UNIVERSITY of SOUTH FLORIDA

DIRECT SUPPORT ORGANIZATIONS

ANNUAL FINANCIAL PLANS

FISCAL YEAR 2021

May 14, 2020

DSO Annual Financial Plans for FY 2021

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UMSA/MSSC Combined

FY 2021 Annual Financial Plan

FINANCIAL PLAN STATEMENT

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

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

Provide the Downside Business Risks to the FY 2020 Forecast and the FY 2021 Financial Plan Due to COVID-19 and Management's Plans to Mitigate these Risks

- The COVID-19 crisis has significantly affected the practice plan's patient service revenue. The CMS advisory followed by the State of Florida's executive order to cancel elective surgeries and non-urgent procedures coupled with the limitations on ambulatory clinic visits to preserve PPE and control the spread of the coronavirus have reduced our revenues to 35% of their historical averages. This will result in approximately $43M of lost patient revenue in FY20 and FY21. These mandates also resulted in unexpected costs to the practice plan, specifically purchasing additional personal protective equipment, medical and lab tests, cleaning supplies to protect patients and our providers, and hardware costs to support telehealth visits.
- To preserve revenue and ensure patient access to our providers, the practice plan built, tested, and piloted a secure telehealth platform through Microsoft Teams over the course of a single week, an endeavor that takes most organizations of our size and complexity over a year to complete. From 3/18 - 4/21, we completed over 13,000 telehealth visits which now represent approximately 70% of our average daily clinic volume.
- While the telehealth revenues will help offset some of our ambulatory revenue losses, the remaining revenue losses will need to be made up through significant expense reductions in the practice plan. We are planning to reduce expenses by approximately $20M from the last quarter of FY20 through FY21. These will be primarily be through significant reductions in discretionary expenses (travel, meals, dues and subscriptions, CMS, etc.), delayed physician hires, hiring freezes, and salary reductions. We will also use carryforward funds to help support the academic costs that are funded through the practice plan.
- The practice plan is pursuing all available funding opportunities through the Centers for Medicare and Medicaid Services (CMS), the U.S. Department of Health and Human Services (HHS), the Federal Emergency Management Agency (FEMA), and other federal and state agencies. To date, we have received $2.4M in grant revenue and a $6.4M loan from CMS.

List Key Drivers for the 2021 Financial Plan Over the 2020 Forecast - Focus on Cash Flows and Adequacy of Reserves

- The significant and sudden decrease in patient service revenue has had a detrimental effect on the practice plan's cash position. As a result, we will be taking on debt in FY20 that we will need to repay in FY21.
- To preserve cash the practice plan is:
  1) Carefully reviewing and extending payment terms with our vendors.
  2) Working with AHCA in an effort to accelerate the delivery of our UPL/LIP funds.
  3) Pursing CMS Accelerated/Advance Payment Program (received $6.4M to date).
  4) Delaying payments to the fund our USF convenience accounts.
- While the FY20 plan suggests a stable cash position of 52 days of cash on hand for the practice plan, the projection assumes we receive $36M in UPL/LIP funding in June of 2020 as anticipated based on conversations with AHCA. Once we receive that critical funding, we will begin to repay our debts to the University, CMS, and our vendors.
- The practice plan will be focused on stabilizing operations in FY21 and recovering lost revenue through expense reductions. We will also work to rebuild our cash position and reduce our debts to our historical levels.

Describe Material Capital Expenditures in the 2021 Financial Plan - Provide Details and ROI Expectations

- We are significantly reducing our capital budget to $1.5M in FY21. We only plan to replace critical medical equipment or infrastructure.

List Major DSO Initiatives that will Drive Increases in Operating Earnings for 2022 and 2023

- We anticipate that FY21 will be a period of stabilization for the practice plan where we make up for the significant loss in FY20 driven by the COVID-19 crisis. By the end of FY21, we expect to return to normal operations and plan to return to our traditional growth mode in FY22 and FY23.

- Our relationship with our hospital partner, Tampa General Hospital, continues to be a critical focus of USF Health senior leadership both during and after the crisis. The dynamics of our financial relationship could significantly change the financial presentation of the practice plan.

UNIVERSITY of SOUTH FLORIDA

UMSA/MSSC Combined

FY 2021 Annual Financial Plan

INCOME STATEMENT

(In thousands)

	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
REVENUES							
Net Patient Service	$174,769	$161,778	$12,992	8 %	$200,146	$186,258	$172,391
Grants, Contracts & Awards	81,710	81,895	(185)	(0)%	75,861	76,144	72,454
UPL/PCIP	34,952	34,855	97	0 %	32,290	26,047	22,606
Other Revenue	43,503	34,807	8,696	25 %	37,800	41,085	35,776
Total Revenues	**$334,935**	**$313,335**	**$21,600**	7 %	**$346,097**	**$329,534**	**$303,227**
EXPENSES							
Faculty Support	110,890	115,510	(4,620)	(4)%	120,410	118,010	112,135
Housestaff Support	13,897	13,624	272	2 %	11,982	12,732	11,922
Other Staff Support	75,816	78,975	(3,159)	(4)%	76,736	71,968	65,467
Depreciation/Amortization	3,986	4,152	(166)	(4)%	4,518	4,436	4,824
Other Expenses	53,493	55,722	(2,229)	(4)%	57,785	55,877	49,185
Transfer to USF Conv Accts	59,812	62,304	(2,492)	(4)%	59,658	56,409	54,291
Transfer to DSO HPCC Salary Support	0	514	(514)	(100)%	310	1,072	1,035
Total Expenses	**$317,894**	**$330,802**	**$(12,908)**	(4)%	**$331,400**	**$320,506**	**$298,859**
OPERATING PROFIT BEFORE NON-OPERATING CHANGES	**$17,041**	**$(17,466)**	**$34,507**	198 %	**$14,698**	**$9,028**	**$4,368**
Unrealized Investment Gains (Losses)	0	629	(629)	(100)%	0	422	725
Contribution to MCOM	0	(7,000)	7,000	100 %	(2,000)	0	0
Non-Cash Impact of Epic Conversion	0	0	0	%	(1,131)	(5,742)	(931)
Total Non-Cash Changes	**$0**	**$(6,371)**	**$6,371**	100 %	**$(3,131)**	**$(5,320)**	**$(206)**
NET OPERATING PROFIT	**$17,041**	**$(23,838)**	**$40,878**	171 %	**$11,567**	**$3,709**	**$4,162**
Operating Profit Margin	**5.09%**	**-5.57%**	**11%**	191 %	**4%**	**3%**	**1%**

UNIVERSITY of SOUTH FLORIDA

UMSA/MSSC Combined

FY 2021 Annual Financial Plan

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 4/14/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
OPERATING ACTIVITIES							
Net Operating Profit	$17,041	$(23,838)	$13,490	380 %	$11,567	$3,709	$4,162
Adjustments for Non-Cash Activities:	0		0	%			
Depreciation/Amortization	3,986	4,152	(166)	(4)%	4,518	4,436	4,824
Non Cash Impact of EPIC	0		0	%	1,131	5,742	931
Unrealized Gains	0		629	100 %	0	(422)	(725)
Operating Assets and Liabilities	(45,148)	55,767	(49,548)	(1,126)%	0	(2,906)	(289)
Total Cash From Operating Activities	**$(24,121)**	**$36,082**	**$(35,595)**	(310)%	**$17,216**	**$10,559**	**$8,903**
INVESTING ACTIVITIES							
Capital Expenditures	$(1,500)	$(3,405)	$1,960	57 %	$(3,000)	$(2,815)	$(2,563)
Net (Purchases) Sales of Investments	0		0	%	0	(2,962)	(9,828)
Total Cash From Investing Activities	**$(1,500)**	**$(3,405)**	**$1,960**	57 %	**$(3,000)**	**$(5,776)**	**$(12,391)**
FINANCING ACTIVITIES							
Proceeds of Long-Term Debt	$0	$0	$0	%	$0	$0	$0
Transfer to USF FC - Leases on MOBs	(2,268)	(2,266)	(2)	(0)%	(2,262)	(2,689)	(2,310)
Total Cash From Investing Activities	**$(2,268)**	**$(2,266)**	**$(2)**	(0)%	**$(2,262)**	**$(2,689)**	**$(2,310)**
CHANGE IN CASH	**(27,889)**	**30,410**	**(33,637)**	(585)%	**11,954**	**2,094**	**(5,798)**
Cash, Beginning of Year	39,165	8,755	30,410	347 %	7,085	6,661	12,459
Cash, End of Year	**$11,276**	**$39,165**	**$(3,226)**	(22)%	**$19,039**	**$8,755**	**$6,661**
Total Cash & Investments	**$32,655**	**$52,421**	**$(3,226)**	(9)%	**$42,087**	**$33,597**	**$28,119**
Days Cash on Hand	**40**	**61**	**(2)**	(6)%	**50**	**42**	**36**

UNIVERSITY of SOUTH FLORIDA

UMSA/MSSC Combined

FY 2021 Annual Financial Plan

3-YEAR FORECAST

(In thousands)	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 FORECAST as of 1/27/20	FY 2020 FORECAST as of 4/14/20	FY 2021 PLAN	FY 2022 FORECAST	FY 2023 FORECAST
ASSETS							
Cash & Investments	$28,119	$42,087	$35,881	$52,421	$32,655	$39,186	$41,145
Fixed Assets	56,065	54,576	53,884	53,829	53,200	51,788	50,413
Other Assets	65,929	61,617	63,465	63,465	65,369	61,094	57,098
Total Assets	**$150,113**	**$158,280**	**$153,230**	**$169,715**	**$151,224**	**$152,068**	**$148,656**
LIABILITIES							
Payables	$8,449	$6,617	$6,816	$37,590	$7,020	$5,498	$4,305
Long-Term Debt	51,176	48,914	46,648	46,648	44,380	42,418	40,543
Other Liabilities	18,699	19,592	20,180	20,180	20,785	21,778	22,817
Total Liabilities	**$78,324**	**$75,123**	**$73,643**	**$104,417**	**$72,185**	**$69,694**	**$67,666**
NET ASSETS	**$71,788**	**$83,157**	**$79,587**	**$65,298**	**$79,039**	**$82,374**	**$80,990**
Days Cash on Hand	**36**	**42**	**42**	**61**	**40**	**41**	**42**
REVENUES							
Net Patient Service	$172,391	$186,258	$192,777	$161,778	$174,769	$206,507	$214,767
Grants, Contracts & Awards	72,454	76,144	80,108	81,895	81,710	88,665	92,211
UPL	22,606	26,047	32,821	34,855	34,952	52,109	54,193
Other Revenues	35,776	41,085	38,730	34,807	43,503	34,416	35,793
Total Revenues	**$303,227**	**$329,534**	**$344,435**	**$313,335**	**$334,935**	**$381,697**	**$396,965**
EXPENSES							
Faculty Support	$112,135	$118,010	$117,510	$115,510	$110,890	$127,955	$132,434
Housestaff Support	11,922	12,732	13,624	13,624	13,897	$16,036	16,597
Other Staff Support	65,467	71,968	79,975	78,975	75,816	$87,484	90,546
Depreciation/Amortization	4,824	4,436	4,152	4,152	3,986	$4,600	4,761
Other Expenses	49,185	55,877	56,427	55,722	53,493	$61,725	63,886
Transfer to USF - Salary Grants	54,291	56,409	62,304	62,304	59,812	$69,017	71,433
Transfer to HPCC - Salary Support	1,035	1,072	520	514	0	0	0
Total Expenses	**$298,859**	**$320,506**	**$334,513**	**$330,802**	**$317,894**	**$366,817**	**$379,656**
Operating Profit Before Non-Cash Changes	**$4,368**	**$9,028**	**$9,921**	**$(17,466)**	**$17,041**	**$14,880**	**$17,310**
Total Non-Cash Changes	$(206)	$(5,320)	$(6,371)	$(6,371)	$0	$0	$0
NET OPERATING PROFIT	**$4,162**	**$3,709**	**$3,550**	**$(23,838)**	**$17,041**	**$14,880**	**$17,310**
Operating Profit Margin	**1%**	**3%**	**3%**	**-6%**	**5%**	**4%**	**4%**

USF Foundation, Inc.

