



UNIVERSITY OF
SOUTH FLORIDA

DIRECT SUPPORT ORGANIZATIONS

QUARTER 1 FOR FISCAL YEAR 2022-2023

Period Ended September 30, 2022

DSO Q1 Financial Reports for FY 2023

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Unaudited Interim Financial Statements

For the Quarter ended September 30, 2022

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



EXECUTIVE SUMMARY

MAJOR BUSINESS INITIATIVES - FY 2023

- Several initiatives for the USF Foundation and the Division of University Advancement are underway to facilitate and grow the crucial impact of philanthropy for USF. The talent acquisition for these new initiatives and restructuring of resources will continue throughout fiscal year 2023. The formation of a Principal Gifts Team will produce transformative gift opportunities that will generate an expansion of resources over the long term for the University. The establishment of a Regional Fundraising Team will provide an enhanced regional presence aiding college and unit development teams with additional resources to increase overall engagement outside of the USF campus areas. In an effort to adapt to a rapidly changing donor base, the expansion of the Annual Giving Team to include a Digital Engagement Center of well-trained students will provide needed outreach to University supporters to share success stories and University news through text-to-give programs, social media platforms, etc.
- The Foundation's investment strategy is to maximize support to the University while not endangering the ability to maintain the original purchasing power of donor investments over the long term. The Foundation's Investment Committee guides this process by actively monitoring the performance of our asset allocation, prudently considering the risks associated with each asset class and taking action if necessary to enhance the growth of the endowment over the long-term. The goal is to grow the endowment through continued solid investment returns and gifts. In order to provide for a consistent, reliable stream of income to the University the Foundation Board annually establishes a spending policy from the endowment to help mitigate the impact of market volatility on University programs that depend on the income to operate. The spending policy employs a 5 year average market value in its calculation which helps suppress the risk of volatility. Further, the Board approved a 4% dividend for fiscal year 2023, consistent with prior years.
- The Foundation supports program activities of the University for USF faculty & staff, student scholarships, research initiatives, and capital projects according to donor restrictions. These expenses can be funded by current gifts estimated on the annual plan, existing balances in accounts from gifts and distributions received in prior years, or projected endowment distributions during the year of about \$25.8 million. With the assistance of the Foundation, spending from these sources is directed by the colleges and units designated by our donors as the beneficiaries of their gifts.

EXPLANATION OF MAJOR VARIANCES

Statement of Net Position

- Cash in the Foundation's checking account is managed based on a frequent evaluation of gifts received and funding requests to be paid. The balance at September 30th is reflective of this evaluation. A higher than usual balance was maintained in the checking account due to significant pending funding requests due to USF including for salaries and other facilities projects. The decrease in current investments is related to several large transfers during the quarter to construct various campus facilities including \$4.6 million transferred for the Honors College and \$4.8 related to the Athletics Indoor Performance Facility.
- Contributions receivable is reflective of the changes for new pledges to support current operations and payments on those pledges. Overall the contributions receivable balance remained consistent with the prior year with major gift commitments supporting the Athletics Indoor Performance Facility and a Pediatric Center Expansion project. A large portion of the overall receivable balance shifted to current assets as large installments are scheduled to be received in the upcoming fiscal year for the Indoor Performance Facility, the Taneja College of Pharmacy and the Bellini Center for Talent Development.
- 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 a loss of approximately -4.69% driven by portfolio performance of international and domestic equities offset by marginal increases in private real assets.
- The change in the balance of Due from USF is a result of a loan pay-off of approximately \$6 million by a USF DSO for the USF Health Morsani College of Medicine and Heart Institute. Amounts Due to USF have increased for pending salary and facility project transfers at September 30th that were disbursed in October.

- The 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 decrease in unrestricted net position represents the disbursement of budgeted expenditures during fiscal quarter.

Statement of Revenues, Expenses and Changes in Net Position

- During the current year, fundraising results include major gifts and pledges to support the Clean Energy Research Center Support Fund, Pediatric Clinic Expansion, STEM Scholarships and a large gift in kind was received supporting a student affairs public health initiative. In the prior year significant gifts of \$6.6 million to support the Athletics Indoor Performance Facility were received in the first quarter of fiscal year 2022. Comparable gifts for the Athletics Indoor Performance Facility were not received during first quarter of fiscal year 2023.
- 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 FY23 the year-to-date loss was -4.69% and the prior year-to-date loss was -1% as of 9/30/2021.
- Program Service expenses in total were higher than the prior year-to-date amounts. Increases were a result of additional support sent to the university for faculty and staff salaries and need-based student scholarships. In addition, an increase in supplies were a result of transfers to the university for medical supplies associated with a student affairs public health initiative. Transfers-to-state increased due the level of funding requested for the construction of campus facilities in Athletics and the Honors College during the quarter.
- Fundraising and Operating costs were slightly higher overall when compared with the prior year-to-date amounts due to the various business initiatives related to the talent acquisition in University Advancement and preparations for the launch of the Digital Engagement Center in January 2023.
- 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 9/30/2022	Prior Fiscal Year 6/30/2022	Variance \$	%
ASSETS				
Current assets:				
Cash and cash equivalents	4,764,974	1,729,525	3,035,449	176%
Investments	107,077,865	115,220,740	(8,142,875)	-7%
Contribution receivable, net	25,870,325	15,637,867	10,232,458	65%
Lease and other receivable	810,958	1,084,134	(273,176)	-25%
Due from University of South Florida	62,704	6,313,843	(6,251,139)	-99%
Total Current Assets	\$ 138,586,826	\$ 139,986,109	(1,399,283)	-1%
Non-current assets:				
Investments	\$ 571,478,158	\$ 605,177,450	(33,699,292)	-6%
Contribution receivable, net of current portion	26,090,023	35,651,875	(9,561,852)	-27%
Beneficial interest assets	19,863,763	20,034,565	(170,802)	-1%
Lease and other receivable, net of current portion	3,976,461	4,115,650	(139,189)	-3%
Land	6,620,414	6,620,414	-	0%
Buildings, equipment and other, net	3,956,644	3,986,343	(29,699)	-1%
Works of Art	5,502,196	5,502,196	-	0%
Total noncurrent assets	637,487,659	681,088,493	(43,600,834)	-6%
Total assets	776,074,485	821,074,602	(45,000,117)	-5%
LIABILITIES				
Current liabilities:				
Accounts payable	2,121,620	1,984,621	136,999	7%
Due to USF	5,719,534	1,087,916	4,631,618	426%
Mortgage payable	415,219	412,506	2,713	1%
Life beneficiaries obligations	237,188	237,188	-	0%
Total current liabilities	8,493,561	3,722,231	4,771,330	128%
Non-current liabilities:				
Mortgage payable, net of current portion	3,022,257	3,127,084	(104,827)	-3%
Due from USF, net of current portion	334,685	334,685	-	0%
Life Beneficiaries obligations, net of current portion	1,298,196	1,333,062	(34,866)	-3%
Total non-current liabilities	4,655,138	4,794,831	(139,693)	-3%
Total Liabilities	13,148,699	8,517,062	4,631,637	54%
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from remainder interest assets	1,264,553	1,500,530	(235,977)	-16%
Deferred inflows from beneficial interest assets	19,863,763	20,034,565	(170,802)	-1%
Deferred inflows from leases	4,392,201	4,528,674	(136,473)	-3%
Total Deferred Inflows	25,520,517	26,063,769	(543,252)	-2%
NET POSITION				
Net investment in capital assets	12,641,777	12,569,363	72,414	1%
Restricted				
Expendable	\$311,090,950	359,332,623	(48,241,673)	-13%
Nonexpendable endowments	\$388,231,991	387,717,949	514,042	0%
Unrestricted	\$25,440,551	26,873,836	(1,433,285)	-5%
Total net position	\$ 737,405,269	\$ 786,493,771	\$ (49,088,502)	-6%
	\$ 776,074,485	\$ 821,074,602		

\$ (0) \$ -

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STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION

