



UNIVERSITY OF  
SOUTH FLORIDA

## **DIRECT SUPPORT ORGANIZATIONS**

**QUARTER 1 FOR FISCAL YEAR 2021-2022**

*Period Ended September 30, 2021*

## DSO Q1 Financial Reports for FY 2022

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## Unaudited Interim Financial Statements

For the Quarter ended  
September 30, 2021

*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.*



## **MAJOR BUSINESS INITIATIVES - FY 2022**

- Several new initiatives for the Division of University Advancement will be put in place over the next year to facilitate and grow the crucial impact of philanthropy for USF. The talent acquisition for these new initiatives and restructuring of resources is underway. The formation of a Principal Gifts team will produce transformative gift opportunities that will generate an expansion of resources over the long term. 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 2022, 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 \$20.2 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 balance at September 30th is reflective of this evaluation. The decrease in current investments is related to a transfer made just after year-end to construct on campus facilities.
- Contributions receivable is reflective of the changes for new pledges to support current operations and payments on those pledges. During the year the Foundation received significant pledge commitments in support of the Athletics Football Center and Aging studies initiatives.
- The change in the investments is due to the performance of the market netted with gifts, distributions for dividends and administrative fees. The estimated return for the first quarter is approximately 0.24% based on reported results on custodial investment statements. Subsequent to the close of the prior fiscal year and before the June 30, 2021 financial statements were issued, investment manager valuations related to alternative investments (private equities) were received with updated June 30, 2021 fair value results. These fair value adjustments aggregated to a material adjustment which was recorded at June 30th. Due to the delayed nature of this fair value reporting by private equity investment managers, these adjustments are reflected on investment custodian statements in Quarter 1. Since the alternative investment fair value adjustment was made during the prior fiscal year, the effective investment return for Quarter 1 is a loss of approximately 1%. The loss is driven mostly by the performance of international equities of -3.3% which is about 26% of the endowment portfolio offset by marginal increase in other areas.
- The balance in Due to USF decreased primarily due to a significant transfer that was pending at June 30th of approximately \$6.5 million to support the construction of an academic facility.

- The slight decrease in total net position relates to fluctuations experienced in the investment markets combined with new pledges, contributions to the endowment and the accumulation of gifts and unspent earnings. Gains/losses on the endowment pool are recorded in expendable net position and the loss is a result of market fluctuations. The increase in nonexpendable endowment corpus is reflective of new gifts and pledge payments made to endowments. The increase in unrestricted net position represents an accumulation of administrative fees that have been appropriated for expenditure during fiscal year 2022.

#### Statement of Revenues, Expenses and Changes in Net Position

- During the current year, fundraising results include gifts and pledges totaling \$6.6 million to support the Athletics Football Facility and \$1 million supporting initiatives in USF Health and the College of Behavioral and Community Sciences in Aging Studies. Comparable major gifts were not received during the first quarter of fiscal year 2021, likely as a result of the economic impacts and continued uncertainties associated with the ongoing COVID-19 pandemic.
- 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 September 30th impacts the fluctuation of investment income, realized/unrealized gains and losses. For FY22 the year-to-date loss was effectively 1% and the prior year-to-date gain was 7.5% as of 9/30/2020.
- Program Service expenses in total were higher than the prior year-to-date amounts. Overall, most expense categories were consistent with the prior year with Transfers-to-state increasing by approximately \$3.8 million due the level of funding requested for the construction of campus facilities in Athletics and other academic buildings during the quarter.
- Fundraising and Operating costs were slightly higher overall when compared with the prior year-to-date amounts. Salaries increased over the prior year due to the timing of salary transfers and the onboarding of new positions.
- 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 9/30/2021	Prior Fiscal Year 6/30/2021	Variance \$	%
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	2,994,026	550,544	2,443,482	444%
Investments	126,820,375	131,563,857	(4,743,482)	-4%
Contribution receivable, net	10,385,062	10,110,354	274,708	3%
Other receivable	637,189	544,395	92,794	17%
Total Current Assets	\$ 140,836,652	\$ 142,769,150	(1,932,498)	-1%
Non-current assets:				
Investments	\$ 698,725,117	\$ 709,049,806	(10,324,689)	-1%
Contribution receivable, net of current portion	36,878,133	33,158,354	3,719,779	11%
Beneficial interest assets	24,161,488	23,944,033	217,455	1%
Due from USF	5,147,191	5,857,801	(710,610)	-12%
Other receivables, net of current portion	265,794	265,794	-	0%
Land	6,620,414	6,620,414	-	0%
Buildings, equipment and other, net	4,075,442	4,105,142	(29,700)	-1%
Works of Art	3,922,376	3,907,176	15,200	0%
Total noncurrent assets	779,795,955	786,908,520	(7,112,565)	-1%
Total assets	920,632,607	929,677,670	(9,045,063)	-1%
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	898,272	408,216	490,056	120%
Amounts due to third-party beneficiaries	-	310,071	(310,071)	-100%
Due to USF	919,060	8,076,600	(7,157,540)	-89%
Mortgage payable	404,473	401,830	2,643	1%
Life beneficiaries obligations	237,188	226,727	10,461	5%
Total current liabilities	2,458,993	9,423,444	(6,964,451)	-74%
Non-current liabilities:				
Mortgage payable, net of current portion	3,437,476	3,539,591	(102,115)	-3%
Life Beneficiaries obligations, net of current portion	1,378,492	1,311,692	66,800	5%
Total non-current liabilities	4,815,968	4,851,283	(35,315)	-1%
Total Liabilities	7,274,961	14,274,727	(6,999,766)	-49%
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from remainder interest assets	1,999,076	2,228,498	(229,422)	-10%
Deferred inflows from beneficial interest assets	24,161,488	23,944,033	217,455	1%
Total Deferred Inflows	26,160,564	26,172,531	(11,967)	0%
<b>NET POSITION</b>				
Net investment in capital assets	10,776,284	10,691,311	84,973	1%
Restricted				
Expendable	\$476,224,883	481,693,174	(5,468,291)	-1%
Nonexpendable endowments	\$372,822,170	371,482,143	1,340,027	0%
Unrestricted	\$27,373,745	25,363,784	2,009,961	8%
Total net position	\$ 887,197,082	\$ 889,230,412	\$ (2,033,330)	0%
	\$ 920,632,607	\$ 929,677,670		

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**STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION**

	<i>Year-to-Date</i>		<i>Fiscal Year 2022</i>	
	3 months ended 9/30/2021	3 months ended 9/30/2020	Variance \$	%
<b>Operating Revenues:</b>				
Contributions, gifts and bequests	\$ 14,253,692	3,226,043	11,027,649	342%
Investment income	4,211,559	2,416,046	1,795,513	74%
Unrealized investment losses	(15,022,738)	24,833,908	(39,856,646)	-160%
Realized investment gains	7,760,832	12,432,664	(4,671,832)	-38%
Fundraising activities	605,451	516,866	88,585	17%
<b>Total operating revenues</b>	<b>11,808,796</b>	<b>43,425,527</b>	<b>(31,616,731)</b>	<b>-73%</b>
<b>Operating Expenditures:</b>				
Salaries and benefits	5,446,365	5,347,905	98,460	2%
Scholarships/fellowships	2,082,294	2,318,595	(236,301)	-10%
Contractual services	1,034,827	874,445	160,382	18%
Supplies	230,593	262,287	(31,694)	-12%
Transfers to state - other	4,104,415	352,108	3,752,307	1066%
Travel, meals & auto	256,638	175,760	80,878	46%
Community relations	157,717	79,321	78,396	99%
Depreciation	29,700	29,700	-	0%
Repairs and maintenance	38,932	48,226	(9,294)	-19%
Provision for doubtful accounts	62,951	71,496	(8,545)	-12%
Other	498,337	515,446	(17,109)	-3%
<b>Total program service expense</b>	<b>13,942,769</b>	<b>10,075,289</b>	<b>3,867,480</b>	<b>38%</b>
<b>Fundraising &amp; operating costs:</b>				
Salaries and benefits	4,257,287	4,078,912	178,375	4%
Contractual services	275,477	265,552	9,925	4%
Other transfers and expenses	452,753	304,576	148,177	49%
<b>Total fundraising &amp; operating expense</b>	<b>4,985,517</b>	<b>4,649,040</b>	<b>336,477</b>	<b>7%</b>
<b>Total operating expenditures</b>	<b>18,928,286</b>	<b>14,724,329</b>	<b>4,203,957</b>	<b>29%</b>
<b>Operating Gain (Loss)</b>	<b>(7,119,490)</b>	<b>28,701,198</b>	<b>(35,820,688)</b>	<b>-125%</b>
<b>Nonoperating revenue</b>				
University support	3,470,353	3,290,961	179,392	5%
<b>Total nonoperating revenues</b>	<b>3,470,353</b>	<b>3,290,961</b>	<b>179,392</b>	<b>5%</b>
<b>Income before endowment contributions</b>	<b>(3,649,137)</b>	<b>31,992,159</b>	<b>(35,641,296)</b>	<b>-111%</b>
<b>Endowment contributions</b>	<b>1,615,807</b>	<b>1,706,883</b>	<b>(91,076)</b>	<b>-5%</b>
<b>Increase in net position</b>	<b>(2,033,330)</b>	<b>33,699,042</b>	<b>(35,732,372)</b>	<b>-106%</b>
<b>Net position - beginning of year</b>	<b>889,230,412</b>	<b>636,781,248</b>	<b>252,449,164</b>	<b>40%</b>
<b>Net position - end of year</b>	<b>887,197,082</b>	<b>670,480,290</b>	<b>216,716,792</b>	<b>32%</b>

