

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
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JUNE 30, 2022 AND 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
University of North Florida Training and Services Institute, Inc.:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the University of North Florida Training and Services Institute, Inc. (the "Institute"), a direct support organization and component unit of the University of North Florida, as of and for the years then ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Institute's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Institute's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the

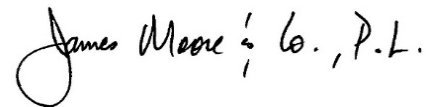
underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Emphasis of Matter***

As discussed in Note 13 to the financial statements, the 2021 financial statements have been restated to conform with the provisions of GASB 87 which should be applied retrospectively for all prior periods presented. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2022, on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida  
September 7, 2022

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022 AND 2021**

**Overview of the Financial Statements and Financial Analysis**

The University of North Florida Training & Service Institute, Inc. (the Institute) presents its financial statements as of and for the fiscal year ended June 30, 2022 which include for comparative purposes the fiscal year ended June 30, 2021. The Institute is a direct support organization and component unit of the University of North Florida ("UNF" - a governmental agency).

The Institute's financial statements are presented on an accrual basis and includes the recording of depreciation. The statements' presentation includes 1) assets and liabilities as current and non-current; 2) revenues and expenses as operating and non-operating; 3) the use of the direct method for statements of cash flows; and 4) management's discussion and analysis (MD&A) of the financial results.

**2022 Financial Highlights**

**Contract Training:** IPTM was well positioned to work with contractors and other stakeholders to begin the process of rescheduling and rebuilding our contract training opportunities after the national COVID shutdowns. During FY2022 IPTM conducted 82 contract training programs bringing in over \$1.4 million in revenue. This is 36 more courses and approximately \$665,000 more revenue than FY2021.

**Tuition Training:** Once reopened from COVID shutdowns, IPTM continued to develop a proactive outreach plan to stimulate existing and prospective business relationships around the country. IPTM trained approximately 3,200 students in tuition-based programs with approximately \$2.5 million in revenue during FY2022. This is an increase of over 1,000 students and almost \$850,000 in revenue from FY2021.

**Highway Safety Grants:** During FY2022, IPTM was awarded an additional 8 training programs for Florida officers, 2 of which are being taught online:

- Drug Recognition Expert (DRE) Preparatory (ONLINE)
- DUI: Roadside to Courtroom
- Crash Data Retrieval (CDR) Tool Technician (ONLINE)
- Energy Methods and Damage Analysis in Traffic Crash Reconstruction
- Event Data Recorder Use in Traffic Crash Reconstruction – Level II
- Investigation of Motorcycle Crashes – Level II
- Pedestrian/Bicycle Crash Investigation – Level II
- Traffic Crash Reconstruction Level II

**Symposium on Traffic Safety:** IPTM's annual Symposium on Traffic Safety is a 4-day intensive learning experience that focuses on the emerging technology and innovative solutions used in both the crash reconstruction and highway safety fields. Students join crash investigation/reconstruction and DUI/traffic enforcement professionals from across the country to expand their knowledge by attending breakout sessions in both tracks. Students also maximize their learning experience with hands-on activities with world-renowned experts and exploring the exhibitor hall for some of the industry's most advanced products and services.

We were forced to cancel our annual Symposium in 2020. The Symposium was put back on the schedule in 2021 and came close to pre-pandemic enrollments of 370 students. During FY2022 IPTM was able to grow beyond pre-pandemic enrollments to 461 students. Demand for training continues to rise.

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In FY22, the two debt agreements related to the ADT building purchase were:

- 1) *First mortgage.* Lease income of \$1.153 million was recorded to recognize the lessee's, LYM TYCI Capital Company, LLC, obligation of principal and interest payments. The maturity date is February 2025. All payments were current at June 30, 2022.
- 2) *Note payable.* The note with the UNF Foundation, Inc. totaled \$3.510 million and related interest payable totaled was zero at June 30, 2022.

**2022 Institute Investments.** The Institute's investments at year end totaled \$228,014 a net decrease of approximately \$52,715. The calculated total return for the year was 18.8%.

Net position. In fiscal 2022, net position of \$10.842 million increased in fiscal 2022 by approximately \$1.956 million or 20.0% over prior year's \$8.856 million. The change in net position represents the net decrease in assets of approximately \$1,752,000 and a net decrease in liabilities of approximately \$2,820,000.

**2021 Financial Highlights**

**Contract Training:** Due to the COVID-19 shutdown of UNF/Institute of Police Technology and Management (IPTM) most contract training around the country was cancelled during the final quarters of last FY (January 2020 – June 2020). Contract training revenue fell to a recent low of \$581,581 with 37 courses conducted. IPTM was well positioned to work with contractors and other stakeholders to begin the process of rescheduling and rebuilding our contract training opportunities. As of the end of FY21, a total of 42 courses were conducted with total revenue of \$1,430,005, a \$178,581 increase.

**Online Training:** Due in large part to in-person training restrictions during the national COVID-19 shutdowns, and as part of ongoing strategic plan implementation, IPTM was able to develop, produce, and launch eleven (11) "core" courses and two (2) Videos on Demand. Resources were focused on taking core classroom courses and developing them into an online training format. Online training sales revenue grew to over \$1,200,000. This is an increase of more than \$500,000 over the prior year. The following courses were developed and launched:

- Digital Photography for Law Enforcement
- Drug Recognition Expert (DRE) Preparatory Class
- Managing the Detective Unit
- Police Use of Force
- Police Use of Force from a Supervisor Perspective
- Situational De-Escalation
- Sobriety Checkpoint Operations
- The New Detective
- Traffic Crash Reconstruction
- Event Data Recorder Use in Traffic Crash Reconstruction
- Special Event Planning and Management
- Life After Public Safety (VoD)
- Pavement Edge Drop Off (VoD)

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**Highway Safety Grants:** For the third year, the IPTM saw an increase in grant funding received from the Florida Department of Transportation with the award of 34 grant projects totaling \$16,896,696. The additional grant funding came from substantial increases in previously awarded projects as well as new grant programs as described below:

- **Sobriety Checkpoint Operations** trains officers in all aspects of coordinating and supervising DUI sobriety checkpoints, from the initial planning stages through the final reports.
- **Digital Photography for Traffic Crash Investigators** is a hands-on course addressing the unique characteristics of crash scene photography and teaches officers how to properly photograph crash scenes of every size and in every environment.
- **Forensic Evidence from Crash Fatalities** teaches crash investigators procedures for the search, documentation, and recovery of forensic evidence from vehicles involved in DUI, hit-and-run, and pedestrian collisions.
- **Occupant Kinematics for the Traffic Crash Reconstructionist** teaches officers how to correlate crash damage and occupant injuries to determine seating positions and occupant movements during a crash.

In addition to new grants, 10 previously awarded training grants received increases in funding in FY21. Together, these projects led to a substantial rise in the number of grant seats filled, even surpassing pre-pandemic levels as shown in the table below.

<b>Grant-Funded Officer Training</b>			
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Officers Trained	2,289	1,372	3,003
Grant Revenue Generated	\$746,400	\$540,550	\$1,089,300

Along with training, IPTM received several grants to implement statewide highway safety programs addressing impaired driving, occupant protections, pedestrian and bicycle safety, and motorcycle safety. These pre-existing projects received an additional \$1,592,539 in funding in FY21.

In FY21, the two debt agreements related to the ADT building purchase were:

- 1) *First mortgage.* Lease income of \$1.186 million was recorded to recognize the lessee's, LYM TYCI Capital Company, LLC, obligation of principal and interest payments. The maturity date is August 2025. All payments were current at June 30, 2021.
- 2) *Note payable.* The note with the UNF Foundation, Inc. totaled \$4.446 million and related interest payable totaled \$630,092 at June 30, 2021.



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**2021 Institute Investments.** The Institute's investments at year end totaled \$280,729, a net increase of approximately \$59,538. The calculated total return for the year was 26.9%.

