

2020

Florida State University School, Inc.

Financial Statements
and Independent Auditor's Report

June 30, 2020

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**FLORIDA STATE UNIVERSITY SCHOOL, INC.
TALLAHASSEE, FLORIDA**

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida State University School, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Florida State University School, Inc. (the School), a component unit of Florida State University, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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To the Board of Directors
Florida State University School, Inc.
Tallahassee, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully described in Note 13 to the financial statements, the School has been materially impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020.

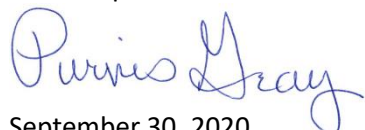
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and pages 29 through 31 be presented to supplement the basic financial statements. Such information, 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.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 School's internal control over financial reporting and compliance.



September 30, 2020
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
FLORIDA STATE UNIVERSITY SCHOOL, INC.
JUNE 30, 2020

The Management of the Florida State University School, Inc. (the School or FSUS) has prepared the following discussion and analysis to: (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the School's financial activities; (c) identify changes in the School's financial position; and (d) highlight significant issues for the twelve-month period ended June 30, 2020, in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to the financial statements.

Financial Highlights

Key financial highlights for the 2019-2020 fiscal year are as follows:

- During fiscal year 2019-2020, General Fund revenues exceeded expenditures by \$919,519. This may be compared to fiscal year 2018-2019 where General Fund revenues exceeded expenditures by \$918,083. Transfers In totaling \$512,859 were primarily the result of excess revenues over expenditures in the debt service fund. These funds are restricted for capital projects. This resulted in a net increase in Fund balance of \$1,432,378.
- In total, net position increased by \$4,584,555 totaling \$29,796,839 compared to \$25,212,284 in 2018-2019. The increase is approximately 18%.
- The assets of FSUS as reported in the School-wide financial statements exceeded their liabilities at the close of the current fiscal year by \$29,796,839 (net position).
- General Fund Revenues totaled \$15,115,916 or 83% of all revenues. Special Revenue Fund, Debt Service Revenues, and Capital Projects Fund in the form of charges for services and capital grants totaled \$3,153,804, which was 17% of Governmental Fund Revenues.
- As of the close of the current year, the Governmental Funds financial statements report combined ending fund balances of \$17,815,304; an increase of \$2,021,982 compared to the 2018-2019 fund balance of \$15,793,322.
- At the close of the current year, the general fund balance was \$12,415,951 with a net increase of \$1,432,378. The Special Revenue Fund balance decreased by \$6,839 that resulted in an ending balance of \$34,797.
- During school year 2019-2020, enrollment increased from our target of 1776 students to 1795. It is anticipated that enrollment for 2020-2021 will be approximately 1835 due to increasing elementary enrollment. The list for students that have applied for admission is much larger than demand.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FLORIDA STATE UNIVERSITY SCHOOL, INC.
JUNE 30, 2020

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the financial statements. The basic financial statements consist of five components:

- School-wide financial statements are designed to provide information on the School as a whole and to present a long-term view of the School's finances.
- Fund financial statements tell how services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the School's operations in more detail than the School-wide financial statements.
- Notes to the financial statements.
- Supplementary auditor's report.

School-Wide Financial Statements

The School-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the School activities presented on the accrual basis of accounting. The statement of net position provides information about the School's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position, which is the result of operations during the fiscal year. An increase or decrease in the net position is an indication of whether the School's financial health is improving or deteriorating.

The School-wide statements present the School's activities including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as school food service program and administration are also included. The State's education program provides most of the resources that support these activities (Florida Education Finance Program dollars based on full time student equivalent, which flows through the Florida State University to FSUS bi-monthly).

Over a period of time, changes in the School's net position are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the School's student enrollment, and the condition of the School's capital assets, including its buildings and administrative facilities.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management.

