

DIRECT SUPPORT ORGANIZATIONS

QUARTER 2 FOR FISCAL YEAR 2023-2024

Period Ended December 31, 2023

DSO Q2 Financial Reports for FY 2024

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Unaudited Interim Financial Statements

For the Quarter ended December 31, 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. The larger balance was necessary due to significant pending funding requests due to USF for salaries and other facilities projects related to end of the calendar year projects.
- The decrease in current investments is related to the transfer of \$21 million to Athletics related to the stadium project.
- The increase in noncurrent investments is due to the performance of the market netted with gifts, distributions for dividends and administrative fees. The estimated return for the second quarter is a gain of approximately 6% driven by positive portfolio performance of international and domestic equities offset by decreases in private equities and private real assets.
- A large portion of the overall contribution receivable balance shifted to current assets as large installments are scheduled to be received in the upcoming fiscal year. In addition, the receivable balance increased for new pledges from the USF Federal Credit Union and Tampa General Hospital due within a year.
- During the most recent quarter, the Foundation received a gift of real estate to be sold with the proceeds to benefit the MCOB Nault Center for Entrepreneurship.

Statement of Revenues, Expenses and Changes in Net Position

- Contributions revenue increased for new pledges from the USF Federal Credit Union and Tampa General Hospital.

- 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 December 2023 impacts the fluctuation of investment income, realized/unrealized gains and losses. For FY24 the year-to-date gain was 6% and the prior year-to-date gain was 0.98%.
- Program Service expenses in total were higher than prior year-to-date amounts. This variance was mostly due to \$21 million transferred to Athletics related to the stadium project.
- 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 12/31/2023	Prior Fiscal Year 6/30/2023	Variance \$	%
ASSETS				
Current assets:				
Cash and cash equivalents	7,418,272	500,363	6,917,909	1383%
Investments	86,890,533	106,813,725	(19,923,192)	-19%
Contribution receivable, net	38,241,682	17,822,977	20,418,705	115%
Lease and other receivable	605,363	598,857	6,506	1%
Real estate held for sale	1,250,000	-	1,250,000	100%
Due from University of South Florida		60,146	(60,146)	-100%
Total Current Assets	\$ 134,405,850	\$ 125,796,068	8,609,782	7%
Non-current assets:				
Investments	\$ 667,168,772	\$ 638,400,976	28,767,796	5%
Contribution receivable, net of current portion	35,829,150	30,403,016	5,426,134	18%
Beneficial interest assets	21,617,458	22,184,388	(566,930)	-3%
Lease and other receivable, net of current portion	3,475,449	3,691,653	(216,204)	-6%
Land	6,620,414	6,620,414	-	0%
Buildings, equipment, right-of-use assets and other, net	4,151,033	4,256,921	(105,888)	-2%
Works of Art	6,350,298	5,502,398	847,900	15%
Right-to-Use Subscriptions, net	516,962	672,406	(155,444)	-23%
Total noncurrent assets	745,729,536	711,732,172	33,997,364	5%
Total assets	880,135,386	837,528,240	42,607,146	5%
LIABILITIES				
Current liabilities:				
Accounts payable	1,296,235	2,758,323	(1,462,088)	-53%
Due to USF	2,095,880	2,742,571	(646,691)	-24%
Leases payable	63,982	63,460	522	1%
Subscription liability	320,053	493,019	(172,966)	-35%
Mortgage payable	429,054	423,466	5,588	1%
Life beneficiaries obligations	227,838	222,088	5,750	3%
Total current liabilities	4,433,042	6,702,927	(2,269,885)	-34%
Non-current liabilities:				
Mortgage payable, net of current portion	2,487,685	2,703,619	(215,934)	-8%
Leases payable, net of current portion	208,286	249,110	(40,824)	-16%
Due to USF, net of current portion	314,685	314,685	-	0%
Suscription liability, net of current portion	321,773	313,164	8,609	3%
Life Beneficiaries obligations, net of current portion	1,196,004	1,210,781	(14,777)	-1%
Total non-current liabilities	4,528,433	4,791,359	(262,926)	-5%
Total Liabilities	8,961,475	11,494,286	(2,532,811)	-22%
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from remainder interest assets	1,550,020	1,505,923	44,097	3%
Deferred inflows from beneficial interest assets	21,617,458	22,184,388	(566,930)	-3%
Deferred inflows from leases	3,905,041	4,115,650	(210,609)	-5%
Total Deferred Inflows	27,072,519	27,805,961	(733,442)	-3%
NET POSITION				
Net investment in capital assets	15,182,737	12,940,078	2,242,659	17%
Restricted				
Expendable	386,489,222	358,289,880	28,199,342	8%
Nonexpendable endowments	412,656,239	402,121,998	10,534,241	3%
Unrestricted	29,773,194	24,876,037	4,897,157	20%
Total net position	\$ 844,101,392	\$ 798,227,993	\$ 45,873,399	6%
	\$ 880,135,386	\$ 837,528,240		



STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION

	<i>Year-to-Date Fiscal Year 2024</i>			
	6 months ended 12/31/2023	6 months ended 12/31/2022	Variance	
			\$	%
Operating Revenues:				
Contributions, gifts and bequests	\$ 47,514,080	\$ 16,447,923	31,066,157	189%
Investment income	8,322,036	6,535,084	1,786,952	27%
Unrealized investment losses	27,702,449	(3,708,754)	31,411,203	847%
Realized investment losses	4,675,114	716,972	3,958,142	552%
Fundraising activities	1,225,682	1,168,699	56,983	5%
Total operating (losses) revenues	89,439,361	21,159,924	68,279,437	323%
Operating Expenditures:				
Salaries and benefits	12,519,551	10,883,533	1,636,018	15%
Scholarships/fellowships	5,028,291	4,055,491	972,800	24%
Contractual services	3,473,274	2,450,052	1,023,222	42%
Supplies	691,429	1,817,758	(1,126,329)	-62%
Transfers to state - other	24,681,948	13,023,094	11,658,854	90%
Travel, meals & auto	1,447,941	1,493,959	(46,018)	-3%
Community relations	470,004	321,489	148,515	46%
Depreciation	59,399	59,399	-	0%
Repairs and maintenance	210,054	164,455	45,599	28%
Provision for doubtful accounts	1,332,725	629,578	703,147	112%
Other	1,084,671	534,675	549,996	103%
Total program service expense	50,999,287	35,433,483	15,565,804	44%
Fundraising & operating costs:				
Salaries and benefits	11,016,803	9,082,710	1,934,093	21%
Contractual services	940,615	1,038,036	(97,421)	-9%
Other transfers and expenses	1,894,687	1,436,357	458,330	32%
Total fundraising & operating expense	13,852,105	11,557,103	2,295,002	20%
Total operating expenditures	64,851,392	46,990,586	17,860,806	38%
Net Operating (Loss) Gain	24,587,969	(25,830,662)	50,418,631	195%
Nonoperating revenue				
University support	10,833,994	6,771,552	4,062,442	60%
Total nonoperating revenues	10,833,994	6,771,552	4,062,442	60%
(Loss)/Income before endowment contributions	35,421,963	(19,059,110)	54,481,073	286%
Endowment contributions	10,451,436	9,464,319	987,117	10%
Increase in net position	45,873,399	(9,594,791)	55,468,190	578%
Net position - beginning of year	798,227,993	786,493,771	11,734,222	1%
Net position - end of year	844,101,392	776,898,980	67,202,412	9%

