



Board of Trustees Finance Committee

Tuesday, February 18, 2020

1:30 – 3:30pm

Tampa Campus - Marshall Student Center Room# 3707

Trustees: Jordan Zimmerman, Chair; John Ramil, Vice Chair; Michael Carrere, Les Muma, Charlie Tokarz

Foundation Board Liaison: Alan Bomstein

A G E N D A

- I. Call to Order and Comments Chair Jordan Zimmerman
- II. Public Comments Subject to USF Procedure Chair Zimmerman
- III. New Business – Action Items
 - a. [Approval of November 20, 2019 Meeting Notes](#) Chair Zimmerman
 - b. [Expenditure Authorizations](#) Vice President/CFO Nick Trivunovich
 - 1. Policy Change
 - 2. Expenditure Authorization Requests
 - 3. Fixed Capital Outlay Budget Change
- IV. New Business – Information Items
 - a. [USF 2019 Audited Financial Statements](#) University Controller Jennifer Condon
 - b. [College of Pharmacy Project Status Update](#) Dean Kevin Sneed
 - c. [USFSP Housing & Dining Project – Revised Costs](#) University Treasurer Fell Stubbs
 - d. [DSO Mid-Year Forecasts](#) University Treasurer Fell Stubbs/DSO CEOs & CFOs
 - 1. University Medical Services Assoc., Inc. & USF Medical Services Support Corp. Rich Sobieray/Alisha Ozmeral
 - 2. USF Foundation, Inc. Noreen Segrest/Rob Fischman
 - 3. USF Research Foundation, Inc. Paul Sanberg/Patricia Gamble
- V. Adjournment Chair Zimmerman



**USF Board of Trustees
Finance Committee
NOTES
November 20, 2019
Tampa Campus – Alumni Center/Traditions Hall**

I. Call to Order and Comments

The meeting of the Finance Committee was called to order by Chair Jordan Zimmerman at 10:52 am. The following committee members were present: Jordan Zimmerman, Mike Carrere, Les Muma, John Ramil, and Charlie Tokarz. A quorum was established. Trustees Sandy Callahan, Britney Deas, Stephanie Goforth, Mike Griffin, Oscar Horton, Deanna Michael, Hal Mullis, Byron Shinn and Nancy Watkins and President Steven Currall were also present.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

a. Approval of August 27, 2019 Meeting Notes

Upon request and receiving no changes to the draft meeting notes, Chair Zimmerman requested a motion for approval, it was seconded and the August 27th meeting notes were unanimously approved as submitted by all committee members present.

b. 2020-21 USF Parking System Budget

Fell Stubbs, University Treasurer, presented the 2020-21 USF Parking System Operating Budget and requested approval at this time to meet a February filing requirement by the Board of Governors (BOG). The February Parking System filing requirement took effect in 2018 with the amendment of BOG regulation 9.008. In years prior to 2018, this annual operating budget was approved by the BOT in June of each year. This auxiliary budget for the Parking System is brought to the BOT apart from the University budget cycle, due to requirements of the Division of Bond Finance, who issued the first parking bonds for USF in 1994, prior to the formation of the Financing Corporation in 2005.

The USF Parking System has \$14.9M of bonds outstanding, financing four parking garages, operates 32 circulator buses on the Tampa campus, and employs 80 full-time and 43 temporary employees. The Tampa campus has 20,370 parking spaces and issues 47,887 permits (fees unchanged since FY 2013-14). The Parking System has cash and investments of \$28M and a debt service coverage ratio of 2.31x. Revenues are stable at \$14M; expenditures, including debt service, are stable at \$12M. The \$1.6M increase in staff costs and operating costs is a

conservative budget figure due to the early filing date, reflecting “assumptions” for full staffing and expensing of improvements to garages and parking lots that may be capitalized.

A motion was made to approve the 2020-21 Operating Budget for USF Parking Facilities Revenue Bonds, Series 2016A. The motion was seconded and approved by all committee members present.

Chair Zimmerman stated that he asked pointed questions when reviewed on the briefing. Looked closely at budget vs salary. The staff do an excellent job.

c. Expenditure Authorization Requests

Nick Trivunovich, Vice President for Business & Finance and CFO, reviewed the current exemptions to the expenditure authorization policy and requested approval of a proposed exemption for pass through expenses. Pass through expenses pose no financial risks to the University and many occur in a very short time frame (often a two day turn around) which is not enough time for BOT to act. Mr. Trivunovich gave some examples. These expenditures/payments are still subject to our strong internal controls. Chair Zimmerman stated that this exemption will make our policy more efficient without opening us up to risk. Trustee Tokarz remarked that we are not changing what we do (our process), just clarifying.

Trustee Griffin asked if any of the exemptions have a savings or benefits. Mr. Trivunovich responded that some do such as Aramark, as the students benefit from not paying sales tax; and DOPOs which also have sales tax savings.

Trustee Watkins stated that not all the examples provided are actual pass throughs. Some are required by law or government entity and do not need to go to the Finance Committee. Some are contractually obligated (contract must be approved by the Finance Committee). She doesn't think “no financial risk” is an accurate description and “pass through” is not the best term. She suggested that the expenditures in question be further broken down and categorized as contractual obligations, pass through, and required by government agency.

Chair Zimmerman deferred action on this item and asked that a call be set up for the Finance Committee for approval once wording/definition is acceptable to everyone.

IV. New Business – Information Items

a. Draft 2019 Financial Statements

Jennifer Condon, University Controller, provided highlights of the FY 2019 financial statements. This presentation is consistent with prior years. Ms. Condon presented the historical change in cash and investments. We have consistently added cash and investments to our balance sheet. We set out to have a completely balanced income statement in FY19, intentionally spending accumulated resources, but we received \$20M from TGH at end of FY19. OPEB and GASB continue to impact net operating results and net position. While our Unadjusted Unrestricted Net Position is (\$211.7M), we are not actually in the red by that amount because we have to book liability (OPEB) on our books, but we do not get to book due from State to offset. Financing Corporation moving from FASB to GASB and MCOM progress have also impacted the financial statements.

Ms. Condon explained variances between 2018 and 2019 in excess of \$10M and 10% as well as variances in excess of \$20M, highlighting the following:

- Accounts Payable decreased \$13M. Prior year accounts payable was high due to timing of equipment purchased at the end of FY18.
- Compensation & Employee Benefits increased \$44M due to expansion, filled vacancies, and bargained salary increases.
- Net Investment Income increased \$23M due to unrealized gains and losses.

b. Annual DSO Investment Reports

The Board of Trustees, in the August 17, 2017 Finance Committee meeting, requested annual investment reports on significant DSO investment portfolios.

1. USF Foundation

Chip Newton, Chair of the USF Foundation, 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.

The Foundation has 2 separate asset pools – operating pool and long-term investment pool. Combined assets of both pools total \$630M. Endowment assets reside in the long-term investment pool. Endowment reached the \$500M milestone in FY19, completing the twelfth Preeminence metric. USF became the third institution within the SUS to reach a \$500M endowment. USF is one of only three institutions, nationwide established after 1950 to have a \$500M endowment. This is a terrific accomplishment.

The endowment fund returned 6.0% for the year ending 06/30/19. Ranked in the top quartile of the Endowment Portfolios Universe (based on 2018). The USF Endowment is a leader among peers (public and private), based on NACUBO-TIAA Study of Endowments (rankings for FY 2018; FY 2019 not yet available). We stack up well against our peers, even peers that are larger than us.

Long-term returns remain above policy benchmark. Modest underperformance for FY 2019 endowment returns, mostly from active management in domestic and international equity detracting more than 100 bps from overall return; partially offset by strong results from alternatives and private real assets. Active management has added to long-term returns, especially in international equity which has exceeded benchmark by 110 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 are approximately 74 bps, comparable to previous years (low to mid 70s the past few years; lower than most of peers). Not investing in hedge funds has been a huge contributor to the success of our endowment.

Asset allocation is set for long-term growth through multiple market cycles. Projected returns depressed from prior years due to reductions in return assumptions. Alpha from active management is a key component of forecasted returns. Despite pullback in return assumptions, models indicate that endowment will have the capacity to preserve

intergenerational equity while maintaining current spending rate (4% dividend, 1.95% administrative fee). The Foundation is projecting a 7.85% return over the next 10 years which will support our 5.95% expenditure policy. Trustee Goforth asked if our spending rate is high. Mr. Souza responded that it is in line with our peers, about average.

The Operating Pool is about \$116M with some overlap as a portion is invested in the endowment. 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 is set based on risk/return forecasts for each asset class. The Operating Pool posted a return of 5.4% for the fiscal year, which was under its policy benchmark of 6.4% by 1.0%. Tier II manager was conservative, so under performed.

Trustee Shinn asked about the 1.95% administrative fee. Mr. Fischman explained that it funds the operations of the Foundation. President Currall asked if the Foundation charged a gift fee. Mr. Fischman stated that we do not take a gift fee (a conscious decision by the Foundation). Approximately 40-45% of universities charge a gift fee, usually about 5%, which is about 10% of budget. 4% is average for the State of Florida, or slightly lower. President Currall would like an analysis of top 25 universities/AAU.

Trustee Ramil congratulated the Foundation on the Endowment reaching \$500M.

2. University Medical Services Assoc., Inc.

Rich Sobieray and Alisha Ozmeral presented the investment report for FY2019 which includes UMSA and MSSC. Investment committee membership overlays with the University Investment Committee. Portfolio objectives include liquidity (primary objective) and positive rolling 5-year total return, net of inflation as defined by the Consumer Price Index (CPI), and net of all fund investment and operating expenses (secondary objective). Utilizes the University's investment consultant, Cambridge Associates. Asset allocation is within limits for all investments. Meeting or exceeding policy benchmarks for time periods listed – doing well. Previously, spending/reinvesting cash into the practice plan. Over the last few years, increasing cash position and liquidity.

President Currall asked why they are not investing with the Foundation. Mr. Sobieray explained that they have had to spend cash/reinvest quite quickly. The current investment policy was in effect before he got to USF. This is something they will look at in the future.

Trustee Ramil congratulated them on growing the investment portfolio.

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 is \$39.7M and consists of three investment accounts:

- Long Term Investments (+ 10 Years); USF Foundation LT Operating Investment Fund (\$14.5M) and USF Foundation Endowment Fund (\$12M); \$26.5M
- Intermediate Term Investments (5 - 7 Years); SunTrust; \$6.9M
- Short Term Investments; Vanguard; \$6.2M.

67% of the portfolio is invested long-term with the USF Foundation. Reallocated portion of investment in USF Foundation to the Endowment (\$12M) to take advantage of the USF Foundation's investment expertise. The investment portfolio increased \$5.1M in FY19, \$2.1M of which was from investment income.

c. Honors College Update

David Lechner, Sr. Vice President for Business & Financial Strategy, gave an update on the Honors College. The project is moving forward. The Project is now ready to move to the construction documents phase. Under current policy, the approval of the CIP empowers USF management to give written notice to proceed to the A/E to begin the construction documents phase. Negotiations are underway on the design fees for this phase. An estimate of the project budget will be furnished to USF by the A/E at the completion of the construction documents. That budget will be shared with the Board (BOT) at the next regularly scheduled meeting following receipt of that budget. There are sufficient donated funds available for the purpose of funding the A/E services to date and the A/E fees for the remaining design costs, including the construction drawings through construction administration phases. Construction will begin once substantially all of the funds needed for construction are identified. USF is grateful to the philanthropic support of Judy Genshaft and Steve Greenbaum and will steward these resources and manage the process so as to obtain the maximum impact from their generosity.

