

DIRECT SUPPORT ORGANIZATIONS

MID-YEAR FORECASTS

FISCAL YEAR 2023

February 14, 2023

DSO Mid-Year Forecasts for FY 2023

INDEX

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€ Finding opportunities to increase the number of clinics and patients per clinic to make up for the loss of 4 business days of clinical revenue due to closures for Hurricane Ian in September which resulted in a loss of approximately \$3M in patient service revenue.

€ Increasing efforts on recruitment and retention in our continuing battle against the healthcare labor shortage. Examples include targeted career fairs, improve targeted online advertising of job postings, and enhance exit interview reporting.

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(In thousands)

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$(3,554)	\$(848)	\$(2,707)	-319%	\$28,684	\$24,916	\$(7,332)
Adjustments for Non-Cash Activities:							
Depreciation/Amortization	5,894	4,375	1,519	35%	6,136	5,047	4,573
Non Cash Impact of EPIC	0	0	0	%	0	0	0
Unrealized Gains	0	0	0	%	0	0	0
Operating Assets and Liabilities	(4,563)	40,231	(44,794)	-111%	8,945	(72,055)	36,060

(In thousands)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<u>ASSETS</u>						
Cash & Investments	\$62,672	\$17,314	\$50,957	\$31,342	\$51,342	\$61,611
Fixed Assets	54,145	51,410	64,806	74,726	78,462	82,386
Other Assets	50,104	83,336	121,910	117,347	98,520	99,505
Total Assets	\$166,921	\$152,060	\$237,672	\$223,415	\$228,325	\$243,501
<u>LIABILITIES</u>						
Payables	\$17,637	\$12,991	\$39,493	\$14,493	\$14,638	\$14,784
Long-Term Debt	48,754	46,536	40,758	50,032	43,820	38,379
Other Liabilities and deferred inflows	46,398	26,001	57,316	62,339	65,901	77,870
Total Liabilities	\$112,788	\$85,528	\$137,567	\$126,864	\$124,359	\$131,033
NET ASSETS	\$54,133	\$66,532	\$100,106	\$96,551	\$103,966	\$112,468
Days Cash on Hand	73	19	56	31	51	60
<u>REVENUES</u>						
Net Patient Service	\$166,121	\$191,974	\$187,498	\$204,725	\$208,820	\$212,996
Grants, Contracts & Awards	79,757	94,719	100,024	113,876	115,015	116,165
UPL	38,726	40,491	43,090	37,728	38,106	38,487



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(In thousands)

REVENUES

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
Gifts & Donations	\$62,450	\$60,450	\$2,000	3 %	\$82,693	\$64,667	\$70,565
Investment Income (Loss)	28,816	51,325	(22,509)	(44)%	(103,786)	192,303	31,323
University Support	14,123	13,523	600	4 %	13,729	13,209	16,284
Other Revenues	2,907	2,907	0	0 %	2,424	2,473	2,489
Total Revenues	\$108,296	\$128,205	\$(19,909)	(16)%	\$(4,940)	\$272,652	\$120,661



USF FOUNDATION, INC.

FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	Variance		FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$24,145	\$45,897	\$(21,752)	(47)%	\$(134,363)	\$201,176	\$51,273
Adjustments for Non-Cash Activities:							
Investment (gain) losses	(28,816)	(51,325)	22,509	44 %	103,785	(179,278)	(21,485)
Change in assets & liabilities	(12,364)	(14,526)	2,162	15 %	(16,971)	(19,976)	(45,053)
Total Cash From Operating Activities	\$(17,036)	\$(19,954)	\$2,919	15 %	\$(47,549)	\$1,922	\$(15,265)
<u>FINANCING ACTIVITIES</u>							
Proceeds of sales of contributed land held for resale	\$0	\$0	\$0	%	\$0	\$0	\$0
Interest Paid on Debt	(125)	(125)	0	0 %	(99)	(109)	(119)
Principal Paid on Debt	(380)	(380)	0	0 %	(402)	(391)	(382)
NonCapital Financing activities	12,564	13,521	(957)	(7)%	17,662	13,139	15,545
Total Cash From Financing Activities	\$12,059	\$13,016	\$(957)	(7)%	\$17,161	\$12,639	\$15,044
<u>INVESTING ACTIVITIES</u>							
Receipt of loan repayment on loan to DSO	\$5,992	\$0	\$5,992	%	\$400	\$400	\$400
Net (Purchases) Sales of Investment	(8,785)	(1,985)	(6,800)	(343)%	23,328	(32,359)	(6,504)
Interest dividends reinvested	8,932	8,932	0	0 %	7,839	13,025	9,839
Total Cash From Investing Activities	\$6,139	\$6,947	\$(808)	(12)%	\$31,567	\$(18,934)	\$3,735
CHANGE IN CASH	1,163	9	1,154	13,369 %	1,179	(4,373)	3,514
Cash, Beginning of Year	1,730	2,770	(1,041)	(38)%	551	4,924	1,410
Cash, End of Year	\$2,892	\$2,779	\$113	4 %	\$1,730	\$551	\$4,924
Total Cash & Investments	\$109,070	\$108,957	\$113	0 %	\$116,951	\$132,115	\$112,621
Days Cash on Hand	473	483	(10)	(2)%	436	675	592