	<i>Year-to-Date Fiscal Year 2023</i>			
	3 months ended 9/30/2022	3 months ended 9/30/2021	Variance	
			\$	%
Operating Revenues:				
Contributions, gifts and bequests	\$ 8,289,040	\$ 14,253,692	(5,964,652)	-42%
Investment income	1,867,648	4,211,559	(2,343,911)	-56%
Unrealized investment losses	(33,969,399)	(15,022,738)	(18,946,661)	-126%
Realized investment gains	279,308	7,760,832	(7,481,524)	-96%
Fundraising activities	652,262	605,451	46,811	8%
Total operating (losses) revenues	(22,881,141)	11,808,796	(34,689,937)	-294%
Operating Expenditures:				
Salaries and benefits	7,170,085	5,446,365	1,723,720	32%
Scholarships/fellowships	3,311,692	2,082,294	1,229,398	59%
Contractual services	1,009,723	1,034,827	(25,104)	-2%
Supplies	1,429,032	230,593	1,198,439	520%
Transfers to state - other	9,812,423	4,104,415	5,708,008	139%
Travel, meals & auto	556,553	256,638	299,915	117%
Community relations	177,670	157,717	19,953	13%
Depreciation	29,700	29,700	-	0%
Repairs and maintenance	110,383	38,932	71,451	184%
Provision for doubtful accounts	11,610	62,951	(51,341)	-82%
Other	299,254	498,337	(199,083)	-40%
Total program service expense	23,918,125	13,942,769	9,975,356	72%
Fundraising & operating costs:				
Salaries and benefits	4,480,884	4,257,287	223,597	5%
Contractual services	727,275	275,477	451,798	164%
Other transfers and expenses	881,617	452,753	428,864	95%
Total fundraising & operating expense	6,089,776	4,985,517	1,104,259	22%
Total operating expenditures	30,007,901	18,928,286	11,079,615	59%
Net Operating (Loss) Gain	(52,889,042)	(7,119,490)	(45,769,552)	-643%
Nonoperating revenue				
University support	2,801,587	3,470,353	(668,766)	-19%
Total nonoperating revenues	2,801,587	3,470,353	(668,766)	-19%
(Loss)/Income before endowment contributions	(50,087,455)	31,992,159	(82,079,614)	-257%
Endowment contributions	998,953	1,615,807	(616,854)	-38%
Decrease in net position	(49,088,502)	(2,033,330)	(47,055,172)	-2314%
Net position - beginning of year	786,493,771	636,781,248	149,712,523	24%
Net position - end of year	737,405,269	634,747,918	102,657,351	16%

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**UNIVERSITY OF SOUTH FLORIDA
FOUNDATION**

STATEMENT OF CASH FLOWS

	3 months ended 09/30/2022	Prior Fiscal Year 06/30/2022	Variance	
			\$	%
Change in net position	(49,088,502)	(134,363,021)	85,274,519	63 %
Operating Activities				
Investment (gains) losses, net	33,690,091	103,785,254	(70,095,163)	-68%
Depreciation	29,699	118,799	(89,100)	-75%
Change in assets/liabilities:				
Contributions receivable, net	(1,669,559)	5,805,898	(7,475,457)	-129%
Lease and other receivables, net	750,441	141,415	609,026	431 %
Books and art objects	-	(1,595,020)	1,595,020	100 %
Accounts payable & accrued expenses	161,430	1,576,405	(1,414,975)	-90%
Amts due to third-party beneficiaries	-	(230,000)	230,000	100 %
Due to University of South Florida	4,890,782	(7,110,041)	12,000,823	169 %
Net cash flow from operating activities	(11,235,618)	(31,870,311)	20,634,693	65 %
Investing Activities				
Proceeds from sale of investments	35,562,456	262,005,477	(226,443,021)	-86%
Purchases of investments	(26,230,252)	(238,677,779)	212,447,527	89 %
Interest & dividends reinvested	(1,867,648)	(7,838,836)	5,971,188	76 %
Repayment of loans to the University of South Florida	5,991,975	400,000	5,591,975	1,398 %
Net cash flow from investing activities	13,456,531	15,888,862	(2,432,331)	-15%
Financing Activities				
Proceeds from endowment contributions	998,953	17,898,100	(16,899,147)	-94%
Beneficiary payments	(59,297)	(237,188)	177,891	75 %
Interest paid on mortgage	(23,006)	(98,651)	75,645	77 %
Principle payments on mortgage payable	(102,114)	(401,831)	299,717	75 %
Net cash flow from investing activities	814,536	17,160,430	(16,345,894)	-95%
Net increase in cash	3,035,449	1,178,981	1,856,468	157 %
Cash at the beginning of the year	1,729,525	550,544	1,178,981	214 %
Cash at the end of the year	4,764,974	1,729,525	3,035,449	176 %

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Executive Summary
September 30, 2022

Prepaid Expenses: The Association had a large balance in prepaid at the end of the prior year for mailing of the USF magazine. This mailing took place during the first quarter of 2022, lowering the balance.

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 from/to USF: This amount represents the amount owed to the University for payroll services. The Association made a large transfer at the end of the current quarter, which changed the balance from a liability to asset.

Memberships: The Association eliminated the annual membership program, and instead have been focusing on the life membership program. There was an outstanding response at the beginning of the transition period in the prior year. Revenue received currently is more in line with how we expect this program to respond in the future.

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

Event expenses: The Association paid event expenses related to FAST56, Homecoming, and the Awards dinner earlier this year than in the prior.

CASH FLOW

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

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

	<u>September 30, 2022</u>	<u>June 30, 2022</u>	<u>Variance \$</u>	<u>Variance %</u>
ASSETS				
Cash and cash equivalents	227,402	225,373	2,029	1%
Pooled investments within Foundation	524,718	524,210	508	0%
Due from USF	39,305	-	39,305	100%
Accounts receivable	71,878	68,314	3,564	5%
Prepaid expenses	32,302	58,977	(26,675)	-45%
Total assets	<u>895,605</u>	<u>876,874</u>	<u>18,731</u>	<u>2%</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	187,278	181,583	5,695	-3%
Deferred payroll support	44,557	5,261	39,296	-747%
Due to USF	-	27,793	(27,793)	100%
Deferred revenue	114,455	75,385	39,070	-52%
Total liabilities	<u>346,290</u>	<u>290,022</u>	<u>56,268</u>	<u>-19%</u>
Net Assets:				
Unrestricted net assets	549,315	586,852	(37,537)	-6%
Total liabilities and net assets	<u>895,605</u>	<u>876,874</u>	<u>18,731</u>	<u>2%</u>

University of South Florida Alumni Association, Inc.
Summary of Revenues and Expenses
September 30, 2022

	Current Month Totals				Year to Date Totals (25%)			
	Actual Sep-22	Prior Year Sep-21	Variance \$	Variance %	Actual YTD	Prior Year YTD	Variance \$	Variance %
REVENUES:								
Membership	21,695	80,302	(58,607)	-73%	72,830	137,901	(65,071)	-47%
License Plates	27,200	32,250	(5,050)	-16%	146,545	149,170	(2,625)	-2%
Budget Support	55,654	75,762	(20,108)	-27%	149,011	111,071	37,940	34%
Affinity Royalty	42,470	19,250	23,220	121%	85,266	62,516	22,750	36%
Investment Income	20,493	17,977	2,516	100%	61,336	53,826	7,510	14%
Sponsorships	25,833	25,694	139	1%	51,629	61,193	(9,564)	-16%
Event Revenue	2,315	35,855	(33,540)	-94%	29,115	42,580	(13,465)	-32%
Gifts	2,398	3,218	(820)	-25%	12,114	20,122	(8,008)	-40%
Other Revenue	417	2,805	(2,388)	-85%	1,250	6,106	(4,856)	-80%
Total Operating Revenue	198,475	293,113	(94,638)	-32%	609,096	644,485	(35,389)	-5%
EXPENSES								
Salaries	142,804	131,818	(10,986)	-8%	400,189	380,650	(19,539)	-5%
Membership and membership services	5,028	9,548	4,520	47%	8,196	13,384	5,188	39%
Printing & Postage	3,382	13,063	9,681	74%	4,044	14,400	10,356	72%
Event Services	87,214	38,067	(49,147)	-129%	117,612	43,447	(74,165)	-171%
Professional Services	39,428	1,479	(37,949)	-2566%	43,989	28,681	(15,308)	-53%
Travel	11,449	1,119	(10,330)	-923%	14,755	1,675	(13,080)	-781%
Advertising & Marketing	1,858	637	(1,221)	-192%	2,233	5,578	3,345	60%
Insurance	3,121	4,712	1,591	100%	9,363	14,136	4,773	34%
Community Relations	975	796	(179)	100%	1,980	2,976	996	33%
Credit Card Fees and other services	2,287	4,144	1,857	45%	6,412	10,422	4,010	38%
Scholarships	5,450	6,800	1,350	20%	29,669	30,684	1,015	3%
Other expenses	3,951	4,086	135	3%	8,191	8,621	430	5%
Total Operating Expenses	306,946	216,269	(90,677)	-42%	646,632	554,654	(91,978)	-17%
NET INCOME FROM OPERATIONS	(108,472)	76,844	(185,316)	241%	(37,537)	89,831	(127,368)	-142%
Change in net assets					(37,537)			
Net assets, beginning					586,852			
Net assets, end					549,315			