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**STATEMENT OF CASH FLOWS**

	3 months ended 09/30/2021	Prior Fiscal Year 06/30/2021	Variance	
			\$	%
<b>Change in net position</b>	<b>(2,033,330)</b>	174,601,371	(176,634,701)	(101)%
<b>Operating Activities</b>				
Investment (gains) losses, net	7,262,029	(179,278,115)	186,540,144	104 %
Depreciation	29,700	118,799	(89,099)	(75)%
Change in assets/liabilities:				
Contributions receivable, net	(5,610,295)	12,574,204	(18,184,499)	(145)%
Other receivables	(92,793)	922,362	(1,015,155)	(110)%
Books and art objects	(15,200)	35,120	(50,320)	(143)%
Accounts payable & accrued expenses	804,505	(644,658)	1,449,163	225 %
Amts due to third-party beneficiaries	(312,218)	124,051	(436,269)	(352)%
Due to University of South Florida	(6,446,930)	6,493,806	(12,940,736)	(199)%
<b>Net cash flow from operating activities</b>	<b>(6,414,532)</b>	<b>14,946,940</b>	<b>(21,361,472)</b>	<b>(143)%</b>
<b>Investing Activities</b>				
Proceeds from sale of investments	75,238,232	450,833,377	(375,595,145)	(83)%
Purchases of investments	(63,447,807)	(470,167,311)	406,719,504	87 %
Interest & dividends reinvested	(4,211,559)	(13,024,888)	8,813,329	68 %
Repayment of loans to the University of South Florida	-	400,000	(400,000)	(100)%
<b>Net cash flow from investing activities</b>	<b>7,578,866</b>	<b>(31,958,822)</b>	<b>39,537,688</b>	<b>124 %</b>
<b>Financing Activities</b>				
Proceeds from endowment contributions	1,615,807	13,365,254	(11,749,447)	(88)%
Beneficiary payments	(237,188)	(226,727)	(10,461)	(5)%
Interest paid on mortgage	(25,648)	(109,050)	83,402	76 %
Principle payments on mortgage payable	(73,823)	(391,431)	317,608	81 %
<b>Net cash flow from investing activities</b>	<b>1,279,148</b>	<b>12,638,046</b>	<b>(11,358,898)</b>	<b>(90)%</b>
<b>Net increase in cash</b>	<b>2,443,482</b>	<b>(4,373,836)</b>	6,817,318	156 %
<b>Cash at the beginning of the year</b>	<b>550,544</b>	<b>4,924,380</b>	(4,373,836)	(89)%
<b>Cash at the end of the year</b>	<b>2,994,026</b>	<b>550,544</b>	<b>2,443,482</b>	<b>444 %</b>

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**University of South Florida Alumni Association, Inc.**

**Executive Summary**

**September 30, 2021**

**BALANCE SHEET**

Accounts Receivable: The Association had revenue accrued for at the end of the prior fiscal year for affinity and auction related activity which caused accounts receivable to be higher than the end of the first quarter of the current year.

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

Deferred payroll support: The Foundation transfers their budget support at the beginning of the year, and it is recognized as the supported salaries are paid. At the end of the year this deferred revenue was totally recognized, while three quarters are left to recognize as of September 30th of this year.

Due to USF: This amount represents the amount owed to the University for payroll services. There was a transfer in transit at the end of the quarter, causing the balance to be larger than the prior year.

**SUMMARY OF REVENUES AND EXPENSES**

Memberships: The Association eliminated the annual membership program, and instead have been focusing on the life membership program. Response has been outstanding as we move annual members into the life category.

Gifts: The Association had an extra Circle of Excellence giving solicitation in the prior year. We have returned to our normal schedule in the current fiscal year.

Budget support: Budget support is recognized as E&G payroll is spent. We have less people on our E&G payroll account, so this money is being spent slower in the current fiscal year.

Event revenue and expenses: Events in the prior year were cancelled due to COVID. We were able to return to in person events, which has increased ticket revenue and event related expenses.

Salary expenses: Savings in salaries is due to organizational changes within Advancement. The communication and development staff are now reported on the Foundation's payroll.

**CASH FLOW**

Increase in cash is due to sale of investments out of the Association's reserve account in order to fund operations in accordance with the 2021 budget.

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

	<u>September 30, 2021</u>	<u>June 30, 2021</u>	<u>Variance \$</u>	<u>Variance %</u>
<b>ASSETS</b>				
Cash and cash equivalents	372,167	165,027	207,140	126%
Pooled investments within Foundation	522,902	522,902	-	0%
Accounts receivable	37,749	92,370	(54,621)	-59%
Prepaid expenses	5,992	10,597	(4,605)	-43%
Total assets	<u>938,810</u>	<u>790,896</u>	<u>147,914</u>	<u>19%</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable and accrued expenses	47,735	122,565	(74,830)	61%
Deferred payroll support	61,026	3,247	57,779	-1779%
Due to USF	88,717	19,693	69,024	100%
Deferred revenue	77,657	71,547	6,110	-9%
Total liabilities	<u>275,135</u>	<u>217,052</u>	<u>58,083</u>	<u>-27%</u>
Net Assets:				
Unrestricted net assets	663,675	573,844	89,831	16%
Total liabilities and net assets	<u>938,810</u>	<u>790,896</u>	<u>147,914</u>	<u>19%</u>
Reserve: Principle	522,902	460,407		
Reserve: Market Adjustment	<u>331,635</u>	<u>396,762</u>		

**University of South Florida Alumni Association, Inc.**  
**Summary of Revenues and Expenses**  
**September 30, 2021**

	Current Month Totals				Year to Date Totals (25%)			
	Actual Sep-21	Prior Year Sep-20	Variance \$	Variance %	Actual YTD	Prior Year YTD	Variance \$	Variance %
<b>REVENUES:</b>								
Membership	80,302	37,137	43,165	116%	137,901	111,656	26,245	24%
License Plates	32,250	28,125	4,125	15%	149,170	137,395	11,775	9%
Budget Support	75,762	78,850	(3,088)	-4%	111,071	207,792	(96,721)	-47%
Affinity Royalty	19,250	29,766	(10,516)	-35%	62,516	74,793	(12,277)	-16%
Investment Income	17,977	-	17,977	100%	53,826	50,069	3,757	8%
Sponsorships	25,694	13,541	12,153	90%	61,193	63,625	(2,432)	-4%
Event Revenue	35,855	5,810	30,045	517%	42,580	17,960	24,620	137%
Gifts	3,218	8,066	(4,848)	-60%	20,122	44,381	(24,259)	-55%
Other Revenue	2,805	3,053	(248)	-8%	6,106	3,946	2,160	55%
<b>Total Operating Revenue</b>	<b>293,113</b>	<b>204,348</b>	<b>88,765</b>	<b>43%</b>	<b>644,485</b>	<b>711,617</b>	<b>(67,132)</b>	<b>-9%</b>
<b>EXPENSES</b>								
Salaries	131,818	157,666	25,848	16%	380,650	461,865	81,215	18%
Membership and membership services	9,548	8,688	(860)	-10%	13,384	11,854	(1,530)	-13%
Printing & Postage	13,063	13,772	709	5%	14,400	14,502	102	1%
Event Services	38,067	1,255	(36,812)	-2933%	43,447	5,490	(37,957)	-691%
Professional Services	1,479	17,476	15,997	92%	28,681	45,768	17,087	37%
Travel	1,119	431	(688)	-160%	1,675	472	(1,203)	-255%
Advertising & Marketing	637	982	345	35%	5,578	5,401	(177)	-3%
Insurance	4,712	-	(4,712)	100%	14,136	13,484	(652)	-5%
Community Relations	796	1,159	363	100%	2,976	1,403	(1,573)	-112%
Credit Card Fees and other services	4,144	5,489	1,345	25%	10,422	9,192	(1,230)	-13%
Scholarships	6,800	5,625	(1,175)	-21%	30,684	27,979	(2,705)	-10%
Other expenses	4,086	3,159	(927)	-29%	8,621	9,718	1,097	11%
<b>Total Operating Expenses</b>	<b>216,269</b>	<b>215,702</b>	<b>(567)</b>	<b>0%</b>	<b>554,654</b>	<b>607,128</b>	<b>52,474</b>	<b>9%</b>
<b>NET INCOME FROM OPERATIONS</b>	<b>76,844</b>	<b>(11,354)</b>	<b>88,198</b>	<b>777%</b>	<b>89,831</b>	<b>104,489</b>	<b>(14,658)</b>	<b>-14%</b>
Change in net assets					<b>89,831</b>			
Net assets, beginning					<b>573,844</b>			
Net assets, end					<b>663,675</b>			