USF FOUNDATION, INC.

FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
ASSETS						
Cash & Investments	\$112,621	\$132,115	\$116,951	\$109,070	\$110,047	\$111,147
Fixed Assets	10,844	10,725	10,606	10,485	10,361	\$10,265
Other Assets	594,379	786,838	693,518	726,362	755,687	790,449
Total Assets	\$717,844	\$929,678	\$821,075	\$845,917	\$876,095	\$911,861
LIABILITIES						
Payables	\$1,053	\$408	\$1,985	\$1,095	\$1,117	\$1,139
Long-Term Debt	4,332	3,942	3,540	3,127	2,704	\$2,335
Other Liabilities	24,405	36,098	29,057	31,057	33,232	35,582
Total Liabilities	\$29,790	\$40,448	\$34,582	\$35,279	\$37,053	\$39,056
NET ASSETS	\$688,054	\$889,230	\$786,493	\$810,638	\$839,042	\$872,805
Days Cash on Hand	592	675	436	473	456	453
REVENUES						
Gifts & Fundraising Revenue	\$70,565	\$64,667	\$85,117	\$62,450	\$67,937	\$72,619
University Support	16,284	13,209	13,729	14,123	14,547	\$15,148
Other Revenues	33,812	194,776	(103,786)	31,723	34,006	35,570
Total Revenues	\$120,661	\$272,652	\$(4,940)	\$108,296	\$116,490	\$123,337
EXPENSES						
Salaries & Benefits	\$33,440	\$36,910	\$39,624	\$37,927	\$36,717	\$37,268
Scholarships & Fellowships	13,213	10,802	13,121	10,104	10,609	\$11,140
Other Expenses	22,735	23,764	45,052	36,120	40,760	41,168
Total Expenses	\$69,388	\$71,476	\$97,797	\$84,151	\$88,086	\$89,575
Operating Profit Before Non-Cash Changes	\$51,273	\$201,176	\$(102,737)	\$24,145	\$28,404	\$33,762
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$51,273	\$201,176	\$(102,737)	\$24,145	\$28,404	\$33,762
Operating Profit Margin	42%	74%	-2080%	22%	24%	27%

USF Research Foundation, Inc.

FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

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

€ Construction of the new 120,000sf Mixed Use Lab and Office Building (3814 Spectrum) located within the USF Research Park was completed in late FY22. Revenue projection initially anticipated 60,000sf of the building would be occupied by the end of FY23. The mid-year update has reduced FY23 occupancy to 3,600sf plus 10,000sf of common and event space with a corresponding reduction in rent revenue of -\$762K. As initially planned, occupancy is still projected to increase to 110,000sf by the end of FY24. The Income Statement impact for FY23 is updated to forecast -\$2.5M operating loss from the initially planned -

€ As advised by the University, the FY23 Approved Plan included a cost allocation of \$3.99M to the Research Foundation for 100% of the USF Technology Transfer Office (TTO) operating expense budget that prior to FY22 had been supported by the University (principally salaries and legal costs for patent prosecution and litigation efforts). This line item expense is reported on the Income Statement as "IP University Expense - TTO Cost Allocation to DSO". Through the date of this report, the FY23 year-to-date expense for TTO cost allocation is tracking favorably to plan by \$247K and this favorable variance is reflected in our mid-year forecast.

The TTO Cost Allocation expense is in addition to the IP expenses associated with the IP Fee Revenue (principally royalty expenses) that are directly incurred by the Research Foundation for Intellectual property transactions. TTO's mid-year forecast projects IP Program revenue to be \$3M with an unfavorable variance of -\$1.1M from FY23 Plan. The reduction in fee revenue will correlate to a decrease of -\$742K in royalty & other direct IP costs. The net effect on FY23 Operating Profit is a reduction of -\$358K. (\$1.1M less \$742K).