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

	September 30, 2022	June 30, 2022	Variance \$	Variance %
Operating activities				
Change in net assets	\$ (37,537)	\$ 13,008		
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	(3,564)	24,056		
Prepaid expenses	26,675	(48,380)		
Due from University of South Florida	(39,305)	-		
Deferred payroll support	39,296	2,014		
Due to University of South Florida	(27,793)	8,100		
Accounts payable and accrued expenses	5,695	59,018		
Deferred revenue	39,070	3,838		
Net cash provided by operating activities	2,537	61,654		
Proceeds for sales of investments	(508)	(1,308)		
Net cash used in investing activities	(508)	(1,308)		
Change in cash and cash equivalents	2,029	60,346		
Cash and cash equivalents, beginning of year	225,373	165,027		
Cash and cash equivalents, end of year	\$ 227,402	\$ 225,373	\$ 2,029	1%
	\$ 0	\$ -		

USF Financing Corporation and USF Property Corporation

FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

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 2023

- \$30 million USF Housing and Student Center Project to be located on the Sarasota-Manatee Campus:
 - The debt, along with a \$16.5 million cash contribution from the University, will finance the construction of a mixed-use facility comprising a 200-bed student housing component and a student center.
 - On May 5, 2022, the Corporation Board approved the issuance of debt in an amount not to exceed \$30 million in the form of a 30-year, tax-exempt, fixed rate public bond. The Project was approved by the University Board of Trustees on June 15, 2022, and by the Florida Board of Governors on September 14, 2022.
 - On October 31, 2022, the Financing Corporation issued \$30 million of debt at a tax-exempt interest rate of 4.85% on parity with the \$176 million "A1/A+" rated USF Housing System.
 - Utilizing a competitive selection process by way of an ITN, the Financing Corporation selected the design/build team of CORE Construction and Mackey Mitchell Architects to design and deliver the project. A design/build agreement was negotiated and signed on October 31, 2022. Construction is expected to be completed in May of 2024.
- The Corporation is closely monitoring risks to the Project described above, specifically supply chain disruptions and cost inflation. The University funded an owner's contingency of over \$4 million to mitigate some of these risks.
- Protect USF's "AA" credit ratings. Formal presentations were made to Moody's, Standard & Poor's and Fitch in June 2022. 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 September 2022 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 are managing revenues and expenses 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 the University to ensure that the proposed Housing and Student Center project described above will be in compliance with private use guidelines.
- On April 21, 2022, the University of South Florida terminated its University Services Agreement (Services Agreement), its Marketing and Recruitment Services Agreement (Marketing Agreement), and subsequently the Stockholders Agreement with INTO USF, Inc. This resulted in a change in equity investment balance in INTO USF for the current period, net of its 50% share of INTO USF's cumulative net profits or losses and dividend distributions, with losses not exceeding the initial investment. On July 15th, 2022, the Financing Corporation filed a lawsuit against INTO South Florida and INTO USF, Inc. to compel the wind-up and dissolution of INTO USF Inc.

EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR - YTD

- **Balance Sheet: Total Assets** - Total Assets decreased by more than \$17 M primarily due to winding down of project construction payments, the decrease in Security Pledged to Counterparty from the improvement in market interest rates during the fiscal year which resulted in no collateral requirement, and the amortization of all Financing Receivables.
- **Balance Sheet: Liabilities** - Total Liabilities decreased by nearly \$30 M primarily due to the principal amortization on outstanding debt and the improvement in the fair value of the interest rate swap.
- **Income Statement: Revenues** - Total Operating Revenues are down slightly (\$147,000), primarily due to timing of events at the Arena; however, Revenues are on track to meet or exceed the FY 2023 Financial Plan revenue target.
- **Income Statement: Expenses** - Total Operating Expenses increased slightly (\$53,000) primarily due to inflationary CPI adjustments in expenses from the prior year.
- **Income Statement: Nonoperating Revenues (Expenses)** - Interest income contributed to the increase in Nonoperating Revenues of \$247,000 due to increased interest rates. FY 2023 interest expense is expected to increase from FY 2022 interest expense with the issuance of the Housing Series 2022 debt on October 31, 2022.
- **Income Statement: Operating Profit Margin** - The operating profit for the quarter is on track to achieve the \$1.4 million in FY 2023 as approved in the Financial Plan. The Q1 \$520,000 net operating profit with 12.6% margin exceeds the FY 2023 margin of 9.2%, reflecting improved operating performance.
- **Statement of Cash Flows** - Total Cash and Investments are down reflecting the use of project funds. The Corporation has increased cash and investments by approximately \$30 million on October 31, 2022 with the issuance of new debt for the Sarasota-Manatee housing project described above. As of September 30, 2022, the liquidity measure of a strong 450 days cash on hand is considerably above the FY 2023 Financial Plan target of 394 days cash on hand at June 30, 2023.

USF Financing Corporation and USF Property Corporation

FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

STATEMENT OF NET POSITION

(In thousands)

	As of Sep 30, 2022	As of Sep 30, 2021	Variance		As of June 30, 2021
			\$	%	
ASSETS					
Current Assets:					
Cash	\$254	\$303	\$(48)	(16)%	\$303
Certificate of deposit	3,774	3,774	0	0%	3,774
Restricted:					
Cash and cash equivalents	6,402	15,669	(9,267)	(59)%	18,598
Due from related parties	905	1,213	(308)	(25)%	0
Accounts receivable	58	1	58	6,829%	1
Financing receivable, current portion	16,634	16,250	384	2%	16,148
Total current assets	28,028	37,209	(9,181)	(25)%	38,824
Noncurrent Assets:					
Restricted:					
Cash and cash equivalents	27,755	28,969	(1,214)	(4)%	33,797
Security pledged to counterparty	0	3,960	(3,960)	0%	3,960
INTO USF equity investment - Accumulated losses	0	(1,814)	1,814	0%	(1,544)
Financing receivable, noncurrent portion	284,240	288,997	(4,757)	(2)%	293,748
Total noncurrent assets	311,995	320,113	(8,118)	(3)%	329,961
Total assets	340,023	357,322	(17,299)	(5)%	368,785
Deferred Outflows of Resources:					
Interest Rate swap agreement	3,748	12,620	(8,872)	(70)%	13,788
Deferred losses on refunding of debt	816	997	(181)	(18)%	1,068
Total deferred outflows of resources	4,564	13,617	(9,053)	(66)%	14,856
Total Assets and Deferred Outflows	\$344,587	\$370,939	\$(26,352)	(7)%	\$383,641
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	\$319	\$3,311	\$(2,992)	(90)%	\$1,031
Interest payable	2,932	2,979	(47)	(2)%	5,631
Due to related parties	3,735	4,116	(381)	(9)%	3,370
Long-term debt, current portion	16,020	16,179	(159)	(1)%	15,723
INTO USF equity investment - Accumulated losses	0	0			0
Total current liabilities	23,007	26,585	(3,579)	(13)%	25,754
Noncurrent Liabilities:					
Interest rate swaps payable	3,748	12,620	\$(8,872)	(70)%	13,788
Long-term debt, noncurrent portion	295,472	313,008	(17,536)	(6)%	326,260
Total noncurrent liabilities	299,221	325,628	(26,407)	(8)%	340,048
Total liabilities	322,227	352,213	(29,986)	(9)%	365,802
Deferred Inflows of Resources:					
Deferred gain on refunding of debt	14	57	(44)	(76)%	70
Total deferred inflows of resources	14	57	(44)	(76)%	70
Total Liabilities and Deferred Inflows	\$322,241	\$352,270	\$(30,029)	(9)%	\$365,873
Net Position:					
Restricted	18,316	16,406	1,910	12%	15,236
Unrestricted	4,030	2,262	1,768	78%	2,532
Total Net Position	\$22,346	\$18,668	\$3,678	20%	\$17,768
Total Liabilities and Net Position	\$344,587	\$370,939	\$(26,352)	(7)%	\$383,641

USF Financing Corporation and USF Property Corporation

FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(In thousands)