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STATEMENT OF CASH FLOWS

	6 months ended	Prior Fiscal Year	Variance	
	12/31/2023	06/30/2023	\$	%
Change in net position	45,873,399	(17,851,882)	63,725,281	357 %
<u>Operating Activities</u>				
Investment (gains) losses, net	(32,377,563)	(40,071,578)	7,694,015	19%
Depreciation and amortization	105,888	118,799	(12,911)	-11%
Change in assets/liabilities:				
Contributions receivable, net	(36,296,274)	3,068,646	(39,364,920)	-1283%
Lease and other receivables, net	1,150,479	485,277	665,202	137 %
Books and art objects	(847,900)	(202)	(847,698)	-419652%
Real Estate held for sale	(1,250,000)			
Accounts payable & accrued expenses	(1,357,196)	773,702	(2,130,898)	-275%
Amts due to third-party beneficiaries	-	(137,381)	137,381	100 %
Subscription based information technology arrangements	(164,357)	133,777	(298,134)	-223%
Due to University of South Florida	(586,545)	7,888,352	(8,474,897)	-107%
Net cash flow from operating activities	(25,750,069)	(45,592,490)	21,092,421	46 %
<u>Investing Activities</u>				
Proceeds from sale of investments	212,472,568	126,350,068	86,122,500	68%
Purchases of investments	(181,529,527)	(108,079,621)	(73,449,906)	-68%
Interest & dividends reinvested	(8,322,036)	12,340,178	(20,662,214)	-167%
Repayment of loans to the University of South Florida		265,794	(265,794)	-100%
Net cash flow from investing activities	22,621,005	30,876,419	(8,255,414)	-27%
<u>Financing Activities</u>				
Proceeds from endowment contributions	10,451,436	13,902,299	(3,450,863)	-25%
Acquisition of lease payable		342,946	(342,946)	-100%
Lease payments	(40,302)	(35,768)	(4,534)	-13%
Beneficiary payments	(113,919)	(222,088)	108,169	49 %
Interest paid on mortgage	(39,896)	(87,975)	48,079	55 %
Principle payments on mortgage payable	(210,346)	(412,505)	202,159	49 %
Net cash flow from investing activities	10,046,973	13,486,909	(3,439,936)	-26%
Net increase in cash	6,917,909	(1,229,162)	8,147,071	663 %
Cash at the beginning of the year	500,363	1,729,525	(1,229,162)	-71%
Cash at the end of the year	7,418,272	500,363	6,917,909	1,383 %

University of South Florida Alumni Association, Inc.
Executive Summary
December 31, 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 two quarters are left to recognize as of December 31st 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 then 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.

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

CASH FLOW

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

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

	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>Variance \$</u>	<u>Variance %</u>
ASSETS				
Cash and cash equivalents	433,027	347,514	85,513	25%
Pooled investments within Foundation	526,438	526,438	-	0%
Due from USF	132,648	8,021	124,627	100%
Accounts receivable	27,746	14,643	13,103	89%
Prepaid expenses	14,058	17,402	(3,344)	-19%
Total assets	<u>1,133,917</u>	<u>914,018</u>	<u>219,899</u>	<u>24%</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	39,292	187,567	(148,275)	79%
Deferred payroll support	49,929	19,240	30,689	-160%
Deferred revenue	92,257	66,619	25,638	-38%
Total liabilities	<u>181,478</u>	<u>273,426</u>	<u>(91,948)</u>	<u>34%</u>
Net Assets:				
Unrestricted net assets	952,439	640,592	311,847	49%
Total liabilities and net assets	<u>1,133,917</u>	<u>914,018</u>	<u>219,899</u>	<u>24%</u>

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University of South Florida Alumni Association, Inc.
Summary of Revenues and Expenses
December 31, 2023

	Current Month Totals				Year to Date Totals (50%)			
	Actual Dec-23	Prior Year Dec-22	Variance \$	Variance %	Actual YTD	Prior Year YTD	Variance \$	Variance %
REVENUES:								
Membership	12,861	23,068	(10,207)	-44%	83,832	141,017	(57,185)	-41%
License Plates	21,700	27,725	(6,025)	-22%	211,010	218,770	(7,760)	-4%
Budget Support	131,938	89,227	42,711	48%	860,888	389,520	471,368	121%
Affinity Royalty	37,917	19,650	18,267	93%	145,438	145,328	110	0%
Investment Income	21,526	20,736	790	100%	128,773	123,292	5,481	4%
Sponsorships	24,133	46,456	(22,323)	-48%	75,898	152,551	(76,653)	-50%
Event Revenue	510	5,331	(4,821)	-90%	45,220	63,511	(18,291)	-29%
Gifts	48,845	33,704	15,141	45%	75,402	74,662	740	1%
Other Revenue	-	1,584	(1,584)	-100%	13,485	3,689	9,796	266%
Total Operating Revenue	299,430	267,480	31,951	12%	1,639,946	1,312,339	327,608	25%
EXPENSES								
Salaries	136,699	134,947	(1,752)	-1%	870,198	797,732	(72,466)	-9%
Membership and membership services	5,588	7,211	1,623	23%	34,212	26,330	(7,882)	-30%
Printing & Postage	23,219	12,604	(10,615)	-84%	80,923	20,521	(60,402)	-294%
Event Services	5,536	10,409	4,873	47%	146,336	179,026	32,690	18%
Professional Services	11,038	337	(10,701)	-3179%	41,930	61,211	19,281	31%
Travel	8,375	4,127	(4,248)	-103%	48,359	21,631	(26,728)	-124%
Advertising & Marketing	(554)	581	1,135	195%	7,388	4,712	(2,676)	-57%
Insurance	7,992	10,024	2,032	100%	20,669	22,508	1,839	8%
Community Relations	(880)	8,316	9,196	100%	9,856	15,452	5,596	36%
Credit Card Fees and other services	2,633	1	(2,632)	-263200%	11,475	10,635	(840)	-8%
Scholarships	4,340	6,160	1,820	30%	42,702	44,869	2,167	5%
Other expenses	1,250	4,061	2,811	69%	14,051	12,992	(1,059)	-8%
Total Operating Expenses	205,236	198,778	(6,459)	-3%	1,328,099	1,217,619	(110,480)	-9%
NET INCOME FROM OPERATIONS	94,194	68,702	25,492	-37%	311,847	94,720	217,127	229%

Change in net assets

311,847

Net assets, beginning

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640,592

Net assets, end

952,439

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

	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>Variance \$</u>	<u>Variance %</u>
Operating activities				
Change in net assets	\$ 311,847	\$ 53,740		
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	(13,103)	53,671		
Prepaid expenses	3,344	41,575		
Due from University of South Florida	(124,627)	(8,021)		
Deferred payroll support	30,689	13,619		
Due to University of South Florida	-	(27,793)		
Accounts payable and accrued expenses	(148,275)	5,984		
Deferred revenue	25,638	(8,766)		
Net cash provided by operating activities	85,513	124,009		
Proceeds for sales of investments	-	(1,868)		
Net cash used in investing activities	-	(1,868)		
Change in cash and cash equivalents	85,513	122,141		
Cash and cash equivalents, beginning of year	347,514	225,373		
Cash and cash equivalents, end of year	\$ 433,027	\$ 347,514	\$ 85,513	25%
	\$ 0	\$ -		

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USF Financing Corporation and USF Property Corporation

