

DIRECT SUPPORT ORGANIZATIONS

QUARTER 3 FOR FISCAL YEAR 2023-2024

Period Ended March 31, 2024

DSO Q3 Financial Reports for FY 2024

INDEX

USF Foundation, Inc.	2-7
USF Alumni Association, Inc.	8-11
USF Financing Corporation and USF Property Corporation.....	12-16
University Medical Services Association, Inc. and Medical Services Support Corporation.....	17-18
USF Research Foundation, Inc.....	19-22
USF Health Professions Conferencing Corporation	23-27
Sun Dome Inc.....	28-30
USF Institute of Applied Engineering, Inc.	31-33



Unaudited Interim Financial Statements

For the Quarter ended March 31, 2024

Records of the University of South Florida are subject to disclosure under the Florida Public Records law unless exempt by law. Documents made or received by a USF Foundation agent in connection with the transaction of business by the USF Foundation are confidential and exempt from F.S. 119 pursuant to F.S. 1004.28(5) and in accordance with the USF Foundation Policy on Confidentiality of USF Foundation Documents.



EXECUTIVE SUMMARY

MAJOR BUSINESS INITIATIVES - FY 2024

- Several initiatives for the USF Foundation and the Division of University Advancement are underway to facilitate and grow the crucial impact of philanthropy for USF. The talent acquisition for these new initiatives and restructuring of resources will continue throughout fiscal year 2024. The formation of a Principal Gifts Team will produce transformative gift opportunities that will generate an expansion of resources over the long term for the University. The establishment of a Regional Fundraising Team will provide an enhanced regional presence aiding college and unit development teams with additional resources to increase overall engagement outside of the USF campus areas. In an effort to adapt to a rapidly changing donor base, the expansion of the Annual Giving Team to include a Digital Engagement Center of well-trained students will provide needed outreach to University supporters to share success stories and University news through text-to-give programs, social media platforms, etc.
- The Foundation's investment strategy is to maximize support to the University while not endangering the ability to maintain the original purchasing power of donor investments over the long term. The Foundation's Investment Committee guides this process by actively monitoring the performance of our asset allocation, prudently considering the risks associated with each asset class and taking action if necessary to enhance the growth of the endowment over the long-term. The goal is to grow the endowment through continued solid investment returns and gifts. In order to provide for a consistent, reliable stream of income to the University the Foundation Board annually establishes a spending policy from the endowment to help mitigate the impact of market volatility on University programs that depend on the income to operate. The spending policy employs a 5 year average market value in its calculation which helps suppress the risk of volatility. Further, the Board approved a 4% dividend for fiscal year 2024, consistent with prior years.
- The Foundation supports program activities of the University for USF faculty & staff, student scholarships, research initiatives, and capital projects according to donor restrictions. These expenses can be funded by current gifts estimated on the annual plan, existing balances in accounts from gifts and distributions received in prior years, or projected endowment distributions during the year of about \$25.8 million. With the assistance of the Foundation, spending from these sources is directed by the colleges and units designated by our donors as the beneficiaries of their gifts.

EXPLANATION OF MAJOR VARIANCES

Statement of Net Position

- Cash in the Foundation's checking account is managed based on a frequent evaluation of gifts received and funding requests to be paid. The larger balance was necessary due to significant pending funding requests due to USF for salaries and other facilities projects.
- The decrease in current investments is related to the transfer of \$21 million to Athletics related to the stadium project.
- The increase in noncurrent investments is due to the performance of the market netted with gifts, distributions for dividends and administrative fees. The estimated return through the third quarter is a gain of approximately 12% driven by positive portfolio performance of international and domestic equities offset by decreases in private equities and private real assets.
- The net change in Subscription liabilities is primarily driven by the ending of an agreements for Salesforce and Blackbaud. The remaining agreement has been moved to current because it is due within one year. In quarter 4, new technological agreements will be evaluated and added to the subscription liabilities as seen fit.
- A large portion of the overall contribution receivable balance shifted to current assets as large installments are scheduled to be received in the upcoming fiscal year. In addition, the receivable balance increased for new pledges from the USF Federal Credit Union and Tampa General Hospital due within a year.
- During the most recent quarter, the Foundation received a gift of real estate to be sold with the proceeds to benefit the MCOB Nault Center for Entrepreneurship.

Statement of Revenues, Expenses and Changes in Net Position

- Contributions revenue increased for new pledges from the USF Athletics Football Stadium Project.
- Investment gains and losses are represented as operating revenues on the statement of revenues, expenses and changes in net position. This presentation is consistent with GASB standards as a primary function of the Foundation is the management and investment of charitable gifts made to benefit the university. The change in investment returns at March 2024 impacts the fluctuation of investment income, realized/unrealized gains and losses. For FY24 the year-to-date gain was 12% and the prior year-to-date gain was 5.3%.
- Program Service expenses in total were higher than prior year-to-date amounts. This increase was primarily driven by a \$3.9 million dollar increase in the allowance for doubtful accounts due to a \$4 million dollar pledge being added. Additionally increases in salaries is due to colleges and units submitting additional salary requests. Contractual services were seen in athletics with the addition of the practice facility and football stadium.
- University Support was higher overall when compared to prior year due to additional support received to fund salaries throughout Advancement.
- The presentation of endowment contributions is consistent with GASB standards as a separate line item from contributions in operating revenues. Endowment contributions are recognized when payments are received rather than when pledged. Endowment contributions consist of outright gifts made to endowments, bequest or planned gift distributions to endowments and endowment pledge payments. The timing of endowment contributions payments may fluctuate based on the payment terms associated within the donors' pledge agreements.

Statement of Cash Flows

- Change in cash balance is due to the fluctuations in receipt of major gifts, dividend distributions and movement between the checking account, operating investment pool and the long-term endowment pool.

STATEMENT OF NET POSITION

	Current Year 3/31/2024	Prior Fiscal Year 6/30/2023	Variance \$	%
ASSETS				
Current assets:				
Cash and cash equivalents	4,785,397	500,363	4,285,034	856%
Investments	91,207,735	106,813,725	(15,605,990)	-15%
Contribution receivable, net	33,089,578	17,822,977	15,266,601	86%
Lease and other receivable	642,995	598,857	44,138	7%
Real estate held for sale	1,250,000	-	1,250,000	100%
Due from University of South Florida	95,640	60,146	35,494	59%
Total Current Assets	\$ 131,071,346	\$ 125,796,068	5,275,278	4%
Non-current assets:				
Investments	\$ 700,725,242	\$ 638,400,976	62,324,266	10%
Contribution receivable, net of current portion	36,304,936	30,403,016	5,901,920	19%
Beneficial interest assets	22,440,754	22,184,388	256,366	1%
Lease and other receivable, net of current portion	3,369,031	3,691,653	(322,622)	-9%
Land	6,620,414	6,620,414	(0)	0%
Buildings, equipment, right-of-use assets and other, net	4,099,903	4,256,921	(157,018)	-4%
Works of Art	6,423,298	5,502,398	920,900	17%
Right-to-Use Subscriptions, net	452,210	672,406	(220,196)	-33%
Total noncurrent assets	780,435,789	711,732,172	68,703,617	10%
Total assets	911,507,134	837,528,240	73,978,894	9%
LIABILITIES				
Current liabilities:				
Accounts payable	1,251,718	2,758,323	(1,506,605)	-55%
Due to USF	2,898,095	2,742,571	155,524	6%
Leases payable	64,718	63,460	1,258	2%
Subscription liability	316,899	493,019	(176,120)	-36%
Mortgage payable	431,876	423,466	8,410	2%
Life beneficiaries obligations	227,838	222,088	5,750	3%
Total current liabilities	5,191,144	6,702,927	(1,511,783)	-23%
Non-current liabilities:				
Mortgage payable, net of current portion	2,378,652	2,703,619	(324,967)	-12%
Leases payable, net of current portion	197,071	249,110	(52,039)	-21%
Due to USF, net of current portion	314,685	314,685	-	0%
Subscription liability, net of current portion	-	313,164	(313,164)	-100%
Life Beneficiaries obligations, net of current portion	1,193,164	1,210,781	(17,617)	-1%
Total non-current liabilities	4,083,572	4,791,359	(707,787)	-15%
Total Liabilities	9,274,716	11,494,286	(2,219,570)	-19%
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from remainder interest assets	1,652,078	1,505,923	146,155	10%
Deferred inflows from beneficial interest assets	22,440,754	22,184,388	256,366	1%
Deferred inflows from leases	3,801,449	4,115,650	(314,201)	-8%
Total Deferred Inflows	27,894,282	27,805,961	88,321	0%
NET POSITION				
Net investment in capital assets	15,321,297	12,940,078	2,381,219	18%
Restricted				
Expendable	408,064,360	358,289,880	49,774,480	14%
Nonexpendable endowments	419,100,646	402,121,998	16,978,648	4%
Unrestricted	31,851,833	24,876,037	6,975,796	28%
Total net position	\$ 874,338,136	\$ 798,227,993	\$ 76,110,143	10%
	\$ 911,507,134	\$ 837,528,240		



STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION

	Year-to-Date Fiscal Year 2024		Variance	
	9 months ended 3/31/2024	9 months ended 3/31/2023	\$	%
Operating Revenues:				
Contributions, gifts and bequests	\$ 55,572,148	\$ 24,960,176	30,611,972	123%
Investment income	10,790,260	9,246,333	1,543,927	17%
Unrealized investment gains	58,825,477	26,922,149	31,903,328	119%
Realized investment gains	10,858,034	(4,170,930)	15,028,964	360%
Fundraising activities	2,049,144	2,087,277	(38,133)	-2%
Total operating (losses) revenues	138,095,063	59,045,005	79,050,058	134%
Operating Expenditures:				
Salaries and benefits	18,644,207	14,176,984	4,467,223	32%
Scholarships/fellowships	9,117,149	8,098,154	1,018,995	13%
Contractual services	5,621,544	4,179,559	1,441,985	35%
Supplies	1,151,768	2,181,716	(1,029,948)	-47%
Transfers to state - other	29,380,672	26,712,975	2,667,697	10%
Travel, meals & auto	2,296,728	2,011,086	285,642	14%
Community relations	619,813	515,018	104,795	20%
Depreciation	89,099	89,099	(0)	0%
Repairs and maintenance	254,607	307,201	(52,594)	-17%
Provision for doubtful accounts	5,283,238	768,032	4,515,206	588%
Other	1,412,110	1,110,320	301,790	27%
Total program service expense	73,870,935	60,150,144	13,720,791	23%
Fundraising & operating costs:				
Salaries and benefits	17,145,655	14,626,195	2,519,460	17%
Contractual services	1,419,068	1,744,968	(325,900)	-19%
Other transfers and expenses	2,811,303	2,139,938	671,365	31%
Total fundraising & operating expense	21,376,026	18,511,100	2,864,926	15%
Total operating expenditures	95,246,961	78,661,244	16,585,717	21%
Net Operating (Loss) Gain	42,848,102	(19,616,239)	62,464,341	318%
Nonoperating revenue				
University support	16,804,028	11,778,138	5,025,890	43%
Total nonoperating revenues	16,804,028	11,778,138	5,025,890	43%
(Loss)/Income before endowment contributions	59,652,130	(19,059,110)	78,711,240	413%
Endowment contributions	16,458,013	11,492,125	4,965,888	43%
Increase in net position	76,110,143	3,654,024	72,456,119	1983%
Net position - beginning of year	798,227,993	786,493,771	11,734,222	1%
Net position - end of year	874,338,136	790,147,795	84,190,341	11%

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UNIVERSITY OF SOUTH FLORIDA
FOUNDATION

STATEMENT OF CASH FLOWS

	9 months ended 3/31/2024	Prior Fiscal Year 06/30/2023	Variance	
			\$	%
Change in net position	76,110,143	(17,851,882)	93,962,025	526 %
<u>Operating Activities</u>				
Investment (gains) losses, net	(69,683,510)	(40,071,578)	(29,611,932)	-74%
Depreciation and amortization	157,019	118,799	38,220	32%
Change in assets/liabilities:				
Contributions receivable, net	(37,626,535)	3,068,646	(40,695,181)	-1326%
Lease and other receivables, net	1,575,717	485,277	1,090,440	225 %
Books and art objects	(920,900)	(202)	(920,698)	-455791%
Real Estate held for sale	(1,250,000)			
Accounts payable & accrued expenses	(1,347,594)	773,702	(2,121,296)	-274%
Amts due to third-party beneficiaries	-	(137,381)	137,381	100 %
Subscription based information technology arrangements	(489,284)	133,777	(623,061)	-466%
Due to University of South Florida	120,030	7,888,352	(7,768,322)	-98%
Net cash flow from operating activities	(33,354,914)	(45,592,490)	13,487,576	30 %
<u>Investing Activities</u>				
Proceeds from sale of investments	271,871,329	126,350,068	145,521,261	115%
Purchases of investments	(239,302,113)	(108,079,621)	(131,222,492)	-121%
Interest & dividends reinvested	(10,790,260)	12,340,178	(23,130,438)	-187%
Repayment of loans to the University of South Florida		265,794	(265,794)	-100%
Net cash flow from investing activities	21,778,956	30,876,419	(9,097,463)	-29%
<u>Financing Activities</u>				
Proceeds from endowment contributions	16,458,013	13,902,299	2,555,714	18%
Acquisition of lease payable		342,946	(342,946)	-100%
Lease payments	(50,781)	(35,768)	(15,013)	-42%
Beneficiary payments	(170,878)	(222,088)	51,210	23 %
Interest paid on mortgage	(58,805)	(87,975)	29,170	33 %
Principle payments on mortgage payable	(316,557)	(412,505)	95,948	23 %
Net cash flow from investing activities	15,860,992	13,486,909	2,374,083	18%
Net increase in cash	4,285,034	(1,229,162)	5,514,196	449 %
Cash at the beginning of the year	500,363	1,729,525	(1,229,162)	-71%
Cash at the end of the year	4,785,397	500,363	4,285,034	856 %

University of South Florida Alumni Association, Inc.
Executive Summary
March 31, 2024

BALANCE SHEET

Due from USF: This amount represents the amount owed to the University for payroll services. The Association made a large transfer at the end of the current quarter, which increased the asset held at the university.

Accounts Payable and accrued expenses: The Association had expenses accrued for at the end of the prior fiscal year that caused accounts payable to be higher than the end of the second quarter of the current year.

Deferred Revenue: The Association received affinity revenue related to insurance during the current month. This revenue is deferred and recognized during the year.

SUMMARY OF REVENUES AND EXPENSES

Budget support: The Association received an increase in budget support from the University during the current fiscal year.

Sponsorships: Sponsorship revenue has decreased as the GEICO contract was completed in the prior year.

Postage expenses: Increase in postage is due to timing of the mailing of the USF magazine. In the prior year there was one less mailing after the distribution schedule was adjusted.

Salaries: Increase in salaries is due to a fully staffed office, in addition to university wide salary increases at the beginning of the year.

CASH FLOW

There is no significant change to cash between the two years.

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University of South Florida Alumni Association, Inc.
Operating Balance Sheet

	<u>March 31, 2024</u>	<u>June 30, 2023</u>	<u>Variance \$</u>	<u>Variance %</u>
ASSETS				
Cash and cash equivalents	365,448	347,514	17,934	5%
Pooled investments within Foundation	526,448	526,438	10	0%
Due from USF	240,118	8,021	232,097	100%
Accounts receivable	70,860	14,643	56,217	384%
Prepaid expenses	39,107	17,402	21,705	125%
Total assets	<u>1,241,981</u>	<u>914,018</u>	<u>327,963</u>	<u>36%</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	74,820	187,567	(112,747)	60%
Deferred payroll support	31,929	19,240	12,689	-66%
Deferred revenue	104,508	66,619	37,889	-57%
Total liabilities	<u>211,257</u>	<u>273,426</u>	<u>(62,169)</u>	<u>23%</u>
Net Assets:				
Unrestricted net assets	1,030,724	640,592	390,132	61%
Total liabilities and net assets	<u>1,241,981</u>	<u>914,018</u>	<u>327,963</u>	<u>36%</u>

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University of South Florida Alumni Association, Inc.
Summary of Revenues and Expenses
March 31, 2024

