$3,041</b>	<b>\$(5,935)</b>
<b>NET OPERATING PROFIT</b>	<b>\$(848)</b>	<b>\$24,178</b>	<b>(\$25,026)</b>	<b>(104)%</b>	<b>\$16,036</b>	<b>\$24,916</b>	<b>\$(7,332)</b>
<b>Operating Profit Margin</b>	<b>2%</b>	<b>7%</b>	<b>(5)%</b>		<b>4%</b>	<b>6%</b>	<b>0%</b>

[ 3 ]



## UMSA/MSSC Combined

### FY 2023 Annual Financial Plan

#### STATEMENT OF CASH FLOWS

(In thousands)

	<b>FY 2023 FINANCIAL PLAN</b>	<b>FY 2022 FORECAST (as of 3/31/22)</b>	<b>Variance</b>		<b>FY 2022 FINANCIAL PLAN</b>	<b>FY 2021 ACTUAL RESULTS</b>	<b>FY 2020 ACTUAL RESULTS</b>
			<b>\$</b>	<b>%</b>			
<b><u>OPERATING ACTIVITIES</u></b>							
Net Operating Profit	\$(848)	\$20,977	\$(21,825)	(104)%	\$16,036	\$24,916	\$(7,332)
Adjustments for Non-Cash Activities:							
Depreciation/Amortization	4,375	4,514	(139)	(3)%	4,638	5,047	4,573
Transfer From UMSA to HSSO							
Operating Assets and Liabilities	40,231	(15,135)	55,365	366 %	(3,000)	(72,055)	36,060
<b>Total Cash From Operating Activities</b>	<b>\$43,758</b>	<b>\$10,357</b>	<b>\$33,401</b>	<b>323 %</b>	<b>\$17,674</b>	<b>\$(42,093)</b>	<b>\$33,301</b>
<b><u>FINANCING ACTIVITIES</u></b>							
Capital Expenditures	\$(6,500)	\$(6,096)	\$(404)	(7)%	\$(4,500)	\$(1,613)	\$(2,514)
Proceeds from Sale of Capital Assets	0	2,766	(2,766)	(100)%	0	13	0
Interest Payments	(2,500)	(2,429)	(71)	(3)%	0	(2,429)	(1,566)
Transfer to USF FC - Leases on MOB	(2,536)	(2,511)	(25)	(1)%	(2,511)	(2,306)	(2,245)
<b>Total Cash From Financing Activities</b>	<b>\$(11,536)</b>	<b>\$(8,271)</b>	<b>\$(3,265)</b>	<b>(39)%</b>	<b>\$(7,011)</b>	<b>\$(6,335)</b>	<b>\$(6,325)</b>
<b><u>INVESTING ACTIVITIES</u></b>							
Net (Purchases) Sales of Investments	\$0	\$(6,624)	\$6,624	100 %	\$0	\$3,041	\$(1,803)
Interest and Dividends on Investments	0	0	0	%	0	21,042	1,068
<b>Total Cash From Investing Activities</b>	<b>\$0</b>	<b>\$(6,624)</b>	<b>\$6,624</b>	<b>100 %</b>	<b>\$0</b>	<b>\$24,083</b>	<b>\$(735)</b>
<b>CHANGE IN CASH</b>	<b>32,222</b>	<b>(4,538)</b>	<b>36,760</b>	<b>810 %</b>	<b>10,663</b>	<b>(24,345)</b>	<b>26,241</b>
Cash, Beginning of Year	6,112	10,650	(4,538)	(43)%	13,763	34,996	8,755
<b>Cash, End of Year</b>	<b>\$38,334</b>	<b>\$6,112</b>	<b>\$32,222</b>	<b>527 %</b>	<b>\$24,426</b>	<b>\$10,650</b>	<b>\$34,996</b>
<b>Total Cash &amp; Investments</b>	<b>\$55,549</b>	<b>\$23,327</b>	<b>\$32,222</b>	<b>138 %</b>	<b>\$54,104</b>	<b>\$17,314</b>	<b>\$62,672</b>
<b>Days Cash on Hand</b>	<b>60</b>	<b>26</b>	<b>34</b>	<b>133 %</b>	<b>59</b>	<b>19</b>	<b>73</b>



## UMSA/MSSC Combined

### FY 2023 Annual Financial Plan

#### 3-YEAR FORECAST

(In thousands)

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST	FY 2023 PLAN	FY 2024 FORECAST	FY 2025 FORECAST
<b><u>ASSETS</u></b>						
Cash & Investments	\$62,672	\$17,314	\$23,327	\$55,549	\$56,104	\$56,665
Fixed Assets	54,145	51,410	50,658	51,671	52,188	52,710
Other Assets	50,104	83,336	106,952	75,800	76,558	77,323
<b>Total Assets</b>	<b>\$166,921</b>	<b>\$152,060</b>	<b>\$180,937</b>	<b>\$183,020</b>	<b>\$184,850</b>	<b>\$186,698</b>
<b><u>LIABILITIES</u></b>						
Payables	\$17,637	\$12,991	\$13,528	\$15,663	\$15,820	\$15,978
Long-Term Debt	48,754	46,536	43,408	40,279	40,682	41,089
Other Liabilities and deferred inflows	46,398	26,001	33,291	37,215	29,457	21,530
<b>Total Liabilities</b>	<b>\$112,788</b>	<b>\$85,528</b>	<b>\$90,227</b>	<b>\$93,158</b>	<b>\$85,959</b>	<b>\$78,597</b>
<b>NET ASSETS</b>	<b>\$54,133</b>	<b>\$66,532</b>	<b>\$90,710</b>	<b>\$89,862</b>	<b>\$98,891</b>	<b>\$108,101</b>
<b>Days Cash on Hand</b>	<b>73</b>	<b>19</b>	<b>26</b>	<b>60</b>	<b>59</b>	<b>59</b>
<b><u>REVENUES</u></b>						
Net Patient Service	\$166,121	\$191,974	\$187,376	\$191,074	\$194,896	\$198,793
Grants, Contracts & Awards	79,757	94,719	99,596	100,592	102,604	104,656
UPL	38,726	40,491	41,567	34,973	35,673	36,386
Other Revenues	43,383	41,798	49,125	40,888	41,706	42,540
<b>Total Revenues</b>	<b>\$327,986</b>	<b>\$368,983</b>	<b>\$377,664</b>	<b>\$367,528</b>	<b>\$374,878</b>	<b>\$382,376</b>
<b><u>EXPENSES</u></b>						
Faculty Support	\$158,468	\$172,985	\$189,668	\$192,565	\$196,416	\$200,344
Housestaff Support	13,068	12,660	14,665	14,812	15,108	15,410
Other Staff Support	97,863	101,031	64,445	32,532	33,183	33,846
USFTGP Staff Support	0	0	29,326	60,412	61,621	62,853
Other Expenses	55,412	55,384	48,980	53,980	55,059	56,160
<b>Total Expenses</b>	<b>\$324,811</b>	<b>\$342,061</b>	<b>\$347,084</b>	<b>\$354,300</b>	<b>\$361,386</b>	<b>\$368,614</b>
<b>Operating Profit Before Non-Cash Changes</b>	<b>\$3,176</b>	<b>\$26,922</b>	<b>\$30,580</b>	<b>\$13,227</b>	<b>\$13,492</b>	<b>\$13,762</b>
Total Non-Cash Changes	\$(4,573)	\$(5,047)	\$(4,289)	\$(4,375)	\$(4,463)	\$(4,552)
<b>NET OPERATING PROFIT</b>	<b>\$(1,398)</b>	<b>\$21,875</b>	<b>\$26,291</b>	<b>\$8,852</b>	<b>\$9,029</b>	<b>\$9,210</b>
<b>Operating Profit Margin</b>	<b>0%</b>	<b>6%</b>	<b>7%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
Unrealized Investment Gains (Losses)	\$1,068	\$3,041	\$124	\$0	\$0	\$0
Gain (Loss) on Disposal of Capital Assets	0	0	2,766	(9,700)	0	0
Other Non Operating Expense	0	0	(3)	0	0	0
Contribution to MCOM	(7,003)	0	(5,000)	0	0	0
<b>Total Non-Operating Changes</b>	<b>\$(5,935)</b>	<b>\$3,041</b>	<b>\$(2,113)</b>	<b>\$(9,700)</b>	<b>\$0</b>	<b>\$0</b>
<b>NET PROFIT</b>	<b>\$(7,332)</b>	<b>\$24,916</b>	<b>\$24,178</b>	<b>\$(848)</b>	<b>\$9,029</b>	<b>\$9,210</b>



## USF FOUNDATION, INC.

### FY 2023 Annual Financial Plan

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#### FINANCIAL PLAN STATEMENT

##### **State the DSO's Statutory Mission that Supports the Goals of the University**

- The University of South Florida Foundation aids and promotes excellence in the educational, research and service activities of USF by seeking, receiving and administering private gifts for the benefit of the University. We enhance resources that support the strategic objectives of the University of South Florida System within a culture of cooperation and collaboration.

##### **Describe Key Initiatives that Drive DSO Success and Materially Impact the FY 2023 Financial Plan** **(Increased Revenues, Cash Flow, Liquidity and Reserves)** (Material Capital Expenditures / Needed Added Resources)

- Several initiatives for the Division of University Advancement are underway to facilitate and grow the crucial impact of philanthropy for USF. The talent acquisition for these new initiatives and restructuring of resources will continue into fiscal year 2023. These initiatives will further the USF Foundation's ability to meet annual fundraising goals and are described in the following bullets.
- The formation of a Principal Gifts Team will produce transformative gift opportunities that will generate an expansion of resources over the long term for the University.
- The establishment of a Regional Fundraising Team 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 expansion of the Annual Giving Team to include a Digital Engagement Center of well-trained students will provide needed outreach to University supporters to share success stories and University news through text-to-give programs, social media platforms, etc.

##### **Identify Emerging Opportunities / Risks That Might Affect The FY 2023 Financial Plan**

- The ability to attract, recruit and retain industry top talent requires a devoted effort to improve the entire employee experience and directly impacts Advancement's current and long term fundraising and operational results.
- In order to achieve ambitious strategic fundraising initiatives to grow philanthropy for the university, investments of financial support from the university will enable the Foundation to develop these fundraising programs.

##### **List Major Long-Term Goals That Will Drive Upside Financial Performance Beyond FY 2023**

- The Foundation's Investment Committee continues to actively monitor the performance and liquidity of our asset pools through regular review of asset allocation and investment managers. The Committee will take action when appropriate to enhance the growth and benefit of the endowment to USF over the long-term horizon. Our long-term returns are consistently in the top quartile amongst our peers. The Foundation has been closely monitoring the higher rates of inflation while keeping our long term philosophy of maintaining intergenerational equity in mind.



## USF FOUNDATION, INC.

### FY 2023 Annual Financial Plan

#### INCOME STATEMENT

(In thousands)

##### REVENUES

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance	
			\$	%
Gifts & Donations	\$60,450	\$60,450	\$0	0 %
Investment Income (Loss)	51,325	(11,550)	62,875	544 %
University Support	13,523	12,954	569	4 %
Other Revenues	2,907	2,850	57	2 %
<b>Total Revenues</b>	<b>\$128,205</b>	<b>\$64,704</b>	<b>\$63,501</b>	<b>98 %</b>

##### EXPENSES

Program Services				
Salaries & Benefits	20,299	19,950	350	2 %
Scholarship & Fellowship	10,090	10,088	2	0 %
Service & Independent contractors	4,148	3,972	175	4 %
Supplies	2,208	2,160	48	2 %
Other Transfers & Expenses	25,719	36,168	(10,449)	(29)%
<b>Total Program Service Expenses</b>	<b>62,464</b>	<b>72,338</b>	<b>(9,874)</b>	<b>%</b>
Fundraising & Operating Expenses				
Salaries & Benefits	16,487	15,866	621	4 %
Service & Independent contractors	1,141	1,114	27	2 %
Other Transfers & Expenses	2,216	1,944	272	14 %
<b>Total Fundraising &amp; Operating Expenses</b>	<b>\$19,844</b>	<b>18,924</b>	<b>921</b>	<b>%</b>
<b>Total Expenses</b>	<b>\$82,308</b>	<b>\$91,262</b>	<b>\$(8,953)</b>	<b>(10)%</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$45,897</b>	<b>\$(26,558)</b>	<b>\$72,454</b>	<b>273 %</b>
<b>Total Non-Cash Changes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>%</b>
<b>NET OPERATING PROFIT</b>	<b>\$45,897</b>	<b>\$(26,558)</b>	<b>\$72,454</b>	<b>273 %</b>

FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
\$60,450	\$64,667	\$70,565
44,301	192,303	31,323
11,754	13,209	16,284
2,850	2,473	2,489
<b>\$119,355</b>	<b>\$272,652</b>	<b>\$120,661</b>
19,901	20,721	\$18,498
9,806	10,802	13,213
4,066	1,619	3,145
2,164	884	1,517
22,267	18,791	14,573
<b>58,205</b>	<b>52,817</b>	<b>50,946</b>
15,674	16,188	14,942
1,119	1,042	1,728
2,194	1,429	1,772
<b>18,987</b>	<b>18,659</b>	<b>18,442</b>
<b>\$77,192</b>	<b>\$71,476</b>	<b>\$69,388</b>
<b>\$42,163</b>	<b>\$201,176</b>	<b>\$51,273</b>
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>\$42,163</b>	<b>\$201,176</b>	<b>\$51,273</b>

Operating Profit Margin

36%	-41%	77 %
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35%	74%	42%
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## USF FOUNDATION, INC.

