



Board of Trustees Finance Committee

Monday, February 24, 2025

TBD

Microsoft Teams Virtual Meeting

Trustees: Michael Griffin, Chair; Sandra Callahan, Michael Carrere, N. Rogan Donnelly, Shilen Patel, Fredrick Piccolo, Melissa Seixas, Will Weatherford

A G E N D A

- I. Call to Order and Comments Chair Michael Griffin
- II. Public Comments Subject to USF Procedure Chair Griffin
- III. New Business – Action Items
 - a. [Approval of November 19, 2024 Meeting Notes](#) Chair Griffin
 - b. [Expenditure Authorization Requests](#) Vice President/CFO Jennifer Condon
 - c. [Approve Sublease](#) Vice President/CFO Jennifer Condon
- IV. New Business – Information Items
 - a. [USF Student Housing Update](#) Associate Vice President Ana Hernandez
 - b. [DSO Mid-Year Forecasts](#) University Treasurer Dawn Rodriguez
 - c. [Refinancing Opportunities: Series 2012A Housing and Series 2015 Marshall Center Bonds](#) University Treasurer Dawn Rodriguez
 - d. [Major Finance Projects Update](#) Vice President/CFO Jennifer Condon
- V. Adjournment Chair Griffin



**USF Board of Trustees
Finance Committee
NOTES
November 19, 2024
Microsoft Teams Virtual Meeting**

I. Call to Order and Comments

The meeting of the Finance Committee was called to order by Chair Michael Griffin at 9:06am. Chair Griffin asked Brittany Dix to call roll. Ms. Dix called roll with the following committee members present: Michael Griffin, Sandra Callahan, Rogan Donnelly, Fredrick Piccolo, and Will Weatherford. A quorum was established. Shilen Patel joined the meeting after roll call.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

a. Approval of August 20, 2024 Meeting Notes

Upon request and receiving no changes to the draft meeting notes, Chair Griffin requested a motion for approval, it was seconded and the August 20th meeting notes were unanimously approved as submitted by all committee members present.

b. 2024-25 USF Parking System Budget

Dawn Rodriguez, Acting University Treasurer, presented the 2025-26 USF Parking System Operating Budget and requested approval at this time to meet a February filing requirement by the Board of Governors (BOG). This is the University's annual approval of the Parking System Operating Budget for FY26. The Parking System supports the Series 2016A parking system bonds. The bonds were issued by the Florida Division of Bond Finance, who requires the approval and submission of a detailed operating budget to the BOG at least ninety (90) days before the beginning of the fiscal year which means a filing deadline in February of the coming year. The parking bonds are the only bonds issued by the Division of Bond Finance subject to this requirement.

Ms. Rodriguez briefly provided the FY24 actual results. Operationally, the department generated over \$1M. However, there was a \$10M decrease in total operating cash. This was expected because the parking system made two critical commitments driving the decrease: 1) \$3M to fund the installation of garage fall protection equipment across the university; and 2) an \$8M contribution to the USF Stadium project. For the FY5 estimate and FY26 budget, there were modest increases operating revenue. Ms. Rodriguez noted that parking rates and the student transportation access fees have not increased in over a decade, so these modest increases are solely related to the post COVID recovery in the number of parking permits sold. Operating expenses continue to increase with rising inflation. We

also anticipate that the university will continue to provide merit increases for its staff, which is incorporated here. The reduction in debt service from FY24 down to \$1.3M in FY25 and FY26 reflects the amortization of the Series 2016 bonds, which mature on July 1, 2026. Operations are expected to generate \$1.8M in FY25 and \$1.4M in FY26. However, total cash is expected to decrease in both FY25 and FY26 to continue funding major capital improvements or purchases that were deferred during and post COVID. In FY25, the largest projects are the parking lot resurfacing at \$1.2M and various preventative structural renovations totaling \$500K. In FY26, Parking plans to purchase 2 new diesel buses to add to its aging fleet. Notwithstanding these significant capital contributions and investments, the total fund balance will remain strong at \$17M, with over \$5M in unrestricted operating cash, which provides a strong liquidity that supports our AA credit ratings on these bonds.

A motion was made to approve the 2025-26 Operating Budget for USF Parking Facilities Revenue Bonds, Series 2016A. The motion was seconded and approved by all committee members present.

c. Expenditure Authorization

Jennifer Condon, Vice President and CFO, presented the expenditure authorization request for the facilities service agreement with Southeast Service Corporation (SSC). USF intends to enter into a 15-year agreement with SSC to provide custodial, grounds, plant maintenance and small project management services. The University's partnership with Compass Group, which includes our agreement with SSC, is projected to be worth nearly \$320M in cost savings and additional revenue for USF over the next 15 years. It will also result in efficiencies and advancements for our university that otherwise would not have been possible. It also supports the goal our university strategic plan of having a strong, sustainable and adaptable financial base. This \$30M expenditure authorization covers the first three operational services from December 1, 2024 to June 30, 2025, on all of our campuses and incorporates academic and auxiliary facilities. Small capital projects will continue to be approved on an individual basis using established expenditure authority delegation as applicable. While we are requesting authority to enter into this agreement, please note that this isn't a new expense. This is a shifting of an expense from compensation costs to purchased services. The expense was budgeted and will be funded by a combination of allowable sources. We intend to return to the Finance Committee in May to request operational expense authority for FY26 and provide a general update on the identified and realized benefits of our agreement with SSC.

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

IV. New Business – Information Items

a. Annual DSO Investment Reports

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

Ms. Rodriguez presented the Annual DSO Investment Reports. This is an informational item that we present annually at the request of the BOT Finance Committee for the three DSOs with significant investment portfolio balances (USF Foundation, UMSA, and USF Research Foundation). The University's investment report was provided at the August

BOT Finance Committee meeting. Ms. Rodriguez noted that all DSOs have adopted, and are in compliance with, the USF Investment Policy and the DSOs are governed by independent boards of directors and their investments are governed by their own DSO investment committees. Ms. Rodriguez provided the following FY24 highlights of the three DSO investment reports:

- USF Foundation (USFF)
 - Total assets under management approximate \$900M as of June 30, 2024. That includes \$743M in their endowment pool and \$156M in their operating pool.
 - The endowment generated a strong 14% return for the year ended June 30. At 14%, USFF endowment generated the strongest return in the SUS for FY 2024. The second highest return was 12.9% and the lowest was 7.2%. Over the trailing 10 years, the endowment has generated a strong 8.3% return, which exceeds its 10-year expected return of 7.85%. The endowment continues to perform remarkably well, maintaining its top quartile ranking amongst its peers and its investment consultants universe over most time horizons, and particularly over the long term.
 - The operating pool also had a strong year returning 7.8% and the pool did outperform its benchmark over the trailing 10 year periods as well as since inception.
- University Medical Services Association, Inc. (UMSA)
 - Total portfolio was approximately \$38M at June 30 with \$26M in its short term pool split approximately evenly between cash and cash equivalents and its fixed income pool and \$12M in its long term pool, solely in domestic equities.
 - Strong one year return of 14.5% and since inception the portfolio has generated over a 5% return. Considering that this portfolio is heavily tilted toward cash and cash equivalents and fixed income, that is a strong return.
- USF Research Foundation, Inc.
 - Research investment portfolio was approximately \$41M at June 30 with \$37M in the long term pool that is solely invested in the endowment. This \$37M was included in the \$743M in the endowment pool. \$1.4M is in held in their intermediate pool and \$2M is held in their short-term pool.
 - Strong one year return of 13.5% and since inception, this portfolio has returned approximately 9%. With a large allocation to the endowment pool, they get the benefits of the Foundation's strong performance.
 - Outside of the \$41M, they have another \$15M in unrestricted cash for operations and this unrestricted cash provides for very strong liquidity of 377 days cash on hand.

Chair Griffin stated that this is very good news thanks to our great investment policies. This shows how well we stack up with our peers and others around the state.

b. Draft 2024 Financial Statements

Ms. Condon provided highlights of the draft FY24 financial statements and explanations for all variances above certain thresholds. Supporting materials include two three-year trend analyses: 1) the university's statement of net position; and 2) the statement of revenue, expenses and changes in net position. For this presentation, these statements will be referred to as the balance sheet and the income statement, respectively. These financial

statements give insight into the University's strong operating results. We have adjusted results for the effects of accounting for employee post-retirement liabilities. The figures are presented this way because these liabilities are born primarily by the state, not the agencies therein. This approach is consistent with the way Standard & Poors, Moody's and, more recently, SACS is looking at these figures.

On the income statement, for FY 24, and for the second year in a row, we start with a Net Operating Surplus of more than \$30M. Then we add back almost \$50M of annual expense booked for pension and other post-employment benefits to see a clearer picture of the university's operating results and surplus. On the balance sheet, we start with a deficit in our unrestricted net position of almost \$330M for FY24. Here, we add back almost \$900M of accumulated liabilities and related net deferrals for pension and other post-employment benefits, yielding an unrestricted net position of nearly \$570M. Regarding these figures and related adjustments, it is imperative to know this is happening to all state universities across the country, and at this point, these liabilities are the responsibility of the states, not the universities, which is why the rating and accrediting agencies are adjusting for them.

Trustee Callahan asked if we make contributions to the state on an annual basis toward the pension benefits. Ms. Condon responded yes, we make payments for pension benefits based on the number of employees that are included in our payroll, not the number of employees included in the pension plan. Ms. Condon further explained that the reason these are not really our liabilities is because the state of Florida's pension at last count, which was a year ago, right before this year's incredible investment returns, was funded in the mid 80s. From a percentage standpoint, it's one of the strongest pensions in the country. Trustee Callahan then asked how the expenditure of funds for the pension contributions is accounted for in the financials. Ms. Condon explained that it accounted for as an expense in compensation and employee benefits.

Ms. Condon explained how we achieved such strong operating results. In FY24, USF benefited from an \$86M increase in state appropriations. We also increased Contract and Grant activity by more than \$100M. This additional operating revenue was used to expand our operations, which offset increases in the major expense categories of compensation and benefits and services and supplies of \$147M and \$78M, respectively. Ms. Condon reviewed current and prior year information on the makeup of compensation and employee benefits. In FY24, non-cash adjustments summed to more than \$56M, including post-retirement benefits. In FY23, these adjustments offset each other, resulting in an impact of less than \$1M. The remainder of the increase in salaries and corresponding benefits resulted from workforce expansion, including more than 60 net new faculty hires, new advising positions in several colleges, and insourcing of international recruiting, among other things, as well as merit-based salary increase programs.

Ms. Condon then reviewed the university's overall liquidity. In FY24, USF investment income was a little more than \$72M. This was split almost evenly between investment income and unrealized gains and losses. These impressive returns contributed to our overall cash and investment balances, cresting \$1B. While most of this balance is subject to operational restrictions, it affords us a very strong 194 days cash on hand for liquidity purposes.

Ms. Condon next explained the remaining specific variances from the management discussion and analysis section of our financial statements. The threshold for review is variances from FY23 to FY24 that exceed \$10M and 10% or changes of \$20M, regardless of percentage. This year, most of our reportable variances fall into a few general themes.

Post-employment benefits, major operating sources and uses and investment results have already been discussed. Capital assets activity is the next theme. Starting with the balance sheet, we saw material increases in three asset categories and resulting shifts in equity categories. The \$38M increase in depreciable capital assets is due to the capitalization of the Judy Genshaft Honors College. The \$44M increase in non-depreciable capital assets is primarily construction in progress related to the Sarasota-Manatee campus student center and housing facility, the Taneja College of Pharmacy buildout in the USF Health downtown facility and the three energy savings projects in progress on the Tampa campus. The \$13M increase in other non-current assets resulted from an unusually high dollar value of assets received but not yet placed in service at year-end coupled with a GASB-required change in accounting for IT subscriptions. These variances resulted in offsetting shifts in categories within our net position. On the income statement, two variances met our reporting thresholds. First, the FY24 Spectrum sale yielded a \$31M variance on disposal of assets and, second, there was an \$84M decrease in capital appropriations caused by the unusual and significant appropriations received in FY23 for deferred maintenance and the Tampa College of Nursing expansion. The final two buckets of variance that require disclosure relate to timing and accounting changes. In the area of student accounting, our net student tuition and fees decreased \$22M. This was primarily due to an increase in scholarship allowance that was reclassified from scholarship expense due to the source of aid used. If we combine these changes, the variance falls below our reporting threshold. The other two student-related variances, a \$26M increase in net receivable and \$19M increase in deposits payable, are also offsetting and relate to accounting for international student health insurance. Our final category of variances results from year-end activity with two of our direct support organizations, the Research Foundation and UMSA. For Research Foundation, significant construction was in progress, including the relocation of the recreation fields. Unspent funds were accounted for using Non-Capital Grants and Donations and Due from Component Units. For UMSA, USF was owed funds for pass-through payments payable to the Agency for Health Care Administration for participation in the upper payment limit Medicaid gap funding program. This resulted in offsetting increases in Due from Component Units and Accounts Payable. All this DSO accounting increased the portion of our net position that is restricted for other expendable purposes.

Trustee Weatherford stated that Ms. Condon is doing a great job and that the University is in the best financial position it's been in since he's been on this board. A lot of people get credit for that, certainly the President and many others. He appreciates the stewardship and the focus. We are very positioned to grow, to excel, to thrive and our financial house is in order.

c. DSO Financial Updates

This is an informational item that is now presented on a quarterly basis at the request of the BOT Finance Committee to provide updates on any DSOs that are expecting operating losses, that have liquidity concerns, or if there are any other significant matter matters to report on. Ms. Rodriguez presented the updates provided by the three DSOs – UMSA, HPCC, and Research Foundation.

1. UMSA

UMSA concluded FY24 with an \$11.1M net operating loss and 34 days cash on hand. This is near where they expected at the most recent update. There were two primary contributors. As previously disclosed, academic practice plans continue to be challenged with declining reimbursements and increasing labor and inflationary

costs. Like most medical schools across the country in response to these challenges, UMSA is expanding its partnership with its primary hospital partner, TGH. UMSA received a clean, unmodified audit opinion with no findings or audit adjustments. The mid-year forecast will be provided at the February meeting, so we'll look forward to some updates at that time. At this time, there are no changes to their FY25 financial plan and they anticipate breaking even with 28 days cash on hand. The reason for the anticipated breakeven operations is due to the partnership with TGH where UMSA will essentially be shifting its risk and operating losses to TGH. The agreement with TGH has been signed and this is going to continue to expand that very positive momentum and partnership that we have with TGH. This is great news.

For FY25, TGH's estimated incremental investment is \$32.5M and includes the following:

- \$2.7M for the GME program
- \$14M to support clinical faculty
- \$15.8M for overall mission support

USF Health has begun implementing the new MCOM faculty compensation plan for its clinical faculty. This will align with the funds flow from TGH and it will compensate based on benchmarks for all missions and assignments. Implementation has begun. Half of the eligible faculty were implemented in October, and the remaining are expected to be implemented this month, and so far it's going very well.

2. HPCC

HPCC ended the year with a \$104K net operating profit and 20 days cash on hand. HPCC also received a clean, unmodified audit opinion with no findings or audit adjustments. At this time, there are no changes to their FY25 financial plan. They are expecting a \$707K net operating profit with 13 days cash on hand. The recent hurricanes impacted their operations and profit; however, HPCC is confident that they will recover much of that lost revenue throughout the rest of the year.

Update to their key actions in FY 2025:

- College of Medicine will support HPCC's most significant expense, its debt service on the building of \$1.5M, with the remaining \$1.2M of COVID relief funds that they hadn't used in prior years.
- HPCC will continue to maximize utilization of the facility (CAMLs) from both the USF and non-USF clients.
- HPCC continues to expand its research capabilities with \$900K in grants from NIH and DOD and a newly established lease agreement with the Florida Center for Emergency Medical Services.
- HPCC continues to look for additional ways to drive revenues.

3. Research Foundation

Research Foundation ended FY24 with a \$4.2M net operating loss as expected, however their non-operating income was higher than expected at \$4.1M, so the overall loss was less than \$100K for the year. As we've reported before, we are not

concerned about Research Foundation from a business sustainability perspective, with a solid business model and very strong liquidity with 377 days cash on hand. The issue is the delayed lease up of the new building. All of their other buildings are fully leased up and continue to generate positive results for the Research Foundation, which is helping to fund operations on the new building. At this time, there are no changes to their FY25 financial plan. They are expecting a \$3.6M net operating loss, but still strong liquidity with over 200 days cash on hand. Ms. Rodriguez noted that similar to the other DSOs, and just for information, all of our DSOs actually came in with unmodified opinions this year and no findings. This is great news.

Update on the status of the lease up of the new building:

- Full occupancy is still anticipated in FY26. The building will contribute to positive cash flow beginning in FY27.
- The two leases on the third floor commenced this month and the remaining 9,000 square feet continues to draw interest from a federal entity and industry companies.
- The entire 2nd floor is expected to be leased in FY 2026. They have received and are entertaining, a very serious proposal.
- All of the soft landing labs on the 1st floor are fully leased out with a waiting list.
- Funding opportunities for build-out of additional labs on the 1st floor are being explored.