	Current Month Totals				Year to Date Totals (75%)			
	Actual Mar-24	Prior Year Mar-23	Variance \$	Variance %	Actual YTD	Prior Year YTD	Variance \$	Variance %
REVENUES:								
Membership	8,493	10,901	(2,408)	-22%	111,670	183,827	(72,157)	-39%
License Plates	22,125	25,800	(3,675)	-14%	288,235	298,945	(10,710)	-4%
Budget Support	30,283	100,246	(69,963)	-70%	1,172,227	679,436	492,791	73%
Affinity Royalty	21,024	48,620	(27,596)	-57%	227,894	232,508	(4,614)	-2%
Investment Income	21,632	20,935	697	100%	193,566	185,910	7,656	4%
Sponsorships	7,718	23,333	(15,615)	-67%	151,077	254,927	(103,850)	-41%
Event Revenue	24,118	75,435	(51,317)	-68%	100,965	156,707	(55,742)	-36%
Gifts	41,317	13,948	27,369	196%	141,356	110,689	30,667	28%
Other Revenue	482	1,683	(1,201)	-71%	13,992	16,585	(2,593)	-16%
Total Operating Revenue	177,192	320,901	(143,709)	-45%	2,400,982	2,119,534	281,448	13%
EXPENSES								
Salaries	136,699	150,751	14,052	9%	1,307,844	1,228,889	(78,955)	-6%
Membership and membership services	5,588	13,859	8,271	60%	46,211	49,007	2,796	6%
Printing & Postage	23,219	4,477	(18,742)	-419%	77,617	30,123	(47,494)	-158%
Event Services	5,536	110,265	104,729	95%	317,403	300,867	(16,536)	-5%
Professional Services	11,038	6,486	(4,552)	-70%	49,831	77,440	27,609	36%
Travel	8,375	7,395	(980)	-13%	58,386	35,395	(22,991)	-65%
Advertising & Marketing	(554)	490	1,044	213%	11,721	5,802	(5,919)	-102%
Insurance	7,992	1,594	(6,398)	100%	35,101	31,926	(3,175)	-10%
Community Relations	(880)	1,456	2,336	100%	15,005	16,053	1,048	7%
Credit Card Fees and other services	2,633	1,430	(1,203)	-84%	16,357	19,912	3,555	18%
Scholarships	4,340	5,160	820	16%	58,647	60,789	2,142	4%
Other expenses	1,250	1,659	409	25%	16,727	14,514	(2,213)	-15%
Total Operating Expenses	205,236	305,022	99,786	33%	2,010,850	1,870,717	(140,133)	-7%
NET INCOME FROM OPERATIONS	(28,044)	15,879	(43,923)	277%	390,132	248,817	141,315	57%
Change in net assets					390,132			
Net assets, beginning					640,592			
Net assets, end					1,030,724			

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University of South Florida Alumni Association, Inc.
Operating Cash Flow

	March 31, 2024	June 30, 2023	Variance \$	Variance %
Operating activities				
Change in net assets	\$ 390,132	\$ 53,740		
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	(56,217)	53,671		
Prepaid expenses	(21,705)	41,575		
Due from University of South Florida	(232,097)	(8,021)		
Deferred payroll support	12,689	13,619		
Due to University of South Florida	-	(27,793)		
Accounts payable and accrued expenses	(112,747)	5,984		
Deferred revenue	37,889	(8,766)		
Net cash provided by operating activities	17,944	124,009		
Proceeds for sales of investments	(10)	(1,868)		
Net cash used in investing activities	(10)	(1,868)		
Change in cash and cash equivalents	17,934	122,141		
Cash and cash equivalents, beginning of year	347,514	225,373		
Cash and cash equivalents, end of year	\$ 365,448	\$ 347,514	\$ 17,934	5%
	\$ 0	\$ -		

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USF Financing Corporation and USF Property Corporation

FY 2024 QUARTER 3 REPORT - MARCH 31, 2024

EXECUTIVE SUMMARY

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

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

MAJOR BUSINESS INITIATIVES - FY 2024

- **Finance, Develop and Manage New and Existing Capital Projects.**
 - \$340 M Stadium Project: The University recently announced its intent to award construction management services for the Stadium Project to the team of Manhattan Construction Company, H.J. Russell & Company and DuCon, LLC. Financing Corporation will work 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. Groundbreaking is expected in Fall 2024. Construction is expected to be completed by Fall 2027.
 - \$46.5 M Sarasota-Manatee Housing and Student Center Project: Financing Corporation will continue to work closely with the University and the design-builder to ensure that the 100,000 square-foot, 200-bed Housing and Student Center Project is delivered on time and on budget. Construction is underway and is expected to be completed in May 2024.
 - Pending Project - Argos Redevelopment Project: The University is considering a major redevelopment of the Argos student housing community on the Tampa campus. The project will occur in phases and include demolition of the original Argos buildings constructed in 1961 and the construction of new dorms and a dining hall. The redevelopment would replace 912 beds with approximately 2,100 new beds to meet the current demand for on-campus housing. Phase I anticipates the first new building opening in Fall 2027.
 - Pending Project - Argos Redevelopment Project (cont): Financing Corporation will assist the University in assessing financial feasibility, impact on USF Housing System's "A+" credit ratings, and impact on University debt capacity. The Financing Corporation will engage investment bankers, bond counsel and disclosure counsel to provide guidance on debt structure. This will result in the most appropriate financing and timeline for the Project. The Financing Corporation will also provide disclosures to the Board of Directors, Board of Trustees, rating agencies, Division of Bond Finance and the Board of Governors.
- **Extend the Series 2012B Direct Placement Facility with Wells Fargo Bank.**
 - Financing Corporation is negotiating an extension of the \$46.3 million outstanding Series 2012B direct placement with Wells Fargo Bank or other banks in advance of maturity in October 2024.
- **Protect USF's "AA" credit ratings.**
 - In order to protect USF's "AA" credit ratings, formal presentations were made to Moody's, Standard & Poor's and Fitch in August 2023 emphasizing USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage. USF's "AA" credit rating, along with all of its system ratings, were affirmed by Moody's and S&P with Stable Outlooks (December 2023).
- **Ongoing oversight of DSOs and Auxiliaries with debt to ensure they are managing revenues and expenses to maintain pledged revenues and debt service coverage ratios, preserve essential liquidity, and maintain required reserves.**
- **Ongoing compliance with covenants for 16 series of debt, including IRS rules on tax-exempt bonds and required SEC reporting.**
- **Wind-up and dissolution of INTO USF, Inc. Litigation is ongoing.**

EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR - YTD

- **Balance Sheet: Total Assets** - Total Assets increased by more than \$188 million primarily due to the increase in Cash and Cash Equivalents from the issuance of the \$200 million Stadium debt, an increase in Accounts Receivable from accrued project related interest earnings and project related increases in Financing Receivable, offset by the amortization of all Financing Receivables.
- **Balance Sheet: Liabilities** - Total Liabilities increased by more than \$182 million primarily due to the increase in long-term debt from the issuance of the Stadium Note and an increase in accrued interest payable coming due on the Stadium Note, offset by a decrease in project related payables, a decrease in net obligation due to related parties from accrued Athletics revenues related to the Stadium Note, and the improvement in the fair value of the interest rate swap.
- **Income Statement: Revenues** - Total Operating Revenues increased by approximately \$5.0 million as Athletics revenue increased due to the accrual of Stadium Note debt service due on June 1, 2024. Otherwise, revenues are on par with last year as Operating Revenues essentially cover Operating Expenses and debt service which will decline over time as debt is paid down. Revenues are on track to meet or exceed the FY 2024 Financial Plan revenue target.
- **Income Statement: Expenses** - Total Operating Expenses increased slightly (\$168,000) primarily due to increased Property Liability insurance premiums from the prior year.
- **Income Statement: Nonoperating Revenues (Expenses)** - Nonoperating Expenses increased by approximately \$4.5 million due to higher Interest Expense from the new Stadium Note debt service obligation offset by an increase in Interest Income from increased interest rates.
- **Income Statement: Operating Profit** - The operating profit of \$2.8 million is on track to meet or exceed the \$2.6 million in FY 2024 as approved in the Financial Plan. The Financing Corporation's operating profit typically declines over time consistent with the amortization of the debt service payments and related lease revenues.
- **Statement of Cash Flows** - Total Cash and Investments are up \$177.7 million reflecting the receipt of funds with the issuance of new debt for the Stadium project described above, less Capital Expenditures. As of March 31, 2024, the liquidity measure of a strong 412 days cash on hand is slightly above the FY 2024 Financial Plan target of 400 days cash on hand at June 30, 2024.

