

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

**ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2017 and 2016**

Unaudited

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Revenue is derived from student transportation access fee assessed on a per credit-hour

Over the past several years there has been a significant improvement in sales of services, revenue collection and budgetary controls. This has resulted in a very strong financial position for future capital expansion. The above improvements to sales, collections, and budgetary controls were made possible by:

- Improved debt collection strategies and follow-up
- Improved management of fixed and variable expense
- Short and long-term goal setting

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

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,444,969	\$ 2,156,285
Investments	12,169,313	10,732,445
Accounts receivable, net	267,308	240,817
Due from other funds	4,626	765
Total current assets	<u>14,886,217</u>	<u>13,130,312</u>
Noncurrent assets		
Restricted cash	1,687,886	1,658,927
Restricted Investments	8,401,093	8,256,956
Capital assets	<u>37,410,611</u>	<u>38,796,699</u>
Total noncurrent assets	<u>47,499,590</u>	<u>48,712,582</u>
Total assets	<u>\$ 62,385,807</u>	<u>\$ 61,842,894</u>
Deferred Outflows of Resources		
Deferred Outflows of Pension Resources	<u>658,436</u>	<u>361,525</u>
Total Assets & Deferred Outflows of Resources	63,044,243	62,204,419
LIABILITIES		
Current liabilities		
Accounts payable	\$ 235,915	\$ 496,496
Bonds payable, current portion	2,495,000	2,225,000
Pension Liability- HIS, current portion	<u>12,495</u>	<u>13,609</u>
Total current liabilities	2,743,410	2,735,105
Noncurrent liabilities		
Bonds payable	17,461,312	19,884,187
Post Employment Health Care Benefits payable	696,191	588,556
Pension liability	1,317,042	831,343
Compensated absences payable	<u>229,065</u>	<u>227,621</u>
Total noncurrent liabilities	<u>19,703,610</u>	<u>21,531,706</u>
Total liabilities	22,447,020	24,266,812
Deferred Inflows of Resources		
Deferred Inflows of Pension Resources	<u>9,873</u>	<u>128,196</u>
Total Liabilities & Deferred Inflows of Resources	22,456,893	24,395,008
NET POSITION		
Invested in capital assets, net of related debt	17,454,299	16,687,513
Restricted for capital projects	7,205,042	6,911,572
Restricted for debt service	802,801	637,955
Restricted for renewal and replacement	2,862,501	2,701,680
Unrestricted	<u>12,262,707</u>	<u>10,870,692</u>
Total net position	<u>40,587,350</u>	<u>37,809,412</u>
Total liabilities and net position	<u>\$ 63,044,243</u>	<u>\$ 62,204,419</u>

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>2017</u>	<u>2016</u>
Revenues		
Operating revenues		
Sales and services	\$ 13,828,699	\$ 14,048,020
Other revenues	380	(765)
Total operating revenues	<u>13,829,079</u>	<u>14,047,255</u>
Expenses		
Operating expenses		
Salaries and related benefits	4,268,129	4,095,193
Expenses	3,612,220	4,053,002
Overhead expense	831,500	773,881
Depreciation	<u>1,565,413</u>	<u>1,556,973</u>
Total operating expenses	10,277,262	10,479,050
Operating income	3,551,818	3,568,205
Nonoperating revenues (expense)		
Interest income	148,135	103,138
Interest expense	(755,201)	(1,077,459)
Other non operating expense	(149,389)	
Loss on disposal of equipment	<u>(17,425)</u>	<u>(40,147)</u>
Total nonoperating income (expenses)	(773,879)	(1,014,468)
Change in net position	<u>2,777,938</u>	<u>2,553,737</u>
Total net position		
Beginning of year	37,809,412	35,255,675
Adjustments to Beginning Net Position	-	-
End of year	<u>\$ 40,587,350</u>	<u>\$ 37,809,412</u>

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
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED**

**STATE OF FLORIDA,
UNIVERSITY OF SOUTH FLORIDA
USF PARKING SERVICES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Financing Charges and Bond Discount: In connection with the issuance of the Parking System's bonds, certain related costs are deferred and amortized over the life of the related issue using the straight-line method. The use of the straight-line method does not materially differ from the effective interest method.

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

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,
UNIVERSITY OF SOUTH FLORIDA
PARKING SERVICES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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

of their respective market-weighted indices with a short-term dollar-weighted average maturity. Investments in this category are valued at quoted

Interest Rate and Credit Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University investment policy limits the short term fixed income portfolio (United States Treasury securities, United States government agency obligations, mortgage-backed securities, corporate debt, state and municipal securities investments) to a weighted average duration of less than five years. For long term investments, the investment policy does not limit the duration for long term corporate notes or other direct debt obligations. The University investment policy provides for interest rate risk. The risk varies depending on the type of investment.

Credit Risk: Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The University investment policy provides that all fixed income securities investments shall be rated in the top three rating classifications as defined by both Moody's and Standard & Poor's. The University investment policy provides for credit rate risk. The risk varies depending on the type of investment.

