

**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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## 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 Education and the University Board of Trustees.

### Financial Highlights

- Total operating revenue from sales and services of \$13.8 million in 2017 showed a decrease of 1.6% over prior year's sales and services of \$14 million. This was a result of a decrease in revenue permit sales.
- Interest earnings increased \$44,997 due to the increased cash and investment balances.
- Operating expenses showed an increase related to salaries of \$172,936, a decrease in regular expenses of \$440,782 and an increase in overhead of \$57,619. The following changes contributed to the \$440,782 net decrease in regular expenses:
  1. Decrease in reimbursement to the University for cost of services of \$161,753.
  2. Decrease in supplies/material expense of \$108,791 and contractual services of \$82,306.
- Net cash provided by operating activities of approximately \$5 million directly corresponds to sales receipts.
- The Parking System remains very solvent, at June 30, 2017; net assets are approximately \$40.6 million as total assets of \$63 million exceed total liabilities of \$22.5 million.
- Unrestricted cash and cash equivalents and investments of \$14.6 million provide excellent liquidity to the Parking System.
- The Parking System maintains restricted cash and investments of \$10.1 million for capital projects, debt service and renewal and replacement costs.

## Overview of Financial Statements

The Parking System financial statements include the following financial elements:

- A Statement of Net Position provides the reader with detail about the assets of the Parking System as well as its outstanding liabilities. The difference between assets and liabilities is reported as net position. The net position presentation shows additional breakdowns, which may help the reader's understanding of available resources of the Parking System versus those that are restricted. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.
- The Statement of Revenues, Expenses and Changes in Net Position, presents the revenues and expenses of the current fiscal year, which resulted from operations. The net revenue less expense when combined with other non-operating sources such as interest income and interest expenses results in the net income to the Parking System generated for the fiscal year, which increased the Net Position presented on the Statement of Net Position.
- The Statement of Cash Flows shows those items that resulted in sources and uses of cash to the Parking System's cash balance for the fiscal year for both restricted and unrestricted cash. A reconciliation of the cash change to the operating income of the Parking System is also included.
- The Notes to the Financial Statements provide background information that meets stringent governmental accounting reporting requirements and gives the reader additional information that may not be readily seen on the actual statements. Examples of such information include: a summary of significant accounting policies, capital assets, compensated absences, and bond indebtedness. The notes are an integral part of the financial statements.

## Analysis of Financial Statements

Assets:	2017	2016
Current assets	\$ 14,886,217	\$ 13,130,312
Included: cash and cash equivalents	2,444,969	2,156,285
Investments	12,169,313	10,732,445
Capital assets	37,410,611	38,796,699
Restricted cash and cash equivalents	1,687,886	1,658,927
Restricted Investments	8,401,093	8,256,956
Total Assets	\$ 62,385,807	\$ 61,842,894
Deferred Outflow s of Resources	658,436	361,525
Total Assets & Deferred Outflow s of Resources	63,044,243	62,204,419
Liabilities		
Current liabilities	\$ 2,743,410	\$ 2,735,105
Noncurrent liabilities	19,703,610	21,531,706
Total Liabilities	\$ 22,447,020	\$ 24,266,812
Deferred Inflow s of Resources		
Deferred Inflow s of Pension Resources	\$ 9,873	\$ 128,196
Total Liabilities & Deferred Outflow s of Resources	\$ 22,456,893	\$ 24,395,008
Net Positon:		
Invested in capital assets, net of related debt	\$ 17,454,299	\$ 16,687,513
Restricted	10,870,344	10,251,207
Unrestricted	12,262,707	10,870,692
Total net position	\$ 40,587,350	\$ 37,809,412
Total operating revenues	\$ 13,829,079	\$ 14,047,254
Total operating expenses	\$ 10,277,262	\$ 10,479,050
Operating income	\$ 3,551,818	\$ 3,568,205
Interest income	\$ 148,135	\$ 103,138
Interest/other expenses	\$ (922,015)	\$ (1,117,606)
Transfers, net	\$ -	\$ -
Change in net position	\$ 2,777,938	\$ 2,553,737
Net cash provided by operating activities	\$ 5,004,728	\$ 5,644,535
Net cash provided/(used) by noncapital financing activities (transfers)	\$ -	\$ -
Net cash (used) by capital and related financing activities	\$ (3,254,214)	\$ (3,754,633)
Net cash provided (used) by investing activities	\$ (1,432,870)	\$ (1,556,466)
Net change in cash and cash equivalents	\$ 317,644	\$ 333,436

Revenue is derived from 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. The Parking System uses the revenue to provide parking and transportation services to students and University employees. In that way it is a business that must operate as efficiently as possible while still providing the University community with a superior level of service.

