

## **DIRECT SUPPORT ORGANIZATIONS**

**QUARTER 1 FOR FISCAL YEAR 2023-2024**

*Period Ended September 30, 2023*

## DSO Q1 Financial Reports for FY 2024

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## Unaudited Interim Financial Statements

For the Quarter ended  
September 30, 2023

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



## EXECUTIVE SUMMARY

### MAJOR BUSINESS INITIATIVES - FY 2024

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

### EXPLANATION OF MAJOR VARIANCES

#### Statement of Net Position

- Cash in the Foundation's checking account is managed based on a frequent evaluation of gifts received and funding requests to be paid. Just prior to September 30th, the Foundation received a large pledge payment benefiting the FL Health Sciences Center fund. There was also a larger than usual realignment of the checking account. The larger balance was necessary due to significant pending funding requests due to USF for salaries and other facilities projects.
- A large portion of the overall contribution receivable balance shifted to current assets as large installments are scheduled to be received in the upcoming fiscal year for the Bellini Center for Talent Management, the USF Football Stadium and facilities, and the Tiedemann-Cotton Fund.
- The increase in Works of Art is due to several donations of new art pieces to the Graphicstudio Operating Fund.
- The increase in the amount due to USF is a result of approximately \$3 million dollars for pending salaries and facility projects. These amounts will fluctuate throughout the year based on the needs of the university departments.

- Subscription liabilities decreased as the Foundation made its final payment on the software necessary to host and run the Foundation's website. These liabilities are recorded in accordance with GASB 96 as separate line items for technology agreements that are tracked and relieved by ongoing payments of the agreements.

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

- 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 2023 impacts the fluctuation of investment income, realized/unrealized gains and losses. For FY24 the year-to-date loss was -1.57% and the prior year-to-date loss was -4.69% as of 9/30/2022.
- Program Service expenses in total were lower than prior year-to-date amounts. This variance was mostly due to a decrease in transfers to State. In the prior year, there were loan payoffs for USF Health, Athletic's football facilities Fund, and the Judy Genshaft Honors college. The increase to the allowance for doubtful accounts is due to a large write off in the current year that did not occur during the prior year.
- University Support was higher overall when compared to prior year due to additional support received to fund salaries throughout Advancement.
- The presentation of endowment contributions is consistent with GASB standards as a separate line item from contributions in operating revenues. Endowment contributions are recognized when payments are received rather than when pledged. Endowment contributions consist of outright gifts made to endowments, bequest or planned gift distributions to endowments and endowment pledge payments. The timing of endowment contributions payments may fluctuate based on the payment terms associated within the donors' pledge agreements.

#### Statement of Cash Flows

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

**STATEMENT OF NET POSITION**

	Current Year 9/30/2023	Prior Fiscal Year 6/30/2023	Variance \$	%
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	2,016,585	500,363	1,516,222	303%
Investments	108,246,989	106,813,725	1,433,264	1%
Contribution receivable, net	34,474,164	17,822,977	16,651,187	93%
Lease and other receivable	679,451	598,857	80,594	13%
Due from University of South Florida	72,972	60,146	12,826	21%
Total Current Assets	<b>\$ 145,490,161</b>	<b>\$ 125,796,068</b>	<b>19,694,093</b>	<b>16%</b>
Non-current assets:				
Investments	\$ 621,640,475	\$ 638,400,976	(16,760,501)	-3%
Contribution receivable, net of current portion	11,714,998	30,403,016	(18,688,018)	-61%
Beneficial interest assets	21,431,209	22,184,388	(753,179)	-3%
Lease and other receivable, net of current portion	3,583,905	3,691,653	(107,748)	-3%
Land	6,620,414	6,620,414	-	0%
Buildings, equipment, right-of-use assets and other, net	4,205,589	4,256,921	(51,332)	-1%
Works of Art	6,350,298	5,502,398	847,900	15%
Right-to-Use Subscriptions, net	581,714	672,406	(90,692)	-13%
Total noncurrent assets	<b>676,128,602</b>	<b>711,732,172</b>	<b>(35,603,570)</b>	<b>-5%</b>
Total assets	<b>821,618,763</b>	<b>837,528,240</b>	<b>(15,909,477)</b>	<b>-2%</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,301,308	2,758,323	(1,457,015)	-53%
Due to USF	4,539,810	2,742,571	1,797,239	66%
Leases payable	64,561	63,460	1,101	2%
Subscription liability	320,053	493,019	(172,966)	-35%
Mortgage payable	426,251	423,466	2,785	1%
Life beneficiaries obligations	225,238	222,088	3,150	1%
Total current liabilities	<b>6,877,221</b>	<b>6,702,927</b>	<b>174,294</b>	<b>3%</b>
Non-current liabilities:				
Mortgage payable, net of current portion	2,596,006	2,703,619	(107,613)	-4%
Leases payable, net of current portion	232,621	249,110	(16,489)	-7%
Due to USF, net of current portion	314,685	314,685	-	0%
Suscription liability, net of current portion	312,885	313,164	(279)	0%
Life Beneficiaries obligations, net of current portion	1,230,838	1,210,781	20,057	2%
Total non-current liabilities	<b>4,687,035</b>	<b>4,791,359</b>	<b>(104,324)</b>	<b>-2%</b>
Total Liabilities	<b>11,564,256</b>	<b>11,494,286</b>	<b>69,970</b>	<b>1%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from remainder interest assets	1,339,672	1,505,923	(166,251)	-11%
Deferred inflows from beneficial interest assets	21,431,209	22,184,388	(753,179)	-3%
Deferred inflows from leases	4,010,691	4,115,650	(104,959)	-3%
Total Deferred Inflows	<b>26,781,572</b>	<b>27,805,961</b>	<b>(1,024,389)</b>	<b>-4%</b>
<b>NET POSITION</b>				
Net investment in capital assets	13,856,862	12,940,078	916,784	7%
Restricted				
Expendable	338,197,750	358,289,880	(20,092,130)	-6%
Nonexpendable endowments	404,214,764	402,121,998	2,092,766	1%
Unrestricted	27,003,559	24,876,037	2,127,522	9%
Total net position	<b>\$ 783,272,935</b>	<b>\$ 798,227,993</b>	<b>\$ (14,955,058)</b>	<b>-2%</b>
Total Assets	<b>\$ 821,618,763</b>	<b>\$ 837,528,240</b>		



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

	3 months ended 9/30/2023	Year-to-Date Fiscal Year 2024	
		3 months ended 9/30/2022	Variance \$ %
<b>Operating Revenues:</b>			
Contributions, gifts and bequests	\$ 9,373,488	\$ 8,289,040	1,084,448 13%
Investment income	2,587,232	1,867,648	719,584 39%
Unrealized investment losses	(13,567,252)	(33,969,399)	20,402,147 60%
Realized investment losses	(292,164)	279,308	(571,472) -205%
Fundraising activities	651,953	652,262	(309) 0%
<b>Total operating (losses) revenues</b>	<b>(1,246,743)</b>	<b>(22,881,141)</b>	<b>21,634,398 95%</b>
<b>Operating Expenditures:</b>			
Salaries and benefits	6,116,432	7,170,085	(1,053,653) -15%
Scholarships/fellowships	3,630,368	3,311,692	318,676 10%
Contractual services	2,026,945	1,009,723	1,017,222 101%
Supplies	321,972	1,429,032	(1,107,060) -77%
Transfers to state - other	865,047	9,812,423	(8,947,376) -91%
Travel, meals & auto	768,873	556,553	212,320 38%
Community relations	197,618	177,670	19,948 11%
Depreciation	29,700	29,700	- 0%
Repairs and maintenance	128,234	110,383	17,851 16%
Provision for doubtful accounts	121,598	11,610	109,988 947%
Other	516,981	299,254	217,727 73%
<b>Total program service expense</b>	<b>14,723,768</b>	<b>23,918,125</b>	<b>(9,194,357) -38%</b>
<b>Fundraising &amp; operating costs:</b>			
Salaries and benefits	5,467,352	4,480,884	986,468 22%
Contractual services	484,165	727,275	(243,110) -33%
Other transfers and expenses	1,008,353	881,617	126,736 14%
<b>Total fundraising &amp; operating expense</b>	<b>6,959,870</b>	<b>6,089,776</b>	<b>870,094 14%</b>
<b>Total operating expenditures</b>	<b>21,683,638</b>	<b>30,007,901</b>	<b>(8,324,263) -28%</b>
<b>Net Operating (Loss) Gain</b>	<b>(22,930,381)</b>	<b>(52,889,042)</b>	<b>29,958,661 57%</b>
<b>Nonoperating revenue</b>			
University support	5,059,532	2,801,587	2,257,945 81%
<b>Total nonoperating revenues</b>	<b>5,059,532</b>	<b>2,801,587</b>	<b>2,257,945 81%</b>
<b>(Loss)/Income before endowment contributions</b>	<b>(17,870,849)</b>	<b>(50,087,455)</b>	<b>32,216,606 64%</b>
<b>Endowment contributions</b>	<b>2,915,791</b>	<b>998,953</b>	<b>1,916,838 192%</b>
<b>Decrease in net position</b>	<b>(14,955,058)</b>	<b>(49,088,502)</b>	<b>34,133,444 70%</b>
<b>Net position - beginning of year</b>	<b>798,227,993</b>	<b>786,493,771</b>	<b>11,734,222 1%</b>
<b>Net position - end of year</b>	<b>783,272,935</b>	<b>737,405,269</b>	<b>45,867,666 6%</b>