FY 2021 Annual Financial Plan

FINANCIAL PLAN STATEMENT

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

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

Provide the Downside Business Risks to the FY 2020 Forecast and the FY 2021 Financial Plan Due to COVID-19 and Management's Plans to Mitigate these Risks

- On March 24th President Currall created the USF United Support Fund to support students who have lost jobs or have been otherwise seriously financially affected by COVID-19. More than 1,400 donors have contributed more than $280,000 towards this effort since its inception. So far, the Foundation has received 1,300 applications and has provided $280,000 in aid to more than 320 students.

- Philanthropy is one factor generally unaffected by the financial markets. Despite five official recessions since 1980, philanthropy overall has increased year to year. While COVID-19 is negatively impacting our development efforts in travelling and meeting in person with donors, we are continuing our connection with donors through phone and other virtual ways. We anticipate a bit of a struggle, but are poised to do everything possible to reach our goal this fiscal year.

- Like the rest of USF, COVID-19 has negatively impacted spring events with some cancelled, some postponed to the Fall and some transitioned to virtual events. The Foundation expects a shift in revenue to the first quarter as a result of many of these events being postponed.

List Key Drivers for the 2021 Financial Plan Over the 2020 Forecast - Focus on Cash Flows and Adequacy of Reserves

- After raising a historic $1.1 billion during the recently completed Unstoppable Campaign, the Foundation remains as committed and energized as ever, with a fundraising goal of $100 million for fiscal year 2020, to facilitate the crucial impact of philanthropy on the USF System through engaging alumni and friends. The new Sr. Vice President for University Advancement and Foundation CEO will arrive in the beginning of June at which time goals will be reassessed for fiscal year 2021.

- The Foundation's Investment Committee continues to actively monitor the performance and liquidity of our asset pools through regular review of asset allocation and investment managers. The Committee will take action when appropriate to enhance the growth and benefit of the endowment to USF over a long-term horizon. Our short-term and long-term returns are consistently in the top quartile amongst our peers. The Foundation has been closely monitoring the volatile investment markets of these past several weeks with out long-term investing philosophy in mind.

- 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 $18.5 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.

Describe Material Capital Expenditures in the 2021 Financial Plan - Provide Details and ROI Expectations

- No material capital expenditures are planned.

List Major DSO Initiatives that will Drive Increases in Operating Earnings for 2022 and 2023

- The Foundation will continue to support the University's goal surrounding its Student Success initiative with fundraising for scholarships and fellowships.

- Research and Innovation is continually supported through the Foundation's efforts in securing philanthropic, private research grants. In addition, Endowed Chair and Professorship funds provide a predictable, steady stream of earnings to support the Chair or Professors' research efforts in perpetuity.

- Cultivating university partnerships, both public and private, is a goal of the Foundation. The generosity of our donors ensures an environment rich in research, teaching, learning and discovery. The Foundation has captivated the attention of donors with exciting opportunities to become highly visible partners of USF Health Morsani College of Medicine and the USF Heart Institute, a state of the art facility on donated property in downtown Tampa.

UNIVERSITY of SOUTH FLORIDA

USF Foundation, Inc.

FY 2021 Annual Financial Plan

INCOME STATEMENT

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
REVENUES							
Gifts & Donations	$48,100	$48,100	$0	0 %	$48,100	$51,380	$56,330
Investment Income (Loss)	37,422	(39,488)	76,910	195 %	47,668	33,209	52,617
University Support	12,858	12,858	0	0 %	12,450	13,233	12,680
Other Revenues	2,744	2,271	473	21 %	551	2,518	1,250
Total Revenues	**$101,124**	**$23,741**	**$77,383**	326 %	**$108,769**	**$100,340**	**$122,877**
EXPENSES							
Program Services							
Salaries & Benefits	19,511	19,318	193	1 %	24,915	17,288	21,850
Scholarship & Fellowship	9,709	9,613	96	1 %	7,792	10,336	9,723
Service & Independent contractors	4,026	3,986	40	1 %	5,273	4,581	4,187
Supplies	2,143	2,122	21	1 %	1,203	3,070	980
Other Transfers & Expenses	14,126	14,126	0	0 %	29,064	22,749	10,933
Total Program Service Expenses	49,515	49,165	350	1 %	68,247	58,024	47,673
Fundraising & Operating Expenses							
Salaries & Benefits	14,776	14,630	146	1 %	14,726	14,343	14,501
Service & Independent contractors	1,626	2,074	(448)	(22)%	2,074	1,171	1,037
Other Transfers & Expenses	2,172	2,150	22	1 %	1,900	2,694	1,828
Total Fundraising & Operating Expenses	18,574	18,854	(280)	(1)%	18,700	18,208	17,366
Total Expenses	**$68,089**	**$68,019**	**$70**	0 %	**$86,947**	**$76,232**	**$65,039**
OPERATING PROFIT BEFORE NON-CASH CHANGES	**$33,035**	**$(44,278)**	**$77,313**	175 %	**$21,822**	**$24,108**	**$57,838**
Total Non-Cash Changes	**$0**	**$0**	**$0**	%	**$0**	**$0**	**$0**
NET OPERATING PROFIT	**$33,035**	**$(44,278)**	**$77,313**	175 %	**$21,822**	**$24,108**	**$57,838**
Operating Profit Margin	**32.67%**	**-186.50%**		219.17%	**20.06%**	**24.03%**	**47.07%**

UNIVERSITY of SOUTH FLORIDA

USF Foundation, Inc.

FY 2021 Annual Financial Plan

STATEMENT OF CASH FLOWS

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
OPERATING ACTIVITIES							
Net Operating	$33,035	$(44,278)	$77,313	175 %	$21,822	$10,874	$57,838
Adjustments for Non-Cash Activities							
Investment (gain) loss	(37,422)	39,488	(76,910)	(195)%	(23,407)	(23,643)	(52,617)
Change in assets & liabilities	(9,907)	(9,807)	(100)	(1)%	3,246	(8,329)	(5,134)
Total Cash From Operating Activities	**$(14,294)**	**$(14,597)**	**$303**	2 %	**$1,661**	**$(21,098)**	**$87**
FINANCING ACTIVITIES							
Proceeds of sale of contributed land held for resale	$0	$0	$0	%	$0	$12,000	$0
Interest Paid on Debt	(109)	(119)	10	8 %	0	(129)	0
Principal Paid on Debt	(385)	(370)	(15)	(4)%	(360)	(371)	(362)
Noncapital Financing activities	7,565	7,518	47	1 %	0	9,435	0
Total Cash From Financing Activities	**$7,071**	**$7,029**	**$42**	1 %	**$(360)**	**$20,935**	**$(362)**
INVESTING ACTIVITIES							
Capital Expenditures	$0	$(475)	$475	100 %	$(475)	$(7,650)	$(458)
New (Purchase) Sale of Investment	(1,054)	(1,565)	511	33 %	6,054	(1,360)	7,067
Interest dividends reinvested	9,058	9,346	(288)	(3)%	(6,436)	9,565	(6,112)
Total Cash From Investing Activities	**$8,004**	**$7,306**	**$698**	10 %	**$(857)**	**$555**	**$497**
CHANGE IN CASH	**781**	**(262)**	**1,043**	398 %	**444**	**392**	**222**
Cash, Beginning of Year	1,155	1,417	(262)	(18)%	1,987	1,025	803
Cash, End of Year	**$1,936**	**$1,155**	**$781**	68 %	**$2,431**	**$1,417**	**$1,025**
Total Cash & Investments	**$94,667**	**$94,931**	**$(264)**	(0)%	**$93,688**	**$98,017**	**$83,867**
Days Cash on Hand	**507**	**509**	**(2)**	(0)%	**393**	**470**	**472**

UNIVERSITY of SOUTH FLORIDA

USF Foundation, Inc.

FY 2021 Annual Financial Plan

3-YEAR FORECAST

(In thousands)	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 FORECAST	FY 2021 PLAN	FY 2022 FORECAST	FY 2023 FORECAST
ASSETS						
Cash & Investments	$83,867	$98,017	$94,931	$94,667	$96,087	$98,008
Fixed Assets	10,003	10,844	10,855	11,072	11,075	11,120
Other Assets	569,729	587,690	546,684	581,438	627,714	672,716
Total Assets	**$663,599**	**$696,551**	**$652,470**	**$687,177**	**$734,876**	**$781,844**
LIABILITIES						
Payables	$937	$969	$1,054	$1,076	$1,095	$2,117
Long-Term Debt	5,086	4,714	4,333	3,942	3,540	3,127
Other Liabilities and deferred inflows	54,437	54,087	54,580	56,621	60,584	62,824
Total Liabilities	**$60,460**	**$59,770**	**$59,967**	**$61,639**	**$65,219**	**$68,068**
NET ASSETS	**$603,139**	**$636,781**	**$592,503**	**$625,538**	**$669,657**	**$713,776**
Days Cash on Hand	**471**	**469**	**509**	**507**	**473**	**468**
REVENUES						
Gifts & Fundraising Revenue	$48,261	$51,380	$48,100	$48,100	$54,200	$56,500
University Support	13,211	13,233	12,858	12,858	13,805	13,805
Other Revenues	61,229	45,260	(37,217)	40,166	50,339	51,925
Total Revenues	**$122,701**	**$109,873**	**$23,741**	**$101,124**	**$118,344**	**$122,230**
EXPENSES						
Salaries & Benefits	$36,361	$31,631	$33,948	$34,287	$36,598	$38,043
Scholarship & Fellowships	9,723	10,336	9,613	9,709	10,000	10,800
Other Expenses	18,954	34,264	24,458	24,092	27,627	27,658
Total Expenses	**$65,038**	**$76,231**	**$68,019**	**$68,089**	**$74,225**	**$76,501**
Operating Profit Before Non-Cash Changes	**$57,663**	**$33,642**	**$(44,278)**	**$33,035**	**$44,119**	**$45,729**
Total Non-Cash Changes	$0	$0	$0	$0	$0	$0
NET OPERATING PROFIT	**$57,663**	**$33,642**	**$(44,278)**	**$33,035**	**$44,119**	**$45,729**
Operating Profit Margin	**47%**	**31%**	**-187%**	**33%**	**37%**	**37%**

USF Research Foundation, Inc.