FY 2024 QUARTER 2 REPORT - DECEMBER 31, 2023

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

- Management is working closely with the University to ensure that the \$340 million, 35,000-seat on-campus Stadium project to be located on the Tampa campus is delivered on time and on budget. Financing has been secured in the form of a \$200 million Promissory Note with Truist Bank, together with with an approximately \$140 million equity contribution from the University for the project.
 - Following loan closing, the loan proceeds were invested in an escrow fund of Treasury and Agency securities purchases to provide for an attractive yield to maximize idle funds until they are needed, while providing liquidity. The average maturity of the portfolio is 2.57 years, and the final blended portfolio yield-to-maturity is 4.58%. It is expected that this investment program will generate an estimated net proceeds of over \$22 million, which is better than the expected \$17 million committed to the University's equity contribution through this investment.
 - On February 2, 2024 the University issued an ITN for construction management services to provide construction manager at risk services for the project.
 - Management is working closely with the University to ensure that USF Athletics manages revenues and expenses to maintain pledged revenues and makes debt service payments on a priority payment basis.
 - Groundbreaking is expected in Fall 2024. 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 \$46.5 million, 100,000 square-foot 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 - on time and on budget.
- In order to protect USF's "AA" credit ratings, formal presentations were made to Moody's, Standard & Poor's and Fitch in August 2023 emphasizing USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage. USF's "AA" credit rating, along with all of its system ratings, were affirmed by Moody's and S&P with Stable Outlooks (December 2023).
- Ongoing oversight of DSOs and Auxiliaries with 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 16 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 \$195 million primarily due to the increase in Cash and Cash Equivalents from the issuance of the \$200 million Stadium debt, an increase in Accounts Receivable from accrued interest earnings and project related increases in Financing Receivable, offset by the amortization of all Financing Receivables.
- Balance Sheet: Liabilities - Total Liabilities increased by more than \$188 million primarily due to the increase in long-term debt from the issuance of the Stadium Note, an increase in project related payables, and a net obligation due to related parties.

- Income Statement: Revenues - Total Operating Revenues increased by approximately \$1.4 million as Athletics revenue increased due to the accrual of Stadium Note debt service due on June 1, 2024. Otherwise, revenues are on par with last year as Operating Revenues essentially cover Operating Expenses and debt service which will decline over time as debt is paid down. Revenues are on track to meet or exceed the FY 2024 Financial Plan revenue target.
- Income Statement: Expenses - Total Operating Expenses increased slightly (\$129,000) primarily due to increased All Risk insurance premiums from the prior year.
- Income Statement: Nonoperating Revenues (Expenses) - Nonoperating Expenses increased by \$397,000 due to higher Interest Expense from the new Stadium Note debt service obligation offset by an increase in Interest Income from increased interest rates.
- Income Statement: Operating Profit - The operating profit of \$2.2 million is on track to meet or exceed the \$2.6 million in FY 2024 as approved in the Financial Plan. The Q2 operating profit margin of 24.3% exceeds the FY 2023 margin of 17.5%, reflecting improved operating performance.
- Statement of Cash Flows - Total Cash and Investments are up \$188.3 million reflecting the receipt of funds with the issuance of new debt for the Stadium project described above, less Capital Expenditures. As of December 31, 2023, the liquidity measure of a strong 433 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 2 REPORT - DECEMBER 31, 2023

STATEMENT OF NET POSITION

(In thousands)

	As of Dec 31, 2023	As of Dec 31, 2022	Variance		As of June 30, 2023
			\$	%	
ASSETS					
Current Assets:					
Cash	\$3,989	\$4,028	\$(39)	(1)%	\$4,025
Restricted:					
Cash and cash equivalents	18,568	12,677	5,891	46 %	18,686
Accounts receivable	2,048	218	1,830	838 %	289
Financing receivable, current portion	17,635	16,634	1,000	6 %	16,838
Total current assets	42,240	33,558	8,682	26 %	39,838
Noncurrent Assets:					
Restricted:					
Cash and cash equivalents	235,785	53,319	182,466	342 %	49,045
Financing receivable, noncurrent portion	284,479	279,913	4,566	2 %	278,293
Total noncurrent assets	520,264	333,233	187,031	56 %	327,337
Total assets	562,504	366,791	195,713	53 %	367,175
Deferred Outflows of Resources:					
Interest Rate swap agreement	3,747	4,027	(279)	(7)%	3,523
Deferred losses on refunding of debt	616	774	(157)	(20)%	691
Total deferred outflows of resources	4,364	4,800	(436)	(9)%	4,214
Total Assets and Deferred Outflows	\$566,868	\$371,591	\$195,277	53 %	\$371,390
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	\$5,299	\$1,008	\$4,292	426 %	\$469
Interest payable	6,404	5,630	774	14 %	5,316
Due to (from) related parties	807	(415)	1,222	294 %	17
Long-term debt, current portion	17,024	16,020	1,004	6 %	16,020
Total current liabilities	29,534	22,242	7,292	33 %	21,822
Noncurrent Liabilities:					
Interest rate swaps payable	3,747	4,027	\$(279)	(7)%	3,523
Long-term debt, noncurrent portion	504,270	322,694	181,576	56 %	320,831
Total noncurrent liabilities	508,017	326,721	181,297	55 %	324,354
Total liabilities	537,551	348,962	188,589	54 %	346,176
Deferred Inflows of Resources:					
Deferred gain on refunding of debt	0	9	(9)	(100)%	0
Total deferred inflows of resources	0	9	(9)	(100)%	0
Total Liabilities and Deferred Inflows	\$537,551	\$348,972	\$188,580	54 %	\$346,176
Net Position:					
Restricted	25,327	18,591	6,736	36 %	21,189
Unrestricted	3,989	4,028	(39)	(1)%	4,025
Total Net Position	\$29,316	\$22,619	\$6,697	30 %	\$25,214
Total Liabilities and Net Position	\$566,868	\$371,591	\$195,277	53 %	\$371,390

USF Financing Corporation and USF Property Corporation

FY 2024 QUARTER 2 REPORT - DECEMBER 31, 2023

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(In thousands)	6 Mos. Ending Dec 31, 2023	Dec 31, 2022	Variance		June 30, 2023	FINANCIAL PLAN FY 2024
			\$	%		
<u>OPERATING REVENUES</u>						
USF housing system lease revenue	\$4,701	\$4,804	\$(102)	(2)%	\$9,462	\$9,139
USF Marshall Center lease revenue	597	627	(30)	(5)%	1,255	1,286
USF athletics system lease revenue	1,731	197	1,533	777 %	371	381
USF arena revenue	324	295	28	10 %	652	687
UMSA lease revenue	1,009	1,071	(61)	(6)%	1,990	1,888
HPCC lease revenue	203	212	(9)	(4)%	365	355
Research lease revenue	518	499	19	4 %	977	906
Total Operating Revenues	\$9,083	\$7,705	\$1,379	18 %	\$15,072	\$14,643
<u>OPERATING EXPENSES</u>						
Management expense	442	429	13	3 %	827	852
General and administrative expense	736	619	117	19 %	630	760
Total Operating Expenses	\$1,177	\$1,048	\$129	12 %	\$1,457	\$1,612
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Interest expense on debt	(7,065)	(5,848)	(1,216)	(21)%	(11,614)	(11,296)
Net interest income	1,363	543	820	151 %	1,387	840
Total Nonoperating Revenues (Expenses)	\$(5,701)	\$(5,305)	\$(397)	(7)%	\$(10,226)	\$(10,456)
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$2,205	\$1,352	\$853	63 %	\$3,388	\$2,575
Unrealized Investment Gains (Losses)	1,898	0	1,898	%	0	0
Total Contributions and Non-Cash Changes	\$1,898	\$0	\$1,898	%	\$0	\$0
CHANGE IN NET POSITION	\$4,102	\$1,352	\$2,750	203 %	\$3,388	\$2,575
Operating Profit Margin	24.3%	17.5%		7 %	22.5%	17.6%

