

DIRECT SUPPORT ORGANIZATIONS

QUARTER 1 FOR FISCAL YEAR 2023-2024

Period Ended September 30



DSO Q1 Financial Reports for FY 2024

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EXECUTIVE SUMMARY

MAJOR BUSINESS INITIATIVES - FY 2024

y Several initiatives for the USF Foundation and the Division of University Advancement are underway to facilitate and grow the impact of philanthropy for USF. The talent acquisition for these new initiatives and restructuring of resources will continue throughout fiscal year 2024. The formation of a Principal Gifts Team will produce transformative gift opportunities that will generate an € of resources over the long term for the University. The establishment of a Regional Fundraising Team will provide an enhanced regional presence aiding college and unit development teams with additional resources to increase overall engagement outside of the USF campus areas. In an effort to adapt to a rapidly changing donor base, the expansion of the Annual Giving Team to include a Digital Engagement Center of well-trained students will provide needed outreach to University supporters to share success stories and University news through text-to-give programs, social media platforms, etc.

y The Foundation's investment strategy is to maximize support to the University while not endangering the ability to maintain the purchasing power of donor investments over the long term. The Foundation's Investment Committee guides this process by actively monitoring the performance of our asset allocation, prudently considering the risks associated with each asset class and taking action if necessary to enhance the growth of the endowment over the long-term. The goal is to grow the endowment through continued solid investment returns and gifts. In order to provide for a consistent, reliable stream of income to the University the Foundation Board

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EXPLANATION OF MAJOR VARIANCES

Statement of Net Position

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y The increase in the amount due to USF is a result of approximately \$3 million dollars for pending salaries and facility project amounts will fluctuate throughout the year based on the needs of the university departments.

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Statement of Revenues, Expenses and Changes in Net Position

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Statement of Cash Flows

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STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION

	3 months ended 9/30/2023	3 months ended 9/30/2022	\$	%
Operating Revenues:				
Contributions, gifts and bequests	\$ 9,373,488	\$ 8,289,040	1,084,448	13%
Investment income	2,587,232	1,867,648	719,584	39%
Unrealized investment losses	(13,567,252)	(33,969,399)	20,402,147	60%
Realized investment losses	(292,164)	279,308	(571,472)	-205%
Fundraising activities	651,953	652,262	(309)	

	3 months ended 09/30/2023	Prior Fiscal Year 06/30/2023	\$	%
Change in net position	(14,955,058)	(17,851,882)	2,896,824	16%
<u>Operating Activities</u>				

BALANCE SHEET

SUMMARY OF REVENUES AND EXPENSES

	September 30, 2023	June 30, 2023	Variance \$	Variance %
ASSETS				
Cash and cash equivalents	419,386	347,514	71,872	21%
Pooled investments within Foundation	526,438	526,438	r	0%
Due from USF	92,136	8,021	84,115	100%
Accounts receivable	11,935	14,643	(2,708)	18%
Prepaid expenses	20,101	17,402	2,699	16%
Total assets	1,069,996	914,018	155,978	

	Actual Sep r23	Prior Year Sep22	Variance \$	Variance %	Actual YTD	Prior Year YTD	Variance \$	Variance %
REVENUES:								
Membership	47,561	72,830	(25,269)	65%	47,561	72,830	(25,269)	35%
License Plates	136,735	146,545	(9,810)	7%	136,735	146,545	(9,810)	7%
Budget Support	437,821	149,011	288,810	194%	437,821	149,011	288,810	194%
Affinity Royalty	65,510	85,266	(19,756)	23%	65,510	85,266	(19,756)	23%
Investment Income	64,127	61,336	2,791	100%	64,127	61,336	2,791	5%
Sponsorships	4,399	56,429	(52,030)	2%	4,399	56,429	(52,030)	2%
Event Revenue	35,365	24,315	11,050	45%	35,365	24,315	11,050	45%
Gifts	14,310	12,114	2,196	18%	14,310	12,114	2,196	18%
Other Revenue	12,255	1,250	11,005	880%	12,255	1,250	11,005	880%

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

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

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USF Financing Corporation and USF Property Corporation

FY 2024 QUARTER 1 REPORT - SEPTEMBER 30, 2023

EXECUTIVE SUMMARY

State the DSO's Statutory Mission which Supports the Goals of the University

x The Financing Corporation is the University's financing arm and is expected to provide low cost, low risk, long-term financing the University's major capital projects.

