UNIVERSITY of SOUTH FLORIDA

# DIRECT SUPPORT ORGANIZATIONS

## MID-YEAR FORECASTS

**FISCAL YEAR 2022**

***February 21, 2022***

UNIVERSITY of SOUTH FLORIDA

# DSO Mid-Year Forecasts for FY 2022

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**INDEX**


University Medical Services Association, Inc. and
Medical Services Support Corporation, Inc. ..... 1-4

USF Foundation, Inc. ..... 5-8

USF Research Foundation, Inc. ..... 9-12

USF Health Professions Conferencing Corporation ..... 13-16

USF Financing Corporation and USF Property Corporation ..... 17-20

USF Institute of Applied Engineering ..... 21-24

Sun Dome, Inc. ..... 25-28

USF Alumni Association, Inc. ..... 29-32

UNIVERSITY of SOUTH FLORIDA

# UMSA/MSSC Combined

FY 2022 Mid-Year Forecast

## MID-YEAR FORECAST

**Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.**

- On October 1st, 2021, the practice plan and Tampa General Hospital entered into an enhanced affiliation agreement to build upon their nearly 50 year affiliation to become Florida's leading academic medical center (AMC) through a sustainable, collaborative, and comprehensive relationship that mutually benefits each organization, and the communities we serve, across all missions including patient care, teaching, research, and advocacy. USF Tampa General Physicians (USFTGP) went live on October 1st and will be the vehicle through which USF and TGH will operate their collective physician enterprise - including physicians employed by USF and TGMG - as a clinically integrated medical group. USFTGP will provide all practice infrastructure, clinical management, and related operational and administrative support services, including management of employed and leased staff.

- By January 1st 2022, approximately 1,300 UMSA employees transitioned employment to either USF, USFTGP, or TGH, depending on their function, with the majority moving to USFTGP.

- Clinical volumes returned to their pre-pandemic levels through December 2021. However, the Omicron surge in January 2022 presented a challenge as approximately 10% of our staff were either sick or in quarantine in the first 2 weeks of the calendar year, resulting in some clinic cancellations. This coupled with the tight labor market has stretched the practice plan's staffing resources.

- While the practice plan's financial austerity measures instituted in FY21 in response to the COVID-19 pandemic have been lifted, precautions surrounding large gatherings and travel restrictions have kept travel, meals, and continuing medical education costs below prior year averages.

- The practice will receive an additional $14.7 of CARES Act funding in FY22 to reimburse for lost revenue associated with the COVID pandemic.

**Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End**

- The national healthcare labor shortage has posed a challenge to recruitment and retention of talent in UMSA. USF Health leadership is working closely with USFTGP and their human resources partners at TGH to advertise open positions, host career fairs, and review our market.

- UMSA is forecasted to end FY22 with a $44M receivable for the Medicaid Managed Care Supplemental Payment Program (UPL). The Agency for Healthcare Administration (AHCA) remains challenged with turnaround times due to staffing shortages, therefore we do not anticipate receiving the Medicaid Managed Care Supplemental payments until after the fiscal year end.

UNIVERSITY of SOUTH FLORIDA

# UMSA/MSSC Combined

FY 2022 Mid-Year Forecast

## INCOME STATEMENT

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Net Patient Service | $187,376 | $189,190 | $(1,813) | (1)% | $191,974 | $166,121 | $186,258 |
| Grants, Contracts & Awards | 88,003 | 87,112 | 891 | 1 % | 94,719 | 79,757 | 76,144 |
| UPL/PCIP | 38,222 | 38,200 | 22 | 0 % | 40,491 | 38,726 | 26,047 |
| Other Revenue | 61,945 | 46,653 | 15,292 | 33 % | 41,798 | 43,383 | 41,085 |
| **Total Revenues** | **$375,546** | **$361,154** | **$14,393** | 4 % | **$368,983** | **$327,986** | **$329,534** |
| **EXPENSES** | | | | | | | |
| Faculty Support | 142,202 | 132,012 | 10,190 | 8 % | $132,401 | $119,117 | $118,010 |
| Housestaff Support | 12,354 | 12,315 | 39 | 0 % | 12,423 | 13,068 | 12,732 |
| Other Staff Support | 32,268 | 39,110 | (6,842) | (17)% | 79,390 | 77,133 | 71,968 |
| Depreciation/Amortization | 4,514 | 4,638 | (124) | (3)% | 5,047 | 4,573 | 4,436 |
| Other Expenses | 95,389 | 93,286 | 2,103 | 2 % | 55,384 | 55,412 | 55,877 |
| Transfer to USF Conv Accts | 65,729 | 63,756 | 1,973 | 3 % | 62,462 | 60,080 | 56,409 |
| Transfer to DSO HPCC Salary Support | 0 | 0 | 0 | % | 0 | 0 | 1,072 |
| **Total Expenses** | **$352,456** | **$345,118** | **$7,339** | 2 % | **$347,108** | **$329,384** | **$320,506** |
| **OPERATING PROFIT BEFORE NON-OPERATING CHANGES** | **$23,090** | **$16,036** | **$7,054** | 44 % | **$21,875** | **$(1,398)** | **$9,028** |
| Unrealized Investment Gains (Losses) | 124 | 0 | 124 | % | 3,041 | 1,068 | 422 |
| Contribution to MCOM | (5,000) | 0 | (5,000) | % | 0 | (7,003) | 0 |
| Gain (Loss) on Disposal of Capital Assets | 2,766 | 0 | 2,766 | % | 0 | 0 | 0 |
| Non-Cash Impact of Epic Conversion | 0 | 0 | 0 | % | 0 | 0 | (5,742) |
| Other Non Operating Expense | (3) | 0 | (3) | % | 0 | 0 | 0 |
| **Total Non-Operating Changes** | **$(2,113)** | **$0** | **$(2,113)** | % | **$3,041** | **$(5,935)** | **$(5,320)** |
| **NET PROFIT** | **$20,977** | **$16,036** | **$4,941** | 31 % | **$24,916** | **$(7,332)** | **$3,709** |
| **Operating Profit Margin** | **6%** | **4%** | **2%** | 38 % | **6%** | **0%** | **3%** |

UNIVERSITY of SOUTH FLORIDA

# UMSA/MSSC Combined

FY 2022 Mid-Year Forecast

## STATEMENT OF CASH FLOWS

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | |
| Net Operating Profit | $20,977 | $16,036 | $4,941 | 31% | $24,916 | $(7,332) | $3,709 |
| Adjustments for Non-Cash Activities: | | | 0 | % | | | |
| Depreciation/Amortization | 4,514 | 4,638 | (124) | -3% | 5,047 | 4,573 | 4,436 |
| Non Cash Impact of EPIC | 0 | 0 | 0 | % | 0 | 0 | 5,742 |
| Unrealized Gains | 0 | 0 | 0 | % | 0 | 0 | (422) |
| Operating Assets and Liabilities | (16,113) | (3,000) | (13,113) | -437% | (72,055) | 36,060 | (1,695) |
| **Total Cash From Operating Activities** | **$9,379** | **$17,674** | **$(8,295)** | **-47%** | **$(42,093)** | **$33,301** | **$11,770** |
| **FINANCING ACTIVITIES** | | | | | | | |
| Capital Expenditures | $(6,096) | $(4,500) | $(1,596) | -35% | $(1,613) | $(2,514) | $(2,815) |
| Proceeds from Sale of Capital Assets | 2,766 | 0 | 2,766 | % | 13 | 0 | 0 |
| Interest Payments | (2,429) | 0 | (2,429) | % | (2,429) | (1,566) | (1,633) |
| Transfer to USF FC - Leases on MOBs | (2,511) | (2,511) | 0 | 0% | (2,306) | (2,245) | (2,689) |
| **Total Cash From Financing Activities** | $(8,271) | $(7,011) | $(1,260) | -18% | $(6,335) | $(6,325) | $(7,136) |
| **INVESTING ACTIVITIES** | | | | | | | |
| Net (Purchases) Sales of Investments | (6,624) | 0 | (6,624) | % | 21,042 | (1,803) | (2,962) |
| Interest and Dividends on Investments | 0 | 0 | 0 | % | 3,041 | 1,068 | 422 |
| **Total Cash From Investing Activities** | **$(6,624)** | **$0** | **$(6,624)** | **%** | **$24,083** | **$(735)** | **$(2,540)** |
| **CHANGE IN CASH** | **(5,516)** | **10,663** | **(16,179)** | **-152%** | **(24,345)** | **26,241** | **2,094** |
| Cash, Beginning of Year | 10,650 | 13,763 | (3,113) | -23% | 34,996 | 8,755 | 6,661 |
| **Cash, End of Year** | **$5,134** | **$24,426** | **$(19,292)** | **-79%** | **$10,650** | **$34,996** | **$8,755** |
| **Total Cash & Investments** | **$18,761** | **$54,104** | **$(35,343)** | **-65%** | **$17,314** | **$62,672** | **$33,597** |
| **Days Cash on Hand** | **20** | **59** | **(39)** | **-66%** | **19** | **73** | **40** |

UNIVERSITY of SOUTH FLORIDA

# UMSA/MSSC Combined

FY 2022 Mid-Year Forecast

## 3-YEAR FORECAST

| (In thousands) | ACTUAL | | | FORECAST | | |
|---|---|---|---|---|---|---|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| **ASSETS** | | | | | | |
| Cash & Investments | $33,597 | $62,672 | $17,314 | $18,761 | $34,033 | $50,641 |
| Fixed Assets | 54,420 | 54,145 | 51,410 | 54,741 | 55,836 | 57,511 |
| Other Assets | 55,422 | 50,104 | 83,336 | 67,223 | 57,895 | 58,474 |
| **Total Assets** | **$143,439** | **$166,921** | **$152,060** | **$140,725** | **$147,764** | **$166,626** |
| **LIABILITIES** | | | | | | |
| Payables | $9,648 | $17,637 | $12,991 | $12,341 | $12,464 | $12,589 |
| Long-Term Debt | 47,475 | 48,754 | 46,536 | 50,032 | 51,311 | 52,589 |
| Other Liabilities and deferred inflows | 19,961 | 46,398 | 26,001 | 20,161 | 20,363 | 20,566 |
| **Total Liabilities** | **$77,084** | **$112,788** | **$85,528** | **$82,534** | **$84,138** | **$85,745** |
| **NET ASSETS** | **$66,355** | **$54,133** | **$66,532** | **$58,191** | **$63,626** | **$80,881** |
| **Days Cash on Hand** | **40** | **73** | **19** | **20** | **37** | **54** |
| **REVENUES** | | | | | | |
| Net Patient Service | $186,258 | $166,121 | $191,974 | $187,376 | $192,998 | $197,823 |
| Grants, Contracts & Awards | 76,144 | 79,757 | 94,719 | 88,003 | 88,883 | 89,772 |
| UPL | 26,047 | 38,726 | 40,491 | 38,222 | 38,604 | 38,990 |
| Other Revenues | 41,085 | 43,383 | 41,798 | 61,945 | 47,864 | 48,343 |
| **Total Revenues** | **$329,534** | **$327,986** | **$368,983** | **$375,546** | **$368,349** | **$374,928** |
| **EXPENSES** | | | | | | |
| Faculty Support | $118,010 | $119,117 | $132,401 | $142,202 | $143,624 | $145,779 |
| Housestaff Support | 12,732 | 13,068 | 12,423 | 12,354 | 12,438 | 12,562 |
| Other Staff Support | 71,968 | 77,133 | 79,390 | 32,268 | 0 | 0 |
| Other Expenses | 55,877 | 55,412 | 55,384 | 95,389 | 128,295 | 129,578 |
| Transfer to USF - Salary Grants | 56,409 | 60,080 | 62,462 | 65,729 | 69,020 | 70,401 |
| Transfer to HPCC - Salary Support | 1,072 | 0 | 0 | 0 | 0 | 0 |
| **Total Expenses** | **$316,070** | **$324,811** | **$342,061** | **$347,942** | **$353,378** | **$358,320** |
| **Operating Profit Before Non-Cash Changes** | **$13,464** | **$3,176** | **$26,922** | **$27,604** | **$14,972** | **$16,608** |
| Total Non-Cash Changes | $(4,436) | $(4,573) | $(5,047) | $(4,514) | $(4,560) | $(4,605) |
| **NET OPERATING PROFIT** | **$9,028** | **$(1,398)** | **$21,875** | **$23,090** | **$10,412** | **$12,003** |
| **Operating Profit Margin** | **3%** | **0%** | **6%** | **6%** | **3%** | **3%** |
| Unrealized Investment Gains (Losses) | $422 | $1,068 | $3,041 | $121 | $0 | $0 |
| Non-Cash Impact of Epic Conversion | (5,742) | | | | | |
| Gain (Loss) on Disposal of Capital Assets | 0 | 0 | 0 | 2,766 | 0 | 0 |
| Contribution to MCOM | 0 | (7,003) | 0 | (5,000) | (9,700) | 0 |
| **Total Non-Operating Changes** | **$(5,320)** | **$(5,935)** | **$3,041** | **$(2,113)** | **$(9,700)** | **$0** |
| **NET PROFIT** | **$3,709** | **$(7,332)** | **$24,916** | **$20,977** | **$712** | **$12,003** |

