

# **Florida International University**

## **Parking System**

### **Financial Statements**

**For the Fiscal Years Ended  
June 30, 2022 and June 30, 2021**

**Unaudited**

**Florida International University**  
**Parking System**  
**Table of Contents**

**PAGE  
NO.**  

---

<b>Management's Discussion and Analysis</b>	1
<b>Basic Financial Statements (Unaudited)</b>	
<b>Statements of Net Position</b>	8
<b>Statements of Revenues, Expenses, and Changes in Net Position</b>	9
<b>Statements of Cash Flows</b>	10
<b>Notes to Financial Statements</b>	11

**Florida International University  
Parking System  
Management's Discussion and Analysis**

The management's discussion and analysis (MD&A) introduces the Florida International University's Parking System Annual Financial Statements and provides an overview of the Parking System financial activities during the fiscal year ended June 30, 2022, and should be read in conjunction with the financial statements and notes hereto. This overview is required by the Governmental Accounting Standards Board (GASB) Statement No. 35. The MD&A, financial statements and notes hereto, are the responsibility of University Management. The MD&A contains financial activity of the University's Parking System for the fiscal years ended June 30, 2022, and June 30, 2021.

**FINANCIAL HIGHLIGHTS**

The Parking System's assets totaled \$105.3 million at June 30, 2022. This amount is reported net of accumulated depreciation of \$37.8 million. Total assets decreased \$1.3 million or 1.2 percent as compared to the 2020-21 fiscal year. There was an increase in cash and cash equivalents and investments \$0.5 million and \$1 million, respectively. The net decrease in capital assets resulted from the increase in accumulated depreciation on capital assets of \$3.1 million and was offset by slight increases in furniture and equipment, buildings, and construction in progress of \$0.4 million.

Total liabilities were \$49.3 million at June 30, 2022, compared to \$52.1 million at June 30, 2021. The decrease of \$2.8 million or 5.4 percent is mainly attributed to reductions of \$3.3 million principal payments on capital improvement debt payable, which was offset by a slight increase in accounts payable of \$0.5 million.

The Parking System's total net position balance of \$56 million at the end of the year represents an increase of \$1.5 million or 2.8 percent from the total beginning net position balance of \$54.5 million. Total net position consisted primarily of \$44 million in net investment in capital assets and \$11.2 million unrestricted.

**Florida International University  
Parking System  
Management's Discussion and Analysis**

**THE STATEMENT OF NET POSITION**

The statement of net position reflects the assets and liabilities of the Parking System, using the accrual basis of accounting, and presents the financial position of the System at a specified time. The difference between total assets and total liabilities, equals net position, which is one indicator of the Parking System's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Parking System's financial condition.

The following summarizes the Parking System's assets, liabilities, and net position at June 30:

**Condensed Statements of Net Position at June 30  
(In Millions)**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current Assets	\$ 12.5	\$ 11.8
Capital Assets, Net	92.1	94.7
Other Noncurrent Assets	<u>0.7</u>	<u>0.1</u>
<b>Total Assets</b>	<u>105.3</u>	<u>106.6</u>
<b>Liabilities</b>		
Current Liabilities	2.7	3.8
Noncurrent Liabilities	<u>46.6</u>	<u>48.3</u>
<b>Total Liabilities</b>	<u>49.3</u>	<u>52.1</u>
<b>Net Position</b>		
Net Investment in Capital Assets	44.0	43.4
Restricted	0.8	0.1
Unrestricted	<u>11.2</u>	<u>11.0</u>
<b>Total Net Position</b>	<u>\$ 56.0</u>	<u>\$ 54.5</u>

**Florida International University  
Parking System  
Management's Discussion and Analysis**

**THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The statement of revenues, expenses, and changes in net position presents the Parking System's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the Parking System's activity for the 2021-22 and 2020-21 fiscal years:

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

**For the Fiscal Years Ended June 30**

(In Millions)

	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 14.1	\$ 13.2
Less, Operating Expenses	<u>11.9</u>	<u>10.0</u>
<b>Operating Income</b>	2.2	3.2
Net Nonoperating (Expenses) Revenues	<u>(0.6)</u>	<u>1.1</u>
<b>Income Before Transfers</b>	1.6	4.3
Transfers Out	<u>(0.1)</u>	<u>(0.2)</u>
<b>Increase in Net Position</b>	1.5	4.1
Net Position, Beginning of Year	<u>54.5</u>	<u>50.4</u>
<b>Net Position, End of Year</b>	<u><u>\$ 56.0</u></u>	<u><u>\$ 54.5</u></u>