### FY 2023 Annual Financial Plan

#### STATEMENT OF CASH FLOWS

(In thousands)

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance		FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
<b><u>OPERATING ACTIVITIES</u></b>							
Net Operating Profit	\$45,897	\$(26,558)	\$72,454	273 %	\$42,163	\$201,176	\$51,273
Adjustments for Non-Cash Activities:							
Investment (gain) losses	(51,325)	11,550	(62,875)	(544)%	(40,549)	(179,278)	(21,485)
Change in assets & liabilities	(14,526)	(10,862)	(3,664)	(34)%	(16,263)	(19,976)	(45,053)
<b>Total Cash From Operating Activities</b>	<b>\$(19,954)</b>	<b>\$(25,870)</b>	<b>\$5,915</b>	<b>23 %</b>	<b>\$(14,649)</b>	<b>\$1,922</b>	<b>\$(15,265)</b>
<b><u>FINANCING ACTIVITIES</u></b>							
Proceeds of sales of contributed land held for resale	\$0	\$0	\$0	%	\$0	\$0	\$0
Interest Paid on Debt	(125)	(155)	30	19 %	(125)	(109)	(119)
Principal Paid on Debt	(380)	(365)	(15)	(4)%	(379)	(391)	(382)
NonCapital Financing activities	13,521	20,913	(7,392)	(35)%	7,565	13,139	15,545
<b>Total Cash From Financing Activities</b>	<b>\$13,016</b>	<b>\$20,393</b>	<b>\$(7,377)</b>	<b>(36)%</b>	<b>\$7,061</b>	<b>\$12,639</b>	<b>\$15,044</b>
<b><u>INVESTING ACTIVITIES</u></b>							
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$400	\$400
Net (Purchases) Sales of Investment	(1,985)	(1,850)	(135)	(7)%	(2,065)	(32,359)	(6,484)
Interest dividends reinvested	8,932	9,546	(614)	(6)%	9,145	13,025	9,839
<b>Total Cash From Investing Activities</b>	<b>\$6,947</b>	<b>\$7,696</b>	<b>\$(749)</b>	<b>(10)%</b>	<b>\$7,080</b>	<b>\$(18,934)</b>	<b>\$3,755</b>
<b>CHANGE IN CASH</b>	<b>9</b>	<b>2,219</b>	<b>(2,211)</b>	<b>(100)%</b>	<b>(508)</b>	<b>(4,373)</b>	<b>3,534</b>
Cash, Beginning of Year	2,770	551	2,219	403 %	2,510	4,924	1,410
<b>Cash, End of Year</b>	<b>\$2,779</b>	<b>\$2,770</b>	<b>\$8</b>	<b>0 %</b>	<b>\$2,002</b>	<b>\$551</b>	<b>\$4,944</b>
<b>Total Cash &amp; Investments</b>	<b>\$108,957</b>	<b>\$124,330</b>	<b>\$(15,373)</b>	<b>(12)%</b>	<b>\$124,330</b>	<b>\$132,115</b>	<b>\$112,621</b>
<b>Days Cash on Hand</b>	<b>487</b>	<b>497</b>	<b>(11)</b>	<b>(2)%</b>	<b>588</b>	<b>675</b>	<b>592</b>



## USF FOUNDATION, INC.

### FY 2023 Annual Financial Plan

#### 3-YEAR FORECAST

(In thousands)

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST	FY 2023 PLAN	FY 2024 FORECAST	FY 2025 FORECAST
<b><u>ASSETS</u></b>						
Cash & Investments	\$112,621	\$132,115	\$124,330	\$108,957	\$115,047	\$117,348
Fixed Assets	10,844	10,725	10,605	10,485	10,361	\$10,465
Other Assets	594,379	786,838	774,133	837,763	887,762	\$945,445
<b>Total Assets</b>	<b>\$717,844</b>	<b>\$929,678</b>	<b>\$909,068</b>	<b>\$957,205</b>	<b>\$1,013,169</b>	<b>\$1,073,257</b>
<b><u>LIABILITIES</u></b>						
Payables	\$1,053	\$408	\$1,076	\$1,095	\$1,117	\$1,173
Long-Term Debt	4,332	3,942	3,540	3,127	3,190	\$3,349
Other Liabilities and deferred inflows	24,405	36,098	41,780	44,414	46,456	\$47,385
<b>Total Liabilities</b>	<b>\$29,790</b>	<b>\$40,448</b>	<b>\$46,396</b>	<b>\$48,636</b>	<b>\$50,762</b>	<b>\$51,907</b>
<b>NET ASSETS</b>	<b>\$688,054</b>	<b>\$889,230</b>	<b>\$862,672</b>	<b>\$908,569</b>	<b>\$962,407</b>	<b>\$1,021,351</b>
<b>Days Cash on Hand</b>	<b>592</b>	<b>675</b>	<b>497</b>	<b>483</b>	<b>477</b>	<b>477</b>
<b><u>REVENUES</u></b>						
Gifts & Fundraising Revenue	\$70,565	\$64,667	\$60,450	\$60,450	\$72,336	\$77,453
University Support	16,284	13,209	12,954	13,523	14,158	\$14,800
Other Revenues	33,812	194,776	(8,700)	54,232	55,317	\$56,423
<b>Total Revenues</b>	<b>\$120,661</b>	<b>\$272,652</b>	<b>\$64,704</b>	<b>\$128,205</b>	<b>\$141,811</b>	<b>\$148,676</b>
<b><u>EXPENSES</u></b>						
Salaries & Benefits	\$33,440	\$36,910	\$35,816	\$36,786	\$36,717	\$37,451
Scholarships & Fellowships	13,213	10,802	10,088	10,090	10,496	\$10,705
Other Expenses	22,735	23,764	45,358	35,431	40,760	\$41,575
<b>Total Expenses</b>	<b>\$69,388</b>	<b>\$71,476</b>	<b>\$91,262</b>	<b>\$82,308</b>	<b>\$87,972</b>	<b>\$89,732</b>
<b>Operating Profit Before Non-Cash Changes</b>	<b>\$51,273</b>	<b>\$201,176</b>	<b>\$(26,558)</b>	<b>\$45,897</b>	<b>\$53,838</b>	<b>\$58,944</b>
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET OPERATING PROFIT</b>	<b>\$51,273</b>	<b>\$201,176</b>	<b>\$(26,558)</b>	<b>\$45,897</b>	<b>\$53,838</b>	<b>\$58,944</b>
<b>Operating Profit Margin</b>	<b>42%</b>	<b>74%</b>	<b>-41%</b>	<b>36%</b>	<b>38%</b>	<b>40%</b>



## USF Research Foundation, Inc.

### FY 2023 Annual Financial Plan

## FINANCIAL PLAN STATEMENT

### State the DSO's Statutory Mission that Supports the Goals of the University

- The USF Research Foundation was established to promote, encourage, and enhance the research activities of University of South Florida faculty, staff and students.

The Research Foundation owns and manages real property assets that include the USF Research Park and various buildings that are located within the Research Park. DSO revenue is generated primarily through long-term leases of facilities utilized by the University research enterprise and private sector entities seeking research relationships with the University.

The USF Innovation Enterprise, which encompasses the USF Research Park, Technology Transfer Office and the USF Tampa Bay Technology Incubator, contributes to a robust innovation-based ecosystem to include community startups and corporate partnerships with the University.

As a DSO, the Research Foundation provides a mechanism for the funding of licensed research and development activities at the University. The Research Foundation provides broad and flexible financial mechanisms to administer private research contracts and grants, including corporate and private foundation-sponsored programs. We assist the University by working in cooperation with the University's Technology Transfer Office in the commercialization of University inventions including license agreements, and receipt and distribution of royalties related to intellectual property.

### Describe Key Initiatives that Drive DSO Success and Materially Impact the FY 2023 Financial Plan

#### (Increased Revenues, Cash Flow, Liquidity and Reserves) (Material Capital Expenditures / Needed Added Resources)

- Construction has been completed for the new 120,000 square foot Mixed Use Lab and Office Building (3814 Spectrum) located within the USF Research Park. Revenue projection anticipates 60,000 sf of the building will be occupied by the end of FY 2023, increasing to 110,000 sf by the end of FY 2024. The Income Statement impact for FY 2023 is -\$1.9M Loss to include interest expense of \$794K, operating expenses \$708K, non-cash depreciation of \$1.2M, offset by rent revenue of \$800K. Occupancy will focus on tenancy from partnership opportunities with private industry. Debt service for the new building of \$1.8M (interest and principle) and Capital Expenditures of \$3.6M for buildout of tenant improvements will be funded by redemption of investments.
- As advised by the University, the FY 2023 Plan includes a \$3.99M cost allocation to the Research Foundation for 100% of the USF Technology Transfer Office (TTO) operating expense budget (principally salaries and legal costs for patent prosecution and litigation efforts). Prior to fiscal year 2022, these costs had been fully funded by the University. This expense is in addition to the variable Intellectual Property expenses directly expended by the DSO (principally royalty expense). This additional expense to the Research Foundation decreases our operating profit margin and cash flow by \$3.99M in FY 2023.

The FY 2023 TTO financial plan is based on their new business organization model. TTO recently hired two assistant directors whose focus is on industry marketing, startups and business development initiatives. The assistant directors have been tasked with sourcing qualified companies who can move USF technology to commercial phases. Product licenses are increasing as well. Moving forward, TTO will increase focusing more on Copyright licenses and initiate a Data licensing program. TTO recognizes there is a market for these offerings with a high profitability in ROI.

- 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) will continue to occur in FY 2023. The transfer of this fiduciary cash to the University's chartfield for benefit of the USF Incubator Program, will reduce the University's FY 2023 program expense. A quarterly transfer of \$250,000 on an ongoing basis (\$1,000,000 per annum) approximates the positive cash flow generated from tenant rents and sponsor support that is processed by our DSO on behalf of the University. Cash reserves of approximately \$1.0M remain.



## **USF Research Foundation, Inc.**

### **FY 2023 Annual Financial Plan**

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#### **Identify Emerging Opportunities / Risks That Might Affect The FY 2023 Financial Plan**

- Lease up of the new Mixed Use Lab and Office Building (3814 Spectrum):
  - Lease negotiations will impact the amount of funds used for tenant improvement allowances.
  - Supply chain issues may impact the cost to build out and delay occupancy of the leased up spaces.
- Identifying Copyright licenses and initiating a Data Licensing Program, which will then substantially drive up Intellectual Property revenue.
- The ability to source top workforce talent is a present risk as TTO and the Research Foundation look to replenishing personnel resources.

#### **List Major Long-Term Goals That Will Drive Upside Financial Performance Beyond FY 2023**

- Full lease up of the Research Park 3814 Spectrum building to achieve self-sufficiency
- Continued development of the Research Park as a research enterprise supporting community
- Increasing high value Intellectual Property agreements with well-established companies
- Sustaining transparent communication with Intellectual Property licensees, in order to avoid compliance litigation



## USF Research Foundation, Inc.

### FY 2023 Annual Financial Plan

#### INCOME STATEMENT

(In thousands)

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance		FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
<b>REVENUES</b>							
Rental Revenue	\$10,763	\$9,596	\$1,167	12 %	\$9,760	\$9,252	\$8,968
Intellectual Property Revenue (TTO Initiator)	4,100	3,800	300	8 %	4,000	2,561	2,666
Intellectual Property Revenue - Equity Transactions	-	-	-	%	-	7,433	-
NMR Use License Fee	-	-	-	%	-	244	307
Other Operating Revenues	170	170	0	0 %	157	172	188
<b>Total Revenues</b>	<b>\$15,033</b>	<b>\$13,566</b>	<b>\$1,467</b>	<b>11 %</b>	<b>\$13,917</b>	<b>\$19,661</b>	<b>\$12,129</b>
<b>EXPENSES</b>							
Salaries & Benefits	1,466	1,246	220	18 %	1,246	1,196	1,297
Operations - Research Park	3,895	3,923	(29)	(1)%	3,969	3,212	3,489
Operations - New Research Park Building	549	231	318	138 %	284	5	-
IP Program Expense - Royalties & Direct Tech Costs	2,945	2,688	257	10 %	2,818	1,836	1,826
IP University Exp - TTO Cost Allocation to DSO	3,989	2,338	1,652	71 %	2,628	-	-
Other Program Expense	60	40	20	50 %	65	87	56
Other Operating Expenses	200	207	(8)	(4)%	207	164	195
UBC Net Expense (University Business Center)	336	375	(39)	(10)%	375	234	256
Interest Expense	1,323	904	419	46 %	971	621	526
Depreciation & Amortization	4,292	3,255	1,037	32 %	3,389	2,786	2,562
<b>Total Expenses</b>	<b>\$19,054</b>	<b>\$15,207</b>	<b>\$3,847</b>	<b>25 %</b>	<b>\$15,953</b>	<b>\$10,142</b>	<b>\$10,207</b>
<b>NET OPERATING PROFIT (LOSS)</b>	<b>\$(4,021)</b>	<b>\$(1,642)</b>	<b>\$(2,380)</b>	<b>(145)%</b>	<b>\$(2,036)</b>	<b>\$9,520</b>	<b>\$1,922</b>
Investment Income	2,471	957	1,514	158 %	1,866	11,864	1,917
Investment Income - IP Equity Transaction	-	(10,076)	10,076	100 %	-	5,509	-
Non-Operating Interest Exp (New Bldg Construction)	-	(487)	487	100 %	(420)	(927)	(401)
<b>Total Non-Operating</b>	<b>\$2,471</b>	<b>\$(9,607)</b>	<b>\$12,078</b>	<b>126 %</b>	<b>\$1,446</b>	<b>\$16,446</b>	<b>\$1,516</b>
<b>NET INCOME (LOSS)</b>	<b>\$(1,551)</b>	<b>\$(11,249)</b>	<b>\$9,698</b>	<b>86 %</b>	<b>\$(589)</b>	<b>\$25,966</b>	<b>\$3,438</b>
<b>Operating Profit Margin</b>	<b>-26.8%</b>	<b>-12.1%</b>	<b>(14.6)%</b>		<b>-14.6%</b>	<b>48.4%</b>	<b>15.8%</b>