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**UNIVERSITY OF SOUTH FLORIDA  
FOUNDATION**  
STATEMENT OF CASH FLOWS

	3 months ended 09/30/2023	Prior Fiscal Year 06/30/2023	Variance	
			\$	%
<b>Change in net position</b>	<b>(14,955,058)</b>	<b>(17,851,882)</b>	<b>2,896,824</b>	<b>16 %</b>
<b><u>Operating Activities</u></b>				
Investment (gains) losses, net	13,859,416	(40,071,578)	53,930,994	135%
Depreciation and amortization	51,332	118,799	(67,467)	-57%
Change in assets/liabilities:				
Contributions receivable, net	(878,960)	3,068,646	(3,947,606)	-129%
Lease and other receivables, net	168,855	485,277	(316,422)	(65)%
Books and art objects	(847,900)	(202)	(847,698)	(419,652)%
Accounts payable & accrued expenses	(1,377,498)	773,702	(2,151,200)	-278%
Amts due to third-party beneficiaries	-	(137,381)	137,381	100 %
Subscription based information technology arrangements	(173,245)	133,777	(307,022)	(230)%
Due to University of South Florida	1,784,413	7,888,352	(6,103,939)	(77)%
<b>Net cash flow from operating activities</b>	<b>(2,368,645)</b>	<b>(45,592,490)</b>	<b>43,223,845</b>	<b>95 %</b>
<b><u>Investing Activities</u></b>				
Proceeds from sale of investments	116,502,593	126,350,068	(9,847,475)	-8%
Purchases of investments	(112,749,467)	(108,079,621)	(4,669,846)	(4)%
Interest & dividends reinvested	(2,587,232)	12,340,178	(14,927,410)	(121)%
Repayment of loans to the University of South Florida	-	265,794	(265,794)	(100)%
<b>Net cash flow from investing activities</b>	<b>1,165,894</b>	<b>30,876,419</b>	<b>(29,710,525)</b>	<b>-96%</b>
<b><u>Financing Activities</u></b>				
Proceeds from endowment contributions	2,915,791	13,902,299	(10,986,508)	-79%
Acquisition of lease payable	-	342,946	(342,946)	-100%
Lease payments	(15,388)	(35,768)	20,380	57%
Beneficiary payments	(56,309)	(222,088)	165,779	75 %
Interest paid on mortgage	(20,293)	(87,975)	67,682	77 %
Principle payments on mortgage payable	(104,828)	(412,505)	307,677	75 %
<b>Net cash flow from investing activities</b>	<b>2,718,973</b>	<b>13,486,909</b>	<b>(10,767,936)</b>	<b>-80%</b>
<b>Net increase in cash</b>	<b>1,516,222</b>	<b>(1,229,162)</b>	<b>2,745,384</b>	<b>223 %</b>
<b>Cash at the beginning of the year</b>	<b>500,363</b>	<b>1,729,525</b>	<b>(1,229,162)</b>	<b>(71)%</b>
<b>Cash at the end of the year</b>	<b>2,016,585</b>	<b>500,363</b>	<b>1,516,222</b>	<b>303 %</b>



**University of South Florida Alumni Association, Inc.**  
**Executive Summary**  
**September 30, 2023**

**BALANCE SHEET**

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

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.

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

**SUMMARY OF REVENUES AND EXPENSES**

Budget support: Budget support is recognized as E&G payroll is spent. We have more people on our E&G payroll account as the total amount of budget support from the University increased.

Sponsorships: Sponsorship revenue has decreased as the GEICO contract was completed in the prior year. The Association is currently working on replacing this insurance affinity contract.

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

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

**CASH FLOW**

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

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

	<u>September 30, 2023</u>	<u>June 30, 2023</u>	<u>Variance \$</u>	<u>Variance %</u>
<b>ASSETS</b>				
Cash and cash equivalents	419,386	347,514	71,872	21%
Pooled investments within Foundation	526,438	526,438	-	0%
Due from USF	92,136	8,021	84,115	100%
Accounts receivable	11,935	14,643	(2,708)	-18%
Prepaid expenses	20,101	17,402	2,699	16%
Total assets	<u>1,069,996</u>	<u>914,018</u>	<u>155,978</u>	<u>17%</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable and accrued expenses	96,933	187,567	(90,634)	48%
Deferred payroll support	67,929	19,240	48,689	-253%
Deferred revenue	113,004	66,619	46,385	-70%
Total liabilities	<u>277,866</u>	<u>273,426</u>	<u>4,440</u>	<u>-2%</u>
Net Assets:				
Unrestricted net assets	792,130	640,592	151,538	24%
Total liabilities and net assets	<u>1,069,996</u>	<u>914,018</u>	<u>155,978</u>	<u>17%</u>

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**University of South Florida Alumni Association, Inc.**  
**Summary of Revenues and Expenses**  
**September 30, 2023**

	Current Quarter Totals				Year to Date Totals (25%)			
	Actual Sep-23	Prior Year Sep-22	Variance \$	Variance %	Actual YTD	Prior Year YTD	Variance \$	Variance %
<b>REVENUES:</b>								
Membership	47,561	72,830	(25,269)	-35%	47,561	72,830	(25,269)	-35%
License Plates	136,735	146,545	(9,810)	-7%	136,735	146,545	(9,810)	-7%
Budget Support	437,821	149,011	288,810	194%	437,821	149,011	288,810	194%
Affinity Royalty	65,510	85,266	(19,756)	-23%	65,510	85,266	(19,756)	-23%
Investment Income	64,127	61,336	2,791	100%	64,127	61,336	2,791	5%
Sponsorships	4,399	56,429	(52,030)	-92%	4,399	56,429	(52,030)	-92%
Event Revenue	35,365	24,315	11,050	45%	35,365	24,315	11,050	45%
Gifts	14,310	12,114	2,196	18%	14,310	12,114	2,196	18%
Other Revenue	12,255	1,250	11,005	880%	12,255	1,250	11,005	880%
<b>Total Operating Revenue</b>	<b>818,083</b>	<b>609,096</b>	<b>208,988</b>	<b>34%</b>	<b>818,083</b>	<b>609,096</b>	<b>208,988</b>	<b>34%</b>
<b>EXPENSES</b>								
Salaries	424,528	400,189	(24,339)	-6%	424,528	400,189	(24,339)	-6%
Membership and membership services	3,381	8,196	4,815	59%	3,381	8,196	4,815	59%
Printing & Postage	69,338	4,044	(65,294)	-1615%	69,338	4,044	(65,294)	-1615%
Event Services	65,492	117,612	52,120	44%	65,492	117,612	52,120	44%
Professional Services	21,222	43,989	22,767	52%	21,222	43,989	22,767	52%
Travel	22,360	14,755	(7,606)	-52%	22,360	14,755	(7,606)	-52%
Advertising & Marketing	6,876	2,233	(4,643)	-208%	6,876	2,233	(4,643)	-208%
Insurance	9,302	9,363	61	100%	9,302	9,363	61	1%
Community Relations	1,661	1,980	319	100%	1,661	1,980	319	16%
Credit Card Fees and other services	5,433	6,412	979	15%	5,433	6,412	979	15%
Scholarships	27,847	29,669	1,822	6%	27,847	29,669	1,822	6%
Other expenses	9,105	8,191	(914)	-11%	9,105	8,191	(914)	-11%
<b>Total Operating Expenses</b>	<b>666,545</b>	<b>646,632</b>	<b>(19,913)</b>	<b>-3%</b>	<b>666,545</b>	<b>646,632</b>	<b>(19,913)</b>	<b>-3%</b>
<b>NET INCOME FROM OPERATIONS</b>	<b>151,539</b>	<b>(37,537)</b>	<b>189,075</b>	<b>504%</b>	<b>151,539</b>	<b>(37,537)</b>	<b>189,075</b>	<b>-504%</b>
Change in net assets					<b>151,539</b>			
Net assets, beginning						<b>586,852</b>		
Net assets, end						<b>738,391</b>		

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

	<u>September 30, 2023</u>	<u>June 30, 2023</u>	<u>Variance \$</u>	<u>Variance %</u>
<b>Operating activities</b>				
Change in net assets	\$ 151,539	\$ 53,740		
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	2,708	53,671		
Prepaid expenses	(2,699)	41,575		
Due from University of South Florida	(84,115)	(8,021)		
Deferred payroll support	48,689	13,619		
Due to University of South Florida	-	(27,793)		
Accounts payable and accrued expenses	(90,634)	5,984		
Deferred revenue	46,385	(8,766)		
Net cash provided by operating activities	<b>71,873</b>	124,009		
Proceeds for sales of investments	-	(1,868)		
Net cash used in investing activities	-	(1,868)		
Change in cash and cash equivalents	<b>71,873</b>	122,141		
Cash and cash equivalents, beginning of year	<b>347,514</b>	225,373		
Cash and cash equivalents, end of year	<b>\$ 419,387</b>	\$ 347,514	\$ 71,873	21%
	\$ 0	\$ -		

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## USF Financing Corporation and USF Property Corporation

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

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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 2024

- The Florida Board of Governors approved the 35,000-person capacity Stadium Project to be located on the Tampa campus on September 8, 2023. Project financing is to be provided through the issuance of debt by the Corporation in an amount not to exceed \$200 million, together with an equity contribution of approximately \$140 million in cash from the University. The debt will consist of a privately placed bank loan, bear interest at a fixed, taxable rate and mature not more than 20 years after issuance. The Stadium loan is expected to be approved at the Financing Corporation annual meeting on November 7, 2023.
  - Management has assessed the impact of Stadium debt on the University's debt capacity.
  - Design work began in October 2022 and construction is expected to begin following loan closing.
  - Construction is expected to be completed in time for Fall 2027.
- Management is working closely with the University and the design-builder to ensure that the USF Sarasota-Manatee Housing and Student Center Project is delivered on time and on budget. Construction is underway and is expected to be completed in May 2024.
  - The debt, together with a \$16.5 million cash contribution from the University, will finance the construction of the mixed-use facility comprising a 200-bed student housing component and student center.
  - During construction, debt service on the \$30 million Series 2022 Certificates of Participation (30-year, tax-exempt, fixed interest rate public bonds, 4.85% interest rate) will be funded by bond proceeds designated for capitalized interest.
- In order to protect USF's "AA" credit ratings, formal presentations were made to Moody's, Standard & Poor's and Fitch in Fall 2023 emphasizing USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage that resulted in USF's ratings being affirmed.
- Ongoing oversight of DSOs and Auxiliaries with outstanding debt to ensure they are managing revenues and expenses to maintain pledged revenues and debt service coverage ratios, preserve essential liquidity, and maintain required reserves.
- Ongoing compliance with covenants for 15 Series of debt, including IRS rules on tax-exempt bonds and required SEC reporting.