USF Financing Corporation and USF Property Corporation

FY 2024 QUARTER 3 REPORT - MARCH 31, 2024

STATEMENT OF NET POSITION

(In thousands)

	As of Mar 31, 2024	Mar 31, 2023	Variance		As of June 30, 2023
			\$	%	
<u>ASSETS</u>					
Current Assets:					
Cash	\$3,987	\$4,027	\$(40)	(1)%	\$4,025
Restricted:					
Cash and cash equivalents	15,010	15,509	(499)	(3)%	18,686
Accounts receivable	2,445	280	2,164	772 %	289
Financing receivable, current portion	17,635	16,761	873	5 %	16,838
Total current assets	39,077	36,579	2,498	7 %	39,838
Noncurrent Assets:					
Restricted:					
Cash and cash equivalents	240,208	61,993	178,215	287 %	49,045
Financing receivable, noncurrent portion	288,018	280,121	7,898	3 %	278,293
Total noncurrent assets	528,227	342,114	186,113	54 %	327,337
Total assets	567,303	378,692	188,611	50 %	367,175
Deferred Outflows of Resources:					
Interest Rate swap agreement	2,335	4,313	(1,978)	(46)%	3,523
Deferred losses on refunding of debt	580	733	(152)	(21)%	691
Total deferred outflows of resources	2,915	5,045	(2,131)	(42)%	4,214
Total Assets and Deferred Outflows	\$570,218	\$383,738	\$186,480	49 %	\$371,390
<u>LIABILITIES AND NET ASSETS</u>					
Current Liabilities:					
Accounts payable	\$2,124	\$3,309	\$(1,185)	(36)%	\$469
Interest payable	8,329	3,314	5,015	151 %	5,316
Due to (from) related parties	9,220	11,166	(1,946)	(17)%	17
Long-term debt, current portion	17,024	16,020	1,004	6 %	16,020
Total current liabilities	36,697	33,809	2,888	9 %	21,822
Noncurrent Liabilities:					
Interest rate swaps payable	2,335	4,313	\$(1,978)	(46)%	3,523
Long-term debt, noncurrent portion	502,914	321,339	181,575	57 %	320,831
Total noncurrent liabilities	505,248	325,651	179,597	55 %	324,354
Total liabilities	541,946	359,461	182,485	51 %	346,176
Deferred Inflows of Resources:					
Deferred gain on refunding of debt	0	5	(5)	(100)%	0
Total deferred inflows of resources	0	5	(5)	(100)%	0
Total Liabilities and Deferred Inflows	\$541,946	\$359,465	\$182,480	51 %	\$346,176
Net Position:					
Restricted	24,285	20,245	4,040	20 %	21,189
Unrestricted	3,987	4,027	(40)	(1)%	4,025
Total Net Position	\$28,272	\$24,272	\$4,000	16 %	\$25,214
Total Liabilities and Net Position	\$570,218	\$383,738	\$186,480	49 %	\$371,390

USF Financing Corporation and USF Property Corporation
FY 2024 QUARTER 3 REPORT - MARCH 31, 2024

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(In thousands)	9 Mos. Ending Mar 31, 2024	Mar 31, 2023	Variance		June 30, 2023	FINANCIAL PLAN FY 2024
			\$	%		
<u>OPERATING REVENUES</u>						
USF housing system lease revenue	\$6,897	\$7,186	\$(289)	(4)%	\$9,462	\$9,139
USF Marshall Center lease revenue	895	940	(44)	(5)%	1,255	1,286
USF athletics system lease revenue	5,698	284	5,414	1,905 %	371	381
USF arena revenue	571	556	14	3 %	652	687
UMSA lease revenue	1,433	1,527	(94)	(6)%	1,990	1,888
HPCC lease revenue	274	289	(15)	(5)%	365	355
Research lease revenue	750	724	26	4 %	977	906
Total Operating Revenues	\$16,518	\$11,506	\$5,012	44 %	\$15,072	\$14,643
<u>OPERATING EXPENSES</u>						
Management expense	646	605	41	7 %	827	852
General and administrative expense	751	624	127	20 %	630	760
Total Operating Expenses	\$1,398	\$1,229	\$168	14 %	\$1,457	\$1,612
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Interest expense on debt	(13,671)	(8,707)	(4,964)	(57)%	(11,614)	(11,296)
Net interest income	1,333	876	457	52 %	1,387	840
Total Nonoperating Revenues (Expenses)	\$(12,338)	\$(7,831)	\$(4,507)	(58)%	\$(10,226)	\$(10,456)
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$2,783	\$2,446	\$337	14 %	\$3,388	\$2,575
Unrealized Investment Gains (Losses)	275	0	275	%	0	0
Total Contributions and Non-Cash Changes	\$275	\$0	\$275	%	\$0	\$0
CHANGE IN NET POSITION	\$3,058	\$2,446	\$612	25 %	\$3,388	\$2,575
Operating Profit Margin	16.8%	21.3%	(4)%		22.5%	17.6%

USF Financing Corporation and USF Property Corporation

FY 2024 QUARTER 3 REPORT - MARCH 31, 2024

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	9 Mos. Ending Mar 31, 2024	Mar 31, 2023	Variance		June 30, 2023	FINANCIAL PLAN FY 2024
			\$	%		
OPERATING ACTIVITIES						
Lease payments received from USF	\$17,280	\$17,463	\$(183)	(1)%	\$23,678	\$23,391
Lease payments received from UMSA	3,352	3,426	(74)	(2)%	4,515	4,478
Lease payments received from HPCC	1,114	1,080	34	3 %	1,431	1,486
Lease payments received from Research Foundation	1,961	1,887	74	4 %	2,176	2,184
Payment to USF for management services	(467)	(469)	2	0 %	(827)	(852)
General and administrative disbursements	(752)	(625)	(128)	(20)%	(630)	(760)
Total Cash from Operating Activities	\$22,488	\$22,762	\$(274)	(1)%	\$30,342	\$29,928
CAPITAL AND FINANCING ACTIVITIES						
Capital expenditures	\$(20,264)	\$(2,993)	\$(17,272)	(577)%	\$(7,562)	\$(18,000)
Debt issuance costs	(260)	(157)	(103)	(66)%	(254)	0
Proceeds from issuance of long-term debt	200,000	29,902	170,098	569 %	29,999	0
Principal paid on debt	(15,887)	(16,231)	344	2 %	(16,358)	(16,020)
Interest paid on debt	(12,420)	(12,333)	(86)	(1)%	(14,202)	(13,993)
Receipt of pledged revenues from University of South Florida	36,371	34,437	1,933	6 %	33,031	0
Return of excess pledged revenues to University of South Florida	(24,994)	(22,793)	(2,201)	(10)%	(33,031)	0
Total Cash From Capital and Financing Activities	\$162,545	\$9,831	\$152,714	1,553 %	\$(8,377)	\$(48,013)
INVESTING ACTIVITIES						
Proceeds from maturity/redemption of INTO CD	0	3,774	(3,774)	(100)%	3,774	0
Interest income	2,417	1,100	1,318	120 %	1,954	840
Total Cash From Investing Activities	\$2,417	\$4,874	\$(2,457)	(50)%	\$5,728	\$840
CHANGE IN CASH						
Cash, Beginning of Year	187,450	37,467	149,983	400 %	27,693	(17,245)
Cash, End of Year	71,755	44,063	27,692	63 %	44,062	71,256
Cash, End of Year	\$259,206	\$81,530	\$177,675	0 %	\$71,755	\$54,011
Total Cash & Investments	\$259,206	\$81,530	\$177,675	218 %	\$71,755	\$54,011
Days Cash on Hand	412	416	(4)	(1)%	415	400

	FY 2023 ACTUALS	FY 2023 QUARTER 3	FY 2024 QUARTER 3	\$	%
ASSETS					
Cash & Investments	\$47,789,919	\$51,801,856	\$33,557,351	\$(18,244,505)	-35%
Fixed Assets	71,394,606	63,652,606	69,183,674	5,531,068	9%
Other Assets	94,004,688	84,731,669	111,103,763	26,372,094	31%
Total Assets	\$213,189,213	\$200,186,131	\$213,844,788	\$13,658,658	7%
LIABILITIES					
Payables	\$28,928,019	\$34,006,081	\$42,098,177	\$8,092,096	24%
Long-Term Debt	56,858,407	54,328,674	56,302,465	1,973,791	4%
Other Liabilities and deferred inflows	32,155,958	30,244,717	29,383,759	(860,958)	-3%
Total Liabilities	\$117,942,383	\$118,579,472	\$127,784,401	\$9,204,929	8%
NET ASSETS	\$95,246,830	\$81,606,659	\$86,060,387	4,453,729	5%
Days Cash on Hand	50	72	43		
REVENUES					
Net Patient Service	\$197,428,655	\$141,885,519	\$150,905,732	\$9,020,213	6%
Grants, Contracts & Awards	113,028,735	\$77,148,510	\$96,167,742	19,019,231	25%
UPL/PCIP	35,170,691	\$29,092,894	\$24,188,112	(4,904,782)	-17%
Other Revenue	47,693,249	\$32,133,680	\$33,170,609	1,036,929	3%
Total Revenues	\$393,321,330	\$280,260,603	\$304,432,195	\$24,171,591	9%
EXPENSES					
Faculty Support	\$218,362,890	\$160,278,539	\$180,959,715	\$20,681,177	13%
Housestaff Support	15,742,168	11,703,823	13,100,110	1,396,287	12%
Other Staff Support	28,591,338	21,867,667	19,990,299	(1,877,367)	-9%
USFTGP Staff Support	66,196,303	49,444,026	53,493,217	4,049,191	8%
Other Expenses	50,229,959	\$35,703,181	\$34,941,177	(762,004)	-2%
Total Expenses	\$379,122,658	\$278,997,235	\$302,484,519	\$23,487,283	8%
Operating Profit Before Non-Cash Changes	\$14,198,673	\$1,263,368	\$1,947,676	\$684,308	54%
Total Non-Cash Changes	\$(7,165,665)	\$(4,385,842)	\$(5,905,181)	\$(1,519,339)	35%
NET OPERATING PROFIT	\$7,033,008	\$(3,122,474)	\$(3,957,505)	\$(835,031)	27%
Operating Profit Margin	4%	0%	1%	3%	659%
Unrealized Investment Gains (Losses)	\$2,551,915	\$1,304,590	\$2,253,753	\$298,162	23%
Gain (Loss) on Disposal of Capital Assets	(43,852)	\$0	0	0	0%
Other Non Operating Expense	0	\$(1,525,036)	(1,690,638)	(165,601)	11%
Contribution to MCOM	(10,276,608)	(10,264,958)	(5,792,046)	4,472,913	-44%
Total Non-Operating Changes	\$(7,768,545)	\$(10,485,405)	\$(5,228,930)	\$(2,539,615)	24%
NET OPERATING PROFIT	\$(735,537)	\$(13,607,878)	\$(9,186,435)	\$(3,374,646)	25%

