



February 27, 2024

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UMSA/MSSC Combined FY 2024 Mid-Year Forecast

MID-YEAR FORECAST

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

UMSA is working with ECG Management Consulting to review the business model between Tampa General Hospital, UMSA, and Academic Medical Group. This group is investigating funds flow models at other academic medical centers that align strategies a financial outcomes between the medical center and faculty practice plan. A model between TGH, UMSA and AMG will be implemented that will de-risk the practice while providing opportunities to share in financial gains.

UMSA and ECG worked through the gathering and analysis of UMSA's FY2023 financial data, and then determined the financial goals to be achieved through clinical integration. Those goals are primarily increased faculty support for clinical and GME activities, as well as support to be invested in the academic and research missions. The financial impact has been present TGH, and the next step is to negotiate how to get there and how long it will take.

Describe Management's Actions to Close Significant Unfavorable Variances or Operating Losses and Negative Cash Flows Before Fiscal Year End

The focus in FY2024 has been to negotiate income support agreements with UMSA's primary affiliated hospital to cover both new and existing providers. It is then important to follow up and make sure these contracts are fully executed. UMSA has been successful in this process, which has led to increased contract revenue.

The implementation of Qgenda continues across UMSA. While still early in the process, UMSA is confident it will materially improve clinical space utilization, which will ultimately improve provider productivity and patient access.

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	\$	%	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
<u>REVENUES</u>							
Net Patient Service	\$219,804	\$203,887	\$15,917	8 %	\$197,429	\$187,498	\$191,974
Grants, Contracts & Awards	127,773	114,865	12,908	11 %	113,029	100,024	94,719
UPL/PCIP	33,151	38,832	(5,681)	(15)%	35,171	43,090	40,491
Other Revenue	38,325	35,770	2,555	7 %	41,265	53,511	41,798
Total Revenues	\$419,053	\$393,353	\$25,700	7 %	\$386,894	\$384,123	\$368,982
<u>EXPENSES</u>							
Faculty Support	\$244,566	\$223,306	\$21,260	10 %	\$218,363	\$193,049	\$172,985
Housestaff Support	17,400	15,364	2,036	13 %	15,742	15,046	12,660
Other Staff Support	26,054	30,416	(4,362)	(14)%	28,590	63,428	101,031
USFTGP Staff Support	75,106	74,276	830	1 %	66,196	29,287	0
Depreciation/Amortization	7,390	5,912	1,478	25 %	7,166	6,136	5,047
Other Expenses	46,334	51,328	(4,994)	(10)%	46,392	48,024	55,384
Total Expenses	\$416,850	\$400,602	\$16,248	4 %	\$382,449	\$354,970	\$347,107
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$2,203						

UMSA/MSSC Combined
FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$(5,435)	\$(7,249)	\$1,814	25 %	\$(3,324)	\$28,684	\$24,916
Adjustments for Non-Cash Activities:							
Depreciation/Amortization	7,390	5,912	1,478	25 %	7,166	6,136	5,047
Unrealized (gains) losses	0	0	0	0 %	2,552	2,904	(3,041)
Operating Assets and Liabilities	4,761	17,916	(13,155)	(73)%	11,058	6,041	(69,014)
Total Cash From Operating Activities	\$6,716	\$16,580	\$(9,864)	(59)%	\$17,452	\$43,765	\$(42,093)
<u>FINANCING ACTIVITIES</u>							
Capital Expenditures	\$(4,000)	\$(4,000)	\$0	0 %	\$(4,517)	\$(3,906)	\$(1,613)
Proceeds from Sale of Capital Assets	0	0	0	0 %	53	3,465	13
Interest Payments	(2,438)	(2,362)	(76)	(3)%	(2,589)	(2,295)	(2,429)
Transfer to USF FC - Leases on MOBs	(2,576)	(2,710)	135	5 %	(2,525)	(2,465)	(2,306)
Principal paid on right-to-use lease liability	(2,460)	(2,460)	0	0 %	(3,318)	(2,411)	
Total Cash From Financing Activities	\$(11,474)	\$(11,532)	\$59	1 %	\$(12,896)	\$(7,612)	\$(6,335)
<u>INVESTING ACTIVITIES</u>							
Net (Purchases) Sales of Investments	\$1,105	\$0	\$1,105	%	\$0	\$(20,000)	\$21,042
Interest and Dividends on Investments	0	0	0	%	257	395	3,041
Total Cash From Investing Activities	\$1,105	\$0	\$1,105	%	\$257	\$(19,605)	\$24,083
CHANGE IN CASH	(3,652)	5,048	(8,700)	(172)%	4,813	16,548	(24,345)
Cash, Beginning of Year	32,011	2,418	29,593	1,224 %	27,198	10,650	34,996
Cash, End of Year	\$28,359	\$7,466	\$20,893	280 %	\$32,011	\$27,198	\$10,650
 Total Cash & Investments	\$30,446	\$31,225	\$(779)	(2)%	\$47,790	\$50,957	\$17,314
 Days Cash on Hand	29	30	(1)	(3)%	49	56	19

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST *	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
<u>ASSETS</u>								
Cash & Investments	\$17,314	\$50,957	\$47,790	\$30,446	\$34,347	\$34,691	\$35,038	\$35,388
Fixed Assets	51,410	64,806	71,395	78,726	82,726	83,726	84,726	85,726



USF FOUNDATION, INC.