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

- Balance Sheet: Total Assets - Total Assets increased by more than \$21 M primarily due to an increase in Cash and Cash Equivalents related to the issuance of Housing Series 2022 debt, offset by the amortization of all Financing Receivables.
- Balance Sheet: Liabilities - Total Liabilities increased by more than \$15 M primarily due to the increase in long term debt from the issuance of Housing Series 2022 debt, an increase in project related payables, and a net obligation due to related parties offset by the improvement in the fair value of the interest rate swap.
- Income Statement: Revenues - Total Operating Revenues are up slightly (\$198,000) as the USF Arena had their strongest Q1 revenues on record. Overall, revenues are on par with last year as Operating Revenues are essentially covering Operating Expenses and debt service which will decline over time as debt is paid down in the absence of specific events driving variances. Revenues are on track to meet or exceed the FY 2024 Financial Plan revenue target.

- Income Statement: Expenses - Total Operating Expenses increased slightly (\$113,000) primarily due to increased All Risk insurance premiums from the prior year.
- Income Statement: Nonoperating Revenues (Expenses) - Nonoperating Expenses decreased by \$385,000 due to lower Interest Expense as a result of paying down debt and an increase in Interest Income from increased interest rates.
- Income Statement: Operating Profit - The operating profit of \$989,000 is on track to meet or exceed the \$2.6 million in FY 2024 as approved in the Financial Plan. The Q1 operating profit margin of 22.9% exceeds the FY 2023 margin of 12.6%, reflecting improved operating performance.
- Statement of Cash Flows - Total Cash and Investments are up \$22.8 M reflecting the receipt of funds with the issuance of new debt for the Sarasota-Manatee housing project described above, less Capital Expenditures. As of September 30, 2023, the liquidity measure of a strong 480 days cash on hand is considerably above the FY 2024 Financial Plan target of 400 days cash on hand at June 30, 2024.

**USF Financing Corporation and USF Property Corporation**

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

**STATEMENT OF NET POSITION**

(In thousands)

	As of Sep 30, 2023	As of Sep 30, 2022	Variance		As of June 30, 2023
			\$	%	
<b>ASSETS</b>					
Current Assets:					
Cash	\$4,021	\$254	\$3,767	1,481 %	\$4,025
Certificate of deposit	0	3,774	(3,774)	(100)%	0
Restricted:					
Cash and cash equivalents	10,280	6,402	3,878	61 %	18,686
Accounts receivable	227	58	168	288 %	289
Financing receivable, current portion	16,838	16,634	204	1 %	16,838
Total current assets	31,366	28,028	4,243	15 %	39,838
Noncurrent Assets:					
Restricted:					
Cash and cash equivalents	46,652	27,755	18,897	68 %	49,045
Financing receivable, noncurrent portion	282,581	284,240	(1,659)	(1)%	278,293
Total noncurrent assets	329,234	311,995	17,238	6 %	327,337
<b>Total assets</b>	<b>360,599</b>	<b>340,023</b>	<b>21,481</b>	<b>6 %</b>	<b>367,175</b>
Deferred Outflows of Resources:					
Interest Rate swap agreement	1,410	3,748	(2,338)	(62)%	3,523
Deferred losses on refunding of debt	654	816	(162)	(20)%	691
Total deferred outflows of resources	2,064	4,564	(2,500)	(55)%	4,214
<b>Total Assets and Deferred Outflows</b>	<b>\$362,663</b>	<b>\$344,587</b>	<b>\$18,076</b>	<b>5 %</b>	<b>\$371,390</b>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities:					
Accounts payable	\$3,455	\$319	\$3,136	982 %	\$469
Interest payable	3,146	2,932	214	7 %	5,316
Due to (from) related parties	4,250	2,831	1,419	50 %	17
Long-term debt, current portion	16,810	16,020	790	5 %	16,020
Total current liabilities	27,661	22,102	5,559	25 %	21,822
Noncurrent Liabilities:					
Interest rate swaps payable	1,410	3,748	\$(2,338)	(62)%	3,523
Long-term debt, noncurrent portion	307,389	295,472	11,917	4 %	320,831
Total noncurrent liabilities	308,799	299,221	9,578	3 %	324,354
<b>Total liabilities</b>	<b>336,460</b>	<b>321,322</b>	<b>15,138</b>	<b>5 %</b>	<b>346,176</b>
Deferred Inflows of Resources:					
Deferred gain on refunding of debt	0	14	(14)	(100)%	0
Total deferred inflows of resources	0	14	(14)	(100)%	0
<b>Total Liabilities and Deferred Inflows</b>	<b>\$336,460</b>	<b>\$321,336</b>	<b>\$15,124</b>	<b>5 %</b>	<b>\$346,176</b>
Net Position:					
Restricted	22,182	18,316	3,866	21 %	21,189
Unrestricted	4,021	4,030	(9)	(0)%	4,025
<b>Total Net Position</b>	<b>\$26,203</b>	<b>\$22,346</b>	<b>\$3,857</b>	<b>17 %</b>	<b>\$25,214</b>
<b>Total Liabilities and Net Position</b>	<b>\$362,663</b>	<b>\$343,682</b>	<b>\$18,981</b>	<b>6 %</b>	<b>\$371,390</b>

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**USF Financing Corporation and USF Property Corporation**

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

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

(In thousands)

	3 Mos. Ending Sep 30, 2023	Sep 30, 2022	Variance		June 30, 2023	FINANCIAL PLAN FY 2024
			\$	%		
<b><u>OPERATING REVENUES</u></b>						
USF housing system lease revenue	\$2,681	\$2,693	\$(12)	(0)%	\$9,462	\$9,139
USF Marshall Center lease revenue	298	313	(15)	(5)%	1,255	1,286
USF athletics system lease revenue	87	104	(16)	(16)%	371	381
USF arena revenue	298	34	264	783 %	652	687
UMSA lease revenue	586	614	(28)	(5)%	1,990	1,888
HPCC lease revenue	126	130	(4)	(3)%	365	355
Research lease revenue	244	235	9	4 %	977	906
<b>Total Operating Revenues</b>	<b>\$4,320</b>	<b>\$4,122</b>	<b>\$198</b>	<b>5 %</b>	<b>\$15,072</b>	<b>\$14,643</b>
<b><u>OPERATING EXPENSES</u></b>						
Management expense	205	199	6	3 %	827	852
General and administrative expense	716	609	107	18 %	630	760
<b>Total Operating Expenses</b>	<b>\$921</b>	<b>\$808</b>	<b>\$113</b>	<b>14 %</b>	<b>\$1,457</b>	<b>\$1,612</b>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>						
Interest expense on debt	(2,736)	(2,925)	188	6 %	(11,614)	(11,296)
Interest income	326	130	196	151 %	1,387	840
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$(2,410)</b>	<b>\$(2,795)</b>	<b>\$385</b>	<b>14 %</b>	<b>\$(10,226)</b>	<b>\$(10,456)</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$989</b>	<b>\$520</b>	<b>\$469</b>	<b>90 %</b>	<b>\$3,388</b>	<b>\$2,575</b>
Change in INTO USF equity investment	0	0	0	%	0	0
<b>Total Contributions and Non-Cash Changes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>%</b>	<b>\$0</b>	<b>\$0</b>
<b>CHANGE IN NET POSITION</b>	<b>\$989</b>	<b>\$520</b>	<b>\$469</b>	<b>90 %</b>	<b>\$3,388</b>	<b>\$2,575</b>
<b>Operating Profit Margin</b>	<b>22.9%</b>	<b>12.6%</b>		<b>10 %</b>	<b>22.5%</b>	<b>17.6%</b>