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

	<u>September 30, 2021</u>	<u>June 30, 2021</u>	<u>Variance \$</u>	<u>Variance %</u>
<b>Operating activities</b>				
Change in net assets	\$ 89,831	\$ (232,787)		
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	54,621	3,702		
Prepaid expenses	4,605	6,777		
Due from University of South Florida	-	-		
Deferred payroll support	57,779	3,247		
Due to University of South Florida	69,024	(63,639)		
Accounts payable and accrued expenses	(74,830)	43,492		
Deferred revenue	6,110	(10,229)		
Net cash provided by operating activities	<u>207,140</u>	<u>(249,437)</u>		
Proceeds for sales of investments	-	315,505		
Net cash used in investing activities	<u>-</u>	<u>315,505</u>		
Change in cash and cash equivalents	207,140	66,068		
Cash and cash equivalents, beginning of year	165,027	98,959		
Cash and cash equivalents, end of year	<u>\$ 372,167</u>	<u>\$ 165,027</u>	<u>\$ 207,140</u>	<u>126%</u>

## USF Financing Corporation and USF Property Corporation

FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

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### 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 2022

- Protect USF's "AA" credit ratings. Formal presentations were made to Moody's, Standard & Poor's and Fitch in March. Presentations emphasized USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage.
  - Moody's and S&P reported in May and April, respectively, that all USF credit ratings were Affirmed with Stable Outlooks.
- Direct oversight of DSOs and Auxiliaries with debt to ensure maintenance of pledged revenues, debt service coverage ratios and reserves.
  - Management is working closely with DSOs and Auxiliaries to ensure they have implemented cost-cutting measures necessary to preserve essential liquidity and maintain required debt service payments.
- Ongoing compliance with debt covenants including IRS rules on tax-exempt bonds and required reporting on EMMA.
  - Management is currently working closely with USF Health and UMSA to ensure that the proposed TGH lease of the ambulatory surgery center and imaging areas of the Morsani Center and the South Tampa Clinic is in compliance with private use guidelines.
- Management has completed negotiations for contracts with 3 of the University's strategic partners, two of which are Fortune 500 companies. FY 2021 and FY 2022 payments will be guaranteed at minimum amounts despite reductions in revenues impacted by the pandemic. These contract revenues are pledged to debt service payments.
- Monitoring 50% investment in INTO USF. Operating losses for INTO USF over the past two years total \$2.7 million, erasing shareholder's equity and adversely affecting liquidity. INTO USF may call on the \$2.25 million Note from the Corporation.
- Management is working closely with the USF Research Foundation and the general contractor to ensure that the \$42 million USF Research Park Project is delivered on time and on budget.
- The Financing Corporation will reinstate its requirement for USF DSOs and Auxiliaries to pay all supplemental lease payments totaling \$1.8 million (management fees and renewal & replacement fees were waived in FY 2021).

#### EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR - YTD

- Balance Sheet: Total Assets - Total Assets decreased by nearly \$7 M primarily due to the amortization of outstanding debt and the spend down of construction project funds.
- Balance Sheet: Liabilities - Total Liabilities decreased by more than \$14 M primarily due to the principal amortization on outstanding debt (\$16 M).
- Income Statement: Revenues - Total Operating Revenues are down \$10 M primarily due to comparing 3-month figures to full 12-month figures. FY 2022 Total Operating Revenues are expected to exceed FY 2021 Total Operating Revenues due to the reinstatement of management fees and renewal and replacement reserves (~\$1 million), that were waived in FY 2021.

- Income Statement: Expenses - Total Operating Expenses are up \$115,000 due to the reinstatement of management fees that were waived in FY 2021.
- Income Statement: Nonoperating Revenues (Expenses) - Interest expense is down \$8.3 M due to comparing 3-month figures to full 12-month figures. FY 2022 Interest expense is expected to remain on par with FY 2021 interest expense.
- Statement of Cash Flows: Total Cash and Investments are down primarily due to the spend down of construction project funds. This also reflects the July 1, 2021 principal payments. Excluding construction project funds, the Corporation expects to increase cash and investments by approximately \$2 million in FY 2022.

**USF Financing Corporation and USF Property Corporation**

FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

**STATEMENT OF NET POSITION**

(In thousands)	As of Sep 30, 2021	As of June 30, 2021	Variance		As of June 30, 2020
			\$	%	
<b>ASSETS</b>					
Current Assets:					
Cash	\$303	\$303	\$0	0 %	\$303
Certificate of deposit	3,774	3,774	0	0 %	3,708
Restricted:					
Cash and cash equivalents	15,669	18,598	(2,929)	(16)%	20,229
Due from related parties	1,275	1,275	0	0 %	104
Accounts receivable	1	1	(1)	(40)%	50
Capital leases receivable, current portion	15,212	14,622	590	4 %	14,097
Total current assets	36,233	38,573	(2,340)	(6)%	38,490
Noncurrent Assets:					
Construction in process	22,218	17,586	4,632	26 %	32,728
Restricted:					
Cash and cash equivalents	28,969	33,797	(4,828)	(14)%	52,083
Security pledged to counterparty	3,960	3,960	0	0 %	8,960
Capital leases receivable, noncurrent portion	275,497	279,818	(4,320)	(2)%	264,821
Total noncurrent assets	330,645	335,161	(4,516)	(1)%	358,592
<b>Total assets</b>	<b>366,878</b>	<b>373,734</b>	<b>(6,856)</b>	<b>(2)%</b>	<b>397,082</b>
Deferred Outflows of Resources:					
Interest Rate swap agreement	12,620	13,788	(1,168)	(8)%	18,124
Deferred losses on refunding of debt	997	1,068	(71)	(7)%	940
Total deferred outflows of resources	13,617	14,856	(1,239)	(8)%	19,064
<b>Total Assets and Deferred Outflows</b>	<b>\$380,495</b>	<b>\$388,590</b>	<b>\$(8,095)</b>	<b>(2)%</b>	<b>\$416,146</b>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities:					
Accounts payable	\$3,311	\$1,031	\$2,280	221 %	\$3,747
Interest payable	2,979	5,631	(2,651)	(47)%	5,838
Due to related parties	2,903	3,255	(353)	(11)%	7,494
Long-term debt, current portion	16,179	15,723	456	3 %	14,521
INTO USF equity investment - Accumulated losses	1,814	1,544	270	17 %	(94)
Total current liabilities	27,186	27,184	2	0 %	31,505
Noncurrent Liabilities:					
Interest rate swaps payable	\$12,620	\$13,788	\$(1,168)	(8)%	\$18,124
Long-term debt, noncurrent portion	313,008	326,260	(13,252)	(4)%	343,641
Total noncurrent liabilities	325,628	340,048	(14,420)	(4)%	361,766
<b>Total liabilities</b>	<b>352,814</b>	<b>367,232</b>	<b>(14,418)</b>	<b>(4)%</b>	<b>393,271</b>
Deferred Inflows of Resources:					
Deferred gain on refunding of debt	57	70	(13)	(18)%	130
Deferred gain on capital lease	16	17	(1)	(4)%	20
Total deferred inflows of resources	73	87	(14)	(16)%	150
<b>Total Liabilities and Deferred Inflows</b>	<b>\$352,887</b>	<b>\$367,319</b>	<b>\$(14,432)</b>	<b>(4)%</b>	<b>\$393,421</b>
Net Position:					
Net investment in capital assets	2,175	2,244	(69)	(3)%	3,969
Restricted	23,170	16,495	6,676	40 %	14,605
Unrestricted	2,262	2,532	(270)	(11)%	4,151
<b>Total Net Position</b>	<b>\$27,608</b>	<b>\$21,271</b>	<b>\$6,337</b>	<b>30 %</b>	<b>\$22,725</b>
<b>Total Liabilities and Net Position</b>	<b>\$380,495</b>	<b>\$388,590</b>	<b>\$(8,095)</b>	<b>(2)%</b>	<b>\$416,146</b>

**USF Financing Corporation and USF Property Corporation**  
FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

(In thousands)	3 Mos. Ending Sep 30, 2021	June 30, 2021	Variance		June 30, 2020	FINANCIAL PLAN FY 2022
			\$	%		
<b><u>OPERATING REVENUES</u></b>						
USF housing system lease revenue	\$2,659	\$7,789	\$(5,130)	(66)%	\$10,334	\$10,037
USF Marshall Center lease revenue	327	1,273	(946)	(74)%	1,419	1,311
USF athletics system lease revenue	119	636	(516)	(81)%	764	437
USF arena revenue	274	736	(463)	(63)%	778	695
UMSA lease revenue	518	1,493	(974)	(65)%	1,766	1,665
HPCC lease revenue	128	520	(392)	(75)%	588	379
Research lease revenue	245	1,902	(1,657)	(87)%	641	988
<b>Total Operating Revenues</b>	<b>\$4,270</b>	<b>\$14,348</b>	<b>\$(10,078)</b>	<b>(70)%</b>	<b>\$16,290</b>	<b>\$15,512</b>
<b><u>OPERATING EXPENSES</u></b>						
Management expense	193	0	193	%	719	803
General and administrative expense	561	639	(78)	(12)%	604	679
<b>Total Operating Expenses</b>	<b>\$754</b>	<b>\$639</b>	<b>\$115</b>	<b>18 %</b>	<b>\$1,323</b>	<b>\$1,482</b>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>						
Interest expense on debt	(3,044)	(11,305)	8,261	73 %	(10,822)	(11,299)
Interest income	3	28	(25)	(90)%	444	11
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$(3,042)</b>	<b>\$(11,278)</b>	<b>\$8,236</b>	<b>73 %</b>	<b>\$(10,378)</b>	<b>\$(11,288)</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$474</b>	<b>\$2,431</b>	<b>\$(1,957)</b>	<b>(81)%</b>	<b>\$4,589</b>	<b>\$2,742</b>
Equity contribution from USF for USFSP Project	0	861	(861)	(100)%	895	0
Reimbursement to USF for building and FF&E	0	(4,383)			0	0
Equity contribution from USF Research for reserves	0	0			2,514	0
Equity contribution from USF Research for Project	0	1,275			0	1,276
Return INTO USF CD proceeds to USF Foundation	0	0			(2,200)	0
Change in INTO USF equity investment	(270)	(1,638)			(103)	(1,395)
<b>Total Contributions and Non-Cash Changes</b>	<b>\$(270)</b>	<b>\$(3,885)</b>	<b>\$3,615</b>	<b>93 %</b>	<b>\$1,106</b>	<b>\$(119)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$204</b>	<b>\$(1,454)</b>	<b>\$1,658</b>	<b>114 %</b>	<b>\$5,695</b>	<b>\$2,623</b>
<b>Operating Profit Margin</b>	<b>11.1%</b>	<b>16.9%</b>	<b>(6)%</b>		<b>28.2%</b>	<b>17.7%</b>