€ To reduce the Incubator program expenses incurred by the University, cash payments totaling \$1.0M from the Research Foundation to the University's Incubator program (TBTI) as planned, continue to occur in FY 2023. The transfer of this fiduciary cash to the University's chartfield for benefit of the USF Incubator Program, reduces the University's FY 2023 program expense. A quarterly transfer of \$250,000 on an ongoing basis (\$1,000,000 per annum) approximates the positive cash flow generated from tenant rents and sponsor support that is processed by our DSO on behalf of the University. Cash reserves of approximately \$1.0M remain.

€ Unfavorable Variance in Investment Income from Approved Plan is due to forecasting lower market returns for FY23, with consideration of actual performance year to date.

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

€ Grant applications and fundraising activities are in process to develop a 12,000sf expansion of incubator facilities that will add new labs, offices, and collaborative spaces. Negotiations on space in the new building continue, with interest from several university units, while also actively marketing externally for corporate research teams. Construction on 5 lab/work modules totaling 3,600sf will be complete before fiscal year end and are generating significant interest from both start-up companies and university units that need to temporarily locate recruited research teams.

€ TTO continues to focus on increasing high value Intellectual Property agreements with well-established companies and in an effort to reduce legal costs, transparent communication with licensees, in order to avoid compliance litigation.

(In thousands)

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
<u>REVENUES</u>							
Rental Revenue	\$10,001	\$10,763	\$(762)	(7)%	\$9,257	\$9,252	\$8,968
Intellectual Property Revenue (TTO Initiator)	3,000	4,100	(1,100)	(27)%	3,868	2,561	2,666
Intellectual Property Revenue - Equity Transactions	-	-	-	%	-	7,433	-
NMR Use License Fee	-	-	-	%	-	244	307
Other Operating Revenues	170	170	-	0 %	183	172	188
Total Revenues	\$13,171	\$15,033	\$(1,862)	(12)%	\$13,308	\$19,661	\$12,129
<u>EXPENSES</u>							
Salaries & Benefits	\$1,466	\$1,466	-	0 %	\$1,143	\$1,196	\$1,297
Operations - Research Park	3,895	3,895	-	0 %	3,879	3,212	3,489
Operations - New Research Park Building	359	549	(190)	(35)%	509	5	-
IP Program Expense - Royalties & Direct Tech Costs	2,203	2,945	(742)	(25)%	2,823	1,836	1,826
IP University Exp - TTO Cost Allocation to DSO	3,742	3,989	(247)	(6)%	2,169	-	-
Other Program Expense	60	60	-	0 %	64	87	56
Other Operating Expenses	200	200	-	0 %	215	164	195
UBC Net Expense (University Business Center)	336	336	-	0 %	338	234	256
Interest Expense	1,323	1,323	-	0 %	910	621	526
Depreciation & Amortization	4,292	4,292	-	0 %	2,847	2,786	2,562
Total Expenses	\$17,875	\$19,054	\$(1,179)	(6)%	\$14,898	\$10,142	\$10,207
NET OPERATING PROFIT (LOSS)	\$(4,704)	\$(4,021)	\$(683)	(17)%	\$(1,589)	\$9,520	\$1,922
Investment Income	1,088	2,471	(1,383)	(56)%	(6,095)	11,864	1,917
Investment Income (Loss) - IP Equity Transaction	-	-	-	%	(11,602)	5,509	-
Interest Income - GASB 87 Lessor Revenue	-	-	-	%	1,733	-	-

(In thousands)