**USF Financing Corporation and USF Property Corporation**

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	3 Mos. Ending Sep 30, 2023	Sep 30, 2022	Variance		June 30, 2023	FINANCIAL PLAN FY 2024
			\$	%		
<b><u>OPERATING ACTIVITIES</u></b>						
Lease payments received from USF	\$5,168	\$5,322	\$(154)	(3)%	\$23,678	\$23,391
Lease payments received from UMSA	1,226	1,247	(21)	(2)%	4,515	4,478
Lease payments received from HPCC	400	388	12	3 %	1,431	1,486
Lease payments received from Research Foundation	308	296	12	4 %	2,176	2,184
Payment to USF for management services	(41)	(40)	(1)	(3)%	(827)	(852)
General and administrative disbursements	(694)	(609)	(85)	(14)%	(630)	(760)
<b>Total Cash from Operating Activities</b>	<b>\$6,367</b>	<b>\$6,604</b>	<b>\$(237)</b>	<b>(4)%</b>	<b>\$30,342</b>	<b>\$29,928</b>
<b><u>CAPITAL AND FINANCING ACTIVITIES</u></b>						
Capital expenditures	\$(4,044)	\$(1,097)	\$(2,947)	(269)%	\$(7,562)	\$(18,000)
Debt issuance costs	0	0	0	%	(254)	0
Proceeds from issuance of long-term debt	0	0	0	%	29,999	0
Principal paid on debt	(12,265)	(12,850)	585	5 %	(16,358)	(16,020)
Interest paid on debt	(5,574)	(5,886)	312	5 %	(14,202)	(13,993)
Equity contribution from USF Research for Project or reserves	0	0	0	%	0	0
Receipt of pledged revenues from University of South Florida	11,278	9,819	1,459	15 %	33,031	0
Return of excess pledged revenues to University of South Florida	(7,249)	(6,345)	(903)	(14)%	(33,031)	0
Security (pledged to) returned from counterparty	0	0	0	%	(0)	0
<b>Total Cash From Capital and Financing Activities</b>	<b>\$(17,853)</b>	<b>\$(16,359)</b>	<b>\$(1,494)</b>	<b>(9)%</b>	<b>\$(8,377)</b>	<b>\$(48,013)</b>
<b><u>INVESTING ACTIVITIES</u></b>						
Proceeds from maturity/redemption of INTO CD	0	0	0	%	3,774	0
Interest income	684	103	580	561 %	1,954	840
<b>Total Cash From Investing Activities</b>	<b>\$684</b>	<b>\$103</b>	<b>\$580</b>	<b>561 %</b>	<b>\$5,728</b>	<b>\$840</b>
<b>CHANGE IN CASH</b>						
Cash, Beginning of Year	71,755	44,063	27,692	63 %	44,062	71,256
<b>Cash, End of Year</b>	<b>\$60,954</b>	<b>\$34,411</b>	<b>\$26,542</b>	<b>0 %</b>	<b>\$71,755</b>	<b>\$54,011</b>
<b>Total Cash &amp; Investments</b>	<b>\$60,954</b>	<b>\$38,185</b>	<b>\$22,768</b>	<b>60 %</b>	<b>\$71,755</b>	<b>\$54,011</b>
<b>Days Cash on Hand</b>	<b>480</b>	<b>474</b>	<b>6</b>	<b>1 %</b>	<b>415</b>	<b>400</b>

FY 2024 Quarter 1

**INCOME STATEMENT**

	FY 2023 ACTUALS	FY 2023 QUARTER 1	FY 2024 QUARTER 1	\$	%
<b>REVENUES</b>					
Net Patient Service	\$197,428,655	\$45,323,096	\$49,734,487	\$4,411,391	10 %
Grants, Contracts & Awards	113,028,735	23,772,858	30,232,219	\$6,459,361	27 %
UPL/PCIP	35,170,691	9,697,631	8,062,704	\$(1,634,927)	(17)%
Other Revenue	41,265,109	7,436,628	9,244,196	\$1,807,568	24 %
<b>Total Revenues</b>	<b>\$386,893,190</b>	<b>\$86,230,213</b>	<b>\$97,273,605</b>	<b>\$11,043,393</b>	<b>3 %</b>
<b>EXPENSES</b>					
Faculty Support	\$218,362,890	\$49,473,065	57,116,059	(7,642,994)	(15)%
Housestaff Support	15,742,168	3,674,458	4,580,140	(905,682)	(25)%
Other Staff Support	28,591,338	7,121,684	6,924,021	197,663	3 %
USFTGP Staff Support	66,196,303	17,826,205	17,191,753	634,452	4 %
Depreciation/Amortization	7,165,665	1,486,775	1,837,331	(350,556)	(24)%
Other Expenses	46,390,385	9,737,937	10,650,418	(912,481)	(9)%
<b>Total Expenses</b>	<b>\$382,448,749</b>	<b>\$89,320,124</b>	<b>\$98,299,723</b>	<b>(\$8,979,599)</b>	<b>(2)%</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$4,444,441</b>	<b>\$(3,089,911)</b>	<b>\$(1,026,117)</b>	<b>\$20,022,992</b>	<b>451 %</b>
Unrealized Investment Gains (Losses)	2,551,915	(1,029,967)	(307,030)	(722,937)	70 %
Contribution to MCOM	(10,276,608)	(6,076,767)	(3,224,258)	(2,852,510)	47 %
Gain (Loss) on Disposal of Capital Assets	(43,852)			0	0 %
Other Non Operating Expense	0			0	0 %
<b>Total Non-Cash Changes</b>	<b>(\$7,768,545)</b>	<b>(\$7,106,735)</b>	<b>(\$3,531,288)</b>	<b>(\$3,575,447)</b>	<b>46 %</b>
<b>NET OPERATING PROFIT</b>	<b>(\$3,324,104)</b>	<b>(\$10,196,646)</b>	<b>(\$4,557,405)</b>	<b>\$16,447,545</b>	<b>(495)%</b>
<b>Operating Profit Margin</b>	<b>2%</b>	<b>-4%</b>	<b>-1%</b>	<b>181%</b>	<b>7,528 %</b>

	FY 2023 ACTUALS	FY 2023 QUARTER 1	FY 2024 QUARTER 1	\$	%
<b>ASSETS</b>					
Cash & Investments	\$47,789,919	\$10,291,060	\$(12,677,857)	\$(22,968,917)	-223%
Fixed Assets	71,394,606	(495,110)	(796,374)	(301,264)	61%
Other Assets	99,572,478	(21,594,098)	18,250,194	39,844,292	-185%
<b>Total Assets</b>	<b>\$218,757,003</b>	<b>\$(11,798,149)</b>	<b>\$4,775,962</b>	<b>\$16,574,111</b>	<b>-140%</b>
<b>LIABILITIES</b>					
Payables	\$28,964,584	\$(1,845,858)	\$(13,254,641)	\$(11,408,784)	618%
Long-Term Debt	56,858,407	(42,402)	607,071	649,473	-1532%
Other Liabilities and deferred inflows	32,796,721	3,489,763	3,314,203	(175,559)	-5%
<b>Total Liabilities</b>	<b>\$118,619,712</b>	<b>\$1,601,503</b>	<b>\$(9,333,367)</b>	<b>\$(10,934,870)</b>	<b>-683%</b>
<b>NET ASSETS</b>	<b>\$100,137,290</b>	<b>\$(13,399,651)</b>	<b>\$14,109,330</b>	<b>27,508,981</b>	<b>-205%</b>
<b>Days Cash on Hand</b>	<b>50</b>	<b>45</b>	<b>(51)</b>		
<b>REVENUES</b>					
Net Patient Service	\$197,428,655	\$45,323,096	\$49,734,487	\$4,411,391	10%
Grants, Contracts & Awards	113,028,735	\$23,772,858	\$30,232,219	6,459,361	27%
UPL/PCIP	35,170,691	\$9,697,631	\$8,062,704	(1,634,927)	-17%
Other Revenue	41,265,109	\$7,436,628	\$9,244,196	1,807,568	24%
<b>Total Revenues</b>	<b>\$386,893,190</b>	<b>\$86,230,213</b>	<b>\$97,273,605</b>	<b>\$11,043,393</b>	<b>13%</b>
<b>EXPENSES</b>					
Faculty Support	\$218,362,890	\$49,473,065	\$57,116,059	\$7,642,994	15%
Housestaff Support	15,742,168	3,674,458	4,580,140	905,682	25%
Other Staff Support	28,591,338	7,121,684	6,924,021	(197,663)	-3%
USFTGP Staff Support	66,196,303	17,826,205	17,191,753	(634,452)	-4%
Other Expenses	46,390,385	\$9,737,937	\$10,650,418	912,481	9%
<b>Total Expenses</b>	<b>\$375,283,084</b>	<b>\$87,833,349</b>	<b>\$96,462,392</b>	<b>\$8,629,043</b>	<b>10%</b>
<b>Operating Profit Before Non-Cash Changes</b>	<b>\$11,610,106</b>	<b>\$(1,603,136)</b>	<b>\$811,214</b>	<b>\$2,414,350</b>	<b>-151%</b>
Total Non-Cash Changes	\$(7,165,665)	\$(1,486,775)	\$(1,837,331)	\$(350,556)	24%
<b>NET OPERATING PROFIT</b>	<b>\$4,444,441</b>	<b>\$(3,089,911)</b>	<b>\$(1,026,117)</b>	<b>\$2,063,794</b>	<b>-67%</b>
<b>Operating Profit Margin</b>	<b>3%</b>	<b>-2%</b>	<b>1%</b>	<b>2%</b>	<b>-117%</b>
Unrealized Investment Gains (Losses)	\$2,551,915	\$(1,029,967)	\$(307,030)	\$2,858,945	-278%
Gain (Loss) on Disposal of Capital Assets	(43,852)	\$0	0	0	0%
Other Non Operating Expense	0	\$0	0	0	0%
Contribution to MCOM	(10,276,608)	(6,076,767)	(3,224,258)	2,852,510	-47%
<b>Total Non-Operating Changes</b>	<b>\$(7,768,545)</b>	<b>\$(7,106,735)</b>	<b>\$(3,531,288)</b>	<b>\$(4,237,257)</b>	<b>60%</b>
<b>NET OPERATING PROFIT</b>	<b>\$(3,324,104)</b>	<b>\$(10,196,646)</b>	<b>\$(4,557,405)</b>	<b>\$(2,173,463)</b>	<b>21%</b>

## USF Research Foundation, Inc.

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

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### EXECUTIVE SUMMARY

#### State the DSO's Statutory Mission that 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 directed by the University, the FY24 Approved Plan included a cost allocation of \$4.28M 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 (principally reimbursement of prior period patent costs to the University and net revenue distributions in accordance with USF Policy 0-300) 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, 2023 the FY24 year-to-date expense of \$1.47M for TTO cost allocation is \$618K more than the prior year period mainly due increased legal expenses for patent prosecutions services not incurred in prior year. The increased costs are due to the transition of matters from old firms to new firms. Legal expenses are expected to decline in the 2nd quarter and the trend will continue for consecutive quarters and are expected to align with the approved annual plan.

