



FLORIDA ATLANTIC  
UNIVERSITY

**Parking and Transportation Services**

**Financial Statements**

**June 30, 2021**

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

Our discussion and analysis of Florida Atlantic University's Parking & Transportation system financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2021. The following discussion should be read in conjunction with FAU Parking & Transportation's financial statements and notes thereto.

In accordance with the mission of the University, Parking & Transportation operates to provide and promote campus-wide efficient and safe transit and vehicular access to the University. Parking & Transportation seeks to identify, evaluate, and implement appropriate transit services; future land use for transportation and parking systems; and provide and support accessible parking facilities for students, faculty, staff, and visitors to the University.

Parking & Transportation's total operating revenues decreased by \$661,999 or 10.03%. The decrease in revenue is due to the negative economic impact of COVID-19 causing major disruptions in our operation during the fiscal year 2021. The components of operating revenue which reported revenue loss year over year included Parking Meter revenues which decreased by \$207,897 or 82.47% due to the decrease of visitors on our campuses, traffic fines revenues decreased by \$259,423 or 63.10% due to the significant decrease in the number of motorists on our campuses. Sales and Service revenue decreased by \$90,548 or 83.08% year over year due to a decrease in request for our shuttle bus rentals, events on campus, and the rental of our message boards during the fiscal year ending on June 30, 2021.

Total operating expenses decreased by \$6,333,161 or 64.02% from approximately \$9,892,493 for the fiscal year ended June 30, 2020 to \$3,559,332 for the fiscal year ended June 30, 2021. This decrease is due to a prior period adjustment of \$6M to Depreciation Expense to account for the conversion of an operating lease to a capital lease as per GASB 62 guidance. The components that decreased year over year are Salaries and Benefits by \$53,988 or 5.64%, Other Personal Services by \$51,005 or 60.99%, due to the loss of a few employees, Repair and Maintenance by \$153,401 or 62.03%, Materials and Supplies by \$59,125 or 34.28% due to the impact of COVID-19 on our operation during the fiscal year ending on June 30, 2021. An analysis and review of Parking &

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Transportation's net position on June 30, 2021 year-end, which represents the difference between assets and liabilities, provides a measure of the financial health, or financial position of the Division. The changes in net position that occur over time indicate improvement or deterioration in the Parking & Transportation's net position. The University believes the financial position of Parking & Transportation is in good health as net position increased by \$2.9 million or 9.55% from approximately \$30.7 million for the fiscal year ended June 30, 2020 to \$33.62 million for the fiscal year ended June 30, 2021. Further, the University's management, which oversees Parking & Transportation operations, has insured its financial strength through a multi-year comprehensive strategic plan.

In August 2002, the first parking garage on the Boca Raton campus was opened. The second parking garage opened in August 2003. A third parking garage was opened in January 2014. Immediately after opening, all three garages reached their capacities. This is an indicator that development of additional parking facilities was necessary to accommodate the University's increasing student enrollment. The University's management has insured that sufficient cash is available and will continue to be maintained to meet the annual debt service requirements of Parking & Transportation.

This Management Discussion and Analysis related to the financial information are designed to provide a general overview of Parking & Transportation's financial condition. If you have questions about this report or need additional financial information, Mr. Philippe Dubois, MSF, Associate Director of Parking and Transportation, Florida Atlantic University, 777 Glades Road, Boca Raton, Florida, (561) 297-2771.

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

**ASSETS**

**Current Assets**

Cash	\$ -
Special Investments - State Treasury	18,428,452
Adjustment to fair market value	(293,909)
Interest and dividends receivable	30,266
Prepaid Items	-
Accounts receivable (net)	596,112
<b>Total Current Assets</b>	<b>18,760,921</b>

**Noncurrent Assets**

Property Under Capital Lease	11,400,000
Buildings	31,139,853
Furniture and equipment	1,302,052
Vehicles	1,628,423
Computer Software	125,609
Improvements	4,340,827
Construction Work In Progress	31,132
Accumulated Depreciation	(18,752,639)
<b>Total Noncurrent Assets</b>	<b>31,215,257</b>

**TOTAL ASSETS**

**\$ 49,976,178**

**LIABILITIES**

**Current Liabilities**

Accounts payable	(1,265)
Unearned Revenue	73,706
Capital Leases – Short-Term	600,000
<b>Total Current Liabilities</b>	<b>672,441</b>

**Noncurrent Liabilities**

Capital improvement debt payable	10,754,789
Capital Leases – Long-Term	3,600,000
<b>Total Noncurrent Liabilities</b>	<b>14,354,789</b>

**TOTAL LIABILITIES**

**\$ 15,027,230**

**Net Position**

Invested in capital assets, net of related debt	16,860,469
Unrestricted	18,088,480
<b>Total Net Position</b>	<b>34,948,949</b>

**TOTAL LIABILITIES AND NET POSITION**

**\$ 49,976,178**

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
AS OF JUNE 30, 2021**

**REVENUES**

**Operating Revenues**

Transportation Access Fees	3,183,345
Access Fee - Decal Revenue	2,501,265
Parking Fees	38,695
Parking Meters	44,202
Traffic Fines	151,733
Sales and Services	18,440
<b>Total Operating Revenues</b>	<b>5,937,680</b>