Trustee Simmons stated that this is an important piece of USF's very exciting and ambitious plan to grow our research enterprise in a really bold way. He is happy to see that we are leasing out 25,000 feet of lab space. As with any institution trying to dramatically grow its research enterprise, usually the biggest hurdle is lab space because there's a lag time on building it out. This new building has 45,000 square feet of readily convertible lab space which is very hard to get anywhere else on campus, and is one of our highest needs. He asked if there is any way for the University to lease this space. Ms. Condon responded that because this building was financed with taxable bonds, lease payments are required to secure the pledge. There are limitations on what funding we can use to lease this space. We would need to look at some alternative sources of funding that would be legal and appropriate for this purpose, possibly F&A dollars. Ms. Condon indicated that she did start the conversation with Provost Mohapatra to explore this issue. Allison Madden, Research Foundation CFO, explained that one of the opportunities that the Research Foundation is looking at will potentially create additional lab space in one of their existing buildings that also has lab space already built in. While a renovation would likely be needed, they are looking at converting some privately held lab space that could potentially benefit the university as well. We will keep that in mind as we continue to look at opportunities for expansion in the research park.

d. Deferred Maintenance Update

Vice President Carole Post presented. This is an information item concerning the allocation of \$72.8M appropriated to USF by the state in 2022 specifically to address critical deferred maintenance and capital renewal needs. This will be a brief update on our current progress and look ahead at addressing longer term infrastructure and capital needs.

An outline of the plan was provided to the full Board in June 2022, followed by updates to the Finance Committee in August 2022 and Feb 2023. We now approach a significant milestone regarding use of the funds.

As a recap about the program which awarded all state universities an allocation of funds tied to previously reported deferred maintenance priorities, USF's priorities were developed across all branches and USF Health. The allocation we received was sufficient to fund the first 87 initiatives on our priority list. Factors that were considered in setting those priorities included likelihood of a system failure based on age or current condition or the impact of a particular system failing. These 87 projects are all essential infrastructure – systems that make our university work every day, like HVAC, electrical, plumbing, roofing, and also ADA related initiatives. The breakdown by project category or discipline, as well as by campus recipient, noting that many of the Tampa projects are deemed university wide improvements, was provided.

A significant milestone for this program is to have all funds encumbered by 12/31/24. We will meet that deadline. This is good news. To achieve that, we worked with the BOG and adapted the budgets of nearly every project to align the budget with the actual cost as bids came in and work was initiated. Some projects were coming in over budget, others were under budget. Initially we were not able to adjust budgets, but the requirements were changed to provide greater flexibility to move funds around to achieve the intended goal. Notwithstanding fairly prescriptive requirements, we will successfully encumber 100% of \$72.8M in a little less than 2 years. There are many people to credit for this success, but especially Hari Patel and Scot Berrian of the OAS team.

The next deadline is to complete the projects and spend the funds by the end of 2026. The majority of projects are in construction, some are already completed, and just a few, the more complicated efforts are in design. We are right where we want to be and confident we will meet the next deadline. And while the tracking and reporting is important, it's more important to emphasize how transformational this investment will be when we have these projects completed and the improvements to many of our aging buildings.

Looking ahead, while we have 2 years left to continue this specific effort, we are not waiting for 2026 to continue tackling deferred maintenance. Ms. Post reviewed three slides providing a quick snapshot of what we are looking at to continue these efforts. First is a high-level summary of the age of our physical assets. This is a snapshot of Tampa and we have this data for St. Petersburg and Sarasota-Manatee as well. Sarasota-Manatee is relatively new and St. Petersburg is a mixed range of building age and conditions, like Tampa. This shows the average age of the buildings on the Tampa campus and the same assessment by gross square footage. The data at this level is reasonable, reflecting half the asset stock less than 25 years old, and a quarter each in the middle age range (25-50 years) and older stock (more than 50 years old). The next slide has the same measures, but now looking at just the 'conventional' academic and research facilities, so excluding housing, athletics, and CITF funded buildings. This changes the output to reflect that these buildings trend older than the overall stock. The measure by square footage is similar, reflecting nearly 40% now in the middle age category. A few other key factors to note is that our newer building stock is generally larger in size than our older stock, which is a good thing – we now typically build larger to account for growth including projects that specifically include future build or shell space, which is more economical. What it also shows is our need to address our smaller, older, and continuously aging academic and research buildings. This is just a snapshot at how we've developed greater metrics and data to guide our strategic decisions about capital investments. As previously discussed, it's

critical for us to align our investments into capital that drives our academic and research priorities. The other challenge is tackling the systems within the buildings, it's not just the age of the building but how essential systems are accounted for. The third slide is another high-level summary that gives a sense of how we are approaching essential systems within each building. This is an overview of the buildings largely used by the College of Arts & Sciences which is our largest college by both student population and physical footprint. We've analyzed the essential systems for roof and HVAC, and then provided a grade for other supporting systems noted. This becomes another tool to better inform investments. For example, for many buildings, the roof and the HVAC are generally the same age, but several, like the first line show an extreme disparity. For the BEH building, serving the Dept of Psychiatry and Behavioral Sciences, we invested in a new roof a few years ago, but the HVAC dates to the building's origin so it is a likely candidate for the next HVAC investment.

With a goal to ensure alignment of capital investments with strategic priorities, we are moving forward with a number of efforts that run parallel to the continuing deferred maintenance effort. We've already started to re-imagine the Fixed Capital Outlay and the Capital improvement plan processes to better align with our evolving needs and priorities, specifically focusing on the university's needs to support our ambitious research goals. We will continue to re-purpose existing facilities, examples you've seen come through on prior FCO plans to focus investments on research, student success, and public facing functions. These are important successes, but they are incremental and we need a larger strategy to drive our capital planning.

And rolled into this is planning for how to address beyond project the current project. What comes next after we exhaust the \$72.8M, we have dozens of projects stacked up in line. One very positive approach is tied to the new partnership with Compass that we recently announced. Being able to validate our building conditions and assessments, to strengthen our buying power across critical systems and equipment, and accelerate how we unify our approach to facility maintenance across the university, will help push our strategic vision.

Chair Weatherford stated that he appreciates the data-driven approach. Much work has been done over the last two years and we still have a lot to go. He hopes that in this legislative session, given that they've deployed a lot of money into deferred maintenance, they will see the value the state is getting out of the resources they put forth and we can have another year where the state invests more into deferred maintenance. We would be great beneficiaries of that, so that will be part of our strategy in session to try and get the state to make another investment here so we can keep this going. We have a lot of old buildings and there is a lot of different maintenance. Now that we have a better data-driven approach, it is easier to see where those resources should go.

V. Adjournment

Having no further business, Chair Griffin adjourned the Finance Committee meeting at 9:58am.

Agenda Item: IIIb

**USF Board of Trustees
Finance Committee
February 27, 2025**

Issue: Expenditure Authorization Requests

Proposed action:

Approval of the following expenditures over \$5,000,000:

- | | |
|---|-------------|
| ○ ISA 7th Floor Expansion of Biomedical Engineering Labs | \$6,930,000 |
| ○ MCOM Laboratory Expansion/3 rd Floor RSB/3814 Spectrum | \$7,250,000 |
| ○ Tennis Complex Relocation | \$6,520,000 |
-

Executive Summary: The USF Policy for Delegations of General Authority and Signatory Authority requires the approval of the Finance Committee Chair for the procurement of goods and services above \$3 million and the approval of the Finance Committee for the procurement of goods and services above \$5 million. Approval is being requested for the items above.

Financial Impact: Authorization is being requested for \$20,700,000 in transactions.

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

BOT Committee Review Date:

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

Prepared by:

Jennifer Condon, Vice President and CFO
(813) 974-3297

USF Approval of Expenditures Exceeding One Million Dollars

- | | |
|--|--|
| <input type="checkbox"/> \$1M to less than \$3M | CFO approval |
| <input type="checkbox"/> \$3M to less than \$5M | BOTFC Chair approval and President signature |
| <input checked="" type="checkbox"/> \$5M and greater | BOTFC approval |

Project/Initiative Name: ISA 7th Floor Expansion of Biomedical Engineering Labs

Total Project/Initiative Cost: \$6,930,000

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

The University is seeking expenditure authorization to convert the majority of the ISA building's 7th floor into a state-of-the-art, multidisciplinary research facility.

This project is designed to significantly enhance USF's research capabilities in Biomedical Engineering (BME), with a total project cost estimate of \$6,930,000. The renovated space will span 12,300 square feet, six large laboratories, one small laboratory, shared office space for six researchers, nine individual offices, a Student Engagement Area, a Maker Space, a 3D Printing Room, and an upgraded conference/breakroom.

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

This project aligns with USF's Strategic Plan by strengthening its alignment with AAU standards, and expanding research at USF. It directly supports Strategic Goals 1 and 4.

The targeted completion and move-in time line is late 2025/ Early 2026.

Funding Source(s): *(Please list type of fund and amount)*

Funding Source <i>(select from drop down)</i>	If C&G, specify grant or F&A/RIA If DSO, specify which one If Other, please specify	Amount <i>(for each funding source)</i>
E&G Carry Forward		See Below
DSO (specify which one)	USF Foundation - Philanthropy	See Below

Project to be funded by a combination of both sources - exact amount for each source not yet known; total amount not to exceed \$6,930,000. This is an allowable expenditure on both sources.

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

budgeted non-budgeted

Was this expenditure planned in your starting budget for the fiscal year?

Yes No

What impact, if any, does this expenditure have on:

1) prior Expenditure Authorizations?

NA

2) Carryforward Plan that was approved for this fiscal year?

Yes

3) Fixed Capital Outlay Plan that was approved for this fiscal year?

Yes

a) Does the proposed new or renovated space require an update to the USF Educational Plant Survey (EPS)? Yes No

If yes, what is the plan/timeline for updating the EPS?

Prior Approval Process:

FCO & Carry Forward Plan

List Related Projects/Initiatives: (if any)

USF or Campus specific: USF Tampa

Prepared by: Mark Bralick

Date Requested: 1/22/25

USF Policy 0-100 and delegation of Presidential Authority requires approval of this expenditure by the USF Board of Trustees Finance Committee, USF Board of Trustees Finance Committee Chair, or the USF Chief Financial Officer based on Total Project/Initiative Cost.

APPROVALS:

\$1M to less than \$3M

Jennifer Condon, CFO
University of South Florida

Date

\$3M to less than \$5M

Rhea F. Law, President
University of South Florida

Date

Michael Griffin, Chair
USF Board of Trustees Finance Committee

Date

\$5M and greater via BOTFC meeting minutes

USF Approval of Expenditures Exceeding One Million Dollars

-
- | | | |
|-------------------------------------|------------------------|--|
| <input type="checkbox"/> | \$1M to less than \$3M | CFO approval |
| <input type="checkbox"/> | \$3M to less than \$5M | BOTFC Chair approval and President signature |
| <input checked="" type="checkbox"/> | \$5M and greater | BOTFC approval |
-

Project/Initiative Name: MCOM Virology & Infectious Disease Expansion in USF Research Park, 3814 Spectrum, 3rd Floor

Total Project/Initiative Cost: Approval for Build Out Not to Exceed \$7.25M

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

Seeking approval for up to \$7.25M for design, engineering, construction and furnishing to build out approximately 7,637 usable square feet of laboratory and office space to support recruitment of virology and infectious disease research teams in RSB/3814 Spectrum for Morsani College of Medicine.

Summary of Request

The 7,637 usable square foot build-out within the Research Park 3814 Spectrum building will expand on the recently completed Virology & Infectious Disease Research Facility. The project, in its conceptual design, envisions 90 open lab benches for a total of 450 linear feet, 13 standardized procedure/tissue culture rooms, and 6 offices with 10 workstations and a phone room. Conceptual pricing includes design, engineering, construction, fixed equipment, IT infrastructure and furnishings.

Conclusion

Seeking approval of the project to proceed with an aggressive schedule for design and construction. Sublease authority will be sought in accordance with the USF Board of Trustees Real Property Policy 09-001.

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

Strategic Goal 1: Student Success at USF and beyond.

This facility will promote student success with laboratory experience in state-of-the-art facilities under the direction of highly funded faculty research teams.

Strategic Goal 2: Faculty excellence in research and innovation.

This facility will contribute to the recruitment of highly funded faculty research teams. The facility will further expand the funding capacity of the faculty.

Funding Source(s): *(Please list type of fund and amount)*

Funding Source <i>(select from drop down)</i>	If C&G, specify grant or F&A/RIA If DSO, specify which one If Other, please specify	Amount <i>(for each funding source)</i>
DSO (specify which one)	Research Foundation	\$902,000
C&G (specify grant or F&A/RIA)	MCOM RIA	\$6,348,000
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		

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

budgeted non-budgeted

Was this expenditure planned in your starting budget for the fiscal year?

Yes No

What impact, if any, does this expenditure have on:

1) prior Expenditure Authorizations?

This is a new request for research space, but it will expand the Virology facility that was approved in 2023 and completed in 2024.

2) Carryforward Plan that was approved for this fiscal year?

N/A

3) Fixed Capital Outlay Plan that was approved for this fiscal year?

Lease up and build-out of this building was anticipated in the Fixed Capital Outlay Plan.

a) **Does the proposed new or renovated space require an update to the USF Educational Plant Survey (EPS)?** Yes No

If yes, what is the plan/timeline for updating the EPS?

Prior Approval Process:

N/A

List Related Projects/Initiatives: (if any)

N/A

USF or Campus specific: USF Research Park

Prepared by: Allison Madden

Date Requested: 01/30/2025

USF Policy 0-100 and delegation of Presidential Authority requires approval of this expenditure by the USF Board of Trustees Finance Committee, USF Board of Trustees Finance Committee Chair, or the USF Chief Financial Officer based on Total Project/Initiative Cost.

APPROVALS:

<input type="checkbox"/> \$1M to less than \$3M	
<hr/>	
Jennifer Condon, CFO University of South Florida	Date

<input type="checkbox"/> \$3M to less than \$5M	
<hr/>	
Rhea F. Law, President University of South Florida	Date
<hr/>	
Michael Griffin, Chair USF Board of Trustees Finance Committee	Date

<input checked="" type="checkbox"/> \$5M and greater via BOTFC meeting minutes
--

USF Approval of Expenditures Exceeding One Million Dollars

- | | | |
|-------------------------------------|------------------------|--|
| <input type="checkbox"/> | \$1M to less than \$3M | CFO approval |
| <input type="checkbox"/> | \$3M to less than \$5M | BOTFC Chair approval and President signature |
| <input checked="" type="checkbox"/> | \$5M and greater | BOTFC approval |
-

Project/Initiative Name: Tennis Complex Relocation

Total Project/Initiative Cost: \$6,520,000

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

The University is seeking expenditure authorization to relocate the existing NCAA Tennis courts into the Athletic District which will position USF Athletics as a premier national destination for high-level collegiate competition.

The upgraded facility will enhance USF Athletics' tennis program by providing top-tier amenities, including 12 championship quality tennis courts, scoreboards, sports lighting, and spectator seating for an immersive experience. With market-leading broadcasting capabilities, this facility will further differentiate USF's tennis program, attracting elite tournaments, enhancing athlete development, bolstering recruiting efforts and elevating the University's reputation in the sport.

Design is underway at 50% schematic design. This authorization request is based on conceptual budget estimates provided by the general contractor using progress drawings. Final drawings are expected in late March, with construction slated to begin in May 2025. Project completion is projected for January 2026.

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

This project aligns with USF's Strategic Plan for student success at USF and beyond (Goal 1) and a diverse and inclusive community for learning and discovery (Goal 4).

The targeted completion time line is early 2026 to host the Inaugural USF Spring Invitational match of the year on February 1, 2026 with multiple top 25 matchups in the following months.

Funding Source(s): *(Please list type of fund and amount)*

Funding Source <i>(select from drop down)</i>	If C&G, specify grant or F&A/RIA If DSO, specify which one If Other, please specify	Amount <i>(for each funding source)</i>
DSO (specify which one)	USF Foundation -Philanthropy	See Below
Auxiliary		See Below
Other (please specify)	State Funds	See Below
Choose an item.		
Choose an item.		

Project will funded by a combination of funding sources with the total amount not to exceed \$6,520,000. Funding distribution will be delineated based on allowability for each source.

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

budgeted non-budgeted

Was this expenditure planned in your starting budget for the fiscal year?

Yes No

What impact, if any, does this expenditure have on:

1) prior Expenditure Authorizations?

N/A

2) Carryforward Plan that was approved for this fiscal year?

N/A

3) Fixed Capital Outlay Plan that was approved for this fiscal year?

None

a) Does the proposed new or renovated space require an update to the USF Educational Plant Survey (EPS)? Yes No

If yes, what is the plan/timeline for updating the EPS?

Prior Approval Process:

FCO plan

List Related Projects/Initiatives: (if any)

USF or Campus specific: USF Tampa

Prepared by: Mark Bralick

Date Requested: 2/13/25

USF Policy 0-100 and delegation of Presidential Authority requires approval of this expenditure by the USF Board of Trustees Finance Committee, USF Board of Trustees Finance Committee Chair, or the USF Chief Financial Officer based on Total Project/Initiative Cost.

APPROVALS:

<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <input type="checkbox"/> \$1M to less than \$3M </div>	
<hr style="width: 80%; margin: 0 auto;"/> <p>Jennifer Condon, CFO University of South Florida</p>	<hr style="width: 80%; margin: 0 auto;"/> <p>Date</p>

<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <input type="checkbox"/> \$3M to less than \$5M </div>	
<hr style="width: 80%; margin: 0 auto;"/> <p>Rhea F. Law, President University of South Florida</p>	<hr style="width: 80%; margin: 0 auto;"/> <p>Date</p>
<hr style="width: 80%; margin: 0 auto;"/> <p>Michael Griffin, Chair USF Board of Trustees Finance Committee</p>	<hr style="width: 80%; margin: 0 auto;"/> <p>Date</p>

\$5M and greater via BOTFC meeting minutes

Agenda Item: IIIc

USF Board of Trustees
March 11, 2025

Issue: Approve Research & Innovation Sublease in the USF Research Park Building.