# USF FOUNDATION, INC.

FY 2022 Mid-Year Forecast

## MID-YEAR FORECAST

**Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.**

- Several new initiatives for the Division of University Advancement have been kicked off during the fiscal year to facilitate and grow the crucial impact of philanthropy for USF. The talent acquisition to establish a principal gifts team, a regional fundraising team, and a Digital Engagement Center is underway with the onboarding of new leadership positions during the first two quarters of fiscal year 2022 and with active searches underway for key roles for these initiatives.

**Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End**

- Investment losses incurred through December 31st combined with the investment return projections for the 3rd and 4th quarters are reflected in the mid-year forecast; thereby, driving the decrease in net operating profit compared with the FY 2022 financial plan. These return projections will not negatively impact endowment spending distributions as the 5-year average market value used to calculated earnings distributions has increased.

- Other transfers and expenses are anticipated to increase compared to the financial plan due to additional funding available through fundraising efforts for academic facility construction projects.

UNIVERSITY of SOUTH FLORIDA

# USF FOUNDATION, INC.

FY 2022 Mid-Year Forecast

## INCOME STATEMENT

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Gift & Donations | $60,450 | $60,450 | $0 | 0 % | $64,667 | $70,565 | $60,914 |
| Investment Income (Loss) | 33,625 | 44,301 | (10,676) | (24)% | 192,303 | 31,323 | 33,209 |
| University Support | 12,954 | 11,754 | 1,200 | 10 % | 13,209 | 16,284 | 13,233 |
| Other Revenues | 2,850 | 2,850 | 0 | 0 % | 2,473 | 2,489 | 2,518 |
| **Total Revenues** | **$109,879** | **$119,355** | **$(9,476)** | (8)% | **$272,652** | **$120,661** | **$109,874** |
| **EXPENSES** | | | | | | | |
| **Program Services** | | | | | | | |
| Salaries & Benefits | 19,950 | 19,901 | 48 | 0 % | 20,721 | 18,498 | 17,288 |
| Scholarship & Fellowship | 10,088 | 9,806 | 282 | 3 % | 10,802 | 13,213 | 10,336 |
| Service & Independent contractors | 3,972 | 4,066 | (94) | (2)% | 1,619 | 3,145 | 4,581 |
| Supplies | 2,160 | 2,164 | (4) | (0)% | 884 | 1,517 | 3,070 |
| Other Transfers & Expenses | 30,767 | 22,267 | 8,500 | 38 % | 18,791 | 14,573 | 22,749 |
| **Total Program Service Expenses** | 66,937 | 58,205 | 8,732 | 15 % | 52,817 | 50,946 | 58,024 |
| **Fundraising and Operating Expenses** | | | | | | | |
| Salaries & Benefits | 15,866 | 15,674 | 192 | 1 % | 16,188 | 14,942 | 14,343 |
| Service & Independent contractors | 1,114 | 1,119 | (5) | (0)% | 1,042 | 1,728 | 1,171 |
| Other Transfers & Expenses | 1,944 | 2,194 | (250) | (11)% | 1,429 | 1,772 | 2,694 |
| **Total Fundraising and Operating Expenses** | 18,924 | 18,987 | (63) | (0)% | 18,659 | 18,442 | 18,208 |
| **Total Expenses** | 85,861 | 77,192 | 8,669 | 11 % | 71,476 | 69,388 | 76,232 |
| **OPERATING PROFIT BEFORE NON-CASH CHANGES** | **$24,018** | **$42,163** | **$(18,145)** | (43)% | **$201,176** | **$51,273** | **$33,642** |
| **Total Non-Cash Changes** | **$0** | **$0** | **$0** | % | **$0** | **$0** | **$0** |
| **NET OPERATING PROFIT** | **$24,018** | **$42,163** | **$(18,145)** | (43)% | **$201,176** | **$51,273** | **$33,642** |
| **Operating Profit Margin** | **22%** | **35%** | | (13)% | **74%** | **42%** | **31%** |

UNIVERSITY of SOUTH FLORIDA

# USF FOUNDATION, INC.

FY 2022 Mid-Year Forecast

## STATEMENT OF CASH FLOWS

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020-restated ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | |
| Net Operating Profit | $24,018 | $42,163 | $(18,145) | (43)% | $201,176 | $51,273 | $33,642 |
| Adjustments for Non-Cash Activities: | | | | | | | |
| Investment (gain) losses | (42,225) | (40,549) | (1,676) | (4)% | (179,278) | (21,485) | (23,643) |
| Change in assets & liabilities | (6,840) | (16,263) | 9,423 | 58 % | (19,976) | (45,053) | (31,097) |
| **Total Cash From Operating Activities** | **$(25,047)** | **$(14,649)** | **$(10,398)** | (71)% | **$1,922** | **$(15,265)** | **$(21,098)** |
| **FINANCING ACTIVITIES** | | | | | | | |
| Proceeds of sales of contributed land held for resale | $0 | $0 | $0 | % | $0 | $0 | $12,000 |
| Interest Paid on Debt | (125) | (125) | 0 | 0 % | (109) | (119) | (129) |
| Principal Paid on Debt | (379) | (379) | 0 | 0 % | (391) | (382) | (371) |
| NonCapital Financing activities | 18,913 | 7,565 | 11,348 | 150 % | 13,139 | 15,545 | 9,435 |
| **Total Cash From Financing Activities** | **$18,409** | **$7,061** | **$11,348** | 161 % | **$12,639** | **$15,044** | **$20,935** |
| **INVESTING ACTIVITIES** | | | | | | | |
| Capital Expenditures | $0 | $0 | $0 | % | $400 | $400 | $(7,650) |
| Net (Purchases) Sales of Investment | (2,246) | (2,065) | (181) | (9)% | (32,359) | (6,504) | (1,360) |
| Interest dividends reinvested | 10,546 | 9,145 | 1,401 | 15 % | 13,025 | 9,839 | 9,565 |
| **Total Cash From Investing Activities** | **$8,300** | **$7,080** | **$1,220** | 17 % | **$(18,934)** | **$3,735** | **$555** |
| **CHANGE IN CASH** | **1,662** | **(508)** | **2,169** | 427 % | **(4,373)** | **3,514** | **392** |
| Cash, Beginning of Year | 551 | 2,510 | (1,959) | (78)% | 4,924 | 1,410 | 1,025 |
| **Cash, End of Year** | **$2,213** | **$2,002** | **$210** | 11 % | **$551** | **$4,924** | **$1,417** |
| **Total Cash & Investments** | **$129,731** | **$116,830** | **$12,901** | 11 % | **$132,115** | **$112,621** | **$98,017** |
| **Days Cash on Hand** | **551** | **552** | **(1)** | (0)% | **675** | **592** | **469** |

UNIVERSITY of SOUTH FLORIDA

# USF FOUNDATION, INC.

FY 2022 Mid-Year Forecast

## 3-YEAR FORECAST

| (In thousands) | ACTUAL | | | FORECAST | | |
|---|---|---|---|---|---|---|
| | FY 2019 | FY 2020 - restated | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| **ASSETS** | | | | | | |
| Cash & Investments | $98,017 | $112,621 | $132,115 | $129,731 | $108,957 | $110,047 |
| Fixed Assets | 10,844 | 10,844 | 10,725 | 10,605 | 10,485 | 10,361 |
| Other Assets | 587,690 | 594,379 | 786,838 | 819,308 | 871,933 | 909,012 |
| **Total Assets** | **$696,551** | **$717,844** | **$929,678** | **$959,644** | **$991,375** | **$1,029,419** |
| **LIABILITIES** | | | | | | |
| Payables | $969 | $1,053 | $408 | $1,076 | $1,095 | $1,117 |
| Long-Term Debt | 4,714 | 4,332 | 3,942 | 3,540 | 3,127 | 2,704 |
| Other Liabilities | 54,087 | 24,405 | 36,098 | 41,780 | 44,414 | 46,456 |
| **Total Liabilities** | **$59,770** | **$29,790** | **$40,448** | **$46,396** | **$48,636** | **$50,277** |
| **NET ASSETS** | **$636,781** | **$688,054** | **$889,230** | **$913,248** | **$942,739** | **$979,143** |
| **Days Cash on Hand** | **469** | **592** | **675** | **551** | **458** | **457** |
| **REVENUES** | | | | | | |
| Gifts & Fundraising Revenue | $60,914 | $70,565 | $64,667 | $60,450 | $64,200 | $69,336 |
| University Support | 13,233 | 16,284 | 13,209 | 12,954 | 13,084 | 13,280 |
| Other Revenues | 35,727 | 33,812 | 194,776 | 36,475 | 39,028 | 41,760 |
| **Total Revenues** | **$109,874** | **$120,661** | **$272,652** | **$109,879** | **$116,312** | **$124,376** |
| **EXPENSES** | | | | | | |
| Salaries & Benefits | $31,631 | $33,440 | $36,910 | $35,816 | $36,174 | $36,717 |
| Scholarships & Fellowships | 10,336 | 13,213 | 10,802 | 10,088 | 10,290 | 10,496 |
| Other Expenses | 34,265 | 22,735 | 23,764 | 39,957 | 40,357 | 40,760 |
| **Total Expenses** | **$76,232** | **$69,388** | **$71,476** | **$85,861** | **$86,820** | **$87,972** |
| **Operating Profit Before Non-Cash Changes** | **$33,642** | **$51,273** | **$201,176** | **$24,018** | **$29,491** | **$36,404** |
| Total Non-Cash Changes | $0 | $0 | $0 | $0 | $0 | $0 |
| **NET OPERATING PROFIT** | **$33,642** | **$51,273** | **$201,176** | **$24,018** | **$29,491** | **$36,404** |
| **Operating Profit Margin** | **31%** | **42%** | **74%** | **22%** | **25%** | **29%** |

# USF Research Foundation, Inc.

FY 2022 Mid-Year Forecast

## MID-YEAR FORECAST

**Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.**

- The Certificate of Occupancy for the new USF Research Park Mixed Use Lab and Office Building that has been under construction, is expected to occur end of January 2022. The Income Statement impact for FY22 initially planned at -$1.4M Loss continues to be forecasted, to include interest expense of $825K, operating expenses $231K, and non-cash depreciation of $375K. On a conservative basis, 50% occupancy is projected by close of FY24, with focus on tenancy from partnership opportunities with private industry.