USF Financing Corporation and USF Property Corporation

FY 2024 QUARTER 2 REPORT - DECEMBER 31, 2023

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	6 Mos. Ending Dec 31, 2023	Dec 30, 2022	Variance		June 30, 2023	FINANCIAL PLAN FY 2024
			\$	%		
OPERATING ACTIVITIES						
Lease payments received from USF	\$12,049	\$12,397	\$(347)	(3)%	\$23,678	\$23,391
Lease payments received from UMSA	2,289	2,336	(47)	(2)%	4,515	4,478
Lease payments received from HPCC	752	729	23	3 %	1,431	1,486
Lease payments received from Research Foundation	1,663	1,598	65	4 %	2,176	2,184
Payment to USF for management services	(442)	(429)	(13)	(3)%	(827)	(852)
General and administrative disbursements	(737)	(619)	(118)	(19)%	(630)	(760)
Total Cash from Operating Activities	\$15,574	\$16,012	\$(438)	(3)%	\$30,342	\$29,928
CAPITAL AND FINANCING ACTIVITIES						
Capital expenditures	\$(10,162)	\$(1,417)	\$(8,746)	(617)%	\$(7,562)	\$(18,000)
Debt issuance costs	(260)	(127)	(133)	(105)%	(254)	0
Proceeds from issuance of long-term debt	200,000	29,902	170,098	569 %	29,999	0
Principal paid on debt	(14,873)	(15,256)	383	3 %	(16,358)	(16,020)
Interest paid on debt	(7,064)	(7,517)	453	6 %	(14,202)	(13,993)
Receipt of pledged revenues from University of South Florida	19,106	16,591	2,515	15 %	33,031	0
Return of excess pledged revenues to University of South Florida	(17,746)	(16,443)	(1,303)	(8)%	(33,031)	0
Total Cash From Capital and Financing Activities	\$169,001	\$5,733	\$163,269	2,848 %	\$(8,377)	\$(48,013)
INVESTING ACTIVITIES						
Proceeds from maturity/redemption of INTO CD	0	3,774	(3,774)	(100)%	3,774	0
Interest income	2,011	443	1,568	354 %	1,954	840
Total Cash From Investing Activities	\$2,011	\$4,217	\$(2,206)	(52)%	\$5,728	\$840
CHANGE IN CASH	186,586	25,962	160,625	619 %	27,693	(17,245)
Cash, Beginning of Year	71,755	44,063	27,692	63 %	44,062	71,256
Cash, End of Year	\$258,342	\$70,025	\$188,317	0 %	\$71,755	\$54,011
Total Cash & Investments	\$258,342	\$70,025	\$188,317	269 %	\$71,755	\$54,011
Days Cash on Hand	433	419	14	3 %	415	400

	FY 2023 ACTUALS	FY 2023 QUARTER 2	FY 2024 QUARTER 2	\$	%
ASSETS					
Cash & Investments	\$47,789,919	\$43,766,762	\$50,716,073	\$6,949,311	16%
Fixed Assets	71,394,606	64,020,366	71,035,152	7,014,786	11%
Other Assets	94,004,688	85,438,129	86,483,031	1,044,902	1%
Total Assets	\$213,189,213	\$193,225,257	\$208,234,256	\$15,008,999	8%
LIABILITIES					
Payables	\$28,928,019	\$29,470,025	\$31,178,585	\$1,708,560	6%
Long-Term Debt	56,858,407	54,328,674	56,251,336	1,922,662	4%
Other Liabilities and deferred inflows	32,155,958	29,073,265	28,861,044	(212,221)	-1%
Total Liabilities	\$117,942,383	\$112,871,964	\$116,290,965	\$3,419,001	3%
NET ASSETS	\$95,246,830	\$80,353,293	\$91,943,291	11,589,998	14%
Days Cash on Hand	50	92	100		
REVENUES					
Net Patient Service	\$197,428,655	\$92,563,244	\$101,698,291	\$9,135,047	10%
Grants, Contracts & Awards	113,028,735	\$48,035,242	\$62,393,102	14,357,860	30%
UPL/PCIP	35,170,691	\$19,395,262	\$16,125,408	(3,269,854)	-17%
Other Revenue	47,693,249	\$19,478,234	\$22,398,887	2,920,653	15%
Total Revenues	\$393,321,330	\$179,471,983	\$202,615,688	\$23,143,705	13%
EXPENSES					
Faculty Support	\$218,362,890	\$103,145,070	\$117,463,923	\$14,318,854	14%
Housestaff Support	15,742,168	7,355,337	8,772,411	1,417,073	19%
Other Staff Support	28,591,338	14,776,547	11,569,507	(3,207,040)	-22%
USFTGP Staff Support	66,196,303	35,935,638	35,413,733	(521,905)	-1%
Other Expenses	50,229,959	\$23,406,579	\$23,611,999	205,420	1%
Total Expenses	\$379,122,658	\$184,619,172	\$196,831,574	\$12,212,402	7%
Operating Profit Before Non-Cash Changes	\$14,198,673	\$(5,147,189)	\$5,784,113	\$10,931,303	-212%
Total Non-Cash Changes	\$(7,165,665)	\$(2,936,914)	\$(3,631,359)	\$(694,445)	24%
NET OPERATING PROFIT	\$7,033,008	\$(8,084,103)	\$2,152,754	\$10,236,857	-127%
Operating Profit Margin	4%	-3%	3%	1%	-26%
Unrealized Investment Gains (Losses)	\$2,551,915	\$146,530	\$1,104,594	\$1,447,321	988%
Gain (Loss) on Disposal of Capital Assets	(43,852)	\$0	0	0	0%
Other Non Operating Expense	0	\$(1,019,211)	(1,125,852)	(106,641)	10%
Contribution to MCOM	(10,276,608)	(9,260,856)	(5,435,036)	3,825,821	-41%
Total Non-Operating Changes	\$(7,768,545)	\$(10,133,537)	\$(5,456,293)	\$(2,312,252)	23%
NET OPERATING PROFIT	\$(735,537)	\$(18,217,640)	\$(3,303,539)	\$7,924,605	-43%

FY 2024 Quarter 2

INCOME STATEMENT

	FY 2023 ACTUALS	FY 2023 QUARTER 2	FY 2024 QUARTER 2	\$	%
REVENUES					
Net Patient Service	\$197,428,655	\$92,563,244	101,698,291	\$9,135,047	10 %
Grants, Contracts & Awards	113,028,735	48,035,242	62,393,102	\$14,357,860	30 %
UPL/PCIP	35,170,691	19,395,262	16,125,408	\$(3,269,854)	(17)%
Other Revenue	47,693,249	19,478,234	22,398,867	\$2,920,633	15 %
Total Revenues	\$393,321,330	\$179,471,983	\$202,615,668	\$23,143,685	6 %
EXPENSES					
Faculty Support	\$218,362,890	\$103,145,070	117,463,923	(14,318,854)	(14)%
Housestaff Support	15,742,168	7,355,337	8,772,411	(1,417,073)	(19)%
Other Staff Support	28,591,338	14,776,547	11,569,507	3,207,040	22 %
USFTGP Staff Support	66,196,303	35,935,638	35,413,733	521,905	1 %
Depreciation/Amortization	7,165,665	2,936,914	3,631,359	(694,445)	(24)%
Other Expenses	50,229,959	23,406,579	23,611,999	(205,420)	(1)%
Total Expenses	\$386,288,323	\$187,556,086	\$200,462,933	(\$12,906,848)	(3)%
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$7,033,008	\$(8,084,103)	\$2,152,734	\$36,050,533	513 %
Unrealized Investment Gains (Losses)	2,551,915	146,530	1,104,594	(958,064)	(654)%
Contribution to MCOM	(10,276,608)	(9,260,856)	(5,435,036)	(3,825,821)	41 %
Gain (Loss) on Disposal of Capital Assets	(43,852)	0	0	0	0 %
Other Non Operating Expense	0	(1,019,211)	(1,125,852)	106,641	(10)%
Total Non-Cash Changes	(\$7,768,545)	(\$10,133,537)	(\$5,456,293)	(\$4,677,244)	60 %
NET OPERATING PROFIT	(\$735,537)	(\$18,217,640)	(\$3,303,559)	\$31,373,289	(4,265)%
Operating Profit Margin	2%	-5%	1%	156%	7,528 %

USF Research Foundation, Inc.