**USF Financing Corporation and USF Property Corporation**

FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	3 Mos. Ending Sep 30, 2021	June 30, 2021	Variance		June 30, 2020	FINANCIAL PLAN FY 2022
			\$	%		
<b><u>OPERATING ACTIVITIES</u></b>						
Lease payments received from USF	\$10,780	\$22,336	\$(11,556)	(52)%	\$21,940	\$23,978
Lease payments received from UMSA	1,138	3,892	(2,754)	(71)%	4,106	4,139
Lease payments received from HPCC	371	1,465	(1,094)	(75)%	1,479	1,383
Lease payments received from Research Foundation	304	2,234	(1,930)	(86)%	860	2,186
Payment to USF for management services	0	0	0	%	(719)	(803)
General and administrative disbursements	(561)	(643)	82	13 %	(601)	(679)
<b>Total Cash from Operating Activities</b>	<b>\$12,032</b>	<b>\$29,285</b>	<b>\$(17,253)</b>	<b>(59)%</b>	<b>\$27,065</b>	<b>\$30,204</b>
<b><u>CAPITAL AND FINANCING ACTIVITIES</u></b>						
Capital expenditures	\$(2,422)	\$(20,582)	\$18,160	88 %	\$(23,852)	\$(14,331)
Debt issuance costs	0	0	0	%	(95)	0
Proceeds from issuance of long-term debt	0	30,056	(30,056)	(100)%	27,000	0
Principal paid on notes to refund debt	0	(30,056)	30,056	100 %	0	0
Principal paid on debt	(11,410)	(14,518)	3,108	21 %	(13,059)	(15,725)
Interest paid on debt	(5,960)	(14,346)	8,386	58 %	(14,347)	(13,437)
Equity contribution from USF for USFSP Project	0	994	(994)	(100)%	2,085	0
Reimbursement to USF for building, FF&E	0	(676)	676	100 %	(389)	0
Equity contribution from USF Research for Project or reserves	0	0	0	%	2,514	1,276
Security received from lessee for swap collateral	0	5,007	(5,007)	(100)%	5,210	0
Security (pledged to) returned from counterparty	0	(5,104)	5,104	100 %	(5,130)	0
<b>Total Cash From Capital and Financing Activities</b>	<b>\$(19,792)</b>	<b>\$(49,224)</b>	<b>\$29,432</b>	<b>60 %</b>	<b>\$(20,063)</b>	<b>\$(42,217)</b>
<b><u>INVESTING ACTIVITIES</u></b>						
Proceeds from maturity/redemption of INTO CD	0	3,708	(3,708)	(100)%	7,596	3,785
Purchase of INTO CD	0	(3,774)	3,774	100 %	(5,708)	(3,785)
Distribution to USF of INTO CD Proceeds	0	0	0	%	(2,200)	0
Interest income	3	88	(85)	(97)%	974	11
<b>Total Cash From Investing Activities</b>	<b>\$3</b>	<b>\$22</b>	<b>\$(19)</b>	<b>(88)%</b>	<b>\$662</b>	<b>\$11</b>
<b>CHANGE IN CASH</b>	<b>(7,757)</b>	<b>(19,917)</b>	<b>12,160</b>	<b>61 %</b>	<b>7,664</b>	<b>(12,002)</b>
Cash, Beginning of Year	52,698	72,615	(19,917)	(27)%	64,951	54,186
<b>Cash, End of Year</b>	<b>\$44,941</b>	<b>\$52,698</b>	<b>\$(7,757)</b>	<b>0 %</b>	<b>\$72,615</b>	<b>\$42,184</b>
<b>Total Cash &amp; Investments</b>	<b>\$44,941</b>	<b>\$56,472</b>	<b>\$(11,531)</b>	<b>(20)%</b>	<b>\$76,322</b>	<b>\$45,969</b>
<b>Days Cash on Hand</b>	<b>433</b>	<b>405</b>	<b>28</b>	<b>7 %</b>	<b>382</b>	<b>411</b>

## USF Research Foundation, Inc.

FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

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### 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.

#### EXPLANATION OF MAJOR VARIANCES FROM BOT-APPROVED PLAN - FORECAST

- Financial performance for the USF Research Park and Other Operating Expenses are currently tracking favorably to plan.
- As advised by the University, the FY22 Approved Plan included a cost allocation to the Research Foundation for 75% of the USF Technology Transfer Office (TTO) expense budget that had been previously supported by the University. This Intellectual Property (IP) expense for TTO cost allocation, is in addition to the variable IP expense that is directly incurred by the Research Foundation (principally royalty expense).

The FY22 Approved Plan included \$2.6M annual expense for TTO allocated costs, which will be reported on the Income Statement.

Quarter 1 expense of \$517K for TTO cost allocation is currently tracking favorably to plan.

- Variance in Investment Income from Approved Plan was due to lower market returns for the quarter ended September 30, 2021. In addition thereto, as advised in the Subsequent Event footnote to our audited financial statement for FY21, the fair value of certain equity holdings acquired from intellectual property transactions significantly decreased in quarter 1 of FY22.

## USF Research Foundation, Inc.

FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

### BALANCE SHEET

(In thousands)

	As of September 30,		Variance	
	2021	2020	\$	%
<b><u>ASSETS</u></b>				
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$5,381	\$4,219	\$1,162	28 %
Investments	52,319	45,856	\$6,463	14 %
Receivables	2,243	2,189	\$53	2 %
Other Current Assets	7,370	492	\$6,879	1,399 %
<b>Total Current Assets</b>	<b>\$67,313</b>	<b>\$52,755</b>	<b>\$14,558</b>	<b>28 %</b>
<b><u>Noncurrent Assets</u></b>				
Other Receivables	\$80	\$186	\$(106)	(57)%
Capital Assets	68,204	67,062	\$1,141	2 %
Less: Accumulated Depreciation	(35,631)	(32,951)	\$(2,680)	(8)%
Non-Depreciable Items (CIP, Land, etc.)	9,130	8,254	\$877	11 %
Developer Rights to Research Park (net)	6,762	6,877	\$(116)	(2)%
<b>Total Noncurrent Assets</b>	<b>\$48,544</b>	<b>\$49,428</b>	<b>\$(884)</b>	<b>(2)%</b>
<b>Total Assets</b>	<b>\$115,857</b>	<b>\$102,184</b>	<b>\$13,674</b>	<b>13 %</b>
<b><u>LIABILITIES AND NET POSITION</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable	\$944	\$602	\$343	57 %
Due to Primary Unit	6,836	8,338	\$(1,502)	(18)%
Unearned Revenue	590	752	\$(163)	(22)%
Other Current Liabilities	4,161	1,844	\$2,316	126 %
<b>Total Current Liabilities</b>	<b>\$12,530</b>	<b>\$11,537</b>	<b>\$994</b>	<b>9%</b>
<b><u>Noncurrent Liabilities</u></b>				
Notes Payable & Capital Lease Obligation	\$16,752	\$17,800	\$(1,049)	(6)%
<b>Total Noncurrent Liabilities</b>	<b>\$16,752</b>	<b>\$17,800</b>	<b>\$(1,049)</b>	<b>-6%</b>
<b>Total Liabilities</b>	<b>\$29,282</b>	<b>\$29,337</b>	<b>\$(55)</b>	<b>0%</b>
<b>Net Position</b>	<b>\$86,575</b>	<b>\$72,846</b>	<b>\$13,729</b>	<b>19%</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$115,857</b>	<b>\$102,184</b>	<b>\$13,674</b>	<b>13%</b>

## USF Research Foundation, Inc.

FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

### INCOME STATEMENT

(In thousands)

