

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

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

Unaudited

TABLE OF CONTENTS

Financial Statements

Management's Discussion and Analysis

Statement of Net Position

Statement of Revenues, Expenses, and Changes in Net Position

Statement of Cash Flows

Notes to Financial Statements

Statistical Information

Daytime Campus Population and Total Number of Parking Spaces

Number and Costs of Parking Decals Issued by Type and Student Transportation Access Fee

Comparison of Budget to Actual

Historical Debt Service Coverage from Pledged Revenues

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 positions not being filled during the fiscal year. Depreciation expense increased \$99,849 due to the purchase of vehicles in 2018 and 2019.
- Net cash provided by operating activities of approximately \$4.9 million directly corresponds to sales receipts net of operating expenses.
- The Parking System remains very solvent at June 30, 2019 with net assets of \$46.2 million, as total assets of \$65.9 million exceed total liabilities of \$19.7 million.
- Unrestricted cash and cash equivalents and investments of \$17.7 million provide excellent liquidity to the Parking System.
- The Parking System maintains restricted cash and investments of \$11.6 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 detail for 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 of available resources of the Parking System versus those that are restricted. Changes in net position over time indicate 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 change in cash 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 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:	2019	2018
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	<u>\$ 65,073,382</u>	<u>\$ 64,151,985</u>
Deferred Outflow s of Resources	<u>\$ 823,091</u>	<u>802,579</u>
Total Assets & Deferred Outflow s of Resources	<u>65,896,473</u>	<u>64,954,564</u>
Liabilities		
Current liabilities	\$ 2,967,859	\$ 3,530,189
Noncurrent liabilities	16,166,843	18,756,024
Total Liabilities	<u>\$ 19,134,702</u>	<u>\$ 22,286,213</u>
Deferred Inflow s of Resources	<u>\$ 546,806</u>	<u>\$ 368,355</u>
Total Liabilities & Deferred Outflow s of Resources	<u>\$ 19,681,508</u>	<u>\$ 22,654,568</u>
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	<u>\$ 46,214,965</u>	<u>\$ 42,299,997</u>
Total operating revenues	<u>\$ 14,422,183</u>	<u>\$ 14,311,727</u>
Total operating expenses	<u>\$ 10,798,575</u>	<u>\$ 10,939,854</u>
Operating income	<u>\$ 3,623,608</u>	<u>\$ 3,371,873</u>
Interest income	<u>\$ 689,311</u>	<u>\$ 389,393</u>
Interest/other expenses	<u>\$ (397,951)</u>	<u>\$ (475,520)</u>
Capital Appropriations	<u>\$ -</u>	<u>\$ 3,240</u>
Transfers, net	<u>\$ -</u>	<u>\$ -</u>
Change in net position	<u>\$ 3,914,968</u>	<u>\$ 3,288,986</u>
Net cash provided by operating activities	<u>\$ 4,862,982</u>	<u>\$ 5,876,339</u>
Net cash provided/(used) by noncapital financing activities (transfers)	<u>\$ -</u>	<u>\$ -</u>
Net cash (used) by capital and related financing activities	<u>\$ (3,400,058)</u>	<u>\$ (3,850,048)</u>
Net cash provided (used) by investing activities	<u>\$ (4,050,054)</u>	<u>\$ (1,622,923)</u>
Net change in cash and cash equivalents	<u>\$ (2,587,130)</u>	<u>\$ 403,368</u>