Net position. In fiscal 2022, net position of \$8,886 million increased in fiscal 2021 by approximately \$2.157 million or 32.1% over prior year's \$6.728 million. The change in net position represents the net increase in assets of approximately \$5,301,000 and a net decrease in liabilities of approximately \$559,000.

**Statement of Net Position**

The purpose of the Statement of Net Position is to present the reader with a look at the Institute's financial condition as of the end of the fiscal year. In reading the Statement of Net Position, the reader will be able to determine the Institute's ability to continue operations and how much it owes to vendors and other lending institutions. It provides a snapshot of the net position and the availability for expenditure by the Institute.

	Years ended June 30 (In thousands of dollars)						
	2022	2021	Increase (decrease)	Change	2020	Increase (decrease)	Change
Assets							
Current assets	\$ 4,813	\$ 5,140	\$ (327)	-6.4%	\$ 2,301	\$ 2,839	123.4%
Noncurrent assets:							
Capital assets, net	10,991	11,110	(119)	-1.1%	11,674	(564)	-4.8%
Other	<u>2,507</u>	<u>3,814</u>	<u>(1,307)</u>	<u>-34.3%</u>	<u>787</u>	<u>3,027</u>	<u>384.6%</u>
Total assets	<u>18,311</u>	<u>20,064</u>	<u>(1,753)</u>	<u>-8.7%</u>	<u>14,762</u>	<u>5,302</u>	<u>35.9%</u>
Liabilities:							
Current liabilities	2,406	3,949	(1,542)	-39.1%	3,516	433	12.3%
Noncurrent liabilities	<u>2,249</u>	<u>3,527</u>	<u>(1,278)</u>	<u>-36.2%</u>	<u>4,518</u>	<u>(991)</u>	<u>-21.9%</u>
Total liabilities	<u>4,656</u>	<u>7,476</u>	<u>(2,820)</u>	<u>-37.7%</u>	<u>8,034</u>	<u>(558)</u>	<u>-6.9%</u>
Deferred inflows of resources	2,813	3,702	(889)	-24.0%	-	3,702	100%
Net position:							
Unrestricted net position	3,361	2,222	1,139	51.3%	93	2,129	2,289.2%
Net investment in capital assets	<u>7,481</u>	<u>6,664</u>	<u>817</u>	<u>12.3%</u>	<u>6,635</u>	<u>29</u>	<u>0.4%</u>
Total net position	<u>10,842</u>	<u>8,886</u>	<u>1,956</u>	<u>22.0%</u>	<u>6,728</u>	<u>2,158</u>	<u>32.1%</u>
Total liabilities and net position	<u>\$ 15,498</u>	<u>\$ 16,362</u>	<u>\$ (864)</u>	<u>-5.3%</u>	<u>\$ 14,762</u>	<u>\$ 1,600</u>	<u>10.8%</u>

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The Statements of Net Position are presented as part of the basic financial statements. For the fiscal year ended June 30, 2022, total net position increased by 22.0% or approximately \$1.955 million. The years' activity included the following:

***Current Assets***

**2022**

- During fiscal 2022 *current assets* totaled approximately \$4.813 million a decrease of approximately \$327,000 or 6.4%. The decrease represents the net of decrease in accounts receivable of approximately \$16,957, decrease in grants receivable of approximately \$718,367, decrease in prepaid of approximately \$4,116, decrease in interest receivable approximately \$4,948, offset by increase in cash of approximately \$323,627, short term lease receivable of approximately \$87,851 and inventory of approximately \$5,879

**2021**

- During fiscal 2021 *current assets* totaled approximately \$5.140 million an increase of approximately \$2,839,000 or 123.4%. The increase represents the net of increase in cash of approximately \$650,000, increases in accounts receivable of approximately \$54,000, grants receivable of approximately \$1,380,000 interest receivable of approximately \$25,000, short term lease receivable of approximately \$742,000 offset by decrease in prepaid of approximately \$1,400 and inventory of approximately \$12,000.

***Non-Current Assets***

**2022**

- *Capital assets.* At June 30, 2022, the TSI Investments, LLC ADT building, net capital asset value totaled \$10.991 million. The scheduled depreciation of \$568,525 was recorded.
- *Investments.* The Institute's investments totaled \$228,014 at June 30, 2022 which was a decrease of approximately \$52,715 or 18.8%, from prior year.
- *Other non-current assets.* These assets represented the outstanding \$141,011 of the Foundation indebtedness to TSI for the purchase of the Duval County Research and Development Authority.

**2021**

- *Capital assets.* At June 30, 2021, the TSI Investments, LLC ADT building, net capital asset value totaled \$11.110 million. The scheduled depreciation of \$564,025 was recorded.
- *Investments.* The Institute's investments totaled \$280,729 at June 30, 2021 which was an increase of approximately \$59,000 or 26.9%, from prior year.
- *Other non-current assets.* These assets represented the outstanding \$565,000 of the \$600,000 line of credit the Institute approved for the Duval County Research and Development Authority.

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***Current Liabilities***

**2022**

- During fiscal 2022, *current liabilities* decreased approximately \$1,807,000 or 45.8%. The decrease is attributed to the net of 1) decrease in accounts payable and accrued expenses of approximately \$752,000 2) a decrease in interest payable of approximately \$630,000 related to the notes payable 3) decrease unearned revenue of approximately \$41,000; and 4) the approximately \$9,200 increase in salaries payable.

**2021**

- During fiscal 2021, *current liabilities* decreased approximately \$432,000 or 12.3%. The decrease is attributed to the net of 1) a decrease in the First Mortgage current portion of approximately \$521,000; 2) a decrease in interest payable of approximately \$84,000 related to the notes payable 3) decrease in accounts payable and accrued expenses of approximately \$233,000; and 4) and the increase unearned revenue of approximately \$337,000, and 5) the approximately \$15,000 increase in salaries payable.

***Non-Current Liabilities***

**2022**

- During fiscal 2022, *non-current liabilities* decreased by approximately \$1,277,000 or 36.2.7%. The decrease is due to the net loan repayments to the UNF Foundation, Inc. of \$342,000 and additional payment of 935,000 for the purchase of the land, Duval RDA and the current of 1,260,912.

**2021**

- During fiscal 2021, *non-current liabilities* decreased by approximately \$593,000 or 11.6%. The decrease is due to the net of loan repayments to the UNF Foundation, Inc. of \$72,000, the \$521,000 for the First Mortgage moved to current liability.

***Net Position***

The net position at June 30, 2022 increased by approximately \$1,955 million from approximately \$8,886 million in prior year or 22.0%.

The Net Position section of the Statement of Net Position provides two classifications:

1. The unrestricted net position details the amounts available to the Institute for any purpose in support of the Institute's mission.
2. Net investment in capital assets reflects the cost of the ADT building, net of depreciation, reduced by the outstanding balance of debt incurred for the purchase of the ADT building.

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**Statement of Revenues, Expenses, and Changes in Net Position**

The purpose of the Statement of Revenues, Expenses, and Changes in Net Position is to provide the details of the Institute's operating and non-operating activity for the fiscal year. This includes the revenues displayed by major source (net of discounts and allowances), expenses, and gains and losses received or expended by the Institute.

Operating revenues are revenues received from services provided (e.g. training courses, radar testing, grants, and computer software installations) to various customers and constituents of the Institute. Operating expenses are those expenses incurred to produce the operating revenues and are detailed by type, which include course materials, program fees, etc. Net operating income(loss) represents the amount of operating expenses in exceeds of operating expenses and does not include non-operating revenue or expenses.

Non-operating revenue is received from sources for which no service is provided by the Institute (e.g. investments). The change in net position is the result of the excess of revenues over expenses, which is also the change in total net position on the Statement of Net Position.