## USF Research Foundation, Inc.

### FY 2023 Annual Financial Plan

#### STATEMENT OF CASH FLOWS

(In thousands)

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance		FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
<b><u>OPERATING ACTIVITIES</u></b>							
Net Income	\$(1,551)	\$(11,249)	\$9,698	86 %	\$(589)	\$25,966	\$3,438
Adjustments for Non-Cash Activities:							
Add Non-Cash Investment Loss (Less Inv Income)	(2,071)	8,720	(10,790)	(124)%	(1,566)	(16,875)	(1,550)
Less Other Non-Cash Operating Revenue	-	-	-	%	-	(7,685)	(18)
Add back Depreciation/Amortization Exp	4,292	3,255	1,037	32 %	3,389	2,786	2,562
Add back Other Non-Cash Expenses	50	65	(15)	(23)%	65	119	333
Changes in Operating Assets and Liabilities	(400)	(400)	-	0 %	(400)	(2,381)	(1,113)
<b>Total Cash From Operating Activities</b>	<b>\$321</b>	<b>\$391</b>	<b>\$(70)</b>	<b>(18)%</b>	<b>\$898</b>	<b>\$1,930</b>	<b>\$3,653</b>
<b><u>FINANCING ACTIVITIES</u></b>							
Principal Payments - Notes Payable	\$(835)	\$(805)	\$(30)	(4)%	\$(805)	\$(775)	\$(1,745)
Principal Payments Capital Lease - UDI Building	(263)	(252)	(11)	(4)%	(252)	\$(261)	(261)
Principal Payment - New Building	(975)	(936)	(38)	(4)%	(936)	(900)	-
Redeem Investments - Fund New Bldg Cost & CAP-X	5,414	4,837	576	12 %	13,247	1,827	2,514
New Bldg - Debt Sinking Fund, Debt Reserves & Costs	-	-	-	%	-	-	(2,566)
Redeem Investments - Trust Equity to Operating Cash	-	-	-	%	-	275	-
<b>Total Cash From Financing Activities</b>	<b>\$3,341</b>	<b>\$2,844</b>	<b>\$497</b>	<b>17 %</b>	<b>\$11,254</b>	<b>\$166</b>	<b>\$(2,059)</b>
<b><u>INVESTING ACTIVITIES</u></b>							
Capital Expenditures	\$(2,161)	\$(708)	\$(1,452)	(205)%	\$(1,079)	\$(258)	\$(1,242)
Capital Expenditures - New Bldg Tenant Improvements	(3,645)	(2,000)	(1,645)	(82)%	(11,486)	-	-
Purchase of Investments	-	-	-	%	-	-	(4,050)
Seed Capital Loan Repayments (Issuance)	-	20	(20)	(100)%	20	35	28
	-	-	-	%	-	-	-
<b>Total Cash From Investing Activities</b>	<b>\$(5,806)</b>	<b>\$(2,688)</b>	<b>\$(3,117)</b>	<b>(116)%</b>	<b>\$(12,545)</b>	<b>\$(223)</b>	<b>\$(5,264)</b>
<b>CHANGE IN CASH</b>	<b>(2,144)</b>	<b>547</b>	<b>(2,690)</b>	<b>(492)%</b>	<b>(392)</b>	<b>1,874</b>	<b>(3,670)</b>
Cash, Beginning of Year	5,877	5,330	547	10 %	\$5,330	3,456	7,127
<b>Cash, End of Year</b>	<b>\$3,733</b>	<b>\$5,877</b>	<b>\$(2,144)</b>	<b>(36)%</b>	<b>\$4,938</b>	<b>\$5,330</b>	<b>\$3,456</b>
<b>Total Cash &amp; Investments</b>	<b>\$49,101</b>	<b>\$54,187</b>	<b>\$(5,086)</b>	<b>(9)%</b>	<b>\$36,470</b>	<b>\$57,521</b>	<b>\$46,106</b>
<b>Days Cash on Hand</b>	<b>480</b>	<b>590</b>	<b>(110)</b>	<b>(19)%</b>	<b>328</b>	<b>770</b>	<b>339</b>



## USF Research Foundation, Inc.

### FY 2023 Annual Financial Plan

#### 3-YEAR FORECAST

(In thousands)

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST	FY 2023 PLAN	FY 2024 FORECAST	FY 2025 FORECAST
<b><u>ASSETS</u></b>						
Cash & Investments	\$46,106	\$57,521	\$54,187	\$49,101	\$47,066	\$49,805
Fixed Assets	34,512	33,225	58,825	60,454	60,987	56,968
Other Assets	19,247	40,148	29,956	29,840	29,724	29,608
<b>Total Assets</b>	<b>\$99,864</b>	<b>\$130,894</b>	<b>\$142,968</b>	<b>\$139,395</b>	<b>\$137,778</b>	<b>\$136,382</b>
<b><u>LIABILITIES</u></b>						
Payables	\$2,089	\$10,178	\$5,052	\$5,418	\$5,509	\$5,526
Long-Term Debt	18,654	17,618	42,625	40,553	38,394	36,147
Other Liabilities	9,196	7,205	7,422	7,644	7,874	8,110
<b>Total Liabilities</b>	<b>\$29,938</b>	<b>\$35,002</b>	<b>\$55,099</b>	<b>\$53,615</b>	<b>\$51,776</b>	<b>\$49,783</b>
<b>NET ASSETS</b>	<b>\$69,926</b>	<b>\$95,892</b>	<b>\$87,869</b>	<b>\$85,780</b>	<b>\$86,001</b>	<b>\$86,598</b>
<b>Days Cash on Hand</b>	<b>339</b>	<b>770</b>	<b>590</b>	<b>480</b>	<b>466</b>	<b>477</b>
<b><u>REVENUES</u></b>						
Rental Revenue	\$8,968	\$9,252	\$9,596	\$10,763	\$13,943	\$15,532
Intellectual Property Revenue	2,666	9,993	3,800	4,100	4,400	4,600
Other Revenues	495	416	170	170	179	187
<b>Total Revenues</b>	<b>\$12,129</b>	<b>\$19,661</b>	<b>\$13,566</b>	<b>\$15,033</b>	<b>\$18,521</b>	<b>\$20,319</b>
<b><u>EXPENSES</u></b>						
Salaries & Benefits	\$1,297	\$1,196	\$1,246	\$1,466	\$1,510	\$1,555
Operations - Research Park	3,489	3,212	4,154	4,444	4,918	5,712
Other Expenses	5,421	5,733	9,807	13,145	13,947	14,604
<b>Total Expenses</b>	<b>\$10,207</b>	<b>\$10,142</b>	<b>\$15,207</b>	<b>\$19,054</b>	<b>\$20,375</b>	<b>\$21,870</b>
<b>Operating Profit Before Non-Operating</b>	<b>\$1,922</b>	<b>\$9,520</b>	<b>\$(1,642)</b>	<b>\$(4,021)</b>	<b>\$(1,853)</b>	<b>\$(1,551)</b>
Total Non-Operating, Net	1,516	16,446	(9,607)	2,471	2,344	2,372
<b>NET INCOME (LOSS)</b>	<b>\$3,438</b>	<b>\$25,966</b>	<b>\$(11,249)</b>	<b>\$(1,551)</b>	<b>\$491</b>	<b>\$821</b>
<b>Operating Profit Margin</b>	<b>16%</b>	<b>48%</b>	<b>-12%</b>	<b>-27%</b>	<b>-10%</b>	<b>-8%</b>



## USF Health Professions Conferencing Corporation FY 2023 Annual Financial Plan

### FINANCIAL PLAN STATEMENT

#### State the DSO's Statutory Mission which Supports the Goals of the University

- The mission of USF Health Professions Conferencing Corporation (HPCC), a direct support organization and Florida not-for-profit corporation, is to support the goals of the University of South Florida and its Board of Trustees, namely to help achieve academic excellence, enable pre-eminent research, and facilitate top quality healthcare services.

HPCC helps to achieve these goals through a range of activities and entities, including the Center for Advanced Medical Learning and Simulation (CAMLs) which has as its vision to improve healthcare through lifelong education and learning and whose mission is to create and provide experiential learning that improves clinical skills and patient care in our community and around the globe. HPCC also supports the efficient administration of the USF Health Office of Continuing Professional Development (CPD) as well as several USF Health international programs.

#### Describe Key Initiatives that Drive DSO Success and Materially Impact the FY 2023 Financial Plan

##### (Increased Revenues, Cash Flow, Liquidity and Reserves) (Material Capital Expenditures / Needed Added Resources)

- In FY2023, HPCC already contracted \$1,500K of external client revenue inclusive of any remaining FY2020 programs affected by COVID19. CAMLS affirmative actions to proactively postpone many programs with long lead times, has strengthened relationships with external clients and as a result, is projected to return revenue and operating earnings for FY2023 to pre-COVID levels. FY2023 has a much more diversified client base and new virtual reality and live streaming capabilities compared to CAMLS pre-COVID client mix and offerings.
- CAMLs Assurance Campaign which addressed CAMLS' broad approach to site safety, facility cleanliness and sanitizing, and a range of access controls to prevent the spread of COVID-19 ensures HPCC and the CAMLS facility will continue to provide flexible space and access to simulation learning and healthcare education to USF students, including Morsani College of Medicine Undergraduate Medical Education (UME), MCOM Anatomy Laboratory, Graduate Medical Education (GME), and Physician's Assistant (PA) students, College of Nursing Certified Registered Nurse Anesthetist (CRNA) students, College of Pharmacy students, and Muma College of Business students. HPCC provides these services at cost, inclusive of all PO&M funding received for CAMLS.
- CAMLs has successfully developed new relationships and acquired a rescue vehicle from Hillsborough County to deliver programming that occurs off-site ('CAMLs Without Walls') which exports CAMLS' talent, tools, and resources to support our community and other Florida hospitals and healthcare systems where face to face lifesaving training is needed but the ability for participants to travel was not possible. This is a small but growing aspect of training opportunities.
- CAMLs is expanding research focused on simulation-based training and virtual/augmented reality to utilize CAMLS's unique expertise, assets and USF Health faculty to obtain external grants in partnership with small businesses and USF Health affiliates.
- The Office of Continuing Professional Development (OCPD) has expanded its portfolio of online programming in partnership with medical education companies (MEC) and transitioned its business model to accreditation only services and away from management of live events. OCPD revenues and expected to remain steady year over year.

#### Identify Emerging Opportunities / Risks That Might Affect The FY 2023 Financial Plan

- While there are always unknown risks from weather, foreign governments, pandemics and unknown unknowns, HPCC's most likely Annual Plan is based on the momentum generated from its COVID strategy, the heightened awareness of and desire to be in downtown Tampa and other competitive advantages.
- Although business travel is rebounding, travel cost is also increasing. And while it is critical to be in front of end users and customers for demonstration and hands on training, some health care professionals such as emergency room and other high impact COVID teams may require more time before making business travel commitments due to staffing and budget constraints.

#### List Major Long-Term Goals That Will Drive Upside Financial Performance Beyond FY 2023

- The CAMLS facility that has not reached its maximum utilization potential and therefore, attracting clients and strategizing incentives to fill CAMLS creates significant upside potential with limited step fixed cost increases for staffing. The successful transition of many teams within HPCC to remote work has freed up valuable space for paying clients and makes step fixed cost increase much easier.



## FY 2023 Annual Financial Plan

## (In thousands)

## REVENUES

Continuing Professional Development

CAMLS - USF Health Programming

CAMLS - Industry, Societies, Healthcare

In Kind Donations

Rents, Parking, Rebates, Interest

Transfer from USF-Plant Operations & Maint.

Transfer from UMSA Continuing Ed - Faculty, Students

**Total Revenues**

## EXPENSES

Wages and Benefits  
Wages - program driven temporary staffing  
Utilities, Leases, Maint., Supplies, Marketing  
Direct Program Expense  
Interest  
In Kind Expense  
Depreciation & Amortization

**Total Expenses**

### OPERATING PROFIT BEFORE

## NON-CASH CHANGES

Unrealized Investment Gains (Losses)  
[Enter other non-cash item here]  
[Enter other non-cash item here]

**Total Non-Cash Changes****NET OPERATING PROFIT**

FY 2023 FINANCIAL  PLAN	FY 2022 FORECAST  (as of 3/31/21)	Variance  \$            %		FY 2022 FINANCIAL  PLAN	FY 2021 ACTUAL  RESULTS	FY 2020 ACTUAL  RESULTS
\$7,275	\$7,275	\$0	0 %	\$4,594	\$3,455	\$7,162
2,179	\$2,101	78	4 %	\$2,061	2,076	2,303
4,648	\$3,172	1,476	47 %	\$3,125	1,555	2,661
17	\$0	17	%	\$17	11	29
472	\$409	63	15 %	\$113	274	484
1,293	\$1,293	0	0 %	\$1,293	1,294	1,293
900	\$900	0	0 %	\$900	270	320
\$16,784	\$15,150	\$1,633	11 %	\$12,104	\$9,021	\$14,458
4,183	\$3,591	592	16 %	\$3,750	3,611	3,898
60	\$60	0	0 %	\$160	71	250
1,976	\$1,873	103	5 %	\$1,765	1,567	1,891
8,332	\$7,988	344	4 %	\$5,157	3,538	7,348
260	\$293	(33)	(11)%	\$293	346	527
0	\$0	0	%	\$17	11	29
708	\$946	(238)	(25)%	\$957	961	1,089
\$15,519	\$14,751	\$768	5 %	\$12,098	\$10,105	\$15,033
\$1,265	\$400	\$865	217 %	\$5	\$(1,084)	\$(576)
0	0	0	%	0	0	0
0	0	0	%	0	0	0
0	0	0	%	0	0	0
\$0	\$0	\$0	%	\$0	\$0	\$0
\$1,265	\$400	\$865	217 %	\$5	\$(1,084)	\$(576)
8%	3%	5 %		0%	-12%	-4%