INCOME STATEMENT

	FY 2023 ACTUALS	FY 2023 QUARTER 3	FY 2024 QUARTER 3	\$	%
REVENUES					
Net Patient Service	\$197,428,655	\$141,885,519	150,905,732	\$9,020,213	6 %
Grants, Contracts & Awards	113,028,735	77,148,510	96,167,742	\$19,019,231	25 %
UPL/PCIP	35,170,691	29,092,894	24,188,112	\$(4,904,782)	(17)%
Other Revenue	47,693,249	32,133,680	33,170,609	\$1,036,929	3 %
Total Revenues	\$393,321,330	\$280,260,603	\$304,432,195	\$24,171,591	6 %
EXPENSES					
Faculty Support	\$218,362,890	\$160,278,539	180,959,715	(20,681,177)	(13)%
Housestaff Support	15,742,168	11,703,823	13,100,110	(1,396,287)	(12)%
Other Staff Support	28,591,338	21,867,667	19,990,299	1,877,367	9 %
USFTGP Staff Support	66,196,303	49,444,026	53,493,217	(4,049,191)	(8)%
Depreciation/Amortization	7,165,665	4,385,842	5,905,181	(1,519,339)	(35)%
Other Expenses	50,229,959	35,703,181	34,941,177	762,004	2 %
Total Expenses	\$386,288,323	\$283,383,077	\$308,389,700	(\$25,006,623)	(6)%
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$7,033,008	\$(3,122,474)	\$(3,957,505)	\$49,178,214	699 %
Unrealized Investment Gains (Losses)	2,551,915	1,304,590	2,253,753	(949,163)	(73)%
Contribution to MCOM	(10,276,608)	(10,264,958)	(5,792,046)	(4,472,913)	44 %
Gain (Loss) on Disposal of Capital Assets	(43,852)	0	0	0	0 %
Other Non Operating Expense	0	(1,525,036)	(1,690,638)	165,601	(11)%
Total Non-Cash Changes	(\$7,768,545)	(\$10,485,405)	(\$5,228,930)	(\$5,256,474)	68 %
NET OPERATING PROFIT	(\$735,537)	(\$13,607,878)	(\$9,186,435)	\$43,921,739	(5,971)%
Operating Profit Margin	2%	-1%	-1%	203%	7,528 %

USF Research Foundation, Inc.

FY 2024 QUARTER 3 REPORT - MARCH 31, 2024

EXECUTIVE SUMMARY

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

- The University of South Florida Research Foundation was established to promote, encourage, and enhance the research activities of University of South Florida faculty, staff and students.
- The Research Foundation owns and manages real property assets that include the USF Research Park and various buildings that are located within the Research Park. DSO revenue is generated primarily through long-term leases of facilities utilized by the University research enterprise and private sector entities seeking research relationships with the University.
- The USF Innovation Enterprise, which encompasses the USF Research Park, Technology Transfer Office, and the USF Tampa Bay Technology Incubator, contributes to a robust innovation-based ecosystem to include community startups and corporate partnerships with the University.
- As a DSO, the Research Foundation provides a mechanism for the funding of licensed research and development activities at the University. The Research Foundation provides broad and flexible financial mechanisms to administer private research contracts and grants, including corporate and private foundation-sponsored programs. We assist the University by working in cooperation with the University's Technology Transfer Office in the commercialization of University inventions including license agreements, and receipt and distribution of royalties related to intellectual property.

Major Business Initiatives - FY24

- 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.
- Largest lease to date is signed and set to commence in October 2024.
- Technology Transfer (TTO) continues to place an emphasis on the monetization of the IP portfolio licensing as well as patent infringement litigation.

Explanation Of Major Variances From Prior Year

Balance Sheet

- Cash and cash equivalents' increased from prior year primarily due to \$3.5 million received during the quarter from the University for the West Maintenance Facility.
- The decrease in investments is mainly due to the redemption of \$4.0 million in investments for construction costs for build out of 3814 Spectrum.
- Lease receivables decreased \$6.1 million due mainly due to amortization of long-term lease agreements in accordance with GASB 87.
- Non-Depreciable Items increased \$8.4 million mainly due to the increase in CIP for the build out of 3814 Spectrum.
- Accounts payable increased \$6.4 million mainly due to invoices received after quarter end for CIP of approximately \$2.9 million and \$3.5 million due to the University for TTO cost allocation.
- Deferred Inflows of Resources (Leases) decreased \$6.8 million due to amortization of long-term lease agreements in accordance with GASB 87.

Income Statement

- Rental revenue increased \$676K mainly due to lease up of 3814 Spectrum.
- The IP University Exp - TTO Cost Allocation to DSO expense is \$550K more than the prior year period mainly due increased legal expenses for patent prosecutions services not incurred in prior year. The increased expenses are due to the transition of matters from old firms to new firms. Total legal expenses are expected to align with the Approved Plan by the end of the year.
- Operations - Research Park expense is \$550K more than the prior year mainly due to the added costs associated with the operations of 3814 Spectrum. Overall expenses are currently in align with the Approved Plan.
- Investment income is \$2.3 million better than prior year due to favorable market conditions that let to significant unrealized gains.

Statement of Cash Flows

- The increase in cash from financing activities is mainly due to the redemption of \$4.0 million in investments for costs associated with the build out of 3814 Spectrum.

USF Research Foundation, Inc.
FY 2024 QUARTER 3 REPORT - MARCH 31, 2024

BALANCE SHEET

(In thousands)

	As of March 31,		Variance	
	2024	2023	\$	%
<u>ASSETS</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	\$7,242	\$5,055	\$2,187	43 %
Investments	41,307	45,124	(3,818)	(8)%
Receivables	1,629	1,435	194	14 %
Other Current Assets	443	645	(202)	(31)%
Total Current Assets	\$50,621	\$52,259	\$(1,639)	(3)%
<u>Noncurrent Assets</u>				
Other Receivables	\$22	\$22	\$0	0 %
Lease Receivables	50,933	57,050	(6,117)	(11)%
Right-to-Use Leased Asset, net	-	271	(271)	(100)%
Capital Assets	96,645	95,471	1,174	1 %
Less: Accumulated Depreciation	(44,333)	(40,576)	(3,757)	(9)%
Non-Depreciable Items (CIP, Land, etc.)	18,296	9,862	8,434	86 %
Reserve for Debt Service	2,514	2,514	-	0 %
Developer Rights to Research Park (net)	6,530	6,646	(116)	(2)%
Total Noncurrent Assets	\$130,606	\$131,259	\$(653)	(0)%
Total Assets	\$181,226	\$183,518	\$(2,292)	(1)%
<u>LIABILITIES AND NET POSITION</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$7,986	\$1,579	\$6,407	406 %
Due to Primary Unit	7,354	7,806	(452)	(6)%
Unearned Revenue	581	627	(46)	(7)%
Lease Liability	-	283	(283)	(100)%
Other Current Liabilities	1,263	1,485	(222)	(15)%
Total Current Liabilities	\$17,185	\$11,781	\$5,404	46%
<u>Noncurrent Liabilities</u>				
Notes Payable & Capital Lease Obligation	\$37,564	\$39,720	\$(2,156)	(5)%
Total Noncurrent Liabilities	\$37,564	\$39,720	\$(2,156)	-5%
Deferred Inflows of Resources (Leases)	\$49,207	\$56,032	\$(6,826)	(12)%
Total Liabilities	\$103,956	\$107,533	\$(3,577)	-3%
Net Position	\$77,271	\$75,985	\$1,286	2%
Total Liabilities & Net Position	\$181,226	\$183,518	\$(2,292)	-1%

USF Research Foundation, Inc.
FY 2024 QUARTER 3 REPORT - MARCH 31, 2024

INCOME STATEMENT

(In thousands)