	Years ended June 30, (In thousands of dollars)						
	2022	2021	Increase (decrease)	Change	2020	Increase (decrease)	Change
Operating revenues:							
Program fees	\$ 5,198	\$ 3,458	\$ 1,740	50.3%	\$ 2,732	\$ 726	26.6%
Lease revenue	1,154	1,187	(33)	-2.8%	2,104	(917)	-43.6%
Book sales	250	216	34	15.9%	195	21	10.8%
Miscellaneous income/admin operations	500	508	(8)	-1.7%	464	44	9.4%
Total operating revenues	<u>7,102</u>	<u>5,368</u>	<u>1,732</u>	<u>32.3%</u>	<u>5,495</u>	<u>(127)</u>	<u>-2.3%</u>
Less operating expenses	<u>12,429</u>	<u>18,736</u>	<u>(6,306)</u>	<u>-33.7%</u>	<u>14,902</u>	<u>3,834</u>	<u>25.7%</u>
Operating income (loss)	<u>(5,327)</u>	<u>(13,367)</u>	<u>8,040</u>	<u>-60.1%</u>	<u>(9,407)</u>	<u>(3,960)</u>	<u>42.1%</u>
Non-operating income (expense)							
Grants	7,374	15,675	(8,301)	-53.0%	11,428	4,247	37.2%
Miscellaneous Income	141	-	141	100%	-	-	-
Interest Expense	(185)	(210)	25	-12.1%	(330)	120	-36.3%
Investment Earnings	(47)	61	(108)	-177.9%	20	41	202.8%
Total non-operating income(expense)	<u>7,283</u>	<u>15,525</u>	<u>(8,383)</u>	<u>-54.0%</u>	<u>11,118</u>	<u>4,407</u>	<u>39.6%</u>
Change in net position	<u>1,956</u>	<u>2,158</u>	<u>(202)</u>	<u>-9.4%</u>	<u>1,711</u>	<u>447</u>	<u>26.1%</u>
Net position, beginning of year, as restated	<u>8,886</u>	<u>6,728</u>	<u>2,158</u>	<u>32.1%</u>	<u>5,017</u>	<u>1,711</u>	<u>34.1%</u>
Net position, end of year	<u>\$10,842</u>	<u>\$ 8,886</u>	<u>\$ 1,956</u>	<u>22.0%</u>	<u>\$6,728</u>	<u>\$ 2,158</u>	<u>32.1%</u>

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The statement of Revenues, Expenses, and Changes in Net Position is on page 15 of the basic financial statements. For fiscal year ended June 30, 2022, the Institute's operations resulted in an increase in net position of approximately \$1,956 or 22.0%. The statements' highlights are as follows:

***Operating Revenues and Expenses***

**2022**

- *Operating revenues* increased by approximately \$1.732 million or 32.3%. Increases primarily occurred in program fees of approximately \$1.740 million and books sales of approximately \$34,000. These increases were offset by decrease in lease revenue of approximately \$33,000. and miscellaneous revenue of approximately of \$9,000.
- *Operating expenses* decreases by approximately \$6.306 million or 33.7%. The decrease were in educational materials of approximately of \$106,000 and general administrative expenses of approximately \$6.817 million. The decreases in expenses were offset by increases program fees of approximately \$157,000, consulting fees of approximately of 370,000, travel expenses of approximately of \$5,100, grant equipment of approximately \$9,800 and printing, postage and telephone of approximately 69,000.

**2021**

- *Operating revenues* decreased by approximately \$126,000 or 2.3%. Decreases primarily occurred in lease revenue of approximately \$917,000. These decreases were offset by increases in program fees of approximately \$726,000, books sales of approximately \$21,000, and miscellaneous revenue of approximately \$44,000.
- *Operating expenses* increased by approximately \$3.504 million or 23.0%. The increases were in professional and consulting fees of approximately \$1.132 million, printing, postage and telephone of approximately of \$500, educational materials of approximately of \$118,000 and general administrative expenses of approximately \$3 million. The increases in expenses were offset by decreases in travel expenses of approximately of \$330,000.

	Years ended June 30 (In thousands of dollars)						
	<u>2022</u>	<u>2021</u>	<u>Increase (decrease)</u>	<u>Change</u>	<u>2020</u>	<u>Increase (decrease)</u>	<u>Change</u>
Non-operating income (expense)							
Grants	\$ 7,374	\$ 15,675	\$ (8,301)	-53.0%	\$ 11,428	\$ 4,247	37.2%
Miscellaneous Income	141	-	141	100%	-	-	-
Interest Expense	(185)	(210)	25	-12.1%	(330)	120	-36.3%
Investment Earnings	(47)	61	(108)	-177.9%	20	41	202.8%
Total non-operating income(expense)	<u>\$ 7,283</u>	<u>\$ 15,525</u>	<u>\$ (8,242)</u>	<u>-53.1%</u>	<u>\$ 11,118</u>	<u>\$ 4,407</u>	<u>39.6%</u>

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022 AND 2021  
(Continued)**

***Non-Operating Income and Expenses***

**2022**

Non-operating income reflected a total return of approximately \$47,000 in investment activity, as well as grant revenues of approximately \$7.374 million. Non-operating expenses reflected total interest expense of approximately \$185,000 and miscellaneous revenue of approximately \$141,000.

**2021**

Non-operating income reflected a total return of approximately \$61,000 in investment activity, as well as grant revenues of approximately \$15.675 million. Non-operating expenses reflected total interest expense of approximately \$210,000.

**Statements of Cash Flows**

The Statements of Cash Flows shows the cash provided and used for operating and investing activities.

- Operating activities included funds received for services (from program fees, grants, publications, etc.) and payments related to providing these services (for programs, employees' services, and supplies for goods and services).
- Capital and related financing activities included proceeds from a loan and mortgage and mortgage payments made.
- Cash flow from investing activities represented funds used to purchase investments, proceeds from sale of investments, and interest and dividends.

**Economic Outlook**

The Institute has no knowledge of any current facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year.

Management believes the Institute's overall financial position is strong. With detailed monitoring of each account, the Institute has sufficient funds to cover its obligations.

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022 AND 2021  
(Continued)**

**Requests for Information**

This financial report is designed to provide a general overview of the Institute's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional information may be addressed to:

Valerie Stevenson, Controller  
University of North Florida  
TSI/Foundation Accounting  
Hicks Hall, Suite 2900  
1 UNF Drive  
Jacksonville, FL 32224-2648  
(904) 620-2790

**UNIVERSITY OF NORTH FLORIDA TRAINING AND SERVICES INSTITUTE, INC.**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,602,123	\$ 1,278,494
Accounts receivable, net	170,337	187,294
Grants receivable	2,059,302	2,777,669
Prepaid items and other assets	60,619	64,735
Interest receivable	19,778	24,726
Lease receivable - current portion	830,029	742,178
Inventory	71,069	65,190
Total current assets	4,813,257	5,140,286
<b>Noncurrent Assets</b>		
Cash and cash equivalents	1,142	1,107
Investments	228,014	280,729
Note receivable	141,011	565,000
Lease receivable, less current portion	2,136,683	2,966,712
Capital assets not being depreciated	3,307,556	3,307,556
Capital assets being depreciated, net	7,683,825	7,802,351
Total non-current assets	13,498,231	14,923,455
Total assets	\$ 18,311,488	\$ 20,063,741
<b><u>LIABILITIES</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 533,214	\$ 1,285,658
Salaries payable - to UNF	46,362	37,154
Vacation and sick leave accrual	-	469,806
Interest payable	-	630,092
Unearned revenue	565,915	606,959
Current portion of long-term debt	1,260,912	919,000
Total current liabilities	2,406,403	3,948,669
<b>Noncurrent Liabilities</b>		
Long-term debt	2,249,811	3,527,000
Total liabilities	\$ 4,656,214	\$ 7,475,669
<b><u>DEFERRED INFLOWS</u></b>		
Deferred inflows of resources lease related	\$ 2,813,477	\$ 3,701,943
<b><u>NET POSITION</u></b>		
Unrestricted	\$ 6,668,695	\$ 5,529,778
Net investment in capital assets	4,173,102	3,356,351
Total net position	\$ 10,841,797	\$ 8,886,129

The accompanying notes to financial statements are an  
integral part of these statements.