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. The Parking System uses the revenue to provide parking and transportation services to students and University employees. The Parking System 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>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	<u>17,921,754</u>	<u>16,486,691</u>
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	<u>47,151,628</u>	<u>47,665,294</u>
Total assets	<u>\$ 65,073,382</u>	<u>\$ 64,151,985</u>
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	<u>65,896,473</u>	<u>64,954,564</u>
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	<u>2,967,859</u>	<u>3,530,189</u>
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	<u>16,166,843</u>	<u>18,756,024</u>
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	<u>19,681,508</u>	<u>22,654,568</u>
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	<u>46,214,965</u>	<u>42,299,997</u>
Total liabilities and net position	<u>\$ 65,896,473</u>	<u>\$ 64,954,564</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>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
Change in net position	<u>3,914,968</u>	<u>3,288,986</u>
Total net position		
Beginning of year	42,299,997	40,587,350
Adjustments to Beginning Net Position	-	(1,576,339)
End of year	<u>\$ 46,214,965</u>	<u>\$ 42,299,997</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>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	4,862,982	5,876,339
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of fixed assets	(463,628)	(916,968)
Capital Appropriations	-	3,240
Debt service principal payments	(2,550,000)	(2,495,000)
Debt service interest payments	(386,430)	(441,320)
Net cash used by capital and related financing activities	(3,400,058)	(3,850,048)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(4,739,365)	(2,012,316)
Interest on investments	689,311	389,393
Net cash used by investing activities	(4,050,054)	(1,622,923)
Net increase/(decrease) in cash and cash equivalents	(2,587,130)	403,368
Cash and cash equivalents, beginning of year	4,536,224	4,132,856
Cash and cash equivalents, end of year	\$ 1,949,094	\$ 4,536,224
Reconciliation of net operating revenues to net cash provided by operating activities		
Operating income		
Adjustments to reconcile operating income to net cash provided by operating activities-	\$ 3,623,608	\$ 3,371,873
Depreciation expense	1,642,041	1,542,192
Change in assets and liabilities		
Accounts receivable	52,646	(1,831)
Due from other funds	(220)	3,434
Accounts payable	(609,429)	703,708
Post Employment Health Care Benefits Payable	34,341	107,530
Pension Liability	112,159	109,229
Compensated absences payable	7,836	40,204
Net cash provided by operating activities	\$ 4,862,982	\$ 5,876,339

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, 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 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.

Deferred Loss on Refunding: 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.

**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,
UNIVERSITY OF SOUTH FLORIDA
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.

The University's recurring fair value measurements as of June 30, 2019 are valued using the following valuation techniques and inputs:

United States Treasury securities 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).

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 on 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).

**STATE OF FLORIDA,
UNIVERSITY OF SOUTH FLORIDA
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	\$ -

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.

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

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2019</u>
Buildings	51,925,662	-		51,925,662
Construction in Progress	-	-		-
Furniture, Fixtures & Equipment	990,962	80,077	37,140	1,033,899
Software	6,000	-	-	6,000
Vehicles	3,475,998	383,552	-	3,859,550
Total	56,398,622	463,629	37,140	56,825,111
Less Accumulated Depreciation:				
Buildings	17,014,933	1,298,014		18,312,947
Furniture, Fixtures & Equipment	733,661	40,901	37,140	737,422
Software	6,000			6,000
Vehicles	1,881,321	303,126	-	2,184,447
Total Accumulated Depreciation	19,635,915	1,642,041	37,140	21,240,816
Capital Assets Net	36,762,707	(1,178,412)	-	35,584,295

NOTE 6 – LONG TERM DEBT

Long-term liability activity for the year ended June 30, 2019 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)	17,565,000		2,550,000	15,015,000	2,610,000
Unamortized Premium	-			-	
Unamortized Loss	(92,167)		(11,521)	(80,646)	(11,521)
Unamortized Bond Discount	-			-	
Total Bonds Payable	17,472,833	-	2,538,479	14,934,354	2,598,479
Other liabilities	-				
Post Employment Health Care Benefits Payable	2,133,376	381,420	466,482	2,048,314	29,514
Pension Liability	1,471,111	943,020	869,397	1,544,734	9,671
Compensated absences	269,269	25,621	17,785	277,105	
Total Other liabilities	3,873,756	1,350,061	1,353,664	3,870,153	39,185
Total	21,346,589	1,350,061	3,892,143	18,804,507	2,637,664

**STATE OF FLORIDA,
UNIVERSITY OF SOUTH FLORIDA
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	16,156,470
Less: Bond Discount/Premium	-		-
Amount Deferred on Refunding	(80,646)		(80,646)
Total (net of discount)	14,934,354	1,141,470	16,075,824

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.