FY 2021 Annual Financial Plan

FINANCIAL PLAN STATEMENT

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 provides a mechanism for the funding of licensed research and development activities at the University. As a DSO, 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.

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

  The Research Foundation owns and manages real property assets that include the USF Research Park and various buildings that are located within the Park. 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.

  On behalf of the University, the Research Foundation also manages the fiscal operations of the USF Tampa Bay Technology Incubator Program.

Provide the Downside Business Risks to the FY 2020 Forecast and the FY 2021 Financial Plan Due to COVID-19 and Management's Plans to Mitigate these Risks

- Considered risks include the Economic impact on the recruitment of credit-worthy prospective tenants for the Research Park. Mitigation includes maintaining the focus of recruiting from outside the Tampa Bay area and demonstrate the value in our local ecosystem for science and technology based companies.
- Existing tenants ability to maintain leased space. Retaining existing companies may require support through cash-flow hurdles via avenues such as rent deferrals. The demographic make-up of Research Park tenants as largely life science is a strong factor for these companies remaining productive during the health crisis.

List Key Drivers for the 2021 Financial Plan Over the 2020 Forecast - Focus on Cash Flows and Adequacy of Reserves

- FY2021 Financial Plan generates a positive cash flow from Operations of $4.2M, with a net positive cash flow of $1.7M available for reserves.
- FY2020 Forecast generates cash flow to permit an additional $4.0M cash investment from Operations. Funds remain available for emergency reserves.

Describe Material Capital Expenditures in the 2021 Financial Plan - Provide Details and ROI Expectations

- $818 thousand of tenant improvements may be expended to generate additional rent revenues if needed. If the leases are not awarded or the improvements are not required for lease incentive, the funds will not be expended.
- $540 thousand of capital expenditures are included in the FY2021 Plan for maintaining functionality of the property and buildings. These include mechanical controls upgrade, and projects designed to reduce operating utility costs and preserve the buildings within the Research Park, as Class A properties.
- $1.5M of tenant improvements for the new USF Research Park mixed used lab and office building are in the 2021 Financial Plan.

List Major DSO Initiatives that will Drive Increases in Operating Earnings for 2022 and 2023

- The construction of the new USF Research Park mixed use lab and office building. As the owner/operator of the Research Park, we have executed a master lease with the USF Financing Corporation. Construction of the core and shell is expected to begin June 2020 with completion scheduled by October 2021.

UNIVERSITY of SOUTH FLORIDA

USF Research Foundation, Inc.

FY 2021 Annual Financial Plan

INCOME STATEMENT

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
REVENUES							
Rental Revenue	$9,564	$9,075	$489	5 %	$9,144	$8,689	$8,379
Intellectual Property Revenue	2,600	2,600	-	0 %	3,160	3,592	3,728
NMR Use License Fee	307	307	-	0 %	307	307	307
Other Operating Revenues	204	193	10	5 %	257	269	244
Total Revenues	**$12,675**	**$12,175**	**$500**	4 %	**$12,868**	**$12,858**	**$12,657**
EXPENSES							
Salaries & Benefits	$1,328	$1,357	(28)	(2)%	$1,437	$1,288	$1,347
Intellectual Property & Other Program Expense	1,989	1,989	-	0 %	2,360	3,036	3,045
Operations - Research Park	3,648	3,634	14	0 %	3,607	3,076	3,075
Contractual Services & Other Operating	162	191	(29)	(15)%	149	135	165
University Business Center - Net Rent Expense	198	244	(46)	(19)%	24	332	4
Interest Expense	609	533	76	14 %	533	622	687
Depreciation & Amortization	2,893	2,910	(17)	(1)%	2,767	2,648	2,907
Total Expenses	**$10,827**	**$10,857**	**$(29)**	(0)%	**$10,877**	**$11,136**	**$11,230**
OPERATING PROFIT BEFORE NON-OPERATING REVENUE	**$1,848**	**$1,318**	**$529**	40 %	**$1,991**	**$1,722**	**$1,427**
Investment Income (loss)	1,935	(2,313)	4,248	184 %	2,023	2,212	3,117
Total Non-Operating	**$1,935**	**$(2,313)**	**$4,248**	184 %	**$2,023**	**$2,212**	**$3,117**
NET INCOME (Loss)	**$3,782**	**$(995)**	**$4,777**	480 %	**$4,014**	**$3,934**	**$4,544**
Operating Profit Margin	**15%**	**11%**		4 %	**15%**	**13%**	**11%**

UNIVERSITY of SOUTH FLORIDA

USF Research Foundation, Inc.

FY 2021 Annual Financial Plan

STATEMENT OF CASH FLOWS

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
OPERATING ACTIVITIES							
Net Income	$3,782	$(995)	$4,777	480 %	$4,014	$3,934	$4,544
Adjustments for Non-Cash Activities:							
Less Non-Cash Investment (Gain)	(1,935)	2,313	(4,248)	(184)%	(2,023)	(2,212)	(3,114)
Add back Depreciation/Amortization Exp	2,893	2,910	(17)	(1)%	2,767	2,648	2,907
Add back Other Non-Cash Expenses	10	10	-	0 %	18	464	25
Less Other Non-Cash Revenue	-	-	-	%	-	(26)	(49)
Add back Other Income Restatement	-	-	-	%	-	-	786
Changes in Operating Assets and Liabilities	(600)	300	(900)	(300)%	-	1,877	(783)
Total Cash From Operating Activities	**$4,151**	**$4,538**	**$(388)**	(9)%	**$4,777**	**$6,685**	**$4,316**
FINANCING ACTIVITIES							
Principal Payments - Notes Payable	$(775)	$(1,745)	$970	56 %	$(1,745)	$(1,720)	$(1,590)
Principal Payments Capital Lease - UDI Building	(241)	(281)	40	14 %	-	-	-
Redeem Investments for New Building	3,254	2,514	740	29 %	3,194	-	-
Cash Outlay: New Bldg - Debt Sinking Fund	-	(1,983)	1,983	100 %	(2,420)	-	-
Cash Outlay: New Bldg - Debt Service Coverage	-	(531)	531	100 %	-	-	-
Cash Outlay: New Bldg - Debt Payment	(1,754)	(473)	(1,281)	(271)%	(774)	-	-
Cash Outlay: New Bldg - Closing Costs	-	(53)	53	100 %	0	-	-
Total Cash From Financing Activities	**$484**	**$(2,552)**	**$3,035**	119 %	**$(1,745)**	**$(1,720)**	**$(1,590)**
INVESTING ACTIVITIES							
Capital Expenditures	$(1,483)	$(1,469)	$(14)	(1)%	$(1,534)	$(640)	$(591)
Capital Expenditures - New Bldg Tenant Improvements	(1,500)	-	(1,500)	%	-	-	-
Purchase of Investments	-	(4,050)	4,050	100 %	-	(3,251)	(1,000)
Seed Capital Loan Repayments (Issuance)	-	20	(20)	(100)%	-	(25)	(17)
Transfer from Venture Investment Fund	-	-	0	%	-	-	50
Total Cash From Investing Activities	**$(2,983)**	**$(5,499)**	**$2,516**	46 %	**$(1,534)**	**$(3,916)**	**$(1,558)**
CHANGE IN CASH	**1,652**	**(3,512)**	**5,164**	147 %	**1,498**	**1,049**	**1,168**
Cash, Beginning of Year	3,614	7,127	(3,512)	(49)%	7,466	6,077	4,909
Cash, End of Year	**$5,266**	**$3,614**	**$1,652**	46 %	**$8,964**	**$7,127**	**$6,077**
Total Cash & Investments	**$42,800**	**$42,467**	**$333**	1 %	**$43,377**	**$46,807**	**$40,622**
Days Cash on Hand	**298**	**350**	**(52)**	(15)%	**332**	**457**	**325**

UNIVERSITY of SOUTH FLORIDA

USF Research Foundation, Inc.

FY 2021 Annual Financial Plan

3-YEAR FORECAST

(In thousands)	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 FORECAST	FY 2021 PLAN	FY 2022 FORECAST	FY 2023 FORECAST
ASSETS						
Cash & Investments	$40,622	$46,807	$43,377	$42,800	$45,575	$48,246
Fixed Assets	31,901	33,510	58,748	59,383	57,984	57,051
Other Assets	18,837	18,039	17,923	17,807	17,691	17,575
Total Assets	**$91,360**	**$98,355**	**$120,048**	**$119,990**	**$121,250**	**$122,872**
LIABILITIES						
Payables	$2,284	$2,704	$2,204	$2,270	$2,338	$2,408
Long-Term Debt	18,875	20,610	44,618	42,662	40,628	36,314
Other Liabilities and deferred inflows	7,646	8,553	8,810	9,074	9,346	12,095
Total Liabilities	**$28,806**	**$31,868**	**$55,632**	**$54,006**	**$52,312**	**$50,818**
NET ASSETS	**$62,554**	**$66,488**	**$64,416**	**$65,984**	**$68,938**	**$72,054**
Days Cash on Hand	**325**	**457**	**350**	**298**	**348**	**373**
REVENUES						
Rental Revenue	$8,379	$8,689	$9,075	$9,564	$10,168	$11,068
Intellectual Property Revenue	3,728	3,592	2,600	2,600	2,700	2,800
Other Revenues	551	576	500	511	506	504
Total Revenues	**$12,657**	**$12,858**	**$12,175**	**$12,675**	**$13,373**	**$14,372**
EXPENSES						
Salaries & Benefits	$1,347	$1,288	$1,357	$1,328	$1,368	$1,409
Operations - Research Park	3,075	3,076	3,634	3,648	3,800	4,150
Other Expenses	6,808	6,772	5,866	5,851	6,134	6,336
Total Expenses	**$11,230**	**$11,136**	**$10,857**	**$10,827**	**$11,302**	**$11,896**
Operating Profit Before Non-Cash Changes	**$1,427**	**$1,722**	**$1,318**	**$1,848**	**$2,071**	**$2,476**
Total Non-Cash Investment Income	$3,117	$2,212	$(2,313)	$1,935	$2,008	$2,012
NET INCOME	**$4,544**	**$3,934**	**$(995)**	**$3,782**	**$4,078**	**$4,488**
Operating Profit Margin	**11%**	**13%**	**11%**	**15%**	**15%**	**17%**

FINANCIAL PLAN STATEMENT

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

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

Provide the Downside Business Risks to the FY 2020 Forecast and the FY 2021 Financial Plan Due to COVID-19 and Management's Plans to Mitigate these Risks

- Due to the current economic climate and COVID 19 restrictions, the expectation is that the pause in operations and events will continue through the end of this fiscal year. We expect to see a shift in revenue associated with hosting all events scheduled during this time to next fiscal year. We should see little to no expenses associated with these events, but also no cash flow from ticket sales, ancillaries, etc. until normal business operations resume. Most, if not all the paused events have been postponed to a further date; hopefully moving to next fiscal year (2021). That should pose an opportunity for success in FY 2021, however there is not a clear understanding or timeline associated with hosting live events.