	Period Ending September 30,		Variance	
	2021	2020	\$	%
<b><u>REVENUES</u></b>				
Rental Revenue	\$2,294	\$2,293	\$1	0 %
Intellectual Property Revenue	199	821	(622)	(76)%
NMR Use License Fee	-	244	(244)	(100)%
Other Operating Revenues	29	31	(2)	(6)%
<b>Total Revenues</b>	<b>\$2,522</b>	<b>\$3,389</b>	<b>\$(867)</b>	<b>(26)%</b>
<b><u>EXPENSES</u></b>				
Salaries & Benefits	\$286	\$263	\$24	9 %
Intellectual Property Program Expense	161	541	(380)	(70)%
IP University Exp - TTO Cost Allocation to DSO	517	-	517	%
Operations - Research Park	925	857	68	8 %
Other Operating Expenses	34	52	(19)	(35)%
UBC Net Expense (University Business Center)	85	49	36	74 %
Interest Expense	147	167	(21)	(12)%
Depreciation & Amortization	768	758	10	1 %
<b>Total Expenses</b>	<b>\$2,922</b>	<b>\$2,687</b>	<b>\$235</b>	<b>9 %</b>
<b>OPERATING INCOME (LOSS) BEFORE NON-OPERATING REVENUE (LOSS)</b>	<b>\$(400)</b>	<b>\$702</b>	<b>\$(1,101)</b>	<b>(157)%</b>
Investment Income (Loss)	\$(8,707)	\$2,508	\$(11,215)	(447)%
Non-Operating Interest Expense	(210)	(290)	80	27 %
<b>Total Non-Operating Income (Expense)</b>	<b>\$(8,917)</b>	<b>\$2,219</b>	<b>\$(11,136)</b>	<b>(502)%</b>
<b>NET INCOME (LOSS)</b>	<b>\$(9,317)</b>	<b>\$2,920</b>	<b>\$(12,237)</b>	<b>(419)%</b>

## USF Research Foundation, Inc.

FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

### STATEMENT OF CASH FLOWS

(In thousands)

	Period Ending September 30,		Variance	
	2021	2020	\$	%
<b><u>OPERATING ACTIVITIES</u></b>				
Net Income	\$(9,317)	\$2,920	\$(12,237)	(419)%
Adjustments for Non-Cash Activities:				
Add back (Deduct) Non-Cash Investment Loss (Gain)	8,787	(2,394)	11,181	467 %
Add back Depreciation/Amortization Exp	768	758	10	1 %
Add back Other Non-Cash Expenses	-	-	-	%
Less Other Non-Cash Revenue	-	(244)	244	100 %
Change in Assets and Liabilities (net)	680	810	(130)	(16)%
<b>Total Cash From Operating Activities</b>	<b>\$918</b>	<b>\$1,851</b>	<b>\$(933)</b>	<b>(50)%</b>
<b><u>INVESTING ACTIVITIES</u></b>				
Purchase of Investments	\$0	\$0	\$0	%
Capital Expenditures	-	(242)	242	100 %
Repayment (Funding) of Seed Capital Loans (net)	-	8	(8)	(100)%
<b>Total Cash From Investing Activities</b>	<b>\$0</b>	<b>\$(234)</b>	<b>\$234</b>	<b>100 %</b>
<b><u>FINANCING ACTIVITIES</u></b>				
Capital Lease Obligation - UDI Acquisition	\$(62)	\$(79)	17	22 %
Principal Payments - Notes Payable	(805)	(775)	(30)	(4)%
<b>Total Cash From Financing Activities</b>	<b>\$(867)</b>	<b>\$(854)</b>	<b>\$(13)</b>	<b>(2)%</b>
<b>CHANGE IN CASH</b>	<b>51</b>	<b>763</b>	<b>(711)</b>	<b>(93)%</b>
Cash, Beginning of Year	5,330	3,456	1,874	54 %
<b>Cash, End of Period</b>	<b>\$5,381</b>	<b>\$4,219</b>	<b>\$1,162</b>	<b>28 %</b>

Cash Operating	\$5,311,641	\$4,151,860
Cash Restricted - Debt Sinking Funds	69,584	67,083
<b>Cash, End of Sept 2021 and 2020 Period</b>	<b>\$5,381,224</b>	<b>\$4,218,943</b>

**USF Health Professions Conferencing Corporation**

**EXECUTIVE SUMMARY**

**MAJOR BUSINESS INITIATIVES - FY 2022**

- HPCC's business model has been severely impacted due to the global COVID-19 crisis and the ongoing variants that continue to slow the movement of participants to live events and supply chain delivery. Many efforts have been taken to reduce expenses while simultaneously identifying new COVID-related business opportunities. In FY2022, HPCC will coordinate rescheduling FY2020 programs affected by COVID19 and valued at more than \$750K in revenue. CAMLS affirmative actions to proactively postpone many programs with long lead times, has strengthened relationships with external clients and as a result, is projected to grow revenue and increase operating earnings for FY2022 and 2023. New virtual reality and live streaming capabilities also helped CAMLS identify numerous new clients and offer new training options to established clients. The first two quarters of FY2022 anticipates external clients will return to CAMLS at 50% of pre-COVID volumes while the second two quarters will see a return to 100% pre-COVID volumes.
- CAMLS Assurance Campaign which addressed CAMLS' broad approach to site safety, facility cleanliness and sanitizing, and a range of access controls to prevent the spread of COVID-19 ensures HPCC and the CAMLS facility will continue to provide flexible space and access to simulation learning and healthcare education to USF students, including Morsani College of Medicine Undergraduate Medical Education (UME), MCOM Anatomy Laboratory, Graduate Medical Education (GME), and Physician's Assistant (PA) students, College of Nursing Certified Registered Nurse Anesthetist (CRNA) students, College of Pharmacy students, and Muma College of Business students. The first two quarters and second two quarters anticipate uninterrupted access and usage similar to FY2021 utilization and funding.
- In addition, CAMLS is working to achieve continued growth of its portfolio in 2022 and 2023 by building on efforts that were interrupted by the COVID19 global pandemic. These efforts include: a) diversifying the portfolio to include government and not-for-profit contracts; b) building on successful off-site programming ('CAMLS Without Walls') which exports CAMLS' talent, tools, and resources to support our community and other Florida hospitals and healthcare systems where face to face lifesaving training is needed but the ability for participants to travel was not possible while freeing up space for internal uses; c) expanding CAMLS's original simulation training content and developing new clinical content leveraging the TGH/USF Health partnership; d) continuing to leverage opportunities to synchronize with and build on the expanding USF/USF Health presence downtown; and e) developing innovative training with the use of experiential learning technologies such as virtual reality and telehealth/education.
- CAMLS is expanding research focused on simulation-based training and virtual/augmented reality to utilize CAMLS's unique expertise, assets and USF Health faculty to obtain external grants in partnership with small businesses and USF Health affiliates.
- HPCC continues to provide the financial management support for 16 healthcare accreditations held by USF Health (part of the Office of Continuing Professional Development (CPD)), as well as two institutional accreditations (Society for Simulation in Healthcare and the American College of Surgeons Accredited Education Institute). Although live events are postponed indefinitely, CPD has expanded its portfolio of online programming in partnership with medical education companies (MEC) to compensate for lost live event business.

**EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR**

- Cash and cash equivalents' decreased \$747K over the quarter from increased receivables and capital lease payments.
- Overall 'Total Operating Revenues' are up 34% year over year primarily from 'Contracts & Grants - non USF'. A large portion of the increase is due to CPD programming accreditation which passes through approximately 93% of the revenue to medical education partners (MECs) for content development and delivery. The MEC expenses increase 'Programming Services' and the Contribution Margin Ratio decreases since a larger portion of revenue is also a direct expense. CAMLS live programming is also increasing despite the COVID-19 variants along with 'Rental revenue' and 'Rebates and commissions' which are dependent upon live events.
- Since March 2020, HPCC has proactively reduced its operating expenses, interest expense and administrative footprint to compensate for reduced business volumes and create more training space. These reductions are evident in the year over year decrease in wages but forgiveness of rents and management fees extended in FY2021 have expired and the cost of energy has increased significantly in FY2022.
- Staffing footprint - HPCC has transitioned more than 40% of its workforce to permanent remote work to enhance competitiveness in a tight labor market and freeing up 3,000 square feet of space for revenue generation.
- Debt Service - The USF Financing Corporation refunded the CAMLS bond in early FY2021 reducing the net interest rate from 3.51% to 2.25%, which reduced the year over year 'Interest expense on capital leases' 32%.
- The 3 months ended September 30, 2021 'Increase (Decrease) in Net Position' was (\$335) before 'Transfers from UMSA' compared to the Approved Plan of (\$432K) before 'Transfers from UMSA'. Although better than the Approved Plan which anticipated 50% of pre-COVID external client volumes at CAMLS the delta variant impacted growing momentum. The second quarter of the approved Annual Plan also anticipates 50% of pre-COVID external client volumes at CAMLS with third and fourth quarters returning to 100% pre-COVID volumes.
- Although 'Days cash on hand' decreased to 32, the cash position is expected to improve with payment of ongoing Undergraduate Medical Education services and stronger revenues in the second half of the fiscal year.