**USF Health Professions Conferencing Corporation**  
FY 2023 Annual Financial Plan

**STATEMENT OF CASH FLOWS**

(In thousands)

	<b>FY 2023 FINANCIAL PLAN</b>	<b>FY 2022 FORECAST (as of 3/31/21)</b>	<b>Variance</b>		<b>FY 2022 FINANCIAL PLAN</b>	<b>FY 2021 ACTUAL RESULTS</b>	<b>FY 2020 ACTUAL RESULTS</b>
			<b>\$</b>	<b>%</b>			
<b><u>OPERATING ACTIVITIES</u></b>							
Net Operating Profit	\$1,265	\$400	\$865	217 %	\$5	\$(1,084)	\$(576)
Adjustments for Non-Cash Activities:	0	0	0	%			
Depreciation	708	946	(238)	(25)%	\$957	\$961	\$1,089
(Gain)/Loss on sale of fixed assets	0	0	0	%	\$0	\$0	\$0
Adjustments for Changes in	0	0	0	%			
Operating Assets and Liabilities	0	0	0	%	0	\$(921)	\$644
<b>Total Cash From Operating Activities</b>	<b>\$1,973</b>	<b>\$1,345</b>	<b>\$628</b>	<b>47 %</b>	<b>\$963</b>	<b>\$(1,044)</b>	<b>\$1,157</b>
<b><u>FINANCING ACTIVITIES</u></b>							
Proceeds of Long-Term Debt	\$0	\$0	\$0	%	\$0	\$0	\$0
Principal Payments	(1,066)	(1,160)	94	8 %	(1,160)	\$(1,142)	\$(1,096)
Interest Payments	0	0	0	%	0	\$0	\$0
<b>Total Cash From Financing Activities</b>	<b>\$(1,066)</b>	<b>\$(1,160)</b>	<b>\$94</b>	<b>8 %</b>	<b>\$(1,160)</b>	<b>\$(1,142)</b>	<b>\$(1,096)</b>
<b><u>INVESTING ACTIVITIES</u></b>							
Capital Expenditures	\$(750)	\$(70)	\$(680)	(971)%	\$(20)	\$(126)	\$(134)
Net (Purchases) Sales of Investments	0	0	0	%	0	7	0
<b>Total Cash From Investing Activities</b>	<b>\$(750)</b>	<b>\$(70)</b>	<b>\$(680)</b>	<b>(971)%</b>	<b>\$(20)</b>	<b>\$(119)</b>	<b>\$(134)</b>
<b>CHANGE IN CASH</b>	<b>157</b>	<b>115</b>	<b>42</b>	<b>36 %</b>	<b>(217)</b>	<b>(2,305)</b>	<b>(73)</b>
Cash, Beginning of Year	2,098	1,983	115	6 %	1,311	4,288	4,361
<b>Cash, End of Year</b>	<b>\$2,255</b>	<b>\$2,098</b>	<b>\$157</b>	<b>7 %</b>	<b>\$1,094</b>	<b>\$1,983</b>	<b>\$4,288</b>
<b>Total Cash &amp; Investments</b>	<b>\$2,255</b>	<b>\$2,098</b>	<b>\$157</b>	<b>7 %</b>	<b>\$1,094</b>	<b>\$1,983</b>	<b>\$4,288</b>
<b>Days Cash on Hand</b>	<b>56</b>	<b>55</b>	<b>0</b>	<b>0 %</b>	<b>36</b>	<b>79</b>	<b>112</b>



## USF Health Professions Conferencing Corporation

### FY 2023 Annual Financial Plan

#### 3-YEAR FORECAST

(In thousands)

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST	FY 2023 PLAN	FY 2024 FORECAST	FY 2025 FORECAST
<b><u>ASSETS</u></b>						
Cash & Investments	\$4,288	\$1,983	\$2,098	\$2,255	\$2,955	\$3,655
Fixed Assets	16,307	15,473	14,600	14,642	14,323	14,004
Other Assets	960	960	960	960	960	960
<b>Total Assets</b>	<b>\$21,555</b>	<b>\$18,416</b>	<b>\$17,658</b>	<b>\$17,858</b>	<b>\$18,239</b>	<b>\$18,620</b>
<b><u>LIABILITIES</u></b>						
Payables	\$1,760	\$1,482	\$1,760	\$1,760	\$1,760	\$1,760
Long-Term Debt	12,678	11,450	10,449	9,383	8,239	7,095
Other Liabilities and deferred inflows	3,554	3,004	2,654	2,654	2,654	2,654
<b>Total Liabilities</b>	<b>\$17,992</b>	<b>\$15,936</b>	<b>\$14,863</b>	<b>\$13,797</b>	<b>\$12,653</b>	<b>\$11,509</b>
<b>NET ASSETS</b>	<b>\$3,563</b>	<b>\$2,480</b>	<b>\$2,795</b>	<b>\$4,061</b>	<b>\$5,586</b>	<b>\$7,111</b>
<b>Days Cash on Hand</b>	<b>112</b>	<b>79</b>	<b>55</b>	<b>56</b>	<b>74</b>	<b>90</b>
<b><u>REVENUES</u></b>						
Program Revenues	13,973	8,739	14,741	16,312	\$16,812	\$17,312
Other Revenues	484	282	409	472	481	491
<b>Total Revenues</b>	<b>\$14,458</b>	<b>\$9,021</b>	<b>\$15,150</b>	<b>\$16,784</b>	<b>\$17,293</b>	<b>\$17,803</b>
<b><u>EXPENSES</u></b>						
Salaries & Benefits	\$4,148	\$3,682	\$3,651	\$4,243	\$4,328	\$4,414
Program services	10,357	6,076	10,806	11,016	11,316	11,616
Interest	527	346	293	260	255	250
<b>Total Expenses</b>	<b>\$15,033</b>	<b>\$10,104</b>	<b>\$14,750</b>	<b>\$15,519</b>	<b>\$15,898</b>	<b>\$16,280</b>
<b>Operating Profit Before Non-Cash Changes</b>	<b>\$(576)</b>	<b>\$(1,083)</b>	<b>\$400</b>	<b>\$1,265</b>	<b>\$1,395</b>	<b>\$1,523</b>
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET OPERATING PROFIT</b>	<b>\$(576)</b>	<b>\$(1,083)</b>	<b>\$400</b>	<b>\$1,265</b>	<b>\$1,395</b>	<b>\$1,523</b>
<b>Operating Profit Margin</b>	<b>-4%</b>	<b>-12%</b>	<b>3%</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>



**Sun Dome Inc.**  
FY 2023 Annual Financial Plan

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**FINANCIAL PLAN STATEMENT**

**State the DSO's Statutory Mission that Supports the Goals of the University**

- Continue to enhance awareness and perception in the local market and nationally, promoting Yuengling Center as a premiere event and hospitality venue

**Describe Key Initiatives that Drive DSO Success and Materially Impact the FY 2023 Financial Plan (Increased Revenues, Cash Flow, Liquidity and Reserves)** (Material Capital Expenditures / Needed Added Resources)

- Continue to work with high quality promoters to bring in the highest quality ticketed events. High quality events will lead to increased ancillary revenues and the perception of Yuengling Center will continue to grow positively.
- Expand our non ticketed events hosted at Yuengling Center. Hosting conventions, graduations, and other business functions in a world class manor will allow us to expand the possibilities of events in the arena.
- Utilize our experince as venue operators to manage costs efficiently. By managing expenses and budgeting properly we can cut costs without sacrificing the quality of the building and events.
- Manage cash flow to ensure the self sufficiency of the building. With ticketed events continuously being booked we will have a steady flow of cash on hand. This will allow the venue to stay current with outstanding liabilities incurred throughout Covid-19.

**Identify Emerging Opportunities / Risks That Might Affect The FY 2023 Financial Plan**

- The continued possibilty of Covid-19 shutdowns are a risk we have to manage but with the increase in shows going on tour and cancellations at a minimum, we can expect some great opportunities with events.
- With the current economy there is the chance of a recession, however with high quality events we still expect to see great turnouts and record breaking shows.

**List Major Long-Term Goals That Will Drive Upside Financial Performance Beyond FY 2023**

- We would like to continue to improve and invest in the building to provide the best customer experience from the time they park to the time they leave.
- We would like to show incremental improvement on everything we are doing right now. If we continue to have steady growth, the success we are seeing now will continue, and grow.



**Sun Dome Inc.**  
FY 2023 Annual Financial Plan

## INCOME STATEMENT

(In thousands)

### REVENUES

	<b>FY 2023 FINANCIAL PLAN</b>	<b>FY 2022 FORECAST (as of 3/31/22)</b>	<b>Variance</b>	
			\$	%
Direct Event Income	\$339	\$434	\$(95)	(22)%
Ancillary Revenue:			0	%
Suites/ Loge	49	44	5	10 %
Concessions & Novelty	346	298	48	16 %
Parking	350	336	14	4 %
Service Charges	381	294	87	30 %
Ticketmaster Rebates	641	544	97	18 %
Total Ancillary Revenue	1,767	1,516	251	17 %
Miscellaneous	50	57	(7)	(12)%
<b>Total Revenues</b>	<b>\$2,157</b>	<b>\$2,007</b>	<b>\$150</b>	<b>7 %</b>

### EXPENSES

Salary & Benefits	790	770	20	3 %
General & Administrative	495	489	6	1 %
Marketing & Sales	10	10	0	0 %
Equipment & Supplies	65	53	12	23 %
Utilities	40	39	1	3 %
Insurance	118	103	15	15 %
Incentive Fees/ Profit Share	216	130	86	66 %

<b>Total Expenses</b>	<b>\$1,734</b>	<b>\$1,594</b>	<b>\$140</b>	<b>9 %</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$422</b>	<b>\$413</b>	<b>\$9</b>	<b>2 %</b>

Unrealized Investment Gains (Losses)

<b>Total Non-Cash Changes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>%</b>
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<b>NET OPERATING PROFIT</b>	<b>\$422</b>	<b>\$413</b>	<b>\$9</b>	<b>2 %</b>
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<b>FY 2022 FINANCIAL PLAN</b>	<b>FY 2021 ACTUAL RESULTS</b>	<b>FY 2020 ACTUAL RESULTS</b>
\$491	\$652	\$155
41	0	37
271	8	315
307	28	325
361	17	372
379	0	550
1,359	53	1,600
55	(24)	70
<b>\$1,905</b>	<b>\$681</b>	<b>\$1,825</b>
818	\$784	943
463	308	461
33	6	15
98	38	63
35	27	29
150	148	146
0	0	25
<b>\$1,597</b>	<b>\$1,311</b>	<b>\$1,682</b>
<b>\$308</b>	<b>\$(630)</b>	<b>\$143</b>
0	0	0
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>\$308</b>	<b>\$(630)</b>	<b>\$143</b>

<b>Operating Profit Margin</b>	<b>20%</b>	<b>21%</b>	<b>(1.0)%</b>	<b>16%</b>	<b>-93%</b>	<b>8%</b>
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**Sun Dome Inc.**  
FY 2023 Annual Financial Plan

## STATEMENT OF CASH FLOWS

(In thousands)

### OPERATING ACTIVITIES

FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance	
		\$	%
Net Operating Profit	\$422	\$413	\$9 2 %
Adjustments for Non-Cash Activities:			
(Increase) Decrease in Accounts Receivable	100	(100)	200 200 %
(Increase) Decrease in Prepaids	0	0	%
Increase (Decrease) in Accounts Payable	0	(50)	50 100 %
Increase (Decrease) in Accrued Liabilities	(100)	155	(255) (165)%
Increase (Decrease) in Deferred Revenue	200	718	(518) (72)%
<b>Total Cash From Operating Activities</b>	<b>\$622</b>	<b>\$1,136</b>	<b>\$(514) (45)%</b>

### FINANCING ACTIVITIES

Capital Expenditures <sup>(1)</sup>	0	0	0 %
<b>Total Cash From Financing Activities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 %</b>

### INVESTING ACTIVITIES

Event Revenue Transfers to USF, net	(413)	(413)	0 0 %
<b>Total Cash From Investing Activities</b>	<b>\$(413)</b>	<b>\$(413)</b>	<b>\$0 0 %</b>

### **CHANGE IN CASH**

Cash, Beginning of Year	1,307	584	723 124 %
<b>Cash, End of Year</b>	<b>\$1,516</b>	<b>\$1,307</b>	<b>\$209 16 %</b>

FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
\$308	\$(630)	\$143
0	133	(49)
0	12	(25)
0	53	(331)
(400)	1,231	62
500	(190)	(975)
<b>\$408</b>	<b>\$609</b>	<b>\$(1,176)</b>
0	0	0
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
(413)	\$(250)	\$(118)
<b>\$(413)</b>	<b>\$(250)</b>	<b>\$(118)</b>
(5)	359	(1,294)
550	225	1,519
<b>\$545</b>	<b>\$584</b>	<b>\$225</b>

### **Total Cash & Investments**

<b>\$1,516</b>	<b>\$1,307</b>	<b>\$209</b>	<b>16 %</b>	<b>\$545</b>	<b>\$584</b>	<b>\$225</b>
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### **Days Cash on Hand**

<b>319</b>	<b>299</b>	<b>20</b>	<b>7 %</b>	<b>125</b>	<b>163</b>	<b>49</b>
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**Sun Dome Inc.**  
FY 2023 Annual Financial Plan

**3-YEAR FORECAST**

(In thousands)