MAJOR BUSINESS INITIATIVES - FY 2024

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q Management has assessed the impact of Stadium debt on the University's debt capacity.

q Design work began in October 2022 and construction is expected to begin following loan closing.

q Construction is expected to be completed in time for Fall 2027.

x Management is working closely with the University and the design-builder to ensure that the USF Sarasota-Manatee Housing and Student Center Project is delivered on time and on budget. Construction is underway and is expected to be completed in May 2024.

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

q During construction, debt service on the \$30 million Series 2022 Certificates of Participation (30-year, tax-exempt, fixed rate) will be paid from the University's operating funds.

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EXPLANATION OF MAJOR VARIANCES FROM PRIOR YEAR - YTD

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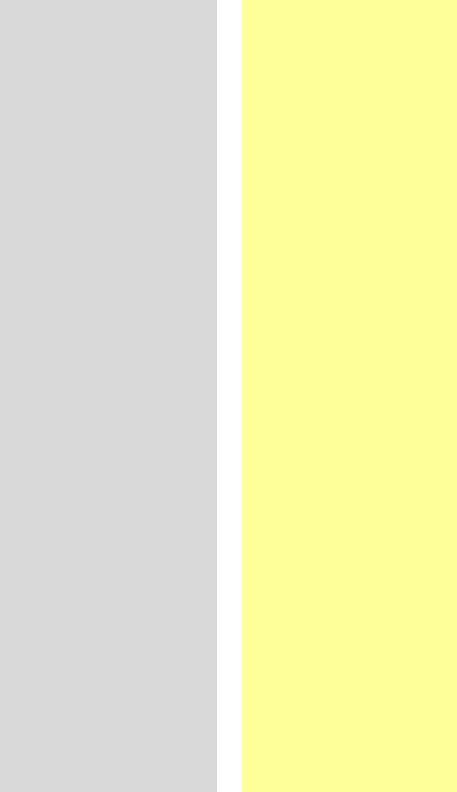
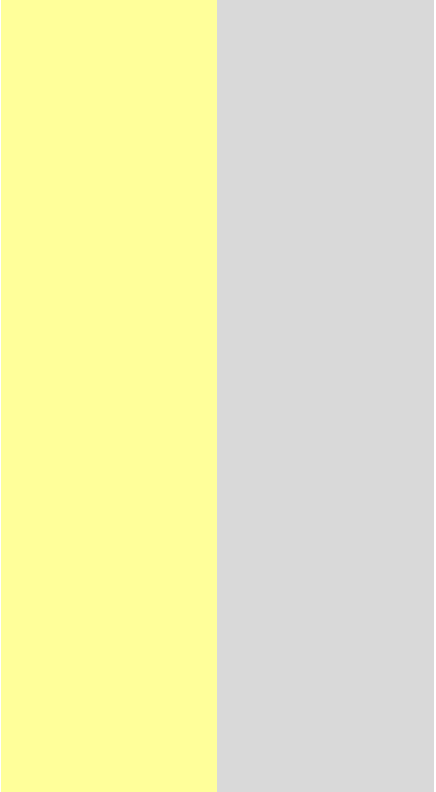
x Income Statement: Expense Total Operating Expenses increased slightly (\$113,000) primarily due to increased All Risk insurance premiums from the prior year.