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>
<b>ASSETS</b>		
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
<b>LIABILITIES</b>		
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
<b>NET POSITION</b>		
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>
<b>Revenues</b>		
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>
<b>Expenses</b>		
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
<b>Nonoperating revenues (expense)</b>		
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)
<b>Change in net position</b>	<u>2,777,938</u>	<u>2,553,737</u>
<b>Total net position</b>		
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  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30  
Unaudited**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Sales receipts	\$ 13,802,588	\$ 14,074,728
Payment for salaries and related benefits	(4,089,699)	(4,008,172)
Payment for expenses	(4,704,300)	(4,422,408)
Advances to/ from other funds	(3,861)	388
Net cash provided by operating activities	5,004,728	5,644,535
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of fixed assets	(196,749)	(194,804)
Debt service principal payments	(2,340,000)	(2,485,000)
Debt service interest payments	(717,465)	(1,074,829)
Net cash used by capital and related financing activities	(3,254,214)	(3,754,633)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales (Purchase) of Investments	(1,581,005)	(1,659,605)
Interest on investments	148,135	103,138
Net cash provided by investing activities	(1,432,870)	(1,556,467)
Net increase in cash and cash equivalents	317,644	333,436
Cash and cash equivalents, beginning of year	3,815,212	3,481,776
Cash and cash equivalents, end of year	\$ 4,132,856	\$ 3,815,212
<b>Reconciliation of net operating revenues to net cash provided by operating activities</b>		
Operating income		
Adjustments to reconcile operating income to net cash provided by operating activities-	\$ 3,551,818	\$ 3,568,205
Depreciation expense	1,565,413	1,556,973
Change in assets and liabilities		
Accounts receivable	(26,491)	27,474
Due from other funds	(3,861)	388
Accounts payable	(260,581)	404,475
Post Employment Health Care Benefits Payable	107,635	117,064
Pension Liability	69,351	(39,332)
Compensated absences payable	1,444	9,289
Net cash provided by operating activities	\$ 5,004,728	\$ 5,644,535

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 JUNE 30, 2017 AND 2016**

**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 accordingly, the University is governed, regulated and coordinated by the Florida Board of Education and the University Board of Trustees.

The Parking System's financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The significant accounting policies of the Parking System are described below:

**Basis of Presentation:** The Parking System is classified as a business type activity and accounts for its operations through the use of an enterprise fund. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

**Basis of Accounting:** Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. The financial statements are prepared on the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when incurred. All fund assets and liabilities, current and noncurrent, are accounted for on the statement of net assets. Enterprise funds have the option under Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Parking System has elected not to apply FASB pronouncements issued after the applicable date.

**Investments:** Investments are stated at fair value, which is based on quoted market prices; investment fund shares are determined by the fair value per share of the fund's underlying portfolio.

**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 are as follows:

➤ Buildings	-	35 to 40 years
➤ Furniture, fixtures and equipment	-	5 to 15 years
➤ Vehicles	-	10 to 12 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 pre-credit-hour basis, faculty/staff and student decals sales, citations and pay/lots meters collections, and other miscellaneous income such as boot fees and campus signs. 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, 2017 and 2016, the estimated liability for annual and sick leave was \$209,411 and \$215,859, 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,  
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 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.

The University's recurring fair value measurements as of June 30, 2017 are valued using the following valuation techniques and inputs:

*United States Treasury securities, Obligations of United States government agencies and instrumentalities, and Bonds and notes:* These securities are valued daily by a pricing service that uses evaluated pricing applications which incorporate available market information. Available information is also applied through benchmarking processes, sector groupings, and matrix pricing (Level 2 inputs).

*Repurchase agreements:* Repurchase agreements are collateralized at 102% with securities guaranteed by the US Government or an agency thereof and are valued at quoted prices for similar assets in active markets (Level 2 inputs).

*Stocks and other equity securities:* This type includes domestic and international equities valued at quoted prices in an active market (Level 1 inputs).

