

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

CONTENTS

Independent Auditors' Report..... 1-3

Management's Discussion and Analysis (Unaudited)..... 4-13

Financial Statements

Statements of Net Position..... 14
Statements of Revenues, Expenses and Changes in Net Position 15
Statements of Cash Flows..... 16-17

Notes to Financial Statements..... 18-32

Supplemental Information

Schedule of Functional Expenses 33

Reporting Section

Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards* 34-35

Independent Auditors' Report

To the Board of Directors and the Finance and Audit Committee
USF Health Professions Conferencing Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of USF Health Professions Conferencing Corporation (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of revenues, expenses and changes in net position and cash flows for the fiscal years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net position and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Tampa, FL
October 15, 2025

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT’S DISCUSSION AND ANALYSIS

Introduction

USF Health Professions Conferencing Corporation (the “Organization”) is a Florida not-for-profit corporation. The Organization is a direct support organization (DSO) of the University of South Florida (the “University”).

The management’s discussion and analysis (“MD&A”) provides a financial performance review that is designed to focus on the financial activities, resulting changes, and currently known facts of the Organization. for the fiscal years ended June 30, 2025, and 2024, along with comparative financial information for the fiscal year ended June 30, 2023. The MD&A should be read in conjunction with the financial statements and notes thereto. This overview is required by Governmental Accounting Standards Board (“GASB”) Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities, as amended by GASB Statements Nos. 37 and 38*. The MD&A, and financial statements and notes thereto, are the responsibility of the Organization’s management.

The mission of the Organization is to support the University missions of academic excellence, top-impact research and beneficial community service, consistent with the goals of the University of South Florida and its Board of Trustees.

The Organization strives to achieve that support by creating and providing experiential learning that improves clinical skills and patient care in our community and around the globe with hands on training at its Center for Advanced Medical Learning and Simulation (“CAMLS”) as well as accredited didactic training online and at venues throughout the country.

Overview of the Financial Statements

The Organization’s financial report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Organization, using the accrual basis of accounting, and presents the financial position of the Organization at the end of the fiscal year. The statement as a whole provides information about the adequacy of resources to meet current and future operating and capital needs. Net position is the residual of all other elements presented in the Statement of Net Position and is one indicator of the current financial condition of the Organization.

Statement of Revenues, Expenses, and Changes in Net Position presents the Organization’s revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred during the fiscal year, regardless of when cash is received or paid. Changes in net position are an indication of the change in the Organization’s overall financial condition.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (continued)

Statement of Cash Flows provides information in the form of cash inflows and outflows summarized by operating, capital and related financing activities, and investing activities. This statement will assist in evaluating the Organization's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and the need for external financing.

In fiscal year 2023, business activity returned to pre-COVID levels as clients resumed operations and utilized funds from previously canceled programs. Fiscal year 2024 saw an overall increase in revenue, driven primarily by additional grant funding passed through to medical education companies. While the number of external CAMLS clients remained steady, a decline in participant volume and related space rentals significantly impacted operating income. In fiscal year 2025, HPCC and CAMLS maintained stable performance through ongoing efforts to diversify the client base.

Condensed Summary of Net Position

The following summarizes the Organization's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the fiscal years ended June 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current assets	\$ 1,944,270	\$ 1,842,359	\$ 1,747,738
Capital and right-of-use assets	14,556,306	15,277,157	15,341,140
Other noncurrent assets	<u>558,161</u>	<u>719,897</u>	<u>18,425</u>
Total assets	17,058,737	17,839,413	17,107,303
Deferred Outflows of Resources			
Bond Prepayment Premium	<u>46,400</u>	<u>62,001</u>	<u>79,510</u>
Liabilities			
Current	4,022,340	3,913,554	2,888,304
Noncurrent	<u>6,855,572</u>	<u>8,263,475</u>	<u>9,582,736</u>
Total liabilities	10,877,912	12,177,029	12,471,040
Deferred Inflows of Resources			
Deferred grants	49,014	433,936	382,718
Deferred leases	<u>1,039,574</u>	<u>1,008,813</u>	<u>155,854</u>
Total deferred inflow of resources	1,088,588	1,442,749	538,572
Net Position			
Net investment in capital assets	6,368,045	5,690,133	4,507,202
Unrestricted	<u>(1,229,408)</u>	<u>(1,408,497)</u>	<u>(330,001)</u>
Total net position	<u>\$ 5,138,637</u>	<u>\$ 4,281,636</u>	<u>\$ 4,177,201</u>

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Summary of Net Position (continued)

Assets

As of June 30, 2025 and 2024, the Organization's total assets were \$17 million and \$17.8 million, respectively, resulting in a decrease of \$781 thousand (-4%) during fiscal year 2025 and an increase of \$732 thousand (4%) during fiscal year 2024 as compared to 2023. The decrease in fiscal year 2025 was primarily driven by the termination of two right-of-use IT subscription arrangements, depreciation and amortization of capital and right-of-use assets, and strategic efforts to reduce the liability balance on the USF Convenience account. In contrast, the increase in fiscal year 2024 was largely attributed to the upgrade of the air conditioning system at CAMLS.

Current assets include those that may be used to support current operations, such as cash, receivables and inventories. Capital and right-of-use assets include purchased and leased buildings, equipment and IT subscriptions net of depreciation and amortization. Other non-current assets consist of security deposits and non-current portion of lease receivables. As of June 30, 2025, and 2024, current assets were approximately \$1.9 million and \$1.8 million respectively, resulting in an increase of \$102 thousand (6%) and \$95 thousand respectively. As of June 30, 2025, and 2024 the Organization had \$36.1 million and \$36.3 million respectively, in capital and right of use assets, less accumulated depreciation and amortization of \$21.5 million in fiscal year 2025 and \$21 million in fiscal year 2024, for net capital and right-of-use assets of \$14.6 million and \$15.3 million respectively.

Capital and right-of-use assets consist mostly of a facility lease asset and purchased or financed equipment and IT subscriptions. For the fiscal years ended, June 30, 2025, and 2024 depreciation and amortization expense totaled \$821 thousand and \$854 thousand respectively. As of June 30, 2025, and 2024 other non-current assets comprise \$558 thousand and \$720 thousand of the Organization's total assets.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of resources that do not require a further exchange of goods and services, but that are applicable to a future reporting period. They are not shown on the Statement of Revenues, Expenses, and Changes in Net Position because they are not expense items relating to the current fiscal year, but to future periods. They are not shown on the Statement of Net Position in the Asset section because they are not items the Organization owns. Instead, they are presented on the Statement of Net Position as deferred outflows to reflect the fact that the recognition of the related expense will happen at a future date.