Proposed action: Authorize USF to enter into a 10-year sublease for Research & Innovation Space in USF Research Park 3702 Spectrum Blvd exceeding \$5 million.

Executive Summary:

[USF Board of Trustees Real Property Policy 09-001](#) is intended to guide the real property management program for the real property of the University and Direct Support Organizations to attain maximum benefit with an acceptable degree of risk and at an acceptable cost.

According to the policy, the Board of Trustees reserves for itself the right to review and approve material real property transactions, which are defined as transactions with a cumulative cost over the term of the lease exceeding \$5,000,000. The policy also sets the initial term of USF space lease as not to exceed 10 years.

Given the materiality of the proposed lease which is estimated at a maximum of \$9.7 million over a 10-year life, we are requesting BOT approval to enter the lease, which will commence on April 1, 2025, should approval be received at this meeting.

This lease anticipates the consolidation of the Research & Innovation footprint that is ultimately expected to achieve lease savings of nearly \$500,000 per year. The renovation was approved in August 2024. The space no longer being used by Research & Innovation will be leased to others which will reduce the exposure of this lease to below the maximum of \$9.7 million.

The sublease terms are \$28.00 per square foot of base rent plus the pro-rata share of operating expenses for the building which are estimated at \$5 per square foot, accelerating 2% per year. There is a provision for \$296,000 of tenant improvements to be amortized over the life of the sublease at a rate of 6%.

	10-Year Life	Annual Avg
Base Rent	8,868,432.00	886,843.00
Operating Expenses	473,225.00	47,322.50
Amortized Tenant Improvement	394,589.00	39,459.00
Estimated Total	9,736,246.00	973,624.50

(This schedule includes the reduction enabled by leasing 8,865sf to USF Innovative Education. That project was approved and is underway.)

Financial Impact:

This lease is to be funded from Research & Innovation RIA funds.

The space freed up by the USF Research & Innovation (R&I) consolidation will be leased to other users to ensure the building is productively occupied. At the completion of the consolidation and lease process, R&I is expected to achieve lease savings of nearly \$500,000 per year.

At its highest level of office space, Research & Innovation was responsible for 41,560sf in UTA/3702 Spectrum within the USF Research Park. In 2022, 2,982sf was leased to the USF Foundation for its Digital Engagement Center and approximately 9,000sf is currently in leasing and renovation for the Innovative Education “Innovative Co-Lab”. Approximately 10,000sf will remain available to support the USF CONNECT incubator companies and others.

The reduced footprint is expected to achieve nearly \$500,000 in annual lease payment savings for Research & Innovation while also allowing others who are seeking office space to utilize the space most productively.

Strategic Goal(s) Item Supports:

Strategic Goal 2: Faculty excellence in research and innovation.
 This project will facilitate faculty success through reallocation of funds currently used to support office space.

Strategic Goal 5: A strong, sustainable, and adaptable financial base
 Ability to reallocate funds used to support office space along with the ability to support other units need for office space.

BOT Committee Review Date: Finance Committee – February 27, 2025
Supporting Documentation Online (please circle): Yes No
Prepared by: Jennifer Condon, Vice President & CFO



1 PARTIAL FIRST FLOOR CONSTRUCTION PLAN
1/8" = 1'-0"

CONSTRUCTION PLAN KEYNOTES

- 1 NEW NON-RATED GWB PARTITION (REFER TO SHEET G0.1). TERMINATE AT CEILING.
- 2 INFILL EXISTING OPENING WITH GWB AND METAL STUDS TO MATCH EXISTING WALL.
- 3 NEW NON-RATED GWB PARTITION (REFER TO SHEET G0.1). EXTEND TO DECK.
- 4 RELOCATED FIRE EXTINGUISHER (FE) OR CABINET (EC).
- 5 EXISTING FIRE EXTINGUISHER (FE) OR CABINET (EC) TO REMAIN.
- 6 RELOCATED AID.
- 7 3/8" METAL STUDS AT 16" O/C WITH 1 LAYER 5/8" GWB AND 3/4" THERMAL INSULATION AT OPENING.
- 8 NEW TOILET PARTITIONS AND EXISTING PARTITION MOUNTED TOILET ACCESSORIES (TA) AT NEW STALLS REINSTALLED IN T/S PRIOR LOCATIONS.
- 9 INSTALL WOODWORKS GRILLE PROVIDED BY OWNER - REFER TO SHEET AS.1.
- 10 EXTEND WALL TO DECK 5/8" GWB EACH SIDE SCORED TO DECK AND SEALED WITH ACOUSTICAL SEALANT. PROVIDE 3" SSB IN NEW WALL CONSTRUCTION.
- 11 REPAIR GWB WINDOW SILL/CASING TO MATCH EXISTING.

NEW CONSTRUCTION GENERAL NOTES

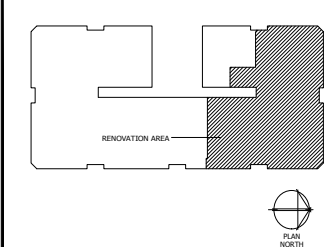
- COMPLY WITH THE REQUIREMENTS OF THE FOLLOWING NOTES IN THIS SET OF DRAWINGS WHICH ALSO APPLY TO THE NEW CONSTRUCTION FLOOR PLANS:
 A. "GENERAL NOTES FOR PROJECT" ON PROJECT INFORMATION SHEET G0.1
 B. "DEMOLITION GENERAL NOTES" ON SHEET A1.1
 C. "REFLECTED CEILING PLAN GENERAL NOTES" ON SHEET AS.1
- SEE NEW CONSTRUCTION FLOOR PLAN, DETAILS, ETC., FOR DIMENSIONS AND KEYNOTES WHICH APPLY TO THE NEW CONSTRUCTION FLOOR PLANS.
- REFER TO TYPICAL DETAILS WHICH APPLY TO THE NEW CONSTRUCTION FLOOR PLANS, BUT WHICH MAY NOT BE SPECIFICALLY REFERRED TO ON THE FLOOR PLANS.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING WITH THE OWNER'S EQUIPMENT VENDORS TO ENSURE THAT THERE WILL BE NO OWNER FURNISHED ITEMS (WITH A SURFACE AREA GREATER THAN 16 SQUARE INCHES) RECESSED INTO A RATED FIRE BARRIER OR RATED SMOKE BARRIER. ITEMS RECESSED IN NON-RATED SMOKE PARTITIONS OR ALL OTHER FULL HEIGHT PARTITIONS SHALL BE SEALED "AIR-TIGHT" AT ALL PENETRATIONS.
- PATCH AND REPAIR ADJACENT SPACES AND COMMON AREAS AFFECTED BY DEMOLITION AND CONSTRUCTION. ADJACENT SPACES AND COMMON AREAS SHALL BE LEFT IN THE SAME CONDITION AS AT THE BEGINNING OF THE PROJECT, WITH FINISHES INTACT, AND FREE OF DEBRIS.
- DIMENSIONS SHOWN ON THE FLOOR PLANS ARE: TO OUTSIDE FACE OF GYPSUM BOARD AT METAL STUD WALLS/PARTITIONS/BARRIERS; TO OUTSIDE FACE OF EXISTING WALLS.
- WHERE NEW GYPSUM BOARD WALLS/PARTITIONS/BARRIERS ARE A CONTINUATION OF AN EXISTING WALL OR COLUMN ENCASEMENT, THE FACE OF NEW GYPSUM BOARD SHALL BE ALIGNED WITH FACE OF EXISTING SURFACE.

LEGEND

EXISTING TO REMAIN
 NEW CONSTRUCTION
 DEMOLITION
 EXISTING ONE-HOUR RATED FIRE BARRIER
 NEW ONE-HOUR RATED FIRE BARRIER

ROOM NAME
 NO. ROOM NAME & NUMBER
 DEMOLITION KEYNOTE
 CONSTRUCTION KEYNOTE
 FE/EC FIRE EXTINGUISHER / FIRE EXTINGUISHER IN CABINET
 EQ EQUIPMENT
 DM DOOR MARK
 WM WINDOW MARK

KEY PLAN



5740 N. Central Ave.
 Tampa, FL 33616
 (813) 776-8600
RJA ARCHITECTS, INC.
 REGISTERED ARCHITECTS

**R&I CONSOLIDATION
 FOR USF RESEARCH FOUNDATION
 UNIVERSITY TECH CENTER 1 (UTA)
 3702 SPECTRUM BOULEVARD, TAMPA, FL 33612**
 SHEET TITLE: PARTIAL FIRST FLOOR CONSTRUCTION PLAN

Revisions:			
No.	Date	By	Description

Project Number:	RJA 22-005 USFRF X23A02
Issued For:	CONSTRUCTION DOCUMENTS
Date Revisit:	10/31/2024

Sheet Number: **A2.1**

Agenda Item: IVa

**USF Board of Trustees
Finance Committee
February 27, 2025**

Issue: USF Student Housing Update

Proposed action: Information

Executive Summary:

In March 2023, the USF Board of Trustees approved a five-year strategic housing rate increase for all three campuses with a commitment that we would return annually to report on impact, including occupancy and facility reinvestment. This strategic rate plan supported the USF Housing & Residential Education path of growth, reinvestment, and stewardship resulting in increased student demand for on-campus housing and reliable coverage of our bond covenants and debt service.

We are returning, as promised, with an update (Year 3 of 5) to validate the early Board decision.

Financial Impact:

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

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

BOT Committee Review Date: Finance Committee, February 27, 2025

Supporting Documentation Online: Yes

Prepared by: Ana Hernandez, Associate Vice President, Auxiliary Services and Strategic Contract Management



UNIVERSITY OF
SOUTH FLORIDA

A PREEMINENT
RESEARCH
UNIVERSITY

USF Housing & Residential Education

USF Board of Trustee Finance Committee
February 27, 2025

Strategic Plan Alignment

In March 2023, the Board of Trustees approved a 5-year strategic housing rate plan for 4.5% annual increases. We are returning as promised to validate your earlier decision to support an annual 4.5% increase.

Goal One:

Student Success at USF and beyond

The on-campus residential experience provides:

- *High-impact educational experiences*
- *Enhances support for student engagement, co-curricular activities and well-being at USF*
- *Positively contributes to recruitment, retention, and graduation rates.*

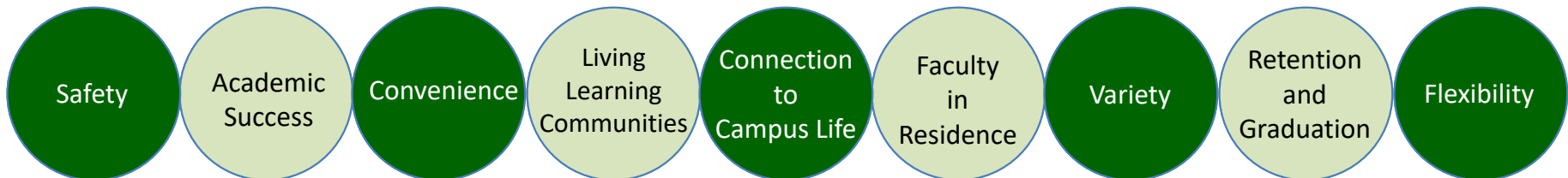
Goal Five:

A strong, sustainable, and adaptable financial base

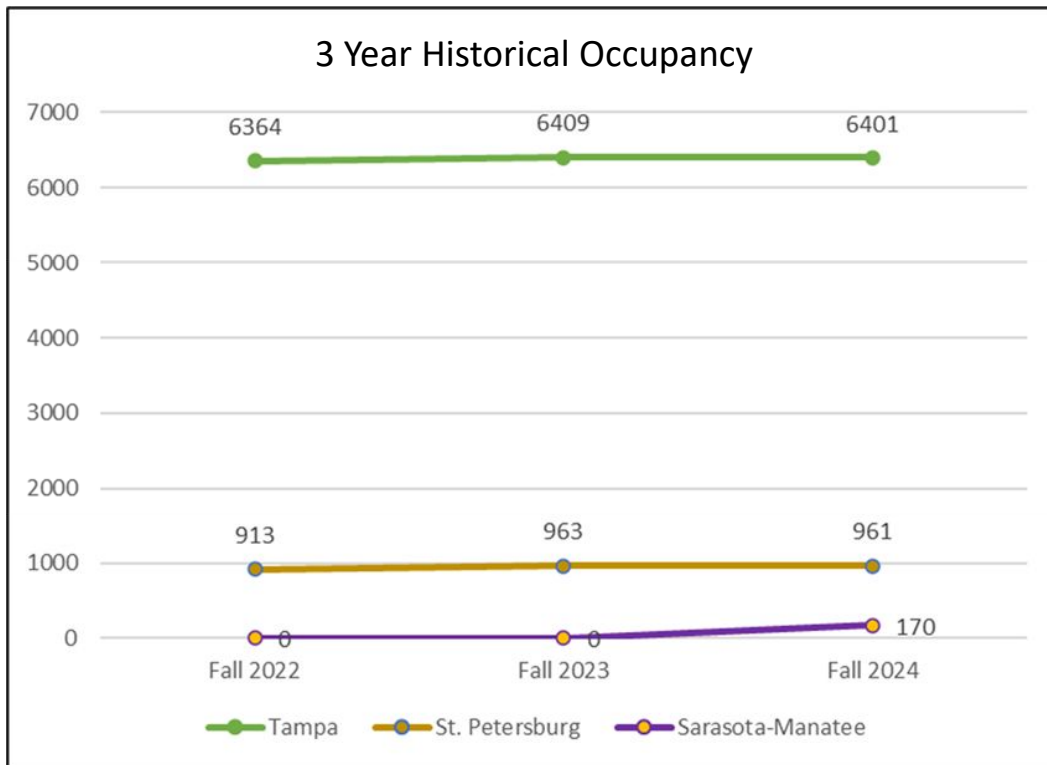
The approved strategic housing rate plan supports the objective to:

Design a strategic, transparent, and predictable budget model.

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



Strong Demand Continues to Grow



Year	Tampa	St. Petersburg	Sarasota-Manatee
Fall 2024	99%	105%*	83%
Fall 2023	99%	102%*	N/A
Fall 2022	97%	96%	N/A



* Converted double occupancy to triple occupancy to accommodate additional demand.

** COVID-19 impact as well as increased capacity for Osprey Hall coming online.

Sarasota-Manatee occupancy includes 74 residents from New College of Florida.

Historical Performance & Impact

All Housing facility improvements are funded from revenue generated by student rent (No E&G, Carry forward, or bonds)
 Annual contributions made to USF Housing reserves including a reserve in Tampa to partially fund the Argos Redevelopment Project from net income surplus
 Fall 2025 is Year 3 of the 5-Year Strategic Rate Plan. We will return to Board next Fall for a new 5-Year plan (2028-2032).
 Rates continue to be 100% covered by Florida Prepaid Dorm Plan.
 2025-2026 OneUSF Median Housing Rate = \$9,080/academic year
 2025-2026 OneUSF Weighted Average Rate = \$9,171/academic year

	2022-2023	2023-2024	2024-2025 Projected
Operations	<ul style="list-style-type: none"> Unprecedented cost escalations Supply chain challenges Recruitment and retention efforts in response to changing labor market and campus comparisons 	<ul style="list-style-type: none"> Continued to experience an inflationary environment Focused efforts on facilities reinvestment Staffing initiatives resulted in stabilized workforce. Complete construction on Atala Hall 	<ul style="list-style-type: none"> Confirmed facilities reinvestment plan Transition to facilities support by SSC for Education Consolidation and restructure of staff to support Auxiliary Services First year of operation for Atala Hall at USFSM
DSC Ratio	<p>Tampa: 1.56 Final DSC Ratio St. Pete: 1.59 Final DSC Ratio</p>	<p>Tampa: 1.64 DSC Ratio St. Pete: 1.63 DSC Ratio</p>	<p>Tampa: 1.50 Target DSC Ratio St. Pete: 1.50 Target DSC Ratio Sarasota-Manatee: 1.00 Target DSC Ratio OneUSF: 1.42 Target DSC Ratio</p>

↔

USF Housing Facilities Reinvestment

- **49%** of total gross square feet is between **22 and 63 years old**. (Argos, Beta, Castor, Kosove, Holly & Magnolia.)
- The newest USF-owned residential building on the Tampa campus is 15 years old Juniper-Poplar Hall. (Excludes P3 Village). The newest building at St. Petersburg is Osprey Hall which is 4 years old.
- USF Tampa Housing & Residential Education has invested **\$90 million** in facilities infrastructure and upgrades in support of the 2017-2026 Deferred Maintenance Program.
- A strategic facilities reinvestment plan (2024 – 2034) is being developed for St. Petersburg Housing facilities. Facilities Condition Audit completed Fall 2023.
- New facilities partner, SSC for Education, is conducting Facilities Condition Audit on all three campuses.



Agenda Item: IVb

USF Board of Trustees
Finance Committee
February 27, 2025

Issue: DSO Mid-Year Forecasts for FY 2025

Proposed action: Informational

Executive Summary:

The Direct Support Organizations of the University (DSOs) have prepared their Mid-Year Forecasts for FY 2025.