FY 2024 QUARTER 2 REPORT - DECEMBER 31, 2023

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 in line with the Approved Plan and reflect operations ramp up of 3814 Spectrum.
- As directed by the University, the FY24 Approved Plan included a cost allocation of \$4.29M 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 December 31, 2023 the FY24 year-to-date expense of \$2.38M for TTO cost allocation is \$631K more than the prior year period mainly due increased legal expenses for patent prosecutions services not incurred in prior year. The increased expenses are due to the transition of matters from old firms to new firms. Total legal expenses are expected to align with the Approved Plan.

- Investment income (including IP equity transactions) is tracking favorably to the Approved Plan by \$467K for the six months ended.

USF Research Foundation, Inc.

FY 2024 QUARTER 2 REPORT - DECEMBER 31, 2023

BALANCE SHEET

(In thousands)

	As of December 31,		Variance	
	2023	2022	\$	%
<u>ASSETS</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	\$3,816	\$5,688	\$(1,872)	(33)%
Investments	39,323	43,948	(4,626)	(11)%
Receivables	2,389	1,587	802	51 %
Other Current Assets	104	94	10	11 %
Total Current Assets	\$45,631	\$51,316	\$(5,685)	(11)%
<u>Noncurrent Assets</u>				
Other Receivables	\$225	\$160	\$65	41 %
Lease Receivables	50,933	57,050	(6,117)	(11)%
Right-to-Use Leased Asset, net	-	434	(434)	(100)%
Capital Assets	96,694	95,344	1,350	1 %
Less: Accumulated Depreciation	(43,484)	(39,617)	(3,867)	(10)%
Non-Depreciable Items (CIP, Land, etc.)	16,666	8,626	8,040	93 %
Reserve for Debt Service	2,514	2,514	-	0 %
Developer Rights to Research Park, net	6,530	6,646	(116)	(2)%
Total Noncurrent Assets	\$130,078	\$131,155	\$(1,078)	(1)%
Total Assets	\$175,709	\$182,471	\$(6,762)	(4)%
<u>LIABILITIES AND NET POSITION</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$3,772	\$602	\$3,170	526 %
Due to Primary Unit	7,228	7,655	(427)	(6)%
Unearned Revenue	677	679	(2)	(0)%
Lease Liability	-	451	(451)	(100)%
Other Current Liabilities	1,155	1,452	(297)	(20)%
Total Current Liabilities	\$12,832	\$10,840	\$1,993	18 %
<u>Noncurrent Liabilities</u>				
Note Payable & Finance Purchase Lease Obligations	\$37,633	\$39,786	\$(2,153)	(5)%
Total Noncurrent Liabilities	\$37,633	\$39,786	\$(2,153)	-5%
<u>Deferred Inflows of Resources (Leases)</u>	\$49,207	\$56,032	\$(6,826)	\$ (0)
Total Liabilities & Deferred Inflows	\$99,672	\$106,658	\$(6,986)	-7%
Net Position	\$76,037	\$75,814	\$223	0 %
Total Liabilities & Net Position	\$175,709	\$182,471	\$(6,762)	-4%

USF Research Foundation, Inc.

FY 2024 QUARTER 2 REPORT - DECEMBER 31, 2023

INCOME STATEMENT

(In thousands)

	Period Ending December 31,		Variance	
	2023	2022	\$	%
<u>REVENUES</u>				
Rental Revenue	\$5,364	\$4,915	\$449	9 %
Intellectual Property Revenue (TTO Initiator)	1,037	1,137	(100)	(9)%
Other Operating Revenues	88	80	8	10 %
Total Revenues	\$6,489	\$6,131	\$357	6 %
<u>EXPENSES</u>				
Salaries & Benefits	\$604	\$580	\$24	4 %
Intellectual Property Program Expense	715	823	(108)	(13)%
IP University Exp - TTO Cost Allocation to DSO	2,379	1,748	631	36 %
Operations - Research Park	2,450	1,880	570	30 %
Other Operating Expenses	152	109	43	39 %
UBC Net Expense (University Business Center)	13	(201)	214	107 %
Interest Expense	681	688	(7)	(1)%
Depreciation & Amortization	2,165	2,348	(183)	(8)%
Total Expenses	\$9,159	\$7,974	\$1,184	15 %
OPERATING INCOME (LOSS) BEFORE NON-OPERATING REVENUE (LOSS)	\$(2,670)	\$(1,843)	\$(827)	(45)%
Investment Income (Loss)	\$2,011	\$253	\$1,759	695 %
Investment Income (Loss) - IP Equity Transaction	(666)	(448)	(218)	(49)%
Total Non-Operating Income (Expense)	\$1,346	\$(195)	\$1,541	791 %
NET INCOME (LOSS)	\$(1,324)	\$(2,038)	\$714	35 %

USF Research Foundation, Inc.

FY 2024 QUARTER 2 REPORT - DECEMBER 31, 2023

STATEMENT OF CASH FLOWS

(In thousands)

	Period Ending December 31,		Variance	
	2023	2022	\$	%
<u>OPERATING ACTIVITIES</u>				
Net Income (Loss)	\$(1,324)	\$(2,038)	\$714	35 %
Adjustments for Non-Cash Activities:				
Add back (Deduct) Non-Cash Investment Loss (Gain)	(1,114)	463	(1,577)	(341)%
Add back Depreciation/Amortization Expense	2,165	2,348	(183)	(8)%
Add back Other Non-Cash Expense	(0)	10	(10)	(103)%
Change in Assets and Liabilities (net)	(1,884)	289	(2,174)	(751)%
Total Cash From Operating Activities	\$(2,158)	\$1,072	\$(3,230)	(301)%
<u>INVESTING ACTIVITIES</u>				
Purchase of Investments	\$0	\$(334)	\$334	100 %
Capital Expenditures	(876)	(137)	(739)	(539)%
Total Cash From Investing Activities	\$(876)	\$(471)	\$(405)	(86)%
<u>FINANCING ACTIVITIES</u>				
Redeem Investments for New Building	\$4,000	\$0	\$4,000	%
Redeem Investments for 3814 Spectrum	-	299	(299)	(100)%
Finance Purchase Lease Obligation - 3814 Bldg	(1,014)	(975)	(40)	(4)%
Finance Purchase Lease Obligation - UDI Bldg	(136)	(130)	(6)	(4)%
Payment - UBC Lease Liability	(114)	(329)	215	65 %
Principal Payment - Note Payable	(870)	(835)	(35)	(4)%
Total Cash From Financing Activities	\$1,866	\$(1,969)	\$3,835	195 %
CHANGE IN CASH	(1,167)	(1,368)	201	15 %
Cash, Beginning of Year	4,983	7,056	(2,072)	(29)%
Cash, End of Period	\$3,816	\$5,688	\$(1,872)	(33)%