The amounts recorded as deferred outflows for the fiscal years presented result from capital debt refunding transactions related to the CAMLS facility loan.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Summary of Net Position (continued)

Liabilities

As of June 30, 2025, and 2024 total liabilities were \$10.9 million and \$12.2 million respectively, resulting in a decrease of \$1.3 million (-11%) and \$294 thousand (-2%), respectively. The decrease in liabilities primarily resulted from a reduction of accounts payable and scheduled payments on lease liabilities. As of June 30, 2025, and 2024 current liabilities comprise approximately \$4 million and \$3.9 million respectively, of total liabilities and include all items that mature within one year. The current liabilities include current portion of long-term lease obligations, accounts payable, accrued expense due to related parties, refunds due to sponsors, unearned revenue and other current liabilities.

As of June 30, 2025, and 2024 the Organization had approximately \$8.2 million and \$9.6 million respectively, of facility, equipment and IT subscription lease obligations. Of these amounts \$6.9 million in fiscal year 2025 and \$8.3 million in fiscal year 2024, represent the long-term portion of lease obligations and \$1.3 million and \$1.3 million, represent the current portion included with current liabilities in fiscal year 2025 and 2024, respectively.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of resources that do not require a further exchange of goods and services, but that are applicable to a future reporting period. They are not shown on the Statement of Revenues, Expenses, and Changes in Net Position because they are not revenue items related to the current fiscal year, but to future periods. They are not shown on the Statement of Net Position in the Liability section because they are not items the Organization owes. Instead, they are presented on the Statement of Net Position as deferred inflows to reflect the fact that the recognition of the related revenue will happen at a future date.

The amounts recorded as deferred inflows for the fiscal year June 30, 2025, and 2024 were approximately \$1.1 million and \$1.4 million respectively resulting in a decrease of \$354 thousand in fiscal year 2025 and an increase of \$904 thousand in fiscal year 2024.

Net Position

Net position is the residual of all other elements presented in the Statement of Net Position. Net position is classified into two categories:

Net Investment in Capital Assets represents the Organization's investment in capital assets such as moveable equipment, IT subscriptions, buildings, infrastructure, and improvements, net of accumulated depreciation, amortization, deferred outflow of resources related to debt, and related debt or lease liabilities.

Unrestricted represents the portion of net position that has no third-party restrictions.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Summary of Net Position (continued)

Net investment in capital and right-of-use assets increased \$678 thousand in fiscal year 2025 and \$1.2 million in fiscal year 2024, resulting in a 12% and 26%, increase respectively. These increases were primarily due to lease payments and leasehold improvements at CAMLS. For the fiscal years ended June 30, 2025, and 2024, the Organization added \$200 thousand and \$789 thousand of capital and right-of-use assets, respectively, offset by annual depreciation and amortization of \$821 thousand and \$854 thousand respectively. Lease liability payments totaled \$1.3 million and \$1.2 million in fiscal year 2025 and 2024 respectively.

The unrestricted net position increased \$179 thousand and decreased \$1.1 million for the fiscal years ended June 30, 2025 and 2024, respectively.

Condensed Summary of Revenues, Expenses, and Changes in Net Position

Revenues are classified for financial reporting as either operating or non-operating. Operating revenues are generated by providing goods and services to students and other guests and include registration fees, grants, contracts, rents and other rebates related to the provision of goods and services. Non-operating revenues are those received by the Organization without providing a corresponding good or service and include support from other related parties, investment income and proceeds from the sale of assets.

The following summarizes the Organization's revenues, expenses and changes in net position for the fiscal years ended June 30, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 14,897,941	\$ 15,488,054	\$ 14,120,812
Operating expenses	<u>(15,045,903)</u>	<u>(16,106,954)</u>	<u>(13,777,556)</u>
Operating income (loss)	(147,962)	(618,900)	343,256
Net non-operating revenues	<u>1,004,963</u>	<u>723,335</u>	<u>851,955</u>
Increase in net position	857,001	104,435	1,195,211
Net position, beginning of year	<u>4,281,636</u>	<u>4,177,201</u>	<u>2,981,990</u>
Net position, end of year	<u>\$ 5,138,637</u>	<u>\$ 4,281,636</u>	<u>\$ 4,177,201</u>

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT’S DISCUSSION AND ANALYSIS

Condensed Summary of Revenues, Expenses, and Changes in Net Position (continued)

Operating Revenues

Operating revenues by source for the fiscal years ended June 30, 2025, 2024, and 2023:

	2025	2024	2023	FY25' vs. FY24'	
				Increase (Decrease)	% Change
Contracts and grants - non USF	\$ 9,306,596	\$ 10,219,429	\$ 8,640,938	\$ (912,833)	-9%
Contracts and grants - USF	3,786,816	3,604,099	3,817,875	182,717	5%
Program registration and exhibits	1,099,385	1,221,577	1,162,449	(122,192)	-10%
Rental revenue	498,677	364,094	438,231	134,583	37%
Rebates and commissions	206,467	78,855	61,319	127,612	162%
Total operating revenues	<u>\$ 14,897,941</u>	<u>\$ 15,488,054</u>	<u>\$ 14,120,812</u>	<u>\$ (590,113)</u>	<u>-4%</u>

For the fiscal years ended June 30, 2025, and 2024, operating revenues decreased \$590 thousand (-4%) and increased \$1.3 million (10%) respectively. The Organization’s operating revenues consist of financial management support and programming for the USF Health Office of Continuing Professional Development (“OCPD”) and management and programming of the USF CAMLS. The year-over-year changes are directly attributable to the fluctuation of grants received for online content delivery in partnership with Medical Education Companies (“MECs”) and increasing live programming at CAMLS.

Contracts and grants – non USF decreased \$913 thousand (-9%) in fiscal year 2025, compared to an increase of \$1.6 million (18%) in fiscal year 2024 from prior year. Revenues at CAMLS increased \$844 thousand (35%) in fiscal year 2025 and decreased \$674 (-22%) thousand in fiscal year 2024, while OCPD grants for online content delivery in partnership with MECs decreased \$1.8 million (-23%) in fiscal year 2025, and increased \$2.3 million (41%) in fiscal year 2024, due to the customary minimum two-year course structure where large grants and payments to MECs occur within the first month of programing.

For the fiscal years ended June 30, 2025, and 2024 Contracts and grants – USF increased \$182 thousand (5%) and decreased \$214 thousand (-6%) respectively. The increase for the fiscal year ended June 30, 2025 is the result of USF Graduate Medical Education (“GME”) programming increasing 21% with two new departments and USF Medicine International services for study abroad programming. The decrease for the fiscal year ended June 30, 2024 was from a contract with USF Institute of Applied Engineering (“USFIAE”) completed in fiscal year ended June 30, 2023.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Summary of Revenues, Expenses, and Changes in Net Position (continued)

For the fiscal years ended of June 30, 2025, and 2024, the Organization's program registrations and exhibits decreased by \$122 thousand (-10%) and increased \$59 thousand (5%) respectively. Rebates and commissions, which are dependent upon these events, for the fiscal years ended June 30, 2025, and 2024, increased \$127 thousand (162%) and \$18 thousand (29%) respectively. Rental revenue increased in fiscal year 2025 by \$135 thousand (37%) and decreased \$74 thousand (-17%) in fiscal year 2024 due to full occupancy of third floor office space and first floor lab space filled May of 2025 for fiscal year 2025, and third floor office space not filled until May of 2024 for fiscal year 2024.