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
<u>OPERATING ACTIVITIES</u>							
Net Income (Loss)	\$(3,617)	\$(1,551)	\$(2,066)	(133)%	\$(18,041)	\$25,966	\$3,438
Adjustments for Non-Cash Activities:							
Add back (deduct) Non-Cash Investment Loss (Gain)	(688)	(2,071)	1,383	67 %	18,191	(16,875)	(1,550)
Less Other Non-Cash Revenue	-	-	-	%	(1,162)	(7,685)	(18)
Add back Depreciation/Amortization Expense	4,292	4,292	-	0 %	2,847	2,786	2,562
Add back Other Non-Cash Expense	50	50	-	0 %	131	119	333
Changes in Operating Assets and Liabilities	(400)	(400)	-	0 %	1,670	(2,381)	(1,113)
Total Cash From Operating Activities	\$(362)	\$321	\$(683)	(213)%	\$3,636	\$1,930	\$3,653
<u>FINANCING ACTIVITIES</u>							
Principal Payment - Note Payable	\$(835)	\$(835)	\$0	0 %	\$(805)	\$(775)	\$(1,745)
Finance Purchase Lease Obligation - UDI Bldg	(263)	(263)	-	0 %	(252)	(261)	(261)
Finance Purchase Lease Obligation - 3814 Bldg	(975)	(975)	-	0 %	(936)	(900)	-
Redeem Investments for New Building	5,414	5,414	-	0 %	3,500	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	\$3,341	\$3,341	\$0	0 %	\$1,507	\$166	\$(2,059)
INVESTING ACTIVITIES	\$(1,551)	\$0,900	0 %	\$(9205)	\$(8,5775)	4165.9	\$(0242,1745)

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(In thousands)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<u>ASSETS</u>						
Cash & Investments	\$46,106	\$57,521	\$49,407	\$42,254	\$39,787	\$42,064
Fixed Assets	34,512	33,225	57,497	60,454	60,987	56,968
Other Assets	19,247	40,148	79,194	76,226	73,257	70,289
Total Assets	\$99,864	\$130,894	\$186,097	\$178,934	\$174,031	\$169,321

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¶ HPCC and the CAMLS facility is continuing to provide flexible space and access to simulation learning and healthcare education to USF students, including Morsani College of Medicine Undergraduate Medical Education (UME), MCOM Anatomy Laboratory, Graduate Medical

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(In thousands)

REVENUES

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
Continuing Professional Development	\$7,275	\$7,275	\$0	0 %	\$8,721	\$3,454	\$7,162
CAMLS - USF Health Programming	2,179	2,179	0	0 %	2,268	2,085	2,313
CAMLS - Industry, Societies, Healthcare	4,648	4,648	0	0 %	3,402	1,595	2,661

(In thousands)

FY 2023 MID-YEAR	FY 2023 FINANCIAL	FY 2022 ACTUAL	FY 2021 ACTUAL	FY 2020 ACTUAL





Sun Dome Inc.

FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

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

- € The first two quarters of fiscal 2023 have been focused on booking high quality events with some of the largest promoters in the business. Some of these acts include ~~Swedish House~~ ~~Boyz~~ and Jack Harlow with Live Nation along with Cody Johnson with AEG. Additionally, Rod Wave set a record for the most profitable concert at Yuengling, setting a new benchmark for the building.
- € A focus has also been placed on booking comedy acts such as Katt Williams and Round Up Comedy, along with booking non-ticketed events such as Pasco HS's commencement. Adding these other types of events will maximize usage of the building.
- € We have continued to utilize our experience as venue operators to manage costs efficiently. By managing expenses and budgeting properly we can cut costs without sacrificing the quality of the building and events. Currently, YTD there are savings of operational expenditures that will be monitored throughout the rest of the Fiscal Year.
- € The organization has been able to manage cash flow effectively, allowing the building to stay current on outstanding liabilities.
- € Negotiations for an extension are underway to extend the existing DSO agreement.
 - € Proposal for services will be produced to allow USF to evaluate the incumbent manager.
 - € With the increased profitability of events, combined with the ongoing pipeline of future acts, the manager has successfully enabled Yuengling Center to become cash positive and plan for future growth.
 - € Concepts ranging from capital improvement fund, highest standards of care, and sound financial management are being discussed.

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

- € The negative variance to cash flow is due to increased advance sales being carried to FY23 than originally anticipated. Net Income has not materially changed from the budget submission.

(In thousands)

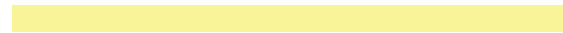
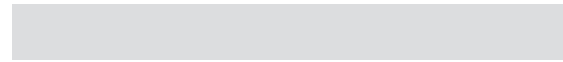
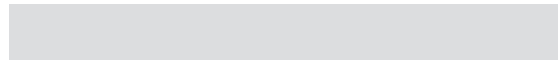
REVENUES

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
Direct Event Income	\$225	\$339	\$(114)	(34)%	\$336	\$652	\$155
Ancillary Revenue:							
Suites/ Loge	58	49	10	20 %	41	0	37
Concessions & Novelty	399	346	53	15 %	333	8	315
Parking	325	350	(25)	(7)%	391	28	325
Service Charges	348	381	(33)	(9)%	310	17	372
Ticketmaster Rebates	805	641	164	26 %	777	0	550
Total Ancillary Revenue	1,936	1,767	169	10 %	1,852	53	1,600
Miscellaneous	191	50	141	282 %	42	(24)	70
Total Revenues	\$2,352	\$2,157	\$196	9 %	\$2,230	\$681	\$1,825