Chair Zimmerman stated that USF has one of the best Honors Colleges in the southeast US, if not entire US. President Currall emphasized that this project is very important for the University. A discussion was held (based on question by Trustee Watkins) on the allowability of using carryforward funds on the project. Mr. Lechner explained that this project does not yet appear on the educational plant survey – we missed the last survey and will be on the next survey; then will identify all the funds. Chair Zimmerman stated that we need to come in at \$450-\$500 per square foot. BOT still needs to approve schedule, funding, scope, and not to exceeds.

[Editor's note: carryforward cannot be utilized on construction of a new building, but may be used to fund furniture and fixtures per guidance from the BOG.]

V. Adjournment

Having no further business, Chair Zimmerman adjourned the Finance Committee meeting at 12:20pm.

Agenda Item: IIIb

USF Board of Trustees
Finance Committee
February 18, 2020

Issue: Expenditure Authorization Requests & Amended Fixed Capital Outlay Budget

Proposed action:

- 1) Approval of expenditure authorization exemption to read as follows:

Description: Expenditures for which the University collects funds for a specific purpose and then remits them to an appropriate party. Types of expenditures that fall under this exemption include the following:

- a) Expenditures where the University collects funds from the end user of a service or commodity then remits those funds to a third party at a later date. These funds may fluctuate. For example, the University collects payments for books at the bookstore and then remits the payments to Follett.
- b) Expenditures required by State or Federal law, such as employee payroll taxes; this also includes payments for premiums to the State of Florida for employee benefits.
- c) Pre-negotiated amount of funds collected based on a contractual commitment and remitted to the contracting party. An example of this would be the collection of meal plan payments made by students which is then sent to our contracted Food Service provider.

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

- | | |
|---|-------------|
| a) Oracle Database, PeopleSoft, and GEMS
Maintenance Renewal | \$5,308,251 |
| b) USF ESPN + Equipment and Broadcast
Studio Upgrades | \$3,243,100 |

- 3) Approval of modified Fixed Capital Outlay Budget.

An approval is requested to amend the Fixed Capital Outlay Budget by adding one additional project. Project to be added:

- | | |
|---|-------------|
| • USF ESPN + Equipment and Broadcast
Studio Upgrades | \$3,243,100 |
|---|-------------|

Executive Summary: The USF System 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 \$8,551,351 in contracts/transactions.

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
Committee Review Date:	February 18, 2020
Supporting Documentation Online (<i>please circle</i>):	Yes No
USF System or Institution specific:	USF System
Prepared by:	Nick Trivunovich, Vice President/CFO (813) 974-3297

USF System Approval of Expenditures Exceeding One Million Dollars

Project/Initiative Name: Oracle Database, PeopleSoft, and GEMS maintenance renewal

Total Project/Initiative Cost: \$ 5,308,251 over 3 years (\$1,769,417 per year)

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

The financial reporting systems for USF are based on Oracle / Peoplesoft platforms. This request is for a 3-year renewal of maintenance and support on our Oracle software. The maintenance and support arrangement is required to get software updates and have ongoing support from Oracle that are needed to maintain these critical applications. The three year commitment locks in current year prices, potentially saving USF \$269,836 versus projected prices should USF have elected to purchase the software year-by-year.

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

The primary goal is to ensure to stability and continued operation of the Oracle database, and our Peoplesoft applications (GEMS and FAST).

Funding Source(s):

E&G Funding

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

The funds supporting the Oracle maintenance agreement are included in the Information Technology department budget for software as well as the overall University Budget.

Prior Approval Process:

This is an annual renewal of our maintenance and support for Oracle

List Related Projects/Initiatives: (if any)

N/A

USF System or Institution specific: USF System

Prepared by: Carl Smith

Date Requested:01/10/2020

USF System 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 System Approval of Expenditures Exceeding One Million Dollars

Project/Initiative Name: USF ESPN+ Equipment & Broadcast Studio Upgrades

Total Project/Initiative Cost: \$3,243,100

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

The new American Athletic conference agreement with ESPN mandates upgrades in athletics facilities across the conference to meet certain broadcasting standards with a fall 2020 deadline. These upgrades must support ESPN+ broadcasting of multiple USF Athletics events in multiple locations on campus, including construction of data room (7 racks plus expansion) and two broadcasting control rooms. USF must also provide IT infrastructure and equipment for a maximum of 5 broadcast cameras per location to basketball, volleyball, softball, baseball, and soccer facilities.

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

Strategic Plan, Goal Three: A highly effective, major economic engine, creating new partnerships to build a strong and sustainable future...Promote a stimulating campus life through diverse academic, economic, cultural, and athletic opportunities.

Strategic Plan, Goal Four: Sound financial management to establish a strong and sustainable economic base in support of USF's continued academic advancement...Build USF's fundraising enterprise and endowment by supporting capital projects...and ongoing operating needs.

Funding Source(s):

Auxiliary

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

Budgeted

Prior Approval Process:

None

List Related Projects/Initiatives: (if any)

None

USF System or Institution specific: USF Tampa Campus

Prepared by: Sarah Baynard

Date Requested: 1-24-2020

USF System 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: IVa

USF Board of Trustees
Finance Committee
February 18, 2020

Issue: USF Fiscal Year 2019 Audited Financial Statements

Proposed action: Informational

Executive Summary:

The USF Fiscal Year 2019 Financial Statements and associated audit report were released by the State of Florida Auditor General on December 13, 2019.

There were no adjustments to the USF financial information. Audit adjustments were limited to the component unit (cu) column of the statements and resulted from the inclusion of draft cu financial information to meet the university's reporting timelines.

Financial Impact:

Immaterial

Strategic Goal(s) Item Supports: Goal 4: Sound Financial Management

Workgroup Review Date:

Supporting Documentation Online (*please circle*): Yes

[USF Fiscal Year 2019 Financial Statements](#)

USF System or Institution specific: USF System

Prepared by: Jennifer Condon, University Controller (813) 974-7696

Agenda Item: IVb

USF Board of Trustees
Finance Committee
February 18, 2020

Issue: USF Health Taneja College of Pharmacy Renovation Project

Proposed action: Informational

Executive Summary: The USF Taneja College of Pharmacy has recently received a very generous donation from the Taneja Family Foundation and has entered the planning phase of a project to renovate one and one half floors of the Morsani College of Medicine in downtown Tampa to house the Taneja College of Pharmacy program. Our plan is to proceed with schematic design for this space. We will continue to update the Board on our progress.

Financial Impact: Schematic Design to cost less than \$1 million.

Strategic Goal(s) Item Supports: Goal 1: Well educated global citizens
Goal 2: High Impact research and innovation

BOT Committee Review Date: February 18, 2020

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

USF System or Institution specific: USF Health

Prepared by: Kevin Sneed



“USF Health Taneja College of Pharmacy – Quest for New Facilities”

Kevin B. Sneed, PharmD

Senior Associate Vice-President, USF Health

Dean and Professor, USF Health Taneja College of Pharmacy



Objectives

- Brief history of the Taneja College of Pharmacy (TCOP)
- Performance of TCOP and vision
- Update Board on next steps



Taneja College of Pharmacy - History

- Approved by the FLBOG on January 28, 2009.
- Officially accepted students in July 2011.
- TCOP is approved to accept up to 400 students (100/ year) in the Doctor of Pharmacy degree program.



Taneja College of Pharmacy - Performance

- Recently initiated a Master's of Science in Pharmaceutical Nanotechnology.
- Creating inaugural PhD program.
- TCOP has achieved national recognition, rankings, and professional stature in less than 10 years.



Mission – Vision – Values Driven

Mission (why we exist):

USF College of Pharmacy's mission is to **REVOLUTIONIZE HEALTH** by:

- **Innovation** of patient centered healthcare via education, research, service
- **Empowerment** of students, professionals, and patients as catalysts for change at all levels of health

Vision (where we are going):

USF College of Pharmacy will achieve interprofessional excellence in:

Geriatrics – Personalized Medicine – Informatics

Values (what we hold in high esteem):

Innovation – Diversity – Interdisciplinary research – Teamwork

Leadership – Interprofessional collaboration – Life-long learning



The Project Driver – Student Success

- Enhances student experience
- Facilitates interprofessional training and experiences
- Allows joint teaching / better curricular design
- Creates parity with other SUS pharm schools
- Development of a futuristic workforce
- Ability to leverage MCOM location / asset



The Project

- Cost to build out 1.5 floors – TBD
- A / E fees to schematic design < \$1 million
- Sufficient funds on deposit to fund this phase



No action needed by the Board at this time.

**This Project will not move beyond the schematic design phase
without approval of the Board of Trustees.**

USF Health Taneja College of Pharmacy



Agenda Item: IVc

USF Board of Trustees
Finance Committee Meeting
February 18, 2020

Issue: USF St. Petersburg Housing and Dining Project Budget

Proposed action: Informational

Executive Summary:

USF Financing Corporation has a \$30.7M design/build contract with guaranteed maximum price with HC Beck (January 8, 2019) to design and build the USF St. Petersburg 375-bed Housing Facility and an unimproved Dining Center Shell.

Pursuant to the USF St. Petersburg management agreement with Sodexo America (March 1, 2019), Sodexo will contribute an additional \$2.9M to renovate the existing Campus Student Center dining facility and equip the new Dining Center in the Student Housing Facility with furniture, fixtures, kitchen equipment, hoods, millwork, finishes and flooring. However, to complete the facility an additional \$1.5M is still required.

This gap in funding has been known from the early stages of the Project, but there was an expectation that discussions with Sodexo based on increased enrollment and opportunities would present workable solutions to fund the gap and finish the facility. Sodexo provided three options for St. Petersburg dining services to fund the \$1.5M to improve the Dining Center Shell: 1) increase student meal plan rates, 2) pay an annual fee to Sodexo for the additional cost of capital and/or 3) renegotiate commission rates. USF does not find any of these options acceptable.

Accordingly, USF Tampa dining auxiliary is willing to temporarily advance \$1.5M to the USF St. Petersburg dining auxiliary to fund the cost to improve the St. Petersburg Dining Center Shell. This advance by the Tampa dining auxiliary will be repaid over time by the St. Petersburg dining auxiliary with dining commissions or other allowable funds.

USF will contract with Beck to complete the space versus Sodexo entering into that agreement. Since the cost of finishing the facility was not included in the \$30.7 GMP, the contract with Beck must be increased by \$1.5M.

The University believes it is in its best interest to fund the \$1.5M Dining Center improvements with dining auxiliary cash reserves to keep the St. Petersburg dining meal plan costs to students affordable, preserve USF St. Petersburg's opportunity to realize dining commissions, and benefit from the cost and schedule controls with Beck performing the added dining scope.

Financial Impact:

Fund change order for Beck contract of \$1.5M. This is an allowable use of funds.

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
Workgroup Review Date: Finance Committee	February 18, 2020
Supporting Documentation Online (<i>please circle</i>):	Yes <input checked="" type="radio"/> No
USF System or Institution specific: USF System	
Prepared by:	Fell L. Stubbs, University Treasurer, (813) 974-3298

Agenda Item: IVd

USF Board of Trustees
Finance Committee
February 18, 2020

Issue: DSO Mid-Year Forecasts for FY 2020

Proposed action: Informational

Executive Summary:

The Direct Support Organizations of the University (DSOs) have prepared their Mid-Year Forecasts for FY 2020.