**STATE OF FLORIDA,
UNIVERSITY OF SOUTH FLORIDA
PARKING FACILITY REVENUE BONDS
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**

Fall Semester	Student Headcount Enrollment	Total Personnel Headcount*	Total Vehicle Spaces
2014-15	42,065	16,727	20,797
2015-16	42,191	16,905	20,824
2016-17	42,925	17,344	20,708
2017-18	43,675	17,838	20,530
2018-19	43,967	18,087	20,370

*Includes both full time and part-time personnel.

(Remainder of page intentionally left blank)

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

Parking Decal Types	2015	2016	2017	2018	2019
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 Annual¹					
Number Issued	1,192	1,235	1,281	1,284	1,336
Cost	\$450	\$450	\$450	\$450	\$450
Moffit/Affiliate Annual					
Number Issued	1,000	1,000	1,000	1,000	700
Cost	\$305	\$305	\$305	\$305	\$305
Moffit/Affiliate Annual Gold					
Number Issued	300	300	290	290	290
Cost	\$494	\$494	\$494	\$494	\$494
Vendor Annual					
Number Issued	117	200	182	195	144
Cost	\$356	\$356	\$356	\$356	\$356
Reserved					
Number Issued	1,105	1,170	1,234	1,231	1,307
Cost	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076
Park n Ride					
Number Issued	2,016	1,812	1,577	1,446	1,433
Cost	\$59	\$59	\$59	\$59	\$59
Motorcycle					
Number Issued	350	283	236	240	241
Cost	\$62	\$62	\$62	\$62	\$62
Alumni Annual					
Number Issued	48	42	41	36	37
Cost	\$88	\$88	\$88	\$88	\$88
Friends of USF Annual					
Number Issued	37	48	36	40	42
Cost	\$290	\$290	\$290	\$290	\$290
Friends of USF Semester					
Number Issued	33	22	31	27	27
Cost	\$145	\$145	\$145	\$145	\$145
Total Number of Decals Issued	47,097	48,539	47,269	47,369	47,887
Student Transportation Access Fee					
Per Credit Hour Fee	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Student Credit Hours	1,043,478	1,062,278	1,061,890	1,073,840	1,067,858

¹ 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.

² 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.

¹ 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.

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)

	2014-15			2015-16			2016-17			2017-18			2018-19		
	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference
Revenues															
Decal Sales ³	\$10,466,188	\$10,671,218	\$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	\$13,803,614	\$332,252	\$13,485,717	\$14,047,255	\$561,538	\$14,017,928	\$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) ⁷
Regular Expenses	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) ⁵	7,085,438	4,981,967	(2,103,471) ⁶	6,765,171	4,865,596	(1,899,575) ⁸
Total Expenses	\$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)	\$11,723,609	\$9,397,662	\$(2,325,947)	11,168,136	\$9,156,534	\$(2,011,602)
Other Income (Expenses):															
Capital Outlay ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expenses/Gain Loss on Disposal ¹	(1,996,614)	(1,996,614)	-	(1,597,120)	(1,597,120)	-	(1,582,838)	(1,582,838)	-	(1,564,871)	(1,564,871)	-	(1,642,041)	(1,642,041)	-
Interest Income	67,281	101,641	34,360	63,470	103,138	39,668	85,860	148,135	62,275	101,541	389,393	287,852	304,000	689,311	385,311
Interest Expense	(1,179,379)	(1,291,257)	(111,878)	(1,077,459)	(1,077,459)	-	(755,201)	(755,201)	-	(662,875)	(452,841)	210,034	(386,430)	(397,951)	(11,521)
Miscellaneous	-	(241,637) ⁴	(241,637)	-	-	-	(147,389)	(149,389)	(2,000)	-	3,240	3,240	-	-	-
Total Other Income	\$(3,108,712)	\$(3,427,867)	\$(319,155)	\$(2,611,109)	\$(2,571,441)	\$39,668	\$(2,399,568)	\$(2,339,293)	\$60,275	\$(2,126,205)	\$(1,625,078)	\$501,127	\$(1,724,471)	\$(1,350,681)	\$373,790
Net Revenue (Loss)	\$1,378,731	\$1,601,805	\$223,074	\$1,773,120	\$2,553,737	\$780,617	\$623,051	\$2,777,938	\$2,154,887	\$(56,859)	\$3,288,986	\$3,345,845	\$938,790	\$3,914,968	\$2,976,178

¹ 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.