FY 2024 Mid-Year Forecast

The talent acquisition is underway for a Regional Fundraising Team that will provide an enhanced regional presence ~~and~~ ~~include~~ development teams with additional resources to increase overall engagement outside of the USF campus areas.

In an effort to adapt to a rapidly changing donor base, the Annual Giving Team has expanded to include a Digital Engagement ~~and~~ ~~team~~

(In thousands)

REVENUES

FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	\$	%	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS

USF FOUNDATION, INC.
FY 2024 Mid-Year Forecast

STATEMENT OF CASH FLOWS

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	Variance		FY 2023 ACTUAL	FY 2022 ACTUAL	FY 2021 ACTUAL
			\$	%			
<u>OPERATING ACTIVITIES</u>							
Net Operating Profit	\$37,362	\$53,421	\$(16,059)	(30)%	\$11,734	\$(134,363)	\$201,176
Adjustment for Non-Cash Activities:							
Investment (gain) losses	(57,632)	(57,632)	0	0%	(43,509)	103,785	(179,278)
Change in assets & liabilities	(14,071)	(14,071)	0	0%	(13,474)	(16,971)	(19,975)
Total Cash From Operating Activities	\$(34,341)	\$(18,282)	\$(16,059)	(88)%	\$(45,249)	\$(47,549)	\$1,922
<u>FINANCING ACTIVITIES</u>							
Interest Paid on Debt	\$(105)	\$(105)	\$0	0%	\$(93)	\$(99)	\$(109)
Principal Paid on Debt	(423)	(423)	0	0%	(443)	(402)	(391)
NonCapital Financing activities	17,226	17,226	0	0%	13,680	17,662	13,139
Total Cash From Financing Activities	\$16,698	\$16,698	\$0	0%	\$13,144	\$17,161	\$12,639
<u>INVESTING ACTIVITIES</u>							
Receipt of loan repayment on loan to DSO	\$0	\$0	\$0	0%	\$266	\$400	\$400
Net (Purchases) Sales of Investment	9,480	(7,325)	16,805	229%	18,270	23,328	(32,359)
Interest dividends reinvested	8,921	8,921	0	0%	12,340	7,839	13,025
Total Cash From Investing Activities	\$18,401	\$1,596	\$16,805	1,053%	\$30,876	\$31,567	\$(18,934)
CHANGE IN CASH	758	12	746	6,213%	(1,229)	1,179	(4,373)
Cash, Beginning of Year	501	1,247	(746)	(60)%	1,730	551	4,924
Cash, End of Year	\$1,259	\$1,259	\$(0)	(0)%	\$501	\$1,730	\$551
Total Cash & Investments	\$111,146	\$111,146	\$0	0%	\$107,314	\$116,951	\$132,115
Days Cash on Hand	388	473	(84)	(18)%	342	436	675

USF FOUNDATION, INC.

FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 FORECAST	FY 2025 FORECAST	FY 2026 FORECAST	FY 2027 FORECAST	FY 2028 FORECAST
ASSETS								
Cash & Investments	\$132,115	\$116,951	\$107,314	\$111,146	\$108,646	\$106,146	\$103,646	\$104,682
Fixed Assets	10,725	10,606	10,488	10,380	10,276	10,174	10,072	9,971
Other Assets	786,838	693,518	719,726	776,009	836,349	906,034	985,038	1,070,030
Total Assets	\$929,678	\$821,075	\$837,528	\$897,536	\$955,271	\$1,022,354	\$1,098,756	\$1,184,683
LIABILITIES								
Payables	\$408	\$1,985	\$2,758	\$1,117	\$1,039	\$1,060	\$1,081	\$1,103
Long-Term Debt	3,942	3,540	3,127	2,704	2,269	1,822	1,364	894
Other Liabilities	36,098	29,057	33,415	33,232	33,682	35,682	38,032	40,462
Total Liabilities	\$40,448	\$34,582	\$39,300	\$37,053	\$36,990	\$38,564	\$40,477	\$42,459
NET ASSETS	\$889,230	\$786,493	\$798,228	\$860,483	\$918,281	\$983,790	\$1,058,279	\$1,142,224
Days Cash on Hand	675	436	342	388	456	440	425	424
REVENUES								
Gifts & Fundraising Revenue	\$64,667	\$85,117	\$67,110	\$66,550	\$67,778	\$71,166	\$74,725	\$78,461
University Support	13,209	13,729	15,684	14,723	15,148	15,873	16,598	17,323
Other Revenues	194,776	(103,786)	43,509	60,583	61,765	66,431	72,212	78,305
Total Revenues	\$272,652	\$(4,940)	\$126,303	\$141,856	\$144,691	\$153,470	\$163,535	\$174,089
EXPENSES								
Salaries & Benefits	\$36,910	\$39,624	\$45,679	\$42,494	\$40,222	\$40,826	\$41,438	\$42,060
Scholarships & Fellowship	10,802	13,121	14,071	11,976	11,770	11,887	12,006	12,126
Other Expenses	23,764	45,052	54,819	50,024	34,900	35,249	35,601	35,957
Total Expenses	\$71,476	\$97,797	\$114,569	\$104,494	\$86,892	\$87,962	\$89,045	\$90,143
Changes	\$201,176	\$(102,737)	\$11,734	\$37,362	\$57,799	\$65,508	\$74,490	\$83,946
Total Non-Cash Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET OPERATING PROFIT	\$201,176	\$(102,737)	\$11,734	\$37,362	\$57,799	\$65,508	\$74,490	\$83,946
Operating Profit Margin	74%	2080%	9%	26%	40%	43%	46%	48%