Equity mutual funds. This category includes investments in domestic and international equities through commingled fund structures. The investment objective of these funds is to track the performance of their respective benchmarks. Investments in this category are valued at quoted prices in an active market (Level 1 inputs).

Bond mutual funds. This category includes investments in fixed income securities through commingled fund structures. The investment objective of these funds is to track the performance

of their respective market-weighted indices with a short-term dollar-weighted average maturity. Investments in this category are valued at quoted prices in an active market (Level 1 inputs).

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, 2017, 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)
<b>Investments by fair value level</b>				
United States Treasury Securities	\$ 11,796,958	\$ -	\$ 11,796,958	\$ -
Repurchase Agreements	42,319,732		42,319,732	
Bonds and Notes	20,397,314	-	20,397,314	-
Stocks and Other Equity Securities	14,385,226	14,385,226	-	-
Mutual Funds:				
Equities	125,035,118	125,035,118	-	-
Bonds	452,825,288	452,825,288	-	-
Alternative	6,068,186	6,068,186	-	-
Money Market	1,352,586	1,352,586	-	-
Total investments by fair value level	<u>\$ 674,180,408</u>	<u>\$ 599,666,404</u>	<u>\$ 74,514,004</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>				
Hedge Funds	2,663,750			
Total investments measured at NAV	<u>2,663,750</u>			
<b>Total investments measured at fair value</b>	<u>\$ 676,844,158</u>			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

Investments measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Hedge funds	\$ 2,663,750	\$ -	Annually	95 days
<b>Total investments measured at the NAV</b>	<u>\$ 2,663,750</u>			

Hedge funds. This category includes an investment in a hedge fund of funds that seeks capital appreciation by investing with long/short equity and absolute return-oriented managers that employ a bottom up, fundamental approach to investing. The fair value of the investments in this category has been estimated using the net asset value per share of the investments.

Because the University reports under the GASB reporting model, it is required to disclose various investment risks. The University Board of Trustees has adopted a written investment policy. The University's investment policy allows investments in cash and cash equivalents, equities, and fixed income investments. The following risks apply to these investments:

*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	1,352,586
<b>Total</b>				<u>\$528,691,878</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

*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 in the repurchase agreements and bond mutual funds listed above. Investment earnings for the year ended June 30, 2017 and 2016 were \$148,135 and \$103,138 respectively.

## 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
<b>Total</b>	<b>56,249,633</b>	<b>196,749</b>	<b>358,504</b>	<b>56,087,878</b>
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
<b>Total Accumulated Depreciation</b>	<b>17,452,933</b>	<b>1,565,413</b>	<b>341,080</b>	<b>18,677,267</b>
<b>Capital Assets Net</b>	<b>38,796,699</b>	<b>(1,368,664)</b>	<b>17,425</b>	<b>37,410,611</b>

## 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)	-	
<b>Total Bonds Payable</b>	<b>22,109,187</b>	<b>21,435,552</b>	<b>23,588,426</b>	<b>19,956,312</b>	<b>2,495,000</b>
Other liabilities	-				
Post Employment Health Care Benefits Payable	588,556	107,635		696,191	
Compensated absences	227,621	1,444		229,065	
<b>Total Other liabilities</b>	<b>816,177</b>	<b>109,079</b>	<b>-</b>	<b>925,256</b>	<b>-</b>
<b>Total</b>	<b>22,925,363</b>	<b>21,544,631</b>	<b>23,588,426</b>	<b>20,881,568</b>	<b>2,495,000</b>

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:

Bond Type and Series	Amount of	Amount Outstanding		Interest
	Original Issue	Principal	Interest	Rates
2016A Parking	21,545,000	20,060,000	1,969,220	2.20
Less: Bond Discount/Premium				
Amt deferred on Refunding		(103,688)		
Total Bonds Payable	<u>21,545,000</u>	<u>19,956,312</u>	<u>1,969,220</u>	

Annual requirements to amortize all bonded debt outstanding as of June 30, 2017 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2018	2,495,000	441,320	2,936,320
2019	2,550,000	386,430	2,936,430
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
2023-2026	7,025,000	323,950	7,348,950
2028-2032	-	-	-
subtotal	20,060,000	1,969,220	22,029,220
Less: Bond Discount/Premium	-	-	-
Amount Deferred on Refunding	(103,688)		(103,688)
Total (net of discount)	19,956,312	1,969,220	21,925,532

The bond resolutions provide for the establishment of Sinking Funds to be held and administered by the State Board of Administration (SBA) for the purpose of paying the principal and interest on the bonds as they become due. The bond resolutions provide for the establishment of a Reserve Account which is to be used for payments of debt service when amounts in the Sinking Fund are insufficient. The Reserve Account will be funded in an amount equivalent to Maximum Annual Debt Service by surety bond from Municipal Bond Investors Assurance Corporation.