EXPENSES

Salaries & Benefits	\$790	\$790	\$0	0 %	\$759	\$784	943
General & Administrative	595	495	100	20 %	482	308	461
Marketing & Sales	10	10	0	0 %	7	6	15
Equipment & Supplies	65	65	0	0 %	62	38	63
Utilities	40	40	0	0 %	40	27	29
Insurance	118	118	0	0 %	102	148	146
Incentive Fees/ Profit Share	264	216	48	22 %	295	0	25
Total Expenses	\$1,882	\$1,734	\$148	9 %			

(In thousands)



USF Institute of Applied Engineering, Inc
FY 2023 Mid-Year Forecast

MID-YEAR FORECAST

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

€ The revenue plan for 2023 can be characterized as aggressive as the 2023 plan called for a 94% increase in revenue above the 2022 actuals. While the team projects to miss this revenue target by \$2.123M, this still represents an increase of 66% on a year-over-year basis, representing over a 700% increase in sales since the 2020 fiscal year. Expenses are also down relative to budget as a result of

€ Note that the variance in depreciation is related to delays in executing previously approved capital projects. These projects were delayed, and this variation is expected to return to budget once these projects are completed at roughly year end.

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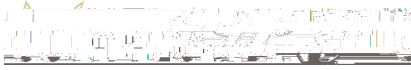
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(In thousands)

REVENUES

FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS



USF Institute of Applied Engineering, Inc.

FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	Variance		FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Cash Receipt from Customers	\$12,749	\$13,767	\$(1,017)	(7)%	\$6,974	\$4,190	\$931
Cash Receipt from Hillsborough County	3,452	2,898	553	19 %	1,216	408	0
Salaries & Benefits	(5,500)	(3,885)	(1,615)	(42)%	(1,029)	(1,275)	(624)
Payment for Direct Program Costs	(14,277)	(10,088)	(4,190)	(42)%	(2,468)	(272)	(205)
Payment to Suppliers	3,426	(875)	4,301	492 %	(3,622)	(2,720)	(548)
Total Cash From Operating Activities	\$(150)	\$1,818	\$(1,968)	(108)%	\$1,071	\$331	\$(447)
<u>FINANCING ACTIVITIES</u>							
Transfer from USF Support	\$603	\$603	0	0 %	\$603	\$603	\$702
Transfer to USF-IDR	(148)	(242)	94	39 %	(167)	(187)	0
Gift In-Kind Contributions	0	0	0	%	1		6
Total Cash From Financing Activities	\$454	\$361	\$94	26 %	\$437	\$416	\$708
<u>INVESTING ACTIVITIES</u>							
Hills. County Capital Expenditures	\$(5)	\$(541)	\$536	99 %	\$(195)	\$(364)	\$(8)
Hills. County Lease Improvements	(1,023)	(842)	(181)	(22)%	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	\$(1,028)	\$(1,383)	\$355	26 %	\$(195)	\$(364)	\$(8)
CHANGE IN CASH	(724)	795	(1,519)	(191)%	1,313	383	253
Cash, Beginning of Year	1,038	242	795	329 %	648	265	11
Cash, End of Year	\$314	\$1,038	\$(724)	(70)%	\$1,961	\$648	\$265
Total Cash & Investments	\$314	\$1,038	\$(724)	(70)%	\$1,961	\$648	\$265
Days Cash on Hand	8	23	(15)	(66)%	75	37	55

(In thousands)

ASSETS

Cash & Investments

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Cash & Investments	\$265	\$648	\$1,961	\$314	\$300	\$400



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€ Our student engagement initiative is on track to achieve its annual goal. The Student Alumni Association was named the 2022 USF Student Organization of the Year and has added 300 new members during the fall. Progress has been made within the BOLD young alumni program with leadership in place and events underway with focus on student connections. The USF Link alumni mentoring program has been fully rolled out this spring, with a goal of 200 student/alumni mentorship pairs.

€

Describe Management's Actions to Close Significant

€ Investment performance through December 31 combined with the investment return projections for the 3rd and 4th quarters are reflected in the mid-year forecast and reflect the decrease in net operating profit compared to the FY 2023 financial plan. This will not impact on our operating income, as these are non-cash adjustments. USFAA's operating profit is \$14k favorable to budget.

