

**STATE OF FLORIDA
UNIVERSITY OF SOUTH FLORIDA
PARKING SERVICES**

**ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2019 and 2018**

Unaudited

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Management's Discussion and Analysis

Governance

The University of South Florida (the "University" or "USF") is a public educational institution accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. The University is a part of the State University System and accordingly, the University is governed, regulated and coordinated by the Florida Board of Governors and the University Board of Trustees.

Financial Highlights

Operating revenues increased slightly by \$110,456 due to an increase in the number of permits sold.

Interest earnings increased \$299,918 due to the increased cash and investment balances, as well as the increased short-term interest earnings rate.

Operating expenses showed a decrease related to salaries and benefits of \$124,758, a decrease in regular expenses of \$73,970, and a decrease in overhead of \$42,400. The decrease in salaries and benefits was due to decreased expenses for wages, other postemployment benefits, and compensated absences primarily resulting from vacant

Analysis of Financial Statements

	<u>2019</u>	<u>2018</u>
Assets:		
Current assets	\$ 17,921,754	\$ 16,486,691
Included: cash and cash equivalents	1,179,076	2,712,997
Investments	16,524,771	13,503,362
Capital assets	35,584,295	36,762,707
Restricted cash and cash equivalents	770,018	1,823,227
Restricted Investments	10,797,315	9,079,360
Total Assets	\$ 65,073,382	\$ 64,151,985
Deferred Outflow s of Resources	<u>\$ 823,091</u>	<u>802,579</u>
Total Assets & Deferred Outflow s of Resources	65,896,473	64,954,564
Liabilities		
Current liabilities	\$ 2,967,859	\$ 3,530,189
Noncurrent liabilities	16,166,843	18,756,024
Total Liabilities	\$ 19,134,702	\$ 22,286,213
Deferred Inflow s of Resources	<u>\$ 546,806</u>	<u>\$ 368,355</u>
Total Liabilities & Deferred Outflow s of Resources	\$ 19,681,508	\$ 22,654,568
Net Positon:		
Invested in capital assets, net of related debt	\$ 20,649,941	\$ 19,289,875
Restricted	11,472,420	11,037,131
Unrestricted	14,092,604	11,972,991
Total net position	\$ 46,214,965	\$ 42,299,997
Total operating revenues	\$ 14,422,183	\$ 14,311,727
Total operating expenses	\$ 10,798,575	\$ 10,939,854
Operating income	\$ 3,623,608	\$ 3,371,873
Interest income	\$ 689,311	\$ 389,393
Interest/other expenses	\$ (397,951)	\$ (475,520)
Capital Appropriations	\$ -	\$ 3,240
Transfers, net	\$ -	\$ -
Change in net position	\$ 3,914,968	\$ 3,288,986
Net cash provided by operating activities	\$ 4,862,982	\$ 5,876,339
Net cash provided/(used) by noncapital financing activities (transfers)	\$ -	\$ -
Net cash (used) by capital and related financing activities	\$ (3,400,058)	\$ (3,850,048)
Net cash provided (used) by investing activities	\$ (4,050,054)	(1-41(ati)29.9(n).3(g)-7(0s)-7421.5((-)4ec5ft9

Revenue is derived from the student transportation access fee assessed on a per credit-hour basis, faculty/staff and student permit sales, citations, visitor vending/meter collections, and

**STATE OF FLORIDA,
UNIVERSITY OF SOUTH FLORIDA
PARKING FACILITY REVENUE BONDS
STATEMENT OF NET POSITION
JUNE 30,
Unaudited**