	3 Mos. Ending Sep 30, 2022	Sep 30, 2021	Variance		June 30, 2021	FINANCIAL PLAN FY 2023
			\$	%		
<u>OPERATING REVENUES</u>						
USF housing system lease revenue	\$2,693	\$2,659	\$34	1 %	\$7,789	\$9,912
USF Marshall Center lease revenue	313	327	(14)	(4)%	1,273	1,255
USF athletics system lease revenue	104	119	(16)	(13)%	636	372
USF arena revenue	34	274	(240)	(88)%	736	652
UMSA lease revenue	614	518	96	19 %	1,493	1,984
HPCC lease revenue	130	128	2	1 %	520	365
Research lease revenue	235	245	(10)	(4)%	1,002	959
Total Operating Revenues	\$4,122	\$4,270	\$(147)	(3)%	\$13,448	\$15,499
<u>OPERATING EXPENSES</u>						
Management expense	199	193	6	3 %	0	827
General and administrative expense	609	561	48	8 %	639	782
Total Operating Expenses	\$808	\$754	\$53	7 %	\$639	\$1,610
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Interest expense on debt	(2,925)	(3,044)	120	4 %	(12,175)	(12,477)
Interest income	130	3	127	4,783 %	28	10
Total Nonoperating Revenues (Expenses)	\$(2,795)	\$(3,042)	\$247	8 %	\$(12,147)	\$(12,467)
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$520	\$474	\$46	10 %	\$662	\$1,422
Change in INTO USF equity investment	0	(270)	270	100 %	(1,638)	0
Total Contributions and Non-Cash Changes	\$0	\$(270)	\$270	100 %	\$(1,638)	\$0
CHANGE IN NET POSITION	\$520	\$204	\$316	155 %	\$(977)	\$1,422
Operating Profit Margin	12.6%	11.1%		2 %	4.9%	9.2%

USF Financing Corporation and USF Property Corporation

FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	3 Mos. Ending Sep 30, 2022	Sep 30, 2021	Variance		June 30, 2021	FINANCIAL PLAN FY 2023
			\$	%		
OPERATING ACTIVITIES						
Lease payments received from USF	\$8,796	\$10,780	\$(1,984)	(18)%	\$22,336	\$23,983
Lease payments received from UMSA	1,247	1,138	109	10 %	3,892	4,515
Lease payments received from HPCC	388	371	17	4 %	1,465	1,431
Lease payments received from Research Foundation	296	304	(8)	(2)%	2,234	2,205
Payment to USF for management services	(40)	0	(40)	%	0	(827)
General and administrative disbursements	(609)	(561)	(49)	(9)%	(643)	(782)
Total Cash from Operating Activities	\$10,078	\$12,032	\$(1,954)	(16)%	\$29,285	\$30,525
CAPITAL AND FINANCING ACTIVITIES						
Capital expenditures	\$(1,097)	\$(2,422)	\$1,325	55 %	\$(20,582)	\$(6,480)
Debt issuance costs	0	0	0	%	0	(300)
Proceeds from issuance of long-term debt	0	0	0	%	30,056	27,000
Principal paid on notes to refund debt	0	0	0	%	(30,056)	0
Principal paid on debt	(12,850)	(11,410)	(1,440)	(13)%	(14,518)	(16,360)
Interest paid on debt	(5,886)	(5,960)	74	1 %	(14,346)	(14,017)
Equity contribution from USF for USFSP Project	0	0	0	%	994	0
Reimbursement to USF for building, FF&E	0	0	0	%	(676)	0
Equity contribution from USF Research for Project or reserves	0	0	0	%	0	0
Receipt of pledged revenues from University of South Florida	6,345	0	6,345	%	18,992	0
Return of excess pledged revenues to University of South Florida	(6,345)	0	(6,345)	%	(18,992)	0
Security received from lessee for swap collateral	0	0	0	%	5,007	0
Security (pledged to) returned from counterparty	0	0	0	%	(5,104)	0
Total Cash From Capital and Financing Activities	\$(19,833)	\$(19,792)	\$(41)	(0)%	\$(49,224)	\$(10,157)
INVESTING ACTIVITIES						
Proceeds from maturity/redemption of INTO CD	0	0	0	%	3,708	3,776
Purchase of INTO CD	0	0	0	%	(3,774)	(3,776)
Distribution to USF of INTO CD Proceeds	0	0	0	%	0	0
Interest income	103	3	101	3,853 %	88	10
Total Cash From Investing Activities	\$103	\$3	\$101	3,853 %	\$22	\$10
CHANGE IN CASH	(9,652)	(7,757)	(1,895)	(24)%	(19,917)	20,377
Cash, Beginning of Year	44,063	52,698	(8,635)	(16)%	72,615	44,209
Cash, End of Year	\$34,411	\$44,941	\$(10,530)	0 %	\$52,698	\$64,586
Total Cash & Investments	\$38,185	\$44,941	\$(6,755)	(15)%	\$56,472	\$68,362
Days Cash on Hand	450	433	17	4 %	405	394

UMSA AND MSSC COMBINED

INCOME STATEMENT

QUARTER ONE

(In thousands)

	<i>3 Months Ended September 30,</i>			
	2023	2022	Variance	
	ACTUAL	ACTUAL	\$	%
REVENUES				
Net Patient Service	\$45,323	\$46,480	\$(1,157)	(2)%
Grants, Contracts & Awards	23,773	23,969	(196)	(1)%
UPL/PCIP	9,698	9,193	505	5 %
Other Revenues	7,437	7,746	(309)	(4)%
Total Revenues	\$86,231	\$87,388	\$(1,157)	(1)%
EXPENSES				
Faculty Support	\$49,473	\$41,844	\$7,629	18 %
Housestaff Support	3,674	3,508	166	5 %
Other Staff Support	7,122	25,446	(18,324)	(72)%
USFTGP Staff Support	17,826	0	17,826	%
Depreciation/Amortization	1,487	1,066	421	39 %
Other Expenses	9,738	11,479	(1,741)	(15)%
Total Expenses	\$89,320	\$83,343	\$5,977	7 %
Operating Profit Before				
Non-Cash Changes	\$(3,089)	\$4,045	\$(7,134)	(176)%
Investment Income, Net	\$(1,030)	\$(474)	\$556	(117)%
Other Nonoperating Expense	-6077	0	(6,077)	%
Gain (Loss) on Disposal of Capital Assets	0	0	0	%
Total Non-Cash Changes	\$(7,107)	\$(474)	\$(6,633)	(1,399)%
NET OPERATING PROFIT	\$(10,196)	\$3,571	\$(13,767)	(386)%

UMSA AND MSSC COMBINED

QUARTER ONE

BALANCE SHEET

(In thousands)

ASSETS

Current Assets

	September 30 2023	September 30 2022	Variance \$	%
Cash and Cash Equivalents	\$37,871	\$15,663	\$22,208	142 %
Investments	\$22,729	\$26,189	(3,460)	(13)%
Patient Accounts Receivable, Net	\$11,591	\$4,514	7,078	157 %
Contracts Receivable	\$10,153	\$13,211	(3,057)	(23)%
UPL Receivable	\$28,355	\$14,241	14,114	99 %
Other Receivables	\$8,840	\$7,144	1,696	24 %
Due from DSO/Component Unit	\$0	\$0	0	%
Right of Use Lease Receivable	\$22,705	\$0	22,705	%
Prepaid Expenses	\$3,599	\$4,723	(1,124)	(24)%
Inventory	\$1,350	\$1,863	(513)	(28)%
Other	\$8	\$8	0	0 %
Total Current Assets	\$147,203	\$87,557	\$59,646	68 %

Noncurrent Assets

Other Noncurrent Assets

Promise of contributed use of software-Epic LT	\$0	\$679	(679)	(100)%
Capital Assets	\$0	\$0		
Fixed Assets Net of Depreciation	\$47,798	\$49,608	(1,809)	(4)%
Right of Use Assets Net of Depreciation	\$14,718	\$0	14,718	%
Non-Depreciables (Construction in Process, Land, etc.)	\$1,794	\$422	1,372	325 %
Total Noncurrent Assets	\$64,311	\$50,709	\$13,602	27 %

Total Assets

\$211,513 **\$138,265** **\$73,248** **53 %**

LIABILITIES

Current Liabilities

Accounts Payable	\$7,492	\$1,392	\$6,100	438 %
Accrued Salaries and Benefits	\$5,630	\$6,675	(1,045)	(16)%
Due to Primary Unit and Other Component Units	\$19,560	\$(165)	19,725	11,967 %
Deferred Revenue	\$3	\$176	(172)	(98)%
Current Portion of Right to Use Lease Liability	\$1,593	\$0	\$1,593	%
Building/Equip Lease Payable ST	\$1,892	\$2,393	(500)	(21)%
Other:	\$11,946	\$11,864	82	1 %
Total Current Liabilities	\$48,116	\$22,334	\$25,782	115 %

Noncurrent Liabilities

Building Lease Payable LT	\$41,065	\$44,808	\$(3,744)	(8)%
Right to Use Lease Liability, Net of Current Portion	\$35,830	\$0	\$35,830	%
Other	\$1,484	\$1,022	\$462	45 %
Total Noncurrent Liabilities	\$78,379	\$45,830	\$32,549	71 %

Total Liabilities

\$126,495 **\$68,164** **\$58,331** **86 %**

Temporarily Restricted Net Assets-Epic

\$0 \$0 0 %

Unrestricted Net Assets

\$85,019 \$70,102 \$14,916 21 %

Net Assets

\$85,019 **\$70,102** **\$14,916** **21 %**

Total Liabilities & Net Assets

\$211,513 **\$138,266** **\$73,247** **53 %**

UMSA AND MSSC COMBINED

QUARTER ONE

STATEMENT OF CASH FLOWS

(In thousands)