The following interest rate and credit risks apply to the University's investments in debt securities and money market mutual funds at June 30, 2017:

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 (3)	3.79	(1)	(1)	\$ 11,796,958
Repurchase Agreements (4)	1 Day	(2)	(2)	42,319,732
Bonds and Notes (3)	3.76	Aaa - A3	AAA - A-	19,548,669
Bonds and Notes (3)	0.54	Aaa - Aa2	Not Rated	848,645
Bond Mutual Funds (4)	3.03 Years	Not Rated	Not Rated	452,825,288
Money Market Mutual Funds (3)	21 Days	Aaa-mf	AAAm	<u>1,352,586</u>
Total				<u><u>\$528,691,878</u></u>

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

(2) Repurchase agreement is collateralized by a Federal Home Loan Mortgage Corporation security and is not rated.

(3) USF Health Sciences Center Self-Insurance Program

(4) University

NOTE 4 – NET RECEIVABLES

Accounts receivable is reported net of an allowance for uncollectible accounts. At June 30, 2017, allowance for uncollectible accounts was estimated to be \$133,894.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
Buildings	51,925,662	-		51,925,662
Construction in Progress	-	-		-
Furniture, Fixtures & Equipment	1,092,397	131,740	230,602	993,536
Software	6,000	-	-	6,000
Vehicles	3,225,573	65,010	127,903	3,162,680
Total	56,249,633	196,749	358,504	56,087,878
Less Accumulated Depreciation:				
Buildings	14,418,903	1,298,015		15,716,918
Furniture, Fixtures & Equipment	967,913	60,513	213,177	815,249
Software	6,000			6,000
Vehicles	2,060,117	206,886	127,903	2,139,100
Total Accumulated Depreciation	17,452,933	1,565,413	341,080	18,677,267
Capital Assets Net	38,796,699	(1,368,664)	17,425	37,410,611

NOTE 6 – LONG TERM DEBT

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds Payable					
2016A Parking (Refunded 2002, 2004A, and 2006A)	22,125,000	21,545,000	23,610,000	20,060,000	2,495,000
Unamortized Premium	27,293		27,293	-	
Unamortized Loss	-	(109,448)	(5,760)	(103,688)	
Unamortized Bond Discount	(43,106)		(43,106)	-	
Total Bond/71r54 TD0 tyable	22,109,181	21,435,552	23,588,426	19,956,312	2,495,000

Amount of

Amount Outstanding

Interest

I. Campus Population and Parking Spaces
Tampa Campus
Population and Parking Spaces

Fall Semester	Student Headcount Enrollment	Total Personnel Headcount*	Total Vehicle Spaces
2012-13	40,211	15,333	20,737
2013-14	41,225	16,421	20,809
2014-15	42,065	16,727	20,797
2015-16	42,191	16,905	20,824
2016-17	42,925	17,344	20,708

*Includes both full time and part-time personnel.

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

Parking Decal Types	Fiscal Year ended June 30,				
	2013 ³	2014	2015	2016	2017
Student Annual					
Number Issued	15,245	14,738	14,102	14,522	13,945
Cost	\$174	\$183	\$183	\$183	\$183
Student Semester					
Number Issued	18,583	16,149	16,647	17,153	16,764
Cost	\$87	\$91	\$91	\$91	\$91
Resident Student Annual					
Number Issued	1,720	1,556	1,567	1,725	1,594
Cost	\$215	\$226	\$226	\$226	\$226
Resident Student Semester					
Number Issued	2,204	2,484	2,854	2,905	2,776
Cost	\$108	\$113	\$113	\$113	\$113
Staff Annual					
Number Issued	4,476	4,596	4,656	4,965	5,152
Cost	\$257	\$270	\$270	\$270	\$270
Staff Semester					
Number Issued	885	950	1,073	1,157	1,129
Cost	\$129	\$135	\$135	\$135	\$135
Staff Gold Annual ²					
Number Issued	1,180	1,178	1,192	1,235	1,281
Cost	\$429	\$450	\$450	\$450	\$450
Moffitt Affiliate Annual					
Number Issued	1,065	1,200	1,000	1,000	1,000
Cost	\$290	\$305	\$305	\$305	\$305
Moffitt Affiliate Annual Gold					
Number Issued	232	300	300	300	290
Cost	\$470	\$494	\$494	\$494	\$494
Vendor Annual					
Number Issued	156	153	117	200	182
Cost	\$339	\$356	\$356	\$356	\$356
Reserved					
Number Issued	936	1,140	1,105	1,170	1,234
Cost	\$1,025	\$1,076	\$1,076	\$1,076	\$1,076
Park-n-Ride					
Number Issued	2,087	2,048	2,016	1,812	1,577
Cost	\$59	\$59	\$59	\$59	\$59
Motorcycle					
Number Issued	510	407	350	283	236
Cost	\$59	\$62	\$62	\$62	\$62
Alumni Annual					
Number Issued	41	44	48	42	41
Cost	\$84	\$88	\$88	\$88	\$88
Friends of USF Annual					
Number Issued	47	35	37	48	36
Cost	\$276	\$290	\$290	\$290	\$290
Friends of USF Semester					
Number Issued	48	29	33	22	31
Cost	\$138	\$145	\$145	\$145	\$145