These reports include a comparison of the Forecast to the FY 2020 Financial Plans approved by the BOT Finance Committee at its May 14, 2019 Meeting, as well as actual results for FY 2019, FY 2018 and FY 2017.

The DSOs presenting their Mid-Year Forecasts to the Board of Trustees Finance Committee are as follows:

1. University Medical Services Association, Inc. &
USF Medical Services Support Corporation
2. USF Foundation, Inc.
3. USF Research Foundation, Inc.

The remaining DSOs will not be presenting in the interest of time, but are available to answer any questions from the Board of Trustees Finance Committee:

4. USF Financing Corporation & USF Property Corporation
5. USF Health Professions Conferencing Corporation
6. Sun Dome, Inc.
7. USF Alumni Association, Inc.
8. USF Institute for Applied Engineering

Financial Impact:

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

Strategic Goal(s) Item Supports: **Goal 4: Sound Financial Management**
Workgroup Review Date: **February 18, 2020**
Supporting Documentation Online (*please circle*): **Yes** **No**
USF System or Institution specific: **USF System**
Prepared by: **Fell L. Stubbs, University Treasurer, (813) 974-3298**



DIRECT SUPPORT ORGANIZATIONS

MID-YEAR FORECASTS

FISCAL YEAR 2020

February 18, 2020



DSO Mid-Year Forecasts for FY 2020

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UMSA/MSSC Combined

FY 2020 Mid-Year Forecast

MID-YEAR FORECAST

List Significant Forecasted Variances (Favorable and Unfavorable) - Both Income Statement and Cash Flows

• **Favorable Variances**

- Grants, Contracts & Awards are favorable by \$4.2M as a result of renegotiation of TGH support agreements.
- UPL/LIP continues to be a major contributor to the success of the practice plan. We negotiated a \$6.8M increase in FY20 which looks to remain on plan. It's important to note that CMS has released a proposed rule that could have a significant impact on these monies in the future.
- Faculty support is projected to be better than plan by \$2.9M because adjustments have been made to the year-end bonus pool as a result of changing productivity expectations.
- Other expenses are projected to be better than plan by almost \$1.4M as a result of lower medical and pharmacy costs in correlation with the shortfall in revenue growth.

• **Unfavorable Variances**

- Net patient service revenue will miss plan by \$7.4M as a result of three (3) important issues: 1) Current faculty not achieving productivity expectations; 2) New faculty not ramping up their practices as quickly as assumed; and 3) Delay in new faculty hires.
- Growth in faculty and staff costs outpaced revenue growth by \$7.5M. Some of this growth in costs were the result of addressing gender equity issues, but a majority was the result of increasing MD compensation and staffing based on revenue assumptions not achieved.
- The Dean contributed \$7M of the Deans Academic Support Fund in support of the MCOM and HI downtown. It was anticipated that \$5M would be contributed last year and \$2M this year; however all \$7M was contributed in the current fiscal year.
- Cash will miss target by \$6.2M primarily because of: 1) the \$7M contribution to MCOM and HI downtown impacting the net profit of the practice plan; 2) \$4.4M in receivables improvement as result of collecting TGH payments and FICA refund from prior year; 3) shift from FASB to GASB and its impact on the noncash EPIC costs (\$1.1M).

Describe Management's Actions to Close Significant Unfavorable Gaps Before FYE

- The focus for the remaining of the fiscal year will be faculty productivity. If productivity gaps can't be resolved, further reductions may be made to the bonus pool at year-end.
- Furthermore, we will be working on more timely payments from TGH for the various support agreements.



UMSA/MSSC Combined

FY 2020 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

REVENUES

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance	
			\$	%
Net Patient Service	\$192,777	\$200,146	\$(7,369)	(4)%
Grants, Contracts & Awards	80,108	75,861	4,247	6 %
UPL/PCIP	32,821	32,290	531	2 %
Other Revenue	38,730	37,800	929	2 %
Total Revenues	\$344,435	\$346,097	\$(1,663)	(0)%

EXPENSES

Faculty Support	\$117,510	\$120,410	\$(2,900)	(2)%
Housestaff Support	13,624	11,982	1,642	14 %
Other Staff Support	79,975	76,736	3,239	4 %
Depreciation/Amortization	4,152	4,518	(366)	(8)%
Other Expenses	56,427	57,785	(1,358)	(2)%
Transfer to USF Conv Accts	62,304	59,658	2,646	4 %
Transfer to DSO HPCC Salary Support	520	310	210	68 %
Total Expenses	\$334,513	\$331,400	\$3,113	1 %

OPERATING PROFIT BEFORE NON-OPERATING CHANGES

	\$9,921	\$14,698	\$(4,776)	(32)%
Unrealized Investment Gains (Losses)	629	0	629	%
Contribution to MCOM	(7,000)	(2,000)	(5,000)	(250)%
Non-Cash Impact of Epic Conversion	0	(1,131)	1,131	100 %
Total Non-Operating Changes	\$(6,371)	\$(3,131)	\$(3,240)	(103)%
NET PROFIT	\$3,550	\$11,567	\$(8,016)	(69)%

Operating Profit Margin

3%	4%	(1)%
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	108%	104%	
	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
	\$186,258	\$172,391	\$166,362
	76,144	72,454	68,336
	26,047	22,606	7,329
	41,085	35,776	39,458
	\$329,534	\$303,227	\$281,485
	\$118,010	\$112,135	\$102,578
	12,732	11,922	11,723
	71,968	65,467	67,992
	4,436	4,824	5,397
	55,877	49,185	49,737
	56,409	54,291	46,495
	1,072	1,035	1,530
	\$320,506	\$298,859	\$285,452
	\$9,028	\$4,368	\$(3,967)
	422	725	1,428
	0	0	0
	(5,742)	(931)	(931)
	\$(5,320)	\$(206)	\$497
	\$3,709	\$4,162	\$(3,470)
	3%	1%	-1%



UMSA/MSSC Combined

FY 2020 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

OPERATING ACTIVITIES

Net Operating Profit
Adjustments for Non-Cash Activities:
Depreciation/Amortization
Non Cash Impact of EPIC
Unrealized Gains
Operating Assets and Liabilities
Total Cash From Operating Activities

INVESTING ACTIVITIES

Capital Expenditures
Net (Purchases) Sales of Investments
Total Cash From Investing Activities

FINANCING ACTIVITIES

Proceeds of Long-Term Debt
Transfer to USF FC - Leases on MOB
Total Cash From Financing Activities

CHANGE IN CASH

Cash, Beginning of Year

Cash, End of Year

Total Cash & Investments

Days Cash on Hand

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance	
			\$	%
Net Operating Profit	\$3,550	\$11,567	\$(8,016)	(69)%
Adjustments for Non-Cash Activities:				
Depreciation/Amortization	4,152	4,518	(366)	(8)%
Non Cash Impact of EPIC	0	1,131	(1,131)	(100)%
Unrealized Gains	(629)	0	(629)	%
Operating Assets and Liabilities	4,400	0	4,400	%
Total Cash From Operating Activities	\$11,474	\$17,216	\$(5,742)	(33)%
INVESTING ACTIVITIES				
Capital Expenditures	\$(3,460)	\$(3,000)	\$(460)	(15)%
Net (Purchases) Sales of Investments	0	0	0	%
Total Cash From Investing Activities	\$(3,460)	\$(3,000)	\$(460)	(15)%
FINANCING ACTIVITIES				
Proceeds of Long-Term Debt	\$0	\$0	\$0	%
Transfer to USF FC - Leases on MOB	(2,266)	(2,262)	(4)	(0)%
Total Cash From Financing Activities	\$(2,266)	\$(2,262)	\$(4)	(0)%
CHANGE IN CASH	5,748	11,954	(6,206)	(52)%
Cash, Beginning of Year	7,085	7,085	0	0 %
Cash, End of Year	\$12,833	\$19,039	\$(6,206)	(33)%
Total Cash & Investments	\$35,881	\$42,087	\$(6,206)	(15)%
Days Cash on Hand	42	50	(8)	(16)%

FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
\$3,709	\$4,162	\$(3,405)
4,436	4,824	5,369
5,742	931	931
(422)	(725)	(1,428)
(2,906)	(289)	(7,071)
\$10,559	\$8,903	\$(5,604)
\$(2,815)	\$(2,563)	\$(1,873)
(2,962)	(9,828)	13,382
\$(5,776)	\$(12,391)	\$11,509
\$0	\$0	\$0
(2,689)	(2,310)	(2,368)
\$(2,689)	\$(2,310)	\$(2,368)
2,094	(5,798)	3,537
6,661	12,459	8,922
\$8,755	\$6,661	\$12,459
\$33,597	\$28,119	\$23,448
41	37	32



UMSA/MSSC Combined

FY 2020 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL		
	FY 2017	FY 2018	FY 2019
<u>ASSETS</u>			
Cash & Investments	\$23,448	\$28,119	\$33,597
Fixed Assets	58,326	56,065	54,542
Other Assets	56,768	65,929	66,873
Total Assets	\$138,542	\$150,113	\$155,012
<u>LIABILITIES</u>			
Payables	\$6,257	\$8,449	\$18,215
Long-Term Debt	53,528	51,176	48,020
Other Liabilities	13,931	18,699	22,422
Total Liabilities	\$73,716	\$78,324	\$88,657
NET ASSETS	\$64,826	\$71,788	\$66,355
Days Cash on Hand	32.2	37.0	41.2
<u>REVENUES</u>			
Net Patient Service	\$166,362	\$172,391	\$186,258
Grants, Contracts & Awards	68,336	72,454	76,144
UPL	7,329	22,606	26,047
Other Revenues	49,493	47,260	41,085
Total Revenues	\$291,520	\$314,711	\$329,534
<u>EXPENSES</u>			
Faculty Support	\$135,294	\$147,370	\$154,204
Housestaff Support	11,723	12,283	12,732
Other Staff Support	81,771	84,162	92,183
Depreciation/Amortization	5,397	4,824	4,436
Other Expenses	61,237	61,704	56,950
Total Expenses	\$295,422	\$310,342	\$320,506
Operating Profit Before Non-Cash Changes	\$(3,902)	\$4,368	\$9,028
Total Non-Cash Changes	\$497	\$(206)	\$(5,320)
NET OPERATING PROFIT	\$(3,405)	\$4,162	\$3,709
Operating Profit Margin	-1%	1%	3%

	FORECAST		
	FY 2020	FY 2021	FY 2022
	\$35,881	\$39,320	\$43,089
	53,062	51,621	50,219
	67,830	68,801	69,786
Total Assets	\$156,773	\$159,743	\$163,095
	\$18,762	\$19,325	\$19,904
	45,058	42,280	39,672
	23,094	23,787	24,501
Total Liabilities	\$86,915	\$85,391	\$84,077
NET ASSETS	\$69,858	\$74,351	\$79,018
Days Cash on Hand	42.2	44.1	46.0
	\$192,777	\$199,524	\$206,507
	80,108	84,278	88,665
	32,821	41,355	52,109
	38,730	36,509	34,416
Total Revenues	\$344,435	\$361,666	\$381,697
	\$153,704	\$158,315	\$163,065
	13,624	14,579	15,601
	100,189	103,195	106,291
	4,152	3,886	3,637
	62,843	69,932	78,223
Total Expenses	\$334,513	\$349,908	\$366,817
Operating Profit Before Non-Cash Changes	\$9,921	\$11,758	\$14,880
Total Non-Cash Changes	\$(6,371)	\$0	\$0
NET OPERATING PROFIT	\$3,550	\$11,758	\$14,880
Operating Profit Margin	3%	3%	4%



USF FOUNDATION, INC.