USF Health Professions Conferencing Corporation

EXECUTIVE SUMMARY

MAJOR BUSINESS INITIATIVES - FY 2023

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

EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR

- 'Cash and cash equivalents' increased \$1,509K from 6/30/2023 as a result of increasing current liabilities - 'Accounts payable' increased \$390K, 'Unearned revenue' increased \$584K and 'Due to USF/DSOs' increased \$478K from underfunding of HPCC's USF convenience account. 'Deferred inflows related to grants' also increased \$1,075K while \$642K of cash was used for 'Lease obligations' and approximately \$500K for equipment purchases and operations.
- 'Contracts & grants - non USF', which includes MEC related grants, was up \$972K year over year. MEC related grants were up \$1,364K year over year and similarly, 'Programming Services' were up \$1,372K year over year with payments to MECs increasing \$1,429K year over year. The increasing year over year MEC business obscures to year over year decline in external clientele at CAMLS as the pent up COVID demand was met in the first half of FY2023 but could not be sustained due to unanticipated economic factors such as the increased costs for travel, decreased continuing education dollars for physicians, lack of local hotel availability and overall smaller events requiring less space.
- 'Salaries & benefits' increased year over year as facility and event staffing shifted to HPCC from other USF Health areas along with merit and equity increases.
- 'Rent, utilities & equipment leases' and 'Other operating expenses' decreased as expenses shift to 'Right-of-use amortization' due to GASB 96 implementation.
- Operating Loss increased \$589K due to year over year declines in CAMLS external events and increasing wage and benefit expense.
- Additional 'USF carryforward funding' was provided to HPCC in support of new HVAC chillers for CAMLS. The project was completed December 2023.
- 'Days cash on hand' decreased to 47 from 56 year over year as grants held for payment to Medical Education Companies (MECs) was little changed but cash was used for capital asset purchases while increased current liabilities provided additional cash.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Net Position

as of December 31, 2023 and June 30, 2023

	Current Year as of 12/31/23	Prior Year as of 6/30/23	Variance \$	Variance %
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 1,985,658	\$ 476,489	\$ 1,509,169	317 %
Accounts receivable	923,176	626,056	297,120	47 %
Due from USF/DSO	125,131	357,002	(231,871)	(65)%
Prepaid expenses	149,328	123,781	25,547	21 %
Lease receivable	41,875	137,429	(95,554)	(70)%
Other current assets	25,055	26,981	(1,926)	(7)%
Total Current Assets	3,250,223	1,747,738	1,502,485	86 %
Non-current Assets:				
Capital assets, net	1,693,112	1,018,776	674,336	66 %
Right-of-use assets, net	14,013,334	14,322,364	(309,030)	(2)%
Accounts receivable, noncurrent	-	-	-	100 %
Lease receivable, non-current	-	18,425	(18,425)	(100)%
Other non-current assets	-	-	-	100 %
Total Non-current Assets	15,706,446	15,359,565	346,881	2 %
Total Assets	18,956,669	17,107,303	1,849,366	11 %
<u>Deferred Outflows of Resources</u>				
Bond Prepayment Premium	70,292	79,510	(9,218)	(12)%
<u>Liabilities</u>				
Current Liabilities:				
Lease obligations, current portion	1,287,099	1,251,202	35,897	3 %
Accounts payable	663,701	273,968	389,733	142 %
Accrued expenses - other	39,726	55,841	(16,115)	(29)%
Due to USF/DSO's	988,412	510,920	477,492	93 %
Unearned revenue	1,380,560	796,373	584,187	73 %
Total Current Liabilities	4,359,498	2,888,304	1,471,194	51 %
Non-current Liabilities:				
Lease obligations, net of current portion	8,940,236	9,582,736	(642,500)	(7)%
Total Non-current Liabilities	8,940,236	9,582,736	(642,500)	(7)%
Total Liabilities	13,299,734	12,471,040	828,694	7 %
<u>Deferred Inflows of Resources</u>				
Deferred inflows related to grants	1,457,815	382,718	1,075,097	281 %
Deferred inflows related to leases	41,875	155,854	(113,979)	(73)%
Total Deferred Inflow of Resources	1,499,690	538,572	961,118	178 %
<u>Net Position</u>				
Net investment in capital and right-of-use assets	5,479,111	4,507,203	971,908	22 %
Operating unrestricted	(1,251,574)	(330,002)	(921,572)	279 %
Total Net Position	\$ 4,227,537	\$ 4,177,201	\$ 50,336	1 %

USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Revenues, Expenses and Changes in Net Position

For the Six months ended December 31, 2023 and 2022

		Current Year as of 12/31/23	Prior Year as of 12/31/22	Variance \$	Variance %
Operating Revenues					
Contracts & grants - non USF	}	\$ 5,139,966	\$ 4,168,154	\$ 971,812	23 %
Contracts & grants - USF		1,757,529	1,725,776	31,753	2 %
Program registration & exhibits		287,717	283,460	4,257	2 %
Rental revenue		175,894	208,996	(33,102)	(16)%
Rebates & commissions		17,840	21,115	(3,275)	(16)%
Total Operating Revenues		7,378,946	6,407,501	971,445	15 %
Operating Expenses					
Program services		4,484,506	3,112,559	1,371,947	44 %
Supporting services					
Salaries & benefits		2,120,891	1,952,373	168,518	9 %
Wages - program driven temporary staffing		58,620	44,534	14,086	32 %
Rent, utilities & equipment leases		606,457	662,099	(55,642)	(8)%
Other operating expenses		301,932	321,231	(19,299)	(6)%
Right-of-use asset amortization		309,030	250,006	59,024	24 %
Depreciation expense		102,655	80,398	22,257	28 %
Total Operating Expenses:		7,984,091	6,423,200	1,560,891	24 %
Operating Loss		(605,145)	(15,699)	(589,446)	3,755 %
Non-operating Revenues (Expenses)					
Transfers from UMSA- Continuing Ed - Faculty, Students		195,000	191,750	3,250	2 %
USF carryforward funding		597,000	-	597,000	100 %
Investment income		1,997	14,209	(12,212)	(86)%
Bond prepayment premium		(9,217)	(10,605)	1,388	(13)%
Interest expense on lease obligations		(129,699)	(135,056)	5,357	(4)%
Gain on asset disposal		400	-	400	100 %
Total Net Non-operating Revenue (Expenses)		655,481	60,298	595,183	987 %
(Decrease) in Net Postion		50,336	44,599	5,737	13 %
Net Position, beginning of year		4,177,201	2,981,990	1,195,211	40 %
Net Position, end of period		\$ 4,227,537	\$ 3,026,589	\$ 1,200,948	40 %

Contribution Margin Ratio	$\frac{A - B}{A}$	37%	49%
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USF HEALTH PROFESSIONS CONFERENCING CORPORATION