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST	FY 2023 PLAN	FY 2024 FORECAST	FY 2025 FORECAST
<b><u>ASSETS</u></b>						
Cash & Investments	\$225	\$584	\$1,294	\$1,516	\$1,616	\$1,716
Accounts Receivable	411	279	379	279	179	179
Other Assets	24	12	34	34	34	34
<b>Total Assets</b>	<b>\$661</b>	<b>\$875</b>	<b>\$1,707</b>	<b>\$1,829</b>	<b>\$1,829</b>	<b>\$1,929</b>
<b><u>LIABILITIES</u></b>						
Payables	\$68	\$121	\$71	\$71	\$71	\$71
Accrued Liabilities	880	2,110	2,265	2,165	2,138	2,219
Deferred Revenue	210	21	739	939	1,039	1,139
<b>Total Liabilities</b>	<b>\$1,158</b>	<b>\$2,252</b>	<b>\$3,075</b>	<b>\$3,175</b>	<b>\$3,248</b>	<b>\$3,429</b>
<b>NET ASSETS</b>	<b>\$(498)</b>	<b>\$(1,377)</b>	<b>\$(1,368)</b>	<b>\$(1,346)</b>	<b>\$(1,418)</b>	<b>\$(1,500)</b>
<b>Days Cash on Hand</b>	<b>49</b>	<b>163</b>	<b>296</b>	<b>319</b>	<b>290</b>	<b>293</b>
<b><u>REVENUES</u></b>						
Direct Event Income	\$155	\$652	\$434	\$339	\$400	\$400
Ancillary Revenue:						
Suites/ Loge	\$37	\$0	\$44	\$49	\$50	\$52
Concessions & Novelty	\$315	\$8	\$298	\$346	\$370	\$385
Parking	\$325	\$27	\$336	\$350	\$372	\$395
Service Charges	\$372	\$17	\$294	\$381	\$437	\$460
Ticketmaster Rebates	\$550	\$0	\$544	\$641	\$695	\$725
Total Ancillary Revenue	\$1,600	\$52	\$1,516	\$1,767	\$1,924	\$2,017
Miscellaneous	70	(23)	57	50	50	50
<b>Total Revenues</b>	<b>\$1,825</b>	<b>\$681</b>	<b>\$2,007</b>	<b>\$2,157</b>	<b>\$2,374</b>	<b>\$2,467</b>
<b><u>EXPENSES</u></b>						
Salary & Benefits	\$943	\$784	\$770	\$790	\$850	\$890
General & Administrative	\$461	\$308	\$489	\$495	\$510	\$550
Marketing & Sales	\$15	\$6	\$10	\$10	\$12	\$15
Equipment & Supplies	\$63	\$38	\$53	\$65	\$88	\$100
Utilities	\$29	\$27	\$39	\$40	\$40	\$40
Insurance	\$146	148	103	118	\$150	\$165
Incentive Fees/ Profit Share	25	0	130	216	384	375
<b>Total Expenses</b>	<b>\$1,682</b>	<b>\$1,311</b>	<b>\$1,594</b>	<b>\$1,734</b>	<b>\$2,034</b>	<b>\$2,135</b>
<b>Operating Profit Before Non-Cash Changes</b>	<b>\$143</b>	<b>\$(630)</b>	<b>\$413</b>	<b>\$422</b>	<b>\$340</b>	<b>\$332</b>
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET OPERATING PROFIT</b>	<b>\$143</b>	<b>\$(630)</b>	<b>\$413</b>	<b>\$422</b>	<b>\$340</b>	<b>\$332</b>
<b>Operating Profit Margin</b>	<b>8%</b>	<b>-93%</b>	<b>21%</b>	<b>20%</b>	<b>14%</b>	<b>13%</b>



**USF Institute of Applied Engineering, Inc.**  
FY 2023 Annual Financial Plan

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## **FINANCIAL PLAN STATEMENT**

### **State the DSO's Statutory Mission that Supports the Goals of the University**

- USF IAE provides best value engineering products and services to enhance the performance, effectiveness and safety of its Department of Defense and other national security customers. By focusing on applied research and advanced tech development, IAE expands USF's research portfolio while providing increased opportunities to faculty and students.

### **Describe Key Initiatives that Drive DSO Success and Materially Impact the FY 2023 Financial Plan** **(Increased Revenues, Cash Flow, Liquidity and Reserves)** (Material Capital Expenditures / Needed Added Resources)

- IAE is a growing business and has experienced fluidity in both processes and personnel as it adjusts to handle its growth. IAE understands the underlying factors that led to its projected operating profit of \$40K in FY22. IAE has addressed these factors for FY23, including full incorporation of a fee on its contracts to provide additional revenue and revised financial procedures.
- IAE is in year three of its \$85M USSOCOM task order contract. Existing and new task orders, along with contracts with USAF, SOFWERX, and others are projected to generate \$14M in FY23. IAE-USSOCOM Academic Consortium has expanded to 25 universities in Florida and across the country, with a corresponding increase in research activities.
- IAE signed its first grant with West Point, partnered with CUTR on a multimillion task order contract with ENSCO, and projects more contracts connecting faculty and small business. IAE teamed with the Colleges of Engineering, Business, and Arts & Sciences to respond to a CENTCOM/6ARW RFI to serve as an academic partner within the local MacDill AFB area.
- IAE is designing a new 8000 sq ft research facility adjacent to its HQs at RITHM at Uptown with RD Management and Hillsborough County support. The facility includes the 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 summer 2022.
- In order to support projected revenue growth, IAE is hiring additional research and support staff needs necessary to execute its forecasted sponsored activities. This included the recent hiring of directors for the contracts and engineering teams, and is in the process of hiring a new Chief Financial Officer.

### **Identify Emerging Opportunities / Risks That Might Affect The FY 2023 Financial Plan**

- IAE closely manages its vendor payments to maintain targeted minimum liquidity. In particular, IAE is working closely with Hillsborough County to accelerate invoice submission and payments as it enters the final year of the grant agreement.
- As IAE's strategic partnerships with universities and small businesses grows, IAE will review business arrangements to ensure equitable work share and continued compliance with federal cost accounting standards.

### **List Major Long-Term Goals That Will Drive Upside Financial Performance Beyond FY 2023**

- In compliance with USF's new Investment Policy, IAE plans to pursue short and long term investments and continued fundraising to ensure safety of capital, liquidity matched to needs for funds, and the optimization of investment returns





## USF Institute of Applied Engineering, Inc.

### FY 2023 Annual Financial Plan

#### INCOME STATEMENT

(In thousands)

##### REVENUES

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

##### **Total Revenues**

##### EXPENSES

Salaries & Benefits  
College of Engineering Salary Support  
Gift In-Kind Expenses  
Materials, Supplies, Software & Equip., Travel  
Banking, Insurance, Audit, Tax Services  
Facilities, Utilities, Telecomm., Security  
Depreciation & Amortization  
Hills. County Salaries & Benefits  
Hills. County Materials & Equip.  
Hills. County Insurance, Audit & Other Services  
Hills. County Facilities, Telecomm., & Security  
Direct Program Costs  
Indirect Return to University

##### **Total Expenses**

##### **OPERATING PROFIT BEFORE NON-CASH CHANGES**

Unrealized Investment Gains (Losses)  
Equipment Donations to USF

##### **Total Non-Cash Changes**

##### **NET OPERATING PROFIT**

##### **Operating Profit Margin**

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 5/10/22)	Variance		FY 2022 MID-YEAR FORECAST	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
Contracts Revenues	\$14,347	\$7,390	\$6,957	94 %	\$9,180	\$5,071	\$947
Hillsborough County Grant	2,941	1,574	1,367	87 %	2,440	621	151
University Support	603	603	0	0 %	665	691	770
College of Engineering Support	0	97	(97)	(100)%	24	21	23
Donation and Other Revenue	0	1	(1)	(100)%	0	358	6
<b>Total Revenues</b>	<b>\$17,890</b>	<b>\$9,665</b>	<b>\$8,225</b>	<b>85 %</b>	<b>\$12,308</b>	<b>\$6,763</b>	<b>\$1,897</b>
Salaries & Benefits	3,245	2,292	953	42 %	2,700	1,112	695
College of Engineering Salary Support	0	16	(16)	(100)%	24	21	20
Gift In-Kind Expenses	0	0	(1)	(100)%	0	20	0
Materials, Supplies, Software & Equip., Travel	66	83	(17)	(20)%	60	69	16
Banking, Insurance, Audit, Tax Services	51	109	(58)	(53)%	102	170	64
Facilities, Utilities, Telecomm., Security	161	62	99	160 %	78	182	107
Depreciation & Amortization	492	192	301	157 %	184	63	0
Hills. County Salaries & Benefits	872	432	439	102 %	400	547	87
Hills. County Materials & Equip.	80	87	(7)	(8)%	407	117	38
Hills. County Insurance, Audit & Other Services	263	61	202	331 %	0	0	0
Hills. County Facilities, Telecomm., & Security	313	182	131	72 %	342	61	18
Direct Program Costs	10,907	5,991	4,916	82 %	6,780	3,726	698
Indirect Return to University	267	117	150	128 %	167	266	15
<b>Total Expenses</b>	<b>\$16,717</b>	<b>\$9,625</b>	<b>\$7,093</b>	<b>74 %</b>	<b>\$11,242</b>	<b>\$6,353</b>	<b>\$1,758</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$1,172</b>	<b>\$40</b>	<b>\$1,132</b>	<b>2,843 %</b>	<b>\$1,066</b>	<b>\$409</b>	<b>\$139</b>
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Equipment Donations to USF	0	0	0	%	0	0	(82)
<b>Total Non-Cash Changes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$(82)</b>
<b>NET OPERATING PROFIT</b>	<b>\$1,172</b>	<b>\$40</b>	<b>\$1,132</b>	<b>2,843 %</b>	<b>\$1,066</b>	<b>\$409</b>	<b>\$57</b>
<b>Operating Profit Margin</b>	<b>7%</b>	<b>0%</b>	<b>6 %</b>		<b>0%</b>	<b>6%</b>	<b>7%</b>



## USF Institute of Applied Engineering, Inc.

### FY 2023 Annual Financial Plan

#### STATEMENT OF CASH FLOWS

(In thousands)

	FY 2023 FINANCIAL PLAN	FY2022 FORECAST (as of 3/31/22)	Variance		FY 2022 MID-YEAR FORECAST	FY2021 ACTUAL RESULTS	FY2020 ACTUAL RESULTS
			\$	%			
<b><u>OPERATING ACTIVITIES</u></b>							
Cash Receipt from Customers	\$13,767	\$7,672	\$6,095	79 %	\$8,571	\$4,190	931
Cash Receipt from Hillsborough County	2,898	1,490	1,408	95 %	2,387	408	0
Salaries & Benefits	(3,885)	(2,297)	(1,588)	(69)%	(3,361)	(1,275)	(624)
Payment for Direct Program Costs	(10,088)	(4,992)	(5,095)	(102)%	(5,707)	(272)	(205)
Payment to Suppliers	(875)	(2,420)	1,545	64 %	(1,156)	(2,720)	(548)
<b>Total Cash From Operating Activities</b>	<b>\$1,818</b>	<b>\$ (548)</b>	<b>\$2,366</b>	<b>431 %</b>	<b>\$734</b>	<b>\$331</b>	<b>\$ (447)</b>
<b><u>FINANCING ACTIVITIES</u></b>							
Transfer from USF Support	\$603	603	\$0	0 %	\$603	\$603	\$702
Transfer to USF-IDR	(242)	(98)	(144)	(148)%	(139)	(187)	0
Gift In-Kind Contributions	0	0	0	%	0	0	6
<b>Total Cash From Financing Activities</b>	<b>\$361</b>	<b>\$505</b>	<b>\$ (144)</b>	<b>(29)%</b>	<b>\$464</b>	<b>\$416</b>	<b>\$708</b>
<b><u>INVESTING ACTIVITIES</u></b>							
Hills. County Capital Expenditures	\$ (541)	\$ (308)	\$ (233)	(75)%	\$ (695)	\$ (364)	\$ (8)
Hills. County Lease Improvements	(842)	(54)	(788)	(1,459)%	(730)	0	0
Proceeds of Long-Term Debt	0	0	0	%	0	0	0
Principal Payments	0	0	0	%	0	0	0
Interest Payments	0	0	0	%	0	0	0
<b>Total Cash From Investing Activities</b>	<b>\$ (1,383)</b>	<b>\$ (362)</b>	<b>\$ (1,021)</b>	<b>(282)%</b>	<b>\$ (1,425)</b>	<b>\$ (364)</b>	<b>\$ (8)</b>
<b>CHANGE IN CASH</b>	<b>795</b>	<b>(406)</b>	<b>1,201</b>	<b>296 %</b>	<b>(227)</b>	<b>383</b>	<b>253</b>
Cash, Beginning of Year	242	648	(406)	(63)%	648	265	11
<b>Cash, End of Year</b>	<b>\$1,038</b>	<b>\$242</b>	<b>\$795</b>	<b>329 %</b>	<b>\$421</b>	<b>\$648</b>	<b>\$265</b>
<b>Total Cash &amp; Investments</b>	<b>\$1,038</b>	<b>\$242</b>	<b>\$795</b>	<b>329 %</b>	<b>\$421</b>	<b>\$648</b>	<b>\$265</b>
<b>Days Cash on Hand</b>	<b>23</b>	<b>9</b>	<b>14</b>	<b>149 %</b>	<b>14</b>	<b>37</b>	<b>55</b>



## USF Institute of Applied Engineering, Inc.

### FY 2023 Annual Financial Plan

#### 3-YEAR FORECAST

(In thousands)