**UNIVERSITY OF NORTH FLORIDA TRAINING AND SERVICES INSTITUTE, INC.**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Operating revenues</b>		
Program fees	\$ 5,198,464	\$ 3,458,030
Lease-related revenue	1,153,546	1,186,692
Book sales	250,324	216,009
Miscellaneous income and administrative operations	499,861	508,756
Total operating revenues	7,102,195	5,369,487
<b>Operating expenses</b>		
Program fees	3,023,581	2,866,178
Consultants fees	3,832,793	3,462,327
Travel	206,493	201,415
Grant equipment	14,869	5,009
Printing, postage, and telephone	136,034	66,957
Educational materials	467,312	573,513
General administrative	4,179,766	10,997,339
Depreciation	568,526	564,025
Total operating expenses	12,429,374	18,736,763
<b>Operating loss</b>	(5,327,179)	(13,367,276)
<b>Non-operating income (expense)</b>		
Grants	7,373,922	15,674,856
Miscellaneous income	141,011	-
Interest expense	(184,902)	(210,242)
Investment earnings (losses)	(47,184)	60,555
Total non-operating income (expense)	7,282,847	15,525,169
<b>Change in net position</b>	1,955,668	2,157,893
<b>Net position, beginning of year, as restated</b>	8,886,129	6,728,236
<b>Net position, end of year</b>	\$ 10,841,797	\$ 8,886,129

The accompanying notes to financial statements are an  
integral part of these statements.

**UNIVERSITY OF NORTH FLORIDA TRAINING AND SERVICES INSTITUTE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Received from program fees	\$ 5,215,421	\$ 3,403,397
Other operating revenues	1,721,347	2,216,976
Payments to employees for services	(3,023,581)	(2,866,178)
Payments to suppliers for goods and services	(9,963,754)	(15,510,627)
Net cash used in operating activities	(6,050,567)	(12,756,432)
<b>Cash flows from capital and related financing activities:</b>		
Interest paid on notes payable	(338,312)	(295,402)
Principal payments on notes payable	(935,277)	(601,794)
Net cash used in financing activities	(1,273,589)	(897,196)
<b>Cash flows from noncapital and related financing activities:</b>		
Received from grant activity	8,092,289	14,294,761
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(450,000)	-
Interest and dividends	5,292	1,018
Proceeds from sale of investments	(5,142)	8,930
Purchase of investments	5,381	-
Net cash (used in) provided by investing activities	(444,469)	9,948
<b>Net increase in cash and cash equivalents</b>	323,664	651,081
<b>Cash and cash equivalents, beginning of year</b>	1,279,601	628,520
<b>Cash and cash equivalents, end of year</b>	\$ 1,603,265	\$ 1,279,601
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (5,327,179)	\$ (13,367,274)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	568,526	564,025
Write off of notes receivable	88,318	-
Changes in assets and liabilities:		
Accounts receivable	16,957	(54,633)
Notes receivable	-	-
Prepaid items and other assets	4,116	1,454
Inventory	(5,879)	12,329
Accounts payable and accrued expenses	(1,213,042)	(217,850)
Interest receivable	4,948	(24,726)
Lease receivable	742,178	(3,708,890)
Deferred inflow of resources lease related	(888,466)	3,701,943
Unearned revenue	(41,044)	337,190
Net cash used in operating activities	\$ (6,050,567)	\$ (12,756,432)
<b>Supplemental disclosure of noncash investing activities</b>		
Note receivable from UNF Foundation for expenses paid by TSI in prior years for the maintenance of First Coast Technology Park land	\$ 141,011	\$ -

The accompanying notes to financial statements are an integral part of these statements.

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(1) **Summary of Significant Accounting Policies:**

(a) **Reporting entity**—The University of North Florida Training and Services Institute, Inc. (the Institute) is a not-for-profit entity organized to implement and administer unique educational and training programs at the University of North Florida (the University), and at other selected institutions. The Institute is a direct support organization (DSO) and component unit of the University.

The accompanying financial statements include the accounts of the University of North Florida Training and Service Institute, Inc. and UNF TSI Investments, LLC (the LLC), a blended component of the Institute. The LLC was formed in March 2010 by its sole member, the Institute, for the purpose of purchasing the property described in Note 4.

(b) **Basis of accounting**—The financial statements of the Institute have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

For financial reporting purposes, the Institute is considered a special-purpose government engaged only in business-type activities. Accordingly, the Institute prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

The net position of the Institute is reported in two categories as follows:

- Unrestricted net position is expendable for any purpose at the discretion of the Institute.
- Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any debt that is attributable to those assets.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Institute's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

(c) **Use of estimates**—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

(d) **Income taxes**—The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Institute has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2022 and 2021. Fiscal years ending on or after June 30, 2017 remain subject to examination by federal and state tax authorities.

(e) **Investments**—Investments are stated at fair value based on quoted market prices. The Institute intends to hold its investments for the long term. However, the needs of the organization may require the sale of a portion of these assets on a short-term basis, subject to the approval of the Investment Committee.

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Capital assets**—Purchased or constructed additions to capital assets in excess of \$5,000 are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which is 25 years for buildings.

(g) **Net position flow and assumptions**—The Institute had no restricted net position at June 30, 2022. Should the Institute hold net position that classifies as either restricted or committed, it is the Institute to first apply restricted resources, and then committed resources, before using any unrestricted resources.

(h) **Revenue recognition**—The Institute receives payments for certain program services and instruction. Program fees are deemed to be earned and reported as revenue when the related courses of instruction or services are provided. Such amounts received but not yet earned are reported as unearned revenue.

(i) **Grants**—Grant revenue is awarded, but not received by the Institute until the funds are used for the designated purpose and a request for reimbursement is filed with the State of Florida. The Institute records revenue from grants when the funds are entitled to be received from the grantor for the reimbursement claims.

(j) **Cash and cash equivalents**—For purposes of the statements of cash flows, the Institute considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(k) **Accounts receivable**—Accounts receivable represents the amounts billed for courses and contracts that remain unpaid at year-end. The allowance for doubtful accounts is based on an evaluation of the periodic aging of accounts receivable. Bad debt expense was \$86,994 and \$63,725 for the years ended June 30, 2022 and 2021, respectively. Accounts receivable is reported net of an allowance for uncollectible accounts of \$8,759 and \$7,804, at June 30, 2022 and 2021, respectively.

(l) **Inventory and prepaid items**—Inventory consisting primarily of books and computer software, is stated at cost on a first-in, first-out (FIFO) basis. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

(m) **Deferred inflow of resources lease related**—The Institute is a lessor for a noncancelable lease of a building. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Vacation and sick leave accrual**—Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave pursuant to Section 6C-5.305 of the Florida Administrative Code. Employees earn annual and sick leave based on their years of service. For annual leave, however, a maximum of 352 hours can be carried forward from one year to the next or paid upon termination for administrative and professional (A&P) employees and 240 hours can be carried forward from one year to the next or paid upon termination for University support personnel services (USPS) employees. Additionally, employees who have completed at least ten years of service are eligible to receive payment for one fourth of their accrued sick leave hours, upon termination, not to exceed 480 hours. Vacation pay and sick leave payments are expensed as earned by the employee.

Effective July 1, 2018 compensated absences are maintained by the University and no longer held on the Institute's financial statements. During the year ended June 30, 2022, the Institute remitted payment to the University for the balance owed. Accrued compensated absences as of June 30, 2022 and 2021, respectively, were \$- and \$469,806.

(o) **Contributions to police departments for grant equipment and other items**—The Institute of Police Technology Management (IPTM) unit receives grants to conduct law enforcement training, grant equipment contributions and consultant services. The total cost associated with grant work performed or purchased in 2022 and 2021 was \$5,910,908 and \$13,301,339, respectively.

(p) **Operating income or loss**—Operating revenues and expenses for a proprietary fund are those that result from providing services and producing and delivering goods and or services.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Interest and dividends, unrealized gain or loss on investments, and contributions to related parties are considered non-operating. When both restricted and unrestricted resources are available for use, the Institute's policy is to use restricted resources first, then unrestricted resources as needed.