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,179,076	\$ 2,712,997
Investments	16,524,771	13,503,362
Accounts receivable, net	216,494	269,140
Due from other funds	1,413	1,192
Total current assets	17,921,754	16,486,691
Noncurrent assets		
Restricted cash	770,018	1,823,227
Restricted Investments	10,797,315	9,079,360
Capital assets	35,584,295	36,762,707
Total noncurrent assets	47,151,628	47,665,294
Total assets	\$ 65,073,382	\$ 64,151,985
Deferred Outflows of Resources		
Deferred Outflows of Pension Resources	776,713	747,657
Deferred Outflows of Other Post Employment Benefits	46,378	54,922
Total Assets & Deferred Outflows of Resources	65,896,473	64,954,564
LIABILITIES		
Current liabilities		
Accounts payable	\$ 330,195	\$ 939,623
Bonds payable, current portion	2,598,479	2,550,000
Post Employment Health Care Benefits Payable, current portion	29,514	30,008
Pension Liability- HIS, current portion	9,671	10,557
Total current liabilities	2,967,859	3,530,189
Noncurrent liabilities		
Bonds payable	12,335,875	14,922,833
Post Employment Health Care Benefits payable	2,018,801	2,103,368
Pension liability	1,535,062	1,460,554
Compensated absences payable	277,105	269,269
Total noncurrent liabilities	16,166,843	18,756,024
Total liabilities	19,134,702	22,286,213
Deferred Inflows of Resources		
Deferred Inflows of Pension Resources	134,341	66,749
Deferred Inflows of Other Post Employment Benefits	412,465	301,606
Total Liabilities & Deferred Inflows of Resources	19,681,508	22,654,568
NET POSITION		
Invested in capital assets, net of related debt	20,649,941	19,289,875
Restricted for capital projects	8,231,001	7,791,454
Restricted for debt service	50,566	213,770
Restricted for renewal and replacement	3,190,853	3,031,907
Unrestricted	14,092,604	11,972,991
Total net position	46,214,965	42,299,997
Total liabilities and net position	\$ 65,896,473	\$ 64,954,564

The accompanying notes to financial statements are an integral part of this statement
Totals may not foot due to rounding.

**STATE OF FLORIDA,
UNIVERSITY OF SOUTH FLORIDA
PARKING FACILITY REVENUE BONDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30
Unaudited**

	<u>2019</u>	<u>2018</u>
Revenues		
Operating revenues		
Sales and services	\$ 14,422,183	\$ 14,311,302
Other revenues	-	425
Total operating revenues	<u>14,422,183</u>	<u>14,311,727</u>
Expenses		
Operating expenses		
Salaries and related benefits	4,290,938	4,415,696
Expenses	4,036,137	4,110,107
Overhead expense	829,459	871,859
Depreciation	<u>1,642,041</u>	<u>1,542,192</u>
Total operating expenses	10,798,575	10,939,854
Operating income	3,623,608	3,371,873
Nonoperating revenues (expense)		
Interest income	689,311	389,393
Interest expense	(397,951)	(452,841)
Loss on disposal of equipment	-	(22,679)
Total nonoperating income (expenses)	<u>291,360</u>	<u>(86,127)</u>
Income Before Other Revenues	3,914,968	3,285,746
Capital Appropriations	-	3,240

**STATE OF FLORIDA,
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PARKING FACILITY REVENUE BONDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30
Unaudited**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales receipts	\$ 14,474,829	\$ 14,309,896
Payment for salaries and related benefits	(4,136,602)	(4,158,732)
Payment for expenses	(5,475,025)	(4,278,259)
Advances to/ from other funds	(220)	3,434
Net cash provided by operating activities	<u>4,862,982</u>	<u>5,876,339</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of fixed assets	(463,628)	(916,968)

**STATE OF FLORIDA,
UNIVERSITY OF SOUTH FLORIDA
PARKING FACILITY REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the University of South Florida Parking Facility Revenue Bonds are an integral part of the financial statements of the University of South Florida (the University). The University is a part of the State University System and accordingl

**STATE OF FLORIDA,
UNIVERSITY OF SOUTH FLORIDA
PARKING FACILITY REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets are stated at cost. Depreciation on buildings is computed using the straight-line method over an estimated useful life of the asset. The useful lives of the asset are as follows:

Buildings	-	20 to 40 years
Furniture, fixtures and equipment	-	5 to 15 years
Vehicles	-	10 years
Software	-	5 years

When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the results from operations in the period of disposal. Net interest costs are capitalized during the construction period.