Operating Expenses

The following summarizes the operating expenses for the fiscal years ended June 30, 2025, 2024 and 2023:

	2025	2024	2023	FY25' vs. FY24'	
				Increase (Decrease)	% Change
Program services (Direct Costs)	\$ 7,695,307	\$ 9,061,028	\$ 6,887,371	\$ (1,365,721)	-15%
Salaries and benefits	4,665,775	4,377,895	4,145,339	287,880	7%
Wages - program driven temporary staffing	170,145	95,574	84,608	74,571	78%
Rent, utilities and equipment leases	1,121,051	1,163,901	1,239,424	(42,850)	-4%
Other operating expenses	572,339	555,048	645,363	17,291	3%
Right-of-use asset amortization	593,948	617,788	617,869	(23,840)	-4%
Depreciation expense	227,338	235,720	157,582	(8,382)	-4%
Total operating expenses	<u>\$ 15,045,903</u>	<u>\$ 16,106,954</u>	<u>\$ 13,777,556</u>	<u>\$ 304,670</u>	<u>-7%</u>

The Organization's operating expenses in 2025 decreased \$1.1 million (-7%) and increased \$2.3 million, primarily due to the pass through of grants to MECs. Salaries and benefits increased from cost-of-living increases and filled vacancies. Facility operating expenses decreased slightly despite increasing inflationary pressures due to less energy demand required for newly installed chillers during fiscal year 2024 and depreciation decreased marginally in fiscal year 2025 as assets reached full depreciation and increased in fiscal year 2024 due to new asset acquisitions.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Summary of Revenues, Expenses, and Changes in Net Position (continued)

Non-operating Revenue and Expense

Certain revenue sources including contributions are defined by GASB as non-operating. Non-operating expenses include capital financing costs and other costs related to capital assets. The following summarizes the Organization's non-operating revenues and expenses for the fiscal years ended June 30, 2025, 2024 and 2023.

	2025	2024	2023	FY25' vs. FY24'	
				Increase (Decrease)	% Change
Transfers from UMSA - continuing ed - faculty, students	\$ 1,200,000	\$ 390,000	\$ 442,796	\$ 810,000	208%
USF Foundation Donor Support	8,291	--	--	8,291	100%
USF carryforward funding	--	583,262	--	(583,262)	-100%
Investment income	36,023	13,545	10,890	22,478	166%
Bond prepayment premium amortization	(15,601)	(17,509)	(19,822)	1,908	-11%
Interest expense on lease obligations	(216,890)	(246,363)	(274,729)	29,473	-12%
Gain (loss) on lease termination	(6,860)	--	682,800	(6,860)	-100%
Gain on asset disposal	--	400	10,020	(400)	-100%
Total net non-operating revenue	\$ 1,004,963	\$ 723,335	\$ 851,955	\$ 281,628	39%

For the fiscal years ended June 30, 2025, and 2024, the Organization's combined non-operating revenue from USF Health to support the Organization's programming increased \$227 thousand (23%) to support continuing education for faculty, staff and researchers in fiscal year 2025, and increased \$530 thousand to support the replacement of the air conditioning system at CAMLS in fiscal year 2024.

Donations made to USF are managed through designated fund accounts within the USF Foundation. Funds are set up in accordance with the donor's intent and remain available until reimbursement requests are submitted. HPCC received donor contributions to support the maintenance of its ambulance, which is used for in-situ and hands-on training. In fiscal year 2025, HPCC submitted reimbursement requests totaling \$8.3 thousand for expenses related to vehicle registration, insurance, and repairs.

Non-operating interest expense on capital leases and subscriptions decreased \$29 thousand (-12%) and \$28 thousand (-10%), for the years ended June 30, 2025 and 2024, respectively. Due to a tenant's desire to exit its lease agreement, the tenant's significant facility improvements, and other penalties for early termination, a \$683 thousand gain on lease termination was recognized for the fiscal year ended June 30, 2023.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

MANAGEMENT’S DISCUSSION AND ANALYSIS

Condensed Summary of Cash Flows

The Statement of Cash Flows provides a means to assess the financial health of the Organization by presenting relevant information about the cash receipts and cash payments of the Organization during the fiscal year. It assists in determining the Organization’s ability to generate future net cash flows to meet its obligations as they become due and to determine the need for external financing. The Statement of Cash Flows presents sources and uses of cash and cash equivalents in four activity-based categories: operating, non-capital financing, investing, and capital and related financing.

The following summarizes the Organization’s cash flows for June 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash flows provided by (used in):			
Operating activities	\$ (223,024)	\$ 2,337,339	\$ 32,867
Noncapital and related financing activities	1,200,000	390,000	442,796
Capital and related financing activities	(1,603,488)	(2,352,372)	(1,650,693)
Investing activities	<u>36,023</u>	<u>13,545</u>	<u>10,890</u>
Net increase (decrease) in cash	(590,489)	388,512	(1,164,140)
Cash, beginning of year	<u>865,001</u>	<u>476,489</u>	<u>1,640,629</u>
Cash, end of year	<u>\$ 274,512</u>	<u>\$ 865,001</u>	<u>\$ 476,489</u>

For the fiscal years ended June 30, 2025, and 2024 cash flow provided by operating activities decreased \$2.5 million (-110%) and increased \$2.3 million (7,012%), respectively. The fluctuations are due primarily to increasing receivables and decreasing payables due from and to USF for wage and operating expenses for the fiscal year ended June 30, 2025, and decreasing receivables from aggressive collections and increasing payables due to USF for the fiscal year ended June 30, 2024. Additionally, staffing costs supported by carryforward funding and therefore, not directly funded by the Organization, in fiscal year 2024 further amplified the year over year fluctuation.

Non-capital and related financing activities represent transfers from University Medical Services Association, Inc. (“UMSA”) for continuing education of students, faculty and research.

Net cash used in capital and related financing activities decreased for the fiscal year end June 30, 2025, due to chillers installation within the CAMLS building in fiscal year 2024, and increased in fiscal year ended June 30, 2024, due to one-time gain on lease termination in fiscal year ended June 30, 2023.

Net cash provided by investing activities comes from the government held savings accounts and interest income from lease receivables.

**USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Conditions and Outlook

The financial outlook for the 2025-2026 fiscal year anticipates a continued increase of live programming in a thriving downtown Tampa.