These reports include a comparison of the Forecast to the FY 2025 Financial Plans approved by the BOT Finance Committee at its May 22, 2024 Meeting, as well as actual results for FY 2024, FY 2023 and FY 2022 and summary forecasts for FY 2026 through FY 2029.

The DSOs are:

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

Financial Impact:

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

Strategic Goal(s) Item Supports: Goal 5: Strong, Sustainable and Adaptable Financial Base
BOT Committee Review Date: February 27, 2025
Supporting Documentation Online (please circle): Yes **No**
Prepared by: Dawn M. Rodriguez, University Treasurer, (813) 974-9831



Direct Support Organizations FY 2025 Mid-Year Forecasts

(In thousands)

Entity	Performance Measure	Mid-Year Forecast		BOT-Approved Financial Plan		FY 2024 Actual		Year Over Year Variance / KPI*	
UMSA	Operating Profit / Margin	\$0	0%	\$0	0%	(\$13,972)	(3)%	\$13,972	●
	Cash & Investments / Days Cash	\$34,531	29	\$34,624	28	\$37,403	34	(\$2,872)	●
HPCC	Operating Profit / Margin	\$766	4%	\$707	4%	\$104	1%	\$662	●
	Cash & Investments / Days Cash	\$990	22	\$582	13	\$865	19	\$125	●
Research Foundation	Operating Profit / Margin	(\$3,600)	(26)%	(\$3,612)	(24)%	(\$5,029)	(37)%	\$1,429	●
	Cash & Investments / Days Cash	\$30,697	158	\$31,772	221	\$56,362	400	(\$25,665)	●
Applied Engineering	Operating Profit / Margin	\$1,094	7%	\$367	3%	\$699	6%	\$395	●
	Cash & Investments / Days Cash	\$3,396	88	\$2,196	65	\$3,203	102	\$193	●
Management Corp	Operating Profit / Margin	\$526	20%	\$553	21%	\$493	16%	\$33	●
	Cash & Investments / Days Cash	\$50,023	343	\$2,381	414	\$2,169	303	\$47,854	●
Foundation	Operating Profit / Margin	\$46,002	30%	\$44,425	31%	\$81,207	40%	(\$35,205)	●
	Cash & Investments / Days Cash	\$100,146	345	\$100,146	366	\$93,981	279	\$6,165	●
Alumni	Operating Profit / Margin	\$444	12%	\$427	12%	(\$143)	(5)%	\$587	●
	Cash & Investments / Days Cash	\$1,575	185	\$1,356	152	\$1,507	193	\$68	●
Financing Corp	Operating Profit / Margin	\$1,401	5%	\$3,178	11%	\$2,024	9%	(\$623)	●
	Cash & Investments / Days Cash	\$265,398	394	\$263,414	386	\$253,902	378	\$11,496	●

*** Key Performance Indicator (KPI)**

- Indicates strong, stable and/or improving financial performance.
- Indicates marginal and/or declining financial performance.
- Indicates weak and/or significantly declining financial performance.

Note: Overall financial condition, non-cash or one-time items, and other items may be considered.



DIRECT SUPPORT ORGANIZATIONS

MID-YEAR FORECASTS

FISCAL YEAR 2025

February 27, 2025



DSO Mid-Year Forecasts for FY 2025

INDEX

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UMSA/MSSC Combined

FY 2025 Mid-Year Forecast

MID-YEAR FORECAST

Financial Statement Notes

- Income Statement: The Mid-Year Forecast shows a 3% reduction in total revenue and 3% reduction in total expense relative to the FY25 Annual Plan. However, the Mid-Year Forecast shows an 11.3% increase in revenue and a 7.6% increase in expense over FY24's actual performance. The expected Operating Profit before Non-Cash charges is still expected to be break-even, or \$0.
- Cash Flows: The Mid-Year Forecast anticipates an ending cash balance of \$34.5 million which translates to 29 days cash on hand. The USF-TGH Affiliation Agreement protects the cash balance from operating losses.
- Summary Forecasts: Beyond FY25, UMSA is forecasting incremental growth of 2.5%

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

- USF-TGH Affiliation and Funds Flow: The USF-TGH Affiliation Agreement has been executed, and updated levels of contract revenue through the agreement are being received by UMSA. Workgroups and negotiations are ongoing between USF Health and TGH to provide and maintain the appropriate level of support as indicated in the agreement.
- USF Health Clinical Faculty Compensation Plan: USF Health has developed and implemented a new MCOM faculty compensation plan for its clinical faculty. The compensation plan structure aligns with the funds flow from TGH and compensates faculty at a benchmark level for all missions. This compensation plan improves transparency, consistency, productivity and affordability while being more competitive in the marketplace.

[1]



UMSA/MSSC Combined

FY 2025 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
REVENUES							
Net Patient Revenue	\$213,797	\$219,718	\$(5,921)	(3)%	\$203,635	\$197,429	\$187,498
Grants, Contracts & Awards	171,057	174,043	(2,986)	(2)%	134,334	113,029	100,024
UPL/PCIP	31,164	31,111	53	0 %	31,167	35,171	43,090
Other Revenue	41,598	47,607	(6,009)	(13)%	42,127	41,265	53,511
Total Revenues	\$457,616	\$472,479	\$(14,863)	(3)%	\$411,263	\$386,894	\$384,123
EXPENSES							
Faculty Support	\$265,736	\$269,244	\$(3,508)	(1)%	\$242,184	\$218,363	\$193,049
House Staff Support	17,430	17,752	(322)	(2)%	18,090	15,742	15,046
Other Staff Support	32,636	36,323	(3,687)	(10)%	28,163	28,590	63,428
USFTGP Staff Support	75,869	79,512	(3,643)	(5)%	71,421	66,196	29,287
Depreciation/Amortization	7,737	7,783	(46)	(1)%	7,977	7,166	6,136
Other Expenses	58,208	61,865	(3,657)	(6)%	57,400	56,669	48,042
Total Expenses	\$457,616	\$472,479	\$(14,863)	(3)%	\$425,235	\$392,726	\$354,988
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$0	\$0	\$0	%	\$(13,972)	\$(5,832)	\$29,135
Unrealized Investment Gains (Losses)	2,127	0	2,127	%	2,865	2,552	(2,904)
Gain (Loss) on Disposal of Capital Assets	0	0	0	%	0	(44)	2,454
Total Non-Cash Changes	\$2,127	\$0	\$2,127	%	\$2,865	\$2,508	\$(450)
NET OPERATING PROFIT	\$2,127	\$0	\$2,127	%	\$(11,107)	\$(3,324)	\$28,685
Operating Profit Margin	0%	0%	0 %		-3%	-2%	8%



UMSA/MSSC Combined

FY 2025 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
OPERATING ACTIVITIES							
Net Operating Profit	\$2,127	\$0	\$2,127	%	\$(11,107)	\$(3,324)	\$28,684
Adjustments for Non-Cash Activities:							
Depreciation/Amortization	7,737	7,783	(46)	(1)%	7,977	7,166	6,136
Unrealized (gains) losses	(2,127)	0	(2,127)	%	(2,865)	(2,552)	2,904
Operating Assets and Liabilities	(497)	157	(654)	(417)%	4,911	5,887	6,041
Total Cash From Operating Activities	\$7,240	\$7,940	\$(700)	(9)%	\$(1,084)	\$7,177	\$43,765
FINANCING ACTIVITIES							
Capital Expenditures	\$(4,000)	\$(4,000)	\$0	0 %	\$(3,809)	\$(4,517)	\$(3,906)
Proceeds from Sale of Capital Assets	0	0	0	%	0	53	3,465
Interest Payments	(1,940)	(2,247)	307	14 %	(1,965)	(2,589)	(2,295)
Transfer to USF FC - Leases on MOBs	(2,655)	(2,584)	(71)	(3)%	(2,590)	(2,525)	(2,465)
Principal Paid on ROU Lease Liability	(3,401)	(3,078)	(323)	(10)%	(3,804)	(3,318)	(2,411)
Total Cash From Financing Activities	\$(11,996)	\$(11,909)	\$(87)	(1)%	\$(12,168)	\$(12,896)	\$(7,612)
INVESTING ACTIVITIES							
Net (Purchases) Sales of Investments	\$10,000	\$0	\$10,000	%	\$3,698	\$0	\$(20,000)
Interest and Dividends on Investments	101	0	101	%	5	257	395
Total Cash From Investing Activities	\$10,101	\$0	\$10,101	%	\$3,703	\$257	\$(19,605)
CHANGE IN CASH							
Cash, Beginning of Year	12,187	13,983	(1,796)	(13)%	21,736	27,198	10,650
Cash, End of Year	\$17,531	\$10,014	\$7,517	75 %	\$12,187	\$21,736	\$27,198
Total Cash & Investments	\$34,531	\$34,624	\$(93)	(0)%	\$37,403	\$47,790	\$50,957
Days Cash on Hand	29	28	1	3 %	34	49	56



UMSA/MSSC Combined

FY 2025 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST	FY 2029 FORECAST
ASSETS								
Cash & Investments	\$50,957	\$47,790	\$37,402	\$34,531	\$35,394	\$36,279	\$37,186	\$38,116
Fixed Assets	64,806	71,395	70,801	68,400	70,110	71,863	73,659	75,501
Other Assets	121,910	99,572	126,300	108,941	111,664	114,456	117,317	120,250
Total Assets	\$237,673	\$218,757	\$234,503	\$211,872	\$217,169	\$222,598	\$228,163	\$233,867
LIABILITIES								
Payables	\$39,493	\$40,889	\$73,815	\$54,066	\$52,444	\$50,871	\$49,345	\$47,865
Long-Term Debt	40,758	56,858	53,317	49,916	48,918	47,939	46,981	46,041
Other Liabilities	57,316	20,873	18,341	17,975	18,425	18,885	19,357	19,841
Total Liabilities	\$137,567	\$118,620	\$145,473	\$121,958	\$119,787	\$117,696	\$115,683	\$113,747
NET ASSETS	\$100,106	\$100,137	\$89,030	\$89,914	\$97,382	\$104,902	\$112,480	\$120,120
Days Cash on Hand	56	49	34	29	29	29	29	29
REVENUES								
Net Patient Revenue	\$187,498	\$197,429	\$203,635	\$213,797	\$219,142	\$224,620	\$230,236	\$235,992
Grants, Contracts & Awards	100,024	113,029	134,334	171,057	175,334	179,717	184,210	188,815
UPL/PCIP	43,090	35,171	31,167	31,164	31,943	32,741	33,560	34,399
Other Revenue	53,511	41,265	42,127	41,598	42,638	43,704	44,797	45,917
Total Revenues	\$384,123	\$386,894	\$411,263	\$457,616	\$469,056	\$480,783	\$492,802	\$505,123
EXPENSES								
Faculty Support	\$193,049	\$218,363	\$242,184	\$265,736	\$272,379	\$279,189	\$286,169	\$293,323
House Staff Support	15,046	15,742	18,090	17,430	17,866	18,313	18,771	19,240
Other Staff Support	63,428	28,590	28,163	32,636	33,452	34,288	35,146	36,024
USFTGP Staff Support	29,287	66,196	71,421	75,869	77,765	79,710	81,702	83,745
Depreciation/Amortization	6,136	7,166	7,977	7,737	7,930	8,128	8,331	8,540
Other Expenses	48,042	56,669	57,400	58,208	59,664	61,155	62,684	64,251
Total Expenses	\$354,988	\$392,726	\$425,235	\$457,616	\$469,056	\$480,783	\$492,802	\$505,123
Operating Profit Before Non-Cash	\$29,135	\$(5,832)	\$(13,972)	\$0	\$0	\$0	\$0	\$0
Unrealized Investment Gains (Losses)	\$(2,904)	\$2,552	\$2,865	\$2,127	\$0	\$0	\$0	\$0
Gain (Loss) on Disposal of Capital Assets	2,454	(44)	0	0	0	0	0	0
NET OPERATING PROFIT	\$28,685	\$(3,324)	\$(11,107)	\$2,127	\$0	\$0	\$0	\$0
Operating Profit Margin	8%	-2%	-3%	0%	0%	0%	0%	0%

[4]



USF Health Professions Conferencing Corporation

FY 2025 Mid-Year Forecast

MID-YEAR FORECAST

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

- HPCC has implemented several strategies to increase business volume from its already diversified client base. Volume discounts, off season discounts, increased travel to conferences for face-to-face contact with clients, adding a .5 FTE to the business development team, will counter the effects of smaller trainings, requiring less space since COVID, and many medical associations are choosing venues outside of Florida due to their organization's perspectives related to recent changes in Florida laws.
- HPCC, through the CAMLS facility, continues to support USF's mission by providing access to flexible simulation, education, and anatomical/cadaveric training space to our students, including Morsani College of Medicine Undergraduate Medical Education (UME), Graduate Medical Education (GME), and Physician's Assistant (PA), College of Nursing Certified Registered Nurse Anesthetist (CRNA) Program, Muma College of Business, and most recently Taneja College of Pharmacy. HPCC provides these services at cost, inclusive of all PO&M funding received for CAMLS.
- CAMLS international name recognition has generated CAMLS Without Walls simulation center consulting and fellowship opportunities while CAMLS developed simulation programs and faculty led clinical courses are profitable and growing.
- CAMLS has successfully leveraged its unique capabilities and expertise to build out a research division focused on emerging technologies in training and education including virtual reality, artificial intelligence, and simulation. This division has already achieved its first milestone by being awarded a National Institutes of Health SBIR Phase 2 grant in partnership with Immertec, a local virtual reality startup, for a combined award amount of \$1.6M (\$530K USF) which will also help support USF's goal of maintaining AAU status. The USF effort is also matched with a Florida High Tech Corridor matching grant. Currently, HPCC does not receive indirect support from the university for the use of simulation and vivarium space for research, but the desired long term is to receive indirect fees from research which will offset costs for staff and space, leading to a positive impact on HPCC's operating income.
- The Office of Continuing Professional Development (OCPD) has expanded its portfolio of online programming in partnership with medical education companies (MECs) and will produce similar results in FY25 compared prior FY24, continued support will be required from MCOM to underwrite USF programming.

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

- HPCC's diversification of clientele and pricing strategies to fully utilize CAMLS has helped to mitigate risks arising from increased costs for travel, decreased continuing education dollars for physicians, lack of local hotel availability and a trend of smaller labs requiring less space.
- The business development team has extensive travel commitments for FY25 to national conferences, which will increase in person contact with existing and new clients to promote in person training that will mitigate many medical associations choosing venues outside of Florida due to their organization's perspectives related to recent changes in Florida laws.
- Although days cash on hand and liquidity remain tight, the accounting team manages cash flow judiciously and aggressively pursues accounts receivable.
- With significant increase in utilities, warranties, and downtown shared service contracts over the past two years, CAMLS has worked to increase efficiency and reduce usage where possible. The installation of the new chillers has reduced CAMLS overall demand on utility usage. In addition, CAMLS is working with USF Health Facilities and Maintenance to renegotiate contracts where possible.
- While there are always unknown risks from weather, foreign governments, pandemics and unknown unknowns, HPCC's most likely Mid-Year Forecast Annual Plan is based on year over year proven volume of business, actual results through the first half of the year, contracted book of business through 6/30, the heightened awareness of and desire to be in downtown Tampa, and ongoing efforts to continuously expand a diverse client base and other competitive advantages.
- With continued growth and popularity of Downtown Tampa, CAMLS's clientele has increasingly seen rising costs and hotels at capacity resulting in lost CAMLS opportunities. In addition, the Downtown growth has increased City infrastructure needs including the loss of CAMLS Crosstown parking lots to construction, resulting in the elimination of significant parking revenue and decreased parking capacity for clientele. CAMLS is engaging the City, THEA, and Visit Tampa Bay to work to mitigate where possible.