- In regards to FY20 operational expenses, we've currently paused all spending unless contractually obligated or necessary to maintain the building. As mentioned above, with the uncertainty of the timeline for hosting live events, we've taken an aggressive approach to holding expenses relatively flat for FY 2021. Concerns surrounding the management of FY 2021 budget are unknown (i.e. new standards imposed on business - attendance restrictions, specialty products and chemicals) that could significantly impact expenses. Our strategy to combat this is currently unknown but will be proactively addressed to identify costs that can be reduced to help supplement the new operational guidelines. Therefore a heightened awareness of what the County, CDC, FDOH, and other governmental agencies are recommending/mandating will be the utmost priority, as we begin planning for operations to resume.

- It's important to note that the current state of our economy and community perspective/sentiments will continue to evolve. What we are planning for now, as it relates to COVID-19, may not necessarily be the standard in the future.

List Key Drivers for the 2021 Financial Plan Over the 2020 Forecast - Focus on Cash Flows and Adequacy of Reserves

- The 2021 Financial Plan reflects an increase in revenue of $125 thousand or 7%, while maintaining operating expenses at a relatively consistent level with the prior fiscal year, with a slight increase of 2%. The 2021 Financial Plan factors in 8 concerts/ events, which have not been confirmed. In the event these shows do not come to fruition, it could negatively impact profitability on a net basis by approximately $422 thousand. The 2021 Financial Plan also assumes attendance and related event profitability with respect to USF Men's and Women's basketball will remain consistent with 2019- 2020.

- Cash flow will be directly tied to our ability to host events. Should postponed events, from FY20 shift to FY21, we could see an increase in cash flow from ancillary revenue streams.

- Expense management will be to focus on short-term necessities, while keeping the big picture in mind. We'll eventually get back to normal.

- The 2021 Financial Plan does not factor in a contingency for any extraordinary maintenance, repairs or rate increases in insurance premiums.

- Negative operating net cash flows are a risk.

Describe Material Capital Expenditures in the 2021 Financial Plan - Provide Details and ROI Expectations

- Shifting our FY20 CapEx initiative to FY21 (details on CapEx tab). These costs have been excluded from the financial statements included herein, as it is anticipated that USF will provide the funding and the related assets will be recorded on USF books' consistent with the building/ building improvements.

List Major DSO Initiatives that will Drive Increases in Operating Earnings for 2022 and 2023

- Should the economy rebound and sentiments surrounding large gatherings more positive, FY22 & 23 could potentially prove successful. In theory, many tours and artists will have taken time off and be ready to tour again.

- CapEx enhancements - should we have the opportunity to move forward with funding, we could produce some energy cost savings from mechanical/operational efficiency. Additionally, there could be some positive influence on ticket margins or add-ons should we provide enhancements to the guest experience - i.e. concert club, all-inclusive space.

- The focus will be: Identify multi-show deals and concert series opportunities to increase event bookings; Re-establish and build on relationships with top promoters; Strategic booking to include a diverse programing of quality events that crosses all genres; Continue to provide "Blue Ribbon" service to our consumers, improving upon the brand perception in the local and national marketplace.

UNIVERSITY of SOUTH FLORIDA

USF Sun Dome, Inc.

FY 2021 Annual Financial Plan

INCOME STATEMENT

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
REVENUES							
Direct Event Income	$321	$203	$118	58 %	$559	$398	$264
Ancillary Revenue:							
Suites/ Loge	53	37	15	40 %	21	45	20
Concessions & Novelty	301	305	(4)	(1)%	277	333	271
Parking	410	305	105	34 %	362	437	318
Service Charges	412	372	40	11 %	398	383	297
Ticketmaster Rebates	409	540	(131)	(24)%	284	384	214
Ancillary Revenue	1,584	1,560	24	2 %	1,341	1,582	1,121
Miscellaneous	75	92	(17)	(19)%	90	191	110
Total Revenues	**$1,980**	**$1,855**	**$125**	7 %	**$1,989**	**$2,171**	**$1,494**
EXPENSES							
Salary & Benefits	983	971	12	1 %	957	940	817
General & Administrative	449	475	(26)	(5)%	466	456	427
Marketing & Sales	43	21	22	102 %	41	24	22
Equipment & Supplies	101	75	27	36 %	91	65	53
Utilities	41	23	18	76 %	31	38	31
Insurance	126	146	(20)	(14)%	126	125	152
Transition Expenses	0	0	0	%	0	0	96
Incentive Fees/ Profit Share	50	50	0	0 %	50	150	0
Total Expenses	**$1,793**	**$1,761**	**$32**	2 %	**$1,762**	**$1,798**	**$1,596**
OPERATING PROFIT BEFORE NON-CASH CHANGES	**$187**	**$94**	**$93**	99 %	**$227**	**$373**	**$(102)**
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Total Non-Cash Changes	**$0**	**$0**	**$0**	%	**$0**	**$0**	**$0**
NET OPERATING PROFIT	**$187**	**$94**	**$93**	99 %	**$227**	**$373**	**$(102)**
Operating Profit Margin	**9%**	**5%**		4 %	**11%**	**17%**	**-7%**

UNIVERSITY of SOUTH FLORIDA

USF Sun Dome, Inc.

FY 2021 Annual Financial Plan

STATEMENT OF CASH FLOWS

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
OPERATING ACTIVITIES							
Net Operating Profit	$187	$94	$93	99 %	$227	$373	$(102)
Adjustments for Non-Cash Activities:							
(Increase) Decrease in Accounts Receivable	47	115	(68)	(59)%	0	(63)	122
(Increase) Decrease in Prepaids	0	0	0	%	0	1	2
Increase (Decrease) in Accounts Payable	0	(375)	375	100 %	17	29	25
Increase (Decrease) in Accrued Liabilities	8	(218)	226	104 %	(65)	171	554
Increase (Decrease) in Deferred Revenue	200	(685)	885	129 %	3	990	(317)
Total Cash From Operating Activities	**$442**	**$(1,069)**	**$1,511**	141 %	**$182**	**$1,501**	**$284**
FINANCING ACTIVITIES							
Capital Expenditures [1]	0	0	0	%	0	0	0
Total Cash From Financing Activities	**$0**	**$0**	**$0**	%	**$0**	**$0**	**$0**
INVESTING ACTIVITIES							
Event Revenue Transfers to USF, net	(413)	(413)	0	0 %	(413)	(686)	(544)
Total Cash From Investing Activities	**$(413)**	**$(413)**	**$0**	0 %	**$(413)**	**$(686)**	**$(544)**
CHANGE IN CASH	**29**	**(1,482)**	**1,511**	102 %	**(231)**	**815**	**(260)**
Cash, Beginning of Year	37	1,519	(1,482)	(98)%	575	704	964
Cash, End of Year	**$66**	**$37**	**$29**	78 %	**$344**	**$1,519**	**$704**
Total Cash & Investments	**$66**	**$37**	**$29**	78 %	**$344**	**$1,519**	**$704**
Days Cash on Hand	**13**	**8**	**6**	75 %	**71**	**308**	**161**

[1] Assumes USF funding of Capital expenditures with related assets maintained on USF's books' (consistent with the current reporting of the building/ building improvements).

UNIVERSITY of SOUTH FLORIDA

USF Sun Dome, Inc.

FY 2021 Annual Financial Plan

3-YEAR FORECAST

(In thousands)	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 FORECAST	FY 2021 PLAN	FY 2022 FORECAST	FY 2023 FORECAST
ASSETS						
Cash & Investments	$704	$1,520	$37	$66	$36	$112
Fixed Assets	124	362	247	200	200	200
Other Assets	0	(1)	0	0	0	0
Total Assets	**$828**	**$1,881**	**$284**	**$266**	**$236**	**$312**
LIABILITIES						
Payables	$248	$400	$25	$25	$27	$28
Accrued Liabilities	647	818	600	608	658	701
Deferred Revenue	143	1,185	500	700	761	828
Total Liabilities	**$1,037**	**$2,403**	**$1,125**	**$1,333**	**$1,446**	**$1,557**
NET ASSETS	**$(209)**	**$(522)**	**$(841)**	**$(1,067)**	**$(1,210)**	**$(1,245)**
Days Cash on Hand	**161**	**309**	**8**	**13**	**7**	**20**
REVENUES						
Direct Event Income	$264	$398	$203	$321	$354	$389
Total Ancillary Revenue	1,121	1,582	1,560	1,584	1,742	1,916
Miscellaneous	110	191	92	75	75	75
Total Revenues	**$1,494**	**$2,171**	**$1,855**	**$1,980**	**$2,171**	**$2,380**
EXPENSES						
Salary & Benefits	$817	$940	$971	$983	$1,033	$1,084
General & Administrative	427	456	475	449	472	495
Marketing & Sales	22	24	21	43	45	47
Equipment & Supplies	53	65	75	101	106	112
Utilities	31	38	23	41	43	45
Insurance	152	125	146	126	132	139
Transition Expenses	96	0	0	0	0	0
Incentive Fees/ Profit Share	0	150	50	50	70	80
Total Expenses	**$1,596**	**$1,798**	**$1,761**	**$1,793**	**$1,901**	**$2,002**
Operating Profit Before Non-Cash Changes	**$(102)**	**$373**	**$94**	**$187**	**$270**	**$378**
Total Non-Cash Changes	0	0	0	0	0	0
NET OPERATING PROFIT	**$(102)**	**$373**	**$94**	**$187**	**$270**	**$378**
Operating Profit Margin	**-7%**	**17%**	**5%**	**9%**	**12%**	**16%**

USF Institute of Applied Engineering, Inc.

FY 2021 Annual Financial Plan

FINANCIAL PLAN STATEMENT

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

- The USF Institute of Applied Engineering (IAE) provides agile, best value engineering products and services to enhance the performance, effectiveness and safety of Department of Defense customers, other federal, state and local agencies, and industry. By focusing on applied research and advanced technology development, the USF IAE expands USF's research portfolio while providing increased opportunities to both USF faculty and students.