(In thousands)

	FY 2024 MID-YEAR FORECAST	FY 2024 FINANCIAL PLAN	\$	%	FY 2023 ACTUAL RESULTS	FY 2022 ACTUAL RESULTS	FY 2021 ACTUAL RESULTS
<u>OPERATING ACTIVITIES</u>							
Net Income (Loss)	\$(3,259)	\$(3,259)	\$0	0 %	\$(490)	\$(18,041)	\$25,966
Adjustments for Non-Cash Activities:							
Add back (deduct) Non-Cash Investment Loss (Gain)	(1,357)	(1,357)	-	0 %	(2,219)	18,191	(16,875)
Add back Depreciation/Amortization Expense	3,863	3,863	-	0 %	4,599	2,847	2,786
Add back Other Non-Cash Expense	80	80	-	0 %	30	131	119
Less Other Non-Cash Revenue	-	-	-	%	(696)	(1,162)	(7,685)
Changes in Operating Assets and Liabilities	105	105	-	0 %	(3,906)	1,670	(2,381)
Total Cash From Operating Activities	\$(568)	\$(568)	\$0	0 %	\$(2,682)	\$3,636	\$1,930
<u>FINANCING ACTIVITIES</u>							
Principal Payment - Note Payable	\$(870)	\$(870)	\$0	0 %	\$(835)	\$(805)	\$(775)
Finance Purchase Lease Obligation - UDI Bldg	(274)	(274)	-	0 %	(263)	(252)	(261)
Finance Purchase Lease Obligation - 3814 Bldg	(1,014)	(1,014)	-	0 %	(975)	(936)	(900)
Redeem Investments for New Building	8,825	8,825	-	0 %	4,299	3,500	1,827
Payment - UBC Lease Liability	-	-	-		(666)	-	-
Redeem Investments - Truist Equity to Operating Cash	3,259	3,259	-	0 %	-	-	275
Total Cash From Financing Activities	\$9,926	\$9,926	\$0	0 %	\$1,561	\$1,507	\$166
<u>INVESTING ACTIVITIES</u>							
Capital Expenditures	\$(4,371)	\$(4,371)	\$0	0 %	\$(612)	-	\$(258)
Capital Expenditures - New Building	(8,825)	(8,825)	-	0 %	-	(3,417)	-
Purchase of Investments	-	-	-	%	(339)	-	-
Seed Capital Loan Repayments (Issuance)	-	-	-	%	-	-	35
Total Cash From Investing Activities	\$(13,197)	\$(13,197)	\$0	0 %	\$(951)	\$(3,417)	\$(223)

USF Research Foundation, Inc.
FY 2024 Mid-Year Forecast

5-YEAR FORECAST

(In thousands)

	ACTUAL			FORECAST				
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
ASSETS								
Cash & Investments	\$57,521	\$49,407	\$45,793	\$39,051	\$28,601	\$25,894	\$27,518	\$29,227
Fixed Assets	33,225	57,497	54,275	83,357	93,213	102,110	108,679	115,158
Other Assets	40,143	79,194	77,507	71,274	65,659	60,543	55,927	51,811
Total Assets	\$130,894	\$186,097	\$177,576	\$193,682	\$187,472	\$188,547	\$192,123	\$196,196
LIABILITIES								
Payables	\$10,178	\$2,777	\$3,447	\$4,327	\$3,889	\$3,967	\$4,046	\$4,167
Long-Term Debt	17,618	41,726	39,653	37,494	35,247	32,909	30,479	27,947
Other Liabilities	7,205	63,743	57,115	51,404	46,263	41,637	37,473	33,726
Total Liabilities	\$35,002	\$108,246	\$100,215	\$93,225	\$85,399	\$78,513	\$71,998	\$65,841
NET ASSETS	\$95,892	\$77,852	\$77,361	\$100,457	\$102,072	\$110,034	\$120,125	\$130,355
Days Cash on Hand	770	488	597	304	107	32	56	79
REVENUES								
Rental Revenue	\$9,252	\$9,257	\$8,763	\$10,814	\$12,723	\$14,724	\$15,699	\$17,145
Intellectual Property Revenue	9,993	3,868	2,264	3,050	3,160	3,365	3,570	3,875
Other Revenues	416	183	176	163	171	180	189	198
Total Revenues	\$19,661	\$13,308	\$11,202	\$14,027	\$16,054	\$18,269	\$19,457	\$21,218
EXPENSES								
Salaries & Benefits	\$1,196	\$1,143	\$1,250	\$1,449	\$1,507	\$1,553	\$1,599	\$1,647
Operations - Research Park	3,212	3,879	4,107	5,569	6,110	6,656	6,610	7,082
Other Expenses	5,733	9,876	10,206	12,024	13,946	14,276	14,598	14,837
Total Expenses	\$10,142	\$14,898	\$15,562	\$19,042	\$21,563	\$22,484	\$22,807	\$23,565
Operating Profit Before Non-Operating	\$9,520	\$(1,589)	\$(4,360)	\$(5,015)	\$(5,509)	\$(4,216)	\$(3,350)	\$(2,347)
Total Non-Operating, Net	16,446	(16,451)	3,870	1,757	1,598	1,535	1,624	1,718
NET INCOME (LOSS)	\$25,966	\$(18,041)	\$(490)	\$(3,259)	\$(3,911)	\$(2,681)	\$(1,726)	\$(629)
Operating Profit Margin	48.4%	-11.9%	-38.9%	-35.8%	-34.3%	-23.1%	-17.2%	-11.1%