	Period Ending March 31,		Variance	
	2024	2023	\$	%
<u>REVENUES</u>				
Rental Revenue	\$8,063	\$7,388	\$676	9 %
Intellectual Property Revenue	1,770	1,713	57	3 %
Other Operating Revenues	152	121	30	25 %
Total Revenues	\$9,985	\$9,222	\$763	8 %
<u>EXPENSES</u>				
Salaries & Benefits	\$966	\$934	\$32	3 %
Intellectual Property Program Expense	1,238	1,172	66	6 %
IP University Exp - TTO Cost Allocation to DSO	3,483	2,933	550	19 %
Operations - Research Park	3,521	2,971	550	19 %
Other Operating Expenses	209	122	87	71 %
UBC Net Expense (University Business Center)	12	(300)	313	104 %
Interest Expense	1,007	1,017	(10)	(1)%
Depreciation & Amortization	3,144	3,470	(326)	(9)%
Total Expenses	\$13,581	\$12,319	\$1,262	10 %
OPERATING INCOME (LOSS) BEFORE NON-OPERATING REVENUE (LOSS)	\$(3,596)	\$(3,097)	\$(499)	(16)%
Investment Income (Loss)	\$4,157	\$1,886	\$2,271	120 %
Investment Income (Loss) - IP Equity Transaction	(651)	(655)	5	1 %
Total Non-Operating Income (Expense)	\$3,506	\$1,231	\$2,275	185 %
NET INCOME (LOSS)	\$(90)	\$(1,866)	\$1,776	95 %

USF Research Foundation, Inc.
FY 2024 QUARTER 3 REPORT - MARCH 31, 2024

STATEMENT OF CASH FLOWS

(In thousands)

	Period Ending March 31,		Variance	
	2024	2023	\$	%
<u>OPERATING ACTIVITIES</u>				
Net Income (Loss)	\$(90)	\$(1,866)	\$1,776	95 %
Adjustments for Non-Cash Activities:				
Add back (Deduct) Non-Cash Investment Loss(Gain)	(3,088)	(826)	(2,262)	(274)%
Add back Depreciation/Amortization Expense	3,144	3,470	(326)	(9)%
Add back Other Non-Cash Expense	(0)	10	(10)	(103)%
Change in Assets and Liabilities (net)	1,455	19	1,437	7,751 %
Total Cash From Operating Activities	\$1,421	\$806	\$615	76 %
<u>INVESTING ACTIVITIES</u>				
Purchase of Investments	\$(3)	\$(339)	\$336	99 %
Capital Expenditures	(956)	(264)	(692)	(262)%
Total Cash From Investing Activities	\$(959)	\$(603)	\$(356)	(59)%
<u>FINANCING ACTIVITIES</u>				
Redeem Investments for 3814 Spectrum	\$4,000	\$0	\$4,000	100 %
Redeem Investments for Stock Purchase	-	299	(299)	(100)%
New Building - Debt Service Costs	(1,014)	(975)	(40)	(4)%
Capital Lease Obligation - UDI Acquisition	(205)	(196)	(9)	(4)%
Payment - UBC Lease Liability	(114)	(496)		
Principal Payment - Note Payable	(870)	(835)	(35)	(4)%
Total Cash From Financing Activities	\$1,797	\$(2,203)	\$4,000	182 %
CHANGE IN CASH	2,259	(2,001)	4,260	213 %
Cash, Beginning of Year	4,983	7,056	(2,072)	(29)%
Cash, End of Period	\$7,243	\$5,055	\$2,188	43 %

USF Health Professions Conferencing Corporation

EXECUTIVE SUMMARY

MAJOR BUSINESS INITIATIVES - FY 2024

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

EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR

- 'Cash and cash equivalents' increased \$887K from 6/30/2023 as a result of increasing current liabilities - 'Unearned revenue' increased \$435K and 'Due to USF/DSOs' increased \$839K from underfunding of HPCC's USF convenience account. 'Deferred inflows related to grants' also increased \$925K while \$978K of cash was used for 'Lease obligations' and approximately \$826K for equipment purchases and operations.
- 'Contracts & grants - non USF', which includes MEC related grants, was flat year over year. MEC related grants were up \$485K year over year and similarly, 'Programming Services' were up \$402K year over year with payments to MECs increasing \$576K year over year. The increasing year over year MEC business obscures to year over year decline in external clientele at CAMLS as the pent up COVID demand was met in the first half of FY2023 but could not be sustained due to unanticipated economic factors such as the increased costs for travel, decreased continuing education dollars for physicians, lack of local hotel availability and overall smaller events requiring less space.
- 'Salaries & benefits' increased year over year as facility and event staffing shifted to HPCC from other USF Health areas along with merit and equity increases.
- 'Rent, utilities & equipment leases' and 'Other operating expenses' decreased as expenses shift to 'Right-of-use amortization' due to GASB 96 implementation.
- Operating Loss increased \$1,001K due to year over year declines in CAMLS external events and increasing wage and benefit expense.
- Additional 'USF carryforward funding' was provided to HPCC in support of new HVAC chillers for CAMLS. The project was completed December 2023.
- 'Days cash on hand' decreased to 34 from 56 year over year as grants held for payment to Medical Education Companies (MECs) was little changed but cash was used for capital asset purchases while increased current liabilities provided additional cash.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Net Position

as of March 31, 2024 and June 30, 2023

	Current Year as of 3/31/24	Prior Year as of 6/30/23	Variance \$	Variance %
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 1,364,278	\$ 476,489	\$ 887,789	186 %
Accounts receivable	877,897	626,056	251,841	40 %
Due from USF/DSO	110,426	357,002	(246,576)	(69)%
Prepaid expenses	242,799	123,781	119,018	96 %
Lease receivable	206,229	137,429	68,800	50 %
Other current assets	25,392	26,981	(1,589)	(6)%
Total Current Assets	2,827,021	1,747,738	1,079,283	62 %
Non-current Assets:				
Capital assets, net	1,633,804	1,018,776	615,028	60 %
Right-of-use assets, net	13,858,915	14,322,364	(463,449)	(3)%
Lease receivable, non-current	346,348	18,425	327,923	1,780 %
Total Non-current Assets	15,839,067	15,359,565	479,502	3 %
Total Assets	18,666,088	17,107,303	1,558,785	9 %
<u>Deferred Outflows of Resources</u>				
Bond Prepayment Premium	66,147	79,510	(13,363)	(17)%
<u>Liabilities</u>				
Current Liabilities:				
Lease obligations, current portion	1,305,888	1,251,202	54,686	4 %
Accounts payable	171,668	273,968	(102,300)	(37)%
Accrued expenses - other	50,783	55,841	(5,058)	(9)%
Due to USF/DSO's	1,350,381	510,920	839,461	164 %
Unearned revenue	1,230,962	796,373	434,589	55 %
Total Current Liabilities	4,109,682	2,888,304	1,221,378	42 %
Non-current Liabilities:				
Lease obligations, net of current portion	8,604,879	9,582,736	(977,857)	(10)%
Total Non-current Liabilities	8,604,879	9,582,736	(977,857)	(10)%
Total Liabilities	12,714,561	12,471,040	243,521	2 %
<u>Deferred Inflows of Resources</u>				
Deferred inflows related to grants	1,307,689	382,718	924,971	242 %
Deferred inflows related to leases	552,577	155,854	396,723	255 %
Total Deferred Inflow of Resources	1,860,266	538,572	1,321,694	245 %
<u>Net Position</u>				
Net investment in capital and right-of-use assets	5,581,952	4,507,203	1,074,749	24 %
Operating unrestricted	(1,424,544)	(330,002)	(1,094,542)	332 %
Total Net Position	\$ 4,157,408	\$ 4,177,201	\$ (19,793)	(0)%

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Revenues, Expenses and Changes in Net Position