Provide the Downside Business Risks to the FY 2020 Forecast and the FY 2021 Financial Plan Due to COVID-19 and Management's Plans to Mitigate these Risks

- COVID-19 is negatively impacting USF IAE contract revenue in FY20-21. While multiple contracts and task orders are in the pipeline for award, USF IAE anticipates increased timelines for processing contract actions with the DoD. Additionally, we expect some contract awards to be shifted from 4th Quarter FY20 to 1st Quarter FY21 as the DoD refocuses priorities on combatting COVID-19. Finally, execution of existing contracts is slowed due to remote work requirements for interns.
- COVID-19 is negatively impacting FY20 Hillsborough County Grant execution due to delays in construction of USF IAE's University Mall facility. Lack of a central research facility inhibits USF IAE's ability to perform required research for its customers. Initial permitting has been received from the county, but construction initiation is pending final design updates.
- In order to mitigate these risks, USF IAE meets routinely with sponsor counterparts to ensure known requirements are processed for award and to promote collaboration with USF researchers to identify new opportunities. Similarly, USF IAE meets routinely with the Mall and other stakeholders in order to complete construction this summer. Remaining FY20 county funding will be executed in early FY21, while FY21 detailed requirements are on track for approval by start of the fiscal year.

List Key Drivers for the 2021 Financial Plan Over the 2020 Forecast - Focus on Cash Flows and Adequacy of Reserves

- In February 2020, USSOCOM awarded USF IAE a 5-year task order contract worth up to $85M. Task orders from this contract, along with existing and future SOFWERX contracts, make up the bulk of contract revenue in FY21. Obtaining government-approved indirect rates on these contracts is critical in order to cover USF IAE operating costs. DCAA has approved USF IAE's initial proposal rates and are processing the FY20 and FY21 provisional billing rates for approval.
- For a newly establish organization such as IAE, managing cash flows to ensure availability of funds to reimburse USF and pay our vendors is a top priority. Pre-payments for our SOFWERX contracts, along with funding from USF and Hillsborough County is critical to cover a portion of our operating expenses in FY20. This provides IAE with some reserves. Thus, our cash position in FY20 is adequate, and is expected to improve further for FY21.

Describe Material Capital Expenditures in the 2021 Financial Plan - Provide Details and ROI Expectations

- Hillsborough County capital expenditures support small satellite research, other computer-based research equipment, and facility enhancements in FY20-FY22. Procuring this equipment is key to not only successfully executing DoD contracts, but also in attracting future USF IAE research workforce.

List Major DSO Initiatives that will Drive Increases in Operating Earnings for 2022 and 2023

- Delays in hiring impact USF IAE's ability to execute contracts. In response, USF IAE worked with central HR to prepare an organization chart along with ~70 pre-approved positions in order to reduce future hiring timelines as USF IAE grows.
- FY21 hiring activities, University Mall facility expansion, and capital expenditures will position USF IAE to more fully realize the revenue opportunities within the USSOCOM task order contract as well as with other DoD sponsors.

UNIVERSITY of SOUTH FLORIDA

USF Institute of Applied Engineering, Inc.

FY 2021 Annual Financial Plan

INCOME STATEMENT

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
REVENUES							
Contracts Revenues	$4,868	$937	$3,931	420 %	$2,250	$0	$0
Hillsborough County Grant	2,478	643	1,835	285 %	0	0	0
University Support	714	907	(194)	(21)%	602	187	0
College of Engineering Support	23	23	(0)	(1)%	79	385	0
Florida High Tech Corridor Matching	0	0	0	%	150	0	0
Donation and Other Revenue	74	13	61	456 %	73	1	0
Total Revenues	**$8,156**	**$2,524**	**$5,633**	223 %	**$3,154**	**$573**	**$0**
EXPENSES							
Salaries & Benefits	$867	$707	$159	23 %	$803	$61	$0
College of Engineering Salary Support	23	23	(0)	(1)%	79	385	0
Gift In-Kind Expenses	74	12	62	506 %	73	0	0
Materials, Supplies, Software & Equip., Travel	87	30	57	186 %	70	26	0
Banking, Insurance, Audit, Tax Services	100	131	(32)	(24)%	50	4	0
Facilities, Utilities, Telecomm., Security	63	0	63	%	91	0	0
Depreciation & Amortization	140	25	115	452 %	0	0	0
Hills. County Salaries & Benefits	984	84	900	1,067 %	0	0	0
Hills. County Materials & Equip.	353	158	195	124 %	0	0	0
Hills. County Facilities, Telecomm., & Security	641	69	572	828 %	0	0	0
Direct Program Costs	3,399	672	2,727	406 %	1,966	0	0
Transfer to USF-Indirect Return to University	380	27	352	1,298 %	22	0	0
Total Expenses	**$7,110**	**$1,940**	**$5,170**	266 %	**$3,154**	**$476**	**$0**
OPERATING PROFIT BEFORE NON-CASH CHANGES	**$1,046**	**$583**	**$463**	79 %	**$0**	**$97**	**$0**
Equipment Donations to USF	0	(90)	90	100 %	0	0	0
Total Non-Cash Changes	**$0**	**$(90)**	**$90**	100 %	**$0**	**$0**	**$0**
NET OPERATING PROFIT	**$1,046**	**$494**	**$553**	112 %	**$0**	**$97**	**$0**
Operating Profit Margin	**13%**	**23%**		(10)%	**0**	**17%**	**0%**

UNIVERSITY of SOUTH FLORIDA

USF Institute of Applied Engineering, Inc.

FY 2021 Annual Financial Plan

STATEMENT OF CASH FLOWS

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
OPERATING ACTIVITIES							
Operating Assets & Liabilities	$0	$0	$0	%	$47	$0	$0
Cash Receipt from Customers	4,868	937	3,931	420 %	0	0	0
Cash Receipt from Hillsborough County	2,478	643	1,835	285 %	0	0	0
Salaries & Benefits	(1,851)	(791)	(1,059)	(134)%	0	0	0
Payment for Direct Program Costs	(3,399)	(672)	(2,727)	(406)%	0	0	0
Payment to suppliers	(1,270)	(414)	(856)	(207)%	0	(8)	0
Total Cash From Operating Activities	**$826**	**$(298)**	**$1,124**	377 %	**$47**	**$(8)**	**$0**
FINANCING ACTIVITIES							
Transfer from USF Support	$714	$702	$11	2 %	$0	$100	$0
Transfer to USF-IDR	(380)	(27)	(352)	(1,298)%	0	0	0
Gift In-Kind Contributions	0	1	(1)	(100)%	0	1	0
Total Cash From Financing Activities	**$334**	**$676**	**$(342)**	(51)%	**$0**	**$101**	**$0**
INVESTING ACTIVITIES							
Capital Expenditures	$(500)	$(332)	$(168)	(51)%	$(119)	$(81)	$0
Proceeds of Long-Term Debt	0	0	0	%	0	0	0
Principal Payments	0	0	0	%	0	0	0
Interest Payments	0	0	0	%	0	0	0
Total Cash From Investing Activities	**$(500)**	**$(332)**	**$(168)**	(51)%	**$(119)**	**$(81)**	**$0**
CHANGE IN CASH	**660**	**46**	**614**	1,320 %	**(72)**	**11**	**0**
Cash, Beginning of Year	58	11	46	410 %	223	0	0
Cash, End of Year	**$718**	**$58**	**$660**	1,142 %	**$151**	**$11**	**$0**
Total Cash & Investments	**$718**	**$58**	**$660**	1,142 %	**$151**	**$11**	**$0**
Days Cash on Hand	**37**	**11**	**26**	237 %	**17**	**9**	**0**

UNIVERSITY of SOUTH FLORIDA

USF Institute of Applied Engineering, Inc.

FY 2021 Annual Financial Plan

3-YEAR FORECAST

(In thousands)	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 FORECAST	FY 2021 PLAN	FY 2022 FORECAST	FY 2023 FORECAST
ASSETS						
Cash & Investments	$0	$11	$58	$718	$1,591	$2,515
Fixed Assets	0	81	324	709	994	729
Other Assets	0	4	4	5	5	5
Total Assets	**$0**	**$97**	**$385**	**$1,431**	**$2,590**	**$3,249**
LIABILITIES						
Payables	$0	$0	$0	$0	$0	$0
Long-Term Debt	0	0	0	0	0	0
Other Liabilities	0	0	0	0	0	0
Total Liabilities	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
NET ASSETS	**$0**	**$97**	**$385**	**$1,431**	**$2,590**	**$3,249**
Days Cash on Hand	**-**	**9**	**11**	**37**	**63**	**102**
REVENUES						
Contracts Revenues	$0	$0	$937	$4,868	$7,140	$9,000
Hillsborough County Grant	0	0	643	2,478	2,613	0
University Support	0	187	907	714	603	603
College of Engineering Support	0	385	23	23	25	25
Florida High Tech Corridor Matching	0	0	0	0	0	0
Donation and Other Revenue	0	1	13	74	0	0
Total Revenues	**$0**	**$573**	**$2,524**	**$8,156**	**$10,380**	**$9,628**
EXPENSES						
Salaries & Benefits	$0	$61	$707	$867	$946	$1,192
College of Engineering Salary Support	0	385	23	23	25	25
Gift In-Kind Expenses	0	0	12	74	0	0
Materials, Supplies, Software & Equip., Travel	0	26	30	87	89	113
Banking, Insurance, Audit, Tax Services	0	4	131	100	103	163
Facilities, Utilities, Telecomm., Security	0	0	0	63	140	176
Depreciation & Amortization	0	0	25	140	263	314
Hills. County Salaries & Benefits	0	0	84	984	871	0
Hills. County Materials & Equip.	0	0	158	353	854	0
Hills. County Facilities, Telecomm., & Security	0	0	69	641	388	0
Direct Program Costs	0	0	672	3,399	4,986	6,285
Transfer to USF-Indirect Return to University	0	0	27	380	557	702
Total Expenses	**$0**	**$476**	**$1,940**	**$7,110**	**$9,221**	**$8,969**
Operating Profit Before Non-Cash Changes	**$0**	**$97**	**$583**	**$1,046**	**$1,159**	**$659**
Total Non-Cash Changes	$0	$0	$(90)	$0	$0	$0
NET OPERATING PROFIT	**$0**	**$97**	**$494**	**$1,046**	**$1,159**	**$659**
Operating Profit Margin	**0%**	**17%**	**23%**	**13%**	**11%**	**7%**

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

FY 2021 Annual Financial Plan

FINANCIAL PLAN STATEMENT

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

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

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

Provide the Downside Business Risks to the FY 2020 Forecast and the FY 2021 Financial Plan Due to COVID-19 and Management's Plans to Mitigate these Risks

- Due to the nationwide COVID-19 crisis and essential shutdown of nonessential economic activity the FY2020 Forecast anticipates the postponement of all external clients at CAMLS, CPD live events, USF Health International programming and most USF programming at CAMLS through May 31 and possibly beyond. As the 'stay-at-home' orders get lifted over time, some of these postponements may be rescheduled prior to June 30 but most are expected to be rescheduled in FY2021. The impact to the FY2020 Plan will be a $2,300K decrease in 'Total Revenues', a $1,000K decrease in 'Direct Program Expense' and a $1,300K decrease in 'Operating Income'.