(In thousands)

REVENUES

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
Membership	\$485	\$491	\$(6)	(1)%	\$324	\$535	\$550
License Plates	389	395	(6)	(2)%	383	396	381
Budget support	954	911	43	5 %	556	360	804
Affinity Royalty	353	352	1	0 %	356	367	399
Investment Income	353	354	(1)	(0)%	317	298	272
Sponsorships	276	258	18	7 %	256	183	141
Gifts and Donations	209	202	7	3 %	145	280	225
Event and other revenue	199	201	(2)	(1)%	204	56	207
Total Revenues	\$3,218	\$3,164	\$54	2 %			

(In thousands)

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	\$	%	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$526	\$606	\$(80)	(13)%	\$(1,608)	\$2,403	\$288
Adjustments for Non-Cash Activities:							
Unrealized gain on investments	(109)	(203)	94	47 %	1,760	(2,302)	32
Adjustments for Changes in Operating Assets and Liabilities	0	0	0	%	88	95	(76)
Total Cash From Operating Activities	\$417	\$403	\$14	3 %	\$240	\$196	\$244
<u>FINANCING ACTIVITIES</u>							
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0



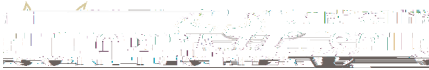
University of South Florida, Alumni Association

FY 2023 Mid-Year Forecast

3-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<u>ASSETS</u>						
Cash & Investments	\$1,408	\$1,316	\$1,163	\$1,163	\$1,431	\$1,545
Restricted Cash & Investments	6,783	9,228	8,177	10,111	10,819	11,576
Other Assets	243	280	340	275	275	275
Total Assets	\$8,434	\$10,824	\$9,680	\$11,549	\$12,525	\$13,396
<u>LIABILITIES</u>						
Payables	\$432	\$147	\$154	\$125	\$125	\$125
Long-Term Debt	0	0	0	0	0	0
Other Liabilities and deferred inflows	2,002	2,273	2,731	2,460	2,700	2,975
Total Liabilities	\$2,434	\$2,420	\$2,885	\$2,585	\$2,825	\$3,100
NET ASSETS	\$6,000	\$8,404	\$6,795	\$8,964	\$9,700	\$10,296
Days Cash on Hand	193	202	178	151	181	188
<u>REVENUES</u>						
Membership	\$550	\$535	\$324	\$485	\$500	\$515
Support	804	360	556	954	954	1,000
Other Revenues	1,625	1,580	1,661	1,779	1,850	1,943
Total Revenues	\$2,979	\$2,475	\$2,541	\$3,218	\$3,304	\$3,458
<u>EXPENSES</u>						
Salaries & Benefits	\$1,840	\$1,812	\$1,542	\$1,732	\$1,811	\$1,902
Event Expenses	242	98	292	436	402	415
Other Expenses	577	464	555	633	675	680
Total Expenses	\$2,659	\$2,374	\$2,389	\$2,801	\$2,888	\$2,997
Operating Profit Before Non-Cash Changes	\$320	\$101	\$152	\$417	\$416	\$461
Total Non-Cash Changes	\$(32)	\$2,302	\$(1,760)	\$109	\$708	\$757
NET OPERATING PROFIT	\$288	\$2,403	\$(1,608)	\$526	\$1,124	\$1,218
Operating Profit Margin	11%	4%	6%	13%	13%	13%