For the Nine months ended March 31, 2024 and 2023

		Current Year as of 3/31/24	Prior Year as of 3/31/23	Variance \$	Variance %
Operating Revenues					
Contracts & grants - non USF	} A	\$ 7,096,639	\$ 7,081,609	\$ 15,030	0 %
Contracts & grants - USF		2,536,565	2,816,597	(280,032)	(10)%
Program registration & exhibits		724,012	737,057	(13,045)	(2)%
Rental revenue		257,247	332,951	(75,704)	(23)%
Rebates & commissions		33,187	42,649	(9,462)	(22)%
Total Operating Revenues		10,647,650	11,010,863	(363,213)	(3)%
Operating Expenses					
Program services	B	6,097,950	5,696,249	401,701	7 %
Supporting services					
Salaries & benefits		3,239,795	2,942,305	297,490	10 %
Wages - program driven temporary staffing	B	58,620	80,134	(21,514)	(27)%
Rent, utilities & equipment leases		862,105	1,002,617	(140,512)	(14)%
Other operating expenses		455,455	494,024	(38,569)	(8)%
Right-of-use asset amortization		463,521	375,267	88,254	24 %
Depreciation expense		170,662	119,375	51,287	43 %
Total Operating Expenses:		11,348,108	10,709,971	638,137	6 %
Operating Loss		(700,458)	300,892	(1,001,350)	(333)%
Non-operating Revenues (Expenses)					
Transfers from UMSA- Continuing Ed - Faculty, Students		292,500	191,750	100,750	53 %
USF carryforward funding		583,262	-	583,262	100 %
Investment income		5,438	20,977	(15,539)	(74)%
Bond prepayment premium		(13,363)	(15,214)	1,851	(12)%
Interest expense on lease obligations		(187,572)	(196,926)	9,354	(5)%
Gain on asset disposal		400	10,020	(9,620)	(96)%
Total Net Non-operating Revenue (Expenses)		680,665	10,607	670,058	6,317 %
(Decrease) in Net Postion		(19,793)	311,499	(331,292)	(106)%
Net Position, beginning of year		4,177,201	2,981,990	1,195,211	40 %
Net Position, end of period		\$ 4,157,408	\$ 3,293,489	\$ 863,919	26 %
Contribution Margin Ratio	$\frac{A - B}{A}$	41%	46%		

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Cash Flow

For the Nine months ended March 31, 2024 and 2023

	Current Year as of 3/31/24	Prior Year as of 3/31/23	Variance \$	Variance %
Cash flows provided by (used in) operating activities				
Programmatic receipts	\$ 11,036,839	\$ 10,510,147	\$ 526,692	5%
Facility operations receipts	969,732	969,732	-	0%
Rents & rebate receipts	275,749	353,738	(77,989)	-22%
Total Receipts	12,282,320	11,833,617	448,703	4%
Programmatic disbursements	(6,186,269)	(6,602,728)	416,459	-6%
Staffing disbursements	(2,200,000)	(3,130,000)	930,000	-30%
Operations disbursements	(1,340,125)	(1,782,050)	441,925	-25%
Total Disbursements	(9,726,394)	(11,514,778)	1,788,384	-16%
Net cash flows provided by (used in) operating activities	2,555,926	318,839	2,237,087	702%
Cash flows provided by non-capital and related financing activities				
Transfers from UMSA- Continuing Ed - Faculty, Students	292,500	191,750	100,750	53%
Net cash provided by non-capital and related financing activities	292,500	191,750	100,750	53%
Cash flows provided by (used in) capital and related financing activities				
Purchases of capital assets	(855,660)	(157,005)	(698,655)	445%
Proceeds on sale of fixed assets	400	10,020	(9,620)	-96%
Principal payments under lease obligations	(923,171)	(795,870)	(127,301)	16%
Interest payments on lease obligations	(187,644)	(196,926)	9,282	-5%
Net cash used in capital and related financing activities:	(1,966,075)	(1,139,781)	(826,294)	72%
Cash flows provided by investing activities				
Investment Income	5,438	20,977	(15,539)	-74%
Net cash provided by investing activities	5,438	20,977	(15,539)	-74%
Net increase (decrease) in cash and cash equivalents	887,789	(608,215)	1,496,004	-246%
Cash and cash equivalents, beginning of year	476,489	1,640,629	(1,164,140)	-71%
Cash and cash equivalents, end of period	\$ 1,364,278	\$ 1,032,414	\$ 331,864	32%
Cash:				
Cash and cash equivalents - Checking	1,228,145	836,199	391,946	47%
Cash and cash equivalents - Designated Savings	136,133	196,215	(60,082)	-31%
	\$ 1,364,278	\$ 1,032,414	\$ 331,864	32%
Days cash on hand	34	27		

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	\$	(700,458)	\$	300,892	\$	(1,001,350)	-333%
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense		170,662		119,375		51,287	43%
Right-of-use asset amortization		463,521		375,267		88,254	24%
USF carryforward funding		583,262		-		583,262	100%
Changes in operating assets and liabilities and deferred inflows of resources which provided (used) cash:							
Accounts receivable and due fr USF/DSO		(5,265)		75,602		(80,867)	-107%
Prepaid expenses		(119,018)		(76,146)		(42,872)	56%
Lease receiveable		(396,723)		(308,722)		(88,001)	29%
Fixed asset accruals		69,970		(52,774)		122,744	-233%
Other current and non-current assets		1,589		(182,178)		183,767	-101%
Accounts payable, accrued expenses and other noncurrent liabilities		732,103		(643,297)		1,375,400	-214%
Unearned revenue		434,589		381,799		52,790	14%
Deferred inflows of resources		1,321,694		329,021		992,673	302%
Net cash flows from operating activities	\$	<u>2,555,926</u>	\$	<u>318,839</u>	\$	<u>2,237,087</u>	<u>702%</u>

BALANCE SHEET

(In thousands)

	<i>9 Months Ended March 31, 2024</i>			<i>Fiscal Year Ended June 30,</i>			
	Q1 Actual	Q2 Actual	Q3 Actual	2024 ACTUAL YTD	2023 ACTUAL	2022 ACTUAL	2021 ACTUAL
ASSETS							
Current Assets							
Cash and Cash Equivalents	1,769	209	1,305	3,283	3,900	1,575	574
Accounts Receivable	456	342	535	1,332	617	609	371
Investments	-	-	-	-	-	-	-
Other	88	(2)	3	88	96	39	47
Total Current Assets	2,312	549	1,843	\$4,704	\$4,613	\$2,223	\$993
Noncurrent Assets							
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-
Restricted Investments	-	-	-	-	-	-	-
Capital Assets	3,172	-	-	3,172	3,172	3,172	3,172
Less: Accumulated Depreciation	(2,623)	-	-	(2,623)	(2,623)	(2,494)	(2,429)
Non-Depreciable Items (CIP, Land, etc.)	-	-	-	-	-	-	-
Total Noncurrent Assets	550	-	-	\$550	\$550	\$679	\$743
Total Assets	2,862	549	1,843	\$5,253	\$5,163	\$2,902	\$1,736
LIABILITIES							
Current Liabilities							
Accounts Payable	165	(656)	531	40	681	8	137
Due to Component Units	2,875	848	(903)	2,821	2,575	2,936	1,990
Deferred Revenue	902	(187)	1,831	2,546	2,462	739	7
Other	-	-	-	-	-	-	-
Total Current Liabilities	3,942	6	1,459	\$5,407	\$5,717	\$3,683	\$2,134
Noncurrent Liabilities							
Long Term Debt	-	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-	-
Total Liabilities	3,942	6	1,459	\$5,407	\$5,717	\$3,683	\$2,134
NET ASSETS	(1,080)	543	384	\$(154)	\$(554)	\$(781)	\$(398)
Total Liabilities & Net Assets	2,862	549	1,843	\$5,253	\$5,163	\$2,902	\$1,736
Net Position							
Beginning Unrestricted Net Assets	(1,140)	-	-	(1,140)	(1,357)	(1,426)	(547)
Beginning Property Net Assets	638	-	-	638	638	638	638
Retained Earnings	(52)	-	-	(52)	72	115	188
Event Revenue Transfers, net	(722)	483	-	(239)	(414)	(459)	138
Net Operating Income	196	60	384	640	507	351	(816)
Total Net Position	(1,080)	543	384	\$(154)	\$(554)	\$(781)	\$(398)

SUN DOME INC FY 2024 Q3 REPORT - MARCH 31, 2024

INCOME STATEMENT

(In thousands)