	<i>3 Months Ended September 30,</i>	<i>Fiscal Year Ended June 30,</i>		
	2023	2022	Variance	
	Actual	ACTUAL	\$	%
<u>OPERATING ACTIVITIES</u>				
Net Operating Profit	\$(10,197)	\$28,684	\$(38,881)	(136)%
Changes in operating assets and liabilities	\$21,932	\$(10,233)	\$32,165	314 %
Adjustments for Non-Cash Activities:	\$0	\$0	\$0	%
Depreciation / Amortization	\$1,487	\$6,136	\$(4,649)	(76)%
Non Cash Impact of Epic	\$0	\$0	\$0	%
Unrealized Gains	\$0	\$0	\$0	%
Total Cash From Operating Activities	\$13,222	\$24,587	\$(11,365)	(46)%
<u>FINANCING ACTIVITIES</u>				
Capital Expenditures	\$(653)	\$1,496	\$(2,149)	(144)%
Proceeds from Sale of Capital Assets	\$0	\$2,454	\$(2,454)	(100)%
Interest Payments	\$(509)	\$(2,295)	\$1,786	78 %
Proceeds of Long-Term Debt	\$0	\$0	\$0	%
Principal Paid on Debt	\$42	\$8,878	\$(8,836)	(100)%
Total Cash From Investing Activities	\$(1,120)	\$10,533	\$(11,653)	(111)%
<u>INVESTING ACTIVITIES</u>				
Interest and Dividends on Investments	\$(1,030)	\$(2,904)	\$1,874	65 %
Purchases/Sales of Investments	\$1,030	\$(17,096)	\$18,126	106 %
Total Cash From Financing Activities	\$0	\$(20,000)	\$20,000	100 %
CHANGE IN CASH				
Operating Cash, Beginning of Year	\$12,102	\$15,121	\$(3,019)	(20)%
Operating Cash, End of Quarter	\$25,769	\$10,648	\$15,121	142 %
Invested Cash, End of Quarter	\$37,871	\$25,769	\$12,102	47 %
Invested Cash, End of Quarter	\$22,729	\$23,759	\$(1,030)	(4)%
Total Cash, End of Quarter	\$60,600	\$49,528	\$12,102	24 %

USF Research Foundation, Inc.

FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

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 FY23 Approved Plan included a cost allocation of \$3.99M to the Research Foundation for 100% of the USF Technology Transfer Office (TTO) expense budget that prior to FY22 had been supported by the University. This line item expense is reported on the Income Statement as "IP University Expense - TTO Cost Allocation to DSO".

The TTO Cost Allocation expense is in addition to the IP expenses (principally royalty expenses) that are directly incurred by the Research Foundation for Intellectual property transactions.

Through September 30, 2022 the FY23 year-to-date expense of \$850K for TTO cost allocation is tracking favorably to plan by \$148K.

- Variance in Investment Income from Approved Plan is due to lower market returns for the three month period ended September 30, 2022.

USF Research Foundation, Inc.

FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

BALANCE SHEET

(In thousands)

	As of September 30,		Variance	
	2022	2021	\$	%
<u>ASSETS</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	\$7,793	\$5,381	\$2,411	45 %
Investments	43,572	52,319	\$(8,747)	(17)%
Receivables	1,065	2,243	\$(1,177)	(53)%
Other Current Assets	200	7,370	\$(7,170)	(97)%
Total Current Assets	\$52,630	\$67,313	\$(14,683)	(22)%
<u>Noncurrent Assets</u>				
Other Receivables	\$160	\$80	\$80	100 %
Lease Receivables	57,050	-	\$57,050	%
Right-to-Use Leased Asset, net	542	-	\$542	%
Capital Assets	95,267	65,690	\$29,577	45 %
Less: Accumulated Depreciation	(38,664)	(35,631)	\$(3,033)	(9)%
Non-Depreciable Items (CIP, Land, etc.)	8,260	9,130	\$(871)	(10)%
Reserve for Debt Service	2,514	2,514	\$0	0 %
Developer Rights to Research Park, net	6,646	6,762	\$(116)	(2)%
Total Noncurrent Assets	\$131,774	\$48,544	\$83,229	171 %
Total Assets	\$184,404	\$115,857	\$68,546	59 %
<u>LIABILITIES AND NET POSITION</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$1,463	\$944	\$519	55 %
Due to Primary Unit	7,248	6,836	\$412	6 %
Unearned Revenue	704	590	\$115	19 %
Lease Liability	562	-	\$562	%
Other Current Liabilities	1,934	4,161	\$(2,227)	(54)%
Total Current Liabilities	\$11,911	\$12,530	\$(619)	-5%
<u>Noncurrent Liabilities</u>				
Note Payable & Finance Purchase Lease Obligations	\$40,826	\$16,752	\$24,074	144 %
Total Noncurrent Liabilities	\$40,826	\$16,752	\$24,074	144%
<u>Deferred Inflows of Resources (Leases)</u>	\$56,032	-	\$56,032	%
Total Liabilities & Deferred Inflows	\$108,769	\$29,282	\$79,487	271%
Net Position	\$75,634	\$86,575	\$(10,941)	-13%
Total Liabilities & Net Position	\$184,404	\$115,857	\$68,546	59%

USF Research Foundation, Inc.

FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

INCOME STATEMENT

(In thousands)

	Period Ending September 30,		Variance	
	2022	2021	\$	%
<u>REVENUES</u>				
Rental Revenue	\$2,458	\$2,294	\$164	7 %
Intellectual Property Revenue (TTO Initiator)	516	199	317	159 %
Other Operating Revenues	34	29	5	18 %
Total Revenues	\$3,008	\$2,522	\$486	19 %
<u>EXPENSES</u>				
Salaries & Benefits	\$297	\$286	\$10	4 %
Intellectual Property Program Expense	388	161	227	141 %
IP University Exp - TTO Cost Allocation to DSO	850	517	333	64 %
Operations - Research Park	893	925	(32)	(3)%
Other Program Expense	-	-	-	%
Other Operating Expenses	59	34	25	73 %
UBC Net Expense (University Business Center)	(101)	85	(185)	(219)%
Interest Expense	348	147	201	137 %
Depreciation & Amortization	1,286	768	518	67 %
Total Expenses	\$4,019	\$2,922	\$1,097	38 %
OPERATING INCOME (LOSS) BEFORE NON-OPERATING REVENUE (LOSS)	\$(1,011)	\$(400)	\$(612)	(153)%
Investment Income (Loss)	\$(1,685)	\$(369)	\$(1,316)	(356)%
Investment Income (Loss) - IP Equity Transaction	480	(8,338)	8,818	106 %
Interest Income - GASB 87 Lessor Revenue	-	-	-	%
Non-Operating Interest Expense	-	(210)	210	100 %
Total Non-Operating Income (Expense)	\$(1,206)	\$(8,917)	\$7,712	86 %
NET INCOME (LOSS)	\$(2,217)	\$(9,317)	\$7,100	76 %

USF Research Foundation, Inc.

FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

STATEMENT OF CASH FLOWS

(In thousands)

	Period Ending September 30,		Variance	
	2022	2021	\$	%
<u>OPERATING ACTIVITIES</u>				
Net Income (Loss)	\$(2,217)	\$(9,317)	\$7,100	76 %
Adjustments for Non-Cash Activities:				
Add back (Deduct) Non-Cash Investment Loss (Gain)	1,338	8,787	(7,449)	(85)%
Add back Depreciation/Amortization Expense	1,286	768	518	67 %
Add back Other Non-Cash Expense	10	-	10	%
Less Other Non-Cash Revenue	-	-	-	%
Change in Assets and Liabilities (net)	1,502	680	822	121 %
Total Cash From Operating Activities	\$1,919	\$918	\$1,001	109 %
<u>INVESTING ACTIVITIES</u>				
Purchase of Investments	\$(304)	\$0	\$(304)	%
Capital Expenditures	(60)	-	(60)	%
Repayment (Funding) of Seed Capital Loans (net)	-	-	-	%
Total Cash From Investing Activities	\$(364)	\$0	\$(364)	%
<u>FINANCING ACTIVITIES</u>				
Redeem Investments for New Building	\$0	\$0	\$0	%
Redeem Investments for Stock Purchase	299	-	299	%
Finance Purchase Lease Obligation - 3814 Bldg	-	-	0	%
Finance Purchase Lease Obligation - UDI Bldg	(65)	(62)	(3)	(4)%
Payment - UBC Lease Liability	(217)	-	(217)	%
Principal Payment - Note Payable	(835)	(805)	(30)	(4)%
Total Cash From Financing Activities	\$(818)	\$(867)	\$49	6 %
CHANGE IN CASH	737	51	686	1,335 %
Cash, Beginning of Year	7,056	5,330	1,726	32 %
Cash, End of Period	\$7,793	\$5,381	\$2,411	45 %