FY 2020 Mid-Year Forecast

MID-YEAR FORECAST

List Significant Forecasted Variances (Favorable and Unfavorable) - Both Income Statement and Cash Flows

- The timing of a significant transfer for the construction of the USF Health downtown expansion project that was included in the 2020 financial plan; however, the transfer was made just prior to the close of fiscal year 2019.
- Transfers related to student scholarships are anticipated to be more in line with fiscal year 2019 results due to continued funding in 2020 of Athletics scholarships.
- All other forecasted results do not vary significantly from the financial plan.

Describe Management's Actions to Close Significant Unfavorable Gaps Before FYE

- Reliance on Foundation sources by the USF System have led to fluctuations in the utilization of Foundation funds. Foundation sources represent a small percentage of the System's overall budget, however, this source is critical for many University programs while providing a funding catalyst for others to achieve the University's goals and aspirations.



USF FOUNDATION, INC.

FY 2020 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

REVENUES

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance	
			\$	%
Gift & Donations	\$48,100	\$48,100	\$0	0 %
Investment Income (Loss)	47,668	47,668	0	0 %
University Support	12,858	12,450	408	3 %
Other Revenues	2,518	551	1,967	357 %
Total Revenues	\$111,144	\$108,769	\$2,375	2 %

EXPENSES

Program Services				
Salaries & Benefits	\$24,915	\$24,915	\$0	0 %
Scholarship & Fellowship	9,335	7,792	1,543	20 %
Service & Independent contractors	4,586	5,273	(687)	(13)%
Supplies	2,122	1,203	919	76 %
Other Transfers & Expenses	14,126	29,064	(14,938)	(51)%
Total Program Service Expenses	55,084	68,247	(13,163)	(19)%
Fundraising & Operating Expenses				
Salaries & Benefits	14,630	14,727	(97)	(1)%
Scholarship & Fellowship	2,074	2,074	1	0 %
Other Transfers & Expenses	2,150	1,900	250	13 %
Total Fundraising & Operating Expenses	18,854	18,700	154	1 %
Total Expenses	\$73,938	\$86,947	\$(13,010)	(15)%
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$37,206	\$21,822	\$15,385	71 %
Total Non-Cash Changes	\$0	\$0	\$0	%
NET OPERATING PROFIT	\$37,206	\$21,822	\$15,385	71 %

Operating Profit Margin	33%	20%	13 %
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FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
\$51,380	\$56,330	\$38,867
33,209	52,617	63,943
13,233	12,680	13,305
2,518	1,250	2,743
\$100,340	\$122,877	\$118,858
\$17,288	\$21,850	\$20,786
10,336	9,723	8,330
4,581	4,187	4,284
3,070	980	1,341
22,749	10,933	11,897
58,024	47,673	46,638
14,343	14,501	13,979
1,171	1,037	910
2,694	1,828	2,409
18,208	17,366	17,298
\$76,232	\$65,039	\$63,936
\$24,108	\$57,838	\$54,922
\$0	\$0	\$0
\$24,108	\$57,838	\$54,922

24%	47%	46%
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USF FOUNDATION, INC.

FY 2020 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

OPERATING ACTIVITIES

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance	
			\$	%
Net Operating Profit	\$37,206	\$21,822	\$15,384	70 %
Adjustments for Non-Cash Activities:				
Investment (gain) losses	(47,668)	(23,407)	(24,261)	(104)%
Change in assets & liabilities	9,876	3,246	6,630	204 %
Total Cash From Operating Activities	\$(586)	\$1,661	\$(2,247)	(135)%

FINANCING ACTIVITIES

Proceeds of sales of contributed land held for resale	-	-	0	%
Interest Paid on Debt	-	-	0	%
Principal Paid on Debt	(380)	(360)	(20)	(6)%
NonCapital Financing activities	0	0	0	%
Total Cash From Financing Activities	\$(380)	\$(360)	\$(20)	(6)%

INVESTING ACTIVITIES

Capital Expenditures	\$(475)	\$(475)	\$0	0 %
New (Purchases) Sales of Investment	8,564	6,054	2,510	41 %
Interest dividends reinvested	(6,325)	(6,436)	111	2 %
Total Cash From Investing Activities	\$1,764	\$(857)	\$2,621	306 %

CHANGE IN CASH

	798	444	354	80 %
Cash, Beginning of Year	1,417	1,987	(570)	(29)%
Cash, End of Year	\$2,215	\$2,431	\$(216)	(9)%

Total Cash & Investments	\$94,931	\$93,688	\$1,243	1 %
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Days Cash on Hand	469	393	75	19 %
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FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
\$10,874	\$57,838	\$54,922
(23,643)	(52,617)	(63,943)
(8,329)	(5,134)	2,042
\$(21,098)	\$87	\$(6,979)
12,000	-	-
(129)	-	-
(371)	-	-
9,435	(362)	(352)
\$20,935	\$(362)	\$(352)
\$(7,650)	\$(458)	\$(2,936)
(1,360)	7,067	13,605
9,565	(6,112)	(4,466)
\$555	\$497	\$6,203
392	222	(1,128)
1,025	803	1,931
\$1,417	\$1,025	\$803

\$98,017	\$83,867	\$80,084
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470	472	458
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USF FOUNDATION, INC.

FY 2020 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST		
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<u>ASSETS</u>						
Cash & Investments	\$80,084	\$83,867	\$98,017	\$94,931	\$96,830	\$98,766
Fixed Assets	9,732	10,003	10,844	10,855	11,072	11,580
Other Assets	544,203	602,625	587,690	634,705	685,482	740,320
Total Assets	\$634,019	\$696,495	\$696,551	\$740,491	\$793,383	\$850,666
<u>LIABILITIES</u>						
Payables	\$1,444	\$937	\$969	\$1,054	\$1,076	\$1,095
Long-Term Debt	5,447	5,086	4,714	4,333	4,012	3,981
Other Liabilities and deferred inflows	32,001	37,506	54,087	57,580	58,621	61,146
Total Liabilities	\$38,892	\$43,529	\$59,770	\$62,967	\$63,709	\$66,222
NET ASSETS	\$595,127	\$652,966	\$636,781	\$677,524	\$729,674	\$784,444
Days Cash on Hand	458	471	469	469	451	439
<u>REVENUES</u>						
Gifts & Fundraising Revenue	\$38,867	\$56,330	\$51,380	\$48,100	\$52,100	\$54,200
University Support	13,305	12,680	13,233	12,858	13,580	\$13,805
Other Revenues	66,686	53,867	35,727	50,186	53,276	\$57,339
Total Revenues	\$118,858	\$122,877	\$100,340	\$111,144	\$118,956	\$125,344
<u>EXPENSES</u>						
Salaries & Benefits	\$34,765	\$36,351	\$31,631	\$39,545	\$41,522	\$43,598
Scholarships & Fellowships	8,330	9,723	10,336	9,335	10,500	\$10,800
Other Expenses	20,841	18,965	34,265	25,058	\$26,311	\$27,626
Total Expenses	\$63,936	\$65,039	\$76,232	\$73,938	\$78,333	\$82,025
Operating Profit Before Non-Cash Changes	\$54,922	\$57,838	\$24,108	\$37,206	\$40,623	\$43,319
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$54,922	\$57,838	\$24,108	\$37,206	\$40,623	\$43,319
Operating Profit Margin	46%	47%	24%	33%	34%	35%



USF Research Foundation, Inc.

FY 2020 Mid-Year Forecast

MID-YEAR FORECAST

List Significant Forecasted Variances (Favorable and Unfavorable) - Both Income Statement and Cash Flows

- Mid Year Forecast projects Operating Revenue to track favorably to Financial Plan for fiscal year 2020, with no significant unfavorable variances anticipated at this time.
- Mid Year Forecast projects Operating Expenses to track favorably to Financial Plan for fiscal year 2020, with exception of the following:
 - Unfavorable variance in Research Park operating expenses is attributed to non-cash amortization of the Capital Lease Obligation associated with the May 2019 acquisition of the University Diagnostic Institute building (UDI), located within the USF Research Park. While non-cash, the FY 2020 Plan had included all UDI expenses as Research Park operating.
 - Unfavorable variance in contractual services expense is attributed to unplanned costs for a project manager to assist with the IT conversion that is presently underway at the USF Research Foundation, and legal costs associated with Research Park development.
 - Unfavorable variance in expense associated with lease and sub-leasing University Business Center of \$82,000 in net rent expense, due to vacancy.
- Mid Year Forecast projects Net Income to track favorably to Financial Plan for fiscal year 2020, with Net Income of \$4.0M and to generate a positive Cash Flow of \$1,496,000 consistent with Plan.

Describe Management's Actions to Close Significant Unfavorable Gaps Before FYE

- Continued financial oversight of operating expenses.



USF Research Foundation, Inc.

FY 2020 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

REVENUES

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance	
			\$	%
Rental Revenue	\$9,142	\$9,144	\$(2)	(0)%
Intellectual Property Revenue	3,160	3,160	(0)	(0)%
NMR Use License Fee	307	307	-	0 %
Other Operating Revenues	217	257	(40)	(15)%
Total Revenues	\$12,826	\$12,868	\$(42)	(0)%

EXPENSES

Salaries & Benefits	\$1,436	\$1,437	\$(1)	(0)%
Intellectual Property & Other Program Exp	2,359	2,360	(0)	(0)%
Operations - Research Park	3,686	3,607	79	2 %
Contractual Services & Other Operating	188	149	39	26 %
UBC Net Exp (University Business Center)	106	24	82	336 %
Interest Expense	528	533	(4)	(1)%
Depreciation & Amortization	2,767	2,767	-	0 %
Total Expenses	\$11,070	\$10,877	\$193	2 %
OPERATING PROFIT BEFORE NON-OPERATING REVENUE	\$1,755	\$1,991	\$(236)	(12)%

Investment Income	2,253	2,023	230	11 %
Other Non-Operating Income (Loss)	-	-	-	%
Total Non-Operating	\$2,253	\$2,023	\$230	11 %
NET INCOME	\$4,008	\$4,014	\$(6)	(0)%

Operating Profit Margin	14%	15%	(2)%
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FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
\$8,689	\$8,379	\$8,061
3,592	3,728	2,307
307	307	307
269	244	185
\$12,858	\$12,657	\$10,860
\$1,288	\$1,347	\$1,212
3,036	3,045	1,811
3,076	3,075	2,895
135	165	131
332	4	-
622	687	863
2,648	2,907	2,822
\$11,136	\$11,230	\$9,733
\$1,722	\$1,427	\$1,127
2,212	3,117	3,465
-	-	(30)
\$2,212	\$3,117	\$3,434
\$3,934	\$4,544	\$4,562

13%	11%	10%
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USF Research Foundation, Inc.