Request for Information

This financial report is designed to provide a general overview of the Organization's finances for all those interested. Questions concerning any of the information provided in this report, or requests for additional information should be addressed in writing to the Director of Finance, USF Health Professions Conferencing Corporation, 124 S. Franklin St, Tampa, FL 33602.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 274,512	\$ 865,001
Accounts receivable, net	573,161	313,055
Due from USF/DSO	467,236	223,022
Prepaid expenses	126,788	127,920
Leases receivable	481,413	288,917
Other current assets	21,160	24,444
Total current assets	1,944,270	1,842,359
Noncurrent assets:		
Capital assets, net	1,544,827	1,572,546
Right-of-use assets, net	13,011,479	13,704,611
Leases receivable, noncurrent	558,161	719,897
Total assets	17,058,737	17,839,413
Deferred Outflows of Resources		
Bond prepayment premium	46,400	62,001
Liabilities		
Current liabilities:		
Accounts payable	395,123	450,786
Accrued expenses	54,243	47,398
Leases and SBITA obligations, current portion	1,332,689	1,323,549
Due to USF/DSO	1,354,271	1,125,583
Unearned revenue	886,014	966,238
Total current liabilities	4,022,340	3,913,554
Noncurrent liabilities:		
Leases and SBITA obligations, net of current portion	6,855,572	8,263,475
Total noncurrent liabilities	6,855,572	8,263,475
Total liabilities	10,877,912	12,177,029
Deferred Inflows of Resources		
Deferred grants	49,014	433,936
Deferred leases	1,039,574	1,008,813
Total deferred inflows of resources	1,088,588	1,442,749
Net Position		
Net investment in capital assets	6,368,045	5,690,133
Unrestricted	(1,229,408)	(1,408,497)
Total net position	\$ 5,138,637	\$ 4,281,636

The accompanying notes are an integral part of these financial statements.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Operating Revenues:		
Contracts and grants - non USF	\$ 9,306,596	\$ 10,219,429
Contracts and grants - USF	3,786,816	3,604,099
Program registration and exhibits	1,099,385	1,221,577
Rental revenue	498,677	364,094
Rebates and commissions	206,467	78,855
Total operating revenues	14,897,941	15,488,054
Operating Expenses:		
Program services (Direct costs)	7,695,307	9,061,028
Supporting services:		
Salaries and benefits	4,665,775	4,377,895
Wages - program driven temporary staffing	170,145	95,574
Rent, utilities, and equipment leases	1,121,051	1,163,901
Other operating expenses	572,339	555,048
Right-of-use asset amortization	593,948	617,788
Depreciation expense	227,338	235,720
Total operating expenses	15,045,903	16,106,954
Operating loss	(147,962)	(618,900)
Non-operating Revenues (Expenses):		
Transfers from UMSA - continuing ed - faculty, students	1,200,000	390,000
USF Foundation Donor Support	8,291	--
USF carryforward funding	--	583,262
Investment income	36,023	13,545
Bond prepayment premium	(15,601)	(17,509)
Interest expense	(216,890)	(246,363)
Loss on lease termination	(6,860)	--
Gain on asset disposal	--	400
Total net non-operating revenues	1,004,963	723,335
Increase in net position	857,001	104,435
Net position, beginning of year	4,281,636	4,177,201
Net position, end of year	\$ 5,138,637	\$ 4,281,636

The accompanying notes are an integral part of these financial statements.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Programmatic receipts	\$ 12,659,773	\$ 14,888,134
Facility operations receipts	1,185,228	1,292,975
Rents and rebate receipts	546,417	370,703
Programmatic disbursements	(8,009,851)	(8,871,062)
Staffing disbursements	(4,835,920)	(3,650,000)
Facility operation disbursements	(1,768,671)	(1,693,411)
Net cash provided by (used in) operating activities	(223,024)	2,337,339
Cash flows from noncapital financing activities:		
Transfers from UMSA - continuing ed - faculty, students	1,200,000	390,000
Net cash provided by noncapital and related financing activities	1,200,000	390,000
Cash flows from capital and related financing activities:		
Purchases of capital assets	(80,159)	(859,495)
Proceeds on sale of capital assets	--	400
Principal payments USFFC	(1,201,556)	(1,131,729)
Principal payments on leases	(6,409)	(6,173)
Principal payments on SBITAs	(98,474)	(109,012)
Interest payments on leases and SBITAs	(216,890)	(246,363)
Net cash used in capital and related financing activities	(1,603,488)	(2,352,372)
Cash flows from investing activities:		
Investment income	36,023	13,545
Net cash provided by investing activities	36,023	13,545
Net increase (decrease) in cash	(590,489)	388,512
Cash at beginning of year	865,001	476,489
Cash at end of year	\$ 274,512	\$ 865,001
Noncash financing and investing activities:		
Additions to subscription-based information technology arrangement right-of-use assets and related liabilities	\$ 102,288	\$ --

The accompanying notes are an integral part of these financial statements.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Reconciliation of operating loss to net cash provided by (used in) by operating activities:		
Operating loss	\$ (147,962)	\$ (618,900)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation expense	227,338	235,720
Right-of-use asset amortization	593,948	617,788
USF carryforward funding for non-cash expense	--	583,262
USF Foundation donor support	8,291	--
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Accounts receivable and due from USF/DSO	(504,320)	446,981
Prepaid expenses	1,132	(4,139)
Leases receivable	(30,760)	(852,960)
Capital asset accruals	(119,460)	69,970
Other current and noncurrent assets	3,284	2,537
Accounts payable, accrued expenses and noncurrent liabilities	179,870	783,038
Unearned revenue	(80,224)	169,865
Deferred inflows of resources	(354,161)	904,177
	<u>\$ (223,024)</u>	<u>\$ 2,337,339</u>
Net cash provided by (used in) operating activities	<u>\$ (223,024)</u>	<u>\$ 2,337,339</u>

The accompanying notes are an integral part of these financial statements.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION

NATURE OF ENTITY

USF Health Professions Conferencing Corporation (the “Organization”), a Florida not-for-profit corporation, was incorporated February 7, 2005 and began operations July 1, 2007. The Organization is a direct support organization (“DSO”) of the University of South Florida (the “University”) and was established to provide educational, administrative, logistical and financial services to support the Office of Continuing Professional Development (“OCPD”). The OCPD is committed to sponsoring quality continuing education activities to meet the needs of University faculty, alumni and healthcare professionals practicing throughout the state, nationally and internationally. Many of these activities are now conducted at the USF Health Center for Advanced Medical Learning and Simulation (“CAMLS”) which opened in February 2012 in downtown Tampa, Florida. The Organization leases CAMLS from the USF Financing Corporation and is responsible for its day-to-day operations and programming (see Note 7 for information regarding the related lease liability).