**EXPENSES**

**Operating Expenses**

Salaries & Benefits	902,461
Other Personal Services	32,626
Contractual Services	364,648
Telecommunication	37,925
Freight & Postage	504
Printing	1,458
Repair and Maintenance	93,914
Travel	0
Utilities	64,253
Materials & Supplies	113,353
Insurance	25,017
Rental Expense	67,500
Uniforms	0
Bad Debt Expense	66,330
Depreciation Expense	1,766,610
Other Expenses	22,735
<b>Total Operating Expenses</b>	<b>3,559,331</b>

**OPERATING INCOME (LOSS)**

**2,378,348**

**Nonoperating Revenues (Expenses)**

Investment Income	264,387
Unrealized Gains and Losses	(762,454)
Debt Service - Interest & Related Expenses	(320,638)
Other Non-Operating Expenses	(74,563)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>(893,270)</b>

**INCOME BEFORE TRANSFERS**

**1,485,079**

**Contribution and Transfers In/(Out)**

Administrative Overhead	(160,178)
Transfers Other	0
<b>Total Contribution and Transfers In/(Out)</b>	<b>(160,178)</b>

**Increase in Net Position** **1,324,900**

Net Position, Beginning of Year 33,624,049  
 Adjustment to Beginning Net Position -

**NET POSITION, END OF YEAR**

**\$ 34,948,949**

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Cash Flow From Operating Activities</b>	
Receipt from customers	\$ 5,973,506
Payment to suppliers	(1,090,857)
Payment to employees	(935,087)
<b>Net cash Provided by Operating Activities</b>	<b>3,947,561</b>
<b>Cash Flow From Capital and Related Financing Activities</b>	
Interest paid on capital debt	(401,825)
Debt related expenses	(1,067)
Purchases of capital assets	(111,597)
Principal paid on capital debt	(2,270,000)
<b>Net Cash Flow From Capital and Related Financing Activities</b>	<b>(2,784,489)</b>
<b>Cash Flows From Noncapital Financing Activities</b>	
Administrative overhead & transfers	(160,178)
Other Expenses	(74,563)
<b>Net Cash Flows From Noncapital Financing Activities</b>	<b>(234,741)</b>
<b>Cash Flows From Investing Activities</b>	
Net Change in Investment	(1,221,879)
Interest and Dividends	293,548
<b>Net Cash Flows From Investing Activities</b>	<b>(928,331)</b>
<b>Net Change in Cash</b>	<b>-</b>
<b>Cash, Beginning of year</b>	<b>-</b>
<b>Cash, End of Year</b>	<b>\$ 0</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$2,378,348
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities	
Depreciation Expenses	1,766,610
Bad Debt Expenses	66,330
Change in Assets and Liabilities	
Receivable, net	35,826
Capital Leases – Short Term	-
Prepaid items	-
Accounts payable	(296,071)
Deferred revenue & unapplied exemption	(3,482)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 3,947,561</b>

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**1. Summary of Significant Accounting Policies**

**Reporting Entity.** Florida Atlantic University is a separate public instrumentality that is part of a state university system of public universities which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of thirteen members. The Governor appoints six citizen members, and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of each university also are members. The Board of Governors establishes the powers and duties of the Trustees. The trustees are responsible for setting policies for the university, which provides governance in accordance with State law and Board of Governors' Regulations. The Board of trustees selects the University President. The university president serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Board of Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria the University is a component of the State of Florida and its financial balances and activities included in these financial statements are reported on the State's Comprehensive Annual Financial Report by discrete presentation.

**Basis of Presentation.** The University's accounting policies conform with generally accepted accounting principles applicable to public colleges and universities as prescribed by the

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Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provide the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public colleges and universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements:
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements
- Other Required Supplementary Information

**Basis of Accounting.** Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange activities are generally recognized when all applicable eligibility requirements, include time requirements, are met. The University follows GASB standards of



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accounting and financial reporting. Auxiliary service departments account for interdepartmental transactions as reductions of expenditures and not revenues of those departments.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities plus administration, operation and maintenance of capital assets, and depreciation on capital assets. Non-operating revenues include State noncapital appropriations, investment income and revenues for capital construction projects. Interest on asset-related debts is a non-operating expense.

**Cash and Cash Equivalents.** Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by 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. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

**Capital Assets.** University capital assets related to Parking and Transportation consist of buildings and infrastructure and other improvements. These assets are capitalized and recorded at cost at the date of acquisition. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful life of the related assets.

## **2. Investments**

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy providing that surplus fund of the University shall be invested in those institutions and instruments permitted under

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the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

**External Investment Pool**

The University reported investments at fair value totaling \$312,867,324, at June 30, 2021, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The SPIA carried a credit rating of AA-f by Standard and Poor's and had an effective duration of 2.60 years and had a fair value factor of 0.0984 at June 30, 2021. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report. Of the University's investments reported above, Parking and Transportation investments in SPIA at fair value totaled \$18,089,798.

**3. Receivables**

Accounts receivable reported in the Statement of Net Position represent amounts due from students for services provided by Parking and Transportation Services. Allowances for doubtful accounts are recorded based on management's best estimate as of fiscal year-end considering type, age, collection history, and other factors considered appropriate. Accounts receivable greater than twelve months are considered as doubtful accounts. Accounts receivable of \$596,111 are reported net of allowances of \$922,869 at June 30, 2021.