FY 2024 Mid-Year Forecast

CAMLS has successfully leveraged its unique capabilities and expertise to build out a research division focused on emerging technologies in training and education including virtual reality, artificial intelligence, and simulation. This division has already achieved its first milestone by being awarded a National Institutes of Health SBIR Phase 2 grant in partnership with Immertec, a local virtual reality startup, for a combined award amount of \$1.6M (\$530K USF) which will also help support USF's goal of maintaining AAU status. Currently, HPCC does not receive indirect support from the university for the use of simulation and vivarium space for research, but the desired long term is to receive indirect fees from research which will offset costs for staff and space, leading to a positive impact on HPCC's operating income.

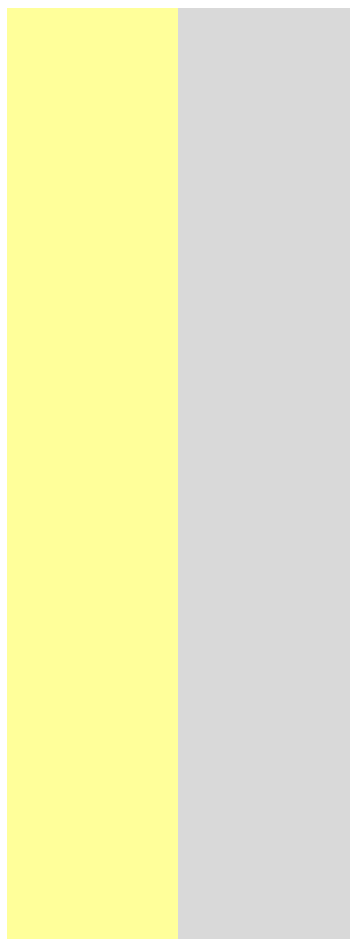
The Office of Continuing Professional Development (OCPD) has expanded its portfolio of online programming in partnership with medical education companies (MECs) and although it will produce incrementally better results in FY24 support, continued support will be required from MCOM to underwrite USF programming.

The significant unfavorable variance for 'Continuing Professional Development' is partially offset by decreased 'Direct Program Expense' and decreased 'Wages and Benefits', but the expected \$200K shortfall to achieve breakeven will be closed with support from MCOM. Future price increases for below cost USF services will decrease support.

The significant unfavorable variance for 'CAMLS - Industry, Societies, Healthcare' is partially offset by decreased 'Direct Program Expense' and decreases in other expense line items. The expected shortfall to cover debt service, capital improvement needs, and operating expenses will be closed with support from MCOM. While the core external business of providing services and space for diversified

With the increased demand to use CAMLS space by USF basic science and clinical researchers, renegotiation of the flow of indirect fees back to HPCC will maintain minimal line-item costs for NIH grant proposals and ensure maximal opportunity for successful award.

HPCC leadership involvement in the negotiation of USF and USF Health service line contracts will ensure services are based on the needs of CAMLS while maintaining USF's flexibility to leverage economies of scale through centralized contracts.