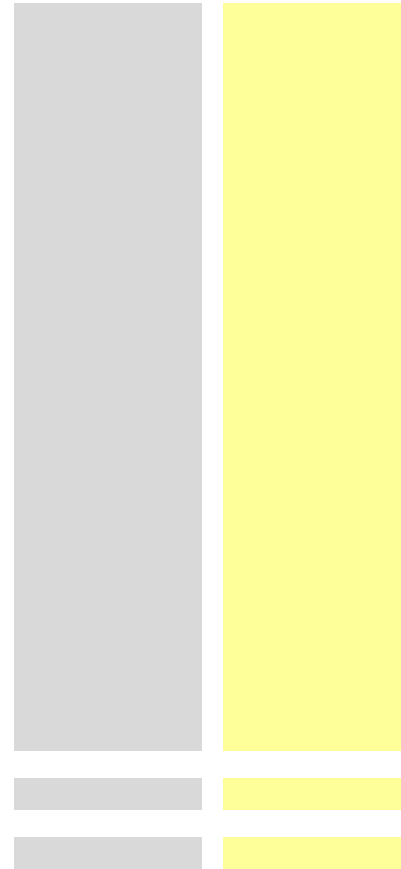
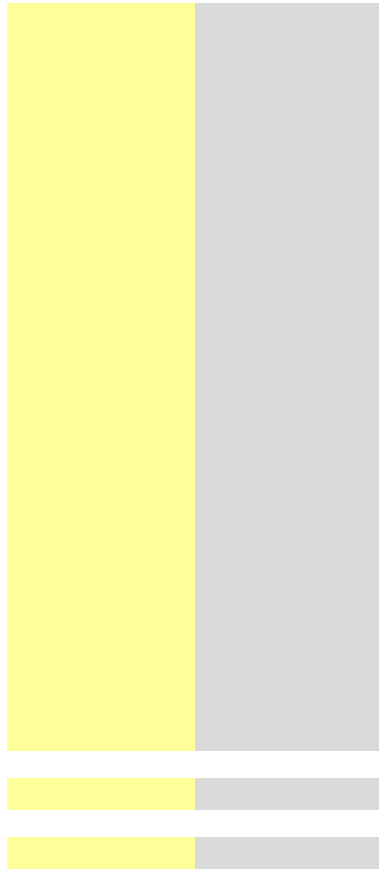
x Income Statement: Nonoperating Revenues (Expense) Nonoperating Expenses decreased by \$385,000 due to lower Interest Expense as a result of paying down debt and an increase in Interest Income from increased interest rates.

x Income Statement: Operating Profit The operating profit of \$989,000 is on track to meet or exceed the \$2.6 million in FY 2024 as approved in the Financial Plan. The Q1 operating profit margin of 22.9% exceeds the FY 2023 margin of 12.6%, reflecting improved operating performance.

x Statement of Cash Flows Total Cash and Investments are \$22.8 M reflecting the receipt of funds with the issuance of new debt for the Sarasota-Manatee housing project described above, less Capital Expenditures. As of September 30, 2023, the liquidity measure of a strong 480 days cash on hand is considerably above the FY 2024 Financial Plan target of 400 days cash on hand as of June 30, 2024.

(In thousands)	As of Sep 30, 2023	As of Sep 30, 2022	\$	%	As of June 30, 2023
ASSETS					
Current Assets:					
Cash	\$4021	\$254	\$3,767	1,481 %	\$4,025
Certificate of deposit	0	3,774	(3,774)	(100)%	0
Restricted:					
Cash and cash equivalents	10,280	6,402	3,878	61 %	18,686
Accounts receivable	227	58	168	288 %	289