- As advised by the University, the FY22 Plan included a cost allocation to the Research Foundation for 75% of the USF Technology Transfer Office (TTO) expense budget which had previously been supported by the University. The Income Statement impact for FY22 initially projected at $2.6M expense line item, is forecasted as of this date to now be $2.3M ($300,000 expense savings) due to cost reductions initiated by TTO. This IP expense will be in addition to the IP expenses directly expended by our DSO (principally royalty expense). This additional expense being allocated to our DSO is projected to increase to $3.5M in FY23 with 100% of TTO operating expense budget being funded by the Research Foundation.

- To reduce the Incubator program expenses incurred by the University, cash payments totaling $2.0M from Research Foundation to the University's Incubator program (TBTI) will occur in FY22. As of the date of this report $1.0M has already been transferred towards this commitment. The transfer of this fiduciary cash to the University's chartfield for the Incubator program, will reduce the University's FY22 program expense. A quarterly transfer of $250,000 on an ongoing basis ($1.0M per annum) which approximates the positive cash flow generated from tenant rents and sponsor support, will reduce the University's expense each year thereafter.

**Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End**

- The negative Operating Profit Margin of ($1.7M) loss for FY22 Budget is forecasted to be $381,000 less than originally planned. The reduction is largely due to the USF Technology Transfer Office (TTO) continuing to focus on cost containment in an effort to further reduce their operating expenses, that in turn are being allocated to our DSO. As forecasted, the Net Operating Loss from Intellectual Property will total ($1.2M) loss on our financials.
  Calculated as follows: IP Fee Revenue generated $3.8M less IP costs of $2.7M and less TTO costs of $2.3M (75% allocated to DSO) = ($1.2M) Operating Loss.
  Further reductions to the net loss will come from continued cost containment. Management is committed to reviewing the Intellectual Property business model and implementing operational efficiencies.

- All line item Operating Expenses are forecasted to be less than originally budgeted, with management continuing to focus on costs containment. CAP-X savings of $370,000 will improve cash flow, as a consequence of continued oversight of planned capital expenditures within the USF Research Park that can be postponed and/or cancelled in the current fiscal year.

- Forecast for FY22 includes a non-operating investment loss of $10.0M. The loss represents the reduced market value of equity stock from close of FY21 recorded fair value to FY22 Qtr 2 reporting date.

  Due to a lock up period and rule 144 restrictions until December 2021, trade activity could not occur. The Administrative Finance Committee for our DSO, continues to monitor the price of the stock in order to position the Research Foundation to benefit from a potential sale of the equity holding at earliest opportunity.

UNIVERSITY of SOUTH FLORIDA

# USF Research Foundation, Inc.

FY 2022 Mid-Year Forecast

## INCOME STATEMENT

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Rental Revenue | $9,596 | $9,760 | $(164) | (2)% | $9,252 | $8,968 | $8,689 |
| Intellectual Property Revenue (TTO Initiator) | 3,800 | 4,000 | (200) | (5)% | 2,561 | 2,666 | 3,592 |
| Intellectual Property Revenue - Equity Transactions | - | - | - | % | 7,433 | - | - |
| NMR Use License Fee | - | - | - | % | 244 | 307 | 307 |
| Other Operating Revenues | 157 | 157 | 0 | 0 % | 172 | 188 | 269 |
| **Total Revenues** | **$13,553** | **$13,917** | **$(364)** | (3)% | **$19,661** | **$12,129** | **$12,858** |
| **EXPENSES** | | | | | | | |
| Salaries & Benefits | $1,246 | $1,246 | $0 | 0 % | 1,196 | $1,297 | $1,288 |
| Operations - Research Park | 3,923 | 3,969 | (45) | (1)% | 3,219 | 3,489 | 3,076 |
| Operations - New Research Park Building | 231 | 284 | (53) | (19)% | - | - | - |
| IP Program Expense - Royalties & Direct Tech Costs | 2,688 | 2,818 | (130) | (5)% | 1,836 | 1,826 | 2,577 |
| IP University Exp - TTO Cost Allocation (75%) to DSO | 2,338 | 2,628 | (290) | (11)% | - | - | - |
| Other Program Expense | 40 | 65 | (25) | (38)% | 87 | 56 | 458 |
| Other Operating Expenses | 207 | 207 | - | 0 % | 164 | 195 | 135 |
| UBC Net Expense (University Business Center) | 375 | 375 | - | 0 % | 233 | 256 | 332 |
| Interest Expense | 904 | 971 | (67) | (7)% | 621 | 526 | 622 |
| Depreciation & Amortization | 3,255 | 3,389 | (134) | (4)% | 2,786 | 2,562 | 2,648 |
| **Total Expenses** | **$15,207** | **$15,953** | **$(745)** | (5)% | **$10,142** | **$10,207** | **$11,136** |
| **NET OPERATING PROFIT (LOSS)** | **$(1,655)** | **$(2,036)** | **$381** | 19 % | **$9,520** | **$1,922** | **$1,722** |
| Investment Income | 2,544 | 1,866 | 678 | 36 % | 11,864 | 1,917 | 2,212 |
| Investment Income - IP Equity Transaction | (10,076) | - | (10,076) | % | 5,509 | - | - |
| Non-Operating Interest Exp (New Bldg Construction) | (487) | (420) | (67) | (16)% | (927) | (401) | - |
| **Total Non-Operating** | **$(8,019)** | **$1,446** | **$(9,466)** | (654)% | **$16,446** | **$1,516** | **$2,212** |
| **NET INCOME (LOSS)** | **$(9,674)** | **$(589)** | **$(9,085)** | (1,542)% | **$25,966** | **$3,438** | **$3,934** |
| **Operating Profit Margin** | **-12.2%** | **-14.6%** | | 2 % | **48.4%** | **15.8%** | **13.4%** |

UNIVERSITY of SOUTH FLORIDA

# USF Research Foundation, Inc.

FY 2022 Mid-Year Forecast

## STATEMENT OF CASH FLOWS

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | |
| Net Income | $(9,674) | $(589) | $(9,085) | (1,542)% | $25,966 | $3,438 | $3,934 |
| Adjustments for Non-Cash Activities: | | | | | | | |
| Add Non-Cash Investment Loss (Less Inv Income) | 7,132 | (1,566) | 8,698 | 555 % | (16,875) | (1,550) | (2,212) |
| Less Other Non-Cash Operating Revenue | - | - | - | % | (7,685) | (18) | (26) |
| Add back Depreciation/Amortization Exp | 3,255 | 3,389 | (134) | (4)% | 2,786 | 2,562 | 2,648 |
| Add back Other Non-Cash Expenses | 65 | 65 | - | 0 % | 119 | 333 | 464 |
| Changes in Operating Assets and Liabilities | (400) | (400) | - | 0 % | (2,381) | (1,113) | 1,877 |
| **Total Cash From Operating Activities** | **$378** | **$898** | **$(521)** | (58)% | **$1,930** | **$3,653** | **$6,685** |
| **FINANCING ACTIVITIES** | | | | | | | |
| Principal Payments - Notes Payable | $(805) | $(805) | $0 | 0 % | $(775) | $(1,745) | $(1,720) |
| Principal Payments Capital Lease - UDI Building | (252) | (252) | 0 | 0 % | (261) | (261) | - |
| Principal Payment - New Building | (936) | (936) | 0 | 0 % | (900) | - | - |
| Redeem Investments - Fund New Bldg Cost & CAP-X | 5,837 | 13,247 | (7,410) | (56)% | 1,827 | 2,514 | - |
| New Bldg - Debt Sinking Fund, Debt Reserves & Costs | - | - | - | % | - | (2,566) | - |
| Redeem Investments - Truist Equity to Operating Cash | - | - | - | % | 275 | - | - |
| **Total Cash From Financing Activities** | **$3,844** | **$11,254** | **$(7,410)** | (66)% | **$166** | **$(2,059)** | **$(1,720)** |
| **INVESTING ACTIVITIES** | | | | | | | |
| Capital Expenditures | $(708) | $(1,079) | $370 | 34 % | $(258) | $(1,242) | $(640) |
| Capital Expenditures - New Bldg Tenant Improvements | (2,000) | (11,486) | 9,486 | 83 % | - | - | - |
| Purchase of Investments | - | - | - | % | - | (4,050) | (3,251) |
| Seed Capital Loan Repayments (Issuance) | 20 | 20 | 0 | 0 % | 35 | 28 | (25) |
| | - | - | - | % | - | - | - |
| **Total Cash From Investing Activities** | **$(2,688)** | **$(12,545)** | **$9,856** | 79 % | **$(223)** | **$(5,264)** | **$(3,916)** |
| **CHANGE IN CASH** | **1,534** | **(392)** | **1,926** | 491 % | **1,874** | **(3,670)** | **1,049** |
| Cash, Beginning of Year | 5,330 | 6,269 | (939) | (15)% | 3,456 | 7,127 | 6,077 |
| **Cash, End of Year** | **$6,864** | **$5,877** | **$987** | 17 % | **$5,330** | **$3,456** | **$7,127** |
| **Total Cash & Investments** | **$55,762** | **$36,470** | **$19,292** | 53 % | **$57,521** | **$46,106** | **$46,807** |
| **Days Cash on Hand** | **648** | **328** | **321** | 98 % | **770** | **339** | **457** |

UNIVERSITY of SOUTH FLORIDA

# USF Research Foundation, Inc.

FY 2022 Mid-Year Forecast

## 3-YEAR FORECAST

| (In thousands) | ACTUAL | | | FORECAST | | |
|---|---|---|---|---|---|---|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| **ASSETS** | | | | | | |
| Cash & Investments | $46,807 | $46,106 | $57,521 | $55,762 | $54,975 | $54,175 |
| Fixed Assets | 33,510 | 34,512 | 33,225 | 59,678 | 57,830 | 56,597 |
| Other Assets | 18,039 | 19,247 | 40,148 | 32,032 | 31,916 | 31,800 |
| **Total Assets** | **$98,355** | **$99,864** | **$130,894** | **$147,472** | **$144,721** | **$142,573** |
| **LIABILITIES** | | | | | | |
| Payables | $2,704 | $2,089 | $10,178 | $6,998 | $7,208 | $7,424 |
| Long-Term Debt | 20,610 | 18,654 | 17,618 | 42,625 | 40,553 | 38,394 |
| Other Liabilities | 8,553 | 9,196 | 7,205 | 7,422 | 7,644 | 7,874 |
| **Total Liabilities** | **$31,868** | **$29,938** | **$35,002** | **$57,045** | **$55,405** | **$53,692** |
| **NET ASSETS** | **$66,488** | **$69,926** | **$95,892** | **$90,427** | **$89,316** | **$88,880** |
| **Days Cash on Hand** | **457** | **339** | **770** | **648** | **600** | **569** |
| **REVENUES** | | | | | | |
| Rental Revenue | $8,689 | $8,968 | $9,252 | $9,596 | $10,803 | $11,848 |
| Intellectual Property Revenue | 3,592 | 2,666 | 9,993 | 3,800 | 4,100 | 4,400 |
| Other Revenues | 576 | 495 | 416 | 157 | 165 | 173 |
| **Total Revenues** | **$12,858** | **$12,129** | **$19,661** | **$13,553** | **$15,067** | **$16,421** |
| **EXPENSES** | | | | | | |
| Salaries & Benefits | $1,288 | $1,297 | $1,196 | $1,246 | $1,514 | $1,635 |
| Operations - Research Park | 3,076 | 3,489 | 3,219 | 4,154 | 4,416 | 4,908 |
| Other Expenses | 6,772 | 5,421 | 5,726 | 9,807 | 12,270 | 12,330 |
| **Total Expenses** | **$11,136** | **$10,207** | **$10,142** | **$15,207** | **$18,201** | **$18,873** |
| **Operating Profit Before Non-Operating** | **$1,722** | **$1,922** | **$9,520** | **$(1,655)** | **$(3,133)** | **$(2,452)** |
| Total Non-Operating, Net | 2,212 | 1,516 | 16,446 | (8,019) | 2,570 | 2,578 |
| **NET INCOME (LOSS)** | **$3,934** | **$3,438** | **$25,966** | **$(9,674)** | **$(563)** | **$126** |
| **Operating Profit Margin** | **13%** | **16%** | **48%** | **-12%** | **-21%** | **-15%** |