**USF HEALTH PROFESSIONS CONFERENCING CORPORATION**

**Statements of Net Position**

**as of September 30, 2021 and June 30, 2021**

	<u>Current Year as of 9/30/21</u>	<u>Prior Year as of 6/30/21</u>	<u>Variance \$</u>	<u>Variance %</u>
<b><u>Assets</u></b>				
Current Assets:				
Cash and cash equivalents	\$ 1,235,905	\$ 1,983,352	\$ (747,447)	(38)%
Accounts receivable	1,003,896	580,244	423,652	73 %
Due from USF/DSO	309,202	149,014	160,188	107 %
Prepaid expenses	115,846	78,794	37,052	47 %
Lease receivable	115,806	-	115,806	100 %
Other current assets	28,855	32,555	(3,700)	(11)%
Total Current Assets	2,809,510	2,823,959	(14,449)	(1)%
Non-current Assets:				
Property and equipment, net	15,234,544	15,472,618	(238,074)	(2)%
Right-of-use asset, net	20,916	-	20,916	
Accounts receivable, noncurrent	-	-	-	100 %
Lease receivable, non-current	157,837	-	157,837	100 %
Other non-current assets	-	-	-	100 %
Total Non-current Assets	15,413,297	15,472,618	(59,321)	(0)%
Total Assets	18,222,807	18,296,577	(73,770)	(0)%
<b><u>Deferred Outflows of Resources</u></b>				
Bond Prepayment Premium	114,360	119,815	(5,455)	(5)%
<b><u>Liabilities</u></b>				
Current Liabilities:				
Capital lease obligations, current portion	1,192,851	1,247,119	(54,268)	(4)%
Accounts payable	112,892	235,394	(122,502)	(52)%
Accrued expenses - other	107,669	186,187	(78,518)	(42)%
Due to USF/DSO's	447,624	382,987	64,637	17 %
Unearned revenue	1,502,935	1,307,435	195,500	15 %
Other current liabilities	2,500	2,500	-	0 %
Total Current Liabilities	3,366,471	3,361,622	4,849	0 %
Non-current Liabilities:				
Capital lease obligations, net of current portion	11,207,949	11,449,584	(241,635)	(2)%
Other noncurrent liabilities	-	-	-	100 %
Deposits Payable - non current	-	-	-	100 %
Total Non-current Liabilities	11,207,949	11,449,584	(241,635)	(2)%
Total Liabilities	14,574,420	14,811,206	(236,786)	(2)%
<b><u>Deferred Inflows of Resources</u></b>				
Deferred inflows related to grants	1,144,415	1,125,932	18,483	2 %
Deferred inflows related to leases	273,643	-	273,643	100 %
Total Deferred Inflow of Resources	1,418,058	1,125,932	292,126	26 %
<b><u>Net Position</u></b>				
Net investment in capital assets	2,833,744	2,775,915	57,829	2 %
Operating unrestricted	(489,055)	(296,661)	(192,394)	65 %
Total Net Position	\$ 2,344,689	\$ 2,479,254	\$ (134,565)	(5)%

**USF HEALTH PROFESSIONS CONFERENCING CORPORATION**

**Statements of Revenues, Expenses and Changes in Net Position**

**For the three months ended September 30, 2021 and 2020**

	<b>Current Year as of 9/30/21</b>	<b>Prior Year as of 9/30/20</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>Operating Revenues</b>				
Contracts & grants - non USF	\$ 2,428,269	\$ 1,579,480	\$ 848,789	54 %
Contracts & grants - USF	854,256	886,577	(32,321)	(4)%
Program registration & exhibits	80,051	62,617	17,434	28 %
Rental revenue	69,049	29,850	39,199	131 %
Rebates & commissions	10,954	1,325	9,629	727 %
<b>Total Operating Revenues</b>	<b>3,442,579</b>	<b>2,559,849</b>	<b>882,730</b>	<b>34 %</b>
<b>Operating Expenses</b>				
Program services	2,064,790	1,333,823	730,967	55 %
Supporting services				
Salaries & benefits	901,138	951,324	(50,186)	(5)%
Wages - program driven temporary staffing	14,692	16,325	(1,633)	(10)%
Rent, utilities & equipment leases	321,418	251,880	69,538	28 %
Other operating expenses	162,923	141,253	21,670	15 %
Depreciation expense	239,504	236,969	2,535	1 %
<b>Total Operating Expenses:</b>	<b>3,704,465</b>	<b>2,931,574</b>	<b>772,891</b>	<b>26 %</b>
<b>Operating Income (Loss)</b>	<b>(261,886)</b>	<b>(371,725)</b>	<b>109,839</b>	<b>(30)%</b>
<b>Non-operating Revenues (Expenses)</b>				
Transfers from UMSA- Continuing Ed - Faculty, Students	200,000	-	200,000	100 %
USF carryforward funding	-	-	-	100 %
Investment income	3,678	446	3,232	725 %
Bond prepayment premium	(5,455)	(1,964)	(3,491)	178 %
Interest expense on lease obligations	(76,401)	(112,164)	35,763	(32)%
Gain (loss) on asset disposal	5,500	7,000	(1,500)	(21)%
<b>Total Net Non-operating Revenue (Expenses)</b>	<b>127,322</b>	<b>(106,682)</b>	<b>234,004</b>	<b>(219)%</b>
<b>Increase (decrease) in Net Position</b>	<b>(134,565)</b>	<b>(478,407)</b>	<b>343,842</b>	<b>(72)%</b>
Net Position, beginning of year	2,479,254	3,562,932	(1,083,678)	(30)%
Net Position, end of period	\$ 2,344,689	\$ 3,084,525	\$ (739,836)	(24)%
<b>Contribution Margin Ratio</b>	$\frac{A - B}{A}$	38%	47%	



**USF HEALTH PROFESSIONS CONFERENCING CORPORATION**

**Statements of Cash Flow**

**For the three months ended September 30, 2021 and 2020**

	<b>Current Year as of 9/30/21</b>	<b>Prior Year as of 9/30/20</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>Cash flows provided by (used in) operating activities</b>				
Programmatic receipts	\$ 2,861,064	\$ 1,563,910	\$ 1,297,154	83 %
Facility operations receipts	323,244	215,624	107,620	50 %
Rents & rebate receipts	91,229	38,436	52,793	137 %
Total Receipts	<u>3,275,537</u>	<u>1,817,970</u>	<u>1,457,567</u>	<u>80%</u>
Programmatic disbursements	(2,352,012)	(1,989,064)	(362,948)	18 %
Staffing disbursements	(942,572)	(987,960)	45,388	(5)%
Facility operation disbursements	(541,378)	(503,301)	(38,077)	8 %
Total Disbursements	<u>(3,835,962)</u>	<u>(3,480,325)</u>	<u>(355,637)</u>	<u>10 %</u>
Net cash flows provided by (used in) operating activities	<u>(560,425)</u>	<u>(1,662,355)</u>	<u>1,101,930</u>	<u>(66)%</u>
<b>Cash flows provided by non-capital and related financing activities</b>				
Transfers from UMSA- Continuing Ed - Faculty, Students	200,000	-	200,000	100%
Net cash provided by non-capital and related financing activities	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>100%</u>
<b>Cash flows provided by (used in) capital and related financing activities</b>				
Purchases of property and equipment	(1,430)	(5,392)	3,962	(73)%
Proceeds on sale of fixed assets	5,500	7,000	(1,500)	(21)%
Principal payments under capital lease obligations	(318,369)	(282,078)	(36,291)	13 %
Interest payments on lease obligations	(76,401)	(112,164)	35,763	(32)%
Bond prepayment premium	-	(138,579)	138,579	(100)%
Net cash used in capital and related financing activities:	<u>(390,700)</u>	<u>(531,213)</u>	<u>140,513</u>	<u>(26)%</u>
<b>Cash flows provided by investing activities</b>				
Investment Income	3,678	446	3,232	725 %
Net cash provided by non-capital and related financing activities	<u>3,678</u>	<u>446</u>	<u>3,232</u>	<u>725 %</u>
Net increase (decrease) in cash and cash equivalents	(747,447)	(2,193,122)	1,445,675	(66)%
Cash and cash equivalents, beginning of year	1,983,352	4,288,106	(2,304,754)	(54)%
Cash and cash equivalents, end of period	<u>1,235,905</u>	<u>2,094,984</u>	<u>(859,079)</u>	<u>(41)%</u>
<b>Cash:</b>				
Cash and cash equivalents - Checking	1,039,837	599,169	440,668	74 %
Cash and cash equivalents - Designated Savings	196,068	1,495,815	(1,299,747)	(87)%
	<u>\$ 1,235,905</u>	<u>\$ 2,094,984</u>	<u>\$ (859,079)</u>	<u>(41)%</u>
Days cash on hand	32	68		
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ (261,886)	\$ (371,725)	\$ 109,839	(30)%
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	239,504	236,969	2,535	1 %
Right-of-use asset amortization	1,549	-	1,549	100%
Changes in operating assets and liabilities and deferred inflows of resources which provided (used) cash:				
Accounts receivable and due fr USF/DSO	(583,840)	(480,349)	(103,491)	22 %
Prepaid expenses	(37,052)	(109,385)	72,333	(66)%
Lease receivable	(273,643)	-	(273,643)	100%
Fixed asset accruals	-	17,871	(17,871)	(100)%
Other assets	3,700	(797)	4,497	(564)%
Accounts payable, accrued expenses and other noncurrent liabilities	(136,383)	(619,012)	482,629	(78)%
Refunds due to sponsors and other current liabilities	-	(680)	680	(100)%
Unearned revenue	195,500	199,071	(3,571)	(2)%
Deferred inflows of resources	292,126	(534,317)	826,443	(155)%
Net cash flows from operating activities	<u>\$ (560,425)</u>	<u>\$ (1,662,355)</u>	<u>\$ 1,101,930</u>	<u>(66)%</u>

## Management Discussion & Analysis

### **For the Month Ended September 30, 2021**

For the month ended September 30, 2021, total operating revenue and expenses were \$159,169 and \$136,633 respectively, resulting in net operating income of \$22,536. As represented in the monthly operating income statement, total event-related income of \$158,874 was mostly comprised of USF Volleyball and Isn't It Funny Comedy Show. Relative to the original budget, total event income was greater than the original budget by \$150,891. This was attributable to the Isn't It Funny Comedy Show being added.

