2. **Investments** – Increase of $55.5 million or 20.8%. This increase was mainly due to an operating income of $47.9 million which is a $60.5 million increase over the previous year (due to prior year’s operating loss of $12.6 million).

3. **Net Receivable** – Increase of $12.1 million or 12.6%. The primary component of this increase is a $10.4 million (12.4%) increase in Contracts and Grants A/R which is directly related to the 10.9% increase in Contract and Grant Revenue.

5. **Due from State** – Increase of $60.2 million or 63.4%. Capital Appropriations increased by $36.9 million which significantly contributed towards this increase in the amount due from the State. In addition, there are significant amounts from the prior year that still remain to be drawn down. These include $21.2 million for the Center for Advanced Health Care and $13.1 million for the new Marshall Center Project. The state allows the university only to draw funds for construction projects on a monthly basis based on outstanding invoices to be paid.

6. **Due from Component Units** – Increase of $29.9 million which is primarily made up of the following items:
   - $8 million due from the Research Foundation for funds being held for Faculty build out
   - $12.7 million being held by the Research Foundation for USF Pharmaceutical Grants that have gone through Research Foundation as well as remaining grant administrative fees
   - $7.9 million due from the USF Foundation for gift matching funds

10. **Restricted Investments** – Increase of $13.8 million or 31.8%. Restricted funds include construction, debt service, renewal and replacement, self insurance and agency funds. The increase is mostly attributed to changes in the construction funds which increased $8.4 million and is related to invoices coming due in July 2007. In addition, there was an increase of $2.6 million in the USF Self Insurance funds investments.

13. **Net Depreciable Capital Assets** – Increase of $61.6 million or 11.6% was mainly attributable to the capitalization of over $60 million in buildings. Last year there were no new major buildings capitalized.
14. **Non-Depreciable Capital Assets** – Decrease of $28.0 million or 35.2% is due to buildings in construction work in process from last year being put into service.

15. **Accounts Payable** – Increase of $10.6 million is as a result of timing of vendor invoices and payments between the two fiscal years.

16. **Construction Contracts Payable** – Increase of $5.6 million is based on the outstanding construction commitments as of 6/30/07.

20. **Deferred Revenue** – Increase of $25.1 million or 34.3%. This increase is due in part to the $12.7 million held on behalf of USF in the Research Foundation for pharmaceutical grants and grant administrative fees for which USF has not incurred expenditures. In addition, there is $7.9 million in capital matching due from the USF Foundation which will not be recognized until funds are transferred for the project.

27. **Bonds and Revenue Certificates Payable** – Increase of $12.2 million or 22.4%. Bond was issued through the University for Parking Garage.

30. **Accrued Self Insurance Claims** – Increase of $5.5 million or 43.8% over the previous year due to liability of potential claims that was actuarially calculated.

**Statement of Revenues, Expenses, and Changes in Net Assets**

**(Income Statement) Reference D-1**

3. **Net Student Tuition and Fees** – Increase of $9.7 million or 7.8% was the result of a combination of an increase of 3.0% for in-state undergraduate student fees being assessed and a 2.6% increase in enrollment.

4, 5, 6. **Grant and Contracts** – Increase of $31.0 million or 10.9% in Grant and Contract Revenue. This increase is due in part to the recognition of $8.0 million in Pharmaceutical Studies Contract and Grant revenue that was previously recognized on the Research Foundation financial statements and is now being recognized as USF revenue. There was also approximately $4 million in new financial aid grant programs that were transferred from the Foundation (First Generation Matching, National Science and Math Smart). 2005-06 grant revenue was decreased by $5.8 million due to a change in recognition of the Medicaid Upper Payment Limit funding that is received by UMSA which affected the comparison between 05-06 and 06-07. Finally, there was a $5.3 million increase in revenue for salary support received from Moffitt.

8. **Sales & Services of Auxiliary Enterprises** – Increase of $11.9 million or 18.5%. Includes the following increases

- $2.0 increase in revenue from the Intellis Media operations of Public Broadcasting
- $2.1 million in NCAA conference revenues and $1.0 million increase in sponsorship revenue for Athletics
- $1.4 million in housing revenue for the St. Pete Housing Project
- $3.3 million increase in billing for our Comparative Medicine and Research Compliance areas. This includes previous years billing for some of our affiliates.

11. Compensation and Employee Benefits – Increase of $28.7 million or 5.0%. This is primarily due to a 3% University-wide increase in salaries that took place 10/1/06. There was also a $3.5 million increase in salary expense due to compensated absences.

12. Services and Supplies – Increase of $16.7 million or 10.3% can be attributable to a couple of different factors. This includes the recognition of $6.8 million in expenses for those pharmaceutical grants whose activity was previously recognized in the Research Foundation. There is also $1.4 million that is related to the increased activity in the Intellis operations of Public Broadcasting and an increase of $5.0 million in participant/patient care costs.

14. Scholarships, Fellowships, and Waivers - Increase of $8.7 million or 14.9%. This increase is due to a $2.5 million increase in the amount of waivers provided, $3.2 million in additional Bright Futures funding, and $.8 million provide under the Florida Student Assistance Grant program.

16. Self Insurance Claims & Expenses – Increase of $5.8 million can be attributable to additional claims liability recognized according to the actuarial analysis performed annually.

17. State Appropriations – Increased by $69.0 million or 21.6%. This increase can be primarily attributable to the following factors:

- Appropriations provided for a 3% salary increase for eligible employees
- Enrollment Growth funding of $14.9 million
- $12.1 million in non-recurring items such as increases for utility cost, expanded access to the USF Sarasota-Manatee campus, and the Sports Medicine and Athletic Related Trauma Institute
- $28.5M in non-recurring for special initiatives such as Center of Excellence, World Class Scholars, Research & Economic Development and Graduate Enhancement funding.
21. **Net Investment Income** – Increase of $16.3 million. Last year the University had a $7.0 million unrealized investment loss based on the adjustment to fair market value while this year there was an $.8 million unrealized gain. In addition, the average interest rate earnings on the University’s SPIA investment accounts was 5.1% as opposed to 3.6% in the previous year.

24. **Other Non-Operating Expense** – This amount increased by $15.0 million primarily as a result of a $9.8 million charge recognized due to the remaining buildings on the Sarasota/Manatee campus being transferred to New College.

25. **Capital Appropriations** – Increased by $36.9 million or 94.3% as a result of increased capital appropriations from the State which included such projects as the new Visual and Performing Arts building ($12.2 million) and the Interdisciplinary Science, Teaching, and Research Facility ($20.0 million).

26. **Capital Grants, Contracts, Donations, and Fees** – Increased by $15.8 million over the previous year primarily due to matching gifts for the Medical Office Building ($8.6 million) and the Globalization Research Center ($5.0 million).