## MID-YEAR FORECAST

**Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.**

- In FY2022, HPCC is successfully rescheduling FY2020 programs affected by COVID19 and CAMLS affirmative actions to proactively postpone many programs has strengthened relationships with external clients, resulting in growing revenue and increasing operating earnings for FY2022 and 2023. New virtual reality and live streaming capabilities also helped CAMLS identify numerous new clients and offer new training options to established clients. The first two quarters anticipated external clients returning to CAMLS at 50% of pre-COVID volumes, which was exceeded, and the second two quarters anticipated a return to 100% pre-COVID volumes. Although 100% is a stretch due to the Delta and Omicron variants of COVID 80-90% is achievable in the second two quarters. This revenue stream remains on target and unchanged in the Mid-Year Forecast. Additionally, the increasing participants at CAMLS and in downtown Tampa generally helped HPCC realize additional rents that were in doubt during the development of the Annual Plan.

- HPCC and the CAMLS facility continue to provide clean, sanitized, flexible space and access for simulation learning and healthcare education of 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. This revenue stream remains on target and unchanged in the Mid-Year Forecast.

- New relationships to deliver programming that occurs off-site ('CAMLS Without Walls') which exports CAMLS' talent, tools, and resources to support our community and other Florida hospitals and healthcare systems and the expansion into research focused on simulation-based training and virtual/augmented reality to utilize CAMLS's unique expertise, assets, USF Health faculty and affiliates are small but growing aspects of training opportunities.

- The Office of Continuing Professional Development (OCPD) has expanded its portfolio of online programming in partnership with medical education companies (MECs) and transitioned its business model to accreditation only services and away from management of live events. This pivot has resulted in a significant increase in grant revenue, which in turn is passed on to the MECs for content development. CPD earns its fees over the course of the program, typically a year, which is setting the stage for an even stronger FY2023 as the client base expands.

**Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End**

- USF and external clients have proven resilient and the interest in CAMLS continues to build as the latest variant of COVID subsides. The strength of clients portends a strong close to FY2022 and increasing momentum for FY2023. Therefore, there are no significant variances in Net Income or Net Cash Flows.

UNIVERSITY of SOUTH FLORIDA

# USF Health Professions Conferencing Corporation

FY 2022 Mid-Year Forecast

## INCOME STATEMENT

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Continuing Professional Development | $6,979 | $4,594 | $2,385 | 52 % | $3,454 | $7,162 | $6,901 |
| CAMLS - USF Health Programming | 2,061 | 2,061 | 0 | 0 % | 2,085 | 2,313 | 2,872 |
| CAMLS - Industry, Societies, Healthcare | 3,125 | 3,125 | (0) | (0)% | 1,595 | 2,661 | 4,540 |
| Other HPCC Divisions | 0 | 0 | 0 | % | 10 | 205 | 575 |
| In Kind Donations | 0 | 17 | (17) | (100)% | 11 | 29 | 68 |
| Rents, Parking, Rebates, Interest | 373 | 113 | 260 | 229 % | 227 | 484 | 732 |
| Gain on Sale of Fixed Assets | 5 | 0 | 5 | % | 7 | 0 | 0 |
| Transfer from USF-Plant Operations & Maint. | 1,293 | 1,293 | 0 | 0 % | 1,293 | 1,293 | 1,293 |
| USF Carryforward funding - temp staffing - programs | 0 | 0 | 0 | % | 69 | 60 | 60 |
| Transfer from UMSA Continuing Ed - Faculty, Students | 900 | 900 | 0 | 0 % | 270 | 250 | 1,000 |
| **Total Revenues** | **$14,736** | **$12,104** | **$2,632** | 22 % | **$9,021** | **$14,458** | **$18,041** |
| **EXPENSES** | | | | | | | |
| Wages and Benefits | $3,790 | $3,850 | $(60) | (2)% | $3,611 | $3,898 | $3,900 |
| Wages - program driven temporary staffing | 60 | 60 | 0 | 0 % | 71 | 250 | 214 |
| Utilities, Leases, Maint., Supplies, Marketing | 1,974 | 1,765 | 209 | 12 % | 1,568 | 1,891 | 2,262 |
| Direct Program Expense | 7,627 | 5,157 | 2,470 | 48 % | 3,537 | 7,348 | 8,252 |
| Interest | 293 | 293 | 0 | 0 % | 346 | 527 | 570 |
| In Kind Expense | 0 | 17 | (17) | (100)% | 11 | 29 | 68 |
| Depreciation & Amortization | 978 | 957 | 21 | 2 % | 961 | 1,089 | 1,440 |
| **Total Expenses** | **$14,722** | **$12,098** | **$2,624** | 22 % | **$10,105** | **$15,033** | **$16,706** |
| **OPERATING PROFIT BEFORE NON-CASH CHANGES** | **$14** | **$5** | **$9** | 155 % | **$(1,084)** | **$(576)** | **$1,335** |
| Unrealized Investment Gains (Losses) | 0 | 0 | 0 | % | 0 | 0 | 0 |
| **Total Non-Cash Changes** | **$0** | **$0** | **$0** | % | **$0** | **$0** | **$0** |
| **NET OPERATING PROFIT** | **$14** | **$5** | **$9** | 155 % | **$(1,084)** | **$(576)** | **$1,335** |
| **Operating Profit Margin** | **0%** | **0%** | | 0 % | **-12%** | **-4%** | **7%** |

UNIVERSITY of SOUTH FLORIDA

# USF Health Professions Conferencing Corporation

FY 2022 Mid-Year Forecast

## STATEMENT OF CASH FLOWS

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | |
| Net Operating Profit | $14 | $5 | $9 | 155 % | $(1,084) | $(576) | $1,335 |
| Adjustments for Non-Cash Activities: | | | | | | | |
| Depreciation and Amortization | 978 | 957 | 21 | 2 % | 961 | 1,089 | 1,440 |
| Adjustments for Changes in | | | | | | | |
| Operating Assets and Liabilities | 0 | 0 | 0 | % | (921) | 644 | 386 |
| **Total Cash From Operating Activities** | **$992** | **$963** | **$29** | 3 % | **$(1,044)** | **$1,157** | **$3,161** |
| **FINANCING ACTIVITIES** | | | | | | | |
| Proceeds of Long-Term Debt | $0 | $0 | $0 | % | $0 | $0 | $0 |
| Principal Payments | (1,229) | (1,229) | 0 | 0 % | (1,142) | (1,096) | (1,171) |
| **Total Cash From Financing Activities** | **$(1,229)** | **$(1,229)** | **$0** | 0 % | **$(1,142)** | **$(1,096)** | **$(1,171)** |
| **INVESTING ACTIVITIES** | | | | | | | |
| Capital Expenditures | $(70) | $(20) | $(50) | (250)% | $(126) | $(134) | $(154) |
| (Gain)/Loss on sale of fixed assets | 5 | 0 | 5 | % | 7 | 0 | 0 |
| Net (Purchases) Sales of Investments | 0 | 0 | 0 | % | 0 | 0 | 217 |
| **Total Cash From Investing Activities** | **$(65)** | **$(20)** | **$(45)** | (225)% | **$(119)** | **$(134)** | **$63** |
| **CHANGE IN CASH** | **(302)** | **(286)** | **(16)** | (6)% | **(2,305)** | **(73)** | **2,053** |
| Cash, Beginning of Year | 1,983 | 1,311 | 672 | 51 % | 4,288 | 4,361 | 2,308 |
| **Cash, End of Year** | **$1,681** | **$1,025** | **$656** | 64 % | **$1,983** | **$4,288** | **$4,361** |
| **Total Cash & Investments** | **$1,681** | **$1,025** | **$656** | 64 % | **$1,983** | **$4,288** | **$4,361** |
| **Days Cash on Hand** | **45** | **34** | **11** | 31 % | **79** | **112** | **104** |

UNIVERSITY of SOUTH FLORIDA

# USF Health Professions Conferencing Corporation

FY 2022 Mid-Year Forecast

## 3-YEAR FORECAST

| (In thousands) | ACTUAL | | | FORECAST | | |
|---|---|---|---|---|---|---|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| **ASSETS** | | | | | | |
| Cash & Investments | $4,361 | $4,288 | $1,983 | $1,681 | $2,181 | $2,681 |
| Fixed Assets | 17,277 | 16,307 | 15,473 | 14,573 | 14,254 | 13,935 |
| Other Assets | 1,824 | 960 | 960 | 960 | 960 | 960 |
| **Total Assets** | **$23,462** | **$21,555** | **$18,416** | **$17,214** | **$17,395** | **$17,576** |
| **LIABILITIES** | | | | | | |
| Payables | $1,606 | $1,760 | $982 | $982 | $982 | $982 |
| Long-Term Debt | 13,844 | 12,678 | 11,450 | 10,221 | 9,077 | 7,933 |
| Other Liabilities | 3,874 | 3,554 | 3,505 | 0 | 0 | 0 |
| **Total Liabilities** | **$19,324** | **$17,992** | **$15,937** | **$11,203** | **$10,059** | **$8,915** |
| **NET ASSETS** | **$4,138** | **$3,563** | **$2,479** | **$6,011** | **$7,336** | **$8,661** |
| **Days Cash on Hand** | **104** | **112** | **79** | **45** | **57** | **68** |
| **REVENUES** | | | | | | |
| Program Revenues | $16,309 | $13,703 | $8,537 | $13,463 | $14,463 | $15,463 |
| Transfer from UMSA Continuing Ed - Faculty, Students | $1,000 | $270 | $250 | $900 | $900 | $500 |
| Other Revenues | 732 | 484 | 234 | 373 | 380 | 388 |
| **Total Revenues** | **$18,041** | **$14,458** | **$9,021** | **$14,736** | **$15,743** | **$16,351** |
| **EXPENSES** | | | | | | |
| Salaries & Benefits | $4,114 | $4,148 | $3,682 | $3,850 | $3,927 | $4,006 |
| Program services | 12,022 | 10,357 | 6,077 | 10,579 | 11,079 | 11,579 |
| Interest | 570 | 527 | 346 | 293 | 287 | 281 |
| **Total Expenses** | **$16,706** | **$15,033** | **$10,105** | **$14,722** | **$15,293** | **$15,866** |
| **Operating Profit Before Non-Cash Changes** | **$1,335** | **$(576)** | **$(1,084)** | **$14** | **$450** | **$485** |
| Total Non-Cash Changes | $0 | $0 | $0 | $0 | $0 | $0 |
| **NET OPERATING PROFIT** | **$1,335** | **$(576)** | **$(1,084)** | **$14** | **$450** | **$485** |
| **Operating Profit Margin** | **7%** | **-4%** | **-12%** | **0%** | **3%** | **3%** |