- Variance in Investment Income from Approved Plan is due to lower market returns for the three month period ended September 30, 2023

## USF Research Foundation, Inc.

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

### BALANCE SHEET

(In thousands)

	As of September 30,		Variance	
	2023	2022	\$	%
<b><u>ASSETS</u></b>				
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$3,273	\$7,793	\$(4,519)	(58)%
Investments	41,116	43,572	(2,456)	(6)%
Receivables	1,337	1,065	\$272	26 %
Other Current Assets	245	200	\$45	22 %
<b>Total Current Assets</b>	<b>\$45,972</b>	<b>\$52,630</b>	<b>\$(6,658)</b>	<b>(13)%</b>
<b><u>Noncurrent Assets</u></b>				
Other Receivables	\$125	\$160	(35)	(22)%
Lease Receivables	50,933	57,050	(6,117)	(11)%
Right-to-Use Leased Asset, net	-	542	(542)	(100)%
Capital Assets	96,396	95,267	\$1,130	1 %
Less: Accumulated Depreciation	(42,511)	(38,664)	(3,847)	(10)%
Non-Depreciable Items (CIP, Land, etc.)	14,997	8,260	\$6,738	82 %
Reserve for Debt Service	2,514	2,514	\$0	0 %
Developer Rights to Research Park, net	6,530	6,646	(116)	(2)%
<b>Total Noncurrent Assets</b>	<b>\$128,985</b>	<b>\$131,774</b>	<b>\$(2,789)</b>	<b>(2)%</b>
<b>Total Assets</b>	<b>\$174,956</b>	<b>\$184,404</b>	<b>\$(9,447)</b>	<b>(5)%</b>
<b><u>LIABILITIES AND NET POSITION</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable	\$3,363	\$1,463	\$1,900	130 %
Due to Primary Unit	7,243	7,248	(5)	(0)%
Unearned Revenue	683	704	(21)	(3)%
Lease Liability	-	562	(562)	(100)%
Other Current Liabilities	1,296	1,934	(638)	(33)%
<b>Total Current Liabilities</b>	<b>\$12,585</b>	<b>\$11,911</b>	<b>\$674</b>	<b>6%</b>
<b><u>Noncurrent Liabilities</u></b>				
Note Payable & Finance Purchase Lease Obligations	\$38,716	\$40,826	\$(2,110)	(5)%
<b>Total Noncurrent Liabilities</b>	<b>\$38,716</b>	<b>\$40,826</b>	<b>\$(2,110)</b>	<b>(5)%</b>
<b><u>Deferred Inflows of Resources (Leases)</u></b>	<b>\$49,207</b>	<b>\$56,032</b>	<b>\$(6,826)</b>	<b>\$ (0)</b>
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>\$100,507</b>	<b>\$108,769</b>	<b>\$(8,262)</b>	<b>(8)%</b>
<b>Net Position</b>	<b>\$74,449</b>	<b>\$75,634</b>	<b>\$(1,185)</b>	<b>(2)%</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$174,956</b>	<b>\$184,404</b>	<b>\$(9,447)</b>	<b>(5)%</b>

## USF Research Foundation, Inc.

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

### INCOME STATEMENT

(In thousands)

	Period Ending September 30,		Variance	
	2023	2022	\$	%
<b><u>REVENUES</u></b>				
Rental Revenue	\$2,668	\$2,458	\$210	9 %
Intellectual Property Revenue (TTO Initiator)	463	516	(53)	(10)%
Other Operating Revenues	38	34	4	11 %
<b>Total Revenues</b>	<b>\$3,169</b>	<b>\$3,008</b>	<b>\$161</b>	<b>5 %</b>
<b><u>EXPENSES</u></b>				
Salaries & Benefits	\$312	\$297	\$16	5 %
Intellectual Property Program Expense	317	388	(71)	(18)%
IP University Exp - TTO Cost Allocation to DSO	1,468	850	618	73 %
Operations - Research Park	1,200	893	308	34 %
Other Program Expense	-	0	-	%
Other Operating Expenses	90	59	31	53 %
UBC Net Expense (University Business Center)	8	(101)	108	108 %
Interest Expense	342	348	(6)	(2)%
Depreciation & Amortization	1,192	1,286	(95)	(7)%
<b>Total Expenses</b>	<b>\$4,930</b>	<b>\$4,019</b>	<b>\$911</b>	<b>23 %</b>
<b>OPERATING INCOME (LOSS) BEFORE NON-OPERATING REVENUE (LOSS)</b>	<b>\$(1,761)</b>	<b>\$(1,011)</b>	<b>\$(749)</b>	<b>(74)%</b>
Investment Income (Loss)	\$(749)	\$(1,685)	\$936	56 %
Investment Income (Loss) - IP Equity Transaction	(402)	480	(882)	(184)%
Interest Income - GASB 87 Lessor Revenue	-	-	-	%
Non-Operating Interest Expense	-	-	-	%
<b>Total Non-Operating Income (Expense)</b>	<b>\$(1,151)</b>	<b>\$(1,206)</b>	<b>\$54</b>	<b>5 %</b>
<b>NET INCOME (LOSS)</b>	<b>\$(2,912)</b>	<b>\$(2,217)</b>	<b>\$(695)</b>	<b>(31)%</b>

## USF Research Foundation, Inc.

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

### STATEMENT OF CASH FLOWS

(In thousands)

	Period Ending September 30,		Variance	
	2023	2022	\$	%
<b><u>OPERATING ACTIVITIES</u></b>				
Net Income (Loss)	\$(2,912)	\$(2,217)	\$(695)	(31)%
Adjustments for Non-Cash Activities:				
Add back (Deduct) Non-Cash Investment Loss (Gain)	1,243	1,338	(94)	(7)%
Add back Depreciation/Amortization Expense	1,192	1,286	(95)	(7)%
Add back Other Non-Cash Expense	-	10	(10)	(100)%
Less Other Non-Cash Revenue	(0)	-	(0)	%
Change in Assets and Liabilities (net)	396	1,502	(1,106)	(74)%
<b>Total Cash From Operating Activities</b>	<b>\$(81)</b>	<b>\$1,919</b>	<b>\$(2,000)</b>	<b>(104)%</b>
<b><u>INVESTING ACTIVITIES</u></b>				
Purchase of Investments	\$0	\$(304)	\$304	100 %
Capital Expenditures	(578)	(60)	(518)	(864)%
Repayment (Funding) of Seed Capital Loans (net)	-	-	-	%
<b>Total Cash From Investing Activities</b>	<b>\$(578)</b>	<b>\$(364)</b>	<b>\$(214)</b>	<b>(59)%</b>
<b><u>FINANCING ACTIVITIES</u></b>				
Redeem Investments for New Building	\$0	\$0	\$0	%
Redeem Investments for Stock Purchase	-	299	(299)	(100)%
Finance Purchase Lease Obligation - 3814 Bldg	-	-	0	%
Finance Purchase Lease Obligation - UDI Bldg	(68)	(65)	(3)	(4)%
Payment - UBC Lease Liability	(114)	(217)	104	48 %
Principal Payment - Note Payable	(870)	(835)	(35)	(4)%
<b>Total Cash From Financing Activities</b>	<b>\$(1,051)</b>	<b>\$(818)</b>	<b>\$(233)</b>	<b>(29)%</b>
<b>CHANGE IN CASH</b>	<b>(1,710)</b>	<b>737</b>	<b>(2,447)</b>	<b>(332)%</b>
Cash, Beginning of Year	4,983	7,056	(2,072)	(29)%
<b>Cash, End of Period</b>	<b>\$3,273</b>	<b>\$7,793</b>	<b>\$(4,519)</b>	<b>(58)%</b>

## USF Health Professions Conferencing Corporation

### EXECUTIVE SUMMARY

#### MAJOR BUSINESS INITIATIVES - FY 2023

- In FY2024, HPCC will continue providing services to USF clients at cost and will achieve positive operating results without support from UMSA. Although the post-COVID pent up demand from external clients has been met, CAMLS has strengthened relationships with external clients throughout the pandemic, which is propelling ongoing positive operating earnings for FY2024 and beyond from a much more diversified client base and new research capabilities.
- HPCC and the CAMLS facility continues 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 rural Florida hospitals and healthcare systems where face to face lifesaving training is needed, but the ability for participants to travel was not possible. This is a small but growing aspect of training opportunities.
- CAMLS international name recognition has generated CAMLS Without Walls opportunities to help other countries develop their simulation centers and simulation instructors. CAMLS will develop a contracted simulation instructor course in FY2024 for use in other client training opportunities.
- 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's FY2023 operating success is partially due to research clients utilizing CAMLS. Although much of the research driven funding will flow through USF Sponsored Research the indirects and use of CAMLS will have a continuing positive impact on HPCC's operating income.
- The Office of Continuing Professional Development (OCPD) has expanded its portfolio of online programming in partnership with medical education companies (MECs) and is expected to produce positive operating results in FY2024 while providing services to USF at cost. Grant revenue and the resulting pass-through expense to MECs will increase to \$10M in FY2024 from \$5M in FY2023 and three new programmatic team members will be added to CPD in FY2024.

#### EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR

- 'Cash and cash equivalents' increased \$673K or 141% from 6/30/2023 as amounts due to USF increased from underfunding of HPCC's USF convenience account and cash was used for lease obligations.
- 'Unearned revenue' increased \$418K from Medicine International Observorship receipts and increasing deposits for future programs.
- 'Contracts & grants - non USF', which includes MEC related grants, was up \$1,863K. MEC related grants were up \$1,852K year over year and similarly, 'Programming Services' were up \$1,876K year over year with payments to MECs increasing \$1,884K year over year.
- 'Salaries & benefits' increased year over year as facility and event staffing shifted to HPCC from other USF Health areas along with merit and equity increase. 'Rent, utilities & equipment leases' and 'Other operating expenses' are also increasing due to COVID price increase that have not abated on utility rates and service contracts.
- 'Operating Loss' increased \$132K due to increasing operating expenses.
- The 3 months ended September 30, 2023 'Decrease in Net Position' before 'Transfers from UMSA' was (\$290K) compared to the Approved Plan of (\$163K).
- 'Days cash on hand' has decreased to 23 from 55 year over year as grants held for payment to Medical Education Companies (MECs) decreased, capital asset purchases increased and funds due to USF for convenience account funding increased.



**USF HEALTH PROFESSIONS CONFERENCING CORPORATION**

**Statements of Net Position**

**as of September 30, 2023 and June 30, 2023**

	<b>Current Year as of 9/30/23</b>	<b>Prior Year as of 6/30/23</b>	<b>Variance \$</b>	<b>Variance %</b>
<b><u>Assets</u></b>				
Current Assets:				
Cash and cash equivalents	\$ 1,149,558	\$ 476,489	\$ 673,069	141 %
Accounts receivable	956,593	626,056	330,537	53 %
Due from USF/DSO	528,680	357,002	171,678	48 %
Prepaid expenses	171,597	123,781	47,816	39 %
Lease receivable	89,918	137,429	(47,511)	(35)%
Other current assets	24,289	26,981	(2,692)	(10)%
<b>Total Current Assets</b>	<b>2,920,635</b>	<b>1,747,738</b>	<b>1,172,897</b>	<b>67 %</b>
Non-current Assets:				
Capital assets, net	1,116,561	1,018,776	97,785	10 %
Right-of-use assets, net	14,192,854	14,322,364	(129,510)	(1)%
Lease receivable, non-curren	9,241	18,425	(9,184)	(50)%
<b>Total Non-current Assets</b>	<b>15,318,656</b>	<b>15,359,565</b>	<b>(40,909)</b>	<b>(0)%</b>
<b>Total Assets</b>	<b>18,239,291</b>	<b>17,107,303</b>	<b>1,131,988</b>	<b>7 %</b>
<b><u>Deferred Outflows of Resources</u></b>				
Bond Prepayment Premium	74,901	79,510	(4,609)	(6)%
<b><u>Liabilities</u></b>				
Current Liabilities:				
Lease obligations, current portior	1,269,361	1,251,202	18,159	1 %
Accounts payable	339,966	273,968	65,998	24 %
Accrued expenses - other	43,546	55,841	(12,295)	(22)%
Due to USF/DSO's	1,669,231	510,920	1,158,311	227 %
Unearned revenue	1,214,418	796,373	418,045	52 %
<b>Total Current Liabilities</b>	<b>4,536,522</b>	<b>2,888,304</b>	<b>1,648,218</b>	<b>57 %</b>
Non-current Liabilities:				
Lease obligations, net of current portior	9,258,793	9,582,736	(323,943)	(3)%
<b>Total Non-current Liabilities</b>	<b>9,258,793</b>	<b>9,582,736</b>	<b>(323,943)</b>	<b>(3)%</b>
<b>Total Liabilities</b>	<b>13,795,315</b>	<b>12,471,040</b>	<b>1,324,275</b>	<b>11 %</b>
<b><u>Deferred Inflows of Resources</u></b>				
Deferred inflows related to grant:	434,762	382,718	52,044	14 %
Deferred inflows related to lease:	99,160	155,854	(56,694)	(36)%
<b>Total Deferred Inflow of Resources</b>	<b>533,922</b>	<b>538,572</b>	<b>(4,650)</b>	<b>(1)%</b>
<b><u>Net Position</u></b>				
Net investment in capital and right-of-use asset	4,781,261	4,507,203	274,058	6 %
Operating unrestricted	(796,306)	(330,002)	(466,304)	141 %
<b>Total Net Position</b>	<b>\$ 3,984,955</b>	<b>\$ 4,177,201</b>	<b>\$ (192,246)</b>	<b>(5)%</b>

**USF HEALTH PROFESSIONS CONFERENCING CORPORATION**

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

**For the Three months ended September 30, 2023 and 2022**

	<b>Current Year as of 9/30/23</b>	<b>Prior Year as of 9/30/22</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>Operating Revenues</b>				
Contracts & grants - non USF	\$ 3,348,775	\$ 1,485,954	\$ 1,862,821	125 %
Contracts & grants - USF	913,677	855,507	58,170	7 %
Program registration & exhibits	149,725	162,586	(12,861)	(8)%
Rental revenue	73,447	106,746	(33,299)	(31)%
Rebates & commissions	9,005	6,154	2,851	46 %
<b>Total Operating Revenues</b>	<b>4,494,629</b>	<b>2,616,947</b>	<b>1,877,682</b>	<b>72 %</b>
<b>Operating Expenses</b>				
Program services	2,962,370	1,086,088	1,876,282	173 %
Supporting services				
Salaries & benefits	1,058,468	973,152	85,316	9 %
Wages - program driven temporary staffing	42,856	17,061	25,795	151 %
Rent, utilities & equipment lease:	320,842	295,900	24,942	8 %
Other operating expenses:	166,605	168,376	(1,771)	(1)%
Right-of-use asset amortizatiior	129,510	124,745	4,765	4 %
Depreciation expense	35,505	40,509	(5,004)	(12)%
<b>Total Operating Expenses:</b>	<b>4,716,156</b>	<b>2,705,831</b>	<b>2,010,325</b>	<b>74 %</b>
<b>Operating Loss</b>	<b>(221,527)</b>	<b>(88,884)</b>	<b>(132,643)</b>	<b>149 %</b>
<b>Non-operating Revenues (Expenses)</b>				
Transfers from UMSA- Continuing Ed - Faculty, Students	97,500	-	97,500	100 %
Investment income	1,296	6,682	(5,386)	(81)%
Bond prepayment premium	(4,609)	(5,561)	952	(17)%
Interest expense on lease obligation	(65,306)	(67,537)	2,231	(3)%
Gain on asset disposal	400	-	400	100 %
<b>Total Net Non-operating Revenue (Expenses)</b>	<b>29,281</b>	<b>(66,416)</b>	<b>95,697</b>	<b>(144)%</b>
<b>(Decrease) in Net Postion</b>	<b>(192,246)</b>	<b>(155,300)</b>	<b>(36,946)</b>	<b>24 %</b>
<b>Net Position, beginning of year</b>	<b>4,177,201</b>	<b>2,981,990</b>	<b>1,195,211</b>	<b>40 %</b>
<b>Net Position, end of period</b>	<b>\$ 3,984,955</b>	<b>\$ 2,826,690</b>	<b>\$ 1,158,265</b>	<b>41 %</b>
<b>Contribution Margin Ratio</b>	<b><math>\frac{A}{B}</math></b>	<b><math>\frac{A}{A}</math></b>	<b>72%</b>	<b>74%</b>

# USF HEALTH PROFESSIONS CONFERENCING CORPORATION

## Statements of Cash Flow

For the Three months ended September 30, 2023 and 2022

	Year as of 9/30/23	Prior Year as of 9/30/22	Variance \$	Variance %
<b>Cash flows provided by (used in) operating activities</b>				
Programmatic receipts	\$ 3,973,467	\$ 3,239,088	\$ 734,379	23%
Facility operations receipts	430,992	323,244	107,748	33%
Rents & rebate receipts	92,022	77,461	14,561	19%
Total Receipts	<u>4,496,481</u>	<u>3,639,793</u>	<u>856,688</u>	<u>24%</u>
Programmatic disbursements	(2,869,373)	(2,076,365)	(793,008)	38%
Staffing disbursements	-	(680,000)	680,000	-100%
Operations disbursements	(478,885)	(599,966)	121,081	-20%
Total Disbursements	<u>(3,348,258)</u>	<u>(3,356,331)</u>	<u>8,073</u>	<u>0%</u>
Net cash flows provided by (used in) operating activities	<u>1,148,223</u>	<u>283,462</u>	<u>864,761</u>	<u>305%</u>
<b>Cash flows provided by non-capital and related financing activities</b>				
Transfers from UMSA- Continuing Ed - Faculty, Students	97,500	-	97,500	100%
Net cash provided by non-capital and related financing activities	<u>97,500</u>	<u>-</u>	<u>97,500</u>	<u>100%</u>
<b>Cash flows provided by (used in) capital and related financing activities</b>				
Purchases of capital assets	(203,260)	(15,924.98)	(187,335)	1176%
Proceeds on sale of fixed assets	400	-	400	100%
Principal payments under lease obligations	(305,784)	(259,955)	(45,829)	18%
Interest payments on lease obligations	(65,306)	(67,537)	2,231	-3%
Net cash used in capital and related financing activities:	<u>(573,950)</u>	<u>(343,417)</u>	<u>(230,533)</u>	<u>67%</u>
<b>Cash flows provided by investing activities</b>				
Investment Income	1,296	6,682	(5,386)	-81%
Net cash provided by investing activities	<u>1,296</u>	<u>6,682</u>	<u>(5,386)</u>	<u>-81%</u>
Net increase (decrease) in cash and cash equivalent:	673,069	(53,273)	726,342	-1363%
Cash and cash equivalents, beginning of yea	476,489	1,640,629	(1,164,140)	-71%
Cash and cash equivalents, end of period	<u>\$ 1,149,558</u>	<u>\$ 1,587,356</u>	<u>\$ (437,798)</u>	<u>-28%</u>
Cash:				
Cash and cash equivalents - Checking	1,013,459	1,391,190	(377,731)	-27%
Cash and cash equivalents - Designated Saving	136,099	196,166	(60,067)	-31%
	<u>\$ 1,149,558</u>	<u>\$ 1,587,356</u>	<u>\$ (437,798)</u>	<u>-28%</u>
Days cash on hand	23	55		