The bond covenants require the establishment of facility maintenance and equipment reserve funds. Proposed annual operating budgets of the University shall provide for at least 3% of the total annual projected pledged revenues for each specific bond issue to be deposited into a reserve fund(s) for auxiliary facilities until an amount equal to at least 30% of the current year annual pledged revenue is reached. The required amount is currently 30% of the current year annual pledged revenue.

The monies in said Building Maintenance and Equipment Reserve 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 not paid as part of ordinary and normal expense of the operation and maintenance of the Parking System.

Interest expense on bonds for the fiscal year ended June 30, 2017 and 2016 respectively was \$717,465 and \$1,074,829.

# **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>
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 Type<sup>1</sup> and Student Transportation Access Fees.

Parking Decal Types	Fiscal Year ended June 30,				
	2013 <sup>3</sup>	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 <sup>2</sup>					
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
<b>Total Number of Decals Issued</b>	<b>49,415</b>	<b>47,007</b>	<b>47,097</b>	<b>48,539</b>	<b>47,269</b>
<b>Student Transportation Access Fee</b>					
Per Credit Hour Fee	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Student Credit Hours	1,007,567	1,026,919	1,043,478	1,062,278	1,061,890

<sup>1</sup> The number of parking decals issued includes decals that were issued as replacements at no charge or which were prorated throughout the year. State Sales tax is added in addition to price listed.

<sup>2</sup> This decal allows staff members access to certain designated lots on campus (currently there are six gold lots). The number of gold permits sold directly corresponds to the available spaces in the gold lots; consequently, those staff members possessing a gold decal are guaranteed an available parking space.

<sup>3</sup> Information for these years has been restated.

III. Comparison of Budget to Actual for Fiscal Year

Comparison of Budget to Actual  
For Fiscal Year ended June 30,  
Accrual Basis<sup>1,2</sup> (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
<b>Revenues</b>															
Decal Sales <sup>3</sup>	\$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
<b>Total Revenues</b>	<b>\$13,235,121</b>	<b>\$13,068,141</b>	<b>(\$166,980)</b>	<b>\$13,656,693</b>	<b>\$13,678,762</b>	<b>\$22,069</b>	<b>\$13,471,362</b>	<b>\$13,803,614</b>	<b>\$332,252</b>	<b>\$13,485,717</b>	<b>\$14,047,255</b>	<b>\$561,538</b>	<b>\$14,017,928</b>	<b>\$13,829,079</b>	<b>\$(188,849)</b>
<b>Operating Expenses</b>															
Total Payroll	\$4,083,720	\$3,868,333	(\$215,387) <sup>4</sup>	\$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) <sup>5</sup>	5,465,965	4,642,553	(\$823,412) <sup>6</sup>	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) <sup>8</sup>
<b>Total Expenses</b>	<b>\$10,273,716</b>	<b>\$8,768,927</b>	<b>(\$1,504,789)</b>	<b>\$9,329,373</b>	<b>\$8,576,268</b>	<b>(\$753,105)</b>	<b>\$8,983,919</b>	<b>\$8,773,942</b>	<b>\$(209,977)</b>	<b>\$9,101,488</b>	<b>\$8,922,077</b>	<b>\$(179,411)</b>	<b>\$10,995,309</b>	<b>\$8,711,848</b>	<b>\$(2,283,461)</b>
<b>Other Income (Expenses):</b>															
Capital Outlay <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expenses/Gain Loss on Disposal <sup>1</sup>	(\$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) <sup>8</sup>	(241,637)	-	-	-	(147,389)	(149,389)	(2,000)
<b>Total Other Income</b>	<b>(\$2,994,107)</b>	<b>(\$2,963,762)</b>	<b>\$30,344</b>	<b>(\$2,918,906)</b>	<b>(\$2,908,092)</b>	<b>\$10,814</b>	<b>(\$3,108,712)</b>	<b>(\$3,427,867)</b>	<b>(\$319,155)</b>	<b>(\$2,611,109)</b>	<b>(\$2,571,441)</b>	<b>\$39,668</b>	<b>(\$2,399,568)</b>	<b>(\$2,339,293)</b>	<b>\$60,275</b>
<b>Net Revenue (Loss)</b>	<b>(\$32,702)</b>	<b>\$1,335,452</b>	<b>\$1,368,154</b>	<b>\$1,408,414</b>	<b>\$2,194,402</b>	<b>\$785,988</b>	<b>\$1,378,731</b>	<b>\$1,601,805</b>	<b>\$223,074</b>	<b>\$1,773,120</b>	<b>\$2,553,737</b>	<b>\$780,617</b>	<b>\$623,051</b>	<b>\$2,777,938</b>	<b>\$2,154,887</b>

