



FLORIDA ATLANTIC  
UNIVERSITY

**Parking and Transportation Services**

**Financial Statements**

**June 30, 2022**

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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, 2022. 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 increased by **\$363,570** or 6.12%. The increase is a little more than half of the decrease incurred in the fiscal year 2021 due to the negative economic impact of COVID-19. The components of operating revenue which reported revenue increases are Traffic Fines by 72% and Parking Meters by 78% due to the rise of in-person classes and motorists visiting all campuses over the last fiscal year. As activities were coming back in person, our Sales and Service revenue increased 67.43% year over year due to increased demand for our shuttle bus rentals, events on campus, and the rental of our message boards during the fiscal year ending on June 30, 2022.

Total operating expenses increased by **\$5,793** or 0.16% from approximately \$3,559,331 for the fiscal year ended June 30, 2021, to \$3,565,125 for the fiscal year ended June 30, 2022. This increase is due to operations incrementally going back to normal around all campuses but not realized in the fiscal year 2022. The increase in operating expenses is immaterial.

Transportation's net position on June 30, 2022, year-end, which represents the difference between assets and liabilities, provides a measure of the Division's financial health or financial position. 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

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Parking & Transportation is in good health as its net position increased by \$3.3 million or 9.6% from approximately \$34.9 million for the fiscal year ended June 30, 2021, to \$38.31 million for the fiscal year ended June 30, 2022. Further, the University's management, which oversees Parking & Transportation operations, has ensured 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 ensured that sufficient cash is available and will continue to be maintained to meet the annual debt service requirements of Parking & Transportation.

On May 23, 2022, Parking and Transportation submitted the final payment for Redemption of \$8,625,000 State of Florida, Board of Governors, Florida Atlantic University Parking Facility Revenue Bonds, Series 2013A.

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, Teresa Clark, Assistant Director of Business/Finance Auxiliary Services, 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, 2022**

**ASSETS**

**Current Assets**

Cash	\$ -
Special Investments - State Treasury	12,759,403
Adjustment to fair market value	(1,100,025)
Interest and dividends receivable	30,266
Prepaid Items	85,286
Accounts receivable (net)	696,945
<b>Total Current Assets</b>	<b>12,471,875</b>

**Noncurrent Assets**

Property Under Capital Lease	11,400,000
Buildings	31,139,853
Furniture and equipment	1,300,134
Vehicles	1,564,664
Computer Software	125,609
Improvements	4,371,959
Construction Work In Progress	21,348
Accumulated Depreciation	(20,405,231)
<b>Total Noncurrent Assets</b>	<b>29,518,337</b>

**TOTAL ASSETS**

**\$ 41,990,211**

**LIABILITIES**

**Current Liabilities**

Accounts payable	3,259
Unearned Revenue	74,328
Capital Leases – Short-Term	600,000
<b>Total Current Liabilities</b>	<b>677,588</b>

**Noncurrent Liabilities**

Capital improvement debt payable	0
Capital Leases – Long-Term	3,000,000
<b>Total Noncurrent Liabilities</b>	<b>3,000,000</b>

**TOTAL LIABILITIES**

**\$ 3,677,588**

**Net Position**

Invested in capital assets, net of related debt	26,518,337
Unrestricted	11,794,287
<b>Total Net Position</b>	<b>38,312,623</b>

**TOTAL LIABILITIES AND NET POSITION**

**\$ 41,990,211**

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
AS OF JUNE 30, 2022**

**REVENUES**

**Operating Revenues**

Transportation Access Fees	\$ 2,993,168
Access Fee - Decal Revenue	2,400,691
Parking Fees	99,897
Parking Meters	207,258
Traffic Fines	543,622
Sales and Services	56,614
<b>Total Operating Revenues</b>	<b><u>6,301,250</u></b>

**EXPENSES**

**Operating Expenses**

Salaries & Benefits	921,520
Other Personal Services	51,564
Contractual Services	410,027
Telecommunication	39,735
Freight & Postage	531
Printing	4,275
Repair and Maintenance	152,596
Travel	-
Utilities	60,182
Materials & Supplies	102,954
Insurance	18,864
Rental Expense	67,500
Uniforms	3,910
Bad Debt Expense	(23,683)
Depreciation Expense	1,729,892
Other Expenses	25,257
<b>Total Operating Expenses</b>	<b><u>3,565,125</u></b>

**OPERATING INCOME (LOSS)**

**\$ 2,736,125**

**Nonoperating Revenues (Expenses)**

Investment Income	184,674
Unrealized Gains and Losses	(806,116)
Debt Service - Interest & Related Expenses	588,258
Other Non-Operating Expenses	(59,778)
<b>Net Nonoperating Revenues (Expenses)</b>	<b><u>(92,963)</u></b>

**INCOME BEFORE TRANSFERS**

**2,643,162**

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

Administrative Overhead	(171,789)
Transfers Other	892,302
<b>Total Contribution and Transfers In/(Out)</b>	<b><u>720,513</u></b>

**Increase in Net Position** **3,363,675**

Net Position, Beginning of Year 34,948,948  
 Adjustment to Beginning Net Position -

**NET POSITION, END OF YEAR**

**\$ 38,312,623**

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Cash Flows From Operating Activities</b>	
Receipt from customers	\$ 6,115,131
Payment to suppliers	(880,684)
Payment to employees	(973,085)
<b>Net cash Provided by Operating Activities</b>	<b>4,261,362</b>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Interest paid on capital debt	(318,325)
Debt related expenses	906,583
Purchases of capital assets	(839,087)
Principal paid on capital debt	(11,354,789)
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<b>(11,605,618)</b>
<b>Cash Flows From Noncapital Financing Activities</b>	
Administrative overhead & transfers	720,513
Other Expenses	(36,096)
<b>Net Cash Flows From Noncapital Financing Activities</b>	<b>684,417</b>
<b>Cash Flows From Investing Activities</b>	
Net Change in Investment	6,475,165
Interest and Dividends	184,674
<b>Net Cash Flows From Investing Activities</b>	<b>6,659,839</b>
<b>Net Change in Cash</b>	-
<b>Cash, Beginning of year</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	2,736,125
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities	
Depreciation Expenses	1,729,892
Bad Debt Expenses	(23,683)
Change in Assets and Liabilities	
Receivable, net	(100,833)
Capital Leases – Short Term	-
Prepaid items	(85,286)
Accounts payable	4,525
Deferred revenue & unapplied exemption	622
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 4,261,362</b>

**FLORIDA ATLANTIC UNIVERSITY  
PARKING AND TRANSPORTATION SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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



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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 the provisions of Florida Statutes.

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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 **\$350,075,453** on June 30, 2022, 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 2.66 years and had a fair value factor of 0.9479 on June 30, 2022. 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 \$20,013,704.

**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 \$696,945 are reported net of allowances of **\$899,251** on June 30, 2022.