FY 2020 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance		FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Income	\$4,008	\$4,014	\$(6)	(0)%	\$3,934	\$4,544	\$4,562
Adjustments for Non-Cash Activities:							
Less Non-Cash Investment (Gain)	(2,100)	(2,023)	(77)	(4)%	(2,212)	(3,114)	(3,447)
Add back Depreciation/Amortization Exp	2,767	2,767	-	0 %	2,648	2,907	2,822
Add back Other Non-Cash Expenses	379	18	361	1,961 %	464	25	158
Less Other Non-Cash Revenue	-	-	-	%	(26)	(49)	(79)
Add Cash Other Income Restatement	-	-	-	%	-	786	640
Changes in Operating Assets and Liabilities	-	-	-	%	1,877	(783)	346
Total Cash From Operating Activities	\$5,055	\$4,777	\$278	6 %	\$6,685	\$4,316	\$5,003
<u>FINANCING ACTIVITIES</u>							
Principal Payments - Notes Payable	\$(1,745)	\$(1,745)	\$0	0 %	\$(1,720)	\$(1,590)	\$(1,565)
Principal Payments Capital Lease - UDI Building	(231)	-	(231)	%	-	-	-
Redeem Investments for New Building	2,987	3,194	(207)	(6)%	-	-	-
Cash Outlay: New Bldg Debt Sinking Fund	(1,983)	(2,420)	437	18 %	-	-	-
Cash Outlay: New Bldg - Debt Service Coverage	(531)	-	(531)	%	-	-	-
Cash Outlay: New Bldg - Construction Period Interest	(473)	(774)	301	39 %	-	-	-
Redeem Investments for Debt Payoff	-	-	-	%	-	-	9,254
Pay Off Research Park Building Debt	-	-	-	%	-	-	(9,525)
Total Cash From Financing Activities	\$(1,976)	\$(1,745)	\$(231)	(13)%	\$(1,720)	\$(1,590)	\$(1,836)
<u>INVESTING ACTIVITIES</u>							
Capital Expenditures	\$(1,534)	\$(1,534)	\$0	0 %	\$(640)	\$(591)	\$(698)
Net (Purchase) Sale of Investments	(50)	-	(50)	%	(3,251)	(1,000)	(2,000)
Issuance of Seed Capital Loans (net)	-	-	-	%	(25)	(17)	(150)
Transfer from Venture Investment Fund	-	-	-	%	-	50	150
Total Cash From Investing Activities	\$(1,584)	\$(1,534)	\$(50)	(3)%	\$(3,916)	\$(1,558)	\$(2,698)
CHANGE IN CASH	1,496	1,498	(3)	(0)%	1,049	1,168	469
Cash, Beginning of Year	7,127	7,466	(339)	(5)%	6,077	4,909	4,440
Cash, End of Year	\$8,622	\$8,964	\$(342)	(4)%	\$7,127	\$6,077	\$4,909
Total Cash & Investments	\$45,442	\$43,377	\$2,065	5 %	\$46,807	\$40,622	\$35,430
Days Cash on Hand	334	332	2	1 %	457	325	253



USF Research Foundation, Inc.

FY 2020 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST		
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<u>ASSETS</u>						
Cash & Investments	\$35,430	\$40,622	\$46,807	\$45,442	\$40,838	\$40,781
Fixed Assets	34,100	31,901	33,510	58,947	64,277	63,921
Other Assets	18,244	18,837	18,039	17,923	17,807	17,691
Total Assets	\$87,774	\$91,360	\$98,355	\$122,312	\$122,923	\$122,393
<u>LIABILITIES</u>						
Payables	\$2,205	\$2,284	\$2,704	\$2,204	\$2,270	\$2,338
Long-Term Debt	20,465	18,875	20,610	45,635	43,719	41,726
Other Liabilities	7,880	7,646	8,553	8,810	9,074	9,346
Total Liabilities	\$30,550	\$28,806	\$31,868	\$56,648	\$55,063	\$53,410
NET ASSETS	\$57,224	\$62,554	\$66,488	\$65,663	\$67,860	\$68,983
Days Cash on Hand	253	325	457	334	414	454
<u>REVENUES</u>						
Rental Revenue	\$8,061	\$8,379	\$8,689	\$9,142	\$9,272	\$9,494
Intellectual Property Revenue	2,307	3,728	3,592	3,160	3,260	3,360
Other Revenues	492	551	576	524	567	570
Total Revenues	\$10,860	\$12,657	\$12,858	\$12,826	\$13,099	\$13,423
<u>EXPENSES</u>						
Salaries & Benefits	\$1,212	\$1,347	\$1,288	\$1,436	\$1,479	\$1,523
Operations - Research Park	2,895	3,075	3,076	3,686	3,459	3,688
Other Expenses	5,627	6,808	6,772	5,948	6,075	6,157
Total Expenses	\$9,733	\$11,230	\$11,136	\$11,070	\$11,013	\$11,368
Operating Profit Before Non-Cash	\$1,127	\$1,427	\$1,722	\$1,755	\$2,086	\$2,055
Total Non-Cash Investment Income	\$3,434	\$3,117	\$2,212	\$2,253	\$1,887	\$1,562
NET INCOME	\$4,562	\$4,544	\$3,934	\$4,008	\$3,973	\$3,617
Operating Profit Margin	10%	11%	13%	14%	16%	15%



USF Financing Corporation & USF Property Corporation

FY 2020 Mid-Year Forecast

MID-YEAR FORECAST

List Significant Forecasted Variances (Favorable and Unfavorable) - Both Income Statement and Cash Flows

- Due to a legislative change, the University Board of Trustees (BOT) must now approve all appointments to the University's Direct Support Organizations during 2018. This change required the Financing Corporation to change its accounting methodology from Financial Accounting Standards Board (FASB) accounting to Governmental Accounting Standards Board (GASB) accounting.
 - To provide a more accurate comparison to the FY 2020 Mid-Year Forecast (GASB), the presentation of the FY 2020 Plan (FASB) has been reorganized; however, no changes have been made to the net amounts approved by the BOT. Variances for each Revenue line item and each Operating Cash Flow line item are not displayed, as GASB revenues are not recognized in the same manner as FASB revenues. Total Revenues are comparable.
- Total Revenues are forecasted at \$15.8M, greater than the Financial Plan by \$0.6M, or 4%.
 - Housing System forecasted revenues (net) have increased compared to the Financial Plan due to occupancy levels being greater than projected (fall occupancy of 98% actual versus 95% projected).
 - On a net basis, there are no significant variances for Marshall Center, Athletics, Arena, UMSA or HPCC revenues.
 - Revenues related to the new Research Park Project were not included in the Annual Plan as the timing and details of the tenant lease payments were not yet certain.
- Total Other Revenues (Expenses) are forecasted at \$10.3M, greater than the Financial Plan by \$0.3M, or 3%. This variance is also due to the new Research Park Project described above.
- The Change in the Corporation's 50% Equity Investment in INTO USF is forecasted to be a positive \$80K, lower than the Financial Plan by \$420k, or 84%, due to lower than projected foreign student enrollment in INTO USF.
- Cash Flows from Operating Activities and Financing Activities vary from the Plan due to the new Research Park Project.
 - On December 16, 2019, the Corporation issued \$27M Series 2019 Bank Loan to fund the construction of the 120,000 square-foot 3-story USF Research Park Laboratory and Office Building. The taxable interest rate of 3.218% is fixed until final maturity in 2040. This rate is comparable to "AA-" rated taxable public bonds issued at the same time with similar maturities, and is significantly less than the 6.00% interest rate included in the financing plan approved by the Board of Trustees in June 2019. The Project is expected to open in January 2021.
 - The Corporation simultaneously closed on a long-term master lease with the USF Research Foundation, which is committed to contributing \$15M to the Project and pledging revenues from its 3 existing Research Park buildings to support the project debt service during the lease up period.

Describe Management's Actions to Close Significant Unfavorable Gaps Before FYE

- The Corporation is not anticipating any significant unfavorable variances.

FY 2020 Mid-Year Forecast

(In thousands)

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
Less: Housing operating expense (acctg adj)
Less: Return of excess pmts to USF/DSO (acctg adj)

Total Revenues

Management fee	
General and administrative expenses	

719	719	0	0 %
550	550	0	0 %

Interest expense on debt
Loss on debt extinguishment
Depreciation expense (accounting adjustment)
Plus: Support for depreciation expense (acctg adj)
Interest income

(10,923)	(10,521)	(402)	(4)%
-	-	0	%
-	(8,300)	8,300	100 %
-	8,300	(8,300)	(100)%
650	500	150	30 %

Total Other Revenues (Expenses)

	\$	(10,273)		\$	(10,021)		\$	(252)		(3)%
--	----	----------	--	----	----------	--	----	-------	--	------

OPERATING PROFIT

\$4,242	\$3,862	\$380	10 %
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Contributions from USF for capital projects
Non-cash adjustment related to accounting change
Change in INTO USF equity investment

4,514	0	4,514	%
-	(3,746)	3,746	100 %
80	500	(420)	(84)%

Total Contributions and Non-Cash Changes

\$4,594	\$(3,246)	\$7,840	242 %
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NET PROFIT (LOSS)

\$8,836	\$616	\$8,220	1,334 %
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Operating Profit Margin	26.9%	25.5%	1 %
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\$16,163	\$16,061	\$15,094
----------	----------	----------

706	691	672
529	574	541

\$1,235	\$1,265	\$1,213
---------	---------	---------

	1997	1998	1999
1997			
1998			
1999			

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(11,647)	(12,147)	(12,330)
----------	----------	----------

$$- \quad (71) \quad (54)$$

-	(7,825)	(7,811)
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-	7,825	7,811
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708	332	71
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	\$ (10,939)	\$ (11,886)	\$ (12,313)
--	-------------	-------------	-------------

\$3,989	\$2,910	\$1,568
---------	---------	---------

\$3,000	\$2,100	\$1,000

800	-	-
-----	---	---

-	(2,855)	(1,552)
---	---------	---------

450	333	1,835
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\$1,250	\$(2,522)	\$283
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\$5,239	\$388	\$1,851
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24.7%	18.1%	10.4%
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USF Financing Corporation & USF Property Corporation

FY 2020 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

OPERATING ACTIVITIES

Lease payments received from USF	\$22,562	-
Lease payments received from UMSA	4,106	-
Lease payments received from HPCC	1,479	-
Lease payments received from Research Foundation	880	-
Payment to USF for management services	(719)	-
General and administrative disbursements	(550)	-
Net Operating Profit	-	\$616
Adjustments for Non-Cash Activities	-	26,258

Total Cash From Operating Activities

FINANCING ACTIVITIES

Capital expenditures	\$(29,900)	\$(20,467)
Contributions from USF for capital projects	5,314	-
Debt issuance costs	(100)	-
Proceeds of long-term debt	27,000	-
Proceeds of long-term debt - Refunding	-	-
Principal payments - Refunding	-	-
Principal payments	(13,100)	(12,839)
Interest payments	(14,400)	(13,826)
Security received from lessee for swap collateral	2,250	-
Security (pledged to) returned from counterparty	(2,250)	-

Total Cash From Financing Activities

INVESTING ACTIVITIES

Proceeds from maturity of CD	5,711	5,736
Purchase of CD	(5,711)	(5,736)
Interest income	1,000	-