UMSA/MSSC Combined

FY 2024 Quarter 1

INCOME STATEMENT

	FY 2023 ACTUALS	FY 2023 QUARTER 1	FY 2024 QUARTER 1	\$	%
<u>REVENUES</u>					
Net Patient Service	\$197,428,655	\$45,323,096	\$49,734,487	\$4,411,391	10 %
Grants, Contracts & Awards	113,028,735	23,772,858	30,232,219	\$6,459,361	27 %
UPL/PCIP	35,170,691	9,697,631	8,062,704	\$(1,634,927)	(17)%
Other Revenue	41,265,109	7,436,628	9,244,196	\$1,807,568	24 %
Total Revenues	\$386,893,190	\$86,230,213	\$97,273,605	\$11,043,393	3 %
<u>EXPENSES</u>					
Faculty Support	\$218,362,890	\$49,473,065	57,116,059	(7,642,994)	(15)%
Housestaff Support	15,742,168	3,674,458	4,580,140	(905,682)	(25)%
Other Staff Support	28,591,338	7,121,684	6,924,021	197,663	3 %
USFTGP Staff Support	66,196,303	17,826,205	17,191,753	634,452	4 %
Depreciation/Amortization	7,165,665	1,486,775	1,837,331	(350,556)	(24)%
Other Expenses	46,390,385	9,737,937	10,650,418	(912,481)	(9)%
Total Expenses	\$382,448,749	\$89,320,124	\$98,299,723	\$(8,979,599)	(2)%
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$4,444,441	\$(3,089,911)	\$(1,026,117)	\$20,022,992	451 %
Unrealized Investment Gains (Losses)	2,551,915	(1,029,967)	(307,030)	(722,937)	70 %
Contribution to MCOM	(10,276,608)	(6,076,767)	(3,224,258)	(2,852,510)	47 %
Gain (Loss) on Disposal o9 (1r7-8(O)(0.93824912)3,,224)-54e.6 4555-6 455)11- 479,599)2608)					

UMSA/MSSC Combined

FY 2024 Quarter 1

	FY 2023 ACTUALS	FY 2023 QUARTER 1	FY 2024 QUARTER 1	\$	%
ASSETS					
Cash & Investments	\$47,789,919	\$10,291,060	\$(12,677,857)	\$(22,968,917)	-223%
Fixed Assets	71,394,606	(495,110)	(796,374)	(301,264)	61%
Other Assets	99,572,478	(21,594,098)	18,250,194	39,844,292	-185%
Total Assets	\$218,757,003	\$(11,798,149)	\$4,775,962	\$16,574,111	-140%
LIABILITIES					
Payables	\$28,964,584	\$(1,845,858)	\$(13,254,641)	\$(11,408,784)	618%
Long-Term Debt	56,858,407	(42,402)	607,071	649,473	-1532%
Other Liabilities and deferred inflows	32,796,721	3,489,763	3,314,203	(175,559)	-5%
Total Liabilities	\$118,619,712	\$1,601,503	\$(9,333,367)	\$(10,934,870)	-683%
NET ASSETS	\$100,137,290	\$(13,399,651)	\$14,109,330	27,508,981	-205%
Days Cash on Hand	50	45	(51)		
REVENUES					
Net Patient Service	\$197,428,655	\$45,323,096	\$49,734,487	\$4,411,391	10%
Grants, Contracts & Awards	113,028,735	\$23,772,858	\$30,232,219	6,459,361	27%
UPL/PCIP	35,170,691	\$9,697,631	\$8,062,704	(1,634,927)	-17%
Other Revenue	41,265,109	\$7,436,628	\$9,244,196	1,807,568	24%
Total Revenues	\$386,893,190	\$86,230,213	\$97,273,605	\$11,043,393	13%
EXPENSES					
Faculty Support	\$218,362,890	\$49,473,065	\$57,116,059	\$7,642,994	15%
Housestaff Support	15,742,168	3,674,458	4,580,140	905,682	25%
Other Staff Support	28,591,338	7,121,684	6,924,021		