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)

	2012-13			2013-14			2014-15			2015-16			2016-17		
	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference
Revenues															
Decal Sales ³	\$10,081,000	\$10,045,441	(\$35,559)	\$10,694,934	\$10,598,004	(\$96,930)	\$10,466,188	\$10,671,218	\$205,030	\$10,420,000	\$10,861,184	\$441,184	\$10,658,004	\$10,643,029	\$(14,975)
Transportation Access Fees	3,154,121	3,022,700	(131,421)	2,961,759	3,080,758	118,999	3,005,174	3,131,244	126,070	3,065,717	3,186,835	121,118	3,359,924	3,185,670	(174,254)
Nongovernmental Grants and Contracts								1,153	1,153		(765)	(765)		380	380
Total Revenues	\$13,235,121	\$13,068,141	(\$166,980)	\$13,656,693	\$13,678,762	\$22,069	\$13,471,362	\$13,803,614	\$332,252	\$13,485,717	\$14,047,255	\$561,538	\$14,017,928	\$13,829,079	\$(188,849)
Operating Expenses															
Total Payroll	\$4,083,720	\$3,868,333	(\$215,387) ⁴	\$3,863,408	\$3,933,715	\$70,307	\$4,277,389	\$4,122,751	\$(154,638)	\$4,269,188	\$4,095,193	\$(173,995)	\$4,439,779	\$4,268,129	\$(171,650)
Regular Expenses	6,189,996	4,900,594	(1,289,402) ⁵	5,465,965	4,642,553	(\$823,412) ⁶	4,706,530	4,651,191	(55,339)	4,832,300	4,826,883	(5,417)	6,555,530	4,443,719	(2,111,811) ⁸
Total Expenses	\$10,273,716	\$8,768,927	(\$1,504,789)	\$9,329,373	\$8,576,268	(\$753,105)	\$8,983,919	\$8,773,942	\$(209,977)	\$9,101,488	\$8,922,077	\$(179,411)	\$10,995,309	\$8,711,848	\$(2,283,461)
Other Income (Expenses):															
Capital Outlay ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expenses/Gain Loss on Disposal ¹	(\$1,696,372)	(\$1,696,372)	-	(\$1,706,621)	(\$1,706,621)	-	(\$1,996,614)	(\$1,996,614)	-	(1,597,120)	(1,597,120)	-	(1,582,838)	(1,582,838)	-
Interest Income	56,000	119,354	63,354	60,000	103,824	\$43,824	67,281	101,641	\$34,360	63,470	103,138	39,668	85,860	148,135	62,275
City of Tampa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	(1,353,735)	(1,366,297)	(12,562)	(1,272,285)	(1,284,847)	(12,562)	(1,179,379)	(1,291,257)	(111,878)	(1,077,459)	(1,077,459)	-	(755,201)	(755,201)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	(20,448)	(20,448)	-	(20,448)	(20,448)	-	(241,637) ⁸	(241,637)	-	-	-	(147,389)	(149,389)	(2,000)
Total Other Income	(\$2,994,107)	(\$2,963,762)	\$30,344	(\$2,918,906)	(\$2,908,092)	\$10,814	(\$3,108,712)	(\$3,427,867)	(\$319,155)	(\$2,611,109)	(\$2,571,441)	\$39,668	(\$2,399,568)	(\$2,339,293)	\$60,275
Net Revenue (Loss)	(\$32,702)	\$1,335,452	\$1,368,154	\$1,408,414	\$2,194,402	\$785,988	\$1,378,731	\$1,601,805	\$223,074	\$1,773,120	\$2,553,737	\$780,617	\$623,051	\$2,777,938	\$2,154,887

V. Headcount and Full-Time Equivalent Enrollment by Level

Headcount Enrollment by Level

Fall	Undergraduate	Graduate	Annual Total
2013	36,999	11,331	48,330
2014	36,929	11,649	48,578
2015	37,180	11,804	48,984
2016	37,602	12,209	49,811
2017	38,007	12,570	50,577

**Fall FTE Enrollment
(All Campuses)**

Level					Status		
					FTE of		
Fall	Undergrad	Graduate	Professional	Total	Full-Time	Part-Time	Total
2013	31,206	6,949	796	38,951	32,589	6,362	38,951
2014	31,166	7,102	897	39,165	32,748	6,417	39,165
2015	31,593	7,341	860	39,794	33,556	6,238	39,794
2016	31,771	7,779	1,315	40,865	35,125	5,740	40,685
2017	32,370	7,988	1,370	41,729	36,041	5,688	41,729

**Full-Time-Equivalent Enrollment by Level*
(Using IPEDS method)**

Academic Year

VI. Debt Service Coverage from Pledged Revenues

Historical Debt Service Coverage¹