Total Cash From Investing Activities

CHANGE IN CASH

Net (purchases) sales of investments (acctg adj)	-	20,258
Cash, Beginning of Year	64,950	503
Cash, End of Year	\$68,522	\$503

Total Cash & Investments

Days Cash on Hand

	GASB	FASB	Variance	
	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN		
			\$	%
OPERATING ACTIVITIES				
Lease payments received from USF	\$22,562	-		
Lease payments received from UMSA	4,106	-		
Lease payments received from HPCC	1,479	-		
Lease payments received from Research Foundation	880	-		
Payment to USF for management services	(719)	-		
General and administrative disbursements	(550)	-		
Net Operating Profit	-	\$616		
Adjustments for Non-Cash Activities	-	26,258		
Total Cash From Operating Activities	\$27,758	\$26,874	\$884	3 %
FINANCING ACTIVITIES				
Capital expenditures	\$(29,900)	\$(20,467)	\$(9,433)	(46)%
Contributions from USF for capital projects	5,314	-	5,314	%
Debt issuance costs	(100)	-	(100)	%
Proceeds of long-term debt	27,000	-	27,000	%
Proceeds of long-term debt - Refunding	-	-	0	%
Principal payments - Refunding	-	-	0	%
Principal payments	(13,100)	(12,839)	(261)	(2)%
Interest payments	(14,400)	(13,826)	(574)	(4)%
Security received from lessee for swap collateral	2,250	-	2,250	%
Security (pledged to) returned from counterparty	(2,250)	-	(2,250)	%
Total Cash From Financing Activities	\$(25,186)	\$(47,132)	\$21,946	47 %
INVESTING ACTIVITIES				
Proceeds from maturity of CD	5,711	5,736	(25)	(0)%
Purchase of CD	(5,711)	(5,736)	25	0 %
Interest income	1,000	-	1,000	%
Total Cash From Investing Activities	\$1,000	\$0	\$1,000	%
CHANGE IN CASH	3,572	(20,258)	23,830	118 %
Net (purchases) sales of investments (acctg adj)	-	20,258	(20,258)	(100)%
Cash, Beginning of Year	64,950	503	64,447	12,813 %
Cash, End of Year	\$68,522	\$503	\$68,019	13,523 %
Total Cash & Investments	\$74,233	\$47,168	\$27,065	57 %
Days Cash on Hand	361	395	(34)	(9)%

GASB	FASB	FASB
FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
\$22,280	-	-
4,138	-	-
1,453	-	-
0	-	-
(706)	-	-
(529)	-	-
-	\$388	\$1,851
-	25,673	25,270
\$26,636	\$26,061	\$27,121
\$(6,926)	\$(4,177)	-
-	-	-
(516)	(58)	(53)
33,740	-	-
36,540	33,708	37,920
(34,354)	(33,708)	(37,920)
(12,198)	(11,733)	(11,076)
(13,360)	(13,815)	(12,337)
3,750	-	-
(3,757)	5,390	5,500
\$2,919	\$(24,393)	\$(17,966)
6,024	6,000	-
(5,596)	(6,024)	(6,000)
924	-	-
\$1,352	\$(24)	\$(6,000)
30,907	1,644	3,155
-	(1,644)	(3,155)
34,043	3	3
\$64,950	\$3	\$3
\$70,547	\$40,067	\$38,400
353	342	339



USF Financing Corporation & USF Property Corporation

FY 2020 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

ASSETS

Cash & Investments
Fixed Assets
Capital Lease Receivable
Other Assets
Total Assets

LIABILITIES

Payables - Interest and Construction
Long-Term Debt
Interest Rate Swap & Other Payables
Total Liabilities

NET ASSETS

Days Cash on Hand

REVENUES

USF Debt Payments
UMSA Debt Payments
HPCC Debt Payments
Research Debt Payments
Less: Expenses netted out due to conversion
Total Revenues

EXPENSES

Operating Expenses
Total Expenses

OTHER REVENUES (EXPENSES)

Interest Expense on Debt
Depreciation Expense
University/DSO support - debt programs
Other Revenues/Expenses
Total Other Revenues (Expenses)

Operating Profit

University/DSO support - Project related
Total Non-Cash Changes

NET OPERATING PROFIT

Operating Profit Margin

FASB	FASB	GASB
ACTUAL		
FY 2017	FY 2018	FY 2019
\$38,400	\$40,067	\$70,547
241,654	239,679	-
-	-	292,423
83,567	68,873	23,905
\$363,621	\$348,619	\$386,875
\$5,708	\$7,348	\$7,880
334,976	321,621	346,018
17,504	13,829	15,948
\$358,188	\$342,798	\$369,846
\$5,433	\$5,821	\$17,029
339	342	353
\$48,913	\$52,115	\$13,628
4,085	4,262	1,858
1,851	1,750	614
0	0	63
(39,755)	(42,066)	-
\$15,094	\$16,061	\$16,163
1,213	1,265	1,235
\$1,213	\$1,265	\$1,235
(12,330)	(12,147)	(11,647)
(7,811)	(7,825)	-
7,811	7,825	-
17	261	708
\$(12,313)	\$(11,886)	\$(10,939)
\$1,568	\$2,910	\$3,989
(1,552)	(2,855)	800
1,835	333	450
\$1,851	\$388	\$5,239
10.4%	18.1%	24.7%

GASB	GASB	GASB
FORECAST		
FY 2020	FY 2021	FY 2022
\$74,233	\$50,633	\$49,433
-	-	-
278,936	294,454	305,341
56,903	52,209	27,624
\$410,072	\$397,296	\$382,398
\$8,000	\$8,500	\$6,000
360,000	345,000	330,000
16,206	15,230	15,133
\$384,206	\$368,730	\$351,133
\$25,865	\$28,565	\$31,265
361	360	369
\$12,792	\$12,278	\$11,859
1,766	1,761	1,703
588	547	517
638	1,033	995
-	-	-
\$15,784	\$15,619	\$15,074
1,269	1,275	1,322
\$1,269	\$1,275	\$1,322
(10,923)	(12,344)	(11,752)
-	-	-
-	-	-
650	700	700
\$(10,273)	\$(11,644)	\$(11,052)
\$4,242	\$2,700	\$2,700
4,514	0	0
80	0	0
\$8,836	\$2,700	\$2,700
26.9%	17.3%	17.9%



USF Health Professions Conferencing Corporation (HPCC)

FY 2020 Mid-Year Forecast

MID-YEAR FORECAST

List Significant Forecasted Variances (Favorable and Unfavorable) - Both Income Statement and Cash Flows

- The 'Revenue for Continuing Professional Development' is projected to fall short of the FY20 Financial Plan by \$1.15M due to continuing fluctuations in the number of grants and fee revenue received in partnership with medical education companies (MECs) that use USF Health's accreditations for their programming. Accordingly, 'Direct Program Expense' will be less than the FY20 Financial Plan by \$1M resulting in a net variance of only \$150K.
- Revenue for 'CAMLS - USF Health Programming' is forecasted to be less than the FY20 financial plan by \$111K. The shortfall is attributed to a year over year decrease in Undergraduate Medical Education (UME) contractual services as UME reduced its programming at CAMLS. The space previously used for UME programming can now be optimized for other revenue sources.
- Revenue for 'CAMLS - Industry, Societies, Healthcare' is forecasted to exceed FY20 financial plan by \$111K. Although CAMLS has experienced client turnover, demand is strong and growing and continued diversity of the client base will enable HPCC to meet its overall fiscal targets.
- 'Wages and Benefits' are projected to decrease due to staff turnover and restructuring to consolidate key leadership roles.
- Cash flow is forecasted to decrease \$802K from the use of grants received in FY19 for FY20 programming. Although cash will decrease from this timing issue, 90+ days of cash on hand will be maintained.

Describe Management's Actions to Close Significant Unfavorable Gaps Before FYE

- There are no unfavorable gaps to address at this time.

**USF Health Professions Conferencing Corporation (HPCC)**

FY 2020 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

(In thousands)	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance		FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
			\$	%			
REVENUES							
Continuing Professional Development	\$6,055	\$7,205	\$(1,150)	(16)%	\$6,901	\$3,943	\$2,289
CAMLS - USF Health Programming	2,675	2,786	(111)	(4)%	2,872	3,158	2,222
CAMLS - Industry, Societies, Healthcare	4,452	4,341	111	3 %	4,540	5,381	4,619
Other HPCC Divisions	392	392	0	0 %	575	523	810
In Kind Donations	40	40	0	0 %	68	22	41
Rents, Parking, Rebates, Interest	624	629	(5)	(1)%	732	531	362
Gain on Sale of Fixed Assets	0	0	0	%	0	10	434
Transfer from USF-Plant Operations & Maint.	1,293	1,293	0	0 %	1,293	1,293	1,293
Transfer from USF-Educational wages/supplies	0	0	0	%	0	0	755
Transfer from USF - Forgiveness of debt	0	0	0	%	0	0	943
Transfer from UMSA - Forgiveness of debt	0	0	0	%	0	0	401
Transfer from UMSA - Wages and Benefits	60	60	0	0 %	60	0	0
Transfer from UMSA-Continuing Ed.-Faculty, Students	250	250	0	0 %	1,000	1,033	1,530
Total Revenues	\$15,841	\$16,996	\$(1,155)	(7)%	\$18,041	\$15,893	\$15,699
EXPENSES							
Salaries & Benefits	\$4,153	\$4,278	\$(125)	(3)%	\$3,900	\$3,124	\$3,048
Wages-program driven temporary staffing	300	300	0	0 %	214	254	248
Utilities, Leases, Maint., Supplies, Marketing	2,064	2,094	(30)	(1)%	2,262	2,466	3,274
Direct Program Expense	6,936	7,936	(1,000)	(13)%	8,252	5,744	4,589
Interest	528	528	0	0 %	570	681	726
In Kind Expense	40	40	0	0 %	68	22	41
Depreciation-Purchased & Donated Assets	1,067	1,067	0	0 %	1,440	1,720	1,972
Transfer to UMSA-Pre FY17 program residuals	0	0	0	%	0	0	366
Total Expenses	\$15,088	\$16,243	\$(1,155)	(7)%	\$16,706	\$14,011	\$14,264
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$752	\$752	\$0	0 %	\$1,335	\$1,882	\$1,434
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Total Non-Cash Changes	\$0	\$0	\$0	%	\$0	\$0	\$0
NET OPERATING PROFIT	\$752	\$752	\$0	0 %	\$1,335	\$1,882	\$1,434
Operating Profit Margin	5%	4%		0 %	7%	12%	9%



USF Health Professions Conferencing Corporation (HPCC)