Revenue Recognition:

Investment Income: Interest on investments is recorded as income when earned.

Sales and Services: Revenue is derived from the student transportation access fee assessed on a per credit-hour basis, faculty/staff and student permit sales, citations visitor vending/meter collections, and other miscellaneous income such as advertising revenues and charter fees. Revenue is recognized when earned.

Compensated Absences Liability: Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave pursuant to the Florida Administrative Code, and to bargaining agreements between the State of Florida and the United Faculty of Florida.

Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balances. GASB Statement No. 16, Accounting for Compensated Absences, requires that the University accrue a liability for employees' rights to receive compensation for future absences when certain conditions are met. At June 30, 2019 and 2018, the estimated liability for annual and sick leave was \$277,105 and \$269,269, respectively.

Allowance for doubtful receivables: Accounts Receivable was calculated by aging the accounts over one year as doubtful. Immaterial amounts from accrued receivables are not recognized in these financial reports.

**STATE OF FLORIDA,
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PARKING FACILITY REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2 – CASH AND CASH EQUIVALENTS

Amounts reported as cash and cash equivalents consist of cash on hand and cash held in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by the Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

NOTE 3 – INVESTMENTS

Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Local Government Surplus Funds Trust Fund investment pool; interest-bearing time deposits and savings accounts in qualified public depositories; direct obligations of the US Treasury; obligations of Federal agencies; securities of, or interests in, certain open-end or closed-end management type investment companies; SEC registered money market funds; and other investments approved by the University's Board of Trustees.

Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

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PARKING FACILITY REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Money Market Mutual Funds: This category includes investments in high-quality money market instruments through commingled fund structures. The investment objective of these funds is to maximize current income, to the extent consistent with the preservation of capital, and maintain liquidity. Investments in this category are valued at quoted prices in an active market (Level 1 inputs).

The University's investments at June 30, 2019, are reported as follows:

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
SBA Debt Service Accounts	\$ 5,507	\$ 5,507	\$ -	\$ -
United States Treasury Securities	17,361,120		17,361,120	
Bonds and Notes	21,363,141	-	21,363,141	-
Stocks and Other Equity Securities	17,955,891	17,955,891	-	-
Mutual Funds:				
Equities	151,007,766	151,007,766	-	-
Bonds	471,519,051	471,519,051	-	-
Money Market	97,017,437	97,017,437	-	-
Total investments by fair value level	\$ 776,229,913	\$ 737,505,652	\$ 38,724,261	\$ -

**STATE OF FLORIDA,
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PARKING FACILITY REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

The following interest rate and credit risks apply to the University's investments in debt securities and money market mutual funds at June 30, 2019:

University Debt Investment Maturity and Quality Ratings

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Credit Quality Rating</u>		<u>Fair Value</u>
		<u>Moody's</u>	<u>Standard and Poor's</u>	
United States Treasury Securities (2)	3.67 Years	█ (1)	█ (1)	\$ 17,361,120
Bonds and Notes (2)	3.49 Years	Aaa - A3	AAA - A-	21,363,141
Bond Mutual Funds (3)	2.96 Years	Not Rated	Not Rated	471,519,051
Money Market Mutual Funds (2)	16 Days	Aaa-mf	AAAm	2,181,583
Money Market Mutual Funds (3)	18 Days	Aaa-mf	AAAm	94,835,854
Total				<u>\$ 607,260,749</u>

Notes: (1) Disclosure of credit risk is not required for this investment type.

(2) USF Health Sciences Center Self-Insurance Program

(3) University

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The University's investment policy provides that the maximum amount that may be invested in the securities of an individual issuer not backed by the full faith and credit of the U.S. Government shall not exceed five percent of the assets of the investment portfolio, and no single corporate bond issuer shall exceed five percent of the market value of the investment portfolio. Direct investments in securities of the U.S. Government, Government agencies and State of Florida Investment Pools, or Pooled Funds comprised solely of U.S. Government Securities are not subject to these restrictions.