## MID-YEAR FORECAST

**Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.**

- To protect USF's "AA" credit ratings, the Corporation filed a voluntary disclosure on EMMA (SEC database for public bonds) in September 2021. The disclosure was filed for the USF Housing System public bonds to provide timely information on University fall 2021 enrollment, housing occupancy, and the Financing Corporation's expectation that operating performance will be reasonably consistent with prior years' prepandemic performance. The Corporation also recently filed its annual required disclosures on EMMA in January 2022 for the University, USF Housing System public bonds and USF Marshall Center public bonds. These disclosures provide annual operating and financial information and illustrate USF's strengths in enrollment demand, operating performance, research funding and fundraising.
- Management continues to work closely with DSOs and Auxiliaries to ensure they have implemented cost-cutting measures necessary to preserve essential liquidity and maintain required debt service payments to the Corporation. The Corporation expects maintenance of pledged revenues, debt service coverage ratios and reserves, and does not anticipate any difficulty in making its FY 2022 annual debt service payments.
  - The Financing Corporation has reinstated its requirement for USF DSOs and Auxiliaries to pay all supplemental lease payments totaling $1.8 million for management fees and renewal & replacement fees that were waived in FY 2021.
- Management worked closely with USF Health and UMSA to ensure that the TGH lease of the ambulatory surgery center and imaging areas of the Morsani Center and the South Tampa Clinic is in compliance with private use guidelines.
  - The Affiliation Agreement between USF and TGH, dated October 1, 2020, clinically integrates operations of UMSA and forms an Academic Medical Center, effective on October 1, 2021. In consultation with Bond Counsel and Tax Counsel, it was determined that the use of the medical clinics and medical office building became private business use under IRS rules once operations were transferred to the Academic Medical Center.
  - On October 1, 2021, due to the change in private business use, the $45.7 million Series 2013A and Series 2013B private placement bonds were converted from tax-exempt interest rates of 2.71% and 3.39%, respectively, to taxable rates 3.43% and 4.29%, respectively. The FY 2022 increase in debt service due to the conversion to taxable interest rates equals $246 thousand.
- Management continues to monitor its 50% investment in INTO USF. Operating losses for INTO USF have erased shareholder's equity and is adversely affecting liquidity. Management is currently negotiating with INTO UK regarding support for INTO USF's current year forecasted operating loss of $1,395,000. INTO USF may call on the $2.25 million Note from the Corporation.
- Management worked closely with the USF Research Foundation and the general contractor to ensure that the $42 million USF Research Park Project is delivered on time and on budget. The Research Foundation recently announced that the ribbon cutting ceremony will take place in March 2022. The Research Foundation is now focused on attracting tenants to lease the new space.

**Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End**

- Operating profit declined primarily due to a non-cash adjustment in interest expense of $825,000 resulting from a change in accounting (no longer capitalizing interest expense incurred during construction pursuant to GASB 89). Operating profit would have otherwise improved slightly.
- The change in the Equity Contribution from USF Research Foundation on the Income Statement is due to timing related to the $1,276,000 contribution, plus an additional contribution of $109,000. The $1,276,000 Contribution was recorded as revenue as of FY 2021, offset by a receivable from USF Research Foundation. As indicated on the Statement of Cash Flows, the cash for the total $1,385,000 contribution was received during FY 2022.
- Operating cash flows are expected to remain strong and will fully cover debt service payments. The overall reduction in cash of $10.5 million is due to using remaining Project Funds to complete the Research Park Laboratory and Office Building Project. The Corporation continues to maintain strong liquidity.

UNIVERSITY of SOUTH FLORIDA

# USF Financing Corporation & USF Property Corporation

FY 2022 Mid-Year Forecast

## INCOME STATEMENT

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Housing lease revenue | $10,143 | $10,037 | $106 | 1 % | $7,789 | $10,334 | $10,504 |
| Marshall Center lease revenue | 1,311 | 1,311 | 0 | 0 % | 1,273 | 1,419 | 1,459 |
| Athletics lease revenue | 437 | 437 | (0) | (0)% | 636 | 764 | 841 |
| Arena lease revenue | 695 | 695 | 0 | 0 % | 736 | 778 | 824 |
| DSO (UMSA) lease revenue | 1,936 | 1,665 | 272 | 16 % | 1,492 | 1,766 | 1,858 |
| DSO (HPCC) lease revenue | 382 | 379 | 3 | 1 % | 520 | 588 | 614 |
| DSO (Research) lease revenue | 988 | 988 | (0) | (0)% | 1,902 | 641 | 63 |
| **Total Revenues** | **$15,892** | **$15,511** | **$381** | 2 % | **$14,348** | **$16,290** | **$16,163** |
| **OPERATING EXPENSES** | | | | | | | |
| Management fee | $803 | $803 | $0 | 0 % | $0 | $719 | $706 |
| General and administrative expenses | 727 | 679 | 48 | 7 % | 639 | 604 | 529 |
| **Total Operating Expenses** | **$1,530** | **$1,482** | **$48** | 3 % | **$639** | **$1,323** | **$1,235** |
| **OTHER REVENUES (EXPENSES)** | | | | | | | |
| Interest expense on debt | (12,303) | (11,299) | (1,004) | (9)% | (11,306) | (10,822) | (11,647) |
| Interest income | 10 | 11 | (1) | (6)% | 28 | 444 | 708 |
| **Total Other Revenues (Expenses)** | **$(12,292)** | **$(11,288)** | **$(1,005)** | (9)% | **$(11,278)** | **$(10,378)** | **$(10,939)** |
| **OPERATING PROFIT BEFORE CONTRIBUTIONS AND NON-CASH CHANGES** | **$2,070** | **$2,742** | **$(672)** | (24)% | **$2,431** | **$4,589** | **$3,989** |
| Equity contribution from USF for USFSP Project | 0 | 0 | 0 | % | 0 | 1,166 | 800 |
| Equity contribution from USF Research for reserves | 0 | 0 | 0 | % | 0 | 2,514 | 0 |
| Equity contribution from USF Research for Project | 109 | 1,276 | (1,167) | (91)% | 1,276 | 0 | 0 |
| Reimbursement to USF for additional building costs, furniture and equipment | 0 | 0 | 0 | % | (3,522) | (271) | 0 |
| Distribution of INTO CD Proceeds to USF Foundation | 0 | 0 | 0 | % | 0 | (2,200) | 0 |
| Change in INTO USF equity investment | (1,395) | (1,395) | 0 | 0 % | (1,638) | (103) | 450 |
| **Total Contributions and Non-Cash Changes** | **$(1,286)** | **$(119)** | **$(1,167)** | (981)% | **$(3,884)** | **$1,106** | **$1,250** |
| **NET OPERATING PROFIT** | **$784** | **$2,623** | **$(1,839)** | (70)% | **$(1,453)** | **$5,695** | **$5,239** |
| **Operating Profit Margin** | **13.0%** | **17.7%** | | (5)% | **16.9%** | **28.2%** | **24.7%** |

UNIVERSITY of SOUTH FLORIDA

# USF Financing Corporation & USF Property Corporation

FY 2022 Mid-Year Forecast

## STATEMENT OF CASH FLOWS

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | |
| Lease payments received from USF | $24,084 | $23,978 | $106 | 0 % | $22,336 | $21,940 | $22,280 |
| Lease payments received from UMSA | 4,401 | 4,139 | 262 | 6 % | 3,892 | 4,106 | 4,138 |
| Lease payments received from HPCC | 1,386 | 1,383 | 3 | 0 % | 1,465 | 1,479 | 1,453 |
| Lease payments received from Research Foundation | 2,186 | 2,186 | 0 | 0 % | 2,234 | 860 | 0 |
| Payment to USF for management services | (803) | (803) | (0) | (0)% | 0 | (719) | (706) |
| General and administrative disbursements | (727) | (679) | (48) | (7)% | (642) | (601) | (529) |
| **Total Cash From Operating Activities** | **$30,528** | **$30,204** | **$324** | 1 % | **$29,285** | **$27,065** | **$26,636** |
| **FINANCING ACTIVITIES** | | | | | | | |
| Capital expenditures | $(13,210) | $(14,331) | $1,121 | 8 % | $(20,581) | $(23,852) | $(6,926) |
| Debt issuance costs | 0 | 0 | 0 | % | 0 | (95) | (516) |
| Proceeds of long-term debt | 0 | 0 | 0 | % | 0 | 27,000 | 33,740 |
| Proceeds of long-term debt - Refunding | 0 | 0 | 0 | % | 30,056 | 0 | 36,540 |
| Principal payments - Refunding | 0 | 0 | 0 | % | (30,056) | 0 | (34,354) |
| Principal payments | (15,725) | (15,725) | 0 | 0 % | (14,518) | (13,059) | (12,198) |
| Interest payments | (13,474) | (13,437) | (37) | (0)% | (14,346) | (14,347) | (13,360) |
| Equity contribution from USF for USFSP Project | 0 | 0 | 0 | % | 0 | 1,967 | 0 |
| Equity contribution from USF Research for reserves | 0 | 0 | 0 | % | 0 | 2,514 | 0 |
| Equity contribution from USF Research for Project | 1,385 | 1,276 | 109 | 9 % | 0 | 0 | 0 |
| Reimbursement to USF for furniture or equipment | 0 | 0 | 0 | % | 318 | (271) | 0 |
| Security received from (returned to) lessee for swap collateral | 0 | 0 | 0 | % | 5,007 | 5,210 | 3,750 |
| Security (pledged to) returned from counterparty | 0 | 0 | 0 | % | (5,104) | (5,130) | (3,757) |
| **Total Cash From Financing Activities** | **$(41,024)** | **$(42,217)** | **$1,193** | 3 % | **$(49,224)** | **$(20,063)** | **$2,919** |
| **INVESTING ACTIVITIES** | | | | | | | |
| Proceeds from maturity/redemption of INTO CD | $3,774 | $3,785 | $(11) | (0)% | $3,708 | $7,596 | $6,024 |
| Purchase of INTO CD | (3,774) | (3,785) | 11 | 0 % | (3,774) | (5,707) | (5,596) |
| Distribution to USF of INTO CD Proceeds | 0 | 0 | 0 | % | 0 | (2,200) | 0 |
| Interest income | 10 | 11 | (1) | (6)% | 88 | 974 | 924 |
| **Total Cash From Investing Activities** | **$10** | **$11** | **$(1)** | (6)% | **$22** | **$663** | **$1,352** |
| **CHANGE IN CASH** | **(10,486)** | **(12,002)** | **1,516** | 13 % | **(19,917)** | **7,665** | **30,907** |
| Cash, Beginning of Year | 52,698 | 54,186 | (1,488) | (3)% | 72,615 | 64,950 | 34,043 |
| **Cash, End of Year** | **$42,212** | **$42,184** | **$28** | 0 % | **$52,698** | **$72,615** | **$64,950** |
| **Total Cash & Investments** | **$45,986** | **$45,969** | **$17** | 0 % | **$56,472** | **$76,323** | **$70,547** |
| **Days Cash on Hand** | **391** | **411** | **(20)** | (5)% | **399** | **403** | **353** |