FY 2020 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance		FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$752	\$752	\$0	0 %	\$1,335	\$1,882	\$1,434
Adjustments for Non-Cash Activities:			0	%			
Depreciation	1,067	1,067	0	0 %	1,440	1,720	1,972
(Gain)/Loss on sale of fixed assets	0	0	0	%	0	(10)	(434)
Adjustments for Changes in Operating Assets and Liabilities	(900)	0	(900)	%	386	(552)	(856)
Total Cash From Operating Activities	\$919	\$1,819	\$(900)	(49)%	\$3,161	\$3,040	\$2,116
<u>FINANCING ACTIVITIES</u>							
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0
Proceeds of Long-Term Debt	0	0	0	%	0	0	0
Principal Payments	(1,121)	(1,121)	0	0 %	(1,171)	(1,148)	(1,524)
Interest Payments	0	0	0	%	0	0	0
Total Cash From Financing Activities	\$(1,121)	\$(1,121)	\$0	0 %	\$(1,171)	\$(1,148)	\$(1,524)
<u>INVESTING ACTIVITIES</u>							
Capital Expenditures	\$(600)	\$(600)	\$0	0 %	\$(154)	\$(345)	\$(441)
Net (Purchases) Sales of Investments	0	0	0	%	217	46	385
Interest Income	0	0	0	%	0	0	0
Total Cash From Investing Activities	\$(600)	\$(600)	\$0	0 %	\$63	\$(299)	\$(56)
CHANGE IN CASH	(802)	98	(900)	(919)%	2,053	1,593	536
Cash, Beginning of Year	4,362	3,666	696	19 %	2,309	716	180
Cash, End of Year	\$3,560	\$3,764	\$(204)	(5)%	\$4,362	\$2,309	\$716
Total Cash & Investments - Checking	\$560	\$3,364	\$(2,804)	(83)%	\$3,884	\$1,833	\$316
Total Cash & Investments - Designated Savings	\$3,000	\$400	\$2,600	650 %	\$478	\$476	\$400
Days Cash on Hand	93	91	2	2 %	104	69	21



USF Health Professions Conferencing Corporation (HPCC)

FY 2020 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST		
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<u>ASSETS</u>						
Cash & Investments	\$716	\$2,309	\$4,362	\$3,560	\$3,778	\$3,996
Fixed Assets	19,959	18,548	17,277	16,777	16,277	15,977
Other Assets	1,591	1,963	1,824	1,824	1,824	1,824
Total Assets	\$22,266	\$22,820	\$23,463	\$22,161	\$21,879	\$21,797
<u>LIABILITIES</u>						
Payables	\$2,576	\$2,997	\$1,606	\$1,606	\$1,406	\$1,406
Long-Term Debt	16,121	14,934	13,844	12,723	12,018	11,334
Other Liabilities	2,647	2,086	3,874	2,974	2,974	2,974
Total Liabilities	\$21,344	\$20,017	\$19,324	\$17,303	\$16,398	\$15,714
NET ASSETS	\$922	\$2,803	\$4,139	\$4,858	\$5,481	\$6,083
Days Cash on Hand	21	69	104	93	96	99
<u>REVENUES</u>						
Program revenues	\$13,559	\$15,352	\$17,309	\$15,241	\$15,521	\$15,821
Other Revenues	2,140	541	732	600	600	600
Total Revenues	\$15,699	\$15,893	\$18,041	\$15,841	\$16,121	\$16,421
<u>EXPENSES</u>						
Salaries & Benefits	\$3,296	\$3,378	\$3,909	\$4,453	\$4,492	\$4,508
Program services	10,242	9,952	12,227	10,107	10,309	10,515
Other Expenses	726	681	570	528	517	505
Total Expenses	\$14,264	\$14,011	\$16,706	\$15,088	\$15,318	\$15,528
Operating Profit Before Non-Cash Changes	\$1,434	\$1,882	\$1,335	\$752	\$803	\$893
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$1,434	\$1,882	\$1,335	\$752	\$803	\$893
Operating Profit Margin	9%	12%	7%	5%	5%	5%



Sun Dome Arena
FY 2020 Mid-Year Forecast

MID-YEAR FORECAST

List Significant Forecasted Variances (Favorable and Unfavorable) - Both Income Statement and Cash Flows

(In thousands)

• Saturday Night Brawl (low drop count/low ancillary revenues)	(\$7)
• Old Dominion (increased ancillary revenue)	\$30
• AJR (increased ancillary revenue)	\$18
• USF Commencement (decreased DEP) and Basketball (low attendance)	(\$57)
• Strayer U Commencement (event removed)	(\$15)
• Fiesta Maxima (event removed - preliminary hold)	(\$25)
• Various/Miscellaneous	(\$8)

Describe Management's Actions to Close Significant Unfavorable Gaps Before FYE

• Reducing payroll expenses	\$5
• Operating revenue is trending up	\$24
• Net Operating income is trending up	\$40



Sun Dome Arena

FY 2020 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

REVENUES

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance	
			\$	%
Direct Event Income	\$306	\$559	\$(253)	(45)%
Ancillary Revenue	1,630	1,341	289	22 %
Miscellaneous	129	90	39	44 %
Total Revenues	\$2,065	\$1,989	\$76	4 %

EXPENSES

Salary & Benefits	\$995	\$957	\$38	4 %
General & Administrative	484	466	18	4 %
Marketing & Sales	24	41	(17)	(40)%
Equipment & Supplies	88	91	(3)	(3)%
Utilities	26	31	(5)	(16)%
Insurance	126	126	0	0 %
Incentive Fees/ Profit Share	50	50	0	0 %
Total Expenses	\$1,793	\$1,762	\$31	2 %

OPERATING PROFIT BEFORE NON-CASH CHANGES

	\$273	\$227	\$46	20 %
Unrealized Investment Gains (Losses)	0	0	0	%
Total Non-Cash Changes	\$0	\$0	\$0	%
NET OPERATING PROFIT	\$273	\$227	\$46	20 %

Operating Profit Margin	13%	11%	2 %
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FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
\$398	\$264	\$0
1,582	1,121	0
191	110	0
\$2,171	\$1,494	\$0
\$940	\$817	\$0
456	523	0
24	22	0
65	53	0
38	31	0
125	152	0
150	0	0
\$1,798	\$1,596	\$0
\$373	\$(102)	\$0
0	0	0
\$0	\$0	\$0
\$373	\$(102)	\$0

17%	-7%	#DIV/0!
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Sun Dome Arena

FY 2020 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

OPERATING ACTIVITIES

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance	
			\$	%
Net Operating Profit	\$273	\$227	\$46	20 %
Adjustments for Non-Cash Activities:				
(Increase) Decrease in Accounts Receivable	180	0	180	%
(Increase) Decrease in Prepaids	(1)	0	(1)	%
Increase (Decrease) in Accounts Payable	33	17	16	94 %
Increase (Decrease) in Accrued Liabilities	(25)	(65)	40	62 %
Increase (Decrease) in Deferred Revenue	(685)	3	(688)	(22,933)%
Total Cash From Operating Activities	\$(225)	\$182	\$(407)	(224)%
<u>FINANCING ACTIVITIES</u>				
Capital Expenditures	\$0	\$0	\$0	%
Total Cash From Financing Activities	\$0	\$0	\$0	%
<u>INVESTING ACTIVITIES</u>				
Event Revenue Transfers to USF, net	(413)	(413)	0	0 %
Total Cash From Investing Activities	\$(413)	\$(413)	\$0	0 %
CHANGE IN CASH	(638)	(231)	(407)	(176)%
Cash, Beginning of Year	1,519	575	944	164 %
Cash, End of Year	\$881	\$344	\$537	156 %

Total Cash & Investments	\$881	\$344	\$537	156 %
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Days Cash on Hand	179	71	108	152 %
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FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
\$373	\$(102)	\$0
(63)	122	0
1	2	0
29	25	0
171	554	0
990	(317)	0
\$1,501	\$284	\$0
\$0	\$0	\$0
\$0	\$0	\$0
(686)	(544)	0
\$(686)	\$(544)	\$0
815	(260)	0
704	964	0
\$1,519	\$704	\$0

\$1,519	\$704	\$0
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308	161	#DIV/0!
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Sun Dome Arena
FY 2020 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST		
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<u>ASSETS</u>						
Cash & Investments	\$0	\$704	\$1,520	\$881	\$598	\$829
Accounts Receivable	\$0	\$124	\$361	\$183	124	124
Other Assets	0	0	0	0	0	0
Total Assets	\$0	\$828	\$1,881	\$1,064	\$722	\$953
<u>LIABILITIES</u>						
Payables	\$0	\$248	\$400	\$433	\$296	\$312
Accrued Liabilities	0	647	818	793	815	898
Deferred Revenue	0	143	1,185	500	212	231
Total Liabilities	\$0	\$1,038	\$2,403	\$1,726	\$1,323	\$1,441
NET ASSETS	\$0	\$(210)	\$(522)	\$(662)	\$(601)	\$(488)
Days Cash on Hand	0	161	309	179	109	141
<u>REVENUES</u>						
Direct Event Income	\$0	\$264	\$398	\$306	\$716	\$788
Ancillary Revenue	0	1,121	1,582	1,630	1,630	1,793
Miscellaneous	0	110	191	129	90	90
Total Revenues	\$0	\$1,494	\$2,171	\$2,065	\$2,436	\$2,671
<u>EXPENSES</u>						
Salary & Benefits	\$0	\$817	\$940	\$995	\$1,004	\$1,055
General & Administrative	0	427	456	484	489	514
Marketing & Sales	0	22	24	24	43	45
Equipment & Supplies	0	53	65	88	96	100
Utilities	0	31	38	26	33	34
Insurance	0	152	125	126	132	139
Incentive Fees/ Profit Share ⁽⁴⁾	0	96	150	50	213	255
Total Expenses	\$0	\$1,596	\$1,798	\$1,793	\$2,010	\$2,142
Operating Profit Before Non-Cash Changes	\$0	\$(102)	\$373	\$273	\$426	\$529
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$0	\$(102)	\$373	\$273	\$426	\$529
Operating Profit Margin	0%	-7%	17%	13%	17%	20%



University of South Florida, Alumni Association Inc.

FY 2020 Mid-Year Forecast

MID-YEAR FORECAST

List Significant Forecasted Variances (Favorable and Unfavorable) - Both Income Statement and Cash Flows

- Events like homecoming and USF Alumni Awards Dinner had lower than budgeted sponsorships. In addition, one sponsor reorganized his business and renegotiated his sponsorship to be deferred to start in January.
- Gift revenue is expected to exceed budget due to a favorable circle of excellence campaign during the month of December.
- Salaries expense is forecasted to end the year \$62k favorable to budget due to the Associated Executive Director's position being vacant for half of the fiscal year.
- Due to lower than anticipated costs related to the Ambassador retreat and a decrease in need for sports related event travel, the Association expects to spend less than budgeted for travel.

Describe Management's Actions to Close Significant **Unfavorable Gaps Before FYE**

- Forecasted decrease in total revenues is being managed through expense reduction. The Association is expected to end the year with higher net income than was originally budgeted.



University of South Florida, Alumni Association Inc.