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

Operating income (loss)	\$ (221,527)	\$ (88,884)	\$ (132,643)	149%
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	35,505	40,509	(5,004)	-12%
Right-of-use asset amortization	129,510	124,745	4,765	4%
Changes in operating assets and liabilities and deferred inflows of resources which provided (used) cash:				
Accounts receivable and due fr USF/DSO	(502,215)	(185,889)	(316,326)	170%
Prepaid expenses	(47,816)	(50,985)	3,169	-6%
Lease receiveable	56,695	(460,968)	517,663	-112%
Fixed asset accruals	69,970	-	69,970	100%
Other current and non-current assets	2,692	132	2,560	1939%
Accounts payable, accrued expenses and other noncurrent liabilities	1,212,014	(678,497)	1,890,511	-279%
Unearned revenue	418,045	211,590	206,455	98%
Deferred inflows of resources	(4,650)	1,371,709	(1,376,359)	-100%
Net cash flows from operating activities	<u>\$ 1,148,223</u>	<u>\$ 283,462</u>	<u>\$ 864,761</u>	<u>305%</u>

## BALANCE SHEET

(In thousands)

	<i>3 Months Ended September 30, 2023</i>			<i>Fiscal Year Ended June 30,</i>			
	Q1		Q1	2024	2023	2022	2021
	SDI	VSG	Actual	ACTUAL YTD	ACTUAL	ACTUAL	ACTUAL
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	275.480	1,493.535	1,769	1,769	3,900	1,575	574
Accounts Receivable		455.512	456	456	617	609	371
Investments			-	-		-	-
Other	5.000	82.522	88	88	96	39	47
<b>Total Current Assets</b>	<b>280.480</b>	<b>2,031.569</b>	<b>2,312</b>	<b>\$2,312</b>	<b>\$4,613</b>	<b>\$2,223</b>	<b>\$993</b>
<b>Noncurrent Assets</b>							
Restricted Cash and Cash Equivalents			-	-	-	-	-
Restricted Investments			-	-	-	-	-
Capital Assets	3,172.420		3,172	3,172	3,172	3,172	3,172
Less: Accumulated Depreciation	(2,622.716)		(2,623)	(2,623)	(2,623)	(2,494)	(2,429)
Non-Depreciable Items (CIP, Land, etc.)			-	-	-	-	-
<b>Total Noncurrent Assets</b>	<b>549.704</b>	<b>-</b>	<b>550</b>	<b>\$550</b>	<b>\$550</b>	<b>\$679</b>	<b>\$743</b>
<b>Total Assets</b>	<b>830.185</b>	<b>2,031.569</b>	<b>2,862</b>	<b>\$2,862</b>	<b>\$5,163</b>	<b>\$2,902</b>	<b>\$1,736</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	(8.471)	173.423	165	165	681	8	137
Due to Component Units	163.671	2,711.172	2,875	2,875	2,575	2,936	1,990
Deferred Revenue		902.322	902	902	2,462	739	7
Other			-	-	-	-	-
<b>Total Current Liabilities</b>	<b>155.200</b>	<b>3,786.917</b>	<b>3,942</b>	<b>\$3,942</b>	<b>\$5,717</b>	<b>\$3,683</b>	<b>\$2,134</b>
<b>Noncurrent Liabilities</b>							
Long Term Debt			-	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>155.200</b>	<b>3,786.917</b>	<b>3,942</b>	<b>\$3,942</b>	<b>\$5,717</b>	<b>\$3,683</b>	<b>\$2,134</b>
<b>NET ASSETS</b>	<b>674.985</b>	<b>(1,755.348)</b>	<b>(1,080)</b>	<b>\$(1,080)</b>	<b>\$(554)</b>	<b>\$(781)</b>	<b>\$(398)</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>830.185</b>	<b>2,031.569</b>	<b>2,862</b>	<b>\$2,862</b>	<b>\$5,163</b>	<b>\$2,902</b>	<b>\$1,736</b>
<b>Net Position</b>							
Beginning Unrestricted Net Assets	(49.192)	(1,090.346)	(1,140)	(1,140)	(1,357)	(1,426)	(547)
Beginning Property Net Assets	637.744		638	638	638	638	638
Retained Earnings	(52.452)		(52)	(52)	72	115	188
Event Revenue Transfers, net		(722.182)	(722)	(722)	(414)	(459)	138
Net Operating Income	138.886	57.179	196	196	507	351	(816)
<b>Total Net Position</b>	<b>674.985</b>	<b>(1,755.349)</b>	<b>(1,080)</b>	<b>\$(1,080)</b>	<b>\$(554)</b>	<b>\$(781)</b>	<b>\$(398)</b>

**INCOME STATEMENT**

(In thousands)

	<i>3 Months Ended September 30,</i>			<i>Fiscal Year Ended June 30,</i>							
	<b>2023 Actual</b>	<b>2022 Actual</b>	<b>2021 Actual</b>	<b>2024 YTD</b>	<b>2023 ACTUAL</b>	<b>2022 ACTUAL</b>	<b>Variance</b>		<b>2024 Plan</b>	<b>2023 Plan</b>	<b>2022 Plan</b>
							<b>\$</b>	<b>%</b>			
<b><u>REVENUES</u></b>											
Rent Income	\$ (41)	\$ 13	\$ 217	\$ (41)	\$ (34)	\$ 336	\$ (8)	(2)%	\$ 263	\$ 339	\$ 491
Service Income	153	68	24	153	1,015	570	(862)	(151)%	430	346	271
Premium Seating	26	15	5	26	76	41	(50)	(122)%	58	49	41
Facility Fee	0	0	0	0	0	0	0	%			
Sponsorship, Commissions & Royalties	471	327	118	471	0	0	471	%	1,261	1,022	740
Parking	98	39	49	98	572	391	(474)	(121)%	381	350	307
Other Revenues	257	193	152	257	1,509	1,201	(1,252)	(104)%	50	50	55
<b>Total Revenues</b>	<b>\$963</b>	<b>\$655</b>	<b>\$565</b>	<b>\$963</b>	<b>\$3,138</b>	<b>\$2,538</b>	<b>\$(2,175)</b>	<b>(86)%</b>	<b>\$2,443</b>	<b>\$2,156</b>	<b>\$1,905</b>
<b><u>EXPENSES</u></b>											
Salaries & Wages	188	\$ 170	\$ 187	\$ 188	\$ 926	\$ 637	\$(738)	(116)%	\$ 469	\$ 441	\$ 525
Payroll Taxes & Benefits	44	32	33	44	136	123	(92)	(75)%	371	349	293
Repairs, Maintenance and Utilities	396	59	76	396	526	416	(130)	(31)%	128	158	185
Operating & Administrative	71	72	60	71	247	305	(176)	(58)%	573	420	444
Contracted Services	13	23	0	13	55	9	(42)	489 %			
Management Fees	42	38	38	42	192	150	(150)	(100)%	150	150	150
Depreciation/Amortization	0	0	0	0	65	65	(65)	(100)%			
Other Expenses	13	39	10	13	484	395	(471)	(119)%	273	216	
<b>Total Expenses</b>	<b>\$767</b>	<b>\$433</b>	<b>\$403</b>	<b>\$767</b>	<b>\$2,631</b>	<b>\$2,099</b>	<b>\$(1,864)</b>	<b>(89)%</b>	<b>\$1,964</b>	<b>\$1,734</b>	<b>\$1,597</b>
<b>OPERATING PROFIT BEFORE NON-CASH CHANGES</b>	<b>\$196</b>	<b>\$222</b>	<b>\$162</b>	<b>\$196</b>	<b>\$507</b>	<b>\$440</b>	<b>\$(311)</b>	<b>(71)%</b>	<b>\$479</b>	<b>\$422</b>	<b>\$308</b>
<b><u>NON-OPERATING REVENUES/(EXPENSES)</u></b>											
Interest Expense	0	0	0	0	0	0	0	%			
Net Transfers to USF - Arena Debt	\$(722)	\$(256)	\$(411)	(722)	(414)	(413)	(308)	(74)%			
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>\$0</b>	<b>\$(256)</b>	<b>\$(411)</b>	<b>\$(722)</b>	<b>\$(414)</b>	<b>\$(413)</b>	<b>\$(308)</b>	<b>(74)%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING PROFIT</b>	<b>\$196</b>	<b>\$(34)</b>	<b>\$(249)</b>	<b>\$(526)</b>	<b>\$93</b>	<b>\$26</b>	<b>\$(619)</b>	<b>(2,359)%</b>	<b>\$479</b>	<b>\$422</b>	<b>\$308</b>