Effective July 1, 2007, the assets, liabilities and net assets of the OCPD were transferred from USF Medical Services Support Corporation (“MSSC”), a direct support organization of the University, to the Organization. The assets, liabilities and net assets were transferred based on June 30, 2007 audited financial information.

Prior to January 1, 2016, all of the Organization’s personnel were either employees of MSSC or the University. Effective January 1, 2016, all MSSC employees and related obligations were transferred to University Medical Services Association, Inc. (“UMSA”). Effective December 10, 2021, all UMSA employees and related obligations were transferred to the University.

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

REPORTING ENTITY

In defining the Organizations’ for financial reporting purposes, management has applied the requirements of GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity, Omnibus*. These statements establish the basis for the reporting entity and whether it is considered a component unit of another entity. The Organization would be a component unit of another entity if it is financially accountable to that unit. Financial accountability occurs when an entity appoints a voting majority of the

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION (CONTINUED)

REPORTING ENTITY (CONTINUED)

board of the potential component unit and: (1) is able to impose its will on the potential component unit and/or (2) is fiscally dependent and is in a relationship of financial benefit or burden with the potential component unit. An entity would also be considered financially accountable if the potential component unit is fiscally dependent and there is a financial benefit or burden relationship, regardless of whether the entity appoints the voting majority of the potential component unit's board. Chapter 2018-004, Laws of Florida, requires the prospective approval of all new direct support organization board members. One director shall be selected and appointed by the Chairperson of the University's Board of Trustees. One director shall be either the President of the University or the designee of the President of the University, pursuant to Florida Statutes Section 1004.28(3). The remaining directors will be appointed by the University Senior Vice President for USF Health subject to approval by the University's Board of Trustees effective March 11, 2018. As a result of Florida law and the University's control of the Organization's governing body, the Organization is required to report on a GASB basis. The Organization also meets the financial accountability criteria necessary to be considered a component unit of the University.

Based on the application of these criteria, the Organization is a discretely presented component unit of the University, and its financial balances and activity are reported in the University's Annual Comprehensive Financial Report. Based upon the application of these criteria, the Organization does not have any component units to report.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Organizations' financial statements are presented in the form of a single enterprise fund. The financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

The Organization distinguishes operating revenues and expenses from non-operating and other items. Operating revenues are those revenues that are generated from the primary operations of the Organization. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the Organization. All other expenses are reported as non-operating expenses.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH

Cash balances are maintained at high quality financial institutions, which the Organization believes limits the risk. All cash amounts are held with financial institutions identified as qualified public depositories (“QPD”) under Chapter 280, Florida Statutes.

ACCOUNTS RECEIVABLE

Accounts receivable are recorded at net realizable value. The Organization’s policy is to provide an allowance for accounts receivable that are not expected to be collected based on aging of the account and specific review of the customer.

Accounts receivables are charged off against the allowance for doubtful accounts when it is determined that the receivable will not be collected. The Organization does not typically charge interest on past-due receivables and does not require collateral for accounts receivable. The Organization had one allowance for doubtful accounts at June 30, 2025 and 2024.

CAPITAL AND RIGHT-USE-ASSETS

Purchased capital assets are recorded at cost. Right-of-use lease assets are recorded at present value. Donated capital assets are recorded at acquisition value at the date of the donation. Property and equipment are depreciated or amortized over estimated useful lives or lease term, ranging from three to forty years using the straight-line method.

Costs or donated assets greater than \$1,000 are capitalized. The cost of maintenance and repair of capital assets is charged to expense as incurred, while costs of renewals and betterments are capitalized. When capital assets are replaced, retired, or otherwise disposed of, the costs of such capital assets and the related accumulated depreciation/amortization are deducted from the respective asset and accumulated depreciation/amortization accounts.

REVENUE RECOGNITION

Revenues are recognized when the earnings process is substantially complete, or purpose restrictions have been met. CAMLS contractual fees, OCPD participant registrations, exhibitor fees and revenue generated from commercial and institutional grants are recognized when the educational activity has been held or the educational materials have been delivered. Unearned revenues associated with registrations and fees received for contractual programs not yet held was approximately \$886 thousand and \$966 thousand at June 30 2025, and 2024, respectively.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to Assets, Liabilities, and Net Position, shown in a separate section of the Statement of Net Position are Deferred Outflows and Inflows of Resources, which represent a consumption or an acquisition of resources not requiring any further exchange of goods and services, but which are applicable to future periods. Expense or revenue related to these deferred items will be appropriately recognized in future reporting periods. Deferred outflows consist of the prepayment costs associated with refunding debt, which was approximately \$46 thousand and \$62 thousand at June 30, 2025, and 2024 respectively. Deferred inflows consist of grants received for contractual programs not yet held, or for educational materials not yet delivered and deferred leases, which were approximately \$1.1 million and \$1.4 million at June 30, 2025, and 2024, respectively.

NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is classified in the following categories:

Net Investment in Capital Assets: This component consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any debt attributable to the acquisition, construction, or improvement of those assets.

Unrestricted Net Position: Unrestricted net position consists of net position that does not meet the definition of "net investment in capital assets". These resources may be used for general operations at the discretion of the governing body.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of increases or decreases in net position during the period. Actual results could differ from those estimates.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The Organization pays the University a fringe benefit rate based on the status of each employee with each biweekly payroll. The rate includes payment of compensated absences as well as insurance and retirement. Accordingly, the University records a compensated absences liability for all University employees, including all employees of the Organization. The implementation of this pronouncement did not have a material impact on the Organization.

INCOME TAXES

The Organization is exempt from federal income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code. For the fiscal years ended June 30, 2025, and 2024, the Organization's sole source of unrelated business income was non-mission conferencing services. At June 30, 2025, management has evaluated the relevant technical merits of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no positions that would have a material impact on the financial statements of the Organization. The Organization's income tax filings for the past three years are subject to examination by taxing authorities and may change upon examination.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK AND SIGNIFICANT CUSTOMERS

Financial instruments that are exposed to concentrations of credit risk consist of cash, investments and accounts receivable. The Organization maintains deposit balances with what management believes to be high credit quality commercial banks. At June 30, 2025, and 2024, a total of \$274,016 and \$996,180 respectively, was held in a government checking and savings account which provided the collateral protection required by State of Florida Statute 280 for amounts in excess of the FDIC insurance limits.

Amounts due from four (4) customers were approximately 41% from UMSA and USF, and 15% from two (2) external clients totaling 56% of total accounts receivable at June 30, 2025. Amounts due from three (3) customers were approximately 36% from UMSA, and 19% from two (2) external clients totaling 55% of total accounts receivable at June 30, 2024. The Organization performs ongoing credit evaluations of its customers and, generally, requires no collateral from them.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 3 - CONCENTRATIONS OF CREDIT RISK AND SIGNIFICANT CUSTOMERS (CONTINUED)

Unearned revenue associated with amounts received from two customers was approximately \$274,400 or 31% as of June 30, 2025 and was approximately \$274,600, or 29% of total unearned revenue due from two customers, as of June 30, 2024.