Cash Operating	\$7,720,065.62	\$5,311,640.58	
Cash Restricted - Debt Sinking Funds	\$72,500.24	\$69,583.50	
Cash, End of Sept 2022 and 2021 Period	\$7,792,565.86	\$5,381,224.08	\$2,411,342

USF Health Professions Conferencing Corporation

EXECUTIVE SUMMARY

MAJOR BUSINESS INITIATIVES - FY 2023

- HPCC's business model was severely impacted due to the global COVID-19 crisis and the ongoing variants continue to slow the movement of participants to live events and supply chain delivery. In FY2023, HPCC is coordinating the rescheduling of any remaining programs affected by COVID19 and is experiencing excellent momentum continuing from the last six months of FY2022. 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 return revenue and operating earnings for FY2023 to pre-COVID levels. FY2023 has a much more diversified client base and new virtual reality and live streaming capabilities compared to CAMLS pre-COVID client mix and offerings.
- 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. HPCC provides these services at cost, inclusive of all PO&M funding received for CAMLS.
- CAMLS has successfully developed new relationships and acquired a rescue vehicle from Hillsborough County to deliver programming that occurs off-site ('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.
- CAMLS has developed new original simulation training content and recently conducted its first Mass Casualty Incident Training designed specifically to teach emergency department teams from small towns and rural communities how to respond to catastrophes.
- 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) and transitioned its business model to accreditation only services and away from management of live events.

EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR

- 'Due from USF/DSO' increased from 6/30/2022 as new contracts work through the approval process. 'Lease receivable' and 'Lease receivable, non-current', which are a result of GASB 87 implementation, also increased from 6/30/2022 with a new CAMLS tenant.
- 'Accounts payable' decreased \$905K and 'Deferred inflows related to grants' increased \$910K from 6/30/2022. The change in both line items is from the payment of grants to MECs and receipt of new grants for future programs with MECs, which the Office of Continuing Professional Development will accredit.
- 'Contracts & grants - non USF', which includes MEC related grants, is down \$942K. MEC related grants are down \$996K year over year and similarly, 'Programming Services' are down \$978K year over year with payments to MECs decreasing \$1,001K year over year. 'Program registrations & exhibits' increased year over year as CAMLS increased its live event training and new tenants at CAMLS increase 'Rental revenue' year over year. The Contribution Margin Ratio increases since a larger portion of revenue is kept for HPCC operating expenses.
- Operating Loss improved 66% or a reduction of \$173K year over year due to increasing live event business at CAMLS, increasing rents and management of operating expenses.
- The 3 months ended September 30, 2022 'Decrease in Net Position' was (\$155K) compared to the Approved Plan of (\$89K) before 'Transfers from UMSA'. Hurricane Ian resulted in a few clients needing to postpone their event. The first two quarters of the fiscal year are budgeted weaker than the second two quarters due to holidays and summer weather.
- Although 'Days cash on hand' is 56, most of the cash on hand is grants received for MECs. Unrestricted operating cash will improve with payment of ongoing USF Health Undergraduate Medical Education services, other USF service contracts and stronger revenues in the second half of the fiscal year.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Net Position

as of September 30, 2022 and June 30, 2022

	Current Year as of 9/30/22	Prior Year as of 6/30/22	Variance \$	Variance %
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 1,587,357	\$ 1,640,629	\$ (53,272)	(3)%
Accounts receivable	667,984	666,724	1,260	0 %
Due from USF/DSO	465,679	281,050	184,629	66 %
Prepaid expenses	177,752	126,767	50,985	40 %
Lease receivable	310,149	220,415	89,734	41 %
Other current assets	30,984	30,675	309	1 %
Total Current Assets	3,239,905	2,966,260	273,645	9 %
Non-current Assets:				
Property and equipment, net	229,071	253,657	(24,586)	(10)%
Right-of-use asset, net	14,238,311	14,363,572	(125,261)	(1)%
Lease receivable, non-current	522,222	150,988	371,234	246 %
Other non-current assets	739	1,180	(441)	(37)%
Total Non-current Assets	14,990,343	14,769,397	220,946	1 %
Total Assets	18,230,248	17,735,657	494,591	3 %
<u>Deferred Outflows of Resources</u>				
Bond Prepayment Premium	93,772	98,816	(5,044)	(5)%
<u>Liabilities</u>				
Current Liabilities:				
Capital lease obligations, current portion	1,087,855	1,071,831	16,024	1 %
Accounts payable	370,345	1,275,227	(904,882)	(71)%
Accrued expenses - other	13,645	82,151	(68,506)	(83)%
Due to USF/DSO's	780,239	485,348	294,891	61 %
Unearned revenue	1,033,147	821,557	211,590	26 %
Total Current Liabilities	3,285,231	3,736,114	(450,883)	(12)%
Non-current Liabilities:				
Capital lease obligations, net of current portion	10,118,654	10,394,633	(275,979)	(3)%
Total Non-current Liabilities	10,118,654	10,394,633	(275,979)	(3)%
Total Liabilities	13,403,885	14,130,747	(726,862)	(5)%
<u>Deferred Inflows of Resources</u>				
Deferred inflows related to grants	1,261,074	350,333	910,741	260 %
Deferred inflows related to leases	832,371	371,403	460,968	124 %
Total Deferred Inflow of Resources	2,093,445	721,736	1,371,709	190 %
<u>Net Position</u>				
Net investment in capital assets	3,260,873	3,150,765	110,108	3 %
Operating unrestricted	(434,183)	(168,775)	(265,408)	157 %
Total Net Position	\$ 2,826,690	\$ 2,981,990	\$ (155,300)	(5)%

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Revenues, Expenses and Changes in Net Position

For the three months ended September 30, 2022 and 2021

	Current Year as of 9/30/22	Prior Year as of 9/30/21	Variance \$	Variance %
Operating Revenues				
Contracts & grants - non USF	\$ 1,485,954	\$ 2,428,269	\$ (942,315)	(39)%
Contracts & grants - USF	855,507	854,256	1,251	0 %
Program registration & exhibits	162,586	80,051	82,535	103 %
Rental revenue	106,746	69,049	37,697	55 %
Rebates & commissions	6,154	10,954	(4,800)	(44)%
Total Operating Revenues	2,616,947	3,442,579	(825,632)	(24)%
Operating Expenses				
Program services	1,086,088	2,064,790	(978,702)	(47)%
Supporting services				
Salaries & benefits	973,152	901,138	72,014	8 %
Wages - program driven temporary staffing	17,061	14,692	2,369	16 %
Rent, utilities & equipment leases	295,900	319,869	(23,969)	(7)%
Other operating expenses	168,376	162,924	5,452	3 %
Right-of-use asset amortization	124,745	125,261	(516)	(0)%
Depreciation expense	40,509	115,792	(75,283)	(65)%
Total Operating Expenses:	2,705,831	3,704,466	(998,635)	(27)%
Operating Loss	(88,884)	(261,887)	173,003	(66)%
Non-operating Revenues (Expenses)				
Transfers from UMSA- Continuing Ed - Faculty, Students	-	200,000	(200,000)	(100)%
Investment income	6,682	3,678	3,004	82 %
Bond prepayment premium	(5,561)	(5,455)	(106)	2 %
Interest expense on lease obligations	(67,537)	(76,401)	8,864	(12)%
Gain on asset disposal	-	5,500	(5,500)	(100)%
Total Net Non-operating Revenue (Expenses)	(66,416)	127,322	(193,738)	(152)%
Decrease in Net Postion	(155,300)	(134,565)	(20,735)	15 %
Net Position, beginning of year	2,981,990	2,479,254	502,736	20 %
Net Position, end of period	\$ 2,826,690	\$ 2,344,689	\$ 482,001	21 %
Contribution Margin Ratio	$\frac{A - B}{A}$	56%	38%	