The Parking System investments are held in the bond and money market mutual funds listed above. Investment earnings for the year ended June 30, 2019 and 2018 were \$689,311 and \$389,393, respectively.

NOTE 4 – NET RECEIVABLES

Accounts receivable is reported net of an allowance for uncollectible accounts. At June 30, 2019, allowance for uncollectible accounts was estimated to be \$188,652.

**STATE OF FLORIDA,
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PARKING FACILITY REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 5 – CAPITAL ASSETS

**STATE OF FLORIDA,
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PARKING FACILITY REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Bonds were issued to construct University parking garages. Bonds outstanding are secured by a pledge of traffic and parking fees and various other student fee assessments. A summary of pertinent information related to the University's indebtedness resulting from the issuance of the bonds follows:

<u>Bond Type and Series</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding</u>		<u>Interest Rates</u>
		<u>Principal</u>	<u>Interest</u>	
2016A Parking	21,545,000	15,015,000	1,141,470	2.20
Less: Bond Discount/Premium				
Amt deferred on Refunding		(80,646)		
Total Bonds Payable	<u>21,545,000</u>	<u>14,934,354</u>	<u>1,141,470</u>	

Annual requirements to amortize all bonded debt outstanding as of June 30, 2019 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	2,610,000	330,330	2,940,330
2021	2,665,000	272,910	2,937,910
2022	2,715,000	214,280	2,929,280
2023	2,780,000	154,550	2,934,550
2024	1,950,000	93,390	2,043,390
2025-2026	2,295,000	76,010	2,371,010
subtotal	15,015,000	1,141,470	

**STATE OF FLORIDA,
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

The monies in said Parking System Maintenance and Equipment Reserve Fund may be drawn on and used by the University for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the equipment and furnishings not paid as part of ordinary and normal expense of the operation and maintenance of the Parking System.

Interest paid on bonds for the fiscal year ended June 30, 2019 and 2018 respectively was \$386,430 and \$441,320.

STATISTICAL INFORMATION

I. Campus Population and Parking Spaces

**Tampa Campus
Population and Parking Spaces**

<u>Fall Semester</u>	<u>Student Headcount Enrollment</u>	<u>Total Personnel Headcount*</u>	<u>Total Vehicle Spaces</u>
2014-15	42,065	16,727	20,797
2015-16	42,191	16,905	20,824
2016-17	42,925	17,344	20,708

II. Number and Costs of Parking Decals Issued by Type¹ and Student Transportation Access Fees.

Parking Decal Types	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Student Annual					
Number Issued	14,102	14,522	13,945	13,794	13,893
Cost	\$183	\$183	\$183	\$183	\$183
Student Semester					
Number Issued	16,647	17,153	16,764	16,849	16,971
Cost	\$91	\$91	\$91	\$91	\$91
Resident Student Annual					
Number Issued	1,567	1,725	1,594	1,769	2,010
Cost	\$226	\$226	\$226	\$226	\$226
Resident Student Semester					
Number Issued	2,854	2,905	2,776	2,761	2,892
Cost	\$113	\$113	\$113	\$113	\$113
Staff Annual					
Number Issued	4,656	4,965	5,152	5,217	5,378
Cost	\$270	\$270	\$270	\$270	\$270
Staff Semester					
Number Issued	1,073	1,157	1,129	1,190	1,186
Cost	\$135	\$135	\$135	\$135	\$135
Staff Gold Annual ¹					
Number Issued	1,192	1,235	1,281	1,284	1,336

III. Comparison of Budget to Actual for Fiscal Year

Comparison of Budget to Actual
For Fiscal Year ended June 30,
Accrual Basis^{1,2} (Unaudited)