(In thousands)

Net Operating Profit	\$758	\$437	\$321	73 %	\$1,195	\$503	\$(1,084)
Adjustments for Non-Cash Activities:							
Depreciation	842	747	95	13 %	795	938	961
Adjustments for Changes in Operating Assets and Liabilities	350	0	350	% 65 %	(1,779)	(497)	(921)
Proceeds of Long-Term Debt	\$0	\$0	\$0	%	\$0	\$0	\$0
Principal Payments	(1,132)	(1,132)	0	0 % 0 %	(1,210)	(1,253)	(1,142)
Capital Expenditures	\$(749)	\$(200)	\$(549)	(275)%	\$(859)	\$(39)	\$(126)

(In thousands)

Cash & Investments	\$1,983	\$1,641	\$476	\$546	\$746	\$946	\$1,146	\$1,346
Fixed Assets	15,473	14,617	15,341	15,248	14,948	14,648	14,348	14,048
Other Assets	960	1,577	1,370	1,000	1,000	1,000	1,000	1,000
Payables	\$1,482	\$1,843	\$841	\$841	\$841	\$841	\$841	\$841
Long-Term Debt	11,450	10,395	9,583	8,700	7,556	6,412	5,268	4,124
Other Liabilities	3,004	2,615	2,586	2,500	2,500	2,500	2,500	2,500
Program Revenues	\$8,537	\$15,769	\$13,606	\$17,483	\$17,983	\$18,483	\$18,983	\$19,483
Transfer from UMSA Continuing Ed - Faculty, Students	250	884	458	1,487	900	900	900	900
Other Revenues	234	373	1,203	384	384	384	384	384
Salaries & Benefits	\$3,682	\$3,829	\$4,230	\$4,642	\$4,735	\$4,830	\$4,926	\$5,025
Program services	6,077	12,406	9,567	13,705	14,005	14,305	14,605	14,905
Interest	346	288	275	249	239	229	219	209

FY 2024 Mid-Year Forecast

Yuengling Center has continued to secure high end concerts and events during the first two quarters of FY 2024, including *AEW Wrestling* and *Yellowcard*. Similar to FY23 when the *Rod Wave* concert was held, the *Fuerza Regida* event set the record again for most profitable concert at the Yuengling Center.

Due to the success of shows in the surrounding Tampa Bay area, there is focus on scheduling a wide variety of artists with passionate followings into the building and these have demonstrated to be highly successful & profitable events for Sun Dome.

The increase in population to the Tampa Bay area makes the city a key destination for emerging artists and promoters from all types of genres. Due to the city's demand for entertainment, we are working with select tours for multiple day events, such as *Billy Strings* in April.

Due to strong cash flows coming from maximizing the building for concerts and events, Sun Dome has been able to stay current on outstanding payables and begin to paydown liabilities arising from the COVID-19 pandemic.

Organization is also focused on updating the appearance and structure of the arena, including replacing the arena floor and lighting around the building to maximize customer experience and support future business operations. This will allow continued growth in the future for not only booking high quality concerts, but for USF events as well.

Negative cash flow variance partly due to excess advanced ticket sales carried into FY24 for concerts occurring early in FY24 (such as *Yellowcard*, *Fuerza Regida*, *Louis Tomlinson and more*), resulting in cash outflows being shown for the fiscal year due to settlements. However, no material unfavorable change to net operating profit from original annual plan submission.

Other item driving the negative cash flow variance is related to the paydown of outstanding liabilities incurred throughout the COVID-19 pandemic, primarily to TBEP for support operations. Because of the excess cash held throughout the pandemic and the Yuengling Center now being fully open in driving concert/event revenue and cash flow, this liability is being repaid to TBEP with careful consideration of cash needs for future event and University transfers.

Similar to FY23, expect more concerts and events will be announced prior to year-end resulting in on-sales driving additional cash flow for Sun Dome to support operational needs. We have multiple dates held for artists (including second date events) that we're negotiating the contracts and availability.

Due to changes within the concert marketplace, direct event income is trending lower as we're booking high end, highly attended shows, which require increased staffing and promoter shares. However, these higher quality events drive greater revenues from ancillary revenue sources such as rebates, parking, concession, etc. that outweigh the loss in direct event income.

FY 2024 Mid-Year Forecast

(In thousands)

Direct Event Income	\$104	\$263	\$(159)	(60)%	\$(34)	\$336	\$652
Ancillary Revenue:							
Suites/Loge	78	58	20	35 %	76	41	0
Concessions & Novelty	498	430	68	16 %	657	333	8
Parking	424	381	42	11 %	447	391	28
Service Charges	396	406	(10)	(3)%	471	310	17
Ticketmaster Rebates	979	855	124	15 %	1,010	777	0
Total Ancillary Revenues	2,374	2,130	244	11 %	2,662	1,852	53
Miscellaneous	50	50	0	0 %	131	42	(24)
				3 %			
Salaries & Benefits	\$853	\$840	\$13	2 %	\$1,062	\$759	\$784
General & Administrative	485	600	(115)	(19)%	433	482	308
Marketing & Sales	16	16	(0)	(1)%	7	7	6
Equipment & Supplies	139	78	61	78 %	167	62	38
Utilities	30	34	(4)	(12)%	28	40	27
Insurance	168	123	46	37 %	117	102	148
Incentive Fees/Profit Share	296	273	23	9 %	314	295	0
				1 %			
				13 %			
Unrealized Investment Gains (Losses)	0	0	0	%	0	0	0
				%			
				13 %			
				2 %			

FY 2024 Mid-Year Forecast

IAE is in year four of its \$85M USSOCOM task order contract and entered into a 5 year \$10M task order based contract supporting USCENTCOM & the USAF 6th Air Refueling Wing. Existing and new task orders, along with contracts with USAF, SOFWERX, and others are projected to generate \$11M in FY24. The IAE is impacted by Congresses delay in approving the Federal Budget and operating on Continuing Resolutions preventing the Federal Government from initiating new projects.