NOTE 4 - RETIREMENT PLANS

All employees of the Organization are employed by the University. University employees choose between a defined contribution tax-deferred annuity retirement plan or defined benefit pension plan that covers substantially all eligible personnel. Under these plans the Organization contributed at the rate of 9% to 12% of each eligible individual's total compensation depending on the retirement plan selected.

The Organization's employees can also participate in a voluntary tax-deferred annuity plan. Under this plan, all personnel may make voluntary contributions through the purchase of individual annuity contracts.

NOTE 5 - IN-KIND DONATIONS

The Organization receives in-kind support of materials, supplies and equipment in the furtherance of its objectives. Material and supplies are recorded at acquisition costs on the date of donation and expensed when consumed. Equipment is recorded at acquisition value on the date of donation and capitalized and depreciated over its useful life of the equipment

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 6 - CAPITAL ASSETS

Capital assets consists of the following at June 30, 2025, and 2024:

	June 30, 2023	Additions	Disposals	June 30, 2024	Additions	Disposals	June 30, 2025
<u>Capital assets:</u>							
Capital assets not being depreciated:							
Construction in progress	\$ 183,030	\$ (183,030)	\$ --	\$ --	\$ --	\$ --	\$ --
Total capital assets not being depreciated:	<u>183,030</u>	<u>(183,030)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Capital assets being depreciated:							
Furniture and equipment	754,766	--	--	754,766	22,546	--	777,312
Computers	2,127,181	47,242	--	2,174,423	27,737	13,021	2,189,139
Medical equipment	8,664,246	163,779	--	8,828,025	117,096	3,788	8,941,333
Leasehold improvements	2,273,713	761,499	--	3,035,212	32,240	--	3,067,452
Total capital assets being depreciated	<u>13,819,906</u>	<u>972,520</u>	<u>--</u>	<u>14,792,426</u>	<u>199,619</u>	<u>16,809</u>	<u>14,975,236</u>
Less: accumulated depreciation for:							
Furniture and equipment	(676,799)	(21,190)	--	(697,989)	(18,914)	--	(716,903)
Computers	(2,068,351)	(52,796)	--	(2,121,147)	(28,208)	13,021	(2,136,334)
Medical equipment	(8,594,109)	(60,334)	--	(8,654,443)	(36,718)	3,788	(8,687,373)
Leasehold improvements	(1,644,901)	(101,400)	--	(1,746,301)	(143,498)	--	(1,889,799)
Total accumulated depreciation	<u>(12,984,160)</u>	<u>(235,720)</u>	<u>--</u>	<u>(13,219,880)</u>	<u>(227,338)</u>	<u>16,809</u>	<u>(13,430,409)</u>
Capital assets, net of accumulated depreciation	<u>835,746</u>	<u>736,800</u>	<u>--</u>	<u>1,572,546</u>	<u>(27,719)</u>	<u>33,618</u>	<u>1,544,827</u>
Capital assets, net	<u>\$ 1,018,776</u>	<u>\$ 553,770</u>	<u>\$ --</u>	<u>\$ 1,572,546</u>	<u>\$ (27,719)</u>	<u>\$ 33,618</u>	<u>\$ 1,544,827</u>
<u>Right-of-use assets:</u>							
Special use building	\$ 20,907,385	\$ --	\$ --	\$ 20,907,385	\$ --	\$ --	\$ 20,907,385
Right-of-use equipment	22,465	--	--	22,465	20,727	22,465	20,727
Right-of-use IT subscriptions	577,177	--	--	577,177	81,561	457,837	200,901
Total right-of-use assets	<u>21,507,027</u>	<u>--</u>	<u>--</u>	<u>21,507,027</u>	<u>102,288</u>	<u>480,302</u>	<u>21,129,013</u>
Less accumulated amortization:							
Special use building	(7,054,819)	(494,735)	--	(7,549,552)	(494,735)	-	(8,044,287)
Right-of-use equipment	(12,390)	(6,159)	--	(18,585)	(5,773)	22,199	(2,159)
Right-of-use IT subscriptions	(117,455)	(116,859)	--	(234,279)	(93,441)	256,632	(71,088)
Total accumulated amortization	<u>(7,184,664)</u>	<u>(617,753)</u>	<u>--</u>	<u>(7,802,416)</u>	<u>(593,949)</u>	<u>278,831</u>	<u>(8,117,534)</u>
Right-of-use assets, net	<u>\$ 14,322,363</u>	<u>\$ (617,753)</u>	<u>\$ --</u>	<u>\$ 13,704,611</u>	<u>\$ (491,661)</u>	<u>\$ 759,133</u>	<u>\$ 13,011,479</u>
Total capital assets and right-of use assets, net	<u>\$ 15,341,139</u>	<u>\$ (63,983)</u>	<u>\$ --</u>	<u>\$ 15,277,157</u>	<u>\$ (519,380)</u>	<u>\$ 792,751</u>	<u>\$ 14,556,306</u>

Depreciation and amortization expense was \$821,286 and \$853,508 for the fiscal years ended June 30, 2025, and 2024, respectively.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The Organization's outstanding lease and SBITA liabilities as of June 30, 2025 and 2024, were as follows:

	June 30,			June 30,			June 30,	Current
	2023	Additions	Reductions	2024	Additions	Reductions	2025	Portion
CAMLS lease liability	\$ 10,383,626	\$ --	\$ 1,131,729	\$ 9,251,897	\$ --	\$ 1,201,556	\$ 8,050,341	\$ 1,275,692
Other lease liabilities	11,008	--	6,173	4,835	20,727	6,409	19,153	5,768
SBITA liabilities	439,304	--	109,012	330,292	81,561	293,086	118,767	51,229
	<u>\$ 10,833,938</u>	<u>\$ --</u>	<u>\$ 1,246,914</u>	<u>\$ 9,587,024</u>	<u>\$ 102,288</u>	<u>\$ 1,501,051</u>	<u>\$ 8,188,261</u>	<u>\$ 1,332,689</u>

At inception of a lease, interest rates are imputed based on the lower of the Organization's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return and range from 2.25% on the facility lease to 5% on an equipment lease.