	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 FORECAST	FY2023 PLAN	FY2024 FORECAST	FY2025 FORECAST
<b>ASSETS</b>						
Cash & Investments	\$265	\$648	\$242	\$1,038	\$1,404	\$2,607
Account Receivables	168	\$1,262	1,064	1,686	1,614	1,937
Fixed Assets	8	696	914	963	726	474
Other Assets	21	30	99	683	496	188
<b>Total Assets</b>	<b>\$461</b>	<b>\$2,636</b>	<b>\$2,319</b>	<b>\$4,369</b>	<b>\$4,240</b>	<b>\$5,206</b>
<b>LIABILITIES</b>						
Accounts Payable	\$286	\$2,017	\$1,076	\$1,979	\$1,123	\$1,386
Accrued Salaries	21	27	454	686	344	430
Long-Term Debt	0	29	0	0	0	0
Other Liabilities	0	147	0	0	0	0
<b>Total Liabilities</b>	<b>\$307</b>	<b>\$2,220</b>	<b>\$1,530</b>	<b>\$2,665</b>	<b>\$1,467</b>	<b>\$1,816</b>
<b>NET ASSETS</b>	<b>\$154</b>	<b>\$416</b>	<b>\$789</b>	<b>\$1,704</b>	<b>\$2,773</b>	<b>\$3,390</b>
<b>Days Cash on Hand</b>	<b>57</b>	<b>37</b>	<b>9</b>	<b>23</b>	<b>28</b>	<b>43</b>
<b>REVENUES</b>						
Contracts Revenues	\$947	\$5,071	\$7,390	\$14,347	\$19,368	\$23,241
Hillsborough County Grant	151	621	\$1,574	2,941	0	0
University Support	770	691	\$603	603	0	0
College of Engineering Support	23	21	\$97	0	0	0
Donation and Other Revenue	6	358	1	0	0	0
<b>Total Revenues</b>	<b>\$1,897</b>	<b>\$6,763</b>	<b>\$9,665</b>	<b>\$17,890</b>	<b>\$19,368</b>	<b>\$23,241</b>
<b>EXPENSES</b>						
Salaries & Benefits	\$695	\$1,112	\$2,292	\$3,245	\$4,126	\$5,158
College of Engineering Salary Support	20	21	\$16	0	0	0
Gift In-Kind Expenses	0	20	\$0	0	0	0
Materials, Supplies, Software & Equip., Travel	16	69	\$83	66	151	156
Banking, Insurance, Audit, Tax Services	64	170	\$109	51	323	333
Facilities, Utilities, Telecomm., Security	107	182	\$62	161	488	502
Depreciation & Amortization	0	63	\$192	492	507	522
Hills. County Salaries & Benefits	87	547	\$432	872	0	0
Hills. County Materials & Equip.	38	117	\$87	80	0	0
Hills. County Insurance, Audit & Other Services	0	0	\$61	263	0	0
Hills. County Facilities, Telecomm., & Security	18	61	\$182	313	0	0
Direct Program Costs	698	3,726	\$5,991	10,907	11,998	14,997
Indirect Return to University	15	266	117	267	518	648
<b>Total Expenses</b>	<b>\$1,758</b>	<b>\$6,353</b>	<b>\$9,625</b>	<b>\$16,717</b>	<b>\$18,112</b>	<b>\$22,316</b>
<b>Operating Profit Before Non-Cash Changes</b>	<b>\$139</b>	<b>\$409</b>	<b>\$40</b>	<b>\$1,172</b>	<b>\$1,256</b>	<b>\$925</b>
Total Non-Cash Changes	\$(82)	\$0	\$0	\$0	\$0	\$0
<b>NET OPERATING PROFIT</b>	<b>\$57</b>	<b>\$409</b>	<b>\$40</b>	<b>\$1,172</b>	<b>\$1,256</b>	<b>\$925</b>
<b>Operating Profit Margin</b>	<b>7%</b>	<b>6%</b>	<b>0%</b>	<b>7%</b>	<b>6%</b>	<b>4%</b>



## University of South Florida, Alumni Association

### FY 2023 Annual Financial Plan

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#### FINANCIAL PLAN STATEMENT

##### **State the DSO's Statutory Mission that Supports the Goals of the University**

- The USF Alumni Association exists to assist in the success of the University of South Florida. The Alumni Association is in the alumni engagement and cultivation business. The focus of the Association is to strengthen relationships with Alumni through myriad activities, thus leading to their long-term involvement with the University of South Florida. Activities include alumni opportunities for volunteering, event participation, student mentoring, recognition programs, and financial support. All of this engagement activity by Alumni and friends supports the University as a whole. While the long term revenue associated with the Association's support is not directly reflected in the Association's financial statements, alumni engagement combined with development activity helps to facilitate fundraising success.

##### **Describe Key Initiatives that Drive DSO Success and Materially Impact the FY 2023 Financial Plan (Increased Revenues, Cash Flow, Liquidity and Reserves) (Material Capital Expenditures / Needed Added Resources)**

- Continued focus on transitioning alumni into life membership and solicitation of these members within our Circle of Excellence program.
- 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.

##### **Identify Emerging Opportunities / Risks That Might Affect The FY 2023 Financial Plan**

- The Association's budget consists of \$857k in support provided by the University. The University has not yet finalized their support provided to DSO's for FY2023. If the amount provided is less than requested, then significant program adjustments will be needed, thus affecting the ability to connect and engage students and alumni for long-term financial support of USF.

##### **List Major Long-Term Goals That Will Drive Upside Financial Performance Beyond FY 2023**

- Our ability to have a robust, diverse set of alumni engagement activities will result in increased financial support from alumni and friends to the university.



## University of South Florida, Alumni Association

### FY 2023 Annual Financial Plan

#### INCOME STATEMENT

(In thousands)

##### REVENUES

Membership  
License Plates  
Budget support  
Affinity Royalty  
Investment Income  
Sponsorships  
Gifts and Donations  
Event and other revenue

##### Total Revenues

##### EXPENSES

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

##### Total Expenses

##### OPERATING PROFIT BEFORE NON-CASH CHANGES

Unrealized Investment Gains (Losses)

##### Total Non-Cash Changes

##### NET OPERATING PROFIT

##### Operating Profit Margin

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance		FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
Membership	\$491	\$500	\$(9)	(2)%	\$456	\$535	\$550
License Plates	395	379	16	4 %	409	396	381
Budget support	911	554	357	64 %	500	360	804
Affinity Royalty	352	339	13	4 %	347	367	399
Investment Income	354	314	40	13 %	318	298	272
Sponsorships	258	217	41	19 %	231	183	141
Gifts and Donations	202	120	82	68 %	130	280	225
Event and other revenue	201	202	(1)	(0)%	199	56	207
<b>Total Revenues</b>	<b>\$3,164</b>	<b>\$2,625</b>	<b>\$539</b>	<b>21 %</b>	<b>\$2,590</b>	<b>\$2,475</b>	<b>\$2,979</b>
Salaries	1,725	1,561	164	11 %	1,623	1,812	1,840
Membership and membership services	93	114	(21)	(18)%	82	111	112
Printing & Postage	138	86	52	60 %	72	56	80
Event Services	365	332	33	10 %	315	98	242
Professional Services	106	82	24	29 %	88	89	103
Travel	85	51	34	67 %	74	3	42
Advertising & Marketing	12	16	(4)	(25)%	12	19	18
Insurance	45	48	(3)	(6)%	48	48	49
Community Relations	35	24	11	46 %	23	11	33
Credit Card fees and other services	28	31	(3)	(10)%	21	21	26
Scholarships	101	79	22	28 %	79	75	85
Other expenses	28	19	9	47 %	15	31	29
<b>Total Expenses</b>	<b>\$2,761</b>	<b>\$2,443</b>	<b>\$318</b>	<b>13 %</b>	<b>\$2,452</b>	<b>\$2,374</b>	<b>\$2,659</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$403</b>	<b>\$182</b>	<b>\$221</b>	<b>121 %</b>	<b>\$138</b>	<b>\$101</b>	<b>\$320</b>
Unrealized Investment Gains (Losses)	203	(46)	249	544 %	176	2,302	(32)
<b>Total Non-Cash Changes</b>	<b>\$203</b>	<b>\$(46)</b>	<b>\$249</b>	<b>544 %</b>	<b>\$176</b>	<b>\$2,302</b>	<b>\$(32)</b>
<b>NET OPERATING PROFIT</b>	<b>\$606</b>	<b>\$136</b>	<b>\$470</b>	<b>345 %</b>	<b>\$314</b>	<b>\$2,403</b>	<b>\$288</b>
<b>Operating Profit Margin</b>	<b>13%</b>	<b>7%</b>	<b>6 %</b>		<b>5%</b>	<b>4%</b>	<b>11%</b>



## University of South Florida, Alumni Association

### FY 2023 Annual Financial Plan

#### STATEMENT OF CASH FLOWS

(In thousands)

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance		FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
<b><u>OPERATING ACTIVITIES</u></b>							
Net Operating Profit	\$606	\$316	\$290	92 %	\$314	\$2,403	\$288
Adjustments for Non-Cash Activities:	0	0	0	%		0	
Unrealized gain on investments	(203)	46	(249)	(544)%	(176)	(2,302)	32
Adjustments for Changes in	0	0	0	%		0	
Operating Assets and Liabilities	0	77	(77)	(100)%	77	95	(76)
<b>Total Cash From Operating Activities</b>	<b>\$403</b>	<b>\$439</b>	<b>\$(36)</b>	<b>(8)%</b>	<b>\$215</b>	<b>\$196</b>	<b>\$244</b>
<b><u>FINANCING ACTIVITIES</u></b>							
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0
<b>Total Cash From Financing Activities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>INVESTING ACTIVITIES</u></b>							
Net (Purchases) Sales of Investments	\$(395)	\$(433)	\$38	9 %	\$(207)	\$(221)	\$(224)
<b>Total Cash From Investing Activities</b>	<b>\$(395)</b>	<b>\$(433)</b>	<b>\$38</b>	<b>9 %</b>	<b>\$(207)</b>	<b>\$(221)</b>	<b>\$(224)</b>
<b>CHANGE IN CASH</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>39 %</b>	<b>8</b>	<b>(25)</b>	<b>20</b>
Cash, Beginning of Year	0	0	0	%	0	0	0
<b>Cash, End of Year</b>	<b>\$8</b>	<b>\$6</b>	<b>\$2</b>	<b>39 %</b>	<b>\$8</b>	<b>\$(25)</b>	<b>\$20</b>
<b>Total Cash &amp; Investments</b>	<b>\$1,243</b>	<b>\$1,163</b>	<b>\$80</b>	<b>7 %</b>	<b>\$1,052</b>	<b>\$1,316</b>	<b>\$1,408</b>
<b>Days Cash on Hand</b>	<b>164</b>	<b>174</b>	<b>(9)</b>	<b>(5)%</b>	<b>157</b>	<b>202</b>	<b>193</b>



## University of South Florida, Alumni Association

### FY 2023 Annual Financial Plan

#### 3-YEAR FORECAST

(In thousands)

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST	FY 2023 PLAN	FY 2024 FORECAST	FY 2025 FORECAST
<b><u>ASSETS</u></b>						
Cash & Investments	\$1,408	\$1,316	\$1,163	\$1,243	\$1,431	\$1,545
Restricted Cash & Investments	6,783	9,228	9,362	10,111	10,819	11,576
Other Assets	243	280	272	275	275	275
<b>Total Assets</b>	<b>\$8,434</b>	<b>\$10,824</b>	<b>\$10,797</b>	<b>\$11,629</b>	<b>\$12,525</b>	<b>\$13,397</b>
<b><u>LIABILITIES</u></b>						
Payables	\$432	\$147	\$125	\$125	\$125	\$125
Long-Term Debt	0	0	0	0	0	0
Other Liabilities and deferred inflows	2,002	2,273	2,200	2,460	2,700	2,975
<b>Total Liabilities</b>	<b>\$2,434</b>	<b>\$2,420</b>	<b>\$2,325</b>	<b>\$2,585</b>	<b>\$2,825</b>	<b>\$3,100</b>
<b>NET ASSETS</b>	<b>\$6,000</b>	<b>\$8,404</b>	<b>\$8,472</b>	<b>\$9,044</b>	<b>\$9,700</b>	<b>\$10,297</b>
<b>Days Cash on Hand</b>	<b>193</b>	<b>202</b>	<b>174</b>	<b>164</b>	<b>181</b>	<b>188</b>
<b><u>REVENUES</u></b>						
Membership	\$550	\$535	\$500	\$491	\$500	\$515
Support	804	360	554	911	960	1,000
Other Revenues	1,625	1,580	1,571	1,762	1,850	1,943
<b>Total Revenues</b>	<b>\$2,979</b>	<b>\$2,475</b>	<b>\$2,625</b>	<b>\$3,164</b>	<b>\$3,310</b>	<b>\$3,458</b>
<b><u>EXPENSES</u></b>						
Salaries & Benefits	\$1,840	\$1,812	\$1,561	\$1,725	\$1,811	\$1,902
Event Expenses	242	98	332	365	402	415
Other Expenses	577	464	550	671	675	680
<b>Total Expenses</b>	<b>\$2,659</b>	<b>\$2,374</b>	<b>\$2,443</b>	<b>\$2,761</b>	<b>\$2,888</b>	<b>\$2,997</b>
<b>Operating Profit Before Non-Cash Changes</b>	<b>\$320</b>	<b>\$101</b>	<b>\$182</b>	<b>\$403</b>	<b>\$422</b>	<b>\$461</b>
Total Non-Cash Changes	\$(32)	\$2,302	\$(46)	\$203	\$708	\$757
<b>NET OPERATING PROFIT</b>	<b>\$288</b>	<b>\$2,403</b>	<b>\$136</b>	<b>\$606</b>	<b>\$1,130</b>	<b>\$1,218</b>
<b>Operating Profit Margin</b>	<b>11%</b>	<b>4%</b>	<b>7%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>



## USF Financing Corporation & USF Property Corporation

### FY 2023 Annual Financial Plan

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#### FINANCIAL PLAN STATEMENT

##### State the DSO's Statutory Mission that Supports the Goals of the University

- The Financing Corporation is the University's financing arm and is expected to provide low cost, low risk, long-term financing for the University's major capital projects.