(p) **Recently issued accounting pronouncements**—GASB issued Statement No. 87, Leases, in June 2017. GASB 87 seeks to increase the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The Institute evaluated the effect of the implementation of the new standard and retrospectively implemented, by recording a lease receivable of \$3,708,890, interest receivable of \$24,726, and deferred inflow of resources of \$3,701,943, resulting in an increase to beginning net position of \$31,671.

GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and-a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(2) Cash and Cash Equivalents and Investments:**

Investment decisions are made by the Investment Committee of the Institute's Board of Directors and approved by the Board. All deposits and investments are held at the financial institutions in the name of the Institute.

(a) **Cash and cash equivalents**—As of June 30, 2022, cash and cash equivalents included bank demand accounts and money market funds subject to immediate withdrawal. It is the Institute's policy that cash equivalent securities shall be limited to the following: (1) the money market or short term investment fund provided by the fund custodian; (2) direct obligations of the United States Government with a maturity of one year or less; (3) commercial paper with a maturity of 270 days or less that is rated A-1 or higher by Standard & Poor's or P-1 or higher by Moody's; and (4) bankers acceptances issued by the largest 50 banks in the United States (in terms of total assets). The Institute does not have a formal deposit policy for custodial credit risk with regard to cash deposits in banks but adheres to the requirements of FS 280.

**Custodial credit risk - deposits.** Custodial credit risk for deposits is the risk that, in the event of a depository financial institution's failure, the Institute's deposits may not be returned to it. At June 30, 2022 and 2021, the Institute's cash deposits with a bank were \$1,602,123 and \$1,278,494, respectively. All of the Institute's cash deposits were insured by the Federal Deposit Insurance Corporation (FDIC). Thus, the Institute's cash deposits are not considered exposed to custodial credit risk.

FL CLASS was included in the Institute's cash deposits with a bank in the amount of \$1,737,038 at June 30, 2022 and \$1,806,746 at June 30, 2021. FL CLASS is rated by S&P Global Ratings. The current rating is 'AAAm.'

The Institute's investments in money market funds are amounts invested to meet regular operations and are included in the investments disclosures below.

(b) **Investments**—The Institute's investment policy requires equity securities be limited to: (1) investments in publicly traded securities on a major stock exchange or NASDAQ; (2) no more than 7% of the market value of an investment manager's equity portfolio may be invested in the shares of a single corporate issuer; and (3) investment in the shares of companies that have been publicly traded for less than one year are limited to no more than 5% of the market value of the total equity portfolio.

For fixed income securities, the investment policy limits investments to: (1) securities rated "A" or higher by Moody's or Standard & Poor's rating services; (2) no more than 10% of the market value of the total portfolio shall be invested in the securities of any single corporate issuer; (3) investments in Collateralized Mortgage Obligations (CMOs) that consist of GNMA's, FNMA's, and FHLMA's, with no more than 20% of the market value of the portfolio in these types of issues and shall be restricted to those issues that are currently paying interest, receiving principal pay-downs and do not contain leverage; (4) investments in securities issued by foreign governments or corporations shall not exceed 25% of the total portfolio and (5) no limit on investments in securities issued directly by the United

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(2) **Cash and Cash Equivalents and Investments:** (Continued)

States Government or any agency or instrumentality thereof. The Institute's policy prohibits investments in interest only or principal only CMOs, interest rate swaps, precious metals, limited partnerships of any kind, real estate, venture capital, futures contracts or options contracts in individually managed portfolios. Trading on margin and short selling are also prohibited. The Institute does not have a formal policy on limiting the duration of mid-term and long-term investments.

Investments consist of the following at June 30, 2022 and 2021:

<u>Investment Type</u>	<u>2022</u>	<u>2021</u>
Equity mutual funds	\$ 177,338	\$ 223,313
Fixed income mutual funds	50,676	57,416
Total	<u>\$ 228,014</u>	<u>\$ 280,729</u>

**Credit risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the Institute's debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed income are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Rating at June 30, 2022</u>	
		<u>AA-A</u>	<u>Unrated</u>
Equity mutual funds	\$ 177,338	\$ -	\$ 177,338
Fixed income mutual funds	50,676	50,676	-
Total	<u>\$ 228,014</u>	<u>\$ 50,676</u>	<u>\$ 177,338</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Rating at June 30, 2021</u>	
		<u>AA-A</u>	<u>Unrated</u>
Equity mutual funds	\$ 223,313	\$ -	\$ 223,313
Fixed income mutual funds	57,416	57,416	-
Total	<u>\$ 280,729</u>	<u>\$ 57,416</u>	<u>\$ 223,313</u>

**Interest rate risk.** Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Institute's policy for managing its exposure to fair value loss occurring from increasing interest rates is through using the specific identification method and maintaining diversification of its investments so as to minimize the impact of downturns in the market as stated above. The Institute's fixed income mutual fund portfolio had an effective duration of 6.59 years, and an average maturity of 9.24 years for the year ended June 30, 2022.

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(3) Fair Value Measurements:**

The Institute has provided additional information about fair value measurements which is based on the assumptions that market participants would use when pricing an asset or liability. A fair value hierarchy was established that prioritizes the information used to develop these assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1     Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Institute has the ability to access at the measurement date;
- Level 2     Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3     Inputs that are unobservable.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. The Institute uses the market approach valuation technique to value its investments.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the unobservable inputs.

Following is a description of the valuation methodologies use for assets measured at fair value, Level 1.

The fair value of the mutual funds is based on quoted net asset values of the shares held by the Institute at year-end.

The following tables present the investments carried on the statement of net position by level within the valuation hierarchy as of June 30, 2022 and 2021.

	<b>Fair Value as of June 30, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity mutual funds	\$ 177,338	\$ -	\$ -	\$ 177,338
Fixed income mutual funds	50,676	-	-	50,676
Total	\$ 228,014	\$ -	\$ -	\$ 228,014
	<b>Fair Value as of June 30, 2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity mutual funds	\$ 223,313	\$ -	\$ -	\$ 223,313
Fixed income mutual funds	57,416	-	-	57,416
Total	\$ 280,729	\$ -	\$ -	\$ 280,729



**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**(4) Capital Assets:**

UNF TSI Investments, LLC (the LLC) is a wholly-owned Florida limited liability company formed in March 2010, for which the Institute is the LLC's sole member. In May 2010, the LLC purchased approximately 7.71 acres of land adjacent to UNF and the ADT Building located in Duval County, Florida for \$17,408,190. The building is depreciated based on a 25-year estimated useful life using the straight-line method. During fiscal year, 2022 and 2021, depreciation expense of \$564,025 and \$564,025 was recorded.

Capital asset activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not depreciated					
Land – ADT	\$ 3,307,556	\$ -	\$ -	\$ -	\$ 3,307,556
Capital assets being depreciated					
Building – ADT	14,100,634	450,000	-	-	14,550,634
Less accumulated depreciation for:					
Building – ADT	(6,298,283)	(568,526)	-	-	(6,866,809)
Total capital assets, being depreciated, net	<u>7,802,351</u>	<u>(118,526)</u>	<u>-</u>	<u>-</u>	<u>7,683,825</u>
Total Capital assets, net	<u>\$11,109,907</u>	<u>\$ (118,526)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,991,381</u>

Capital asset activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not depreciated					
Land – ADT	\$ 3,307,556	\$ -	\$ -	\$ -	\$ 3,307,556
Capital assets being depreciated					
Building – ADT	14,100,634	-	-	-	14,100,634
Less accumulated depreciation for:					
Building – ADT	(5,734,258)	(564,025)	-	-	(6,298,283)
Total capital assets, being depreciated, net	<u>8,366,376</u>	<u>(564,025)</u>	<u>-</u>	<u>-</u>	<u>7,802,351</u>
Total Capital assets, net	<u>\$11,673,932</u>	<u>\$(564,025)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,109,907</u>

**(5) Long-Term Debt:**

In May 2010, the UNF TSI Investments, LLC (the “LLC”) executed the following agreements to purchase the ADT building:

- (a) First Mortgage Debt – the LLC assumed the \$12,514,143 debt from Wells Fargo Bank Northwest, National Association (f/k/a First Security Bank), as Trustee of the Legg Mason Mortgage Capital Corporation Lease-Backed Commercial Mortgage Pass-Through Trust, Series 2000-CT-5 and LYM TYCI Capital Company, LLC (TYCO) secured by an existing first priority mortgage upon the Property. Principal and interest of \$170,954, was due monthly through September 2019 and principal and interest of \$176,088 is due monthly through September 2019.