- As noted in the Mid-Year Forecast HPCC was pacing well to close gaps that had resulted from client turnover and fluctuations in grant revenue received in partnership with medical education companies (MECs). However, pacing came to a standstill at the end of February and as a result, a pipeline of $2,330K of programmatic revenues, $1,612K of 'Direct Program Expense' and $718K 'Operating Income' stopped.

- To mitigate the revenue losses, HPCC has left vacant positions open, frozen hiring, and reduced utility, travel, and supply expenses, which will decrease wage expenses by $328K from the FY 2020 Plan as well an estimated $66K of operating expense savings in the last three months of the fiscal year.

- The FY2021 Plan anticipates ongoing social distancing after movement restrictions are relaxed and a delay in preventive measures to restore confidence in the travel and group learning environment resulting in a gradual return to full operations in 2021. HPCC will close FY2020 with 84 days of cash reserves but half is commercial support due to MECs while the other half will support operations through December with limited revenue as discussed further in the Key Drivers for FY2021.

List Key Drivers for the 2021 Financial Plan Over the 2020 Forecast - Focus on Cash Flows and Adequacy of Reserves

- HPCC will need to use some of its cash on hand to weather COVID-19. The turnover of external clients and reduction of some USF Health programming will also affect cash flows in FY2021. HPCC will maintain sufficient cash to pay vendors, make payroll and service debt while resuming its efforts to develop new clients and upgrade aging medical simulation equipment critical for ongoing training events. HPCC is prepared to take additional measures to preserve cash and reduce expenses should movement restrictions remain in place beyond the expectations of this Plan.

- In FY2021, 'Revenue for Continuing Professional Development' is projected lower as commercial funding in partnership with medical education companies (MECs) for online Continuing Medical Education (CME) activities remains strong, but passes directly to the MECs from the commercial supporter rather than passing through HPCC. CME live conference events will resume in FY2021, however attendance may be lower than prior years. Consistent with this business line, 'Direct Program Expense' (pass through funds) is also projected lower since grants will go directly to MECs.

- In FY2021 COVID-19 restrictions are projected to reduce USF Health Undergraduate Medical Education (UME) programming at CAMLS 15% or $300K due to limited programming in Q1 and Q2.

- In FY2021 USF Health Undergraduate Medical Education (UME) programming at CAMLS is projected to decrease an additional 20% from classroom training relocating to the new Morsani College of Medicine downtown facility. While not yet confirmed, we anticipate that the Graduate Medical Education (GME) program will continue at FY2020 levels, however the Certified Registered Nurse Anesthetist (CRNA) program may move online and use CAMLS on a limited basis. These reductions are projected to reduce 'CAMLS - USF Health Programming' by $700K.

- It is projected that 'CAMLS- Industry, Societies, Healthcare' programming will experience a gradual return to full operations in January 2021 however, momentum will be slow as social distancing continues after movement restrictions are relaxed and delays in preventive measures further inhibit the restoration of confidence in the travel and group-learning environment. Most of the FY2020 postponed events are expected to rebook in FY2021. Rebooking combined with ongoing sales efforts will create a strong demand, which will be subject to a restoration of confidence. FY2021 Q1 is projected to be just 10% of prior year and Q2 is projected to be 75% of prior year in anticipation of a gradual, rather than an instantaneous, return to normal conditions. As stated in the past, many CAMLS clients have developed their own simulation centers resulting in a 25% loss of non-USF revenue. The CAMLS team was on pace in FY2020 to meet the challenge with new clients and a large training contract with the federal government before COVID-19. While successful, the large federal contract occurs only once every two years, therefore, the effort to meet the FY2021 revenue target and restore this line of business to pre COVID-19 levels in FY2022 will be challenging.

- In light of the changed and continuing uncertain conditions, we are proposing to increase the 'The 'Transfer from UMSA Continuing Ed.-Faculty, Students' for the development and delivery of continuing academic and professional simulation education for students and practitioners from $250K to $500K. While HPCC is cautiously optimistic about regaining its upward trajectory and maintaining sufficient operating cash flow if the full amount is provided in the first half of FY2021, the lasting effects of COVID-19 may necessitate additional support in order to maintain cash flow.

Describe Material Capital Expenditures in the 2021 Financial Plan - Provide Details and ROI Expectations

- Despite the financial challenges, HPCC is committed to stay on track for two vital aspects of its capital plan, including expanding its inventory of simulator manikins to meet increasing demand and replace aging equipment to maintain service delivery expectations. The total capital expenditures planned for FY2021 is projected to be $200K, most of which will be recouped in revenue that would otherwise not be achievable.

List Major DSO Initiatives that will Drive Increases in Operating Earnings for 2022 and 2023

- In FY2021, HPCC will be working to coordinate the rescheduling of FY2020 programs, generate new FY2021 programs and meet the training needs of the USF Health students, residents and fellows affected by COVID19. With the proactive postponement and resulting successful implementation and coordination of these programs, HPCC/CAMLS continues to strengthen relationships with external clients that will grow revenue and increase operating earnings for 2022 and 2023. In addition, CAMLS is working to achieve continued growth of its portfolio in 2022 and 2023 by building on FY20 efforts, which were interrupted by the COVID19 global pandemic. These include: a) diversifying the portfolio to include government and not-for-profit contracts, b) building on the successful off-site programing (‘CAMLS Without Walls’) which exports CAMLS’ talent, tools, and resources while freeing up space for internal uses, c) expanding CAMLS’s original simulation training content and developing new clinical content leveraging the new TGH/USF Health partnership; d) continuing to leverage opportunities to synchronize with and build on the expanding USF/USF Health presence downtown, and e) develop innovative training with the use of experiential learning technologies, such as virtual reality, and telehealth/education.

UNIVERSITY of SOUTH FLORIDA

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

FY 2021 Annual Financial Plan

INCOME STATEMENT

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
REVENUES							
Continuing Professional Development	$5,070	$5,445	$(375)	(7)%	$7,205	$6,901	$3,943
CAMLS - USF Health Programming	1,675	2,195	(520)	(24)%	2,786	2,872	3,158
CAMLS - Industry, Societies, Healthcare	3,141	2,292	849	37 %	4,341	4,540	5,381
Other HPCC Divisions	207	237	(30)	(13)%	392	575	523
In Kind Donations	20	40	(20)	(50)%	40	68	22
Rents, Parking, Rebates, Interest	279	524	(245)	(47)%	629	732	531
Gain on Sale of Fixed Assets	0	0	0	%	0	0	10
Transfer from USF-Plant Operations & Maint.	1,293	1,293	0	0 %	1,293	1,293	1,293
Transfer from UMSA - Wages and Benefits	60	60	0	0 %	60	60	0
Transfer from UMSA Continuing Ed - Faculty, Students	500	250	250	100 %	250	1,000	1,033
Total Revenues	**$12,245**	**$12,336**	**$(91)**	(1)%	**$16,996**	**$18,041**	**$15,893**
EXPENSES							
Wages and Benefits	4,073	4,020	53	1 %	4,278	$3,900	$3,124
Wages - program driven temporary staffing	160	230	(70)	(30)%	300	214	254
Utilities, Leases, Maint., Supplies, Marketing	1,944	1,998	(54)	(3)%	2,094	2,262	2,466
Direct Program Expense	5,097	5,324	(227)	(4)%	7,936	8,252	5,744
Interest	487	528	(41)	(8)%	528	570	681
In Kind Expense	20	40	(20)	(50)%	40	68	22
Depreciation-Purchased & Donated Assets	938	1,067	(129)	(12)%	1,067	1,440	1,720
Total Expenses	**$12,719**	**$13,207**	**$(488)**	(4)%	**$16,243**	**$16,706**	**$14,011**
OPERATING PROFIT BEFORE NON-CASH CHANGES	**$(474)**	**$(871)**	**$397**	46 %	**$752**	**$1,335**	**$1,882**
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
Total Non-Cash Changes	**$0**	**$0**	**$0**	%	**$0**	**$0**	**$0**
NET OPERATING PROFIT	**$(474)**	**$(871)**	**$397**	46 %	**$752**	**$1,335**	**$1,882**
Operating Profit Margin	**-4%**	**-7%**		3 %	**4%**	**7%**	**12%**

UNIVERSITY of SOUTH FLORIDA

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

FY 2021 Annual Financial Plan

STATEMENT OF CASH FLOWS

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
OPERATING ACTIVITIES							
Net Operating Profit	$(474)	$(871)	$397	46 %	$752	$1,335	$1,882
Adjustments for Non-Cash Activities:							
Depreciation	938	1,067	(129)	(12)%	1,067	1,440	1,720
(Gain)/Loss on sale of fixed assets	0	0	0	%	0	0	(10)
Adjustments for Changes in Operating Assets and Liabilities	0	(500)	500	100 %	0	386	(553)
Total Cash From Operating Activities	**$464**	**$(304)**	**$768**	252 %	**$1,819**	**$3,161**	**$3,039**
FINANCING ACTIVITIES							
Capital Expenditures	$0	$0	$0	%	$0	$0	$0
Proceeds of Long-Term Debt	0	0	0	%	0	0	0
Principal Payments	(1,160)	(1,121)	(39)	(3)%	(1,121)	(1,171)	(1,148)
Interest Payments	0	0	0	%	0	0	0
Total Cash From Financing Activities	**$(1,160)**	**$(1,121)**	**$(39)**	(3)%	**$(1,121)**	**$(1,171)**	**$(1,148)**
INVESTING ACTIVITIES							
Capital Expenditures	$(200)	$(150)	$(50)	(33)%	$(600)	$(154)	$(345)
Net (Purchases) Sales of Investments	0	0	0	%	0	217	46
Interest Income	0	0	0	%	0	0	0
Total Cash From Investing Activities	**$(200)**	**$(150)**	**$(50)**	(33)%	**$(600)**	**$63**	**$(299)**
CHANGE IN CASH	**(896)**	**(1,575)**	**679**	43 %	**98**	**2,053**	**1,592**
Cash, Beginning of Year	2,787	4,362	(1,575)	(36)%	3,666	2,308	716
Cash, End of Year	**$1,890**	**$2,787**	**$(896)**	(32)%	**$3,764**	**$4,361**	**$2,308**
Total Cash & Investments	**$1,890**	**$2,787**	**$(896)**	(32)%	**$3,764**	**$4,361**	**$2,308**
Days Cash on Hand	**59**	**84**	**(25)**	(30)%	**91**	**104**	**69**