**Florida International University  
Parking System  
Management's Discussion and Analysis**

**Operating Revenues**

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2021-22 and 2020-21 fiscal years:

<b>Operating Revenues</b>		
<b>For the Fiscal Years Ended June 30</b>		
<b>(In Millions)</b>		
	<u><b>2022</b></u>	<u><b>2021</b></u>
Parking Decal and Fees	\$ 12.2	\$ 12.3
Visitor Parking	0.5	0.2
Traffic Fines and Other Operating	<u>1.4</u>	<u>0.7</u>
<b>Total Operating Revenues</b>	<u><u>\$ 14.1</u></u>	<u><u>\$ 13.2</u></u>

Operating revenues were \$14.1 million for the fiscal year 2021-22, representing a slight increase of \$0.9 million from 2020-21 fiscal year. Revenues derived from parking decals and fees, totaling \$12.2 million, were the largest components of operating revenues. The net increase in operating revenues are mainly comprised of a \$0.3 million increase to visitor parking revenue and \$0.7 million increase in traffic fines and other operating revenues. These increases in operating revenues were the result of increased campus activity and on-site presence as the University progressed closer to normal post-pandemic operations. The Parking System received \$1.2 million of Higher Education Emergency Relief Fund (HEERF) Act institutional funding as reimbursement for lost revenue. These HEERF Act funds are classified as other nonoperating revenues, and are therefore not included in operating revenues.

**Florida International University  
Parking System  
Management's Discussion and Analysis**

**Operating Expenses**

Expenses are categorized as operating or nonoperating. The majority of the Parking System expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The Parking System has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position.

The following summarizes the operating expenses by natural classifications for the 2021-22 and 2020-21 fiscal years:

<b>Operating Expenses</b>			
<b>For the Fiscal Years Ended June 30</b>			
<b>(In Millions)</b>			
	<u><b>2022</b></u>		<u><b>2021</b></u>
Compensation and Employee Benefits	\$ 3.3	\$	3.3
Services and Supplies	4.8		2.8
Utilities and Communications	0.5		0.4
Scholarships, Fellowships, and Waivers	0.2		0.2
Depreciation	<u>3.1</u>		<u>3.3</u>
<b>Total Operating Expenses</b>	<u><u>\$ 11.9</u></u>	<b>\$</b>	<u><u>10.0</u></u>

Operating expenses totaled \$11.9 million, representing an increase of \$1.9 million from the 2020-21 fiscal year, mainly due to higher expenses for services and supplies of \$2 million which was resulted from expanded on-campus activity as the University progressed closer to normal post-pandemic operations. Operating expenses include depreciation expense of \$3.1 million.

**Nonoperating Revenues and Expenses**

Nonoperating revenues and expenses reported during fiscal year 2021-22 consist of noncapital donations, investment income, other nonoperating revenues, loss on disposal of capital assets, and interest expense on capital asset-related debt. There was an overall decrease of \$0.5 million in other nonoperating revenues resulting from a reduction of HEERF Act institutional funding for reimbursements to the Parking System which were lower than the fiscal year 2020-21 when the effect of the COVID-19 pandemic were more prevalent. As noted in the operating revenue section, HEERF Act revenue is required to be reported as nonoperating revenue. The remaining fluctuation in nonoperating revenues and expenses is mainly attributable to slight decreases in investment income and interest on asset related debt and investment income.