	<i>9 Months Ended March 31,</i>			<i>Fiscal Year Ended June 30,</i>							
	2024 Actual	2023 Actual	2022 Actual	2024 YTD	2023 ACTUAL	2022 ACTUAL	Variance		2024 Plan	2023 Plan	2022 Plan
							\$	%			
<u>REVENUES</u>											
Rent Income	\$7	\$176	\$382	\$7	\$(34)	\$336	\$40	(12)%	\$263	\$339	\$491
Service Income	961	620	345	961	1,015	570	(53)	9 %	430	346	271
Premium Seating	68	44	24	68	76	41	(8)	20 %	58	49	41
Facility Fee	0	0	0	0	0	0	0	%			
Sponsorship, Commissions & Royalties	0	0	0	0	0	0	0	%	1,261	1,022	740
Parking	300	172	185	300	572	391	(272)	(69)%	381	350	307
Other Revenues	1,230	1,049	770	1,230	1,509	1,201	(278)	23 %	50	50	55
Total Revenues	\$2,567	\$2,060	\$1,705	\$2,567	\$3,138	\$2,538	\$(571)	22 %	\$2,443	\$2,156	\$1,905
<u>EXPENSES</u>											
Salaries & Wages	639	\$646	\$512	\$639	\$926	\$637	\$(287)	45 %	\$469	\$441	\$525
Payroll Taxes & Benefits	151	105	95	151	136	123	15	12 %	371	349	293
Repairs, Maintenance and Utilities	636	325	326	636	526	416	110	27 %	128	158	185
Operating & Administrative	269	186	247	269	247	305	22	(7)%	573	420	444
Contracted Services	47	52	0	47	55	9	(8)	95 %			
Management Fees	84	113	113	84	192	150	(108)	(72)%	150	150	150
Depreciation/Amortization	0	0	0	0	65	65	(65)	(100)%			
Other Expenses	100	109	61	100	484	395	(384)	(97)%	273	216	
Total Expenses	\$1,927	\$1,536	\$1,353	\$1,927	\$2,631	\$2,099	\$(704)	(34)%	\$1,964	\$1,734	\$1,597
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$640	\$525	\$351	\$640	\$507	\$440	\$133	30 %	\$479	\$422	\$308
<u>NON-OPERATING REVENUES/(EXPENSES)</u>											
Interest Expense	0	0	0	0	0	0	0	%			
Net Transfers to USF - Arena Debt	\$(239)	\$(414)	\$(459)	(239)	(414)	(413)	175	42 %			
Total Non-Operating Revenues/(Expenses)	\$(239)	\$(414)	\$(459)	\$(239)	\$(414)	\$(413)	\$175	42 %	\$0	\$0	\$0
NET OPERATING PROFIT	\$401	\$110	\$(107)	\$401	\$93	\$26	\$308	1,172 %	\$479	\$422	\$308

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STATEMENT OF CASH FLOWS

(In thousands)

	<i>9 Months Ended March 31,</i>			<i>Fiscal Year Ended June 30,</i>							
	2024 Actual	2023 Actual	2022 Actual	2024 YTD	2023 ACTUAL	2022 ACTUAL	Variance		2024 Plan	2023 Plan	2022 Plan
							\$	%			
<u>OPERATING ACTIVITIES</u>											
Net Operating Profit	\$640	\$525	\$351	\$640	\$507	\$440	\$133	30 %	\$479	\$422	\$308
Adjustments for Non-Cash Activities:											
Depreciation / Amortization	0	0	0	0	0	0	0	%			
Net adjustments to Assets	\$(707)	(901)	(350)	(707)	(194)	(221)	(513)	(232)%	152	100	
Net adjustments to Liabilities	\$(395)	896	562	(395)	312	626	(707)	(113)%	(715)	(100)	(400)
Net adjustment to Deferred Revenue	85	298	718	85	296	2,146	(211)	(10)%	225	200	500
Total Cash From Operating Activities	\$(378)	\$819	\$1,281	\$(378)	\$920	\$2,990	\$(1,298)	(43)%	\$141	\$622	\$408
<u>INVESTING ACTIVITIES</u>											
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	%			
Purchases (Sales) of Investments	0	0	0	0	0	0	\$0				
Accumulated Depreciation	0	0	0	0	65	0	(65)	%			
Total Cash From Investing Activities	\$0	\$0	\$0	\$0	\$65	\$0	\$(65)	%	\$0	\$0	\$0
<u>FINANCING ACTIVITIES</u>											
Proceeds of Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	%			
Principal Paid on Debt	0	0	0	0	0	0	0	%			
Interest Paid	0	0	0	0	0	0	0	%			
Net transfers to USF for debt service on arena	(239)	(414)	(459)	(239)	(414)	(413)	175	42 %	(413)	(413)	(413)
Total Cash From Financing Activities	\$(239)	\$(414)	\$(459)	\$(239)	\$(414)	\$(413)	\$175	42 %	\$(413)	\$(413)	\$(413)
CHANGE IN CASH	\$(617)	404	822	(617)	571	2,577	(1,188)	(46)%	(272)	209	(5)
Cash, Beginning of Year	3,900	3,330	753	3,900	3,330	753	571	76 %	2,169	1,307	550
Cash, End of Year	\$3,283	\$3,734	\$1,575	\$3,283	\$3,900	\$3,330	\$(617)	(19)%	\$1,897	\$1,516	\$545

USF Institute of Applied Engineering, Inc

FY 2024 REPORT - MAR 31, 2024

INCOME STATEMENT

(In thousands)

REVENUES

	CURRENT YEAR 3/31/2024	PRIOR FISCAL YEAR 6/30/2023	Variance	
			\$	%
Contracts Revenues	7,880	12,631	(4,752)	(38)%
Hillsborough County Grant	822	1,010	(188)	(19)%
Other Revenues	1,007	610	397	65 %
Total Revenues	9,708	14,251	(4,543)	(32)%

EXPENSES

Direct Project Expenses

Salaries & Benefits	2,529	3,165	(636)	(20)%
Subcontractors	2,475	5,465	(2,991)	(55)%
Other Direct Costs	300	505	(205)	(41)%
USF Shared Services	129	176	(47)	(27)%
Total Direct Project Expenses	5,433	9,312	(3,879)	(42)%

General Administrative Expenses (Non-USF Funded)

Salaries & Fringe	1,508	3,175	(1,667)	(53)%
Sales & Marketing	132	16	116	726 %
Professional Services	222	303	(81)	(27)%
Human Resources	38	158	(120)	(76)%
Facilities	257	196	61	31 %
Other G&A Expenses	285	334	(49)	(15)%

Sub-Total G&A Expenses (Non-USF Funded)

	2,441	4,182	(1,741)	(42)%
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General Administrative Expenses (USF Funded)

USF Contribution Expenses	768	0	768	0 %
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Sub-Total G&A Expenses (USF Funded)

	768	0	768	0 %
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Total Expenses

	8,642	13,493	(4,851)	(36)%
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OPERATING PROFIT BEFORE

NON-CASH CHANGES

	1,065	757	308	41 %
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Depreciation & Amortization

	148	206	(58)	(28)%
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Total Non-Cash Changes

	918	551	366	66 %
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NET INCOME

	918	551	366	66 %
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Operating Profit Margin

	11%	5%		
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USF Institute of Applied Engineering, Inc
FY 2024 REPORT - MAR 31, 2024

BALANCE SHEET

(In thousands)

	CURRENT YEAR	PRIOR FISCAL YEAR	Variance	
	3/31/2024	6/30/2023	\$	%
ASSETS				
<u>Current Assets</u>				
Cash and Cash Equivalents	3,676	2,022	1,655	82 %
Accounts Receivable	1,518	2,273	(755)	(33)%
Prepayments and Other Current Assets	31	71	(41)	(57)%
Total Current Assets	5,225	4,366	859	20 %
<u>Noncurrent Assets</u>				
Capital Assets:				
Laboratory Equipment and Fixtures, Net	1,442	989	452	46 %
TOTAL ASSETS	6,667	5,355	1,311	24 %
LIABILITIES				
<u>Current Liabilities</u>				
Accounts Payable	4,475	3,824	651	17 %
Accrued Expenses	78	107	(29)	(27)%
Current portion of right-to use lease liability	0	127	(127)	(100)%
Total Current Liabilities	4,553	4,058	495	12 %
<u>Long-term Liabilities</u>				
Long Term Lease Liability	0	101	(101)	(100)%
Total Current Liabilities	0	101	(101)	(100)%
NET POSITION	2,114	1,196	918	77 %

USF Institute of Applied Engineering, Inc
FY 2024 REPORT - MAR 31, 2024

STATEMENT OF CASH FLOWS

(In thousands)

	CURRENT	PRIOR	Variance	
	YEAR	FISCAL YEAR	\$	%
	3/31/2024	6/30/2023		
<u>OPERATING ACTIVITIES</u>				
Net Income	918	551	366	66 %
Less: Adjustments				
Depreciation & Amortization	148	206	(58)	(28)%
Change in Working Capital				
Current Asset Changes	796	6	790	13,444 %
Current Liability Changes	495	(329)	823	(250)%
Total Cash From Operating Activities	2,356	434	1,921	442 %
<u>INVESTING ACTIVITIES</u>				
Capital Expenditures	(600)	(301)	(299)	99 %
Total Cash From Investing Activities	(600)	(301)	(299)	99 %
<u>FINANCING ACTIVITIES</u>				
Capital Lease Non-Interest Payments	(101)	(73)	(29)	39 %
Total Cash From Financing Activities	(101)	(73)	(29)	39 %
CHANGE IN CASH	1,654	61	1,594	2,633 %
Cash, Beginning of Year	2,022	1,961	61	3 %
Cash, End of Year	3,676	2,022	1,655	82 %
Total Cash & Investments	3,676	2,022	1,655	82 %
Days Cash on Hand	117	54	62	114 %