UNIVERSITY of SOUTH FLORIDA

# USF Financing Corporation & USF Property Corporation

FY 2022 Mid-Year Forecast

## 3-YEAR FORECAST

| (In thousands) | ACTUAL | | | FORECAST | | |
|---|---|---|---|---|---|---|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| **ASSETS** | | | | | | |
| Cash & Investments | $70,547 | $76,323 | $56,472 | $45,986 | $46,830 | $47,845 |
| Capital Lease Receivable | 292,423 | 278,917 | 294,439 | 304,815 | 288,475 | 272,453 |
| Construction in Progress | 5,671 | 32,728 | 17,586 | 0 | 0 | 0 |
| Other Assets | 18,234 | 28,271 | 20,093 | 16,797 | 16,511 | 16,251 |
| **Total Assets** | **$386,875** | **$416,239** | **$388,590** | **$367,598** | **$351,816** | **$336,549** |
| **LIABILITIES** | | | | | | |
| Payables - Interest and Construction | $7,880 | $9,584 | $9,918 | $7,355 | $7,125 | $6,725 |
| Long-Term Debt | 346,018 | 358,162 | 341,983 | 322,197 | 304,962 | 288,161 |
| Interest Rate Swap & Other Payables | 15,948 | 25,769 | 15,419 | 14,716 | 14,255 | 14,031 |
| **Total Liabilities** | **$369,846** | **$393,515** | **$367,320** | **$344,268** | **$326,342** | **$308,917** |
| **NET ASSETS** | **$17,029** | **$22,724** | **$21,270** | **$23,330** | **$25,474** | **$27,632** |
| **Days Cash on Hand** | **353** | **403** | **399** | **391** | **381** | **386** |
| **REVENUES** | | | | | | |
| USF Debt Payments | $13,628 | $13,295 | $10,434 | $12,586 | $12,496 | $12,032 |
| UMSA Debt Payments | 1,858 | 1,766 | 1,492 | 1,936 | 1,949 | 1,874 |
| HPCC Debt Payments | 614 | 588 | 520 | 382 | 374 | 355 |
| Research Debt Payments | 63 | 641 | 1,902 | 988 | 1,004 | 964 |
| **Total Revenues** | **$16,163** | **$16,290** | **$14,348** | **$15,892** | **$15,823** | **$15,225** |
| **EXPENSES** | | | | | | |
| Operating Expenses | 1,235 | 1,323 | 639 | 1,530 | 1,575 | 1,623 |
| **Total Expenses** | **$1,235** | **$1,323** | **$639** | **$1,530** | **$1,575** | **$1,623** |
| **OTHER REVENUES (EXPENSES)** | | | | | | |
| Interest Expense on Debt | $(11,647) | $(10,822) | $(11,306) | $(12,303) | $(12,109) | $(11,449) |
| Other Revenues/Expenses | 708 | 444 | 28 | 10 | 5 | 5 |
| **Total Other Revenues (Expenses)** | **$(10,939)** | **$(10,378)** | **$(11,278)** | **$(12,292)** | **$(12,104)** | **$(11,444)** |
| **Operating Profit Before Non-Cash Changes** | **$3,989** | **$4,589** | **$2,431** | **$2,070** | **$2,144** | **$2,158** |
| University/DSO support - Project related | 800 | 3,409 | (2,246) | 109 | 0 | 0 |
| Distribution of INTO CD Proceeds to Foundation | 0 | (2,200) | 0 | 0 | 0 | 0 |
| Change in INTO USF equity investment | 450 | (103) | (1,638) | (1,395) | (0) | (0) |
| **NET OPERATING PROFIT** | **$5,239** | **$5,695** | **$(1,453)** | **$784** | **$2,144** | **$2,158** |
| **Operating Profit Margin** | **24.7%** | **28.2%** | **16.9%** | **13.0%** | **13.5%** | **14.2%** |

# USF Institute of Applied Engineering, Inc.

FY 2022 Mid-Year Forecast

## MID-YEAR FORECAST

**Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.**

- IAE awarded 10 new contracts/task orders in FY21 worth $10.1M; additional contracts worth $4M are planned. Under the Academic Consortium IAE has 24 master agreements (8 additional pending) w/ non-profit research institutions across country including SUS Florida. IAE has ongoing research/capstone design projects w/ 7 consortium institutions.
- IAE hired 11 new full time employees in FY21 (33 total today) to support its research growth. IAE plans to hire additional employees over the year to be funded by G&A/Direct Project funds. Hillsborough County extended its IAE grant an additional year; plans in place to fund research salaries, equipment, facility expansion and other support costs.

**Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End**

- Hillsborough County Grant extended an additional year (but with no change to top-line amount), reducing amount of planned revenue received in FY22.
- Effective start of FY22, IAE and USFRI entered into a revised MOA reducing indirect return to USF research administration enterprise based on more accurate support estimate to IAE.
- IAE closely manages its vendor payments to maintain targeted minimum liquidity. IAE pays vendors directly supporting contracts only after receiving payments from sponsors. For indirect expenses, IAE pays its vendors NET 45 days.

UNIVERSITY of SOUTH FLORIDA

# USF Institute of Applied Engineering, Inc.

FY 2022 Mid-Year Forecast

## INCOME STATEMENT

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Contracts Revenues | $9,180 | $8,695 | $485 | 6 % | $5,071 | $947 | $0 |
| Hillsborough County Grant | 2,440 | 3,811 | (1,371) | (36)% | 621 | 151 | 0 |
| University Support | 665 | 603 | 62 | 10 % | 691 | 770 | 187 |
| College of Engineering Support | 24 | 25 | (1) | (4)% | 21 | 23 | 385 |
| Donation and Other Revenue | 0 | 31 | (31) | (100)% | 358 | 6 | 1 |
| **Total Revenues** | **$12,308** | **$13,164** | **$(856)** | (7)% | **$6,763** | **$1,897** | **$573** |
| **EXPENSES** | | | | | | | |
| Salaries & Benefits | 2,700 | 3,298 | (599) | (18)% | 1,112 | 695 | 61 |
| College of Engineering Salary Support | 24 | 25 | (1) | (4)% | 21 | 20 | 385 |
| Gift In-Kind Expenses | 0 | 31 | (31) | (100)% | 20 | 0 | 0 |
| Materials, Supplies, Software & Equip., Travel | 60 | 76 | (16) | (22)% | 69 | 16 | 26 |
| Banking, Insurance, Audit, Tax Services | 102 | 151 | (49) | (33)% | 170 | 64 | 4 |
| Facilities, Utilities, Telecomm., Security | 78 | 137 | (59) | (43)% | 182 | 107 | 0 |
| Depreciation & Amortization | 184 | 211 | (28) | (13)% | 63 | 0 | 0 |
| Hills. County Salaries & Benefits | 400 | 1,156 | (756) | (65)% | 547 | 87 | 0 |
| Hills. County Materials & Equip. | 407 | 141 | 266 | 188 % | 117 | 38 | 0 |
| Hills. County Facilities, Telecomm., & Security | 342 | 146 | 196 | 134 % | 61 | 18 | 0 |
| Direct Program Costs | 6,780 | 5,916 | 864 | 15 % | 3,726 | 698 | 0 |
| Indirect Return to University | 167 | 556 | (389) | (70)% | 266 | 15 | 0 |
| **Total Expenses** | **$11,242** | **$11,844** | **$(602)** | (5)% | **$6,353** | **$1,758** | **$476** |
| **OPERATING PROFIT BEFORE NON-CASH CHANGES** | **$1,066** | **$1,320** | **$(254)** | (19)% | **$409** | **$139** | **$97** |
| Unrealized Investment Gains (Losses) | 0 | 0 | 0 | % | 0 | 0 | 0 |
| Equipment Donations to USF | 0 | 0 | 0 | % | 0 | (82) | 0 |
| **Total Non-Cash Changes** | **$0** | **$0** | **$0** | % | **$0** | **$(82)** | **$0** |
| **NET OPERATING PROFIT** | **$1,066** | **$1,320** | **$(254)** | (19)% | **$409** | **$57** | **$97** |
| **Operating Profit Margin** | **9%** | **10%** | | (1)% | **6%** | **7%** | **17%** |

UNIVERSITY of SOUTH FLORIDA

# USF Institute of Applied Engineering, Inc.

FY 2022 Mid-Year Forecast

## STATEMENT OF CASH FLOWS

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | |
| Cash Receipt from Customers | $8,571 | $8,371 | $200 | 2 % | $4,190 | $931 | $0 |
| Cash Receipt from Hillsborough County | 2,387 | 4,141 | (1,754) | (42)% | 408 | 0 | 0 |
| Salaries & Benefits | (3,361) | (4,004) | 643 | 16 % | (1,275) | (624) | 0 |
| Payment for Direct Program Costs | (5,707) | (5,516) | (191) | (3)% | (272) | (205) | 0 |
| Payment to Suppliers | (1,156) | (639) | (516) | (81)% | (2,720) | (548) | (8) |
| **Total Cash From Operating Activities** | **$734** | **$2,353** | **$(1,619)** | (69)% | **$331** | **$(447)** | **$(8)** |
| **FINANCING ACTIVITIES** | | | | | | | |
| Transfer from USF Support | $603 | $603 | $0 | 0 % | $603 | $702 | $100 |
| Transfer to USF-IDR | (139) | (506) | 367 | 73 % | (187) | 0 | 0 |
| Gift In-Kind Contributions | 0 | 0 | 0 | % | 0 | 6 | 1 |
| **Total Cash From Financing Activities** | **$464** | **$96** | **$367** | 381 % | **$416** | **$708** | **$101** |
| **INVESTING ACTIVITIES** | | | | | | | |
| Hills. County Capital Expenditures | $(695) | $(1,245) | $550 | 44 % | $(364) | $(8) | $(81) |
| Hills. County Lease Improvements | (730) | (1,123) | 392 | 35 % | 0 | 0 | 0 |
| Proceeds of Long-Term Debt | 0 | 0 | 0 | % | 0 | 0 | 0 |
| Principal Payments | 0 | 0 | 0 | % | 0 | 0 | 0 |
| Interest Payments | 0 | 0 | 0 | % | 0 | 0 | 0 |
| **Total Cash From Investing Activities** | **$(1,425)** | **$(2,368)** | **$942** | 40 % | **$(364)** | **$(8)** | **$(81)** |
| **CHANGE IN CASH** | **(227)** | **82** | **(309)** | (377)% | **383** | **253** | **11** |
| Cash, Beginning of Year | 648 | 769 | (121) | (16)% | 265 | 11 | 0 |
| **Cash, End of Year** | **$421** | **$851** | **$(431)** | (51)% | **$648** | **$265** | **$11** |
| **Total Cash & Investments** | **$421** | **$851** | **$(431)** | (51)% | **$648** | **$265** | **$11** |
| **Days Cash on Hand** | **14** | **26** | **(13)** | (48)% | **37** | **55** | **9** |