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(5) **Long-Term Debt:** (Continued)

Each October, monthly payments increase 3% through the maturity date of September 2020. The debt was executed at a fixed interest rate of 8.3% per annum.

(b) *UNF Foundation, Inc. and UNF Training & Services, Inc. and UNF TSI Investments, LLC* entered into a Memorandum of Understanding (MOU). The MOU includes a) loan funding to the LLC in an amount not to exceed \$4,800,000; b) terms for the loan: interest will accrue at the rate of 4.50% per annum, and the principal and all accrued interest on the loan will be payable in full on or in part at any time prior to its due date in May 2025; c) no additional encumbrances or loans may be entered into to afford any party a security interest in or otherwise pledge, collateralize or encumber the ADT Property; and d) no TSI funding of capital projects for as long as any portion of the loan or interest thereon remains unpaid, and TSI will not advance, loan or contribute to UNF or a UNF-related entity any sum for the purpose of funding a UNF capital project. The principal and interest payments on the loan are due on the first day of each month with payments ranging from \$112,629 to \$121,207 beginning June 1, 2021 through February 1, 2025.

A summary of changes in long-term debt activity for the year ended June 30, 2022, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Note payable - UNF Foundation	\$ 4,446,000	\$ -	\$ (935,277)	\$ 3,510,723	\$ 1,260,912

A summary of changes in long-term debt activity for the year ended June 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
First Mortgage	\$ 521,040	\$ -	\$ (521,040)	\$ -	\$ -
Note payable - UNF Foundation	4,518,000	-	(72,000)	4,446,000	919,000
Total	<u>\$ 5,039,041</u>	<u>\$ -</u>	<u>\$ (593,040)</u>	<u>\$ 4,446,000</u>	<u>\$ 919,000</u>

The aggregate maturities of long-term debt long-term debt for future years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,260,912	\$ 132,466	\$ 1,393,378
2024	1,349,606	73,838	1,423,444
2025	900,205	14,789	914,994
Total	<u>\$ 3,510,723</u>	<u>\$ 221,093</u>	<u>\$ 3,731,816</u>

**UNIVERSITY OF NORTH FLORIDA  
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NOTES TO FINANCIAL STATEMENTS  
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(6) **Note Receivable:**

The Duval County Research and Development Authority has an approved line of credit up to \$600,000 with the Institute. The non-interest-bearing promissory note was approved by the Institute's Board at its May 2010 meeting. During the year ended June 30, 2022, the First Coast Technology Park land was donated to the UNF Foundation. As part of the agreement, the note between the Institute and the Duval County RDA was written off. The amount outstanding at years ended at June 30, 2022 and 2021 was \$141,011 and \$565,000, respectively.

(7) **Retirement Benefits:**

The Institute's employees are employed by the University. The Institute does not administer a separate retirement plan for its employees; however, pursuant to law, all salaried employees are members of retirement plans of the State of Florida. The retirement plans accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits and other related matters are the responsibility of the Florida State Department of Administration, Division of Retirement. Other postemployment benefits (OPEB), primarily subsidized premiums for health insurance, are provided by the University. The complete disclosures for the retirement plan and OPEB can be located in the audited financial statements of the University. Payments made to the University for contributions on behalf of the Institute's employees were \$234,091 and \$209,873 for the years ended June 30, 2022 and 2021, respectively.

(8) **Related Party Transactions:**

- (a) The University provides, as in-kind contributions to the Institute, support services such as office and classroom space, furnishings and fiscal management at no cost. Annually, the Institute's Board of Directors decides what amount, if any, will be remitted to the University as a contribution for faculty development. There was no payment to the University in fiscal year 2022 or 2021.
- (b) The Institute makes contributions to the University for equipment purchases, excluding vehicles. The University maintains title to all such equipment purchases with the Institute having use of all equipment without further charges. Contributions to the University for equipment purchases were \$2,909 and \$12,772 for the years ended June 30, 2022 and 2021, respectively.
- (c) The University provides campus mail, telephone, and other such services to the Institute. Charges for the above services were \$19,904 and \$17,067 for each of the years ended June 30, 2022 and 2021, respectively, and are included in printing, postage and telephone in the accompanying financial statements.
- (d) The University of North Florida Foundation, Inc. contributes funds to the Institute for reimbursement of Foundation operating costs paid by the Institute. Contributions for the above costs were \$419,672 and \$399,056 for the years ended June 30, 2022 and 2021, respectively.

**UNIVERSITY OF NORTH FLORIDA  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(8) **Related Party Transactions:** (Continued)

- (e) The University of North Florida Financing Corporation, Inc. contributes funds to the Institute for reimbursement of Financing operating costs paid by the Institute. Contributions for the above costs were \$41,761 and \$30,000 for each of the years ended June 30, 2022 and 2021, respectively.
- (f) The Institute has amounts payable to the University of \$183,186 and \$1,296,204 at June 30, 2022 and 2021, respectively.

(9) **Risk Management:**

The Institute has purchased general liability, automobile, errors and omissions and international insurance policies, each with a coverage of \$1,000,000 per occurrence, to reduce the exposure of potential claims associated with selected course activities. The Institute has these commercial insurance policies to cover wrongful acts occurring in the normal course of business. The policy requires a \$5,000 deductible for each loss. Substantially all other insurable risks, which include automobile, general liability, and workers compensation insurance, are covered under the State of Florida's self-insurance fund. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

(10) **Concentrations:**

Grants receivable and revenues as of and for the years ended June 30, 2022 and 2021 were derived entirely from the State of Florida. Lease revenue for the years ended June 30, 2022 and 2021 was derived entirely from one tenant.

(11) **Lessor Leases:**

The Institute leases the ADT building to a tenant under a lease with an original expiration date of September 1, 2020. During June 2020, the lease was extended to for five years through August 31, 2025. The minimum monthly lease payments are \$82,629 with a 2.5% annual increase on the first day of every September.

The Institute recognized \$888,466 of lease revenue and \$265,080 of interest revenue, for a total of \$1,153,546 of lease-related revenue for the year ended June 30, 2022.

Future minimum rents under non-cancelable operating leases as of June 30, 2022, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payment</b>
2023	\$ 830,029	\$ 207,483	\$ 1,037,512
2024	925,828	137,621	1,063,449
2025	1,030,249	59,786	1,090,035
2026	180,606	1,808	182,414
	<u>\$ 2,966,712</u>	<u>\$ 406,698</u>	<u>\$ 3,373,410</u>

**UNIVERSITY OF NORTH FLORIDA**  
**TRAINING AND SERVICES INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

(12) **Segment Information:**

The Institute's financial statements for fiscal years 2022 and 2021 include the accounts of the University of North Florida Training and Service Institute, Inc. and UNF TSI Investments, LLC.

Summary financial information for each entity is presented below as of and for the year ended June 30, 2022.