<sup>1</sup> The University has an accrual basis system. Expenses for capital outlay are capitalized on the balance sheet and corresponding depreciation expense is reflected in this schedule.

<sup>2</sup> Totals may not foot due to rounding.

<sup>3</sup> Also includes meter collections, citation collections, vending permit collections and transportation collections, which are not budgeted separately, but are combined with Decal Sales for budgeting purposes.

<sup>4</sup> The large variance in budgeted versus actual Regular Expenses in 2012-13 was due to several budgeted major purchases (including transit buses) and various renovations projects being deferred.

<sup>5</sup> Variance primarily due to budgeting expenses that were subsequently capitalized and budgeting expenditures that were subsequently deferred.

<sup>6</sup> Variance primarily due to the deferral of \$350,000 expenses until 2014-15 and capitalization of \$326,000 expenses that were budgeted for renovation and maintenance.

<sup>7</sup> Deferred charges were written off in Fiscal Year 2014-15 due to GASB 65.

<sup>8</sup> The large variance in budgeted versus actual Regular Expenses in 2016-17 was due to transit bus purchases and special projects that were deferred, a decrease in reimbursement to the University for cost of services, and budgeted expenses that were subsequently capitalized.

#### IV. Admission and Registration Headcounts and percentages by Type of Student<sup>1</sup>

	Fall 2013	Fall 2014	Fall 2015	Fall 2016 <sup>1</sup>	Fall 2017 <sup>1</sup>
<b>All Students</b>					
Applicants	53,576	55,909	59,408	58,824	64,557
Admitted	23,558	24,327	24,137	23,875	26,893
% of Applicants Admitted	44.0%	43.5%	40.6%	40.6%	41.7%
Enrolled	11,354	11,263	11,105	11,165	11,791
% of Admitted Enrolled	48.2%	46.3%	46.0%	46.8%	43.8%
<b>First-Time-in-College</b>					
Applicants	24,794	25,488	27,224	25,810	29,132
Admitted	10,445	10,937	10,578	10,077	11,190
% of Applicants Admitted	42.1%	42.9%	38.9%	39.0%	38.4%
Enrolled	3,307	3,294	3,110	2,945	3,064
% of Admitted Enrolled	31.7%	30.1%	29.4%	29.2%	27.4%
<b>Florida College System</b>					
Applicants	6,301	6,109	5,902	5,896	7,061
Admitted	4,452	4,340	4,210	4,403	5,378
% of Applicants Admitted	70.7%	71.0%	71.3%	74.7%	76.2%
Enrolled	3,037	3,009	2,905	3,009	3,196
% of Admitted Enrolled	68.2%	69.3%	69.0%	68.3%	59.4%
<b>Other Undergraduate Transfers</b>					
Applicants	6,117	5,212	5,318	5,233	5,745
Admitted	3,142	2,429	2,545	2,548	2,913
% of Applicants Admitted	51.4%	46.6%	47.9%	48.7%	50.7%
Enrolled	1,829	1,415	1,522	1,464	1,559
% of Admitted Enrolled	58.2%	58.3%	59.8%	57.5%	53.5%
<b>Graduate</b>					
Applicants	10,905	13,218 <sup>2</sup>	13,590	13,597	13,943
Admitted	4,739	5,970	6,110	6,320	6,688
% of Applicants Admitted	43.6%	45.2%	45.0%	46.5%	48.0%
Enrolled	2,708	3,117	3,182	3,377	3,555
% of Admitted Enrolled	56.7%	52.2%	52.1%	53.4%	53.2%
<b>Professional Schools</b>					
Applicants	5,459	5,882	7,374	8,321	8,676
Admitted	744	651	694	570	724
% of Applicants Admitted	13.6%	11.1%	9.4%	6.9%	8.3%
Enrolled	473	428	386	382	417
% of Admitted Enrolled	63.6%	65.7%	55.6%	67.0%	57.6%

<sup>1</sup> Fall 2016 information has been updated to reflect final figures. Fall 2017 figures are preliminary.