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Cash Flow

For the three months ended September 30, 2022 and 2021

	Current Year as of 9/30/22	Prior Year as of 9/30/21	Variance \$	Variance %
Cash flows provided by (used in) operating activities				
Programmatic receipts	\$ 3,239,088	\$ 2,861,064	\$ 378,024	13 %
Facility operations receipts	323,244	323,244	-	0 %
Rents & rebate receipts	77,461	91,229	(13,768)	(15)%
Total Receipts	<u>3,639,793</u>	<u>3,275,537</u>	<u>364,256</u>	<u>11%</u>
Programmatic disbursements	(2,076,365)	(2,352,012)	275,647	(12)%
Staffing disbursements	(680,000)	(942,572)	262,572	(28)%
Operations disbursements	(599,966)	(541,378)	(58,588)	11 %
Total Disbursements	<u>(3,356,331)</u>	<u>(3,835,962)</u>	<u>479,631</u>	<u>(13)%</u>
Net cash flows provided by (used in) operating activities	<u>283,462</u>	<u>(560,425)</u>	<u>843,887</u>	<u>(151)%</u>
Cash flows provided by non-capital and related financing activities				
Transfers from UMMA- Continuing Ed - Faculty, Students	-	200,000	(200,000)	(100)%
Net cash provided by non-capital and related financing activities	<u>-</u>	<u>200,000</u>	<u>(200,000)</u>	<u>(100)%</u>
Cash flows provided by (used in) capital and related financing activities				
Purchases of capital assets	(15,925)	(1,430)	(14,495)	1,014 %
Proceeds on sale of fixed assets	-	5,500	(5,500)	(100)%
Principal payments under lease obligations	(259,955)	(318,369)	58,414	(18)%
Interest payments on lease obligations	(67,537)	(76,401)	8,864	(12)%
Net cash used in capital and related financing activities:	<u>(343,417)</u>	<u>(390,700)</u>	<u>47,283</u>	<u>(12)%</u>
Cash flows provided by investing activities				
Investment Income	6,682	3,678	3,004	82 %
Net cash provided by investing activities	<u>6,682</u>	<u>3,678</u>	<u>3,004</u>	<u>82 %</u>
Net increase (decrease) in cash and cash equivalents	(53,272)	(747,447)	694,175	(93)%
Cash and cash equivalents, beginning of year	1,640,629	1,983,352	(342,723)	(17)%
Cash and cash equivalents, end of period	<u>\$ 1,587,357</u>	<u>\$ 1,235,905</u>	<u>\$ 351,452</u>	<u>28 %</u>
Cash:				
Cash and cash equivalents - Checking	1,391,191	1,039,837	351,354	34 %
Cash and cash equivalents - Designated Savings	196,166	196,068	98	0 %
	<u>\$ 1,587,357</u>	<u>\$ 1,235,905</u>	<u>\$ 351,452</u>	<u>28 %</u>
Days cash on hand	53	31		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (88,884)	\$ (261,887)	\$ 173,003	(66)%
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	40,509	115,792	(75,283)	(65)%
Right-of-use asset amortization	124,745	125,261	(516)	(0)%
USF carryforward funding	-	-	-	100%
Changes in operating assets and liabilities and deferred inflows of resources which provided (used) cash:				
Accounts receivable and due fr USF/DSO	(185,889)	(583,840)	397,951	(68)%
Prepaid expenses	(50,985)	(37,052)	(13,933)	38 %
Lease receiveable	(460,968)	(273,643)	(187,325)	68 %
Fixed asset accruals	-	-	-	100%
Other current and non-current assets	132	3,700	(3,568)	(96)%
Accounts payable, accrued expenses and other noncurrent liabilities	(678,497)	(136,383)	(542,114)	397 %
Refunds due to sponsors and other current liabilities	-	-	-	100%
Unearned revenue	211,590	195,500	16,090	8 %
Deferred inflows of resources	1,371,709	292,126	1,079,583	370 %
Net cash flows from operating activities	<u>\$ 283,462</u>	<u>\$ (560,425)</u>	<u>\$ 843,887</u>	<u>(151)%</u>

Management Discussion & Analysis

For the Month Ended September 30, 2022

For the month ended September 30, 2022, total operating revenue and expenses were \$252,581 and \$123,777 respectively, resulting in net operating profit of \$128,804. As represented in the monthly operating income statement, total event-related income of \$176,590 was mostly comprised of the GHOST and No Limit Tour events. Relative to the original budget, total event income was unfavorable by \$149,511. This was attributable to the Toby Keith and Isn't It Funny concerts originally being budgeted but not actually taking place.

Payroll and operating expenses for the month totaled \$123,777, which is unfavorable than the original budget by \$6,599. The favorable variance was primarily attributable to savings in contracted services and professional fees, slightly offset by increases in wages.

As of September 30, 2022, consolidated cash balance were \$3,100,773, resulting in an overall decrease in cash of \$195,630 from the prior month. This decrease was due to GHOST and No Limit Tour settlements being paid.

For the Three Months Ended September 30, 2022

For the three months ended September 30, 2022, total operating revenue and expenses were \$649,809 and \$343,736, respectively, resulting in net operating profit of \$306,073. As represented in the fiscal year-to-date income statement, total event income of \$498,751 was attributable to USF events \$38,694 (8% of total event income) and Non-USF events \$460,057 (92% of total event income). Total event revenue of \$379,284 exceeded event-related costs of \$366,090 by \$13,193 for a gross profit margin (before ancillary revenue) of 3%. Ancillary revenue streams realized during this time frame amounted to \$485,558, or 128% of the total event revenue (gross). This amount was comprised of TM Rebates \$248,062 (51%), Parking \$39,288 (8%), Concessions \$67,852 (14%), RMI \$79,249 (16%), Novelties \$36,294 (7%), and Suite/Loge \$14,813 (3%), effectively the fiscal year-to-date event gross profit margin was 58%. Relative to the original budget, total operating income is \$345,480 greater than budget.

For the three months ended September 30, 2022, total payroll and operating expenses were \$343,736, resulting in a positive variance to budget of \$98,734. These variances are primarily attributable to a function of the net effect of savings in part time wage, building supplies, contracted services, and professional fees.

Since the inception of the fiscal year, Operating and event cash balances increased by \$9,324. The increase is attributable to the net effect of increases in Prepaids (\$99,354), Accrued Liabilities (\$474,320), and Account Payable (\$17,237) and decreases in Deferred Revenue (\$775,395), and Accounts Receivable (\$342,639). It should be noted that as of September 30, 2022, the payable due to TBEP for the fiscal year is \$2,965,578. The TBEP payable consists of payroll, benefits, management/ shared service fees and staffing costs. Please note that this balance has started to get paid down.

Forecast for the Fiscal Year Ending June 30, 2023:

For the fiscal year ending June 30, 2023, operating revenue and expenses are projected to be \$2,448,692 and \$1,591,601 respectively, resulting in net operating income before incentive fees/profit share of \$807,091 or \$540,948 after these projected expenses. Compared to the original budget, operating revenue is projected to increase by \$869,407 while operating expenses are projected to decrease by \$145,370, for an overall projected Increase in net operating income before incentive fees/ profit allocation expenses of \$1,014,777.

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

BALANCE SHEET

(In thousands)

	<i>3 Months Ended September 30,</i>			
	Q1 Actual	2022 ACTUAL	2021 ACTUAL	2020 ACTUAL
<u>ASSETS</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	3,246	\$3,246	\$1,903	\$555
Accounts Receivable	159	159	187	53
Investments	-	0	0	0
Other	117	117	87	97
Total Current Assets	3,522	\$3,522	\$2,177	\$705
<u>Noncurrent Assets</u>				
Restricted Cash and Cash Equivalents	-	\$0	\$0	\$0
Restricted Investments	-	0	0	0
Capital Assets	3,172	3,172	3,172	3,172
Less: Accumulated Depreciation	(2,558)	(2,558)	(2,494)	(2,429)
Non-Depreciable Items (CIP, Land, etc.)	-	0	0	0
Total Noncurrent Assets	614	\$614	\$679	\$743
Total Assets	4,136	\$4,136	\$2,856	\$1,448
<u>LIABILITIES</u>				
<u>Current Liabilities</u>				
Accounts Payable	218	\$218	\$8	\$47
Due to Component Units	3,209	3,209	2,681	1,357
Deferred Revenue	1,391	1,391	1,090	17
Other	-	0	0	0
Total Current Liabilities	4,817	\$4,817	\$3,779	\$1,421
<u>Noncurrent Liabilities</u>				
Long Term Debt	-	\$0	\$0	\$0
Total Noncurrent Liabilities	-	\$0	\$0	\$0
Total Liabilities	4,817	\$4,817	\$3,779	\$1,421
NET ASSETS	(681)	\$(681)	\$(923)	\$27
Total Liabilities & Net Assets	4,136	\$4,136	\$2,856	\$1,448

Net Position

Beginning Unrestricted Net Assets	(1,357)	\$(1,357)	\$(1,426)	\$(547)
Beginning Property Net Assets	638	638	638	638
Retained Earnings	72	72	115	188
Event Revenue Transfers, net	(256)	(256)	(411)	120
Net Operating Income	222	222	162	(371)
Total Net Position	(681)	\$(681)	\$(923)	\$27