	<b>The University of North Florida Training &amp; Service Institute, Inc.</b>	<b>UNF TSI Investments, LLC</b>	<b>Total</b>
	<hr/>	<hr/>	<hr/>
As of June 30, 2022			
Current assets	\$ 4,193,077	\$ 620,180	\$ 4,813,257
Non-current assets	370,167	13,128,064	13,498,231
Total assets	<u>\$ 4,563,244</u>	<u>\$ 13,748,244</u>	<u>\$ 18,311,488</u>
Liabilities:			
Current liabilities	\$ 1,139,562	\$ 1,266,841	\$ 2,406,403
Non-current liabilities	-	2,249,811	2,249,811
Total liabilities	<u>\$ 1,139,562</u>	<u>\$ 3,516,652</u>	<u>\$ 4,656,214</u>
Deferred Inflows of Resources	\$ -	\$ 2,813,477	\$ 2,813,477
Net assets			
Unrestricted net position	\$ 3,423,682	\$ (62,543)	\$ 3,361,139
Net investment in capital assets	-	7,480,658	7,480,658
Total net position	<u>\$ 3,423,682</u>	<u>\$ 7,481,115</u>	<u>\$ 10,841,797</u>
Total liabilities and net position	<u>\$ 4,563,244</u>	<u>\$ 10,934,767</u>	<u>\$ 15,498,011</u>

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(12) **Segment Information:** (Continued)

Summary financial information for each entity is presented below as of and for the year ended June 30, 2021.

	<b>The University of North Florida Training &amp; Service Institute, Inc.</b>	<b>UNF TSI Investments, LLC</b>	<b>Total</b>
As of June 30, 2021			
Current assets	\$ 3,807,687	\$ 1,332,599	\$ 5,140,286
Non-current assets	846,836	14,076,619	14,923,455
Total assets	<u>\$ 4,654,523</u>	<u>\$ 15,409,218</u>	<u>\$ 20,063,741</u>
Liabilities:			
Current liabilities	\$ 2,316,948	\$ 1,631,721	\$ 3,948,669
Non-current liabilities	-	3,527,000	3,527,000
Total liabilities	<u>2,316,948</u>	<u>5,158,721</u>	<u>7,475,669</u>
Deferred Inflows of Resources	\$ -	\$ 3,701,943	\$ 3,701,943
Net assets			
Unrestricted net position	2,337,576	(115,354)	2,222,222
Net investment in capital assets	-	6,663,907	6,663,907
Total net position	<u>2,337,576</u>	<u>6,548,553</u>	<u>8,886,129</u>
Total liabilities and net position	<u>\$ 4,654,523</u>	<u>\$ 11,707,274</u>	<u>\$ 16,361,798</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022.

	<b>The University of North Florida Training &amp; Service Institute, Inc.</b>	<b>UNF TSI Investments, LLC</b>	<b>Total</b>
For the year ended June 30, 2022			
Operating revenue and transfers	\$ 5,948,649	\$ 1,153,546	\$ 7,102,195
Operating expenses and transfers	12,330,292	99,082	12,429,374
Operating income (loss)	(6,381,642)	1,054,464	(5,327,179)
Non-operating Income	7,467,749	(184,902)	7,282,847
Change in net position	1,086,106	869,562	1,955,668
Net position, beginning of year	2,337,576	6,548,553	8,886,129
Net position, end of year	<u>\$ 3,423,682</u>	<u>\$ 7,418,115</u>	<u>\$ 10,841,797</u>

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(12) **Segment Information:** (Continued)

Condensed Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2021.

	<b>The University of North Florida Training &amp; Service Institute, Inc.</b>	<b>UNF TSI Investments, LLC</b>	<b>Total</b>
For the year ended June 30, 2021			
Operating revenue and transfers	\$ 4,182,795	\$ 1,186,692	\$ 5,369,487
Operating expenses and transfers	17,644,724	1,092,039	18,736,763
Operating income (loss)	(13,461,929)	94,653	(13,367,276)
Non-operating Income	15,735,411	(210,242)	15,525,169
Change in net position	2,273,482	(115,589)	2,157,893
Net position, beginning of year	64,094	6,664,142	6,728,236
Net position, end of year	<u>\$ 2,337,576</u>	<u>\$ 6,548,553</u>	<u>\$ 8,886,129</u>

Condensed Statement of Cash Flows for the year ended June 30, 2022.

	<b>The University of North Florida Training &amp; Service Institute, Inc.</b>	<b>UNF TSI Investments, LLC</b>	<b>Total</b>
For the year ended June 30, 2022			
Net cash provided by (used in):			
Operating activities	\$ (6,050,567)	\$ -	\$ (6,050,567)
Capital and related financing activities	(338,312)	(935,277)	(1,273,589)
Noncapital and related financing activities	8,092,289	-	8,092,289
Investing activities	5,531	(450,000)	(444,469)
	1,708,941	(1,385,277)	323,664
Cash and cash equivalents, beginning of year	15,658,699	(14,379,098)	1,279,601
Cash and cash equivalents, end of year	<u>\$ 17,367,640</u>	<u>\$ (15,764,375)</u>	<u>\$ 1,603,265</u>

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

(12) **Segment Information:** (Continued)

Condensed Statement of Cash Flows for the year ended June 30, 2021.

	<b>The University of North Florida Training &amp; Service Institute, Inc.</b>	<b>UNF TSI Investments, LLC</b>	<b>Total</b>
For the year ended June 30, 2022			
Net cash provided by (used in):			
Operating activities	\$ (12,756,432)	\$ -	\$ (12,756,432)
Capital and related financing activities	(295,402)	(601,794)	(897,196)
Noncapital and related financing activities	14,294,761	-	14,294,761
Investing activities	9,948	-	9,948
	<u>1,252,875</u>	<u>(601,794)</u>	<u>651,081</u>
Cash and cash equivalents, beginning of year	<u>14,405,824</u>	<u>(13,777,304)</u>	<u>628,520</u>
Cash and cash equivalents, end of year	<u>\$ 15,658,699</u>	<u>\$ (14,379,098)</u>	<u>\$ 1,279,601</u>

(13) **Prior Period Adjustment:**

The financial statements for fiscal year 2021 have been restated to retrospectively conform with the requirements of GASB 87. Accounting prior to GASB 87 resulted in an understatement of lease receivable, interest receivable, and deferred inflow of resources, and an overstatement of net position in the previously issued financial statements for 2021. The implementation of GASB 87 resulted in the following restatement for the fiscal year ended June 30, 2021:

Statement of Financial Position:	
2021 Net position, end of year as previously stated	\$ 8,854,458
Add: FY21 adjustment to lease-related revenue	31,671
2021 Net position, end of year as restated	<u>\$ 8,886,129</u>