STATEMENT OF CASH FLOWS

(In thousands)

	<i>3 Months Ended September 30,</i>			<i>Fiscal Year Ended June 30,</i>							
	<b>2023 Actual</b>	<b>2022 Actual</b>	<b>2021 Actual</b>	<b>2024 YTD</b>	<b>2023 ACTUAL</b>	<b>2022 ACTUAL</b>	<b>Variance</b>		<b>2024 Plan</b>	<b>2023 Plan</b>	<b>2022 Plan</b>
							<b>\$</b>	<b>%</b>			
<b><u>OPERATING ACTIVITIES</u></b>											
Net Operating Profit	\$196	\$222	\$162	\$196	\$507	\$440	\$(311)	(71)%	\$479	\$422	\$308
Adjustments for Non-Cash Activities:											
Depreciation / Amortization	0	0	0	0	0	0	0	%			
Net adjustments to Assets	170	243	23	170	(194)	(221)	364	165 %	152	100	
Net adjustments to Liabilities	\$(216)	483	307	(216)	312	626	(527)	(84)%	(715)	(100)	(400)
Net adjustment to Deferred Revenue	\$(1,559)	(775)	1,069	(1,559)	296	2,146	(1,855)	(86)%	225	200	500
<b>Total Cash From Operating Activities</b>	<b>\$(1,409)</b>	<b>\$173</b>	<b>\$1,561</b>	<b>\$(1,409)</b>	<b>\$920</b>	<b>\$2,990</b>	<b>\$(2,330)</b>	<b>(78)%</b>	<b>\$141</b>	<b>\$622</b>	<b>\$408</b>
<b><u>INVESTING ACTIVITIES</u></b>											
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	%			
Purchases (Sales) of Investments	0	0	0	0	0	0	\$0				
Accumulated Depreciation	0	0	0	0	65	0	(65)	%			
<b>Total Cash From Investing Activities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65</b>	<b>\$0</b>	<b>\$(65)</b>	<b>%</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	\$0	\$0	%			
Principal Paid on Debt	0	0	0	0	0	0	0	%			
Interest Paid	0	0	0	0	0	0	0	%			
Net transfers to USF for debt service on arena	(722)	(256)	(411)	(722)	(414)	(413)	(308)	(74)%	(413)	(413)	(413)
<b>Total Cash From Financing Activities</b>	<b>\$(722)</b>	<b>\$(256)</b>	<b>\$(411)</b>	<b>\$(722)</b>	<b>\$(414)</b>	<b>\$(413)</b>	<b>\$(308)</b>	<b>(74)%</b>	<b>\$(413)</b>	<b>\$(413)</b>	<b>\$(413)</b>
<b>CHANGE IN CASH</b>	<b>\$(2,131)</b>	<b>(83)</b>	<b>1,150</b>	<b>(2,131)</b>	<b>571</b>	<b>2,577</b>	<b>(2,702)</b>	<b>(105)%</b>	<b>(272)</b>	<b>209</b>	<b>(5)</b>
Cash, Beginning of Year	3,900	3,330	753	3,900	3,330	753	571	76 %	2,169	1,307	550
<b>Cash, End of Year</b>	<b>\$1,769</b>	<b>\$3,246</b>	<b>\$1,903</b>	<b>\$1,769</b>	<b>\$3,900</b>	<b>\$3,330</b>	<b>\$(2,131)</b>	<b>(64)%</b>	<b>\$1,897</b>	<b>\$1,516</b>	<b>\$545</b>

## USF Institute of Applied Engineering, Inc

FY 2023 REPORT - SEPT 30, 2023

### INCOME STATEMENT

(In thousands)

#### REVENUES

	CURRENT YEAR 9/30/2023	PRIOR FISCAL YEAR 6/30/2023	Variance	
			\$	%
Contracts Revenues	2,657	12,631	(501)	(4)%
Hillsborough County Grant	12	1,010	(241)	(24)%
Other Revenues	0	610	(152)	(25)%
<b>Total Revenues</b>	<b>2,669</b>	<b>14,251</b>	<b>(894)</b>	<b>(6)%</b>

#### EXPENSES

##### Direct Project Expenses

Salaries & Benefits	840	3,165	49	2 %
Subcontractors	630	5,465	(736)	(13)%
Other Direct Costs	119	505	(8)	(1)%
USF Shared Services	44	176	148	84 %
<b>Total Direct Project Expenses</b>	<b>1,633</b>	<b>9,312</b>	<b>(695)</b>	<b>(7)%</b>

##### General Administrative Expenses

Salaries & Fringe	727	3,175	(67)	(2)%
Sales & Marketing	26	16	22	137 %
Professional Services	150	303	74	25 %
Human Resources	8	158	(31)	(20)%
Facilities	84	196	35	18 %
Other G&A Expenses	64	334	(19)	(6)%
<b>Total G&amp;A Expenses</b>	<b>1,059</b>	<b>4,182</b>	<b>13</b>	<b>0 %</b>
<b>Total Expenses</b>	<b>2,692</b>	<b>13,493</b>	<b>(681)</b>	<b>(5)%</b>

##### OPERATING PROFIT BEFORE NON-CASH CHANGES

	<b>(23)</b>	<b>757</b>	<b>(213)</b>	<b>(28)%</b>
Depreciation & Amortization	51	206	(430)	(209)%
<b>Total Non-Cash Changes</b>	<b>(74)</b>	<b>551</b>	<b>(212)</b>	<b>(38)%</b>
<b>NET INCOME</b>	<b>(74)</b>	<b>551</b>	<b>(212)</b>	<b>(38)%</b>

Operating Profit Margin

-1%	5%	(6)%
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## USF Institute of Applied Engineering, Inc

FY 2023 REPORT - SEPT 30, 2023

### BALANCE SHEET

(In thousands)

	CURRENT YEAR 9/30/2023	PRIOR FISCAL YEAR 6/30/2023	Variance	
			\$	%
<b>ASSETS</b>				
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	2,186	2,022	164	8 %
Accounts Receivable	1,802	2,273	(471)	(21)%
Prepayments and Other Current Assets	42	71	(29)	(41)%
<b>Total Current Assets</b>	<b>4,029</b>	<b>4,366</b>	<b>(337)</b>	<b>(8)%</b>
<b><u>Noncurrent Assets</u></b>				
Capital Assets:				
Laboratory Equipment and Fixtures, Net	950	989	(39)	(4)%
<b>TOTAL ASSETS</b>	<b>4,980</b>	<b>5,355</b>	<b>(376)</b>	<b>(7)%</b>
<b>LIABILITIES</b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable	3,622	3,824	(202)	(5)%
Accrued Expenses	88	107	(19)	(18)%
Current portion of right-to use lease liability	49	127	(78)	(62)%
<b>Total Current Liabilities</b>	<b>3,758</b>	<b>4,058</b>	<b>(300)</b>	<b>(7)%</b>
<b><u>Long-term Liabilities</u></b>				
Long Term Lease Liability	101	101	0	0 %
<b>Total Current Liabilities</b>	<b>101</b>	<b>101</b>	<b>0</b>	<b>0 %</b>
<b>NET POSITION</b>	<b>1,120</b>	<b>1,196</b>	<b>(76)</b>	<b>(6)%</b>

**USF Institute of Applied Engineering, Inc**

FY 2023 REPORT - SEPT 30, 2023

**STATEMENT OF CASH FLOWS**

(In thousands)

	<b>CURRENT YEAR</b>	<b>PRIOR FISCAL YEAR</b>	<b>Variance</b>	
	<b>9/30/2023</b>	<b>6/30/2023</b>	<b>\$</b>	<b>%</b>
<b><u>OPERATING ACTIVITIES</u></b>				
Net Income	(74)	551	(626)	(113)%
Less: Adjustments				
Depreciation & Amortization	51	206	(155)	(75)%
Change in Working Capital				
Current Asset Changes	501	6	495	8,423 %
Current Liability Changes	(300)	(329)	29	(9)%
<b>Total Cash From Operating Activities</b>	<b>178</b>	<b>434</b>	<b>(257)</b>	<b>(59)%</b>
<b><u>INVESTING ACTIVITIES</u></b>				
Capital Expenditures	(7)	(301)	294	(98)%
<b>Total Cash From Investing Activities</b>	<b>(7)</b>	<b>(301)</b>	<b>294</b>	<b>(98)%</b>
<b><u>FINANCING ACTIVITIES</u></b>				
Capital Lease Non-Interest Payments	0	(73)	73	(100)%
<b>Total Cash From Financing Activities</b>	<b>0</b>	<b>(73)</b>	<b>73</b>	<b>(100)%</b>
<b>CHANGE IN CASH</b>	<b>170</b>	<b>61</b>	<b>110</b>	<b>181 %</b>
Cash, Beginning of Year	2,022	1,961	61	3 %
<b>Cash, End of Year</b>	<b>2,192</b>	<b>2,022</b>	<b>170</b>	<b>8 %</b>
<b>Total Cash &amp; Investments</b>	<b>2,192</b>	<b>2,022</b>	<b>170</b>	<b>8 %</b>
<b>Days Cash on Hand</b>	<b>74</b>	<b>54</b>	<b>20</b>	<b>36 %</b>