UNIVERSITY of SOUTH FLORIDA

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

FY 2021 Annual Financial Plan

3-YEAR FORECAST

(In thousands)	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 FORECAST	FY 2021 PLAN	FY 2022 FORECAST	FY 2023 FORECAST
ASSETS						
Cash & Investments	$2,309	$4,362	$2,787	$1,890	$1,890	$1,890
Fixed Assets	18,548	17,277	16,360	15,622	14,922	14,422
Other Assets	1,963	1,824	1,800	1,800	1,800	1,800
Total Assets	**$22,820**	**$23,463**	**$20,947**	**$19,313**	**$18,613**	**$18,113**
LIABILITIES						
Payables	$2,997	$1,606	$1,600	$1,600	$1,600	$1,600
Long-Term Debt	14,934	13,844	12,723	11,563	10,363	9,163
Other Liabilities and deferred inflows	2,086	3,874	1,900	1,900	1,900	1,900
Total Liabilities	**$20,017**	**$19,324**	**$16,223**	**$15,063**	**$13,863**	**$12,663**
NET ASSETS	**$2,803**	**$4,139**	**$4,724**	**$4,250**	**$4,750**	**$5,450**
Days Cash on Hand	**69**	**104**	**84**	**59**	**54**	**53**
REVENUES						
Program revenues	$15,352	$17,309	$11,812	$11,966	$13,525	$13,930
Other Revenues	541	732	524	279	487	502
Total Revenues	**$15,893**	**$18,041**	**$12,336**	**$12,245**	**$14,012**	**$14,432**
EXPENSES						
Salaries & Benefits	$3,378	$4,114	$4,250	$4,233	$4,478	$4,567
Program services	9,952	12,022	8,429	7,999	8,809	8,985
Other Expenses	681	570	528	487	463	440
Total Expenses	**$14,011**	**$16,706**	**$13,207**	**$12,719**	**$13,749**	**$13,992**
Operating Profit Before Non-Cash Changes	**$1,882**	**$1,335**	**$(871)**	**$(474)**	**$263**	**$440**
Total Non-Cash Changes	$0	$0	$0	$0	$0	$0
NET OPERATING PROFIT	**$1,882**	**$1,335**	**$(871)**	**$(474)**	**$263**	**$440**
Operating Profit Margin	**12%**	**7%**	**-7%**	**-4%**	**2%**	**3%**

University of South Florida Alumni Association, Inc.

FY 2021 Annual Financial Plan

FINANCIAL PLAN STATEMENT

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

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

Provide the Downside Business Risks to the FY 2020 Forecast and the FY 2021 Financial Plan Due to COVID-19 and Management's Plans to Mitigate these Risks

- Management has done an analysis of COVID-19 and its impact on our FY20 and FY21 net income. We anticipate a $61k impact on our 2020 forecasted net income, due to a decrease in membership, in-person events, and gift revenue. The Association is currently determining how that loss will be covered and have been in consultation with the Foundation and our Board to determine the impact on our reserves.
- For FY21, the Association requires an additional $61k in salary support from the University in order to balance our budget. This additional support will cover expected shortfalls anticipated in the first six months of the fiscal year due to reduced alumni engagement activities associated with COVID-19.

List Key Drivers for the 2021 Financial Plan Over the 2020 Forecast - Focus on Cash Flows and Adequacy of Reserves

- The fiscal 2021 financial plan is based on an assumption that alumni engagement activities will return to pre COVID-19 levels during the second quarter of the year.
- Membership is anticipated to be down 10% through the first quarter on the fiscal year, followed by a rebound of approximately 17% for the remainder of the year.
- The Association's FAST56 and Young Alumni Awards were postponed in FY20. The Alumni Association will be having two of each of these events during FY21, causing an increase in both event and sponsorship revenue as well as an increase in expenses for these two events.
- The Association's bi-annual circle of excellence solicitation scheduled for Spring of 2020 was postponed until early fiscal 2021, resulting in increased gift revenue for the entire year.
- While the Association is tracking its forecasted net income for the 2020 fiscal year, the continued impact of COVID-19 results in an additional investment from the University.

Describe Material Capital Expenditures in the 2021 Financial Plan - Provide Details and ROI Expectations

- No capital expenditures planed in the 2021 fiscal plan.

List Major DSO Initiatives that will Drive Increases in Operating Earnings for 2022 and 2023

- As the effects of COVID-19 are reduced throughout this upcoming fiscal year, the Association expects to return to pre-quarantine revenue in the areas of membership, license plates, giving, and events.
- We anticipate the continued focus by the Association to improve alumni engagement and participation at the chapter/society level will steadily increase our operating earnings.

UNIVERSITY of SOUTH FLORIDA

University of South Florida Alumni Association, Inc.

FY 2021 Annual Financial Plan

INCOME STATEMENT

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
REVENUES							
Membership	$489	$529	$(40)	(8)%	$591	$536	$490
Budget Support	864	803	61	8 %	799	718	625
Royalties	449	379	70	18 %	430	484	576
License Plate Revenue	391	392	(1)	(0)%	405	390	383
Sponsorships	320	200	120	60 %	282	229	180
Investment Income	281	269	12	4 %	267	260	238
Event and other Revenue	238	190	48	25 %	242	214	194
Gifts and Donations	186	160	26	16 %	174	197	179
Total Revenues	**$3,218**	**$2,922**	**$296**	10 %	**$3,190**	**$3,028**	**$2,865**
EXPENSES							
Salaries & Benefits	1,892	1,844	48	3 %	1,916	1,766	1,691
Membership and Membership Services	193	104	89	86 %	192	214	181
Printing & Duplicating	11	25	(14)	(56)%	16	26	14
Event Services	405	255	150	59 %	334	269	246
Professional Services	95	95	0	0 %	85	99	98
Postage	60	60	0	0 %	60	53	53
Travel	62	33	29	88 %	63	61	57
Advertising & Marketing	22	17	5	29 %	18	31	24
Insurance	56	50	6	12 %	52	54	50
Community Relations	30	26	4	15 %	28	33	42
Credit Card Fees	30	29	1	3 %	29	30	25
Other expenses	18	29	(11)	(38)%	17	33	33
Bad debt expense	0	0	0	%	0	3	16
Transfer to USF Scholarships	75	78	(3)	(4)%	76	95	76
Total Expenses	**$2,949**	**$2,645**	**$304**	11 %	**$2,886**	**$2,767**	**$2,606**
OPERATING PROFIT BEFORE NON-CASH CHANGES	**$269**	**$277**	**$(8)**	(3)%	**$304**	**$261**	**$259**
Unrealized Investment Gains (Losses)	196	(773)	969	125 %	341	15	376
Total Non-Cash Changes	**$196**	**$(773)**	**$969**	125 %	**$341**	**$15**	**$376**
NET OPERATING PROFIT	**$465**	**$(496)**	**$961**	194 %	**$645**	**$276**	**$635**
Operating Profit Margin	**8%**	**9%**		(1)%	**10%**	**9%**	**9%**

University of South Florida Alumni Association, Inc.

FY 2021 Annual Financial Plan

STATEMENT OF CASH FLOWS

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
OPERATING ACTIVITIES							
Net Operating Profit	$465	$(496)	$961	194 %	$645	$261	$635
Adjustments for Non-Cash Activities:							
Unrealized gain on investments	(196)	773	(969)	(125)%	(341)	(15)	(376)
Adjustments for Changes in Operating Assets and Liabilities	100	100	0	0 %	100	70	(99)
Total Cash From Operating Activities	**$369**	**$377**	**$(8)**	(2)%	**$404**	**$316**	**$160**
FINANCING ACTIVITIES							
Capital Expenditures	$0	$0	$0	%	$0	$0	$0
Total Cash From Financing Activities	**$0**	**$0**	**$0**	%	**$0**	**$0**	**$0**
INVESTING ACTIVITIES							
Net (Purchases) Sales of Investments	$(366)	$(379)	$13	4 %	$(401)	$(315)	$(155)
Total Cash From Investing Activities	**$(366)**	**$(379)**	**$13**	4 %	**$(401)**	**$(315)**	**$(155)**
CHANGE IN CASH	**3**	**(2)**	**5**	270 %	**3**	**1**	**5**
Cash, Beginning of Year	5	7	(2)	(29)%	7	6	1
Cash, End of Year	**$8**	**$5**	**$3**	68 %	**$10**	**$7**	**$6**
Total Cash & Investments	**$1,432**	**$1,232**	**$200**	16 %	**$1,475**	**$1,390**	**$1,343**
Days Cash on Hand	**177**	**170**	**7**	4 %	**187**	**183**	**188**

University of South Florida Alumni Association, Inc.

FY 2021 Annual Financial Plan

3-YEAR FORECAST

(In thousands)	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 FORECAST	FY 2021 PLAN	FY 2022 FORECAST	FY 2023 FORECAST
ASSETS						
Cash & Investments	$1,343	$1,390	$1,232	$1,432	$1,564	$1,627
Restricted Cash & Investments	5,957	6,388	5,640	5,861	6,330	6,836
Other Assets	313	293	360	360	360	360
Total Assets	**$7,613**	**$8,071**	**$7,232**	**$7,653**	**$8,254**	**$8,823**
LIABILITIES						
Payables	$99	$177	$150	$150	$150	$150
Long-Term Debt	0	0	0	0	0	0
Other Liabilities and deferred inflows	2,140	2,183	2,256	2,281	2,306	2,356
Total Liabilities	**$2,239**	**$2,360**	**$2,406**	**$2,431**	**$2,456**	**$2,506**
NET ASSETS	**$5,374**	**$5,711**	**$4,826**	**$5,222**	**$5,798**	**$6,317**
Days Cash on Hand	**188**	**183**	**170**	**177**	**197**	**200**
REVENUES						
Membership	$490	$536	$529	$489	$502	$527
Support	625	718	803	864	864	864
Other Revenues	1,750	1,774	1,590	1,865	1,800	1,890
Total Revenues	**$2,865**	**$3,028**	**$2,922**	**$3,218**	**$3,166**	**$3,281**
EXPENSES						
Salaries & Benefits	$1,691	$1,766	$1,844	$1,892	$1,935	$1,954
Event Expenses	246	269	255	405	270	284
Other Expenses	669	732	546	652	700	735
Total Expenses	**$2,606**	**$2,767**	**$2,645**	**$2,949**	**$2,905**	**$2,973**
Operating Profit Before Non-Cash Changes	**$259**	**$261**	**$277**	**$269**	**$261**	**$308**
Total Non-Cash Changes	$376	$15	$(773)	$196	$469	$506
NET OPERATING PROFIT	**$635**	**$276**	**$(496)**	**$465**	**$730**	**$815**
Operating Profit Margin	**9%**	**9%**	**9%**	**8%**	**8%**	**9%**

USF Financing Corporation & USF Property Corporation

FY 2021 Annual Financial Plan

FINANCIAL PLAN STATEMENT

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.