INCOME STATEMENT

(In thousands)

	<i>3 Months Ended September 30,</i>			<i>Fiscal Year Ended June 30,</i>					
	2022 Actual	2021 Actual	2020 Actual	2023 YTD	2022 ACTUAL	Variance		2023 Plan	2022 Plan
						\$	%		
<u>REVENUES</u>									
Rent Income	\$13	\$217	\$(2)	\$13	\$336	\$(323)	(96)%	\$339	\$491
Service Income	68	24	0	68	570	(502)	(88)%	346	271
Premium Seating	15	5	0	15	41	(26)	(64)%	49	41
Facility Fee	0	0	0	0	0	0	%		
Sponsorship, Commissions & Royalties	327	118	0	327	0	327	%	1,022	740
Parking	39	49	0	39	391	(352)	(90)%	350	307
Other Revenues	193	152	0	193	1,201	(1,008)	(84)%	50	55
Total Revenues	\$655	\$565	\$(2)	\$655	\$2,538	\$(1,883)	(74)%	\$2,156	\$1,905
<u>EXPENSES</u>									
Salaries & Wages	\$170	\$187	\$167	\$170	\$637	\$(466)	(73)%	\$441	\$525
Payroll Taxes & Benefits	32	33	31	32	123	(91)	(74)%	349	293
Repairs, Maintenance and Utilities	59	76	49	59	416	(357)	(86)%	158	185
Operating & Administrative	72	60	82	72	305	(233)	(76)%	420	444
Contracted Services	23	0	0	23	9	15	170 %		
Management Fees	38	38	38	38	150	(113)	(75)%	150	150
Depreciation/Amortization	0	0	0	0	65	(65)	(100)%		
Other Expenses	39	10	2	39	395	(356)	(90)%	216	
Total Expenses	\$433	\$403	\$369	\$433	\$2,099	\$(1,666)	(79)%	\$1,734	\$1,597
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$222	\$162	\$(371)	\$222	\$440	\$(217)	(49)%	\$422	\$308
<u>NON-OPERATING REVENUES/(EXPENSES)</u>									
Interest Expense	0	0	0	0	0	0	%		
Net Transfers to USF - Arena Debt	\$(256)	\$(411)	120	(256)	(413)	157	38 %		
Total Non-Operating Revenues/(Expenses)	\$(256)	\$(411)	\$120	\$(256)	\$(413)	\$157	38 %	\$0	\$0
NET OPERATING PROFIT	\$(34)	\$(249)	\$(252)	\$(34)	\$26	\$(60)	(230)%	\$422	\$308

STATEMENT OF CASH FLOWS

(In thousands)

	<i>3 Months Ended September 30,</i>			<i>Fiscal Year Ended June 30,</i>					
	2022 Actual	2021 Actual	2020 Actual	2023 YTD	2022 ACTUAL	Variance \$ %		2023 Plan	2022 Plan
<u>OPERATING ACTIVITIES</u>									
Net Operating Profit	\$222	\$162	\$(371)	\$222	\$440	\$(217)	(49)%	\$422	\$308
Adjustments for Non-Cash Activities:									
Depreciation / Amortization	0	0	0	0	0	0	%		
Net adjustments to Assets	243	23	290	243	(221)	464	210 %	100	
Net adjustments to Liabilities	483	307	52	483	626	(143)	(23)%	(100)	(400)
Net adjustment to Deferred Revenue	\$(775)	1,069	0	(775)	2,146	(2,921)	(136)%	200	500
Total Cash From Operating Activities	\$173	\$1,561	\$(29)	\$173	\$2,990	\$(2,817)	(94)%	\$622	\$408
<u>INVESTING ACTIVITIES</u>									
Capital Expenditures	\$0	\$0	0	\$0	\$0	\$0	%		
Purchases (Sales) of Investments	0	0	0	0	0	0			
Accumulated Depreciation	0	0		0	0	0	%		
Total Cash From Investing Activities	\$0	\$0	\$0	\$0	\$0	\$0	%	\$0	\$0
<u>FINANCING ACTIVITIES</u>									
Proceeds of Long-Term Debt	\$0	\$0	0	\$0	\$0	\$0	%		
Principal Paid on Debt	0	0	0	0	0	0	%		
Interest Paid	0	0	0	0	0	0	%		
Net transfers to USF for debt service on arena	(256)	(411)	120	(256)	(413)	157	38 %	(413)	(413)
Total Cash From Financing Activities	\$(256)	\$(411)	\$120	\$(256)	\$(413)	\$157	38 %	\$(413)	\$(413)
CHANGE IN CASH	\$(83)	1,150	90	(83)	2,577	(2,660)	(103)%	209	(5)
Cash, Beginning of Year	3,330	753	464	3,330	753	2,577	342 %	1,307	550
Cash, End of Year	\$3,246	\$1,903	\$555	\$3,246	\$3,330	\$(83)	(3)%	\$1,516	\$545

USF Institute of Applied Engineering, Inc
 FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

INCOME STATEMENT

(In thousands)

REVENUES

Contracts Revenues
 Hillsborough County Grant
 University Support
 College of Engineering Support
 Donation and Other Revenue
Total Revenues

**CURRENT
YEAR
9/30/2022**

\$2,412,783
 397,689
 2,666
 0
 0

\$2,813,138

EXPENSES

Salaries & Benefits
 College of Engineering Salary Support
 Gift In-Kind Expenses
 Materials, Supplies, Software & Equip., Travel
 Banking, Insurance, Audit, Tax Service
 Facilities, Utilities, Telecomm., Security
 Other Operating Expenses
 Depreciation & Amortization
 Hills. County Salaries & Benefits
 Hills. County Materials, Supplies, Software & Equip.
 Hills. County Facilities, Telecomm., & Security
 Hills. County Other Operating Expenses
 Direct Program Costs
 Indirect Return to University

\$729,104
 0
 0
 27,569
 16,059
 7,731
 82,582
 37,049
 88,191
 88,762
 84,532
 88,119
 1,893,330
 31,937

Total Expenses

\$3,174,964

**OPERATING PROFIT BEFORE
NON-CASH CHANGES**

\$(361,826)

Equipment Donations to USF
Total Non-Cash Changes

-
\$0

NET OPERATING PROFIT

\$(361,826)

Operating Profit Margin

-13%

USF Institute of Applied Engineering, Inc
 FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

BALANCE SHEET

(In thousands)

	CURRENT YEAR 9/30/2022
ASSETS	
<u>Current Assets</u>	
Cash and Cash Equivalents	1,986,635
Accounts Receivable	2,169,559
Grants Receivable	927,086
Prepayments and Other Current Assets	268,677
Total Current Assets	5,351,958
<u>Noncurrent Assets</u>	
Capital Assets:	
Laboratory Equipment and Fixtures, Net	696,906
TOTAL ASSETS	6,048,863
DEFERRED OUTFLOWS OF RESOURCES	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$6,048,863
LIABILITIES	
<u>Current Liabilities</u>	
Accounts Payable	\$4,853,349
Accrued Expenses	116,186
Rent Liability	0
Unearned Contract Revenue	640,220
Total Current Liabilities	5,609,755
<u>Long-term Liabilities</u>	
Long Term Lease Liability	\$156,071
Total Current Liabilities	156,071
DEFERRED INFLOWS OF RESOURCES	-
NET POSITION	
Net Investment in Capital Assets	696,906
Unrestricted	(257,797)
Total Net Position	439,108
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$6,048,863

USF Institute of Applied Engineering, Inc
 FY 2023 QUARTER 1 REPORT - SEPTEMBER 30, 2022

STATEMENT OF CASH FLOWS

(In thousands)

	CURRENT YEAR 9/30/2022
<u>OPERATING ACTIVITIES</u>	
Cash Receipt from Customers	\$2,419,987
Cash Receipt from Hillsborough County	226,893
Salaries & Benefits	(743,713)
Payment to Suppliers	(303,534)
Payment for Direct Program Costs	(1,483,260)
Total Cash From Operating Activities	\$116,372
<u>FINANCING ACTIVITIES</u>	
Transfer from USF Support	\$0
Transfer to USF-IDR	(17,085)
Capital Lease Non-Interest Payments	(64,134)
Gift In-Kind Contributions	0
Total Cash From Financing Activities	\$(81,219)
<u>INVESTING ACTIVITIES</u>	
Capital Expenditures	\$(9,648)
Proceeds of Long-Term Debt	-
Principal Payments	-
Interest Payments	-
Total Cash From Investing Activities	\$(9,648)
CHANGE IN CASH	25,505
Cash, Beginning of Year	1,961,130
Cash, End of Year	\$1,986,635
Total Cash & Investments	\$1,986,635
Days Cash on Hand	57.77