Payroll and operating expenses for the month totaled \$136,633, which is greater than the original budget by \$14,632. The negative variance was primarily attributable to the higher than expected salary expense and bonus.

As of September 30, 2021, consolidated cash balance were \$1,622,591, resulting in an overall decrease in cash of \$225,089 from the prior month. This decrease is due to the settlement payment of Isn't It Funny.

### **For the Three Months Ended September 30, 2021**

For the three months ended August 31, 2021, total operating revenue and expenses were \$414,660 and \$364,028, respectively, resulting in net operating income of \$50,632. As represented in the fiscal year-to-date income statement, total event income of \$414,323 was attributable to USF events \$7,347 (2% of total event income) and Non-USF events \$406,977 (98% of total event income). Total event revenue of \$419,729 exceeded event-related costs of \$203,137 by \$216,591 for a gross profit margin (before ancillary revenue) of 52%. Ancillary revenue streams realized during this time frame amounted to \$197,637, or 47% of the total event revenue (gross). This amount was comprised of TM Rebates \$86,487 (44%), Parking \$48,798 (25%), Concessions \$23,881 (12%), RMI \$31,421 (16%), Novelties \$1,803 (1%), and Suite/Loge \$5,248 (3%), effectively the fiscal year-to-date event gross profit margin was 67%. Relative to the original budget, total operating income is \$269,485 greater than budget.

For the three months ended September 30, 2021, total payroll and operating expenses were \$364,028, resulting in a positive variance to budget of \$54,080. These variances are primarily attributable to a function of the net effect of savings in salaries, building supplies, contracted services, and equipment repair & maintenance.

Operating and event cash balances increased by \$1,038,861, since the inception of the fiscal year. The increase is attributable to the net effect of increases in Prepaids (\$70,007), Accrued Liabilities (\$413,737), Deferred Revenue (\$1,069,068) combined with decreases in Accounts Receivable (\$93,258), and Accounts Payable (\$106,887). It should be noted that as of September 30, 2021, the payable due to TBEP for the fiscal year is \$2,499,358. The TBEP payable consists of payroll, benefits, management/ shared service fees and staffing costs.

### **Forecast for the Fiscal Year Ending June 30, 2022:**

For the fiscal year ending June 30, 2022, operating revenue and expenses are projected to be \$2,114,789 and \$1,542,154 respectively, resulting in net operating income before incentive fees/profit share of \$578,268 or \$578,268 after these projected expenses. Compared to the original budget, operating revenue is projected to increase by 183,109 while operating expenses are projected to decrease by \$194,813, for an overall projected increase in net operating income before incentive fees/ profit allocation expenses of \$377,925.

Of the projected fiscal year event income of \$2,045,018, 28% is attributable to Men's and Women's Basketball, 59% concerts & family shows, 11% conventions and graduations, and 2% in miscellaneous rental events (sporting, volleyball, & community). This is relatively consistent with the prior fiscal year, with 7% of revenue shifting from USF sports, miscellaneous sporting, and conventions (5%, 2%, and 1%, respectively) to concerts & family shows. In comparison to FY21 results, revenue is projected to increase by \$1,434,123, and expenses (exclusive of management incentive) are projected to decrease by \$206,501.

As noted in previous financial packages, the primary focus will be to continue to build upon established relationships with top promoters and strategically host a diverse program of quality events that crosses all genres, while providing world class service to the consumers; thus improving upon the brand perception and relevancy in the local and national marketplace.

*\*\*Prepared by VSG, Yuengling Center Arena Management Group*

**BALANCE SHEET**

(In thousands)

	<i>3 Months Ended September 30,</i>	
	<b>2021 ACTUAL</b>	<b>2020 ACTUAL</b>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$1,903	\$555
Accounts Receivable	187	53
Investments	0	0
Other	87	97
<b>Total Current Assets</b>	<b>\$2,177</b>	<b>\$705</b>
<b><u>Noncurrent Assets</u></b>		
Restricted Cash and Cash Equivalents	\$0	\$0
Restricted Investments	0	0
Capital Assets	3,172	3,172
Less: Accumulated Depreciation	(2,494)	(2,429)
Non-Depreciable Items (CIP, Land, etc.)	0	0
<b>Total Noncurrent Assets</b>	<b>\$679</b>	<b>\$743</b>
<b>Total Assets</b>	<b>\$2,856</b>	<b>\$1,448</b>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$8	\$47
Due to Component Units	2,681	1,357
Deferred Revenue	1,090	17
Other	0	0
<b>Total Current Liabilities</b>	<b>\$3,779</b>	<b>\$1,421</b>
<b><u>Noncurrent Liabilities</u></b>		
Long Term Debt	\$0	\$0
<b>Total Noncurrent Liabilities</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$3,779</b>	<b>\$1,421</b>
<b>NET ASSETS</b>	<b>\$(923)</b>	<b>\$27</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$2,856</b>	<b>\$1,448</b>
<b><u>Net Position</u></b>		
Beginning Unrestricted Net Assets	\$(1,426)	\$(547)
Beginning Property Net Assets	638	638
Retained Earnings	115	188
Event Revenue Transfers, net	(411)	120
Net Operating Income	162	(371)
<b>Total Net Position</b>	<b>\$(923)</b>	<b>\$27</b>

SUN DOME INC FY 2022 Q1 REPORT - SEPTEMBER 30, 2021

**INCOME STATEMENT**

(In thousands)

	<i>3 Months Ended September 30,</i>		<i>Fiscal Year Ended June 30,</i>						
	<b>2021 Actual</b>	<b>2020 Actual</b>	<b>2022 YTD</b>	<b>2021 ACTUAL</b>	<b>Variance</b>		<b>2022 Plan</b>	<b>2021 Rev. Plan</b>	<b>2021 Plan</b>
					<b>\$</b>	<b>%</b>			
<b><u>REVENUES</u></b>									
Rent Income	\$217	\$(2)	\$217	\$652	\$(435)	(67)%	\$491	\$311	\$321
Service Income	24	0	24	25	(1)	(6)%	271	65	301
Premium Seating	5	0	5	0	5	%	41	17	53
Facility Fee	0	0	0	0	0	%			
Sponsorship, Commissions & Royalties	118	0	118	0	118	%	740		821
Parking	49	0	49	27	21	78 %	307		410
Other Revenues	152	0	152	111	42	38 %	55	20	75
<b>Total Revenues</b>	<b>\$565</b>	<b>\$(2)</b>	<b>\$565</b>	<b>\$815</b>	<b>\$(250)</b>	<b>(31)%</b>	<b>\$1,905</b>	<b>\$412</b>	<b>\$1,980</b>
<b><u>EXPENSES</u></b>									
Salaries & Wages	\$187	\$167	\$187	\$658	\$(472)	(72)%	\$525	\$503	\$724
Payroll Taxes & Benefits	33	31	33	126	(93)	(74)%	293	281	260
Repairs, Maintenance and Utilities	76	49	76	337	(261)	(77)%	185	162	167
Operating & Administrative	60	82	60	253	(193)	(76)%	444	178	443
Contracted Services	0	0	0	0	0	%			
Management Fees	38	38	38	50	(13)	(25)%	150	150	150
Depreciation/Amortization	0	0	0	65	(65)	(100)%			
Other Expenses	10	2	10	28	(19)	(65)%			50
<b>Total Expenses</b>	<b>\$403</b>	<b>\$369</b>	<b>\$403</b>	<b>\$1,518</b>	<b>\$(1,115)</b>	<b>(73)%</b>	<b>\$1,597</b>	<b>\$1,275</b>	<b>\$1,793</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$162</b>	<b>\$(371)</b>	<b>\$162</b>	<b>\$(703)</b>	<b>\$865</b>	<b>123 %</b>	<b>\$308</b>	<b>\$(863)</b>	<b>\$187</b>
<b><u>NON-OPERATING REVENUES/(EXPENSES)</u></b>									
Interest Expense	0	0	0	0	0	%			0
Net Transfers to USF - Arena Debt	\$(411)	120	(411)	(250)	(161)	(65)%			0
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>\$(411)</b>	<b>\$120</b>	<b>\$(411)</b>	<b>\$(250)</b>	<b>\$(161)</b>	<b>(65)%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING PROFIT</b>	<b>\$(249)</b>	<b>\$(252)</b>	<b>\$(249)</b>	<b>\$(953)</b>	<b>\$703</b>	<b>74 %</b>	<b>\$308</b>	<b>\$(863)</b>	<b>\$187</b>