Statements of Cash Flow

For the Six months ended December 31, 2023 and 2022

	Current Year as of 12/31/23	Prior Year as of 12/31/22	Variance \$	Variance %
Cash flows provided by (used in) operating activities				
Programmatic receipts	\$ 8,223,440	\$ 7,266,643	\$ 956,797	13%
Facility operations receipts	646,487	646,488	(1)	0%
Rents & rebate receipts	186,877	209,811	(22,934)	-11%
Total Receipts	9,056,804	8,122,942	933,862	11%
Programmatic disbursements	(4,571,644)	(4,132,207)	(439,437)	11%
Staffing disbursements	(1,250,000)	(1,930,000)	680,000	-35%
Operations disbursements	(897,916)	(1,300,617)	402,701	-31%
Total Disbursements	(6,719,560)	(7,362,824)	643,264	-9%
Net cash flows provided by (used in) operating activities	2,337,244	760,118	1,577,126	207%
Cash flows provided by non-capital and related financing activities				
Transfers from UMSA- Continuing Ed - Faculty, Students	195,000	191,750	3,250	2%
Net cash provided by non-capital and related financing activities	195,000	191,750	3,250	2%
Cash flows provided by (used in) capital and related financing activities				
Purchases of capital assets	(289,170)	(39,773)	(249,397)	627%
Proceeds on sale of fixed assets	400	-	400	100%
Principal payments under lease obligations	(606,603)	(519,929)	(86,674)	17%
Interest payments on lease obligations	(129,699)	(135,056)	5,357	-4%
Net cash used in capital and related financing activities:	(1,025,072)	(694,758)	(330,314)	48%
Cash flows provided by investing activities				
Investment Income	1,997	14,209	(12,212)	-86%
Net cash provided by investing activities	1,997	14,209	(12,212)	-86%
Net increase (decrease) in cash and cash equivalents	1,509,169	271,319	1,237,850	456%
Cash and cash equivalents, beginning of year	476,489	1,640,629	(1,164,140)	-71%
Cash and cash equivalents, end of period	\$ 1,985,658	\$ 1,911,948	\$ 73,710	4%
Cash:				
Cash and cash equivalents - Checking	1,849,542	1,715,757	133,785	8%
Cash and cash equivalents - Designated Savings	136,116	196,191	(60,075)	-31%
	\$ 1,985,658	\$ 1,911,948	\$ 73,710	4%
Days cash on hand	47	56		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (605,145)	\$ (15,699)	\$ (589,446)	3755%
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	102,655	80,398	22,257	28%
Right-of-use asset amortization	309,030	250,006	59,024	24%
USF carryforward funding	597,000	-	597,000	100%
Changes in operating assets and liabilities and deferred inflows of resources which provided (used) cash:				
Accounts receivable and due fr USF/DSO	(65,249)	108,688	(173,937)	-160%
Prepaid expenses	(25,547)	(41,242)	15,695	-38%
Lease receiveable	113,979	(385,354)	499,333	-130%
Fixed asset accruals	(487,820)	6,350	(494,170)	-7782%
Other current and non-current assets	1,926	(191,335)	193,261	-101%
Accounts payable, accrued expenses and other noncurrent liabilities	851,110	(810,209)	1,661,319	-205%
Unearned revenue	584,187	544,331	39,856	7%
Deferred inflows of resources	961,118	1,214,184	(253,066)	-21%
Net cash flows from operating activities	\$ 2,337,244	\$ 760,118	\$ 1,577,126	207%

BALANCE SHEET

(In thousands)

	6 Months Ended December 31, 2023		Fiscal Year Ended June 30,			
	Q1 Actual	Q2 Actual	2024 ACTUAL YTD	2023 ACTUAL	2022 ACTUAL	2021 ACTUAL
ASSETS						
Current Assets						
Cash and Cash Equivalents	1,769	209	1,978	3,900	1,575	574
Accounts Receivable	456	342	797	617	609	371
Investments	-	-	-	-	-	-
Other	88	(2)	85	96	39	47
Total Current Assets	2,312	549	\$2,861	\$4,613	\$2,223	\$993
Noncurrent Assets						
Restricted Cash and Cash Equivalents	-	-	-	-	-	-
Restricted Investments	-	-	-	-	-	-
Capital Assets	3,172	-	3,172	3,172	3,172	3,172
Less: Accumulated Depreciation	(2,623)	-	(2,623)	(2,623)	(2,494)	(2,429)
Non-Depreciable Items (CIP, Land, etc.)	-	-	-	-	-	-
Total Noncurrent Assets	550	-	\$550	\$550	\$679	\$743
Total Assets	2,862	549	\$3,410	\$5,163	\$2,902	\$1,736
LIABILITIES						
Current Liabilities						
Accounts Payable	165	(656)	(491)	681	8	137
Due to Component Units	2,875	848	3,723	2,575	2,936	1,990
Deferred Revenue	902	(187)	716	2,462	739	7
Other	-	-	-	-	-	-
Total Current Liabilities	3,942	6	\$3,948	\$5,717	\$3,683	\$2,134
Noncurrent Liabilities						
Long Term Debt	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
Total Liabilities	3,942	6	\$3,948	\$5,717	\$3,683	\$2,134
NET ASSETS	(1,080)	543	\$(538)	\$(554)	\$(781)	\$(398)
Total Liabilities & Net Assets	2,862	549	\$3,410	\$5,163	\$2,902	\$1,736
Net Position						
Beginning Unrestricted Net Assets	(1,140)	-	(1,140)	(1,357)	(1,426)	(547)
Beginning Property Net Assets	638	-	638	638	638	638
Retained Earnings	(52)	-	(52)	72	115	188
Event Revenue Transfers, net	(722)	483	(239)	(414)	(459)	138
Net Operating Income	196	60	256	507	351	(816)
Total Net Position	(1,080)	543	\$(538)	\$(554)	\$(781)	\$(398)

INCOME STATEMENT

(In thousands)

	<i>6 Months Ended December 31,</i>			<i>Fiscal Year Ended June 30,</i>							
	2023 Actual	2022 Actual	2021 Actual	2024 YTD	2023 ACTUAL	2022 ACTUAL	Variance		2024 Plan	2023 Plan	2022 Plan
							\$	%			
<u>REVENUES</u>											
Rent Income	\$(13)	\$2	\$363	\$(13)	\$(34)	\$336	\$21	(6)%	\$263	\$339	\$491
Service Income	566	437	113	566	1,015	570	(448)	(79)%	430	346	271
Premium Seating	44	37	5	44	76	41	(32)	80 %	58	49	41
Facility Fee	0	0	0	0	0	0	0	%			
Sponsorship, Commissions & Royalties	0	0	0	0	0	0	0	%	1,261	1,022	740
Parking	177	126	75	177	572	391	(395)	(101)%	381	350	307
Other Revenues	800	873	247	800	1,509	1,201	(709)	(59)%	50	50	55
Total Revenues	\$1,575	\$1,475	\$803	\$1,575	\$3,138	\$2,538	\$(1,563)	(62)%	\$2,443	\$2,156	\$1,905
<u>EXPENSES</u>											
Salaries & Wages	449	\$426	\$331	\$449	\$926	\$637	\$(478)	(75)%	\$469	\$441	\$525
Payroll Taxes & Benefits	97	71	61	97	136	123	(38)	(31)%	371	349	293
Repairs, Maintenance and Utilities	481	163	138	481	526	416	(45)	11 %	128	158	185
Operating & Administrative	166	134	168	166	247	305	(81)	(27)%	573	420	444
Contracted Services	13	44	0	13	55	9	(42)	488 %			
Management Fees	70	75	75	70	192	150	(122)	(81)%	150	150	150
Depreciation/Amortization	0	0	0	0	65	65	(65)	(100)%			
Other Expenses	43	65	36	43	484	395	(442)	(112)%	273	216	
Total Expenses	\$1,319	\$977	\$809	\$1,319	\$2,631	\$2,099	\$(1,312)	(63)%	\$1,964	\$1,734	\$1,597
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$256	\$498	\$(6)	\$256	\$507	\$440	\$(251)	(57)%	\$479	\$422	\$308
<u>NON-OPERATING REVENUES/(EXPENSES)</u>											
Interest Expense	0	0	0	0	0	0	0	%			
Net Transfers to USF - Arena Debt	\$(239)	\$(397)	\$(413)	(239)	(414)	(413)	175	42 %			
Total Non-Operating Revenues/(Expenses)	\$(239)	\$(397)	\$(413)	\$(239)	\$(414)	\$(413)	\$175	42 %	\$0	\$0	\$0
NET OPERATING PROFIT	\$17	\$101	\$(419)	\$17	\$93	\$26	\$(76)	(291)%	\$479	\$422	\$308