USF Health Professions Conferencing Corporation

FY 2025 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
REVENUES							
Continuing Professional Development	\$7,603	\$8,768	\$(1,165)	(13)%	\$7,894	\$5,630	\$8,721
CAMLS - USF Health Programming	2,366	2,366	0	0 %	2,412	2,607	2,246
CAMLS - Industry, Societies, Healthcare	3,984	3,875	109	3 %	2,888	3,678	3,391
Other HPCC Divisions	537	537	0	0 %	558	398	33
Rents, Parking, Rebates, Interest	504	499	5	1 %	456	510	452
Gain on Sale of Fixed Assets	0	0	0	%	0	10	6
Gain on Lease Termination	0	0	0	%	0	683	0
Transfer from USF-Plant Operations & Maint.	1,293	1,293	0	0 %	1,293	1,293	1,293
USF Carryforward funding - temp staffing, programs	0	0	0	%	583	0	0
Transfer from UMSA Cont. Ed. - Faculty, Students	1,200	1,200	0	0 %	390	458	884
Total Revenues	\$17,487	\$18,537	\$(1,051)	(6)%	\$16,475	\$15,267	\$17,025
EXPENSES							
Wages and Benefits	\$4,732	\$4,668	\$64	1 %	\$4,377	\$4,145	\$3,744
Wages - program driven temporary staffing	78	60	18	30 %	96	85	85
Utilities, Leases, Maint., Supplies, Marketing	1,612	1,724	(112)	(6)%	1,720	1,885	1,870
Direct Program Expense	9,218	10,299	(1,081)	(10)%	9,060	6,887	9,597
Interest	220	220	0	0 %	246	275	289
In Kind Expense	0	0	0	%	0	0	0
Depreciation & Amortization	859	859	0	0 %	871	795	938
Total Expenses	\$16,720	\$17,830	\$(1,110)	(6)%	\$16,371	\$14,072	\$16,523
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$766	\$707	\$59	8 %	\$104	\$1,195	\$503
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Total Non-Cash Changes	\$0	\$0	\$0	%	\$0	\$0	\$0
NET OPERATING PROFIT	\$766	\$707	\$59	8 %	\$104	\$1,195	\$503
Operating Profit Margin	4%	4%		1 %	1%	8%	3%

[6]



USF Health Professions Conferencing Corporation

FY 2025 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
OPERATING ACTIVITIES							
Net Operating Profit	\$766	\$707	\$59	8 %	\$104	\$1,195	\$503
Adjustments for Non-Cash Activities:							
Depreciation & Amortization	859	859	0	0 %	871	795	938
Adjustments for Changes in Operating Assets and Liabilities	0	0	0	%	1,519	(1,779)	(497)
Total Cash From Operating Activities	\$1,626	\$1,567	\$59	4 %	\$2,494	\$211	\$944
FINANCING ACTIVITIES							
Proceeds of Long-Term Debt	\$0	\$0	\$0	%	\$(859)	\$(859)	\$(39)
Principal Payments	(1,301)	(1,325)	24	2 %	0	10	6
Interest Payments	0	0	0	%	0	683	0
Total Cash From Financing Activities	\$(1,301)	\$(1,325)	\$24	2 %	\$(859)	\$(166)	\$(33)
INVESTING ACTIVITIES							
Capital Expenditures	\$(200)	\$(200)	\$0	0 %	\$0	\$0	\$0
Proceeds on Sale of Fixed Assets (net)	0	0	0	%	(1,247)	(1,210)	(1,253)
Proceeds on Lease Termination	0	0	0	%	0	0	0
Total Cash From Investing Activities	\$(200)	\$(200)	\$0	0 %	\$(1,247)	\$(1,210)	\$(1,253)
CHANGE IN CASH	125	42	83	198 %	389	(1,165)	(342)
Cash, Beginning of Year	865	540	325	60 %	476	1,641	1,983
Cash, End of Year	\$990	\$582	\$408	70 %	\$865	\$476	\$1,641
Total Cash & Investments	\$990	\$582	\$408	70 %	\$865	\$476	\$1,641
Days Cash on Hand	22	13	9	66 %	19	12	36



USF Health Professions Conferencing Corporation

FY 2025 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST	FY 2029 FORECAST
ASSETS								
Cash & Investments	\$1,641	\$476	\$865	\$990	\$1,007	\$1,121	\$1,087	\$1,125
Fixed Assets	14,617	15,341	15,277	14,618	13,895	13,205	12,471	11,811
Other Assets	1,577	1,370	1,759	1,606	1,405	1,230	1,076	941
Total Assets	\$17,835	\$17,187	\$17,901	\$17,214	\$16,307	\$15,556	\$14,634	\$13,878
LIABILITIES								
Payables	\$1,843	\$841	\$1,624	\$1,760	\$1,584	\$1,505	\$1,430	\$1,358
Long-Term Debt	10,395	9,583	8,263	6,881	5,523	4,151	2,572	1,071
Other Liabilities	2,615	2,586	3,733	3,526	3,350	3,182	3,023	2,872
Total Liabilities	\$14,853	\$13,010	\$13,620	\$12,167	\$10,456	\$8,838	\$7,025	\$5,301
NET ASSETS	\$2,982	\$4,177	\$4,281	\$5,047	\$5,850	\$6,718	\$7,609	\$8,576
Days Cash on Hand	36	12	19	22	21	22	20	20
REVENUES								
Program Revenues	\$15,769	\$13,606	\$15,045	\$15,783	\$16,651	\$17,567	\$18,533	\$19,552
Transfer from UMSA Continuing Ed - Faculty, Students	884	458	973	1,200	1,200	1,200	1,200	1,200
Other Revenues	373	1,203	456	504	513	522	531	540
Total Revenues	\$17,026	\$15,267	\$16,474	\$17,487	\$18,363	\$19,288	\$20,263	\$21,292
EXPENSES								
Salaries & Benefits	\$3,829	\$4,230	\$4,473	\$4,810	\$4,883	\$4,980	\$5,105	\$5,245
Program Services	12,406	9,567	11,651	11,690	12,488	13,281	14,140	14,987
Interest	288	275	246	220	190	159	127	93
Total Expenses	\$16,523	\$14,072	\$16,370	\$16,720	\$17,560	\$18,420	\$19,372	\$20,325
Operating Profit Before Non-Cash	\$503	\$1,195	\$104	\$766	\$803	\$868	\$891	\$967
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$503	\$1,195	\$104	\$766	\$803	\$868	\$891	\$967
Operating Profit Margin	3%	8%	1%	4%	4%	5%	4%	5%

[8]



USF Research Foundation, Inc.

FY 2025 Mid-Year Forecast

MID-YEAR FORECAST

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

- Lease up of 3814 Spectrum continues to make good progress; Soft landing labs consisting of 5 wet lab/work modules are fully leased with a waitlist. Two leases totaling 27,328 square feet commenced in November 2024.
- As directed by the University, the FY25 Approved Plan included a cost allocation of \$2.15M to the Research Foundation for 100% of the USF Technology Transfer Office (TTO) legal expense budget that prior to FY22 had been supported by the University. This line item expense is reported on the Income Statement as "IP University Expense - TTO Cost Allocation to DSO". Through the date of this report, these expenses are tracking in line with the Annual Plan.

The TTO Cost Allocation expense is in addition to the IP expenses associated with the IP Fee Revenue (principally royalty expenses) that are directly incurred by the Research Foundation for Intellectual property transactions. TTO's mid-year forecast projects IP Program revenue to track in line with the Annual Plan.

- To reduce the Incubator program expenses incurred by the University, cash payments totaling \$1.0M from the Research Foundation to the University's Incubator program (TBTI) as planned, continue to occur in FY 2025. The transfer of this fiduciary cash to the University's chartfield for benefit of the USF Incubator Program, reduces the University's FY 2025 program expense. A quarterly transfer of \$250,000 on an ongoing basis (\$1,000,000 per annum) approximates the positive cash flow generated from tenant rents and sponsor support that is processed by our DSO on behalf of the University. Cash reserves of approximately \$1.0M remain.

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

- Negotiations on the remaining space in the 3814 Spectrum building continue with interest from several university units along with external marketing for corporate research teams. An LOI for space on the second floor was signed and the resulting sublease agreement is currently in negotiations. The Soft Landing Labs consisting of 5 wet lab/work modules are fully leased with a waitlist. A grant application will be resubmitted for the development of additional incubator facilities that will add new labs, offices, and collaborative spaces to serve the university spinout and technology startup community. The incubator program's existing wet lab facilities have a three-year waitlist and an external demand study validates the need for additional facilities. All other space in the Research Park remains fully leased.
- Technology Transfer continues to place an emphasis on the monetization of the IP portfolio through licensing as well as through infringement litigation. Current lawsuits pending are not expected to settle in the current fiscal year, but when settled, will provide a favorable budget variance.
- Technology Transfer/Research Foundation are collaborating with the University for support of the metrics produced by the Technology Transfer Office which contribute to preeminence and AAU.
- Technology Transfer is actively seeking partnering opportunities with third parties to provide technology transfer services as a fee-for-service and has secured arrangements with Florida Gulf Coast University and the University of West Florida.



USF Research Foundation, Inc.

FY 2025 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
REVENUES							
Rental Revenue	\$11,786	\$11,936	\$(151)	(1)%	\$9,754	\$8,763	\$9,257
Intellectual Property Revenue (TTO Initiator)	2,000	3,100	(1,100)	(35)%	3,483	2,264	3,868
Other Operating Revenues	185	179	6	3 %	192	176	183
Total Revenues	\$13,971	\$15,215	\$(1,245)	(8)%	\$13,428	\$11,202	\$13,308
EXPENSES							
Salaries & Benefits	\$1,526	\$1,711	\$(186)	(11)%	\$1,298	\$1,250	\$1,143
Operations - Research Park	4,403	4,478	(75)	(2)%	4,218	3,698	3,879
Operations - 3814 Spectrum	1,021	1,026	(5)	(0)%	504	409	509
IP Program Expense - Royalties & Direct Tech Costs	1,300	2,277	(977)	(43)%	2,811	1,575	2,823
IP University Exp - TTO Cost Allocation to DSO	2,150	2,150	0	0 %	4,315	3,299	2,169
Other Program Expense	30	40	(10)	(25)%	0	22	64
Other Operating Expenses	223	228	(5)	(2)%	255	182	215
UBC Net Expense (University Business Center)	0	0	0	%	13	(345)	338
Interest Expense	1,177	1,177	0	0 %	810	874	910
Depreciation & Amortization	5,740	5,740	0	0 %	4,232	4,599	2,847
Total Expenses	\$17,570	\$18,827	\$(1,257)	(7)%	\$18,457	\$15,562	\$14,898
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$(3,600)	\$(3,612)	\$13	0 %	\$(5,029)	\$(4,360)	\$(1,589)
Unrealized Investment Gains (Losses)	2,472	2,472	0	0 %	4,674	3,292	(6,095)
Investment Income (Loss) - IP Equity Transaction	0	0	0	%	(710)	(531)	(11,602)
Interest Income - GASB 87 Lessor Revenue	0	0	0	%	1,437	1,579	1,733
Non-Operating Interest Exp (New Bldg Construction)	0	0	0	%	(461)	(470)	(487)
Total Non-Cash Changes	\$2,472	\$2,472	\$0	0 %	\$4,940	\$3,870	\$(16,451)
NET OPERATING PROFIT	\$(1,128)	\$(1,140)	\$13	1 %	\$(89)	\$(490)	\$(18,041)
Operating Profit Margin	-26%	-23.7%		(2)%	-37%	-39%	-12%

[10]



USF Research Foundation, Inc.

FY 2025 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
OPERATING ACTIVITIES							
Net Income (Loss)	\$(1,128)	\$(1,140)	\$13	1 %	\$(89)	\$(490)	\$(18,041)
Non-Cash Investment Loss (Gain)	(2,072)	(2,072)	0	0 %	(3,405)	(2,219)	18,191
Depreciation/Amortization Expense	5,740	5,740	0	0 %	4,232	4,599	2,847
Other Non-Cash Expense	80	80	0	0 %	85	30	131
Other Non-Cash Revenue	0	0	0	0 %	(525)	(696)	(1,162)
Changes in Operating Assets and Liabilities	(12,553)	105	(12,658)	(12,055)%	12,658	(3,906)	1,670
Total Cash From Operating Activities	\$(9,933)	\$2,713	\$(12,645)	(466)%	\$12,957	\$(2,682)	\$3,636
FINANCING ACTIVITIES							
Principal Payment - Note Payable	\$(905)	\$(905)	\$0	0 %	\$(870)	\$(835)	\$(805)
Finance Purchase Lease Obligation - UDI Bldg	(287)	(287)	0	0 %	(274)	(263)	(252)
Finance Purchase Lease Obligation - 3814 Bldg	(1,056)	(1,056)	0	0 %	(1,014)	(975)	(936)
Redeem Investments for 3814 Bldg	11,371	11,371	0	0 %	4,000	4,299	3,500
Payment - UBC Lease Liability	0	0	0	0 %	(114)	(666)	0
Redeem Investments - Truist Equity to Operating	1,128	1,140	(12)	(1)%	0	0	0
Total Cash From Financing Activities	\$10,252	\$10,264	\$(12)	(0)%	\$1,728	\$1,561	\$1,507
INVESTING ACTIVITIES							
Capital Expenditures	\$(6,453)	\$(6,453)	\$0	0 %	\$(2,259)	\$(612)	\$0
Capital Expenditures - 3814 Bldg	(6,058)	(6,058)	0	0 %	(1,766)	0	(3,417)
Purchase of Investments	0	0	0	0 %	(203)	(339)	0
Purchase of Investments	0	0	0	0 %	0	0	0
Total Cash From Investing Activities	\$(12,511)	\$(12,511)	\$0	0 %	\$(4,228)	\$(951)	\$(3,417)
CHANGE IN CASH	(12,192)	465	(12,658)	(2,720)%	10,456	(2,072)	1,726
Cash, Beginning of Year	15,439	610	14,829	2,431 %	4,983	7,056	5,330
Cash, End of Year	\$3,247	\$1,075	\$2,172	202 %	\$15,439	\$4,983	\$7,056
Total Cash & Investments	\$30,697	\$31,772	\$(1,075)	(3)%	\$56,362	\$45,793	\$49,407
Days Cash on Hand	158	221	(63)	(29)%	400	597	488



USF Research Foundation, Inc.

FY 2025 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST	FY 2029 FORECAST
ASSETS								
Cash & Investments Fixed	\$49,407	\$45,793	\$56,362	\$30,697	\$29,800	\$27,859	\$33,133	\$34,614
Assets	57,497	54,275	54,293	90,283	101,092	110,979	118,429	125,645
Other Assets	79,194	77,507	62,542	65,659	60,543	55,927	51,811	48,195
Total Assets	\$186,097	\$177,576	\$173,197	\$186,638	\$191,435	\$194,765	\$203,373	\$208,454
LIABILITIES								
Payables	\$2,777	\$3,447	\$5,683	\$2,233	\$2,784	\$2,802	\$2,858	\$2,915
Long-Term Debt	41,726	39,653	37,494	35,247	32,909	30,479	27,947	25,313
Other Liabilities	63,743	57,115	52,746	46,263	41,637	37,473	33,726	30,353
Total Liabilities	\$108,246	\$100,215	\$95,924	\$83,744	\$77,330	\$70,753	\$64,531	\$58,581
NET ASSETS	\$77,852	\$77,361	\$77,272	\$102,894	\$114,105	\$124,012	\$138,842	\$149,873
Days Cash on Hand	488	597	488	158	123	244	261	281
REVENUES								
Rental Revenue	\$9,257	\$8,763	\$9,754	\$11,786	\$14,008	\$14,724	\$15,699	\$17,145
Intellectual Property Revenue	3,868	2,264	3,483	2,000	3,300	3,500	3,800	4,000
Other Revenues	183	176	192	185	188	197	207	218
Total Revenues	\$13,308	\$11,202	\$13,428	\$13,971	\$17,496	\$18,421	\$19,706	\$21,362
EXPENSES								
Salaries & Benefits	\$1,143	\$1,250	\$1,298	\$1,526	\$1,763	\$1,816	\$1,870	\$1,926
Operations - Research Park Other	3,879	4,107	4,722	5,424	5,645	6,056	6,303	6,508
Expenses	9,876	10,206	12,438	10,620	12,658	12,976	13,132	13,111
Total Expenses	\$14,898	\$15,562	\$18,457	\$17,570	\$20,065	\$20,849	\$21,305	\$21,545
Operating Profit Before Non-Cash	\$(1,589)	\$(4,360)	\$(5,029)	\$(3,600)	\$(2,569)	\$(2,427)	\$(1,599)	\$(183)
Total Non-Cash Changes	\$(16,451)	\$3,870	\$4,940	\$2,472	\$1,415	\$1,410	\$1,481	\$1,555
NET OPERATING PROFIT	\$(18,041)	\$(490)	\$(89)	\$(1,128)	\$(1,154)	\$(1,017)	\$(118)	\$1,372
Operating Profit Margin	-12%	-39%	-37%	-26%	-15%	-13%	-8%	-1%

[12]



University of South Florida Institute of Applied Engineering

FY 2025 Mid-Year Forecast

MID-YEAR FORECAST

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

- IAE is in year five of its \$85M USSOCOM task order contract and is the second year of a 5 year \$10M task order based contract supporting USCENTCOM & the USAF 6th Air Refueling Wing. Existing and new task orders, along with contracts with USAF, SOFWERX, and others are projected to generate \$13M in FY25. The IAE is impacted by Congressional delays regarding approval the Federal Budget and operating on Continuing Resolutions preventing the Federal Government from initiating new projects.
- The IAE has developed an updated 4 year Strategic Plan for growth and partnership with new customers. As a result, USF has committed to providing \$4M over two years to invest the IAE Business Development function necessary to achieve economies of scale for a self sustainable organization.
- USF entered into an Educational Partnership Agreement with the US Army Development Command in 2024. IAE was awarded its first two contracts with ARL in the first half of FY25. The IAE has also focused on relationship building with Defense Health Organizations & USF Health, submitting over \$60M of proposed work since Jan 2024.
- The IAE has increased cross University Collaboration with the addition of GovWin IQ to for increased visibility of Business Development Opportunities, facilitated multiple intercollege proposals to both expand our current customer base and partner with new organizations. The IAE will continue to focus on our Business Development Strategy to reach our strategic goals.
- Beginning in FY25, the IAE has changed the pricing model across all contracts to better align indirect costs across the portfolio and provide a sustainable solution. The IAE has also targeted strategic business development opportunities increasing our B2B relationship and repurposing existing assets for increased utilization or higher value add activities. FY25 is still projected to substantially increase our B2B portfolio.
- The IAE is implementing additional planning functionality to enable increased capabilities for resource planning, allocation, and management.
- The IAE opened a new 8000 sq ft Rapid Experimentation Laboratory (REL) in 3Q FY24, establishing IAE as a premiere Internet-of-Things applied research provider to DoD and other sponsors. Roughly half of the space is customer occupied with additional customer funded capabilities added to best serve our customer base.