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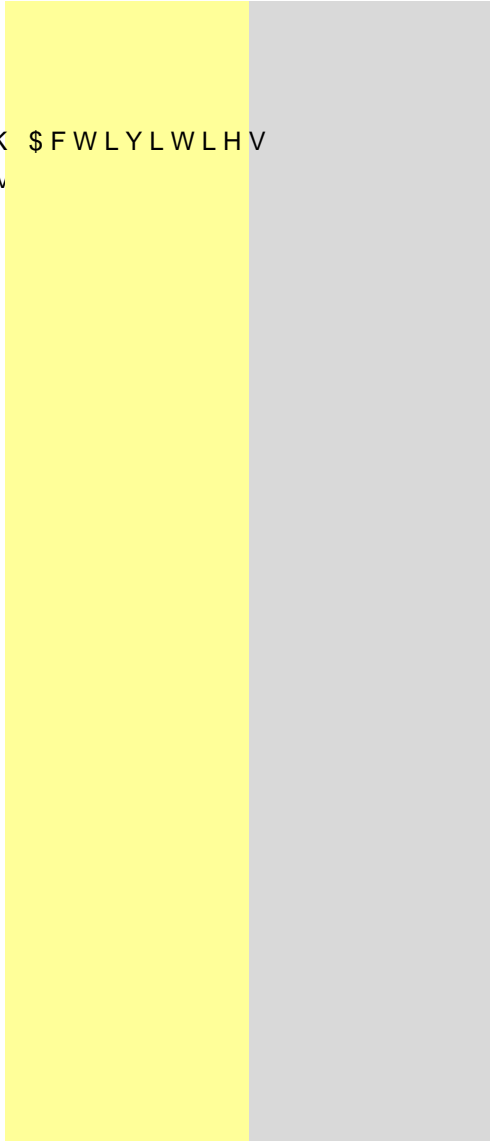
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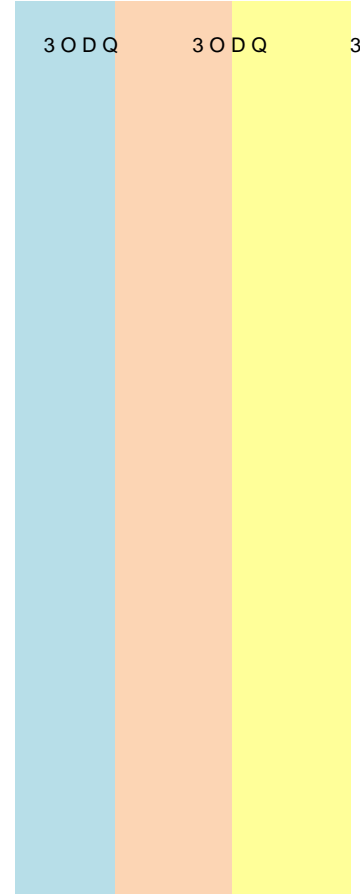
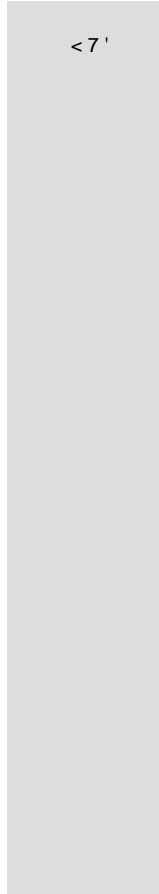
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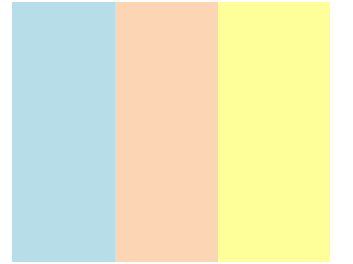
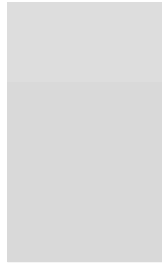
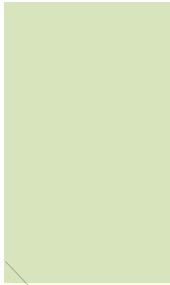
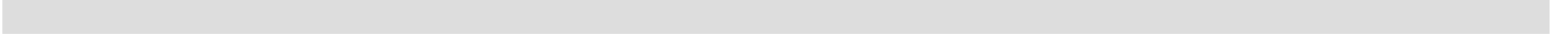
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USF Institute of Applied Engineering, Inc

INCOME STATEMENT

(In thousands)

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

(In thousands)

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

STATEMENT OF CASH FLOWS

(In thousands)

	CURRENT YEAR 9/30/2023	PRIOR FISCAL YEAR 6/30/2023	\$	%
<u>OPERATING ACTIVITIES</u>				
Net Income	(74)	551	(626)	(113)%
Less: Adjustments				
Depreciation & Amortization	51	206	(155)	(75)%
Change in Working Capital				
Current Asset Changes	501	6	495	8,423 %