USF Financing Corporation & USF Property Corporation

FY 2023 Mid-Year Forecast

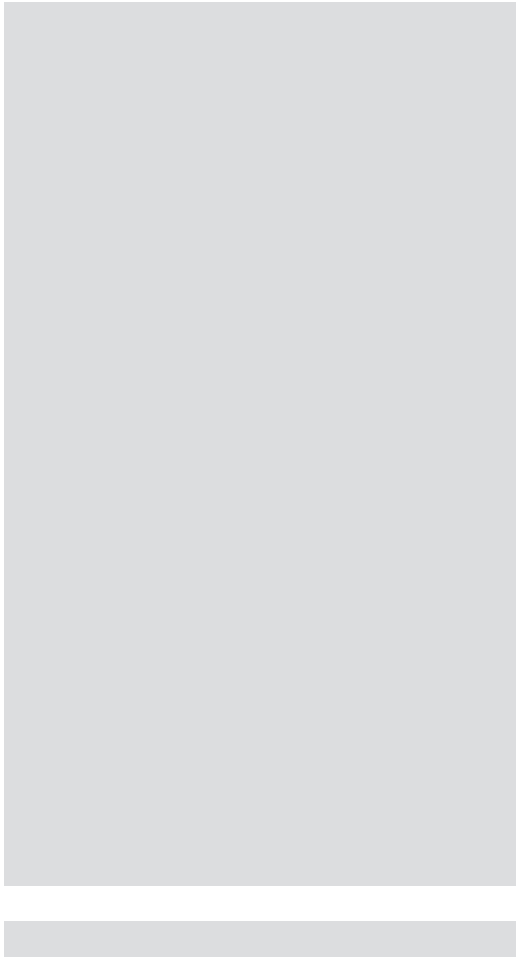
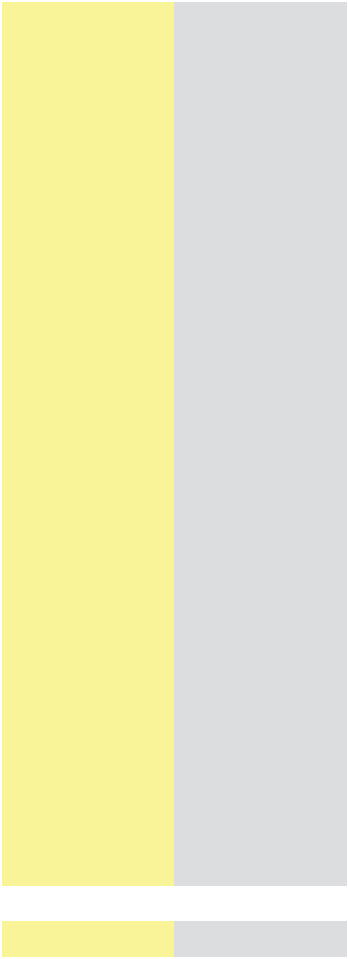
MID-YEAR FORECAST

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

- € The Board approved \$30 million of debt to finance the USF Sarasota-Manatee Housing and Student Center Project:
 - ∨ On October 31, 2022, the Financing Corporation issued the \$30 million Series 2022 Certificates of Participation - 30-year, tax-exempt, fixed interest rate public bonds, 4.85% interest rate, issued on parity with the \$176 million "A1/A+" rated USF Housing System.
 - ∨ The debt, along with a \$16.5 million cash contribution from the University, will finance the construction of the \$46.5 million mixed-use facility comprising a 200-bed student housing component and student center.
 - ∨ CORE Construction and Mackey Mitchell Architects were selected to design and deliver the project. A design/build agreement was negotiated and signed on October 31, 2022. Construction is expected to be completed in May of 2024.
 - ∨ The Corporation is closely monitoring risks to the Project described above, specifically supply chain disruptions and cost inflation. The University funded an owner's contingency of over \$4 million to mitigate some of these risks.
- € Protect USF's "AA" credit ratings. Formal presentations were made to Moody's, Standard & Poor's and Fitch in March 2022 emphasizing USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage.
 - ∨ Moody's and S&P Affirmed all USF credit ratings with Stable Outlooks (September 2022).
- € Ongoing oversight of DSOs and Auxiliaries with debt to ensure they are managing revenues and expenses to maintain pledged revenues and debt service coverage ratios, preserve essential liquidity, and maintain required reserves.
- € Ongoing compliance with covenants for 15 Series of debt, including IRS rules on tax-exempt bonds and required SEC reporting.
- € On April 21, 2022, the University of South Florida terminated its Agreements with INTO USF, Inc. This resulted in a positive change in equity investment in FY 2022 to limit its share of INTO USF, Inc.'s losses to the Corporation's initial investment amount. On July 15, 2022, the Financing Corporation filed a lawsuit against INTO South Florida and INTO USF, Inc. to compel the wind-up and dissolution of INTO USF, Inc. Litigation is ongoing.

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

- € The Corporation is not anticipating any significant unfavorable variances. The Corporation continues to maintain strong liquidity and operating cash flows will fully cover debt service payments.