The IAE has developed an updated 4 year Strategic Plan for growth for partnership with new customers. USF has committed to providing \$4M over two years to invest the IAE Business Development function necessary to achieve economies of scale for a self sustainable organization.

The IAE completed the implementation of an Enterprise Resource Management System 1Q FY23-24 increasing automation of workflows, quality of data management, and compliance with contractual requirements. This has enabled high quality data available throughout the organization and enabled efficiencies across all departments.

The IAE has changed the pricing model across all contracts to better align indirect costs across the portfolio. The IAE has also targeted strategic business development opportunities increasing our B2B relationship and repurposing existing assets for increased utilization or higher value add activities.

IAE has constructed a new 8000 sq ft Rapid Experimentation Laboratory, establishing IAE as a premiere Internet-of-Things applied research provider to DoD and other sponsors. The REL is scheduled to open 3Q FY23-24 and will be opening up new business

The IAE has developed a strategic plan to grow the customers served. As a result, the IAE has made significant investment in sales & marketing to expand the awareness of the capabilities of IAE. We are already seeing growth in development of a partnership with ARL and Federal Health Organizations that will grow over the next 3-5 years.

FY 2024 Mid-Year Forecast

(In thousands)

Contracts Revenues	\$10,775	\$12,675	\$(1,900)	(15)%	\$12,631	\$7,363	\$5,071
Hillsborough County Grant	1,228	0	1,228	%	1,010	1,608	621
Other Revenues	1,593	875	718	82 %	610	665	1,027
				0 %			
Direct Project Expenses							
Direct Project Labor	\$3,616	\$3,195	\$421	13 %	\$3,165	\$2,060	\$1,911
Subcontractors & Consultants	3,283	4,787	(1,504)	-31%	5,551	3,381	1,304
Direct Project Travel	370	354	16	4%	44	14	3
Materials & Equipment	159	246	(87)	-35%	307	352	278
USF Shared Services	174	267	(93)	-35%	176	121	266
Other Direct Proj Expenses	288	93	195	210%	69	42	234
Total Direct Project Expenses	\$7,891	\$8,942	\$(1,052)	(66)%	\$9,312	\$5,970	\$3,996
General & Administrative							
G&A Labor	\$1,864	\$2,300	\$(436)	(19)%	\$3,132	\$2,675	\$1,581
Sales & Marketing	224	36	188	528%	55	17	2
Professional Services	382	306	76	25%	303	229	159
Computers & Software	183	194	(11)	-6%	208	158	140
Insurance & Banking	43	58	(15)	-26%	62	42	32
Internal R&D	135	41	94	232%	37	11	21
Human Resources	48	29	19	64%	158	28	9
Facilities	268	452	(185)	-41%	200	144	267
Other Operating Expenses	7	40	(33)	-84%	25	4	48
Total G&A Expenses	\$3,153	\$3,456	\$(303)	(9)%	\$4,180	\$3,309	\$2,261
USF Funded Labor, Marketing, & Travel	\$1,270	\$875	\$395	45 %	\$2	\$81	\$33
				(7)%			
				364 %			
Depreciation & Amortization	271	391	(119)	(31)%	206	195	64
				(31)%			
				988 %			
				7 %			

FY 2024 Mid-Year Forecast

(In thousands)

Net Operating Income	\$1,011	\$(114)	\$1,126	984 %	\$551	\$82	\$409
Adjustment for Depreciation & Amortization	271	391	(119)	(31) %	206	137	63
Changes to Current Assets	390	298	92	31 %	6	(1,043)	(1,103)
Changes to Current Liabilities	(130)	(258)	128	50 %	(329)	2,341	1,884
				388 %			
Long Term Capital Leases	\$931	\$0	\$931	%	(\$301)	\$29	\$(29)
				%			
Rapid Experimentation Lab	\$(2,342)	\$0	\$(2,342)	%	\$(73)	\$(233)	\$(840)
				%			
Cash, Beginning of Year	2,022	1,228	794	65 %	1,961	648	265
				39 %			
				50 %			

(In thousands)

<u>Cash & Investments</u>	\$648	\$1,961	\$2,022	\$2,153	\$3,341	\$3,902	\$5,112	\$6,785
Current Assets	1,292	2,335	2,329	1,940	3,823	5,619	6,952	8,602
Fixed Assets	696	910	1,019	3,361	4,061	4,952	6,063	7,444
<u>Payables</u>	\$2,017	\$4,064	\$3,824	\$3,694	\$6,426	\$7,870	\$8,853	\$9,858
Long-Term Debt	29	0	101	1,032	792	540	276	288
Other Liabilities	174	497	234	214	372	497	615	761
<u>Contract Revenues¹</u>	\$5,071	\$7,363	\$12,631	\$10,775	\$21,241	\$31,214	\$38,622	\$47,787
Hillsborough County Grant	621	1,608	1,010	1,228	0	0	0	0
Other Revenues	1,070	665	610	1,593	2,250	0	0	0
<u>Direct Project Expenses</u>	3,996	5,970	9,312	7,891	14,774	21,710	26,862	33,236

FY 2024 Mid-Year Forecast

The Association has sent one Circle of Excellence solicitation so far during the year and the results were in line with our budget.