**Florida International University  
Parking System  
Management's Discussion and Analysis**

**THE STATEMENT OF CASH FLOWS**

The statement of cash flows provides information about the Parking System's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Parking System's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash provided by the operating activities of the Parking System. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2021-22 and 2020-21 fiscal years:

**Condensed Statements of Cash Flows  
For the Fiscal Years Ended June 30  
(In Millions)**

	<b>2022</b>		<b>2021</b>	
Cash Provided (Used) by:				
Operating Activities	\$ 6.0	\$	6.7	
Capital and Related Financing Activities	(4.6)		(3.7)	
Investing Activities	(0.9)		(1.6)	
<b>Net Increase in Cash and Cash Equivalents</b>	0.5		1.4	
Cash and Cash Equivalents, Beginning of Year	3.1		1.7	
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 3.6</b>	<b>\$</b>	<b>3.1</b>	

Major sources of funds were Parking decals and fees \$12.2 million and traffic fines, towing and other operating revenues \$1.9 million. Major uses of funds were disbursements for payments to suppliers \$4.7 million, payments made to and on behalf of employees \$3.4 million, payments for principal on capital improvement debt payable \$3 million, and interest on capital debt \$2.3 million.

**CAPITAL ASSETS**

At June 30, 2022 the Parking System had \$129.9 million in capital assets, less accumulated depreciation of \$37.8 million, for net capital assets of \$92.1 million. Depreciation charges for the current fiscal year totaled \$3.1 million.

**Capital Assets, Net at June 30  
(In Millions)**

	<b>2022</b>		<b>2021</b>	
Construction in Progress	\$ 4.0	\$	3.6	
Buildings	85.5		88.2	
Infrastructure and Other Improvements	1.8		1.9	
Furniture and Equipment	0.8		1.0	
<b>Capital Assets, Net</b>	<b>\$ 92.1</b>	<b>\$</b>	<b>94.7</b>	

**Florida International University  
Parking System  
Management's Discussion and Analysis**

**DEBT ADMINISTRATION**

As of June 30, 2022 the Parking System had \$48.1 million in outstanding capital improvement debt payable.

The following table summarizes the outstanding long-term debt by type at June 30:

**Long-Term Debt, at June 30**

(In Millions)

	<u>2022</u>	<u>2021</u>
Capital Improvement Debt Payable	<u>\$ 48.1</u>	<u>\$ 51.4</u>

In a continuous effort to provide better customer service to all constituents, the Parking System will continue to look into new strategies and develop services to provide improved access to educational and research programs, services, and activities to all students, faculty, staff, and visitors.

**REQUESTS FOR INFORMATION**

Questions concerning information provided in the MD&A, financial statements and notes thereto, or requests for additional financial information should be addressed to the Interim Chief Financial Officer and Senior Vice President for Finance and Administration, Aime Martinez, at Florida International University, 11200 Southwest 8th Street, Miami, Florida 33199.

**Florida International University  
Parking System  
Statements of Net Position (Unaudited)  
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,282,804	\$ 3,023,498
Investments	8,764,619	8,206,737
Accounts Receivable, Net	398,906	547,701
<b>Total Current Assets</b>	<u>12,446,329</u>	<u>11,777,936</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	292,414	47,771
Restricted Investments	482,161	19,823
Furniture and Equipment	2,647,390	2,638,434
Infrastructure and Other Improvements	2,581,735	2,581,735
Buildings	120,620,259	120,609,910
Construction in Progress	3,973,949	3,567,480
Accumulated Depreciation	<u>(37,752,060)</u>	<u>(34,704,415)</u>
<b>Total Noncurrent Assets</b>	<u>92,845,848</u>	<u>94,760,738</u>
<b>Total Assets</b>	<u>105,292,177</u>	<u>106,538,674</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	850,070	342,852
Construction Contracts Payable	25,540	16,925
Salaries and Wages Payable	101,602	135,221
Due to Component Units/University	38	-
Long-Term Liabilities - Current Portion		
Capital Improvement Debt Payable	1,684,088	3,285,046
Compensated Absences Payable	<u>14,564</u>	<u>14,039</u>
<b>Total Current Liabilities</b>	<u>2,675,902</u>	<u>3,794,083</u>
Noncurrent Liabilities:		
Capital Improvement Debt Payable	46,430,451	48,114,538
Compensated Absences Payable	<u>171,127</u>	<u>180,601</u>
<b>Total Noncurrent Liabilities</b>	<u>46,601,578</u>	<u>48,295,139</u>
<b>Total Liabilities</b>	<u>49,277,480</u>	<u>52,089,222</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	44,022,038	43,358,171
Restricted for Expendable		
Debt Service	6,175	3,036
Capital Projects	742,863	47,635
Unrestricted	<u>11,243,621</u>	<u>11,040,610</u>
<b>TOTAL NET POSITION</b>	<u>\$ 56,014,697</u>	<u>\$ 54,449,452</u>

The accompanying notes are an integral part of the financial statements.