LEASES

The Organization is obligated under multiple leases at June 30, 2025. A facility lease obligation, signed in December 2010, relates to the Organization's CAMLS facility in Tampa, Florida which was completed in February 2012. As discussed in Note 9, this lease is with a related party, the USF Financing Corporation ("USFFC"). The term of the lease is through June 30, 2051, with lease payments through December 31, 2031, equivalent to the USFFC debt repayment schedule. Subsequent lease payments will be adjusted to an amount mutually agreeable once the debt obligation is satisfied in full. The initial amount was \$20,907,385, and the balance as of June 30, 2025, and 2024 was \$8,050,341 and \$9,252,897 respectively. During fiscal year 2018 USFFC refinanced the debt associated with CAMLS reducing the net interest rate from 4.01% to 3.51%, which in turn reduced the Organization's future lease payments by approximately \$550 thousand through 2031. In fiscal year 2021 USFFC refunded the debt, reducing the net interest rate from 3.51% to 2.25% which in turn reduced the Organization's future lease payments by approximately \$871 thousand through 2031 as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,275,692	\$ 181,133	\$ 1,456,825
2027	1,354,402	152,430	1,506,832
2028	1,437,969	121,956	1,559,925
2029	1,526,692	89,601	1,616,293
2030	1,620,888	55,251	1,676,139
Thereafter	<u>834,698</u>	<u>18,781</u>	<u>853,479</u>
Total	<u>\$ 8,050,341</u>	<u>\$ 619,152</u>	<u>\$ 8,669,493</u>

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (CONTINUED)

An office equipment lease for printers required monthly payments of \$549 through March 2025. These amounts are expensed each month when paid. The initial balance was \$23,819, which began in April of 2021. The equipment lease terminated early in January 2025 due to renewal and installation of new equipment with an ending balance as of June 30, 2025 of \$0 and ending balance as of June 30, 2024 of \$4,836.

An office equipment lease for new printers was completed in February 2025 and requires quarterly payments of \$1,767. These amounts are expensed each quarter when paid. The initial balance was \$20,727, which began in February 2025, and the balance as of June 30, 2025 was \$18,334.

The future lease obligations payments for these equipment leases of June 30, 2025, is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,768	\$ 962	\$ 6,730
2027	5,175	516	5,691
2028	5,412	279	5,691
2029	2,798	47	2,845
Total	<u>\$ 19,153</u>	<u>\$ 1,804</u>	<u>\$ 20,957</u>

SBITAs

The remaining leases were established in fiscal year 2023 in accordance with the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, all of which are subscription based or contract agreements for Information Technology components. These IT subscriptions are services provided to the organization and are not dependent upon a cost by user basis.

A lease for technical support of software used on simulation manakins and required quarterly payments of \$25,000 through March 2025, with future liability recorded due to reasonable certainty at the time, per the requirements of GASB Statement No. 96 to assess the maximum possible term of five years through March 2027 during implementation. These amounts were expensed each quarter when paid. The initial amount balance was \$441,171, which began in June of 2022, and the balances as of June 30, 2025, and June 30, 2024, were \$0 and \$263,017, respectively. The lease was terminated as of March 31, 2025, and with a loss of \$8,241 recognized.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (CONTINUED)

In March 2025, a new lease for technical support of software used on simulation manikins, was contracted with a new company, wrapping into an existing contract under USF Health, which provided cost savings. The equipment was purchased by USF Health and installed by USF IT. The new lease requires yearly payment of \$21,942 through February 2030 and will begin during the second year of the technical support agreement in February 2026. These amounts are expensed each year when paid. The initial amount balance is \$81,561 and the balance as of June 30, 2025, was \$81,561.

A right to use lease for Continuing Education and accreditation tracking software systems, is an annual contract that auto renews and is cancelable. Due to the knowledge of future use of the software and no current intentions of cancellation within the next five years the Organization has recognized the agreement as a right-of-use IT subscription-based lease. This lease requires annual payments that are increased approximately 1.75% each year. These amounts are expensed annually when paid. The initial amount recorded was \$56,463, which began in August of 2022, and the balance as of June 30, 2025, and 2024 was \$12,399 and \$35,493, respectively.

A right to use lease for ERP Accounting software, is an annual contract that auto renews and is cancellable. Due to the knowledge of future use of the software and no current intentions of cancellation within the next five years the Organization has recognized the agreement as a right-of-use IT subscription-based lease. This lease requires annual payments that are increased approximately 4.5% each year. These amounts are expensed annually when paid. The initial amount balance recorded was \$27,209, which began in April of 2022, and the balance as of June 30, 2025, and 2024 were \$12,872 and \$14,609.

The final lease is for right to use Hosting services for the ERP Accounting software. This contract is a monthly contract that auto renews and is cancelable. Due to the knowledge of future use of the software and no current intentions of cancellation within the next five years the Organization has recognized the agreement as a right-of-use IT subscription-based lease. This lease requires monthly payments of \$513. These amounts are expensed monthly when paid. The initial amount recorded was \$28,286, which began in July of 2022, and the balance as of June 30, 2025, and 2024 was \$11,935 and \$17,171.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (CONTINUED)

SBITAs (CONTINUED)

The future minimum SBITA payments as of June 30, 2025, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 51,229	\$ 3,653	\$ 54,882
2027	25,552	1,961	27,513
2028	20,683	1,260	21,943
2029	21,303	639	21,942
Total	\$ 118,767	\$ 7,513	\$ 126,280

NOTE 8 - LEASES RECEIVABLE (LESSOR)

In accordance with the provisions of Statement No. GASB 87, *Leases*, the Organization recorded four lease receivables and related deferred inflow of resources. The first lease receivable is for the rental of the Café and food preparation area with a monthly receivable of \$10,000 beginning in January 2020 and increasing 3% thereafter until December 2023. The lease was extended for another 36 month beginning January 2024 and continue until December 2026. The initial amount was \$390,758, and the balance as of June 30, 2025 and 2024 of \$204,734 and \$330,932, respectively.

The second lease receivable is for the vivarium and usage of common space on the first floor with a monthly receivable of \$2,917 beginning in January 2022 and increasing 3% thereafter each year at the first of each year until December 2024 and continue thereafter with annual renewals. The initial amount was \$108,182, and renewed January 2025 with initial amount of \$37,329, and balance as of June 30, 2025 and 2024 was \$18,874 and \$18,425 respectively.

The third lease receivable is for the Shared Student Services on the third floor with a monthly receivable of \$4,832 beginning in February 2021 and increasing 3% thereafter until January 2024 the initial balance of \$172,724. The lease was extended for another 36 months beginning February 2024, however, the University provided notice of termination for a portion of the Shared Student Services lease space, and reduction in length of stay terms until the end of fiscal year June 2026. The balance as of June 30, 2025, and 2024 was \$20,116 and \$164,786 respectively.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 8 - LEASES RECEIVABLE (LESSOR) (CONTINUED)

The fourth lease receivable is for the newly renovated third floor office space with a monthly receivable of \$8,887 beginning May 2024 and increasing 3% thereafter until April 2029. The initial amount was \$491,075 and the balance as of June 30, 2025 and 2024 was \$391,834 and \$477,251 respectively.

The fifth, and last least receivable, is for usage of lab and common space on the first floor with a monthly receivable of \$19,167 beginning in May 2025. The initial amount was \$439,121 and balance as of June 30, 2025, was \$404,015.