All unfavorable variances have been offset by favorability in other areas. The Association is forecasting a more favorable net income for the year as compared

FY 2024 Mid-Year Forecast

(In thousands)

Net Operating Profit	\$641	\$638	\$3	0 %	\$507	\$(1,608)	\$2,403
Adjustments for Non-Cash Activities:							
Unrealized gain on investments	(218)	(218)	0	0 %	(336)	1,760	(2,302)
Adjustments for Changes in Operating Assets and Liabilities	0	0	0	%	0	88	95
				1 %			
Capital Expenditures	\$0	\$0	\$0	%	\$0	\$0	\$0
				%			
Net (Purchases) Sales of Investments	\$(424)	\$(421)	\$(3)	(1)%	\$(175)	\$(234)	\$(221)
				(1)%			
Cash, Beginning of Year	8	8	0	0 %	8	2	27
				0 %			
				(1)%			

(In thousands)

Cash & Investments	\$1,316	\$1,163	\$1,534	\$1,256	\$1,357	\$1,465	\$1,582	\$1,709
Restricted Cash & Investments	9,228	8,177	8,593	10,920	11,793	12,737	13,756	14,856
Other Assets	280	340	308	275	275	275	275	275

Payables	\$147	\$154	\$227	\$125	\$125	\$125	\$125	\$125
Long-Term Debt	0	0	0	0	0	0	0	0
Other Liabilities and deferred inflows	2,273	2,731	2,832	2,734	2,871	3,014	3,165	3,323

Membership	\$535	\$324	\$278	\$399	\$447	\$491	\$540	\$594
Support	360	556	957	1,077	1,100	1,150	1,200	1,250

FY 2024 Mid-Year Forecast

Initiative #1: Consider issuing \$200 million of debt to finance the construction of an on-campus stadium in the form of long-term, taxable, fixed interest rate debt. The University would explore additional funding strategies for the Project, including philanthropy, designated auxiliary funds, designated CITF funds and other potential sources.

The USF Financing Corporation's Board of Directors approved the project and financing on May 9, 2023. The USF Board of Trustees' approval followed on June 13, 2023, and the project received Florida Board of Governors' final approval on September 8, 2023.

On December 5, 2023, the Financing Corporation closed on a \$200 million Promissory Note with Truist Bank - 20-year, taxable, fixed interest rate bank loan, 6.48% interest rate, on parity with the outstanding \$26.0 million Athletics loans, to finance the construction of an on-campus stadium located on the Tampa campus, together with an approximately \$140 million equity contribution from the University. The equity contribution included funds received from philanthropy, designated auxiliary funds, designated CITF funds and other designated sources.

The loan was issued with a 20-year final maturity, including the first 3 years of interest-only debt service, followed by 17 years of fully amortizing level debt service at \$19.6 million annually.

Management is working closely with the University to ensure that USF Athletics manages revenues and expenses to maintain pledged revenues and makes debt service payments on a priority payment basis.

The FY 2024 mid-year forecast includes the first semi-annual debt service obligation according to the Debt Service Schedule pursuant to the Loan Agreement with Truist Bank - \$6,480,000 due on June 1, 2024. Full year interest expense begins in FY 2025 and is reflected in the 5-year forecast.

Design work began in October 2022 and groundbreaking is expected in Fall 2024. Construction is expected to be completed in time for Fall 2027.

Initiative #2: Management is working closely with the University and the design-builder to ensure that the \$46.5 million, 100,000 square-foot Sarasota-Manatee Housing and Student Center Project is delivered on time and on budget.

Construction is underway and is expected to be completed in May 2024 - on time and on budget.

The \$30 million debt, together with a \$16.5 million cash contribution from the University, is financing the construction of this mixed-use facility comprising a 200-bed student housing component and student center.

The FY 2024 mid-year forecast reflects the estimated capital expenditures for this project of \$18 million.

Initiative #3: Protect USF's "AA" credit ratings.

Formal presentations were made to Moody's, Standard & Poor's and Fitch in August 2023 emphasizing USF's strengths in management and governance, market position and enrollment demand, operating performance, wealth and liquidity, and leverage.

USF's "AA" credit rating, along with all of its system ratings, were affirmed by Moody's and S&P with Stable Outlooks (December 2023).

Initiative #4: 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.

Initiative #5: Ongoing compliance with covenants for 16 Series of debt, including IRS rules on tax-exempt bonds and required SEC reporting.

Management recently complied with reporting requirements for all 16 Series of debt, including SEC reporting, and continues to ensure compliance with all other covenants.

Initiative #6: Wind-up and dissolution of INTO USF, Inc.