² Totals may not foot due to rounding

³ 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.

⁴ Deferred charges were written off in Fiscal Year 2014-15 due to GASB 65.

⁵ 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.

⁶ The large variance in budgeted versus actual Regular Expenses in 2017-18 was due to special projects that were deferred, utility savings, lower than anticipated Upass expenses, and budgeted expenses that were subsequently capitalized.

⁷ The large variance in budgeted versus actual Total Payroll in 2018-19 was due to an increase in vacant positions and decreased expenses for other postemployment benefits, wages, and compensated absences

⁸ The large variance in budgeted versus actual Regular Expenses in 2018-19 was due to special projects that were deferred and budgeted expenses that were subsequently capitalized.

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%

¹ Other Transfers include post Bachelor's degree seeking and non-degree seeking transfers.

* Fall 2018 information has been revised with final number. Fall 2019 information is preliminary.

V. Headcount and Full-Time Equivalent Enrollment (FTE) by Level

Headcount Enrollment by Level

Fall	Undergraduate	Graduate	Annual Total
2015	37,180	11,804	48,984
2016	37,602	12,209	49,811
2017	38,124	12,660	50,784
2018	38,472	12,381	50,853
2019	38,701	12,226	50,927

**Fall FTE Enrollment
(All Campuses)**

Level					Status FTE of		
Fall	Undergrad	Graduate	Professional	Total	Full-Time	Part-Time	Total
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	32,439	8,056	1,376	41,871	36,140	5,731	41,871
2018	32,628	7,738	1,421	41,787	35,945	5,842	41,787
2019	32,894	7,510	1,448	41,852	36,006	5,846	41,852

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

Academic Year	Undergraduate	Graduate	Annual Total
2014-15	33,681	8,555	42,236
2015-16	34,219	8,694	42,913
2016-17	34,215	8,734	42,949
2017-18	34,837	8,919	43,756
2018-19	34,992	8,856	43,849

* 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 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					
Operating Revenues ²	\$13,803,614	\$14,047,255	\$13,829,079	\$14,311,727	\$14,422,183
Less Operating Expenses ³	(7,941,563)	(8,148,196)	(7,880,349)	(8,525,803)	(8,327,075)
Plus Interest Earnings ⁴	<u>101,641</u>	<u>103,138</u>	<u>148,135</u>	<u>389,393</u>	<u>689,311</u>
Total Pledged Revenues	\$5,963,692	\$6,002,197	\$6,096,866	\$6,175,317	\$6,784,419
Debt Service on the Outstanding Bonds	\$3,559,379	\$3,559,829	\$3,057,465	\$2,936,320	\$2,936,430
Pledged Revenues After Debt Service and Available for Other Expenses	\$2,404,313	\$2,442,368	\$3,039,401	\$3,238,997	\$3,847,989
Maximum Annual Debt Service	\$3,559,829	\$3,559,829	\$3,057,465	\$2,940,330	\$2,940,330
Debt Service Coverage Ratios					
Annual Debt Service	1.68x	1.69x	1.99x	2.10x	2.31x
Maximum Annual Debt Service	1.68x	1.69x	1.99x	2.10x	2.31x

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

² The increase in operating revenues in 2017-18 was due to an increase in permits sold and an increase in student credit hours.

³ Excludes depreciation expense and University administrative overhead charges included as operating expenses in the financial statements. Administrative overhead charges were \$832,379 in 2014-2015, \$773,881 in 2015-2016, \$831,500 in 2016-2017 and \$871,859 in 2017-2018, and \$829,459 in 2018-2019.

⁴ Includes only interest earned on the operating account of the existing Parking System.