**Florida International University  
Parking System  
Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)  
For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Operating Revenues:		
Parking Decal and Fees	\$ 12,206,126	\$ 12,291,039
Visitor Parking	549,056	192,670
Traffic Fines, Towing, and Other Operating Revenue	<u>1,370,710</u>	<u>731,059</u>
<b>Total Operating Revenues</b>	<u>14,125,892</u>	<u>13,214,768</u>
<b>EXPENSES</b>		
Operating Expenses:		
Compensation and Employee Benefits	3,337,420	3,303,643
Services and Supplies	4,738,895	2,862,994
Utilities and Communications	458,934	389,338
Scholarships, Fellowships, and Waivers	200,509	207,111
Depreciation	<u>3,139,152</u>	<u>3,255,274</u>
<b>Total Operating Expenses</b>	<u>11,874,910</u>	<u>10,018,360</u>
<b>Operating Income</b>	<u>2,250,982</u>	<u>3,196,408</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Noncapital Donations	278	-
Investment Income	156,744	290,841
Other Nonoperating Revenues	1,228,735	2,929,922
Loss on Disposal of Capital Assets	(2,727)	-
Interest on Capital Asset-Related Debt	<u>(1,996,749)</u>	<u>(2,097,011)</u>
<b>Net Nonoperating (Expenses) Revenues</b>	<u>(613,719)</u>	<u>1,123,752</u>
<b>Income Before Transfers</b>	1,637,263	4,320,160
Transfers Out	<u>(72,018)</u>	<u>(229,120)</u>
<b>Increase in Net Position</b>	1,565,245	4,091,040
Net Position, Beginning of Year	<u>54,449,452</u>	<u>50,358,412</u>
<b>Net Position, End of Year</b>	<u>\$ 56,014,697</u>	<u>\$ 54,449,452</u>

The accompanying notes are an integral part of the financial statements.

**Florida International University  
Parking System  
Statements of Cash Flows (Unaudited)  
For the Fiscal Years Ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Sales and Services of Parking System	\$ 14,124,994	\$ 13,213,252
Changes in Other Accounts Receivable	149,691	(65,115)
Payments to Employees	(3,379,987)	(3,277,016)
Payments to Suppliers for Goods and Services	(4,690,611)	(2,965,206)
Other Operating Disbursements	(200,509)	(207,111)
<b>Net Cash Provided by Operating Activities</b>	<b>6,003,578</b>	<b>6,698,804</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Noncapital Donations	278	-
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>278</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Grants, Contracts, Donations, and Fees	1,228,735	2,929,922
Purchase or Construction of Capital Assets	(583,371)	(1,366,339)
Principal Paid on Capital Debt	(3,030,000)	(2,920,000)
Interest Paid on Capital Debt	(2,251,795)	(2,352,057)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(4,636,431)</b>	<b>(3,708,474)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Change in Investments	(1,020,220)	(1,869,495)
Investment Income	156,744	290,841
<b>Net Cash (Used) Provided by Investing Activities</b>	<b>(863,476)</b>	<b>(1,578,654)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>503,949</b>	<b>1,411,676</b>
Cash and Cash Equivalents, Beginning of Year	3,071,269	1,659,593
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 3,575,218</b>	<b>\$ 3,071,269</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 2,250,982	\$ 3,196,408
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	3,139,152	3,255,274
Change in Assets and Liabilities		
Interest Receivable	(3)	-
Accounts Receivable, Net	148,797	(66,629)
Accounts Payable	507,217	287,124
Accrued Salaries and Wages	(33,618)	20,096
Accrued Compensated Absences Current & Noncurrent	(8,949)	6,531
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 6,003,578</b>	<b>\$ 6,698,804</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES</b>		
Losses from the disposal of capital assets were recognized on the statements of revenues, expenses, and changes in net position, but are not cash transactions for the statements of cash flows.	\$ (2,727)	\$ -

The accompanying notes are an integral part of the financial statements.

**Florida International University**  
**Parking System**  
**Notes to Financial Statements (Unaudited)**  
**June 30, 2022 and 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The financial statements of the Parking System are an integral part of the financial statements of Florida International University (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 Governors and the University's Board of Trustees.