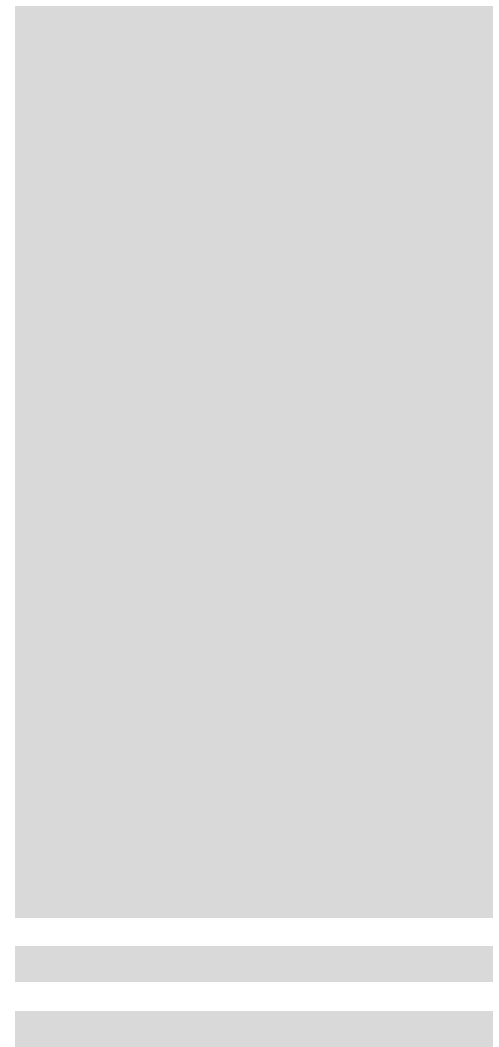
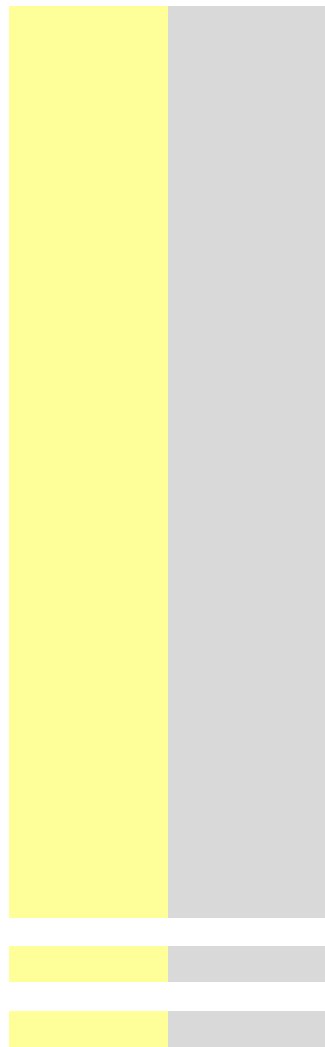
On April 21, 2022, the University of South Florida terminated its Agreements with INTO USF, Inc. On July 15, 2022, the Financing Corporation filed a lawsuit against INTO South Florida and INTO USF, Inc. to compel the wind-up and dissolution of INTO USF, Inc. Litigation is ongoing.

Days Cash on Hand: Restricted cash such as project funds and R & R reserves are excluded from this liquidity metric. As such, the slight decrease in Operating profit would suggest a minor decrease in Days Cash on Hand.

FY 2024 Mid-Year Forecast

(In thousands)





FY 2024 Mid-Year Forecast

(In thousands)

Cash & Investments	\$56,472	\$47,836	\$71,755	\$254,139	\$250,829	\$177,508	\$89,305	\$56,031	
Financing Receivable	309,896	304,391	295,131	297,664	285,044	341,071	407,843	415,086	
Other Assets	17,273	7,978	4,503	3,055	2,445	1,855	1,283	729	
Payables - Interest and Construction	\$10,032	\$7,253	\$5,802	\$10,237	\$13,130	\$12,759	\$12,364	\$11,788	
Long-Term Debt	341,983	324,693	336,851	514,610	493,555	474,637	451,714	424,518	
Interest Rate Swap & Other Payables	13,858	6,433	3,523	2,323	1,823	1,323	823	323	
USF Debt Payments	\$10,434	\$12,569	\$11,740	\$17,894	\$25,459	\$25,023	\$24,612	\$23,699	
UMSA Debt Payments	1,492	1,977	1,990	1,853	1,817	1,739	1,659	1,579	
HPCC Debt Payments	520	381	365	344	325	304	282	258	
Research Debt Payments	1,002	989	977	919	872	826	777	729	
Operating Expenses	639	1,405	1,457	1,602	1,672	1,758	1,851	1,949	
Interest Expense on Debt	(\$12,175)	(\$12,062)	(\$11,614)	(\$17,776)	(\$25,178)	(\$24,577)	(\$23,915)	(\$22,879)	
Other Revenues/Expenses	28	65	1,387	840	500	350	250	250	
Change in INTO USF equity investment	\$661 (1,638)	\$2,513 1,544	\$3,388 0	\$2,473 0	\$2,123 0	\$1,906 0	\$1,814 0	\$1,686 0	