<sup>2</sup> Beginning Fall 2014, post-baccalaureate degree seeking and post baccalaureate non-degree seeking were included in Graduate figures; not previously reported.

## V. Headcount and Full-Time Equivalent Enrollment by Level

### Headcount Enrollment by Level

<b>Fall</b>	<b>Undergraduate</b>	<b>Graduate</b>	<b>Annual Total</b>
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)

<b>Level</b>					<b>Status</b>		
					<b>FTE of</b>		
<b>Fall</b>	<b>Undergrad</b>	<b>Graduate</b>	<b>Professional</b>	<b>Total</b>	<b>Full-Time</b>	<b>Part-Time</b>	<b>Total</b>
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)

<b>Academic Year</b>	<b>Undergraduate</b>	<b>Graduate</b>	<b>Annual Total</b>
2012-13	34,281	7,969	42,250
2013-14	33,843	8,282	42,125
2014-15	33,681	8,555	42,236
2015-16	34,219	8,694	42,913
2016-17	34,215	8,734	42,949

\* The University has restated all FTE data. The University no longer reports FTE information using the "Florida" methodology, but now uses the "Federal" methodology referred to as "IPEDS" FTE (Independent Postsecondary Education Data System from the National Center for Education Statistics). Annual full-time equivalency under the "Federal" methodology is 30 hours for undergraduate students and 24 hours for graduate students. FTE enrollment is determined by dividing the total number of hours enrolled by all students in a specific category by the appropriate hour requirement. Annual full-time equivalency under the previously used "Florida" methodology is 40 hours for undergraduate students and 32 hours for graduate students.

## VI. Debt Service Coverage from Pledged Revenues

### Historical Debt Service Coverage<sup>1</sup> Fiscal Year Ended June 30,

	Fiscal Years Ending June 30,				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Pledged Revenues</b>					
Operating Revenues <sup>2</sup>	\$13,068,141	\$13,678,761	\$13,803,614	\$14,047,255	\$13,829,079
Less Operating Expenses <sup>3</sup>	(7,799,318)	(7,627,751)	(7,941,563)	(8,148,196)	(7,880,349)
Plus Interest Earnings <sup>4</sup>	<u>119,354</u>	<u>103,824</u>	<u>101,641</u>	<u>103,138</u>	<u>148,135</u>
<b>Total Pledged Revenues</b>	\$5,388,177	\$6,154,834	\$5,963,692	\$6,002,197	\$6,096,866
<b>Debt Service on the Outstanding Bonds</b>	\$3,558,735	\$3,557,285	\$3,559,379	\$3,559,829	\$3,057,465
<b>Pledged Revenues After Debt Service and Available for Other Expenses</b>	\$1,829,442	\$2,597,549	\$2,404,313	\$2,442,368	\$3,039,401
<b>Maximum Annual Debt Service</b>	\$3,559,829	\$3,557,285	\$3,559,829	\$3,559,829	\$3,057,465
<b>Debt Service Coverage Ratios</b>					
Annual Debt Service	1.51x	1.73x	1.68x	1.69x	1.99x
Maximum Annual Debt Service	1.51x	1.73x	1.68x	1.69x	1.99x

<sup>1</sup> The financial information related to revenues and expenses was provided by the University and has not been audited.

<sup>2</sup> The increase in operating revenues in 2013-14 was due to a 5% rate increase.

<sup>3</sup> Excludes depreciation expense and University administrative overhead charges included as operating expenses in the financial statements. Administrative overhead charges were \$969,609 in 2012-2013; \$948,517 in 2013-2014; \$832,379 in 2014-2015, \$773,881 in 2015-2016, and \$831,500 in 2016-2017.

<sup>4</sup> Includes only interest earned on the operating account of the existing parking system.