	Budget	2014-15		2015-16			2016-17			2017-18			2018-19		
		Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference
Revenues															
Decal Sales ³	\$10,466,188	0,671,218	\$205,030	\$10,420,000	\$10,861,184	\$441,184	\$10,658,004	\$10,643,029	\$(14,975)	\$10,713,525	\$11,089,782	\$376,257	\$10,689,525	\$11,218,610	\$529,085
Transportation Access Fees	3,005,174	3,131,244	126,070	3,065,717	3,186,835	121,118	3,359,924	3,185,670	(174,254)	3,079,430	3,221,520	142,090	3,141,872	3,203,573	61,701
Nongovernmental Grants and Contracts		1,153	1,153		(765)	(765)		380	380		425	425			
Total Revenues	\$13,471,362	3,803,614	\$332,252	\$13,485,717	\$14,047,255	\$561,538	\$13,829,079	\$13,829,079	\$(188,849)	\$13,792,955	\$14,311,727	\$518,772	\$13,831,397	\$14,422,183	\$590,786
Operating Expenses															
Total Payroll	\$4,277,389	\$4,122,751	\$(154,638)	\$4,269,188	\$4,095,193	\$(173,995)	\$4,439,779	\$4,268,129	\$(171,650)	\$4,638,171	\$4,415,696	\$(222,475)	\$4,402,965	\$4,290,938	(\$112,027)

IV. Admission and Registration Headcounts and percentages by Type of Student ¹

	Fall 2015	Fall 2016	Fall 2017	Fall 2018*	Fall 2019*
All Students					
Applicants	59,408	58,857	64,579	63,104	63,324
Admitted	24,137	23,918	26,926	25,295	27,116
% of Applicants Admitted	40.6%	40.6%	41.7%	40.1%	42.8%
Enrolled	11,105	11,177	11,856	11,632	11,614
% of Admitted Enrolled	46.0%	46.7%	44.0%	46.0%	42.8%
First-Time-in-College					
Applicants	27,224	25,810	29,132	30,833	32,220
Admitted	10,578	10,077	11,190	11,375	13,701
% of Applicants Admitted	38.9%	39.0%	38.4%	36.9%	42.5%
Enrolled	3,110	2,945	3,063	3,282	3,773
% of Admitted Enrolled	29.4%	29.2%	27.4%	28.9%	27.5%
Florida College System					
Applicants	5,902	5,896	6,992	6,191	5,935
Admitted	4,210	4,403	5,309	4,557	4,240
% of Applicants Admitted	71.3%	74.7%	75.9%	73.6%	71.4%
Enrolled	2,905	3,009	3,128	3,115	2,900
% of Admitted Enrolled	69.0%	68.3%	58.9%	68.4%	68.4%
Other Undergraduate Transfers					
Applicants	5,318	5,233	5,818	5,063	4,797
Admitted	2,545	2,548	2,986	2,606	2,241
% of Applicants Admitted	47.9%	48.7%	51.3%	51.5%	46.7%
Enrolled	1,522	1,464	1,629	1,550	1,238
% of Admitted Enrolled	59.8%	57.5%	54.6%	59.5%	55.2%
Other Transfers ¹					
Applicants	1,161	1,101	956	770	1,165
Admitted	801	782	691	534	804
% of Applicants Admitted	69.0%	71.0%	72.3%	69.4%	69.0%
Enrolled	284	285	269	241	268
% of Admitted Enrolled	35.5%	36.4%	38.9%	45.1%	33.3%
Graduate					
Applicants	12,429	12,496	13,010	12,513	12,137
Admitted	5,309	5,538	6,031	5,501	5,391
% of Applicants Admitted	42.7%	44.3%	46.4%	44.0%	44.4%
Enrolled	2,898	3,092	3,346	3,033	3,048
% of Admitted Enrolled	54.6%	55.8%	55.5%	55.1%	56.5%
Professional Schools					
Applicants	7,374	8,321	8,671	7,734	7,070
Admitted	694	570	719	722	739
% of Applicants Admitted	9.4%	6.9%	8.3%	9.3%	10.5%
Enrolled	386	382	421	411	387
% of Admitted Enrolled	55.6%	67.0%	58.6%	56.9%	52.4%

V. Headcount and Full-Time Equi

VI. Debt Service Coverage from Pledged Revenues

**Historical Debt Service Coverage¹
Fiscal Year Ended June 30,**

	Fiscal Years Ending June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Pledged Revenues					