Provide the Downside Business Risks to the FY 2020 Forecast and the FY 2021 Financial Plan Due to COVID-19 and Management's Plans to Mitigate these Risks

- All of the USF DSOs and Auxiliaries pledging revenues and making lease payments for debt service on outstanding Financing Corporation bonds are experiencing serious negative cash flows in the March - June 2020 period.
- The DSOs and Auxiliaries with outstanding debt are expected to implement cost-cutting measures to preserve essential liquidity and maintain debt service payments.
- Current bond-financed construction projects: USF St. Petersburg Housing & Dining Center Project and USF Research Park Project are being monitored closely to mitigate schedule and cost problems. The St. Petersburg Dining Center is over budget and expected to be delayed due to the termination of the previous Dining Center operator and engagement of replacement Dining Center operator from the Tampa Campus.
- Management is working closely with the DSOs and Auxiliaries to mitigate debt service payment and construction risks.
- All bond programs are current on debt service obligations and bond covenants.
- The rating agencies are well aware of the COVID-19 impact on university and auxiliary revenues and are requesting detailed information on forecasts.

List Key Drivers for the 2021 Financial Plan Over the 2020 Forecast - Focus on Cash Flows and Adequacy of Reserves

- Management is focused on bridging the liquidity crisis of the DSOs and Auxiliaries with outstanding debt to ensure payment of bond debt service and covenant compliance.

Describe Material Capital Expenditures in the 2021 Financial Plan - Provide Details and ROI Expectations

- The Financing Corporation is not planning any new financing / real estate development projects in FY 2021.
- Construction of the St. Petersburg Housing Project is expected to be completed in July 2020. The St. Petersburg Dining Center is being designed by the new dining center operator.
- The Research Park Project is on schedule for a November 2021 delivery and is on budget.

List Major DSO Initiatives that will Drive Increases in Operating Earnings for 2022 and 2023

- No refundings of outstanding debt are planned, as all opportunities to call and refund bonds and to negotiate bond repricings have been completed over the past 2-3 years.

UNIVERSITY of SOUTH FLORIDA

USF Financing Corporation & USF Property Corporation

FY 2021 Annual Financial Plan

INCOME STATEMENT

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
REVENUES							
Housing lease revenue	$10,321	$9,152	$1,169	13 %	$9,916	$10,504	$10,418
Marshall Center lease revenue	1,367	1,339	28	2 %	1,339	1,459	1,496
Athletics lease revenue	693	765	(72)	(9)%	765	841	1,068
Arena lease revenue	740	778	(38)	(5)%	778	824	876
DSO (UMSA) lease revenue	1,735	1,766	(31)	(2)%	1,766	1,858	2,072
DSO (HPCC) lease revenue	563	588	(25)	(4)%	588	614	960
DSO (Research) lease revenue	174	150	24	16 %	0	63	0
Total Revenues	**$15,593**	**$14,538**	**$1,055**	7 %	**$15,152**	**$16,163**	**$16,890**
OPERATING EXPENSES							
Management fee	795	719	76	11 %	719	706	691
General and administrative expenses	580	550	30	5 %	550	529	574
Total Operating Expenses	**$1,375**	**$1,269**	**$106**	8 %	**$1,269**	**$1,235**	**$1,265**
OTHER REVENUES (EXPENSES)							
Interest expense on debt	(11,878)	(10,923)	(955)	(9)%	(10,521)	(11,647)	(12,152)
Loss on debt extinguishment	0	0	0	%	0	0	(71)
Interest income	400	650	(250)	(38)%	500	708	332
Total Other Revenues (Expenses)	**$(11,478)**	**$(10,273)**	**$(1,205)**	(12)%	**$(10,021)**	**$(10,939)**	**$(11,891)**
OPERATING PROFIT BEFORE NON-CASH CHANGES	**$2,740**	**$2,996**	**$(256)**	(9)%	**$3,862**	**$3,989**	**$3,734**
Contributions from USF for capital projects	0	4,514	(4,514)	(100)%	0	800	0
Non-cash adjustment related to accounting change	0	0	0	%	(3,746)	0	72
Distribution to USF of INTO CD Proceeds	0	(2,200)	2,200	100 %	0	0	0
Change in INTO USF equity investment	0	0	0	%	500	450	333
Total Contributions and Non-Cash Changes	**$0**	**$2,314**	**$(2,314)**	(100)%	**$(3,246)**	**$1,250**	**$405**
NET OPERATING PROFIT (LOSS)	**$2,740**	**$5,310**	**$(2,570)**	(48)%	**$616**	**$5,239**	**$4,139**
Operating Profit Margin	**17.6%**	**20.6%**		(3)%	**25.5%**	**24.7%**	**22.1%**

UNIVERSITY of SOUTH FLORIDA

USF Financing Corporation & USF Property Corporation

FY 2021 Annual Financial Plan

STATEMENT OF CASH FLOWS

(In thousands)	FY 2021 FINANCIAL PLAN	FY 2020 FORECAST (as of 3/31/20)	Variance $	Variance %	FY 2020 FINANCIAL PLAN	FY 2019 ACTUAL RESULTS	FY 2018 ACTUAL RESULTS
OPERATING ACTIVITIES							
Lease payments received from USF	$23,990	$21,795	$2,195	10 %	$22,568	$22,280	$21,314
Lease payments received from UMSA	4,072	4,106	(34)	(1)%	4,096	4,138	4,262
Lease payments received from HPCC	1,508	1,479	29	2 %	1,479	1,453	1,750
Lease payments received from Research Foundation	2,193	880	1,313	149 %	0	0	0
Payment to USF for management services	(795)	(719)	(76)	(11)%	(719)	(706)	(691)
General and administrative disbursements	(580)	(550)	(30)	(5)%	(550)	(529)	(574)
Total Cash From Operating Activities	**$30,388**	**$26,991**	**$3,397**	13 %	**$26,874**	**$26,636**	**$26,061**
FINANCING ACTIVITIES							
Capital expenditures	$(23,353)	$(25,326)	$1,972	8 %	$(20,467)	$(6,926)	$(4,177)
Contributions from USF for capital projects	0	4,514	(4,514)	(100)%	0	0	0
Debt issuance costs	0	(100)	100	100 %	0	(516)	(58)
Proceeds of long-term debt	0	27,000	(27,000)	(100)%	0	33,740	0
Proceeds of long-term debt - Refunding	0	0	0	%	0	36,540	33,708
Principal payments - Refunding	0	0	0	%	0	(34,354)	(33,708)
Principal payments	(14,520)	(13,100)	(1,420)	(11)%	(12,839)	(12,198)	(11,733)
Interest payments	(14,400)	(14,128)	(272)	(2)%	(13,826)	(13,360)	(13,815)
Security received from lessee for swap collateral	0	4,650	(4,650)	(100)%	0	3,750	0
Security (pledged to) returned from counterparty	0	(4,650)	4,650	100 %	0	(3,757)	5,390
Total Cash From Financing Activities	**$(52,273)**	**$(21,140)**	**$(31,134)**	(147)%	**$(47,132)**	**$2,919**	**$(24,393)**
INVESTING ACTIVITIES							
Proceeds from maturity/redemption of INTO CD	$4,050	$4,011	$39	1 %	$5,736	$6,024	$6,000
Purchase of INTO CD	(4,050)	(4,011)	(39)	(1)%	(5,736)	(5,596)	(6,024)
Distribution to USF of INTO CD Proceeds	0	(2,200)	2,200	100 %	0	0	0
Interest income	500	750	(250)	(33)%	0	924	0
Total Cash From Investing Activities	**$500**	**$(1,450)**	**$1,950**	134 %	**$0**	**$1,352**	**$(24)**
CHANGE IN CASH	**(21,385)**	**4,402**	**(25,787)**	(586)%	**(20,258)**	**30,907**	**1,644**
Cash, Beginning of Year	69,352	64,950	4,402	7 %	61,690	34,043	32,399
Cash, End of Year	**$47,966**	**$69,352**	**$(21,385)**	(31)%	**$41,432**	**$64,950**	**$34,043**
Total Cash & Investments	**$52,016**	**$73,363**	**$(21,346)**	(29)%	**$47,168**	**$70,547**	**$40,067**
Days Cash on Hand	**331**	**326**	**5**	2 %	**395**	**353**	**342**

UNIVERSITY of SOUTH FLORIDA

USF Financing Corporation & USF Property Corporation

FY 2021 Annual Financial Plan

3-YEAR FORECAST

(In thousands)	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 FORECAST	FY 2021 PLAN	FY 2022 FORECAST	FY 2023 FORECAST
ASSETS						
Cash & Investments	$40,067	$70,547	$73,363	$52,016	$45,566	$46,366
Capital Lease Receivable	298,038	292,423	278,936	294,556	305,832	289,471
Construction in Progress	0	5,671	30,997	20,850	0	0
Other Assets	10,514	18,234	25,509	24,063	22,953	21,704
Total Assets	**$348,619**	**$386,875**	**$408,804**	**$391,486**	**$374,352**	**$357,542**
LIABILITIES						
Payables - Interest and Construction	$7,348	$7,880	$8,500	$7,000	$6,000	$6,000
Long-Term Debt	321,621	346,018	358,280	342,284	325,080	307,419
Interest Rate Swap & Other Payables	13,829	15,948	19,685	17,123	15,611	14,111
Total Liabilities	**$342,798**	**$369,846**	**$386,465**	**$366,407**	**$346,691**	**$327,531**
NET ASSETS	**$5,821**	**$17,029**	**$22,339**	**$25,079**	**$27,661**	**$30,011**
Days Cash on Hand	**342**	**353**	**326**	**331**	**333**	**334**
REVENUES						
USF Debt Payments	$13,858	$13,628	$12,034	$13,121	$12,712	$12,207
UMSA Debt Payments	2,072	1,858	1,766	1,735	1,677	1,617
HPCC Debt Payments	960	614	588	563	533	464
Research Debt Payments	0	63	150	174	989	949
Total Revenues	**$16,890**	**$16,163**	**$14,538**	**$15,593**	**$15,911**	**$15,237**
EXPENSES						
Operating Expenses	1,265	1,235	1,269	1,375	1,455	1,517
Total Expenses	**$1,265**	**$1,235**	**$1,269**	**$1,375**	**$1,455**	**$1,517**
OTHER REVENUES (EXPENSES)						
Interest Expense on Debt	$(12,152)	$(11,647)	$(10,923)	$(11,878)	$(12,224)	$(11,720)
Other Revenues/Expenses	261	708	650	400	350	350
Total Other Revenues (Expenses)	**$(11,891)**	**$(10,939)**	**$(10,273)**	**$(11,478)**	**$(11,874)**	**$(11,370)**
Operating Profit	**$3,734**	**$3,989**	**$2,996**	**$2,740**	**$2,582**	**$2,350**
University/DSO support - Project related	0	800	4,514	0	0	0
Distribution to USF	0	0	(2,200)	0	0	0
Total Non-Cash Changes	405	450	0	0	0	0
NET OPERATING PROFIT	**$4,139**	**$5,239**	**$5,310**	**$2,740**	**$2,582**	**$2,350**
Operating Profit Margin	**22.1%**	**24.7%**	**20.6%**	**17.6%**	**16.2%**	**15.4%**