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

- The Institute of Applied Engineering expects to end the year favorable to the 2025 Plan therefore no additional actions are necessary.



University of South Florida Institute of Applied Engineering

FY 2025 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
REVENUES							
Contracts Revenues	\$12,859	\$10,500	\$2,359	22 %	\$9,850	\$12,631	\$7,363
Hillsborough County Grant	111	0	111	%	832	1,010	1,608
Other Revenues	2,250	2,250	0	0 %	1,485	610	665
Total Revenues	\$15,219	\$12,750	\$2,470	19 %	\$12,167	\$14,251	\$9,636
EXPENSES							
Direct Project Expenses							
Direct Project Labor	\$4,409	\$4,522	\$(113)	(2)%	\$3,475	\$3,165	\$2,060
Subcontractors & Consultants	3,455	1,923	1,532	80%	3,137	5,551	3,381
Direct Project Travel	185	50	135	272%	105	44	14
Materials & Equipment	387	90	297	331%	147	307	352
USF Shared Services	250	392	(142)	(36)%	179	176	121
Other Direct Proj Expenses	346	335	11	3%	117	69	42
Total Direct Project Expenses	9,032	7,312	1,721	567 %	7,161	9,312	5,970
General & Administrative							
G&A Labor	1,302	1,389	(86)	(6)%	1,650	3,132	2,675
Sales & Marketing	155	238	(83)	(35)%	201	55	17
Professional Services	187	261	(74)	(28)%	191	303	229
Computers & Software	204	238	(33)	(14)%	204	208	158
Insurance & Banking	16	28	(12)	(44)%	25	62	42
Internal R&D	412	142	270	190%	175	37	11
Human Resources	55	55	(0)	0%	35	158	28
Facilities	398	586	(188)	(32)%	172	200	144
Other Operating Expenses	4	10	(6)	(61)%	12	25	4
Total G&A Expenses	2,734	2,948	(214)	(7)%	2,665	4,180	3,309
USF Funded Labor, Marketing, & Travel	2,359	2,124	235	11 %	1,642	2	81
Total Expenses	\$14,125	\$12,383	\$1,742	14 %	\$11,468	\$13,494	\$9,360
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$1,094	\$367	\$728	198 %	\$699	\$757	\$276
Depreciation & Amortization	253	144	109	75 %	451	206	195
Total Non-Cash Changes	\$253	\$144	\$109	75 %	\$451	\$206	\$195
NET OPERATING PROFIT	\$841	\$222	\$619	279 %	\$248	\$551	\$81
Operating Profit Margin	7%	3%		4 %	6%	5%	3%

[14]



University of South Florida Institute of Applied Engineering

FY 2025 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Income	\$841	\$222	\$619	279 %	\$248	\$551	\$82
Adjustment for Depreciation & Amortization	253	144	109	75 %	451	206	137
Changes to Current Assets	(878)	50	(927)	(1,869)%	1,293	6	(1,043)
Changes to Current Liabilities	230	(22)	252	1,144 %	192	(329)	2,341
Total Cash From Operating Activities	\$447	\$394	\$52	13 %	\$2,185	\$434	\$1,517
<u>FINANCING ACTIVITIES</u>							
Long Term Capital Leases	\$(253)	\$(240)	\$(13)	(5)%	(201)	\$(301)	\$29
Total Cash From Financing Activities	\$(253)	\$(240)	\$(13)	(5)%	\$(201)	\$(301)	\$29
<u>INVESTING ACTIVITIES</u>							
Rapid Experimentation Lab	\$0	\$(111)	\$111	100 %	\$(802)	\$(73)	\$(233)
Total Cash From Investing Activities	\$0	\$(111)	\$111	100 %	\$(802)	\$(73)	\$(233)
CHANGE IN CASH	193	43	150	348 %	1,181	61	1,313
Cash, Beginning of Year	3,203	2,153	1,050	49 %	2,022	1,961	648
Cash, End of Year	\$3,396	\$2,196	\$1,200	55 %	\$3,203	\$2,022	\$1,961
 Total Cash & Investments	 \$3,396	 \$2,196	 \$1,200	 55 %	 \$3,203	 \$2,022	 \$1,961
 Days Cash on Hand	 88	 65	 23	 35 %	 102	 76	 38



University of South Florida Institute of Applied Engineering

FY 2025 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST	FY 2029 FORECAST
ASSETS								
Cash & Investments	\$1,961	\$2,022	\$3,203	\$3,396	\$5,512	\$7,282	\$9,128	\$11,238
Current Assets	2,335	2,329	1,051	1,929	3,186	4,370	5,407	6,690
Fixed Assets	910	1,019	4,016	4,016	4,651	5,483	6,540	7,874
Total Assets	\$5,206	\$5,370	\$8,271	\$9,342	\$13,349	\$17,135	\$21,075	\$25,802
LIABILITIES								
Payables	\$4,064	\$3,824	\$4,008	\$4,237	\$6,426	\$7,870	\$8,853	\$9,858
Long-Term Debt	0	101	2,576	2,322	2,069	1,816	1,563	1,310
Other Liabilities	497	234	243	299	454	606	750	928
Total Liabilities	\$4,561	\$4,159	\$6,826	\$6,859	\$8,949	\$10,292	\$11,165	\$12,095
NET ASSETS	\$645	\$1,211	\$1,444	\$2,483	\$4,400	\$6,842	\$9,910	\$13,706
Days Cash on Hand	76	55	102	88	94	93	94	94
REVENUES								
Contract Revenues ¹	\$7,363	\$12,631	\$9,850	\$12,859	\$21,241	\$31,214	\$38,622	\$47,787
Hillsborough County Grant	1608	1010	832	\$111	0	0	0	0
Other Revenues	665	610	1485	\$2,250	2,250	0	0	0
Total Revenues	\$9,636	\$14,251	\$12,167	\$15,219	\$23,491	\$31,214	\$38,622	\$47,787
EXPENSES								
Direct Project Expenses	\$5,970	\$9,312	\$7,161	\$9,032	\$14,774	\$21,710	\$26,862	\$33,236
Indirect Expenses	3,447	4,182	4,307	5,093	6,645	6,909	8,548	10,577
Total Expenses	\$9,417	\$13,494	\$11,468	\$14,125	\$21,419	\$28,619	\$35,410	\$43,813
Operating Profit Before Non-Cash	\$218	\$757	\$699	\$1,094	\$2,072	\$2,595	\$3,211	\$3,974
Total Non-Cash Changes	\$137	\$206	\$451	\$253	\$803	\$930	\$1,097	\$1,308
NET OPERATING PROFIT	\$82	\$551	\$248	\$841	\$1,269	\$1,665	\$2,115	\$2,666
Operating Profit Margin	2%	5%	6%	7%	9%	8%	8%	8%

Notes: 1. The Extended Forecast assumes the IAE adding 2 Strategic Contracts Starting in 2026. Addition of a new strategic customer with revenues of \$10M annually is anticipated starting early FY26 and Federal Health Customers totaling \$3M in 2026, \$5M in 2027, & \$8M in 2028.



USF Management Corporation

FY 2025 Mid-Year Forecast

MID-YEAR FORECAST

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

- The Yuengling Center continues to book a wide variety of shows and artists, which match the demographic of the Tampa Bay region, and have been successful through the first two quarters of FY25 by hosting Kehlani, Chris Tomlin, and the Bayside XII Conference. Tampa Bay has seen an increase in the Hispanic population of the region, which we've focused on booking Latin artists, including Ivan Cornejo, El Alfa, and BebeRehito, to react to the changing demographics of the populations to drive demand for concerts and events.
- However, the touring and booking environment is beginning to slow down due to artists' touring preferences and the industry is being more selective in relation to hosting venues and touring cities. There has been a flattening of attendance at larger concerts and due to the economic environment, many shows have introduced lower ticket prices to entice fans to attend. This at large has impacted the overall growth of ancillary revenues at the Yuengling Center.
- Additionally, due to unforeseen weather circumstances, a few shows were moved from original dates or outright cancelled impacting the anticipated financial results that were originally estimated for those shows.
- The expected momentum to be carried over from USF Athletics in the prior season has not undertaken the same velocity as anticipated and has limited the demand for ticketed USF events at the Yuengling Center. However, we have continued with improvement projects to restrooms, the Fed Club, and Coke Lounge to enhance the customer's experience to solidify future attendance at concerts and sporting events.
- The Yuengling Center is still being utilized to its extent for concerts and sporting events. Due to continued profitable shows, the cash flows remain consistent and it allows USF Management Corporation to stay current on outstanding payables. This includes continuing to pay down outstanding COVID deficits while maintaining sufficient cash liquidity. The current available liquidity is driven by strong event profits and future liquidity is expected to remain strong from highly anticipated performing shows such as *Billy Strings* and *Forrest Frank*.

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

- With touring conditions slowing nationally, we have engaged in more co-promoted events where cost sharing and revenues are split, allowing us to secure more high profile artists. We incur greater acquisition costs for these events (e.g., sharing in rental income) which in turn allow us to earn substantially more in ancillary revenues as the shows take place.
- In order to drive attendance at both concerts and sporting events, we continue to track tickets sales and work strategically with promoters on their marketing strategies to help maximize their spends in the local market. We are also working with USF to help enhance their social media presence and outreach within the community to help drive fans and students to attend various sporting events.
- In turn, these strategies should allow us to push attendance at events moving forward and to earn ancillary revenues as more people attend the Yuengling Center.
- Overall, USF Management Corporation is not anticipating any significant & unexpected unfavorable variances within operating losses or negative cash flows, outside of expected paydowns of outstanding COVID liabilities. Management is keenly aware of the threats of local competition and a softening of market demand and is continuously working to secure concerts and events for the Yuengling Center to keep its profitability strong in the current year.
- The University signed a letter of intent for a 15-year partnership with Compass Group to manage food services, facilities, and athletic concessions on October 2, 2024. The \$48 million increase in cash reflects this new partnership and is reflected on the FY 2025 forecast and the 5-year forecast as deferred revenue.



USF Management Corporation

FY 2025 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
REVENUES							
Direct Event Income	\$428	\$474	\$(47)	(10)%	\$(444)	\$(34)	\$336
Event Acquisition Costs	(597)	(627)	30	5 %			
Ancillary Revenue:							
Suites/Loge	80	89	(9)	(10)%	99	76	41
Concessions & Novelty	726	657	70	11 %	942	657	333
Parking	465	533	(68)	(13)%	584	447	391
Service Charges	495	480	15	3 %	579	471	310
Ticketmaster Rebates	980	995	(15)	(2)%	1,202	1,010	777
Total Ancillary Revenues	2,745	2,753	(8)	(0)%	3,407	2,662	1,852
Miscellaneous	100	50	50	100 %	146	131	42
Total Revenues	\$2,676	\$2,651	\$25	1 %	\$3,109	\$2,759	\$2,230
EXPENSES							
Salaries & Benefits	\$964	\$844	\$(120)	(14)%	\$1,092	\$1,062	\$759
General & Administrative	451	507	56	11 %	471	433	482
Marketing & Sales	9	31	21	70 %	15	7	7
Equipment & Supplies	167	163	(4)	(2)%	433	167	62
Utilities	22	30	9	29 %	35	28	40
Insurance	203	175	(28)	(16)%	176	117	102
Incentive Fees/Profit Share	335	348	13	4 %	394	314	295
Total Expenses	\$2,151	\$2,097	\$(53)	3 %	\$2,616	\$2,128	\$1,747
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$526	\$553	\$(28)	(5)%	\$493	\$631	\$483
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Total Non-Cash Changes	\$0	\$0	\$0	%	\$0	\$0	\$0
NET OPERATING PROFIT	\$526	\$553	\$(28)	(5)%	\$493	\$631	\$483
Operating Profit Margin	20%	21%		(1)%	16%	23%	22%



USF Management Corporation

FY 2025 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
OPERATING ACTIVITIES							
Net Operating Profit	\$526	\$553	\$(28)	(5)%	\$493	\$631	\$483
Adjustments for Non-Cash Activities:							
(Increase) Decrease in Accounts Receivable	142	175	(33)	(19)%	69	(115)	(221)
(Increase) Decrease in Prepaids	0	10	(10)	(100)%	7	(79)	0
Increase (Decrease) in Accounts Payable	47,900	(50)	47,950	95,900 %	262	480	85
Increase (Decrease) in Accrued Liabilities	(400)	(600)	200	33 %	(489)	(122)	428
Increase (Decrease) in Deferred Revenue	250	350	(100)	(29)%	(1,526)	296	2,145
Total Cash From Operating Activities	\$48,417	\$438	\$47,979	10,944 %	\$(1,184)	\$1,091	\$2,920
FINANCING ACTIVITIES							
Capital Expenditures	\$(150)	\$(150)	\$0	0 %	\$0	\$0	\$0
Total Cash From Financing Activities	\$(150)	\$(150)	\$0	0 %	\$0	\$0	\$0
INVESTING ACTIVITIES							
Event Revenue Transfers to USF, net	\$(413)	\$(413)	\$0	0 %	\$(415)	\$(414)	\$(413)
Total Cash From Investing Activities	\$(413)	\$(413)	\$0	0 %	\$(415)	\$(414)	\$(413)
CHANGE IN CASH	47,854	(125)	47,979	38,509 %	(1,600)	677	2,507
Cash, Beginning of Year	2,169	2,506	(337)	(13)%	3,768	3,091	584
Cash, End of Year	\$50,023	\$2,381	\$47,642	2,001 %	\$2,169	\$3,768	\$3,091
Total Cash & Investments	\$50,023	\$2,381	\$47,642	2,001 %	\$2,169	\$3,768	\$3,091
Days Cash on Hand	343	414	(71)	(17)%	303	646	646



USF Management Corporation

FY 2025 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST	FY 2029 FORECAST
ASSETS								
Cash & Investments	\$3,091	\$3,768	\$2,169	\$50,023	\$46,884	\$43,788	\$40,697	\$37,612
Fixed Assets	502	617	548	406	525	602	650	698
Other Assets	12	91	44	43	25	25	25	25
Total Assets	\$3,605	\$4,476	\$2,760	\$50,472	\$47,434	\$44,415	\$41,372	\$38,335
LIABILITIES								
Payables	\$208	\$689	\$951	\$851	\$776	\$635	\$581	\$429
Long-Term Debt	2,538	2,416	1,889	1,489	871	350	281	202
Other Liabilities	2,166	2,462	934	49,184	46,485	43,572	40,669	37,741
Total Liabilities	\$4,912	\$5,567	\$3,773	\$51,524	\$48,132	\$44,557	\$41,531	\$38,372
NET ASSETS	\$(1,307)	\$(1,091)	\$(1,013)	\$(1,052)	\$(698)	\$(142)	\$(159)	\$(37)
Days Cash on Hand	646	646	303	343	341	345	351	355
REVENUES								
Direct Event Income	\$336	\$(34)	\$(444)	\$428	\$480	\$489	\$502	\$515
Event Acquisition Costs	0	0	0	(597)	(580)	(594)	(617)	(645)
Ancillary Revenue:								
Suites/Loge	41	76	99	80	92	96	100	104
Concessions & Novelty	333	657	942	726	683	710	738	768
Parking	391	447	584	465	554	576	599	623
Service Charges	310	471	579	495	500	520	540	562
Ticketmaster Rebates	777	1,010	1,202	980	1,035	1,076	1,119	1,164
Total Ancillary Revenues	2,188	2,628	3,407	2,576	2,863	2,978	3,097	3,221
Miscellaneous	42	131	146	100	50	50	50	50
Total Revenues	\$2,230	\$2,759	\$3,109	\$2,676	\$2,813	\$2,923	\$3,032	\$3,141
EXPENSES								
Salaries & Benefits	\$759	\$1,062	\$1,092	\$964	\$998	\$1,033	\$1,069	\$1,106
General & Administrative	482	433	471	451	475	485	498	515
Marketing & Sales	7	7	15	9	10	12	15	20
Equipment & Supplies	62	167	433	167	155	163	168	175
Utilities	40	28	35	22	31	33	34	35
Insurance	102	117	176	203	200	210	215	220
Incentive Fees/Profit Share	295	314	394	335	362	376	391	407
Total Expenses	\$1,747	\$2,128	\$2,616	\$2,151	\$2,231	\$2,312	\$2,390	\$2,479
Operating Profit Before Non-Cash	\$483	\$631	\$493	\$526	\$582	\$611	\$642	\$662
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$483	\$631	\$493	\$526	\$582	\$611	\$642	\$662
Operating Profit Margin	22%	23%	16%	20%	21%	21%	21%	21%

[20]



USF FOUNDATION, INC.

FY 2025 Mid-Year Forecast

MID-YEAR FORECAST

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

- The Division of University Advancement has made a significant investment in Prospect Research Management to facilitate and grow the crucial impact of philanthropy for USF. This initiative will further the USF Foundation's ability to meet annual fundraising goals with enhanced support and training provided by this team to front-line fundraisers.
- The newly formed Principal Gifts Team has already produced over \$22 million in new gifts for the university and this team will cultivate transformative gift opportunities that will generate an expansion of resources over the long term for the University.
- The talent acquisition is underway for a Regional Fundraising Team that will provide an enhanced regional presence aiding college and unit development teams with additional resources to increase overall engagement outside of the USF campus areas.
- In an effort to adapt to a rapidly changing donor base, the Annual Giving Team has expanded to include a Digital Engagement Center of well-trained students that will provide needed outreach to University supporters by sharing success stories and University news through text-to-give programs, social media platforms, etc.