USF Financing Corporation & USF Property Corporation

FY 2023 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2023 MID-YEAR FORECAST	FY 2023 FINANCIAL PLAN	Variance		FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS	FY 2020 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Lease payments received from USF	\$23,987	\$23,983	\$4	0 %	\$24,096	\$22,336	\$21,940
Lease payments received from UMSA	4,515	4,515	0	0 %	4,442	3,892	4,106
Lease payments received from HPCC	1,431	1,431	0	0 %	1,386	1,465	1,479
Lease payments received from Research Foundation	2,195	2,205	(10)	(0)%	2,167	2,234	860
Payment to USF for management services	(827)	(827)	0	0 %	(803)	0	(719)
General and administrative disbursements	(629)	(782)	154	20 %	(600)	(642)	(601)
Total Cash From Operating Activities	\$30,672	\$30,525	\$147	0 %	\$30,688	\$29,285	\$27,065
<u>FINANCING ACTIVITIES</u>							
Capital expenditures	\$(6,678)	\$(6,480)	\$(198)	(3)%	\$(11,499)	\$(20,581)	\$(23,852)
Proceeds of long-term debt	30,000	27,000	3,000	11 %	0	0	27,000
Debt issuance costs	(265)	(300)	35	12 %	0	0	(95)
Principal payments	(16,360)	(16,360)	0	0 %	(15,722)	(14,518)	(13,059)
Interest payments	(13,392)	(14,017)	625	4 %	(13,522)	(14,346)	(14,347)
Equity contribution from USF/DSO for Project	0	0	0	%	1,385	0	4,210
Security received from (returned to) lessee for swap collateral	0	0	0	%	3,963	5,007	5,210
Security (pledged to) returned from counterparty	0	0	0	%	(3,963)	(5,104)	(5,130)
Total Cash From Financing Activities	\$(6,695)	\$(10,157)	\$3,462	34 %	\$(39,358)	\$(49,542)	\$(20,063)
<u>INVESTING ACTIVITIES</u>							
Proceeds from maturity/redemption of INTO CD	\$3,774	\$3,776	\$(2)	(0)%	\$3,774	\$3,708	\$7,596
Purchase of INTO CD	0	(3,776)	3,776	100 %	(3,774)	(3,774)	(5,707)
Distribution to USF of INTO CD Proceeds	0	0	0	%	0	0	(2,200)
Interest income	502	10	492	5,148 %	36	88	974
Total Cash From Investing Activities	\$4,276	\$10	\$4,266	44,608 %	\$35,481	\$22	\$663
CHANGE IN CASH	28,253	20,377	\$7,876	39 %	\$(8,635)	(19,917)	7,665
Cash, Beginning of Year	44,063	44,209	(146)	(0)%	52,698	72,615	64,950
Cash, End of Year	\$72,316	\$64,586	\$7,730	12 %	\$44,063	\$52,698	\$72,615
Total Cash & Investments	\$72,316	\$68,362	\$3,954	6 %	\$47,836	\$56,472	\$76,323
Days Cash on Hand	420	394	26	7 %	407	405	403

(In thousands)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<u>ASSETS</u>						
Cash & Investments	\$76,323	\$56,472	\$47,836	\$72,316	\$56,416	\$53,216
Financing Receivable	311,645	309,896	304,391	293,955	296,433	283,332
Other Assets	28,271	17,273	7,978	6,000	5,409	4,871
Total Assets	\$416,239	\$383,641	\$360,205	\$372,270	\$358,258	\$341,418
<u>LIABILITIES</u>						
Payables - Interest and Construction	\$9,584	\$10,032	\$7,253	\$5,596	\$6,845	\$5,899
Long-Term Debt	358,162	341,983	324,693	336,928	319,610	301,444
Interest Rate Swap & Other Payables	25,769	13,858	6,433	5,202	4,640	4,078
Total Liabilities	\$393,515	\$365,873	\$338,379	\$347,727	\$331,096	\$311,421
NET ASSETS	\$22,724	\$17,768	\$21,826	\$24,544	\$27,163	\$29,997
Days Cash on Hand	403	405	407	420	389	395
<u>REVENUES</u>						
USF Debt Payments	\$13,295	\$10,434	\$12,569	\$12,196	\$11,937	\$12,766
UMSA Debt Payments	1,766	1,492	1,977	1,984	1,901	1,820
HPCC Debt Payments	588	520	381	365	357	336
Research Debt Payments	641	1,002	989	949	923	879
Total Revenues	\$16,290	\$13,448	\$15,916	\$15,494	\$15,118	\$15,801
<u>EXPENSES</u>						
Operating Expenses	1,323	639	1,405	1,456	1,500	1,545
Total Expenses	\$1,323	\$639	\$1,405	\$1,456	\$1,500	\$1,545