FY 2020 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance		FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
			\$	%			
REVENUES							
Membership	\$577	\$591	\$(14)	(2)%	\$536	\$490	\$547
Budget Support	799	799	0	0 %	718	625	625
Royalties	428	430	(2)	(0)%	484	576	612
License Plate Revenue	399	405	(6)	(1)%	390	383	388
Sponsorships	244	282	(38)	(13)%	229	180	134
Investment Income (Loss)	269	267	2	1 %	260	238	218
Event and other Revenue	233	242	(9)	(4)%	214	194	116
Gifts and Donations	192	174	18	10 %	197	179	198
Total Revenues	\$3,141	\$3,190	\$(49)	(2)%	\$3,028	\$2,865	\$2,838
EXPENSES							
Salaries & Benefits	\$1,854	\$1,916	\$(62)	(3)%	\$1,766	\$1,691	\$1,514
Membership and Membership Services	177	192	(15)	(8)%	214	181	261
Printing & Duplicating	25	16	9	56 %	26	14	37
Event Services	326	334	(8)	(2)%	269	246	237
Professional Services	95	85	10	12 %	99	98	96
Postage	60	60	0	0 %	53	53	59
Travel	47	63	(16)	(25)%	61	57	50
Advertising & Marketing	17	18	(1)	(6)%	31	24	34
Insurance	50	52	(2)	(4)%	54	50	41
Community Relations	27	28	(1)	(4)%	33	42	38
Credit Card Fees	29	29	0	0 %	30	25	23
Other expenses	18	17	1	6 %	33	33	30
Bad debt expense	-	-	0	%	3	16	3
Transfer to USF Scholarships	78	76	2	3 %	95	76	83
Transfers to DSO	0	-	0	%	0	-	-
Total Expenses	\$2,803	\$2,886	\$(83)	(3)%	\$2,767	\$2,606	\$2,506
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$338	\$304	\$34	11 %	\$261	\$259	\$332
Unrealized Investment Gains (Losses)	341	341	0	0 %	15	376	538
Total Non-Cash Changes	\$341	\$341	\$0	0 %	\$15	\$376	\$538
NET OPERATING PROFIT	\$679	\$645	\$34	5 %	\$276	\$635	\$870
Operating Profit Margin	11%	10%		1 %	9%	9%	12%



University of South Florida, Alumni Association Inc.

FY 2020 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance		FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$679	\$645	\$34	5 %	\$261	\$635	\$870
Adjustments for Non-Cash Activities:							
Unrealized gain on investments	(341)	(341)	0	0 %	(15)	(376)	(538)
Adjustments for Changes in							
Operating Assets and Liabilities	100	100	0	0 %	70	(99)	(196)
Total Cash From Operating Activities	\$438	\$404	\$34	8 %	\$316	\$160	\$136
<u>FINANCING ACTIVITIES</u>							
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0
Proceeds of Long-Term Debt	0	0	0	%	0	0	0
Principal Payments	0	0	0	%	0	0	0
Interest Payments	0	0	0	%	0	0	0
Total Cash From Financing Activities	\$0	\$0	\$0	%	\$0	\$0	\$0
<u>INVESTING ACTIVITIES</u>							
Net (Purchases) Sales of Investments	\$(436)	\$(401)	\$(35)	(9)%	\$(315)	\$(155)	\$(148)
Total Cash From Investing Activities	\$(436)	\$(401)	\$(35)	(9)%	\$(315)	\$(155)	\$(148)
CHANGE IN CASH	2	3	(1)	(30)%	1	5	(12)
Cash, Beginning of Year	7	7	0	0 %	6	1	13
Cash, End of Year	\$9	\$10	\$(1)	(9)%	\$7	\$6	\$1
Total Cash & Investments	\$1,476	\$1,475	\$1	0 %	\$1,390	\$1,343	\$1,224
Days Cash on Hand	192	187	6	3 %	183	188	178



University of South Florida, Alumni Association Inc.

FY 2020 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST		
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<u>ASSETS</u>						
Cash & Investments	\$1,224	\$1,343	\$1,390	\$1,475	\$1,519	\$1,565
Restricted Cash & Investments	5,535	5,957	6,388	6,771	7,214	7,658
Other Assets	365	313	293	360	360	360
Total Assets	\$7,124	\$7,613	\$8,071	\$8,606	\$9,093	\$9,583
<u>LIABILITIES</u>						
Payables	\$189	\$99	\$177	\$150	\$150	\$150
Long-Term Debt	0	0	0	0	0	0
Other Liabilities	2,022	2,140	2,183	2,256	2,281	2,306
Total Liabilities	\$2,211	\$2,239	\$2,360	\$2,406	\$2,431	\$2,456
NET ASSETS	\$4,913	\$5,374	\$5,711	\$6,200	\$6,662	\$7,127
Days Cash on Hand	178	188	183	192	187	187
<u>REVENUES</u>						
Membership	\$631	\$533	\$536	\$577	\$609	\$637
Support	625	625	718	799	799	799
Other Revenues	1,582	1,707	1,774	1,765	1,853	1,982
Total Revenues	\$2,838	\$2,865	\$3,028	\$3,141	\$3,261	\$3,418
<u>EXPENSES</u>						
Salaries & Benefits	\$1,514	\$1,691	\$1,766	\$1,854	\$1,973	\$2,033
Event Expenses	237	246	269	326	344	354
Other Expenses	755	669	732	623	655	675
Total Expenses	\$2,506	\$2,606	\$2,767	\$2,803	\$2,972	\$3,062
Operating Profit Before Non-Cash Changes	\$332	\$259	\$261	\$338	\$289	\$356
Total Non-Cash Changes	\$538	\$376	\$15	\$341	\$368	\$398
NET OPERATING PROFIT	\$870	\$635	\$276	\$679	\$657	\$754
Operating Profit Margin	12%	9%	9%	11%	9%	10%



Institute of Applied Engineering

FY 2020 Mid-Year Forecast

MID-YEAR FORECAST

List Significant Forecasted Variances (Favorable and Unfavorable) - Both Income Statement and Cash Flows

- Several factors have led to total forecasted revenue for the Institute of Applied Engineering (IAE) to decrease by \$84K. A brief summary is listed below.
 - IAE was awarded four contracts with SOFWERX worth \$1.24M. In addition, the first two task orders totaling \$335K from IAE's USSOCOM 5-Year task order contract worth up to \$85M are projected for award in February 2020. Since these contracts extend beyond our fiscal year, only \$937K was recognized as revenue thru 06/30/2020.
 - IAE was awarded a Hillsborough County grant worth up to \$5.2M. Fiscal Year 2020 budget of \$1.2M contributes to IAE's operating expenses (start-up equipment and salaries), which positions IAE to pursue additional contracts.
 - IAE University Support for first two years of operation totals \$1.1M (Original commitment: Year 1, \$491K and Year 2, \$602K). This funding continues to be essential to support IAE's operating expenses during its early growth, including salary support previously provided by the College of Engineering.
 - IAE has an agreement with USFRI to be eligible for the Florida High Tech Corridor funds. \$150K has been awarded from IAE contracts with two pending awards worth \$200K. However, the funds stay within USF control so the \$150K revenue is removed.
- Banking, Insurance, Audit and Tax increased due to consultant support required to meet Defense Contract Audit Agency (DCAA) requirements to develop Disclosure Statement and obtain accounting system approval on USSOCOM task order contract.
- Non-cash changes of \$81K is from the Institute donating equipment to USF.
- Due to the College of Engineering ending its salary support of key personnel and increased consulting costs, cash flow from operating activities is expected to be in the negative of (\$86K). University support is essential to IAE's operating activities until the Institute can generate sufficient revenues to cover its own operations.

Describe Management's Actions to Close Significant Unfavorable Gaps Before FYE

- IAE has no major unfavorable gaps that are not part of the normal operating activities of a new organization.

FY 2020 Mid-Year Forecast

(In thousands)

FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
\$0	\$0	\$0
187	0	0
385	0	0
0	0	0
1	0	0
\$573	\$0	\$0
\$61	\$0	\$0
385	0	0
0	0	0
26	0	0
4	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
\$476	\$0	\$0
\$97	\$0	\$0
0	0	0
\$0	\$0	\$0
\$97	\$0	\$0

17%	0%	0%
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Institute of Applied Engineering

FY 2020 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2020 MID-YEAR FORECAST	FY 2020 FINANCIAL PLAN	Variance		FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS	FY 2017 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Operating Assets & Liabilities	\$0	\$47	\$(47)	(100)%	\$0	\$0	\$0
Cash receipt from customers	2,205	0	2,205	%	0	0	0
Salaries & Benefits	(1,064)	0	(1,064)	%	0	0	0
Payment for Direct Program Costs	(672)	0	(672)	%	0	0	0
Payment to suppliers	(555)	0	(555)	%	(8)	0	0
Total Cash From Operating Activities	\$(86)	\$47	\$(133)	(283)%	\$(8)	\$0	\$0
<u>FINANCING ACTIVITIES</u>							
Transfer from USF Support	\$702	\$0	\$702	%	\$100	\$0	\$0
Transfer to USF-IDR	(27)	0	(27)	%	0	0	0
Gift In-Kind Contributions	1	0	1	%	1	0	0
Total Cash From Financing Activities	\$676	\$0	\$676	%	\$101	\$0	\$0
<u>INVESTING ACTIVITIES</u>							
Capital Expenditures	\$(408)	\$(119)	\$(289)	(243)%	\$(81)	\$0	\$0
Proceeds of Long-Term Debt	0	0	0	%	0	0	0
Principal Payments	0	0	0	%	0	0	0
Interest Payments	0	0	0	%	0	0	0
Total Cash From Investing Activities	\$(408)	\$(119)	\$(289)	(243)%	\$(81)	\$0	\$0
CHANGE IN CASH	182	(72)	254	353 %	12	0	0
Cash, Beginning of Year	12	223	(211)	(95)%	0	0	0
Cash, End of Year	\$194	\$151	\$43	28 %	\$12	\$0	\$0
Total Cash & Investments	\$194	\$151	\$43	28 %	\$12	\$0	\$0
Days Cash on Hand	25	17	8	44 %	9	0	0



Institute of Applied Engineering

FY 2020 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST		
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<u>ASSETS</u>						
Cash & Investments	\$0	\$0	\$12	\$194	\$594	\$1,745
Fixed Assets	0	0	81	0	0	0
Other Assets	0	0	4	8	8	8
Total Assets	\$0	\$0	\$97	\$202	\$602	\$1,753
<u>LIABILITIES</u>						
Payables	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
NET ASSETS	\$0	\$0	\$97	\$202	\$602	\$1,753
Days Cash on Hand	0	0	9	25	21	35
<u>REVENUES</u>						
Contracts & Grants Revenue	\$0	\$0	\$0	\$2,127	\$9,973	\$18,613
University Support	0	0	187	907	602	602
College of Engineering Support	0	0	385	23	24	25
Donation and Other Revenue	0	0	1	13	61	0
Total Revenues	\$0	\$0	\$573	\$3,070	\$10,660	\$19,240
<u>EXPENSES</u>						
Salaries & Benefits	\$0	\$0	\$61	\$707	\$877	\$946
College of Engineering Salary Support	0	0	385	23	24	25
Gift In-Kind Expenses	0	0	0	12	60	0
Materials, Supplies, Software & Equip., Travel	0	0	26	30	0	0
Banking, Insurance, Audit, Tax Services	0	0	4	157	161	166
Hills. County Salaries & Benefits	0	0	0	397	637	871
Hills. County Materials & Equip.	0	0	0	617	989	1,354
Hills. County Facilities, Telecomm., & Security	0	0	0	177	283	388
Direct Program Costs	0	0	0	672	6,451	12,800
Transfer to USF-Indirect Return to University	0	0	0	27	776	1,540
Total Expenses	\$0	\$0	\$476	\$2,819	\$10,258	\$18,090
Operating Profit Before Non-Cash Changes	\$0	\$0	\$97	\$251	\$402	\$1,150
Total Non-Cash Changes	0	0	0	(81)	0	0
NET OPERATING PROFIT	\$0	\$0	\$97	\$170	\$402	\$1,150
Operating Profit Margin	0%	0%	17%	8%	4%	6%