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

- An increase of projected University Support is expected due to a push to spend more on the University as well as use new funding being provided by the University.
- Increases of Projected Program related Services and independent contractors is being primarily driven by a general increase to Athletics spending.
- An increase in Projected Operating Expenses is being driven by costs associated with refurbishing and equipping workstations within the Foundation.



USF FOUNDATION, INC.

FY 2025 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
REVENUES							
Gifts & Donations	\$70,000	\$67,500	\$2,500	4 %	\$94,775	\$64,769	\$82,693
Investment Income (Loss)	60,518	58,755	1,763	3 %	77,340	43,509	(103,786)
University Support	18,500	15,017	3,483	23 %	22,622	15,684	13,729
Other Revenues	3,070	3,010	60	2 %	9,463	2,341	2,424
Total Revenues	\$152,088	\$144,282	\$7,805	5 %	\$204,200	\$126,303	\$(4,940)
EXPENSES							
Program Services							
Salaries & Benefits	\$25,600	\$24,763	\$837	3 %	\$32,098	\$26,306	\$22,514
Scholarship & Fellowship	12,216	12,216	0	0 %	11,795	13,201	11,452
Service & Independent Contractors	7,500	4,414	3,086	70 %	6,787	4,948	4,700
Supplies	2,300	2,435	(135)	(6)%	1,381	2,473	957
Other Transfers & Expenses	33,750	33,000	750	2 %	43,037	43,946	37,599
Total Program Expenses	81,366	76,826	4,540	6 %	95,098	90,874	77,222
Fundraising & Operating Expenses							
Salaries & Benefits	19,140	18,582	557	3 %	22,959	19,373	17,110
Service & Independent Contractors	1,600	1,449	151	10 %	1,552	870	1,669
Other Transfers & Expenses	3,980	3,000	980	33 %	3,384	3,452	1,796
Total Fundraising & Operating Expenses	24,720	23,031	1,688	7 %	27,895	23,695	20,575
Total Expenses	\$106,086	\$99,858	\$6,228	6 %	\$122,993	\$114,569	\$97,797
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$46,002	\$44,425	\$1,577	4 %	\$81,207	\$11,734	\$(102,737)
Total Non-Cash Changes	\$0	\$0	\$0	%	\$0	\$0	\$0
NET OPERATING PROFIT	\$46,002	\$44,425	\$1,577	4 %	\$81,207	\$11,734	\$(102,737)
Operating Profit Margin	30%	31%		(1)%	40%	9%	2080%



USF FOUNDATION, INC.

FY 2025 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
OPERATING ACTIVITIES							
Net Operating Profit	\$46,002	\$44,425	\$1,577	4 %	\$81,207	\$11,734	\$(134,363)
Adjustment for Non-Cash Activities:							
Investment (gain) losses	(60,518)	(58,755)	(1,763)	(3)%	(77,340)	(43,509)	103,785
Change in assets & liabilities	(1,275)	(1,275)	0	0 %	(59,680)	(13,474)	(16,971)
Total Cash From Operating Activities	\$(15,791)	\$(15,605)	\$(186)	(1)%	\$(55,813)	\$(45,249)	\$(47,549)
FINANCING ACTIVITIES							
Interest Paid on Debt	\$(74)	\$(74)	\$0	0 %	\$(87)	\$(93)	\$(99)
Principal Paid on Debt	(501)	(501)	0	0 %	(490)	(443)	(402)
NonCapital Financing activities	16,254	16,254	0	0 %	19,269	13,680	17,662
Total Cash From Financing Activities	\$15,679	\$15,679	\$0	0 %	\$18,692	\$13,144	\$17,161
INVESTING ACTIVITIES							
Receipt of loan repayment on loan to DSO	\$0	\$0	\$0	%	\$0	\$266	\$400
Net (Purchases) Sales of Investment	(9,500)	(9,500)	0	0 %	24,062	18,270	23,328
Interest dividends reinvested	9,010	9,010	(0)	(0)%	14,233	12,340	7,839
Total Cash From Investing Activities	\$(490)	\$(490)	\$(0)	(0)%	\$38,295	\$30,876	\$31,567
CHANGE IN CASH	(602)	(416)	(186)	(45)%	1,174	(1,229)	1,179
Cash, Beginning of Year	1,673	1,259	414	33 %	501	1,730	551
Cash, End of Year	\$1,071	\$843	\$228	27 %	\$1,675	\$501	\$1,730
Total Cash & Investments	\$100,146	\$100,146	\$0	0 %	\$93,981	\$107,314	\$116,951
Days Cash on Hand	345	366	(21)	(6)%	279	342	436



USF FOUNDATION, INC.

FY 2025 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST	FY 2029 FORECAST
ASSETS								
Cash & Investments	\$116,951	\$107,314	\$93,981	\$100,146	\$101,546	\$103,646	\$104,682	\$106,776
Fixed Assets	10,606	10,488	10,369	10,276	10,174	10,072	9,971	10,171
Other Assets	693,518	719,726	815,991	836,349	906,034	985,038	1,070,030	1,091,431
Total Assets	\$821,075	\$837,528	\$920,341	\$946,771	\$1,017,754	\$1,098,756	\$1,184,684	\$1,208,378
LIABILITIES								
Payables	\$1,985	\$2,758	\$3,759	\$1,039	\$1,060	\$1,081	\$1,103	\$1,125
Long-Term Debt	3,540	3,127	2,704	2,269	1,822	1,364	894	912
Other Liabilities	29,057	33,415	34,443	33,682	35,682	38,032	40,462	41,271
Total Liabilities	\$34,582	\$39,300	\$40,906	\$36,990	\$38,564	\$40,477	\$42,459	\$43,308
NET ASSETS	\$786,493	\$798,228	\$879,435	\$909,781	\$979,190	\$1,058,278	\$1,142,225	\$1,165,070
Days Cash on Hand	436	342	279	345	366	367	363	364
REVENUES								
Gifts & Fundraising Revenue	\$85,117	\$67,110	\$104,238	\$70,000	\$71,166	\$74,725	\$78,461	\$79,246
University Support	13,729	15,684	22,622	18,500	15,873	16,598	17,323	17,496
Other Revenues	(103,786)	43,509	77,340	63,588	66,431	72,212	78,305	79,088
Total Revenues	\$(4,940)	\$126,303	\$204,200	\$152,088	\$153,470	\$163,535	\$174,089	\$175,830
EXPENSES								
Salaries & Benefits	\$39,624	\$45,679	\$55,057	\$44,740	\$44,212	\$45,096	\$45,998	\$46,918
Scholarships & Fellowship	13,121	14,071	13,347	12,216	11,887	12,006	12,126	12,247
Other Expenses	45,052	54,819	54,589	49,130	45,183	46,087	47,009	47,949
Total Expenses	\$97,797	\$114,569	\$122,993	\$106,086	\$101,282	\$103,189	\$105,133	\$107,114
Operating Profit Before Non-Cash	\$(102,737)	\$11,734	\$81,207	\$46,002	\$52,188	\$60,346	\$68,956	\$68,716
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$(102,737)	\$11,734	\$81,207	\$46,002	\$52,188	\$60,346	\$68,956	\$68,716
Operating Profit Margin	2080%	9%	40%	30%	34%	37%	40%	39%



University of South Florida, Alumni Association Inc.

FY 2025 Mid-Year Forecast

MID-YEAR FORECAST

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

- The Association's staff has traveled to meet with all chapter and societies this fiscal year. In many cases multiple visits were needed to grow and support our volunteers at the chapter and society level. We expect these interactions with our chapters and societies during the second half of the year to maintain or slightly increase.
- The Association has added an additional 213 life members in the current fiscal year. This activity is below budget for the first six months due to a loss of 30 days of solicitations associated with the hurricanes in Florida. The Association is implementing a comprehensive life membership marketing plan during the second half of FY '25.
- The Association was successful in obtaining additional budget funding from the University and is using it towards alumni and student programs, including four new connection and engagement programs.

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

- The Association expects to end the year favorable to the 2025 budget, therefore no additional actions are necessary.



University of South Florida, Alumni Association, Inc.

FY 2025 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
REVENUES							
Membership	\$244	\$306	\$(62)	(20)%	\$224	\$230	\$324
License Plates	380	399	(19)	(5)%	363	382	383
Budget support	1,600	1,600	0	0 %	1,200	957	556
Affinity Royalty	291	293	(2)	(1)%	361	338	356
Investment Income	395	391	4	1 %	(51)	249	317
Sponsorships	198	203	(5)	(2)%	159	267	256
Gifts and Donations	232	280	(48)	(17)%	246	295	145
Event and other revenue	213	208	5	2 %	207	206	204
Total Revenues	\$3,553	\$3,680	\$(127)	(3)%	\$2,709	\$2,924	\$2,541
EXPENSES							
Salaries	\$1,905	\$2,033	\$(128)	(6)%	\$1,748	\$1,653	\$1,542
Membership and membership services	130	136	(6)	(4)%	126	153	140
Printing & Postage	130	133	(3)	(2)%	111	63	63
Event Services	563	538	25	5 %	447	442	292
Professional Services	72	84	(12)	(14)%	77	136	109
Travel	71	93	(22)	(24)%	76	59	21
Advertising & Marketing	32	24	8	33 %	27	18	19
Insurance	48	47	1	2 %	41	33	40
Community Relations	27	36	(9)	(25)%	27	37	19
Credit Card fees and other services	18	22	(4)	(18)%	21	24	32
Scholarships	72	76	(4)	(5)%	115	148	83
Other expenses	41	31	10	32 %	36	35	29
Total Expenses	\$3,109	\$3,253	\$(144)	(4)%	\$2,852	\$2,801	\$2,389
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$444	\$427	\$17	4 %	\$(143)	\$123	\$152
Unrealized Investment Gains (Losses)	687	687	0	0 %	1,118	336	(1,760)
Total Non-Cash Changes	\$687	\$687	\$0	0 %	\$1,118	\$336	\$(1,760)
NET OPERATING PROFIT	\$1,131	\$1,114	\$17	2 %	\$975	\$459	\$(1,608)
Operating Profit Margin	12%	12%		1 %	-5%	4%	6%

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University of South Florida, Alumni Association, Inc.

FY 2025 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
OPERATING ACTIVITIES							
Net Operating Profit	\$1,131	\$1,114	\$17	2 %	\$975	\$507	\$(1,608)
Adjustments for Non-Cash Activities:							
Unrealized gain on investments	(687)	(687)	0	0 %	(1,118)	(336)	1,760
Adjustments for Changes in Operating Assets and Liabilities	0	0	0	0 %	79	0	88
Total Cash From Operating Activities	\$444	\$427	\$17	4 %	\$(64)	\$171	\$240
FINANCING ACTIVITIES							
Capital expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0
Total Cash From Financing Activities	\$0	\$0	\$0	%	\$0	\$0	\$0
INVESTING ACTIVITIES							
Net (Purchase) Sales of Investments	\$(450)	\$(420)	\$(30)	(7)%	\$121	\$(175)	\$(234)
Total Cash From Investing Activities	\$(450)	\$(420)	\$(30)	(7)%	\$121	\$(175)	\$(234)
CHANGE IN CASH							
Cash, Beginning of Year	61	0	61	%	57	(4)	6
Cash, End of Year	\$55	\$7	\$48	686 %	\$61	\$4	\$8
Total Cash & Investments	\$1,575	\$1,356	\$219	16 %	\$1,507	\$1,534	\$1,163
Days Cash on Hand	185	152	33	22 %	193	200	178



University of South Florida, Alumni Association Inc.

FY 2025 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST	FY 2029 FORECAST
ASSETS								
Cash & Investments	\$1,163	\$1,534	\$1,507	\$1,575	\$1,701	\$1,837	\$1,984	\$2,143
Restricted Cash & Investments	8,177	8,593	9,456	10,143	10,954	11,831	12,777	13,799
Other Assets	340	308	406	406	406	406	406	406
Total Assets	\$9,680	\$10,435	\$11,369	\$12,124	\$13,061	\$14,074	\$15,167	\$16,348
LIABILITIES								
Payables	\$154	\$227	\$134	\$134	\$134	\$134	\$134	\$134
Long-Term Debt	0	0	0	0	0	0	0	0
Other Liabilities and deferred inflows	2,731	2,832	2,982	3,000	3,000	3,000	3,000	3,000
Total Liabilities	\$2,885	\$3,059	\$3,116	\$3,134	\$3,134	\$3,134	\$3,134	\$3,134
NET ASSETS	\$6,795	\$7,376	\$8,253	\$8,990	\$9,927	\$10,940	\$12,033	\$13,214
Days Cash on Hand	178	200	193	185	185	190	196	201
REVENUES								
Membership	\$324	\$278	\$224	\$244	\$256	\$269	\$296	\$326
Support	556	957	1,200	1,600	1,600	1,600	1,800	1,800
Other Revenues	1,661	1,737	1,285	1,709	1,794	1,884	2,073	2,280
Total Revenues	\$2,541	\$2,972	\$2,709	\$3,553	\$3,651	\$3,753	\$4,169	\$4,405
EXPENSES								
Salaries & Benefits	\$1,542	\$1,653	\$1,748	\$1,905	\$2,094	\$2,199	\$2,309	\$2,424
Event Expenses	292	442	447	563	591	621	652	684
Other Expenses	555	706	657	641	673	707	742	779
Total Expenses	\$2,389	\$2,801	\$2,852	\$3,109	\$3,358	\$3,526	\$3,702	\$3,888
Operating Profit Before Non-Cash	\$152	\$171	\$(143)	\$444	\$292	\$227	\$466	\$518
Total Non-Cash Changes	\$(1,760)	\$336	\$1,118	\$687	\$811	\$876	\$946	\$1,022
NET OPERATING PROFIT	\$(1,608)	\$507	\$975	\$1,131	\$1,104	\$1,103	\$1,413	\$1,540
Operating Profit Margin	6%	6%	-5%	12%	8%	6%	11%	12%

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USF Financing Corporation & USF Property Corporation

FY 2025 Mid-Year Forecast

MID-YEAR FORECAST

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

- **Initiative #1: Finance, Develop and Manage New and Existing Capital Projects.**
 - \$340 M Stadium Project: Financing Corporation is working closely with the University and construction manager to ensure that the Project is delivered on time and on budget, while managing operating and financial risks. The University held a successful groundbreaking event in November 2024. Construction is expected to be completed by Fall 2027.
 - \$46.5 M Sarasota-Manatee Housing and Student Center Project: Construction on the USF Sarasota Manatee Housing and Student Center was substantially completed and placed in service in August 2024. The Financing Corporation and University are working closely with the construction manager on final close out documents. The remaining construction costs will be paid in spring 2025 and will be funded with University equity funds. Project Funds held at the Financing Corporation have been fully exhausted.
 - Pending Project - Argos Redevelopment Project: The Project has been paused due to financial feasibility challenges; however, USF will continue to assess University debt capacity, impact on USF Housing System's "A+" credit ratings, and the financial feasibility of the Project.
- **Initiative #2: Extend the Series 2012B Direct Placement Facility with Wells Fargo Bank.**
 - On August 1, 2024, the Financing Corporation Board of Directors authorized the remarketing of the outstanding \$43,725,000 Series 2012B Certificates, previously placed directly with Wells Fargo Bank (Wells Fargo). Wells Fargo exercised its option to cause Financing Corporation to repurchase the Series 2012B Certificates on October 1, 2024. The Financing Corporation sought proposals from various financial institutions to purchase the Series 2012B Certificates, and selected the proposal submitted by JPMorgan Chase Bank, N.A. to purchase the Certificates through its wholly owned subsidiary DNT Asset Trust. The amended Supplemental Trust Agreement, the Continuing Covenant Agreement and all necessary related agreements, certificates and opinions were executed and the transaction closed on October 1, 2024.
- **Initiative #3: Protect USF's "AA" credit ratings.**
 - Formal presentations will be made to Moody's, Standard & Poor's and Fitch in spring 2025 emphasizing USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage. USF's "AA" credit rating, along with all of its system ratings, were most recently affirmed by Moody's and S&P with Stable Outlooks (December 2023).
- **Initiative #4: Ongoing oversight of DSOs and Auxiliaries with debt to ensure they are managing revenues and expenses to maintain pledged revenues and debt service coverage ratios, preserve essential liquidity, and maintain required reserves.**
 - Management continues to work closely with all DSOs and Auxiliaries and all are on track to continue meeting required debt service obligations, preserving essential liquidity, and maintaining required reserves.
- **Initiative #5: Ongoing compliance with covenants for 15 Series of debt, including IRS rules on tax-exempt bonds and required SEC reporting.**
 - Management recently complied with reporting requirements for all 15 Series of debt, including SEC reporting, and continues to ensure compliance with all other covenants.

- Financing Corporation is exploring potential refunding transactions for the Series 2012A Housing COPs and Series 2015 Marshall Center Bonds in advance of the July 1, 2025 call date.

- **Initiative #6: Wind-up and dissolution of INTO USF, Inc.**

- USF Financing Corporation was fully dismissed from the INTO litigation matter on January 31, 2024.

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

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

Minor variances between the FY 2025 mid-year forecast and the FY 2025 financial plan are as follows:

Revenues: Housing revenue slightly decreased due to the change in interest rate on the 2012B Housing Certificates of Participation from the remarketing transaction that took place in October 2024. Projected net interest income decreased due to investment expenses on the Stadium escrow investment, as well as a slight decrease in money market interest rates.