The principal and interest requirements to maturity for the lease receivables as of June 30, 2025, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 481,413	\$ 33,423	\$ 514,836
2027	357,404	14,815	372,219
2028	106,406	6,103	112,509
2029	94,351	1,738	96,089
Total	<u>\$ 1,039,574</u>	<u>\$ 56,079</u>	<u>\$ 1,095,653</u>

NOTE 9 - RELATED PARTY TRANSACTIONS

In the normal course of business, the Organization transacts with the following related parties:

<u>Related Party</u>	<u>Relationship</u>
University of South Florida (“USF” or the “University”)	Governing Organization
University Medical Services Association, Inc. (“UMSA”)	Direct support organization of Governing Organization
USF Financing Corporation (“USFFC”)	Direct support organization of Governing Organization
USF Foundation	Direct support organization of Governing Organization
USF Institute of Applied Engineering (“USFIAE”)	Direct support organization of Governing Organization

SUMMARY OF TRANSACTIONS WITH RELATED PARTIES

The significant related party balances and transactions as of and for the fiscal years ended June 30 are summarized and approximated as follows:

Programming, Facility Operations and Support Revenue

The Organization receives contractual funding and transfers for continuing education, training and academic programming.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 9 - RELATED PARTY TRANSACTIONS (CONTINUED)

SUMMARY OF TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The summary of transactions related to the Organization's delivery of programming included in Operating revenues, and support included in Non-operating revenues is as follows:

	2025		2024	
	Amount of Transaction for the Fiscal Year Ended June 30	Outstanding Receivable Balance at June 30	Amount of Transaction for the Fiscal Year Ended June 30	Outstanding Receivable Balance at June 30
Operating revenue:				
UMSA	\$ 851,290	\$ 209,929	\$ 766,142	\$ 197,077
USF	3,191,250	218,256	3,016,764	25,945
USF Foundation	74,146	39,051	80,765	--
USF IAE	3,513	--	--	--
Non-operating revenue:				
UMSA	1,200,000	--	390,000	--
USF	--	--	583,262	--
	\$ 5,320,199	\$ 467,236	\$ 4,836,933	\$ 223,022

Outsourcing Services

All of the Organization's personnel are employees of the University. The Organization has entered into service agreements or approved allocations of various support services based on actual usage or cost allocation in the following areas: staffing, personnel services, payroll processing, internal audit, information technology, vivarium services, instructors and other related functions. In addition, the Organization contracts with various USF departments and the net revenues from these activities are either retained by the Organization for use in future programs or paid out.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 9 - RELATED PARTY TRANSACTIONS (CONTINUED)

SUMMARY OF TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Outsourcing Services (continued)

The summary of transactions arising from the Organization's service agreements and related charges included in operating expenses is as follows:

	2025		2024	
	Amount of Transaction for the Fiscal Year Ended June 30	Outstanding Payable Balance at June 30	Amount of Transaction for the Fiscal Year Ended June 30	Outstanding Payable Balance at June 30
UMSA	\$ 38,883	\$ 93,043	\$ (40,283)	\$ 94,398
USF	5,502,697	1,261,228	5,147,758	1,031,185
USFFC	63,900	--	62,100	--
	<u>\$ 5,605,480</u>	<u>\$ 1,354,271</u>	<u>\$ 5,169,575</u>	<u>\$ 1,125,583</u>

Lease Transactions (Organization as Lessee)

The summary of annual transactions arising from the Organization's lease agreement include insurance and management fees included in operating expenses, interest included in non-operating expenses, bond prepayment premium included in deferred outflows of resources and principal as a reduction of lease obligations. The annual transaction amount along with current portion and long-term portion of the June 30 balance are presented as follows:

	2025			2024		
	Amount of Transaction for the Fiscal Year Ended June 30	Current Installments of Obligation Under Lease at June 30	Obligation Under Lease, Excluding Current Installments at June 30	Amount of Transaction for the Fiscal Year Ended June 30	Current Installments of Obligation Under Lease at June 30	Obligation Under Lease, Excluding Current Installments at June 30
USFFC	\$ 1,528,396	\$ 1,275,692	\$ 6,774,649	\$ 1,472,877	\$ 1,201,556	\$ 8,050,341

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 10 - DEFERRED INFLOWS OF RESOURCES

As of June 30, 2025 and 2024, deferred inflows of resources relate to the following:

	<u>2025</u>	<u>2024</u>
Grant specific continuing education program activities	\$ 49,014	\$ 433,936
Leases receivable	<u>1,039,574</u>	<u>1,008,813</u>
Total Deferred Inflow of Resources	<u>\$ 1,088,588</u>	<u>\$ 1,442,749</u>

NOTE 11 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 15, 2025, the date the financial statements were available for issuance.

USF HEALTH PROFESSIONS CONFERENCING CORPORATION
(A COMPONENT UNIT OF THE UNIVERSITY OF SOUTH FLORIDA)

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2024)

	Management and General	Program Expenses	Total Expenses	
			2025	2024
Salaries and benefits	\$ 1,485,184	\$ 3,350,736	\$ 4,835,920	\$ 4,473,469
Educational partner expenses	--	5,266,916	5,266,916	7,155,127
Materials and supplies	13,111	1,500,731	1,513,842	1,008,915
Support services	111,888	192,706	304,594	309,008
Expendable furniture and equipment	5,740	674	6,414	6,505
Brochure design, printing and mailing	659	4,806	5,465	19,466
Audio visual, catering and room rentals	495	71,739	72,234	79,759
Honoraria and consultants	3,195	419,725	422,920	348,237
Travel, speakers and staff	21,881	219,529	241,410	260,970
Marketing and development	--	40,414	40,414	20,284
Residuals and refunds to sponsors	--	372,737	372,737	398,605
Utilities, repairs and maintenance	16,201	1,034,295	1,050,496	1,104,843
Equipment leases	--	91,255	91,255	68,258
Depreciation and amortization	46,631	774,655	821,286	853,508
Operating expenses	<u>1,704,985</u>	<u>13,340,918</u>	<u>15,045,903</u>	<u>16,106,954</u>
Non-operating expenses				
Interest expense on lease obligations	<u>10,575</u>	<u>206,315</u>	<u>216,890</u>	<u>246,363</u>
Total expenses	<u>\$ 1,715,560</u>	<u>\$ 13,547,233</u>	<u>\$ 15,262,793</u>	<u>\$ 16,353,317</u>

See Independent Auditors' Report.

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors and Finance and Audit Committee
USF Health Professions Conferencing Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of USF Health Professions Conferencing Corporation (the “Organization”), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses and changes in net position and cash flows for the fiscal years then ended, and the related notes to the financial statements (collectively referred to as the “financial statements”), and have issued our report thereon dated October 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Tampa, FL
October 15, 2025