**SUPPLEMENTARY INFORMATION**

**UNIVERSITY OF NORTH FLORIDA TRAINING AND SERVICES INSTITUTE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Federal Pass-Through Entity Federal Program/State Project	AL/ Number Number	Pass-Through Identifying/ Grant Contract Identification Number	Grant	Expenditures
<b>FEDERAL AGENCY</b>				
<b>Department of Transportation</b>				
Passed through Florida Department of Transportation:				
Florida's Vital Few Safety Initiative	20.205	433144-1-8404	\$ 4,328,500	\$ 3,427,510
FL's Pedestrian & Bicycle Focused Initiative Communicat	20.205	433144-1-8404	20,305,553	-
Total Highway Planning & Construction Cluster			<u>24,634,053</u>	<u>3,427,510</u>
Passed through Florida Department of Transportation:				
Motorcycle Awareness Survey	20.600	MC-2021-00085	60,000	60,000
Florida Law Enforcement Liaison Occupant Protection Awareness Program	20.600	OP-2022-00080	75,000	9,920
Florida's Comprehensive Pedestrian & Bicycle Safety Program	20.600	PS-2021-00067	700,000	121,098
Florida's Pedestrian & Bicycle Safety High Visibility Enforcement Recruitment &	20.600	PS-2021-00113	100,000	18,270
Pedestrian & Bicycle Program Evaluation & Data Collection	20.600	PS-2021-00122	300,000	87,724
Florida's Pedestrian & Bicycle Safety High Visibility Enforcement Program	20.600	PS-2022-00085	100,000	50,347
Pedestrian & Bicycle Program Evaluation & Data Collection	20.600	PS-2022-00122	330,000	103,471
Florida's Comprehensive Pedestrian & Bicycle Safety Program	20.600	PS-2022-00141	587,850	272,620
Florida Law Enforcement Liaison Program	20.600	PT-2021-00095	950,000	221,657
Florida Law Enforcement Traffic Safety Challenge Recognition & Training Event	20.600	PT-2021-00097	150,000	6,089
Event Data Recorder Use in Traffic Crash Reconstruction	20.600	PT-2021-00140	79,500	14,310
Human Factors in Traffic Crash Reconstruction	20.600	PT-2021-00142	89,500	17,900
Investigation of Motorcycle Crashes - Level I	20.600	PT-2021-00143	79,500	7,155
Pedestrian & Bicycle Crashes Investigation - Level 1	20.600	PT-2021-00145	79,500	11,130
Police Motorcycle Instructor	20.600	PT-2021-00146	75,000	21,000
Florida Law Enforcement Liaison Program	20.600	PT-2022-00065	975,000	685,213
Florida Law Enforcement Traffic Safety Challenge Recognition & Training Event	20.600	PT-2022-00078	150,000	7,508
Region IV Law Enforcement Liaison Conference	20.600	PT-2022-00081	45,000	33,054
Crash Data Retrieval (CDR) Tool Technician	20.600	PT-2022-00145	40,000	14,850
Digital Photography for Traffic Crash Investigators	20.600	PT-2022-00149	35,000	13,515
Data Recorder Use in Traffic Crash Reconstruction -Level	20.600	PT-2022-00151	40,000	7,155
Event Data Recorder Use in Traffic Crash Reconstruction	20.600	PT-2022-00152	40,000	22,375
Forensic Evidence From Crash Fatalities	20.600	PT-2022-00153	25,000	6,545
Human Factors in Traffic Crash Reconstruction	20.600	PT-2022-00160	40,000	22,375
Investigation of Motorcycle Crashes - Level I	20.600	PT-2022-00161	80,000	10,335
Investigation of Motorcycle Crashes - Level 2	20.600	PT-2022-00163	40,000	8,055
Occupant Kinematics for Traffic Crash Reconstruction	20.600	PT-2022-00164	30,000	10,740
Pedestrian/Bicycle Crash Investigation - Level 1	20.600	PT-2022-00165	80,000	23,850
Pedestrian/Bicycle Crash Investigation - Level 2	20.600	PT-2022-00166	40,000	24,165
Police Motorcycle Instructor	20.600	PT-2022-00167	75,000	37,500
Traffic Crash Reconstruction - Level 2	20.600	PT-2022-00169	40,000	12,530
Pedestrian & Bicycle Safety Public Education Program-Billboard Advertising	20.616	FHPE-2021-00074	1,000,000	443,651
Pedestrian & Bicycle Safety Public Education Program-Billboard Advertising	20.616	FHPE-2022-00117	1,200,000	167,367
Pedestrian & Bicycle Law Enforcement Training: Laws, Procedures & Best Practices	20.616	FHTR-2021-00125	400,000	48,923
Pedestrian & Bicycle Law Enforcement Training: Laws, Procedures & Best Practices	20.616	FHTR-2022-00114	400,000	75,194
Statewide Safety Belt & Child Passenger Safety Surveys	20.616	M1X-2021-00087	321,000	54,222
Florida Law Enforcement Liason Occupant Protection Awareness Program	20.616	M1X-2021-00127	75,000	2,734
Statewide Safety Belt & Child Passenger Safety Surveys	20.616	M1X-2022-00070	356,000	293,777
Drug Evaluation & Classification Program	20.616	MSTR-2021-00096	640,000	87,171
Advanced Roadside Impaired Driving Enforcement (ARIDE)	20.616	MSTR-2021-00102	175,000	31,600
DWI Detention & Standardized Field Sobriety Testing	20.616	MSTR-2021-00105	225,000	57,210
Advanced Marijuana Impaired Driving Detection for Law Enforcement	20.616	MSTR-2021-00134	50,000	4,275
Marijuana Impaired Driving Detection for Law Enforcement	20.616	MSTR-2021-00135	75,000	9,675
Medical Foundations of Visual Systems Testing	20.616	MSTR-2021-00147	40,000	10,115
DWI Detention & Standardized Field Sobriety Testing Instructor Update	20.616	MSTR-2021-00148	10,000	2,025
Sobriety Checkpoint Operations	20.616	MSTR-2021-00154	25,000	4,165
Advanced Roadside Impaired Driving Enforcement (ARIDE)	20.616	MSTR-2022-00132	150,000	89,270
Driving While Intoxicated Detection & Standardized Field	20.616	MSTR-2022-00144	35,000	30,210
Marijuana Impaired Driving Detection for Law Enforcement	20.616	MSTR-2022-00154	75,000	16,650
Medical Foundations of Visual Systems Testing	20.616	MSTR-2022-00155	45,000	6,545
Advanced Marijuana Impaired Driving Detection for Law Enforcement	20.616	MSTR-2022-00156	45,000	14,400
Driving While Intoxicated Detection & Standardized Field	20.616	MSTR-2022-00158	225,000	152,320
Drug Evaluation & Classification Program	20.616	MSTR-2022-00159	652,000	241,822
Drug Recognition Expert (DRE) Preparation Class	20.616	MSTR-2022-00162	25,000	4,950
Drug Recognition Expert (DRE) Call-Out	20.616	M5X-2021-00104	50,000	3,525
Florida Law Enforcement Liaison Impaired Driving Awareness Program	20.616	M5X-2021-00106	75,000	2,734
Impaired Driving Media Awareness Survey	20.616	M5X-2022-00072	71,000	70,400
Florida LEL Impaired Driving Awareness Program	20.616	M5X-2022-00079	75,000	52,201
Drug Recognition Expert (DRE) Call-Out	20.616	M5X-2022-00130	55,000	2,660
Total Highway Safety Cluster			12,124,650	3,946,412
<b>Total Department of Transportation</b>			<b>36,758,703</b>	<b>7,373,922</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 36,758,703</b>	<b>\$ 7,373,922</b>
Reconciled to cash received from Department of Transportation during the year:				
Total amounts expended				\$ 7,373,922
Less net change in grants receivable in financial statements				718,367
Total cash received from Department of Transportation				<u>\$ 8,092,289</u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDING JUNE 30, 2022**

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the University of North Florida Training and Services Institute, Inc. (“the Institute”) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CRF) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Institute.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate:**

The Institute has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

(4) **Subrecipients:**

During the year ended June 30, 2022, the Institute provided no federal awards to subrecipients.

(5) **Contingency:**

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the Institute. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable federal and state laws and regulations.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors,  
UNF Training and Service Institute, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of UNF Training and Service Institute, Inc. (the "Institute") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Institute's basic financial statements, and have issued our report thereon dated September 7, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Institute's internal control over financial reporting (internal control) as a basis of designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

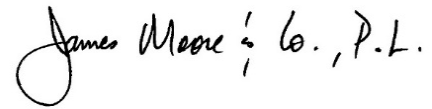
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Institute's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

Gainesville, Florida  
September 7, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors,  
University of North Florida Training and Services Institute, Inc.:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the University of North Florida Training and Services Institute, Inc. (the Institute)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Institute's major federal programs for the year ended June 30, 2022. The Institute's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Institute complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Institute's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Institute's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Institute's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Institute's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Institute's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Institute's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.


### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

 James Moore & Co., P.L.

Gainesville, Florida  
September 7, 2022



**UNIVERSITY OF NORTH FLORIDA  
TRAINING AND SERVICES INSTITUTE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022**

**A. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes     X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes     X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes     X  no

***Federal Awards:***

Internal control over major Federal programs:

Material weakness(es) identified? \_\_\_\_\_ yes     X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes     X  none reported

Type of auditors' report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes     X  none reported

Auditee qualified as a low-risk auditee? \_\_\_\_\_ yes     X  no

Dollar threshold used to distinguish between type A and type B programs:  \$750,000

Identification of major Federal programs:

ALN Number	Project Name
20.600 & 20.616	Highway Safety Cluster

**B. Financial Statement Findings:** None.

**C. Federal Award Findings and Questioned Costs:** None.

**D. Summary Schedule of Prior Audit Findings:** None.

**E. Corrective Action Plan:** Not applicable as there are no current year findings.