**STATEMENT OF CASH FLOWS**

(In thousands)

	<i>3 Months Ended September 30,</i>		<i>Fiscal Year Ended June 30,</i>						
	<b>2021 Actual</b>	<b>2020 Actual</b>	<b>2022 YTD</b>	<b>2021 ACTUAL</b>	<b>Variance</b>		<b>2022 Plan</b>	<b>2021 Rev. Plan</b>	<b>2021 Plan</b>
					<b>\$</b>	<b>%</b>			
<b><u>OPERATING ACTIVITIES</u></b>									
Net Operating Profit	\$162	\$(371)	\$162	\$(703)	\$865	123 %	\$308	\$(863)	\$187
Adjustments for Non-Cash Activities:									
Depreciation / Amortization	0	0	0	0	0	%			
Net adjustments to Assets	23	290	23	144	(121)	(84)%		257	47
Net adjustments to Liabilities	307	52	307	1,094	(787)	(72)%	(400)	1,186	8
Net adjustment to Deferred Revenue	1,069	0	1,069	(62)	1,131	1,832 %	500	158	200
<b>Total Cash From Operating Activities</b>	<b>\$1,561</b>	<b>\$(29)</b>	<b>\$1,561</b>	<b>\$474</b>	<b>\$1,087</b>	<b>229 %</b>	<b>\$408</b>	<b>\$738</b>	<b>\$442</b>
<b><u>INVESTING ACTIVITIES</u></b>									
Capital Expenditures	\$0	0	\$0	\$0	\$0	%			
Purchases (Sales) of Investments	0	0	0	\$0					
Accumulated Depreciation	0		0	65	(65)	(100)%			
<b>Total Cash From Investing Activities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65</b>	<b>\$(65)</b>	<b>(100)%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>FINANCING ACTIVITIES</u></b>									
Proceeds of Long-Term Debt	\$0	0	\$0	\$0	\$0	%			
Principal Paid on Debt	0	0	0	0	0	%			
Interest Paid	0	0	0	0	0	%			
Net transfers to USF for debt service on arena [Enter financing item here]	(411)	120	(411)	(250)	(161)	(65)%	(413)	(413)	(413)
	0	0	0	0	0	%			
<b>Total Cash From Financing Activities</b>	<b>\$(411)</b>	<b>\$120</b>	<b>\$(411)</b>	<b>\$(250)</b>	<b>\$(161)</b>	<b>(65)%</b>	<b>\$(413)</b>	<b>\$(413)</b>	<b>\$(413)</b>
<b>CHANGE IN CASH</b>	<b>\$1,150</b>	<b>90</b>	<b>1,150</b>	<b>289</b>	<b>861</b>	<b>298 %</b>	<b>(5)</b>	<b>325</b>	<b>29</b>
Cash, Beginning of Year	753	464	753	464	289	62 %	550	225	37
<b>Cash, End of Year</b>	<b>\$1,903</b>	<b>\$555</b>	<b>\$1,903</b>	<b>\$753</b>	<b>\$1,150</b>	<b>153 %</b>	<b>\$545</b>	<b>\$550</b>	<b>\$66</b>

**USF Institute of Applied Engineering, Inc**  
 FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

**INCOME STATEMENT**

(In thousands)

**REVENUES**

	<b>CURRENT YEAR 09/30/2021</b>	<b>PRIOR FISCAL YEAR 06/30/2021</b>	<b>Variance</b>	
			<b>\$</b>	<b>%</b>
Contracts Revenues	\$2,282	\$5,071	\$(2,790)	(55)%
Hillsborough County Grant	310	621	(312)	(50)%
University Support	663	691	(27)	(4)%
College of Engineering Support	7	21	(14)	(65)%
Donation and Other Revenue	1	358	(357)	(100)%
<b>Total Revenues</b>	<b>\$3,263</b>	<b>\$6,763</b>	<b>\$(3,500)</b>	<b>(52)%</b>

**EXPENSES**

Salaries & Benefits	\$502	\$1,112	(\$610)	(55)%
College of Engineering Salary Support	7	21	(14)	(65)%
Gift In-Kind Expenses	1	20	(19)	(94)%
Materials, Supplies, Software & Equip., Travel	12	69	(57)	(82)%
Banking, Insurance, Audit, Tax Service	11	170	(159)	(93)%
Facilities, Utilities, Telecomm., Security	28	182	(153)	(84)%
Depreciation & Amortization	28	63	(34)	(55)%
Hills. County Salaries & Benefits	41	547	(505)	(92)%
Hills. County Materials, Supplies, Software & Equip	35	117	(82)	(70)%
Hills. County Facilities, Telecomm., & Security	31	61	(29)	(48)%
Direct Program Costs	1,634	3,726	(2,092)	(56)%
Indirect Return to University	112	266	(154)	(58)%
<b>Total Expenses</b>	<b>\$2,445</b>	<b>\$6,353</b>	<b>\$(3,909)</b>	<b>(62)%</b>

**OPERATING PROFIT BEFORE  
NON-CASH CHANGES**

	<b>\$818</b>	<b>\$409</b>	<b>\$409</b>	100 %
Equipment Donations to USF	0	0	0	%
<b>Total Non-Cash Changes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>%</b>
<b>NET OPERATING PROFIT</b>	<b>\$818</b>	<b>\$409</b>	<b>\$409</b>	100 %

**Operating Profit Margin**

	<b>25%</b>	<b>6%</b>	<b>19 %</b>
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**USF Institute of Applied Engineering, Inc**  
**FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021**

**BALANCE SHEET**

(In thousands)

	<b>CURRENT</b>	<b>PRIOR</b>	<b>Variance</b>	
	<b>YEAR</b>	<b>FISCAL YEAR</b>	<b>\$</b>	<b>%</b>
	<b>09/30/2021</b>	<b>06/30/2021</b>		
<b>ASSETS</b>				
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$1,062	\$648	\$414	64 %
Accounts Receivable	1,596	1,044	551	53 %
Grants Receivable	488	364	124	34 %
Prepayments and Other Current Assets	114	30	84	282 %
Total Current Assets	3,260	2,086	1,174	56 %
<b><u>Noncurrent Assets</u></b>				
Capital Assets:				
Laboratory Equipment and Fixtures, Net	790	696	94	14 %
<b>TOTAL ASSETS</b>	<b>4,050</b>	<b>2,782</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>%</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$4,050</b>	<b>\$2,782</b>	<b>1,268</b>	<b>46 %</b>
<b>LIABILITIES</b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable	\$2,156	\$2,017	138	7 %
Accrued Expenses	45	27	18	68 %
Rent Liability	41	29		
Unearned Contract Revenue	428	147	281	191 %
Total Current Liabilities	2,669	2,220	450	20 %
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>%</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	790	696	94	14 %
Unrestricted	591	(133)	724	543 %
Total Net Position	1,381	563		
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$4,050</b>	<b>\$2,782</b>	<b>1,268</b>	<b>46 %</b>

**USF Institute of Applied Engineering, Inc**  
 FY 2022 QUARTER 1 REPORT - SEPTEMBER 30, 2021

**STATEMENT OF CASH FLOWS**

(In thousands)

	<b>CURRENT</b>	<b>PRIOR</b>	<b>Variance</b>	
	<b>YEAR</b>	<b>FISCAL YEAR</b>	<b>\$</b>	<b>%</b>
	<b>09/30/2021</b>	<b>06/30/2021</b>		
<b><u>OPERATING ACTIVITIES</u></b>				
Cash Receipt from Customers	\$2,011	\$4,190	(\$2,179)	(52)%
Cash Receipt from Hillsborough County	186	408	(222)	(54)%
Salaries & Benefits	(610)	(1,275)	665	52 %
Payment to Suppliers	(136)	(272)	136	50 %
Payment for Direct Program Costs	(1,385)	(2,720)	1,335	49 %
<b>Total Cash From Operating Activities</b>	<b>\$66</b>	<b>\$331</b>	<b>(\$265)</b>	<b>(80)%</b>
<b><u>FINANCING ACTIVITIES</u></b>				
Transfer from USF Support	\$603	\$603	\$0	0 %
Transfer to USF-IDR	(75)	(187)	112	60 %
Gift In-Kind Contributions	1	0	1	1,038 %
<b>Total Cash From Financing Activities</b>	<b>\$529</b>	<b>\$416</b>	<b>\$113</b>	<b>27 %</b>
<b><u>INVESTING ACTIVITIES</u></b>				
Capital Expenditures	\$(181)	\$(364)	\$183	50 %
Proceeds of Long-Term Debt	0	0	0	%
Principal Payments	0	0	0	%
Interest Payments	0	0	0	%
<b>Total Cash From Investing Activities</b>	<b>\$(181)</b>	<b>\$(364)</b>	<b>\$183</b>	<b>50 %</b>
<b>CHANGE IN CASH</b>				
Cash, Beginning of Year	648	265	383	145 %
<b>Cash, End of Year</b>	<b>\$1,062</b>	<b>\$648</b>	<b>\$414</b>	<b>64 %</b>
<b>Total Cash &amp; Investments</b>	<b>\$1,062</b>	<b>\$648</b>	<b>\$414</b>	<b>64 %</b>
<b>Days Cash on Hand</b>	<b>159</b>	<b>37</b>	<b>122</b>	<b>325 %</b>