STATEMENT OF CASH FLOWS

(In thousands)

	<i>6 Months Ended December 31,</i>			<i>Fiscal Year Ended June 30,</i>							
	2023 Actual	2022 Actual	2021 Actual	2024 YTD	2023 ACTUAL	2022 ACTUAL	Variance		2024 Plan	2023 Plan	2022 Plan
				\$			\$	%			
<u>OPERATING ACTIVITIES</u>											
Net Operating Profit	\$256	\$498	\$(6)	\$256	\$507	\$440	\$(251)	(57)%	\$479	\$422	\$308
Adjustments for Non-Cash Activities:											
Depreciation / Amortization	0	0	0	0	0	0	0	%			
Net adjustments to Assets	\$(170)	(348)	(210)	(170)	(194)	(221)	24	11 %	152	100	
Net adjustments to Liabilities	\$(23)	1,159	(34)	(23)	312	626	(335)	(54)%	(715)	(100)	(400)
Net adjustment to Deferred Revenue	\$(1,746)	(835)	1,719	(1,746)	296	2,146	(2,042)	(95)%	225	200	500
Total Cash From Operating Activities	\$(1,683)	\$474	\$1,468	\$(1,683)	\$920	\$2,990	\$(2,604)	(87)%	\$141	\$622	\$408
<u>INVESTING ACTIVITIES</u>											
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	%			
Purchases (Sales) of Investments	0	0	0	0	0	0	\$0				
Accumulated Depreciation	0	0	0	0	65	0	(65)	%			
Total Cash From Investing Activities	\$0	\$0	\$0	\$0	\$65	\$0	\$(65)	%	\$0	\$0	\$0
<u>FINANCING ACTIVITIES</u>											
Proceeds of Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	%			
Principal Paid on Debt	0	0	0	0	0	0	0	%			
Interest Paid	0	0	0	0	0	0	0	%			
Net transfers to USF for debt service on arena	(239)	(397)	(413)	(239)	(414)	(413)	175	42 %	(413)	(413)	(413)
Total Cash From Financing Activities	\$(239)	\$(397)	\$(413)	\$(239)	\$(414)	\$(413)	\$175	42 %	\$(413)	\$(413)	\$(413)
CHANGE IN CASH	\$(1,922)	77	1,055	(1,922)	571	2,577	(2,493)	(97)%	(272)	209	(5)
Cash, Beginning of Year	3,900	3,330	753	3,900	3,330	753	571	76 %	2,169	1,307	550
Cash, End of Year	\$1,978	\$3,407	\$1,808	\$1,978	\$3,900	\$3,330	\$(1,922)	(58)%	\$1,897	\$1,516	\$545

USF Institute of Applied Engineering, Inc
FY 2024 REPORT - DEC 31, 2023

INCOME STATEMENT

(In thousands)

REVENUES

	CURRENT YEAR 12/31/2023	PRIOR FISCAL YEAR 6/30/2023	Variance	
			\$	%
Contracts Revenues	5,298	12,631	(7,333)	(58)%
Hillsborough County Grant	374	1,010	(636)	(63)%
Other Revenues	0	610	(610)	(100)%
Total Revenues	5,672	14,251	(8,579)	(60)%

EXPENSES

Direct Project Expenses

Salaries & Benefits	1,682	3,165	(1,483)	(47)%
Subcontractors	1,407	5,465	(4,058)	(74)%
Other Direct Costs	227	505	(278)	(55)%
USF Shared Services	83	176	(93)	(53)%
Total Direct Project Expenses	3,399	9,312	(5,912)	(63)%

General Administrative Expenses

Salaries & Fringe	1,192	3,175	(1,983)	(62)%
Sales & Marketing	68	16	52	325 %
Professional Services	183	303	(120)	(40)%
Human Resources	27	158	(131)	(83)%
Facilities	222	196	26	13 %
Other G&A Expenses	347	334	13	4 %
Total G&A Expenses	2,038	4,182	(2,144)	(51)%
Total Expenses	5,437	13,493	(8,056)	(60)%

**OPERATING PROFIT BEFORE
NON-CASH CHANGES**

	234	757	(523)	(69)%
Depreciation & Amortization	99	206	(107)	(52)%
Total Non-Cash Changes	135	551	(416)	(76)%
NET INCOME	135	551	(416)	(76)%

Operating Profit Margin

4%	5%	
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USF Institute of Applied Engineering, Inc
FY 2024 REPORT - DEC 31, 2023

BALANCE SHEET

(In thousands)

	CURRENT	PRIOR	Variance	
	YEAR	FISCAL YEAR	\$	%
	12/31/2023	6/30/2023		
ASSETS				
<u>Current Assets</u>				
Cash and Cash Equivalents	3,405	2,022	1,383	68 %
Accounts Receivable	2,076	2,273	(197)	(9)%
Prepayments and Other Current Assets	33	71	(38)	(54)%
Total Current Assets	5,514	4,366	1,148	26 %
<u>Noncurrent Assets</u>				
Capital Assets:				
Laboratory Equipment and Fixtures, Net	1,205	989	215	22 %
TOTAL ASSETS	6,718	5,355	1,363	25 %
LIABILITIES				
<u>Current Liabilities</u>				
Accounts Payable	4,749	3,824	925	24 %
Accrued Expenses	110	107	3	3 %
Current portion of right-to use lease liability	427	127	300	236 %
Total Current Liabilities	5,286	4,058	1,228	30 %
<u>Long-term Liabilities</u>				
Long Term Lease Liability	101	101	0	0 %
Total Current Liabilities	101	101	0	0 %
NET POSITION	1,331	1,196	135	11 %

USF Institute of Applied Engineering, Inc
FY 2024 REPORT - DEC 31, 2023

STATEMENT OF CASH FLOWS

(In thousands)

	CURRENT YEAR	PRIOR FISCAL YEAR	Variance	
	12/31/2023	6/30/2023	\$	%
<u>OPERATING ACTIVITIES</u>				
Net Income	135	551	(416)	(76)%
Less: Adjustments				
Depreciation & Amortization	99	206	(107)	(52)%
Change in Working Capital				
Current Asset Changes	235	6	230	3,908 %
Current Liability Changes	1,228	(329)	1,557	(473)%
Total Cash From Operating Activities	1,698	434	1,263	291 %
<u>INVESTING ACTIVITIES</u>				
Capital Expenditures	(315)	(301)	(13)	4 %
Total Cash From Investing Activities	(315)	(301)	(13)	4 %
<u>FINANCING ACTIVITIES</u>				
Capital Lease Non-Interest Payments	0	(73)	73	(100)%
Total Cash From Financing Activities	0	(73)	73	(100)%
CHANGE IN CASH	1,383	61	1,323	2,185 %
Cash, Beginning of Year	2,022	1,961	61	3 %
Cash, End of Year	3,405	2,022	1,383	68 %
Total Cash & Investments	3,405	2,022	1,383	68 %
Days Cash on Hand	114	54	60	110 %