UNIVERSITY of SOUTH FLORIDA

# USF Institute of Applied Engineering, Inc.

FY 2022 Mid-Year Forecast

## 3-YEAR FORECAST

| (In thousands) | ACTUAL | | | FORECAST | | |
|---|---|---|---|---|---|---|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| **ASSETS** | | | | | | |
| Cash & Investments | $11 | $265 | $648 | $421 | $1,613 | $3,877 |
| Account Receivables | 0 | 168 | 0 | 968 | 1,260 | 1,630 |
| Fixed Assets | 81 | 8 | 696 | 1,207 | (295) | (305) |
| Other Assets | 4 | 21 | 30 | 760 | (186) | (192) |
| **Total Assets** | **$97** | **$461** | **$1,374** | **$3,357** | **$2,392** | **$5,010** |
| **LIABILITIES** | | | | | | |
| Accounts Payable | $0 | $286 | $2,017 | $1,935 | $0 | $1 |
| Accrued Expenses | 0 | 21 | 27 | 775 | 0 | 367 |
| Rent Liability | 0 | 0 | 29 | 35 | 11 | 30 |
| Unearned Contract Revenue | 0 | 0 | 147 | 0 | 0 | 0 |
| **Total Liabilities** | **$0** | **$307** | **$2,220** | **$2,745** | **$11** | **$398** |
| **NET ASSETS** | **$97** | **$154** | **$(846)** | **$612** | **$2,381** | **$4,613** |
| **Days Cash on Hand** | **9** | **55** | **37** | **14** | **45** | **79** |
| **REVENUES** | | | | | | |
| Contracts Revenues | $0 | $947 | $5,071 | $9,180 | $13,043 | $19,564 |
| Hillsborough County Grant | 0 | 151 | 621 | 2,440 | 2,073 | 0 |
| University Support | 187 | 770 | 691 | 665 | 603 | 0 |
| College of Engineering Support | 385 | 23 | 21 | 24 | 25 | 26 |
| Donation and Other Revenue | 1 | 6 | 358 | 0 | 0 | 0 |
| **Total Revenues** | **$573** | **$1,897** | **$6,763** | **$12,308** | **$15,743** | **$19,590** |
| **EXPENSES** | | | | | | |
| Salaries & Benefits | $61 | $695 | $1,112 | $2,700 | $3,310 | $4,401 |
| College of Engineering Salary Support | 385 | 20 | 21 | 24 | 25 | 26 |
| Gift In-Kind Expenses | 0 | 0 | 20 | 0 | 0 | 0 |
| Materials, Supplies, Software & Equip., Travel | 26 | 16 | 69 | 60 | 65 | 257 |
| Banking, Insurance, Audit, Tax Services | 4 | 64 | 170 | 102 | 163 | 187 |
| Facilities, Utilities, Telecomm., Security | 0 | 107 | 182 | 78 | 85 | 456 |
| Depreciation & Amortization | 0 | 0 | 63 | 184 | 483 | 497 |
| Hills. County Salaries & Benefits | 0 | 87 | 547 | 400 | 517 | 0 |
| Hills. County Materials & Equip. | 0 | 38 | 117 | 407 | 380 | 0 |
| Hills. County Facilities, Telecomm., & Security | 0 | 18 | 61 | 342 | 462 | 0 |
| Direct Program Costs | 0 | 698 | 3,726 | 6,780 | 7,371 | 11,739 |
| Indirect Return to University | 0 | 15 | 266 | 167 | 181 | 289 |
| **Total Expenses** | **$476** | **$1,758** | **$6,353** | **$11,242** | **$13,042** | **$17,852** |
| **Operating Profit Before Non-Cash Changes** | **$97** | **$139** | **$409** | **$1,066** | **$2,702** | **$1,739** |
| Total Non-Cash Changes | $0 | $(82) | $0 | $0 | $0 | $0 |
| **NET OPERATING PROFIT** | **$97** | **$57** | **$409** | **$1,066** | **$2,702** | **$1,739** |
| **Operating Profit Margin** | **17%** | **7%** | **6%** | **9%** | **17%** | **9%** |

# Sun Dome Inc.

FY 2022 Mid-Year Forecast

## MID-YEAR FORECAST

**Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.**

- The first two quarters of fiscal 2022 have been focused on recovery and restarting events. This has been successful as new events have been added and executed well. COVID continues to provide opportunities for delaying the return to full normal operations. Yuengling Center was opened with top tier protocols to ensure safe operation.
- Expenses have remained low as TBEP has focused on core expenses only as well as those necessary to maintain a healthy environment. TBEP has continued to focus on expense management as can be seen by the forecasted reduction in expenses.
- TBEP has remained in contact with all promotors to ensure Yuengling Center's position as a viable, safe, healthy venue for acts to perform in. This has allowed TBEP to have 10 future events contracted at this time. This locking in of dates creates revenue visibility for the business.
- Acts are continuing to evaluate the COVID environment and most are delaying their return to touring again due to the latest variant. Even so, any acts that are touring are aware and interested in playing the Yuengling Center. Florida has a touring show friendly approach and the arena is positioned to benefit. TBEP will continue to hold conversations with the promoters to attempt to add shows to the portfolio.

**Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End**

- Yuengling Center is operating at higher revenue and lower cost than budget. This is the result of TBEP managing costs and securing acts. Operationally, any negative variance is the result of COVID's impact on live events.
- The only negative variance forecast is the incentive fee back to TBEP. Budget assumed only earning the primary award for shop scores. This new forecast assumes the full margin goals are met. Even with this additional expense, Yuengling Center is still forecasted to be above budget.

UNIVERSITY of SOUTH FLORIDA

# Sun Dome Inc.

FY 2022 Mid-Year Forecast

## INCOME STATEMENT

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Direct Event Income | $560 | $491 | $69 | 14 % | $652 | $155 | $398 |
| Ancillary Revenue: | | | | | | | |
| Suites/ Loge | 38 | 41 | (3) | (7)% | 0 | 37 | 45 |
| Concessions & Novelty | 251 | 271 | (20) | (7)% | 8 | 315 | 333 |
| Parking | 350 | 307 | 43 | 14 % | 28 | 325 | 437 |
| Service Charges | 320 | 361 | (41) | (11)% | 17 | 372 | 383 |
| Ticketmaster Rebates | 346 | 379 | (33) | (9)% | 0 | 550 | 384 |
| Total Ancillary Revenue | 1,305 | 1,359 | (54) | (4)% | 53 | 1,600 | 1,582 |
| Miscellaneous | 56 | 55 | 1 | 2 % | (24) | 70 | 191 |
| **Total Revenues** | **$1,921** | **$1,905** | **$16** | 1 % | **$681** | **$1,825** | **$2,171** |
| **EXPENSES** | | | | | | | |
| Salary & Benefits | $776 | $818 | $(42) | (5)% | $784 | 943 | 940 |
| General & Administrative | 468 | 463 | 5 | 1 % | 308 | 461 | 456 |
| Marketing & Sales | 16 | 33 | (17) | (52)% | 6 | 15 | 24 |
| Equipment & Supplies | 70 | 98 | (28) | (29)% | 38 | 63 | 65 |
| Utilities | 30 | 35 | (5) | (14)% | 27 | 29 | 38 |
| Insurance | 150 | 150 | 0 | 0 % | 148 | 146 | 125 |
| Incentive Fees/ Profit Share | 25 | 0 | 25 | % | 0 | 25 | 150 |
| **Total Expenses** | **$1,535** | **$1,597** | **$(62)** | (4)% | **$1,311** | **$1,682** | **$1,798** |
| **OPERATING PROFIT BEFORE NON-CASH CHANGES** | **$386** | **$308** | **$78** | 25 % | **$(630)** | **$143** | **$373** |
| Unrealized Investment Gains (Losses) | 0 | 0 | 0 | % | 0 | 0 | 0 |
| **Total Non-Cash Changes** | **$0** | **$0** | **$0** | % | **$0** | **$0** | **$0** |
| **NET OPERATING PROFIT** | **$386** | **$308** | **$78** | 25 % | **$(630)** | **$143** | **$373** |
| **Operating Profit Margin** | **20%** | **16%** | | 4 % | **-93%** | **8%** | **17%** |

UNIVERSITY of SOUTH FLORIDA

# Sun Dome Inc.

FY 2022 Mid-Year Forecast

## STATEMENT OF CASH FLOWS

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | |
| Net Operating Profit | $386 | $308 | $78 | 25 % | $(630) | $143 | $373 |
| Adjustments for Non-Cash Activities: | 0 | 0 | 0 | % | | | |
| (Increase) Decrease in Accounts Receivable | 90 | 0 | 90 | % | 133 | (49) | (63) |
| (Increase) Decrease in Prepaids | (30) | 0 | (30) | % | 12 | (25) | 1 |
| Increase (Decrease) in Accounts Payable | (60) | 0 | (60) | % | 53 | (331) | 29 |
| Increase (Decrease) in Accrued Liabilities | (300) | (400) | 100 | 25 % | 1,231 | 62 | 171 |
| Increase (Decrease) in Deferred Revenue | 450 | 500 | (50) | (10)% | (190) | (975) | 990 |
| **Total Cash From Operating Activities** | **$536** | **$408** | **$128** | 31 % | **$609** | **$(1,176)** | **$1,501** |
| **FINANCING ACTIVITIES** | | | | | | | |
| Capital Expenditures [1] | $0 | $0 | $0 | % | $0 | $0 | $0 |
| **Total Cash From Financing Activities** | **$0** | **$0** | **$0** | % | **$0** | **$0** | **$0** |
| **INVESTING ACTIVITIES** | | | | | | | |
| Event Revenue Transfers to USF, net | $(413) | $(413) | $0 | 0 % | $(250) | $(118) | $(686) |
| **Total Cash From Investing Activities** | **$(413)** | **$(413)** | **$0** | 0 % | **$(250)** | **$(118)** | **$(686)** |
| **CHANGE IN CASH** | **123** | **(5)** | **128** | 2,560 % | **359** | **(1,294)** | **815** |
| Cash, Beginning of Year | 583 | 550 | 33 | 6 % | 225 | 1,519 | 704 |
| **Cash, End of Year** | **$706** | **$545** | **$161** | 30 % | **$584** | **$225** | **$1,519** |
| **Total Cash & Investments** | **$706** | **$545** | **$161** | 30 % | **$584** | **$225** | **$1,519** |
| **Days Cash on Hand** | **168** | **125** | **43** | 35 % | **163** | **49** | **308** |