##### Describe Key Initiatives that Drive DSO Success and Materially Impact the FY 2023 Financial Plan (Increased Revenues, Cash Flow, Liquidity and Reserves) (Material Capital Expenditures / Needed Added Resources)

- Anticipated \$27 million USF Housing and Student Center Project to be located on the Sarasota-Manatee Campus:
  - On May 5, 2022, the Corporation Board will consider the approval of a \$27 million, 30-year, tax-exempt, fixed rate public bond issuance. The debt, along with a \$16.5 million cash contribution from the University, will finance the construction of a mixed-use facility comprising a 200-bed student housing component and a student center. The debt will be issued on parity with the \$176 million "A1/A+" rated USF Housing System.
  - Upon approval by the Corporation Board, the Project is anticipated to be approved by the University Board of Trustees on May 24, 2022, and by the Florida Board of Governors in September 2022. If approved, design and construction is expected to begin in September of 2022 and be completed in May of 2024.
  - The Corporation initiated a competitive procurement process for design and construction services. Four proposals were received from qualified, experienced firms by the April 8, 2022 due date. The selection process is underway, with final selection and award expected in May 2022.
- The \$42 million USF Research Park Laboratory and Office Building received a Certificate of Occupancy in February 2022.
- Protect USF's "AA" credit ratings. Formal presentations are made to Moody's, Standard & Poor's and Fitch on an annual basis, or in concert with the issuance of new public debt. Presentations emphasize USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage.
  - The Corporation will make presentations to Moody's and Standard & Poor's in connection with the issuance of the debt described above.
- Direct oversight of DSOs and Auxiliaries with debt to ensure maintenance of pledged revenues, debt service coverage ratios and reserves.
  - Management is working closely with DSOs and Auxiliaries to ensure they have implemented measures necessary to preserve essential liquidity and maintain required debt service payments.
- Ongoing compliance with debt covenants including IRS rules on tax exempt bonds and required reporting on EMMA.
  - Management is currently working closely with the University to ensure that the proposed Housing and Student Center project described above will be in compliance with private use guidelines.
- Operating losses for INTO USF over the past two years total \$2.7 million, erasing shareholder's equity and adversely affecting liquidity. Negotiations are underway and may result in a nonoperating expense or transfer expense. The Financial Plan does not reflect a loss for FY 2023 due to uncertainty.

##### Identify Emerging Opportunities / Risks That Might Affect The FY 2023 Financial Plan

- USF's borrowing rates have been affected by changes in market conditions and the rising yield curve.



- The Corporation is closely monitoring risks to the Project described above, specifically supply chain disruptions and cost inflation. The University will fund a \$2 million owner's contingency to mitigate some of these risks.
- Implementation of GASB 87, Leases, is not yet reflected in the Financial Plan, but is expected to have a net zero impact to the Corporation's Net Assets and Net Operating Profit. Management is working closely with the independent auditors to complete the evaluation of its leases.

**List Major Long-Term Goals That Will Drive Upside Financial Performance Beyond FY 2023**

- The Corporation will continue to work with the University and campus leaders to assist with structuring new debt programs or restructure existing programs to meet their needs.



## USF Financing Corporation & USF Property Corporation

### FY 2023 Annual Financial Plan

#### INCOME STATEMENT

(In thousands)

##### REVENUES

Housing lease revenue  
Marshall Center lease revenue  
Athletics lease revenue  
Arena lease revenue  
DSO (UMSA) lease revenue  
DSO (HPCC) lease revenue  
DSO (Research) lease revenue

##### **Total Revenues**

##### OPERATING EXPENSES

Management fee  
General and administrative expenses

##### **Total Operating Expenses**

##### OTHER REVENUES (EXPENSES)

Interest expense on debt  
Interest income

##### **Total Other Revenues (Expenses)**

##### **OPERATING PROFIT BEFORE NON-CASH CHANGES**

Equity contribution from USF for USFSP Project  
Equity contribution from USF Research for reserves  
Equity contribution from USF Research for Project  
Reimbursement to USF for furniture or equipment  
Distribution of INTO CD Proceeds to USF Foundation  
Change in INTO USF equity investment

##### **Total Contributions and Non-Cash Changes**

##### **NET OPERATING PROFIT (LOSS)**

##### **Operating Profit Margin**

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance		FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
Housing lease revenue	\$9,912	\$10,143	\$(231)	(2)%	\$10,037	\$7,789	\$10,334
Marshall Center lease revenue	1,255	1,311	(56)	(4)%	1,311	1,273	1,419
Athletics lease revenue	372	437	(65)	(15)%	437	636	764
Arena lease revenue	652	695	(43)	(6)%	695	736	778
DSO (UMSA) lease revenue	1,984	1,936	48	2 %	1,665	1,492	1,766
DSO (HPCC) lease revenue	365	382	(17)	(4)%	379	520	588
DSO (Research) lease revenue	959	988	(29)	(3)%	988	1,902	641
<b>Total Revenues</b>	<b>\$15,499</b>	<b>\$15,892</b>	<b>\$(393)</b>	<b>(2)%</b>	<b>\$15,511</b>	<b>\$14,348</b>	<b>\$16,290</b>
<b>OPERATING EXPENSES</b>							
Management fee	827	803	24	3 %	803	\$0	\$719
General and administrative expenses	782	727	56	8 %	679	639	604
<b>Total Operating Expenses</b>	<b>\$1,610</b>	<b>\$1,530</b>	<b>\$80</b>	<b>5 %</b>	<b>\$1,482</b>	<b>\$639</b>	<b>\$1,323</b>
<b>OTHER REVENUES (EXPENSES)</b>							
Interest expense on debt	(12,477)	(11,965)	(512)	(4)%	(11,299)	(11,306)	(10,822)
Interest income	10	9	1	7 %	11	28	444
<b>Total Other Revenues (Expenses)</b>	<b>\$(12,467)</b>	<b>\$(11,956)</b>	<b>\$(512)</b>	<b>(4)%</b>	<b>\$(11,288)</b>	<b>\$(11,278)</b>	<b>\$(10,378)</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$1,422</b>	<b>\$2,406</b>	<b>\$(984)</b>	<b>(41)%</b>	<b>\$2,742</b>	<b>\$2,431</b>	<b>\$4,589</b>
Equity contribution from USF for USFSP Project	0	0	0	%	0	0	1,166
Equity contribution from USF Research for reserves	0	0	0	%	0	0	2,514
Equity contribution from USF Research for Project	0	109	(109)	(100)%	1,276	1,276	0
Reimbursement to USF for furniture or equipment	0	0	0	%	0	(3,522)	(271)
Distribution of INTO CD Proceeds to USF Foundation	0	0	0	%	0	0	(2,200)
Change in INTO USF equity investment	0	(1,395)	1,395	100 %	(1,395)	(1,638)	(103)
<b>Total Contributions and Non-Cash Changes</b>	<b>\$0</b>	<b>\$(1,286)</b>	<b>\$1,286</b>	<b>100 %</b>	<b>\$(119)</b>	<b>\$(3,884)</b>	<b>\$1,106</b>
<b>NET OPERATING PROFIT (LOSS)</b>	<b>\$1,422</b>	<b>\$1,120</b>	<b>\$302</b>	<b>27 %</b>	<b>\$2,623</b>	<b>\$(1,453)</b>	<b>\$5,695</b>
<b>Operating Profit Margin</b>	<b>9.2%</b>	<b>15.1%</b>	<b>(6)%</b>		<b>17.7%</b>	<b>16.9%</b>	<b>28.2%</b>



## USF Financing Corporation & USF Property Corporation

### FY 2023 Annual Financial Plan

#### STATEMENT OF CASH FLOWS

(In thousands)

	FY 2023 FINANCIAL PLAN	FY 2022 FORECAST (as of 3/31/22)	Variance		FY 2022 FINANCIAL PLAN	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
<b><u>OPERATING ACTIVITIES</u></b>							
Lease payments received from USF	\$23,983	\$24,084	\$(101)	(0)%	\$23,978	\$22,336	\$21,940
Lease payments received from UMSA	4,515	4,401	114	3 %	4,139	3,892	4,106
Lease payments received from HPCC	1,431	1,386	45	3 %	1,383	1,465	1,479
Lease payments received from Research Foundation	2,205	2,186	19	1 %	2,186	2,234	860
Payment to USF for management services	(827)	(803)	(24)	(3)%	(803)	0	(719)
General and administrative disbursements	(782)	(727)	(56)	(8)%	(679)	(642)	(601)
<b>Total Cash From Operating Activities</b>	<b>\$30,525</b>	<b>\$30,528</b>	<b>\$(3)</b>	<b>(0)%</b>	<b>\$30,204</b>	<b>\$29,285</b>	<b>\$27,065</b>
<b><u>FINANCING ACTIVITIES</u></b>							
Capital expenditures	\$(6,480)	\$(11,059)	\$4,579	41 %	\$(14,331)	\$(20,581)	\$(23,852)
Debt issuance costs	(300)	(37)	(263)	(711)%	0	0	(95)
Proceeds of long-term debt	27,000	0	27,000	%	0	0	27,000
Principal payments	(16,360)	(15,725)	(635)	(4)%	(15,725)	(14,518)	(13,059)
Interest payments	(14,017)	(13,590)	(427)	(3)%	(13,437)	(14,346)	(14,347)
Equity contribution from USF for USFSP Project	0	0	0	%	0	0	1,967
Equity contribution from USF Research for reserves	0	0	0	%	0	0	2,514
Equity contribution from USF Research for Project	0	1,385	(1,385)	(100)%	1,276	0	0
Reimbursement to USF for furniture or equipment	0	0	0	%	0	318	(271)
Security received from (returned to) lessee for swap collateral	0	(3,960)	3,960	100 %	0	5,007	5,210
Security (pledged to) returned from counterparty	0	3,960	(3,960)	(100)%	0	(5,104)	(5,130)
<b>Total Cash From Financing Activities</b>	<b>\$(10,157)</b>	<b>\$(39,026)</b>	<b>\$28,869</b>	<b>74 %</b>	<b>\$(42,217)</b>	<b>\$(49,224)</b>	<b>\$(20,063)</b>
<b><u>INVESTING ACTIVITIES</u></b>							
Proceeds from maturity/redemption of INTO CD	\$3,776	\$3,774	\$2	0 %	\$3,785	\$3,708	\$7,596
Purchase of INTO CD	(3,776)	(3,774)	(2)	(0)%	(3,785)	(3,774)	(5,707)
Distribution to USF of INTO CD Proceeds	0	0	0	%	0	0	(2,200)
Interest income	10	9	1	7 %	11	88	974
<b>Total Cash From Investing Activities</b>	<b>\$10</b>	<b>\$9</b>	<b>\$1</b>	<b>7 %</b>	<b>\$11</b>	<b>\$22</b>	<b>\$663</b>
<b>CHANGE IN CASH</b>	<b>20,377</b>	<b>(8,489)</b>	<b>28,866</b>	<b>340 %</b>	<b>(12,002)</b>	<b>(19,917)</b>	<b>7,665</b>
Cash, Beginning of Year	44,209	52,698	(8,489)	(16)%	54,186	72,615	64,950
<b>Cash, End of Year</b>	<b>\$64,586</b>	<b>\$44,209</b>	<b>\$20,377</b>	<b>46 %</b>	<b>\$42,184</b>	<b>\$52,698</b>	<b>\$72,615</b>
<b>Total Cash &amp; Investments</b>	<b>\$68,362</b>	<b>\$47,983</b>	<b>\$20,379</b>	<b>42 %</b>	<b>\$45,969</b>	<b>\$56,472</b>	<b>\$76,323</b>
<b>Days Cash on Hand</b>	<b>394</b>	<b>452</b>	<b>(58)</b>	<b>(13)%</b>	<b>411</b>	<b>399</b>	<b>403</b>



## USF Financing Corporation & USF Property Corporation

### FY 2023 Annual Financial Plan

#### 3-YEAR FORECAST

(In thousands)

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST	FY 2023 PLAN	FY 2024 FORECAST	FY 2025 FORECAST
<b><u>ASSETS</u></b>						
Cash & Investments	\$76,323	\$56,472	\$47,983	\$68,362	\$51,183	\$50,025
Capital Lease Receivable	278,917	294,439	304,815	288,455	272,433	279,909
Construction in Progress	32,728	17,586	0	6,480	24,750	0
Other Assets	28,271	20,093	8,279	9,288	6,938	6,222
<b>Total Assets</b>	<b>\$416,239</b>	<b>\$388,590</b>	<b>\$361,077</b>	<b>\$372,585</b>	<b>\$355,304</b>	<b>\$336,155</b>
<b><u>LIABILITIES</u></b>						
Payables - Interest and Construction	\$9,584	\$9,918	\$6,039	\$8,213	\$7,398	\$6,010
Long-Term Debt	358,162	341,983	325,234	334,657	317,583	299,220
Interest Rate Swap & Other Payables	25,769	15,419	7,414	5,902	5,390	4,878
<b>Total Liabilities</b>	<b>\$393,515</b>	<b>\$367,320</b>	<b>\$338,687</b>	<b>\$348,772</b>	<b>\$330,372</b>	<b>\$310,108</b>
<b>NET ASSETS</b>	<b>\$22,724</b>	<b>\$21,270</b>	<b>\$22,390</b>	<b>\$23,813</b>	<b>\$24,932</b>	<b>\$26,047</b>
<b>Days Cash on Hand</b>	<b>403</b>	<b>399</b>	<b>452</b>	<b>394</b>	<b>339</b>	<b>341</b>
<b><u>REVENUES</u></b>						
USF Debt Payments	\$13,295	\$10,434	\$12,586	\$12,191	\$12,051	\$11,665
UMSA Debt Payments	1,766	1,492	1,936	1,984	1,841	1,758
HPCC Debt Payments	588	520	382	365	357	336
Research Debt Payments	641	1,902	988	959	923	879
<b>Total Revenues</b>	<b>\$16,290</b>	<b>\$14,348</b>	<b>\$15,892</b>	<b>\$15,499</b>	<b>\$15,171</b>	<b>\$14,639</b>
<b><u>EXPENSES</u></b>						
Operating Expenses	1,323	639	1,530	1,610	1,658	1,708
<b>Total Expenses</b>	<b>\$1,323</b>	<b>\$639</b>	<b>\$1,530</b>	<b>\$1,610</b>	<b>\$1,658</b>	<b>\$1,708</b>
<b><u>OTHER REVENUES (EXPENSES)</u></b>						
Interest Expense on Debt	\$(10,822)	\$(11,306)	\$(11,965)	\$(12,477)	\$(12,409)	\$(11,837)
Other Revenues/Expenses	444	28	9	10	15	20
<b>Total Other Revenues (Expenses)</b>	<b>\$(10,378)</b>	<b>\$(11,278)</b>	<b>\$(11,956)</b>	<b>\$(12,467)</b>	<b>\$(12,394)</b>	<b>\$(11,817)</b>
<b>Operating Profit Before Non-Cash Changes</b>	<b>\$4,589</b>	<b>\$2,431</b>	<b>\$2,406</b>	<b>\$1,422</b>	<b>\$1,119</b>	<b>\$1,114</b>
University/DSO support - Project related	3,409	(2,246)	109	0	0	0
Distribution of INTO CD Proceeds to Foundation	(2,200)	0	0	0	0	0
Change in INTO USF equity investment	(103)	(1,638)	(1,395)	0	0	0
<b>NET OPERATING PROFIT</b>	<b>\$5,695</b>	<b>\$(1,453)</b>	<b>\$1,120</b>	<b>\$1,422</b>	<b>\$1,119</b>	<b>\$1,114</b>
<b>Operating Profit Margin</b>	<b>28.2%</b>	<b>16.9%</b>	<b>15.1%</b>	<b>9.2%</b>	<b>7.4%</b>	<b>7.6%</b>