Expenses: General and administrative expenses increased due to service consulting fees incurred in the wind-up and dissolution of INTO USF. Consulting fees are expected to decrease going forward as litigation has been dismissed. Interest expense increased due to an accounting adjustment for year-end accruals, as well as reflecting the costs of issuance related to the 2012B Housing COPs remarketing transaction.

Operating Profit Margin: Operating Revenues will, by contract, cover Operating Expenses and debt service, with modest year-over-year variances. While Total Revenues remained relatively unchanged from the FY 2025 Plan, Total Expenses increased, as described above, thereby reducing Operating Profit by approximately \$1.8 million to \$1.4 million. Similarly, Operating Profit Margin decreased from 11.1% to 4.9%.

Change in Cash: The \$5.0 million positive change in cash flow from the FY 2025 financial plan was due to capital expenditures for the USF Sarasota-Manatee Housing and Student Center project being paid in the prior fiscal year. Any remaining project costs will be paid with University equity funds as the Project Funds held at the Financing Corporation have been fully exhausted.

Days Cash on Hand: Projected Days Cash on Hand increased slightly due to the change in cash described above.



USF Financing Corporation & USF Property Corporation

FY 2025 Mid-Year Forecast

INCOME STATEMENT

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
REVENUES							
Housing lease revenue	\$10,546	\$10,501	\$44	0 %	\$9,196	\$9,462	\$10,125
Marshall Center lease revenue	1,224	1,224	0	0 %	1,196	1,255	1,312
Athletics lease revenue	13,305	13,305	0	0 %	8,134	371	437
Arena lease revenue	638	638	0	0 %	608	652	695
DSO (UMSA) lease revenue	1,712	1,712	0	0 %	1,825	1,990	1,977
DSO (HPCC) lease revenue	327	327	0	0 %	344	365	381
DSO (Research) lease revenue	872	872	0	0 %	981	977	989
Total Revenues	\$28,623	\$28,579	\$44	0 %	\$22,284	\$15,072	\$15,916
OPERATING EXPENSES							
Management fee	\$911	\$911	\$0	0 %	\$851	\$827	\$803
General and administrative expenses	1,223	812	411	51 %	1,257	630	601
Total Operating Expenses	\$2,134	\$1,723	\$411	24 %	\$2,108	\$1,457	\$1,405
OTHER REVENUES (EXPENSES)							
Interest expense on debt	\$(26,288)	\$(25,178)	\$(1,110)	(4)%	\$(20,078)	\$(11,614)	\$(12,062)
Interest income, net	1,200	1,500	(300)	(20)%	1,926	1,387	65
Total Other Revenues (Expenses)	\$(25,088)	\$(23,678)	\$(1,410)	(6)%	\$(18,152)	\$(10,226)	\$(11,998)
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$1,401	\$3,178	\$(1,776)	(56)%	\$2,024	\$3,388	\$2,513
Unrealized investment gains (losses)	500	300	200	67 %	220	0	0
Change in INTO USF equity investment	0	0	0	%	0	0	1,544
Total Non-Cash Changes	\$500	\$300	\$200	67 %	\$220	\$0	\$1,544
NET OPERATING PROFIT (LOSS)	\$1,901	\$3,478	\$(1,576)	(45)%	\$2,244	\$3,388	\$4,058
Operating Profit Margin	4.9%	11.1%		(6)%	9.1%	22.5%	15.8%



USF Financing Corporation & USF Property Corporation

FY 2025 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2025 MID-YEAR FORECAST	FY 2025 FINANCIAL PLAN	Variance		FY 2024 ACTUAL RESULTS	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS
			\$	%			
OPERATING ACTIVITIES							
Lease payments received from USF	\$38,694	\$38,650	\$44	0 %	\$29,569	\$23,678	\$24,096
Lease payments received from UMSA	4,372	4,372	(0)	(0)%	4,415	4,515	4,442
Lease payments received from HPCC	1,474	1,474	0	0 %	1,476	1,431	1,386
Lease payments received from Research Foundation	2,203	2,203	0	0 %	2,259	2,176	2,167
Payment to USF for management services	(911)	(911)	0	0 %	(851)	(827)	(803)
General and administrative disbursements	(1,223)	(812)	(411)	(51)%	(826)	(630)	(600)
Total Cash From Operating Activities	\$44,609	\$44,975	\$(366)	(1)%	\$36,042	\$30,342	\$30,688
FINANCING ACTIVITIES							
Capital expenditures	\$0	(5,500)	\$5,500	100 %	\$(22,725)	\$(7,562)	\$(11,499)
Proceeds of long-term debt	0	0	0	%	200,000	29,999	0
Debt issuance costs	0	0	0	%	0	(254)	0
Principal payments	(17,024)	(17,024)	0	0 %	(16,020)	(16,358)	(15,722)
Interest payments	(26,369)	(26,259)	(110)	(0)%	(20,479)	(14,202)	(13,522)
Equity contribution from USF/DSO for Project	0	0	0	%	0	0	1,385
Security received from (returned to) lessee for swap collateral	0	0	0	%	0	0	3,963
Security (pledged to) returned from counterparty	0	0	0	%	(0)	(0)	(3,963)
Total Cash From Financing Activities	\$(43,394)	\$(48,784)	\$5,390	11 %	\$140,776	\$(8,377)	\$(39,358)
INVESTING ACTIVITIES							
Purchase of investments	\$0	\$0	\$0	%	\$(198,632)	\$0	\$0
Proceeds from maturity/redemption of INTO CD	0	0	0	%	0	3,774	3,774
Purchase of INTO CD	0	0	0	%	0	0	(3,774)
Interest income	10,000	10,000	0	0 %	5,109	1,954	36
Total Cash From Investing Activities	\$10,000	\$10,000	\$0	0 %	\$(193,523)	\$5,728	\$35
CHANGE IN CASH	11,215	6,191	5,024	81 %	(16,705)	27,693	(8,635)
Cash, Beginning of Year	55,051	55,051	0	0 %	71,755	44,062	52,698
Cash, End of Year	\$66,266	\$61,242	\$5,024	8 %	\$55,051	\$71,755	\$44,063
Total Cash & Investments	\$265,398	\$263,414	\$1,984	1 %	\$253,902	\$71,755	\$47,837
Days Cash on Hand	394	386	9	2 %	378	415	407



USF Financing Corporation & USF Property Corporation
FY 2025 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST	FY 2029 FORECAST
ASSETS								
Cash & Investments	\$47,837	\$71,755	\$253,902	\$265,398	\$198,808	\$112,912	\$79,647	\$81,435
Financing Receivable	304,391	295,131	299,219	281,099	337,126	403,899	411,141	381,933
Other Assets	7,978	4,503	5,257	4,388	4,029	2,813	2,679	1,594
Total Assets	\$360,206	\$371,390	\$558,378	\$550,885	\$539,963	\$519,624	\$493,467	\$464,962
LIABILITIES								
Payables - Interest and Construction	\$7,253	\$5,802	\$8,955	\$13,185	\$12,785	\$12,388	\$11,811	\$11,148
Long-Term Debt	324,693	336,851	519,464	506,518	494,728	473,577	446,924	418,103
Interest Rate Swap & Other Payables	6,433	3,523	2,502	1,823	1,573	1,448	1,385	1,354
Total Liabilities	\$338,379	\$346,176	\$530,921	\$521,526	\$509,085	\$487,413	\$460,121	\$430,605
NET ASSETS	\$21,827	\$25,214	\$27,458	\$29,359	\$30,877	\$32,210	\$33,347	\$34,357
Days Cash on Hand	407	415	378	394	415	423	431	439
REVENUES								
USF Debt Payments	\$12,569	\$11,740	\$19,134	\$25,712	\$25,285	\$24,885	\$24,185	\$23,137
UMSA Debt Payments	1,977	1,990	1,825	1,712	1,737	1,661	1,584	1,507
HPCC Debt Payments	381	365	344	327	307	286	265	242
Research Debt Payments	989	977	981	872	826	777	729	674
Total Revenues	\$15,916	\$15,072	\$22,284	\$28,623	\$28,155	\$27,609	\$26,763	\$25,561
EXPENSES								
Operating Expenses	1,405	1,457	2,108	2,134	1,832	1,837	1,952	2,075
Total Expenses	\$1,405	\$1,457	\$2,108	\$2,134	\$1,832	\$1,837	\$1,952	\$2,075
OTHER REVENUES (EXPENSES)								
Interest Expense on Debt	\$(12,062)	\$(11,614)	\$(20,078)	\$(26,288)	\$(25,630)	\$(24,964)	\$(23,925)	\$(22,726)
Other Revenues/Expenses	65	1,387	1,926	1,200	625	450	225	250
Total Other Revenues (Expenses)	\$(11,998)	\$(10,226)	\$(18,152)	\$(25,088)	\$(25,005)	\$(24,514)	\$(23,700)	\$(22,476)
Operating Profit Before Non-Cash	\$2,513	\$3,388	\$2,024	\$1,401	\$1,318	\$1,258	\$1,112	\$1,010
Change in INTO USF equity investment	1,544	0	0	0	0	0	0	0
Unrealized Investment Gains (Losses)	0	0	220	500	200	75	25	0
NET OPERATING PROFIT	\$4,058	\$3,388	\$2,244	\$1,901	\$1,518	\$1,333	\$1,137	\$1,010
Operating Profit Margin	15.8%	22.5%	9.1%	4.9%	4.7%	4.6%	4.2%	4.0%

Agenda Item: IVc

USF Board of Trustees
Finance Committee
February 27, 2025

Issue: USF Financing Corporation Refunding Opportunities: Series 2012A Housing Certificates of Participation, Series 2015 Marshall Center Revenue Bonds

Proposed action: Informational

Executive Summary:

The USF Financing Corporation (the “Financing Corporation”) continuously monitors its outstanding debt portfolio for refunding opportunities that could result in debt service savings.

The Series 2012A Housing Certificates of Participation (the “2012A Housing Certificates”) and the Series 2015 Marshall Center Capital Improvement Revenue Refunding Bonds (the “2015 Revenue Bonds”) are eligible for refunding with call dates of July 1, 2025. Based on tax law, the refundings can close as early as 90 days prior to the call date on April 2, 2025.

Given current market conditions, the Financing Corporation, in coordination with its financial advisor, has determined that the refunding transactions would likely result in debt service savings.

The Financing Corporation issued a Request for Proposal for investment banking services on February 5, 2025, and will select an underwriter(s) for each refunding transaction. The financing team is comprised of Financing Corporation staff and legal counsel, PFM (financial advisor), Bryant Miller Olive (bond counsel), and Gray Robinson (disclosure counsel).

Moody’s and Standard & Poor’s credit rating agencies will be approached to affirm bond ratings. These refunding transactions will be considered by the Financing Corporation Board of Directors for approval. Refunding transactions for debt service savings where final maturities are not extended, and the original financing was previously authorized, do not require BOT or BOG approval; however, notice is being provided to ensure transparency.

Financial Impact:

Based on current market conditions, debt service savings are estimated as follows:

- \$63,530,000 outstanding Series 2012A Housing Certificates
 - \$3,850,000 Estimated total present value (PV) savings
 - 6.06% Estimated PV savings of refunded bonds
 - \$427,000 Estimated annual debt service savings

- \$20,375,000 outstanding Series 2015 Marshall Center Revenue Bonds
 - \$1,100,000 Estimated total PV savings
 - 6.13% Estimated PV savings of refunded bonds
 - \$123,000 Estimated annual debt service savings

Strategic Goal(s) Item Supports: Goal 5: A strong, sustainable, and adaptable financial base
BOT Committee Review Date: Finance Committee, February 27, 2025
Supporting Documentation Online (please circle): Yes **No**
Prepared by: Dawn M. Rodriguez, University Treasurer, (813) 974-7297

Agenda Item: IVd

**USF Board of Trustees
Finance Committee
February 27, 2025**

Issue: Major Finance Projects Update

Proposed action: Information

Executive Summary:

Jennifer Condon, Vice President & CFO will provide highlights of current major finance projects. The presentation will cover the new Compass partnership, Fletcher parcel P3 project, on campus stadium and energy savings projects in progress.

Financial Impact: N/A

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

BOT Committee Review Date:

Supporting Documentation Online (please circle): Yes No

Prepared by: Jennifer Condon, Vice President & CFO

Major Finance Project Update

Board of Trustees Finance Committee Meeting

Jennifer Condon

Feb. 27, 2025



Compass Group Partnership

Overview

- In October 2024, USF announced its **partnership with Compass Group, a leading food and support services provider.**
- Compass Group, through its separate business sectors, will provide all **on-campus dining services** (Chartwells), **athletics concessions/dining services** (Levy) and **facility management services** (Southeast Services Corporation, “SSC”).
- Over the next 15 years, the partnership is projected to yield **nearly \$320 million in cost savings and additional revenue for USF.** This includes a **\$48 million signing bonus,** which will support strategic priorities.
- The partnership will create **efficiencies and advancements** for the university that would not have been possible otherwise. It will also **offer students internship and experiential learning opportunities in support of USF’s Quality Enhancement Plan.**

Compass Group Partnership

Update

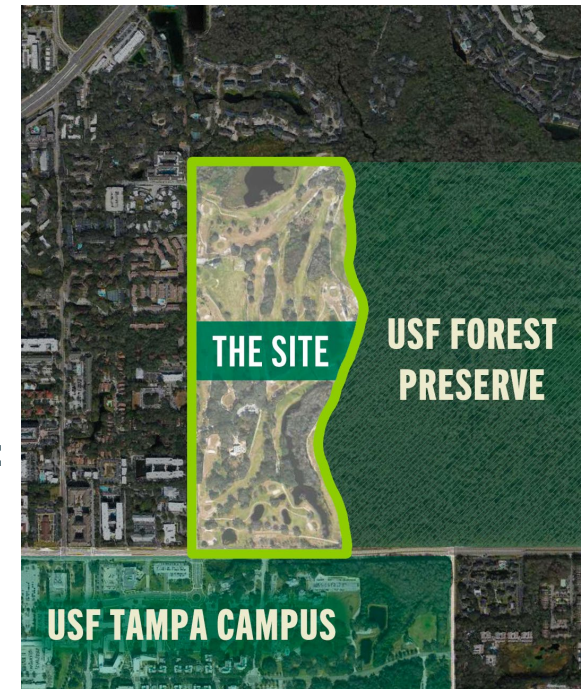
- USF signed the Facility Services Agreement with SSC
 - 463 positions transitioned from USF’s facilities management to SSC. **(94% of employees accepted offers)**
- USF and Chartwells are finalizing the Dining Services Agreement
 - Chartwells is working closely with USF’s management to ensure a smooth transition of meal plans and dining services.
 - **No meal plan pricing or structure changes will be made until at least summer 2027.**
- USF and Levy are finalizing the Concessions Services Agreement

Transition Timeline	
December 2024	Facilities management team transitioned to SSC
July 2025	On-campus dining transitions to Chartwells
July 2025	Athletics concessions/dining transitions to Levy

Fletcher Parcel Public-Private Partnership (P3)

Overview

- Align with **USF Strategic Plan** to create a **transformational, mixed-use District**.
- Envisions **retail, dining, hospitality, academic, research, housing, green and recreational space**.
 - Housing options will consider multiple USF populations – upper-level undergraduate, graduate and professional students, faculty and staff
- Comprehensive stakeholder engagement yielded **key strategic objectives**:
 - P3 delivery transfers risk and leverages private sector expertise
 - Elevates the campus experience and promote USF's unique brand and identity
 - Embraces USF's unique ecological assets and cultural history
 - Strengthens connectivity throughout the campus and surrounding communities
 - **USF Forest Preserve undeveloped**



Fletcher Parcel P3

Update

- Strategic, transparent and inclusive process
 - Regular updates to BOT
 - Early engagement of BOG and DBF
- Engaged industry-leading consultants:
 - Brailsford & Dunlavey
 - Bryant Miller Olive
- Systematic approach to select P3 Partner
 - Two-stage ITN procurement process
 - Stage 1: Qualifications
 - Stage 2: Solicitation of proposals

Estimated Project Timeline	
May 2024	ITN Stage 1 proposals received
September 2024	Down-selected most qualified to Stage 2
February 2025	Stage 2 proposals due
March 2025	Intent to Award
Fall 2025	Project to BOT/BOG
2026 – 2028	Initial Construction Period

On-Campus Stadium

Overview

- **35,000-person capacity stadium project located on the Tampa campus**
- BOT and BOG approvals in June and September 2023, respectively
- **Philanthropy for the Project continues to grow**



Timeline



Energy Savings Projects

Overview and Timeline

- Three Central Plant Modernization Projects Financed with Energy Savings Contracts
 - **\$30M of new/upgraded equipment and systems**
 - **\$5M of guaranteed savings**, net of financing and program costs
 - Actual savings are expected to exceed the minimum guarantees
 - Any savings shortfalls will be paid to USF.

Projects	Project Cost	Net Guaranteed Savings	Projected Completion
Project 1 – Heating Upgrades	\$9.9M	\$1.8M	Feb 2025
Project 2 – Cooling Upgrades	\$9.9M	\$1.8M	Feb 2025
Project 3 – HVAC, Electrical, Lighting	\$8.9M	\$1.4M	Apr 2025

Questions?