**Basis of Presentation**

The Parking System's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB. GASB allows public universities various reporting options. The Parking System 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 entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statements of Net Position
  - Statements of Revenues, Expenses, and Changes in Net Position
  - Statements of Cash Flows
  - Notes to Financial Statements

**Measurement Focus and 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. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Parking System's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University and the Parking System follow GASB standards of accounting and financial reporting.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the Parking System's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

**Florida International University**  
**Parking System**  
**Notes to Financial Statements (Unaudited)**  
**June 30, 2022 and 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Newly Implemented Accounting Standards**

For the fiscal year ended June 30, 2022 the University and the Parking System implemented GASB Statement No. 87, *Leases*, which seeks to improve the accounting and reporting for leases, by requiring the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, while the lessor is required to recognize a lease receivable and a deferred inflow of resources. While this Statement substantially impacts the University's lease accounting and reporting, the impact to the Parking System is not substantial. The only potential leases in the Parking System are related to copy machines. Therefore, expenses for copier services continue to be recorded as operating expenses in the statement of revenue, expenses and changes in net position.

**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**

The Parking System's capital assets consist of buildings, infrastructure and improvements, furniture and equipment, and construction in progress. 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. The University has a capitalization threshold of \$5,000 for tangible personal property and \$100,000 for buildings, leasehold improvements and other improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years

**Noncurrent Liabilities**

Noncurrent liabilities include capital improvement debt payable and compensated absences payable. Capital improvement debt is reported net of unamortized premium and deferred losses on refunding. The University amortizes debt premiums over the life of the debt using the straight-line method. Deferred losses on refundings are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method.

**Florida International University**  
**Parking System**  
**Notes to Financial Statements (Unaudited)**  
**June 30, 2022 and 2021**

**2. INVESTMENTS**

Investments for the Parking System are reported at the market value of \$9,246,780 and \$8,226,560 at June 30, 2022 and 2021, respectively.

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 Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under 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 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.

The Parking System's investments consists of money market funds reported at amortized cost totaling \$9,240,608 and \$8,223,525 at June 30, 2022 and 2021, respectively, and SBA Debt Service Accounts totaling \$6,172 and \$3,035 at June 30, 2022 and 2021, respectively reported as Level 1 inputs at fair value according to GASB No. 72.

**State Board of Administration Debt Service Accounts**

The Parking System reported investments totaling \$6,172 and \$3,035 at June 30, 2022 and 2021 respectively, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the Parking System. The Parking System's investments consist of United States Treasury securities, with maturity dates of six months or less, and are reported at fair value (Level 1 inputs). The Parking System relies on policies developed by the SBA for managing interest rate risk or credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

**3. RECEIVABLES**

**Accounts Receivable**

Accounts receivable represent amounts for parking fees and citations due to the Parking System. The Parking System's accounts receivable totaled \$1,062,051 and \$1,228,787 at June 30, 2022 and 2021, respectively.

**Allowance for Doubtful Receivables**

Allowances for doubtful accounts are reported based on management's best estimate as of fiscal year-end considering type, age, collection history, and other factors considered appropriate. The Parking System's accounts receivable are reported net of allowances of \$663,145 and \$681,086, at June 30, 2022 and 2021, respectively.

**Florida International University**  
**Parking System**  
**Notes to Financial Statements (Unaudited)**  
**June 30, 2022 and 2021**

**4. CAPITAL ASSETS**

The Parking System's capital asset activity for the year ended June 30, 2022, is shown below:

<b>Description</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Nondepreciable Capital Assets:				
Construction in Progress	\$ 3,567,480	\$ 416,818	\$ 10,349	\$ 3,973,949
Depreciable Capital Assets:				
Buildings	\$ 120,609,910	\$ 10,349	\$ -	\$ 120,620,259
Infrastructure and Other Improvements	2,581,735	-	-	2,581,735
Furniture and Equipment	2,638,434	103,190	94,234	2,647,390
<b>Total Depreciable Capital Assets</b>	<b>125,830,079</b>	<b>113,539</b>	<b>94,234</b>	<b>125,849,384</b>
Less, Accumulated Depreciation:				
Buildings	32,399,608	2,724,217	-	35,123,825
Infrastructure and Other Improvements	686,888	143,262	-	830,150
Furniture and Equipment	1,617,919	271,673	91,507	1,798,085
<b>Total Accumulated Depreciation</b>	<b>34,704,415</b>	<b>3,139,152</b>	<b>91,507</b>	<b>37,752,060</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>\$ 91,125,664</b>	<b>\$ (3,025,613)</b>	<b>\$ 2,727</b>	<b>\$ 88,097,324</b>