**Agenda Item: IIIh****USF Board of Trustees**

June 15, 2022

**Issue:** Student Green Energy Fund

**Proposed action:** This action item requests the Board of Trustees to accept the recommendation of management, based on its review of the existing fee and its application to date, to approve the continuation of the current fee. This is consistent with the most recent Student Government referendum supporting the need to continue with this fee on all of USF's campuses.

**Executive Summary:** The Student Green Energy Fee (SGEF) is a nominal \$1/credit hour fee allocated to promote sustainability, reduce energy costs, limit greenhouse gas emissions, and conserve energy. The SGEF works in conjunction with the strategic plan set forth by the Board of Governors by helping USF attain its goal of increased fiscal self-sufficiency through monetary savings from decreased energy costs. The fee also serves as the driving force behind student-led campus projects aiming to improve energy use and establish technologies that directly lower the University's emissions, waste and/or energy consumption. The projects supported by the fee are chosen by a steering committee consisting of students, faculty and staff. The fee was implemented on Tampa and St. Petersburg Campuses in 2011. In anticipation of consolidation, in 2019, Sarasota Student Government approved the same \$1/credit hour SGEF.

**Financial Impact:** Below is a net revenue fee data from 2016 through 2022:

***Net Total Revenue - Student Green Energy Fund***

<b>Fiscal Years</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
Sarasota	\$ -	\$ -	\$ -	\$ 61,575	\$ 68,867	\$ 71,290
St. Petersburg	\$ 118,409	\$ 121,473	\$ 118,526	\$ 112,029	\$ 103,397	\$ 102,483
Tampa	\$ 1,027,366	\$ 1,048,063	\$ 1,053,426	\$ 1,064,668	\$ 1,082,760	\$ 1,053,484
<b>Total</b>	<b>\$ 1,145,775</b>	<b>\$ 1,169,536</b>	<b>\$ 1,171,952</b>	<b>\$ 1,238,272</b>	<b>\$ 1,255,024</b>	<b>\$ 1,227,257</b>

The fee has had significant impact with respect to energy cost savings. The fee has funded the yearly Green Festival, EV charging stations, the Share-A-Bull Campus Bike Share Program, Solar Array roof panels, refillable water stations, energy efficient fitness equipment, a tree mapping program, roadway/parking LED lighting, an electric bus, food waste programs, recycling signage, SMART parking and building energy metering. Since the inception of the fee, over \$ \$9M has been spent.

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

**Workgroup Review Date:** Finance Committee - May 24, 2022

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

No

**Prepared by:** Alexis Mootoo, Associate VP

**Agenda Item: IVa**

**USF Board of Trustees  
Finance Committee  
May 24, 2022**

**Issue:** Budget Update

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**Proposed action:** Information Only

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**Executive Summary:**

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

**Financial Impact:** TBD

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**Strategic Goal(s) Item Supports:** Goal #5 (Strong and Sustainable Financial Base)  
**BOT Committee Review Date:** May 24, 2022  
**Supporting Documentation Online (*please circle*):** Yes No  
**Prepared by:** Richard J Sobieray

# Budget Update

BOT Finance Committee – May 24, 2022



## Special Thanks

Special thanks to everyone either participating directly or supporting this important effort.

None of this is possible without the important contributions of so many from across OneUSF.



# Deliverables for FY22



## Deliverables for FY22

Design and recommend:

1. a new value driven university-wide budget process and resource allocation model that balances the budget and builds on the diverse, equitable and inclusive culture at USF; and
2. a new research F&A distribution model that incentivizes research productivity and provides the necessary resources for investment in growth of our research enterprise.

## Deliverables for FY22

We will achieve the following:

1. A new budget model that is transparent and predictable.
2. A more modern funds flow model with phase 1 roll-out in FY23 with investments prioritized around the strategic plan, university rankings and achieving AAU status.
3. A 5-year plan for positioning the university for fiscal health beginning in FY23.
4. A restructured research enterprise with a more modern F&A distribution model.
5. Improved communication and engagement across OneUSF.

# Budget and Funds Flow Model



## Budget and Funds Flow Model

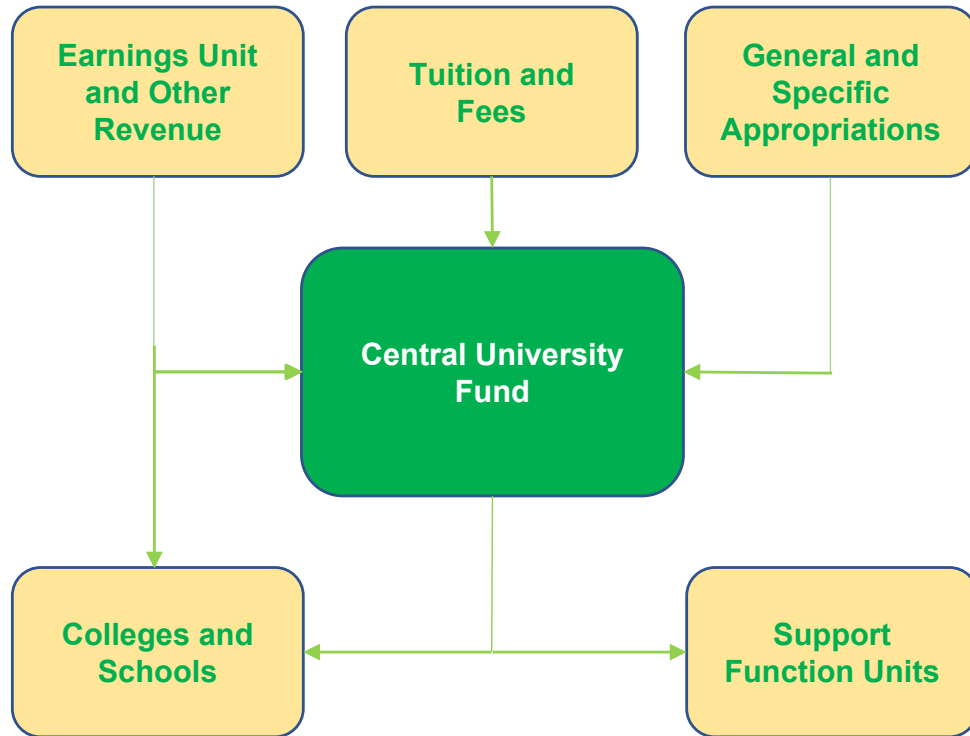
1. A new **budget model** has been designed and is currently in process. Includes:
  - a. Establishment of USF Budget Committee. This committee is a “recommending” body to the President, CFO and the Trustees.
  - b. Annual review of performance and resource requests in coordination with our 5-year strategic and financial plan.
  - c. The branch campuses and Health maintain their budget authority but participate in the new budget model.
  - d. Development of a Budget and Funds Flow website for added transparency.

## Budget and Funds Flow Model

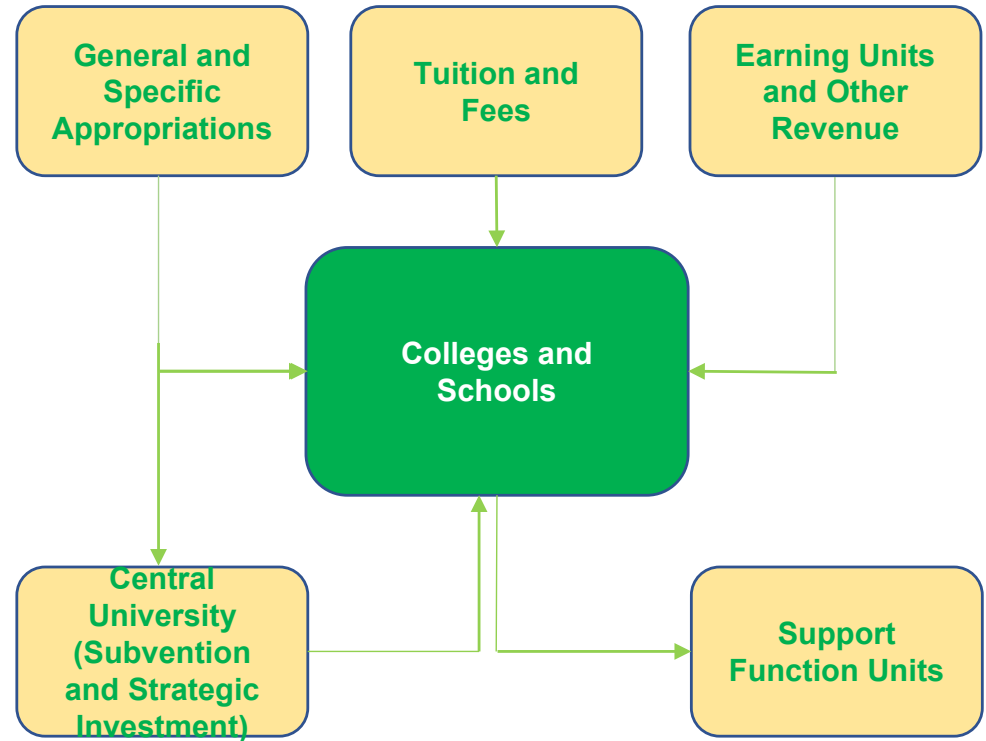
2. A new **funds flow model** is in development and includes:
  - a. A Resource Allocation Committee working through new model based on Responsibility Center Management (RCM) principle of providing an incentive-based, transparent and predictable funds flow model for USF.
  - b. The new funds flow model will:
    - i. Encourage entrepreneurialism by rewarding for revenue generation and operational and cost effectiveness and efficiency;
    - ii. Align authority and accountability at the local (unit) level but tied to strategic priorities established at the university level;
    - iii. Provide greater transparency regarding sources and uses of resources;
    - iv. Provide greater flexibility — improved responsiveness to change; and
    - v. Enhance ability to plan with a better sense of future resource flows.
  - c. All campuses and Health will participate in the new model in various capacities.
  - d. The new funds flow model will be phased in over the next 3-5 years, starting in FY2023.

# Budget and Funds Flow Model

Traditional Budget and Funds Flow Model



RCM Budget and Funds Flow Model



## Balanced Budget

1. Another charge is to balance the Tampa E&G budget.
2. To date, the following has been accomplished:
  - a. We have developed a 5-year Tampa E&G financial plan that can provide immediate feedback based on assumptions made.
  - b. Revenue:
    - i. A Resource Generation Committee has been identifying opportunities to improve or find additional revenue streams potentially available to USF.
    - ii. Strategies include:
      1. We will be assessing our strategies to maximize our net tuition collected.
      2. We will ask the Deans to engage with the Foundation, senior leadership and trustees to make additional gains in our philanthropy.
      3. A Research Committee is working on a plan to improve our contracts and grants and the associated F&A returns.
      4. Begun evaluation of some potential opportunities in the P3 space.
      5. Continue the excellent work in Tallahassee.



## Balanced Budget

2. To date, the following has been accomplished (continued):

c. Expenses:

- i. An Operational Effectiveness and Efficiency Committee has begun working with senior leadership and Deans to identify opportunities for cost containment and process improvements.
- ii. Strategies include:
  - 1. Analyzing historical spend of E&G base resources.
  - 2. Eliminating duplicative effort and cost across the support units, colleges and campuses.
  - 3. Evaluating spans of control across the university.
  - 4. Assessing open position lines across the university.
  - 5. Evaluating vendor contracts to identify potential savings opportunities.
  - 6. Developing a new cost sharing model.
  - 7. Identifying cost transfer opportunities.
- iii. Will address additional effectiveness and efficiency strategies of the Colleges in FY23.

# Research F&A Distribution Model



## Research F&A Distribution Model

1. A final charge was to complete the work on F&A distribution that has been going on for years.
2. A restructuring of the research enterprise and new F&A distribution model has made incredible progress to date.
3. To date, the following has been accomplished:
  - a. Establishment of Research Committee
  - b. Development of a new potential organizational structure around the research enterprise with assigned responsibilities and accountabilities.
  - c. Design of a “tiered” F&A distribution model.
  - d. Evaluation of enhancements for system and process efficiencies and research development.

# QUESTIONS