UNIVERSITY of SOUTH FLORIDA

# Sun Dome Inc.

FY 2022 Mid-Year Forecast

## 3-YEAR FORECAST

| (In thousands) | ACTUAL | | | FORECAST | | |
|---|---|---|---|---|---|---|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| **ASSETS** | | | | | | |
| Cash & Investments | $1,519 | $225 | $584 | $706 | $550 | $550 |
| Accounts Receivable | 362 | 411 | 279 | 188 | 178 | 178 |
| Other Assets | (1) | 24 | 12 | 42 | 0 | 0 |
| **Total Assets** | **$1,880** | **$661** | **$875** | **$936** | **$728** | **$728** |
| **LIABILITIES** | | | | | | |
| Payables | $400 | $68 | $121 | $61 | $68 | $68 |
| Accrued Liabilities | 818 | 880 | 2,110 | 1,810 | 1,250 | 900 |
| Deferred Revenue | 1,185 | 210 | 21 | 471 | 1,000 | 1,000 |
| **Total Liabilities** | **$2,403** | **$1,158** | **$2,252** | **$2,342** | **$2,318** | **$1,968** |
| **NET ASSETS** | **$(523)** | **$(498)** | **$(1,377)** | **$(1,406)** | **$(1,590)** | **$(1,240)** |
| **Days Cash on Hand** | **308** | **49** | **163** | **168** | **115** | **109** |
| **REVENUES** | | | | | | |
| Direct Event Income | $398 | $155 | $652 | $560 | $540 | $594 |
| Ancillary Revenue: | | | | | | |
| Suites/ Loge | 45 | $37 | $0 | $38 | $45 | $49 |
| Concessions & Novelty | 333 | $315 | $8 | $251 | $298 | $328 |
| Parking | 437 | $325 | $27 | $350 | $338 | $372 |
| Service Charges | 383 | $372 | $17 | $320 | $398 | $437 |
| Ticketmaster Rebates | 384 | $550 | $0 | $346 | $417 | $459 |
| Total Ancillary Revenue | $1,582 | $1,600 | $52 | $1,305 | $1,496 | $1,645 |
| Miscellaneous | 191 | 70 | (23) | $56 | 55 | 55 |
| **Total Revenues** | **$2,171** | **$1,825** | **$681** | **$1,921** | **$2,091** | **$2,294** |
| **EXPENSES** | | | | | | |
| Salary & Benefits | $940 | $943 | $784 | $776 | $859 | $902 |
| General & Administrative | $456 | $461 | $308 | $468 | $486 | $510 |
| Marketing & Sales | $24 | $15 | $6 | $16 | $34 | $36 |
| Equipment & Supplies | $65 | $63 | $38 | $70 | $93 | $88 |
| Utilities | $38 | $29 | $27 | $30 | $36 | $38 |
| Insurance | $125 | $146 | 148 | 150 | $160 | $170 |
| Incentive Fees/ Profit Share | 150 | 25 | 0 | 25 | 75 | 100 |
| **Total Expenses** | **$1,798** | **$1,682** | **$1,311** | **$1,535** | **$1,743** | **$1,844** |
| **Operating Profit Before Non-Cash Changes** | **$373** | **$143** | **$(630)** | **$386** | **$348** | **$450** |
| Total Non-Cash Changes | $0 | $0 | $0 | $0 | $0 | $0 |
| **NET OPERATING PROFIT** | **$373** | **$143** | **$(630)** | **$386** | **$348** | **$450** |
| **Operating Profit Margin** | **17%** | **8%** | **-93%** | **20%** | **17%** | **20%** |

# University of South Florida, Alumni Association

FY 2022 Mid-Year Forecast

## MID-YEAR FORECAST

**Describe Progress in Achieving the 5 Key Initiatives Described in your Annual Financial Plan.**

- Event attendance has continued to be impacted by COVID during the first half of the year. We anticipate the impact of COVID to continue through the fiscal year with the hope of returning to normalcy, or perhaps even greater attendance, in fiscal 2023. Financial projections have been revised to reflect the current pandemic conditions.
- During the current fiscal year, the Alumni Association transitioned to a general membership program, eliminating the annual membership program. We have sent targeted offers to the existing annual members in hopes of converting them to life membership. Response has exceeded our expectations and continues to outperform our original budget.
- Student engagement has been a focus for the Alumni Association this year. We have rolled out a student/alumni mentoring program which allows current students to engage with Alumni, further their career skills, and better prepare them for a post USF life. Additionally, USFAA has launched a student philanthropy initiative with a goal of creating a culture of giving back to USF, thus increasing the likelihood of life long engagement and support of the University.

**Describe Management's Actions to Close Significant Unfavorable Variances in Net Income and Net Cash Flows Before Fiscal Year End**

- All unfavorable variances within revenue and expenses have been offset by favorability in other areas. The Association is forecasting a more favorable net income for the year as compared to the original budget, with the anticipation of achieving or exceeding budget for the 11th consecutive year.
- The Association completed the prior fiscal year with higher than budgeted net income. This favorability has improved the total cash and investment balance for the current year.

UNIVERSITY of SOUTH FLORIDA

# University of South Florida Alumni Association, Inc.

FY 2022 Mid-Year Forecast

## INCOME STATEMENT

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Membership | $500 | $456 | $44 | 10 % | $535 | $550 | $536 |
| License Plates | 379 | 409 | (30) | (7)% | 396 | 381 | 390 |
| Budget support | 554 | 500 | 54 | 11 % | 360 | 804 | 718 |
| Affinity Royalty | 339 | 347 | (8) | (2)% | 367 | 399 | 484 |
| Investment Income | 314 | 318 | (4) | (1)% | 298 | 272 | 260 |
| Sponsorships | 217 | 231 | (14) | (6)% | 183 | 141 | 229 |
| Gifts and Donations | 120 | 130 | (10) | (8)% | 280 | 225 | 197 |
| Event and other revenue | 202 | 199 | 3 | 2 % | 56 | 207 | 214 |
| **Total Revenues** | **$2,625** | **$2,590** | **$35** | 1 % | **$2,475** | **$2,979** | **$3,028** |
| **EXPENSES** | | | | | | | |
| Salaries | $1,561 | $1,623 | $(62) | (4)% | $1,812 | $1,840 | $1,766 |
| Membership and membership services | 114 | 82 | 32 | 39 % | 111 | 112 | 214 |
| Printing & Postage | 86 | 72 | 14 | 19 % | 56 | 80 | 79 |
| Event Services | 332 | 315 | 17 | 5 % | 98 | 242 | 269 |
| Professional Services | 82 | 88 | (6) | (7)% | 89 | 103 | 99 |
| Travel | 51 | 74 | (23) | (31)% | 3 | 42 | 61 |
| Advertising & Marketing | 16 | 12 | 4 | 33 % | 19 | 18 | 31 |
| Insurance | 48 | 48 | 0 | 0 % | 48 | 49 | 54 |
| Community Relations | 24 | 23 | 1 | 4 % | 11 | 33 | 33 |
| Credit Card fees and other services | 31 | 21 | 10 | 48 % | 21 | 26 | 30 |
| Scholarships | 79 | 79 | 0 | 0 % | 75 | 85 | 95 |
| Other expenses | 19 | 15 | 4 | 27 % | 31 | 29 | 36 |
| **Total Expenses** | **$2,443** | **$2,452** | **$(9)** | (0)% | **$2,374** | **$2,659** | **$2,767** |
| **OPERATING PROFIT BEFORE NON-CASH CHANGES** | **$182** | **$138** | **$44** | 32 % | **$101** | **$320** | **$261** |
| Unrealized Investment Gains (Losses) | 134 | 176 | (42) | (24)% | 2,302 | (32) | 15 |
| **Total Non-Cash Changes** | **$134** | **$176** | **$(42)** | (24)% | **$2,302** | **$(32)** | **$15** |
| **NET OPERATING PROFIT** | **$316** | **$314** | **$2** | 1 % | **$2,403** | **$288** | **$276** |
| **Operating Profit Margin** | **7%** | **5%** | | 2 % | **4%** | **11%** | **9%** |

# University of South Florida, Alumni Association

FY 2022 Mid-Year Forecast

## STATEMENT OF CASH FLOWS

| (In thousands) | FY 2022 MID-YEAR FORECAST | FY 2022 FINANCIAL PLAN | Variance $ | Variance % | FY 2021 ACTUAL RESULTS | FY 2020 ACTUAL RESULTS | FY 2019 ACTUAL RESULTS |
|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | |
| Net Operating Profit | $316 | $314 | $2 | 1 % | $2,403 | $288 | $276 |
| Adjustments for Non-Cash Activities: | | | | | | | |
| Unrealized gain on investments | (134) | (176) | 42 | 24 % | (2,302) | 32 | (15) |
| Adjustments for Changes in | | | | | | | |
| Operating Assets and Liabilities | 77 | 77 | 0 | 0 % | 95 | (76) | (108) |
| **Total Cash From Operating Activities** | **$259** | **$215** | **$44** | 20 % | **$196** | **$244** | **$153** |
| **FINANCING ACTIVITIES** | | | | | | | |
| Capital Expenditures | $0 | $0 | $0 | % | $0 | $0 | $0 |
| **Total Cash From Financing Activities** | **$0** | **$0** | **$0** | % | **$0** | **$0** | **$0** |
| **INVESTING ACTIVITIES** | | | | | | | |
| Net (Purchases) Sales of Investments | $(253) | $(207) | $(46) | (22)% | $(221) | $(224) | $(152) |
| **Total Cash From Investing Activities** | **$(253)** | **$(207)** | **$(46)** | (22)% | **$(221)** | **$(224)** | **$(152)** |
| **CHANGE IN CASH** | **6** | **8** | **(2)** | (25)% | **(25)** | **20** | **1** |
| Cash, Beginning of Year | 2 | 0 | 2 | % | 27 | 7 | 6 |
| **Cash, End of Year** | **$8** | **$8** | **$0** | 0 % | **$2** | **$27** | **$7** |
| **Total Cash & Investments** | **$1,163** | **$922** | **$241** | 26 % | **$1,316** | **$1,408** | **$1,390** |
| **Days Cash on Hand** | **174** | **137** | **37** | 27 % | **202** | **193** | **183** |

# University of South Florida, Alumni Association

FY 2022 Mid-Year Forecast

## 3-YEAR FORECAST

| (In thousands) | ACTUAL | | | FORECAST | | |
|---|---|---|---|---|---|---|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| **ASSETS** | | | | | | |
| Cash & Investments | $1,390 | $1,408 | $1,316 | $1,163 | $1,297 | $1,431 |
| Restricted Cash & Investments | 6,388 | 6,783 | 9,228 | 9,362 | 10,111 | 10,111 |
| Other Assets | 293 | 243 | 280 | 272 | 272 | 272 |
| **Total Assets** | **$8,071** | **$8,434** | **$10,824** | **$10,797** | **$11,680** | **$11,814** |
| **LIABILITIES** | | | | | | |
| Payables | $177 | $432 | $147 | $125 | $125 | $125 |
| Long-Term Debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Liabilities | 2,183 | 2,002 | 2,273 | 2,200 | 2,450 | 2,700 |
| **Total Liabilities** | **$2,360** | **$2,434** | **$2,420** | **$2,325** | **$2,575** | **$2,825** |
| **NET ASSETS** | **$5,711** | **$6,000** | **$8,404** | **$8,472** | **$9,105** | **$8,989** |
| **Days Cash on Hand** | **183** | **193** | **202** | **174** | **172** | **170** |
| **REVENUES** | | | | | | |
| Membership | $536 | $550 | $535 | $500 | $370 | $407 |
| Support | 718 | 804 | 360 | 554 | 750 | 1,000 |
| Other Revenues | 1,774 | 1,625 | 1,580 | 1,571 | 1,650 | 1,732 |
| **Total Revenues** | **$3,028** | **$2,979** | **$2,475** | **$2,625** | **$2,770** | **$3,139** |
| **EXPENSES** | | | | | | |
| Salaries & Benefits | $1,766 | $1,840 | $1,812 | $1,561 | $1,780 | $2,000 |
| Event Expenses | 269 | 242 | 98 | 332 | 365 | 402 |
| Other Expenses | 732 | 577 | 464 | 550 | 605 | 666 |
| **Total Expenses** | **$2,767** | **$2,659** | **$2,374** | **$2,443** | **$2,750** | **$3,067** |
| **Operating Profit Before Non-Cash Changes** | **$261** | **$320** | **$101** | **$182** | **$19** | **$72** |
| Total Non-Cash Changes | $15 | $(32) | $2,302 | $134 | $562 | $607 |
| **NET OPERATING PROFIT** | **$276** | **$288** | **$2,403** | **$316** | **$581** | **$678** |
| **Operating Profit Margin** | **9%** | **11%** | **4%** | **7%** | **1%** | **2%** |