**Florida International University**  
**Parking System**  
**Notes to Financial Statements (Unaudited)**  
**June 30, 2022 and 2021**

**5. LONG-TERM LIABILITIES**

The Parking System's long-term liabilities of the Parking System at June 30, 2022, include capital improvement debt payable and compensated absences payable.

**Capital Improvement Debt Payable**

The University issued, through the Division of Bond Finance, capital improvement debt payable totaling \$53,305,000 from the 2013A and 2019A capital improvement debt payable series amounting to \$33,500,000 and \$19,805,000, respectively. The purpose of this capital improvement debt payable is to finance the construction of six parking garages on the Modesto A. Maidique Campus. This capital improvement debt payable is secured by traffic and parking fees and other revenue generated through parking operations.

The State Board of Administration administers the principal and interest payments, investment of sinking fund resources, and compliance with reserve requirements.

The Parking System had the following capital improvement debt payable outstanding at June 30, 2022:

<b>Capital Improvement Debt</b>			<b>Interest</b>	
<b>Type and Series</b>	<b>Amount of</b>	<b>Amount</b>	<b>Rates</b>	<b>Maturity</b>
	<b>Original Debt</b>	<b>Outstanding (1)</b>	<b>(Percent)</b>	<b>Date To</b>
Parking Garage Debt				
2013A Parking Garage	\$ 33,500,000	\$ 27,757,677	3.50 - 5.25	2043
2019A Parking Garage	<u>19,805,000</u>	<u>20,356,862</u>	4.00 - 5.00	2039
<b>Total Parking Garage Debt</b>	<b><u>\$ 53,305,000</u></b>	<b><u>\$ 48,114,539</u></b>		

Note: (1) Amount outstanding includes unamortized premiums, and deferred losses on refunding issues.

The Parking System has pledged a portion of future parking fees, and an assessed transportation fee per student to repay \$53,305,000 of capital improvement revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct parking garages. The bonds are payable solely from parking fees and assessed transportation fees per student and are payable through 2043. The Parking System has committed to appropriate each year from parking fees and assessed transportation fees per student amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$72,879,339, and principal and interest paid for the current year totaled \$5,281,557. Parking fees totaled \$3,620,948 and \$2,287,545 and assessed transportation fees totaled \$10,504,944 and \$10,927,223 for fiscal years June 30, 2022 and 2021, respectively.

**Florida International University  
Parking System  
Notes to Financial Statements (Unaudited)  
June 30, 2022 and 2021**

**5. LONG-TERM LIABILITIES (Continued)**

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2022, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,535,000	\$ 2,100,056	\$ 3,635,056
2024	1,600,000	2,035,607	3,635,607
2025	1,665,000	1,964,107	3,629,107
2026	1,740,000	1,889,655	3,629,655
2027	1,825,000	1,811,806	3,636,806
2028-2032	10,455,000	7,703,519	18,158,519
2033-2037	13,055,000	5,107,150	18,162,150
2038-2042	11,650,000	2,050,650	13,700,650
2043	2,045,000	102,250	2,147,250
<b>Subtotal</b>	<u>45,570,000</u>	<u>24,764,800</u>	<u>70,334,800</u>
Plus: Net Premiums and Losses on Bond Refundings	<u>2,544,539</u>	<u>-</u>	<u>2,544,539</u>
<b>Total</b>	<u>\$ 48,114,539</u>	<u>\$ 24,764,800</u>	<u>\$ 72,879,339</u>

**Compensated Absences Payable**

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. The Parking System's estimated liability for compensated absences, which includes the Parking System's share of the Florida Retirement System and FICA contributions, was \$185,691 and \$194,640 at June 30, 2022 and 2021, respectively. The current portion of the compensated absences liability is based on the amount expected to be paid in the coming fiscal year, and represents a historical percentage of leave used applied to total accrued leave liability.