MANAGEMENT’S DISCUSSION AND ANALYSIS
FLORIDA STATE UNIVERSITY SCHOOL, INC.
JUNE 30, 2020

Law establishes certain funds, while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the School’s financial activities, focusing on its most significant or “major” funds rather than fund types. This is in contrast to the entity-wide perspective contained in the School-wide statements. All of the School’s funds may be classified within one of two broad categories as discussed below.

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, the governmental funds utilize a spendable financial resource measurement focus rather than the economic measurement focus found in the governmental-wide financial statements. This financial resource measurement focus allows the governmental fund statements to provide information on *near-term* inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the School’s *near-term* financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the School-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in the fund balances provide a reconciliation of governmental funds to governmental activities.

Fiduciary Funds—Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the governmental-wide statements because the resources are not available to support the School’s own programs. In its fiduciary capacity, the School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the School-wide and fund financial statements.

Required Supplementary Information

The information in this section is required by the Governmental Accounting Standards Board (GASB). It consists of the MD&A and the budgetary comparison schedule of the general fund.

Supplemental Auditor’s Reports

This section includes the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards* and the Management Letter in accordance with the *Rules of the Auditor General* of the State of Florida.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FLORIDA STATE UNIVERSITY SCHOOL, INC.
JUNE 30, 2020**

School-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The School's assets exceeded liabilities by \$29,796,839 as of June 30, 2020. Investments in capital assets (e.g., land, buildings, furniture, and equipment) net of related debt amounted to \$12,543,961.

The following is a summary of the School's net position as of June 30, 2020:

Governmental Activities			
	2020	2019	Increase (Decrease)
Assets			
Current and Other Assets	\$ 28,379,604	\$ 27,079,426	\$ 1,300,178
Non-Current Assets	21,909,384	20,476,325	1,433,059
Total Assets	50,288,988	47,555,751	2,733,237
Liabilities			
Current Liabilities	10,680,506	11,375,241	(694,735)
Non-Current Liabilities	9,811,643	10,968,226	(1,156,583)
Total Liabilities	20,492,149	22,343,467	(1,851,318)
Net Position			
Net Investment in Capital Assets	12,543,961	9,971,182	2,572,779
Restricted for Categorical	504,741	217,456	287,285
Restricted for Debt Service	3,473,044	3,271,051	201,993
Restricted for Capital Outlay	4,166,376	3,296,398	869,978
Unrestricted	9,108,717	8,456,197	652,520
Total Net Position	\$ 29,796,839	\$ 25,212,284	\$ 4,584,555

A portion of the School's net position (42%) reflects its investment in capital assets (e.g. land, buildings, furniture, and equipment), less any related debt still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the School's net position represents resources that are subject to external restrictions on how they may be used.

Capital Assets

The School's investment in capital assets for its governmental activities as of June 30, 2020, amounted to \$21,909,384 (net of accumulated depreciation). This investment in capital assets includes land improvements, improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; construction in progress; and audiovisual and computer software. Effective July 2011, the threshold for capital assets was changed from \$1,000 to \$5,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FLORIDA STATE UNIVERSITY SCHOOL, INC.
JUNE 30, 2020

Long-Term Liabilities

At June 30, 2020, the School had total long-term liabilities outstanding of \$9,811,643. This amount was comprised of \$8,181,439 bonds payable, \$380,204 compensated absences payable, and \$1,250,000 due to the developer.

The key elements of changes in the School's net position for the fiscal year are as follows:

	Operating Results Government Activities		Increase (Decrease)
	2020	2019	
Expenses			
Function/Programs:			
Instruction	\$ 8,478,900	\$ 7,946,825	\$ 532,075
Pupil Personnel Services	1,034,908	984,554	50,354
Instructional Media Services	125,734	155,621	(29,887)
Instructional Staff Training	24,132	34,256	(10,124)
Instructional Technology	62,728	533,420	(470,692)
Board	90,211	86,264	3,947
General Administration	494,690	361,644	133,046
School Administration	457,653	514,294	(56,641)
Facilities Acquisition and Construction	17,750	-	17,750
Fiscal Services	375,152	264,456	110,696
Food Services	468,960	506,372	(37,412)
Central Services	723,786	623,025	100,761
Pupil Transportation Services	51,280	89,551	(38,271)
Operation of Plant	1,521,807	1,329,444	192,363
Maintenance of Plant	250,643	305,284	(54,641)
Community Services	513,786	542,511	(28,725)
Interest on Long-Term Debt	378,415	423,870	(45,455)
Unallocated Depreciation	982,082	971,034	11,048
Other	7,012	6,279	733
Total Expenses	<u>16,059,629</u>	<u>15,678,704</u>	<u>380,925</u>
Program Revenue			
Charges for Services	1,162,985	1,278,104	(115,119)
Operating Grants and Contributions	215,912	238,244	(22,332)
Capital Grants and Contributions	4,981,974	3,065,006	1,916,968
Total Program Revenue	<u>6,360,871</u>	<u>4,581,354</u>	<u>1,779,517</u>
General Revenues:			
Grants and Contributions not Restricted to			
Specific Purposes	13,597,046	13,131,525	465,521
Investment Earnings	686,267	558,451	127,816
Miscellaneous Income	-	16,531	(16,531)
Total General Revenues	<u>14,283,313</u>	<u>13,706,507</u>	<u>576,806</u>
Total Revenues	<u>20,644,184</u>	<u>18,287,861</u>	<u>2,356,323</u>
Change in Net Position	<u>\$ 4,584,555</u>	<u>\$ 2,609,157</u>	<u>\$ 1,975,398</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
FLORIDA STATE UNIVERSITY SCHOOL, INC.
JUNE 30, 2020

Financial Analysis of the School's Funds

The focus of the School governmental funds is to provide information on *near-term* inflows and outflows and balances of spendable resources. As of fiscal year-end, the governmental funds reported combined ending fund balances of \$17,815,304. The General Fund is the primary operating fund. At fiscal year-end the Unassigned Fund balance was \$9,064,588 while the total General Fund balance was \$12,415,951.

General Fund Budgetary Highlights

Over the course of the year, changes were made to the budget. Each change is School Board approved and the purpose explained at the time of approval.

Budgeted general revenue for School year 2019-2020 was \$14,873,296, with actual revenue received totaling \$15,115,916. This resulted in an approximate 1.6% variance.

Budgeted general expense was \$14,423,296, with actual expenses totaling \$14,196,397, which was approximately a 1.6% variance.

Economic Factors and Next Year's Budget and Rates

- Capital outlay funding will continue to be funded at 100%, 20% from State capital outlay funds and 80% from Local Millage funding.
- The School will maintain an enrollment of over 1835 students in elementary, middle, or high school for the 2020-2021 school year.
- In-unit Faculty's increase in base salary is undetermined at this time.

Requests for Information

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the School's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information in this report or requests for additional financial information should be addressed to Mr. Jeff Taylor, Chief Financial Officer, Florida State University School, Inc., The Florida State University, 3000 School House Road, Tallahassee, Florida 32311.

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 4,563,953
Investments	14,238,429
Accounts Receivable	11,627
Interest Receivable	23,888
Prepaid Expense	441,718
Due from Other Governments	9,099,989
Total Current Assets	28,379,604
Capital Assets, Net:	
Buildings and Improvements	32,900,818
Less: Accumulated Depreciation	(14,392,883)
Furniture, Fixture, and Equipment	1,138,209
Less: Accumulated Depreciation	(746,104)
Construction in Progress	3,009,344
Total Capital Assets, Net	21,909,384
Total Assets	50,288,988
Liabilities	
Current Liabilities:	
Accounts Payable and Other Accrued Expenses	117,129
Salaries and Wages Payable - Due to Florida State University	41,742
Accrued Interest	156,090
Due to Other Governments	305,207
Unearned Revenue	8,850,222
Portion Due Within One Year:	
Bond Payable	1,183,984
Compensated Absences Payable	26,132
Total Current Liabilities	10,680,506
Non-Current Liabilities:	
Portion Due in More than One Year:	
Bonds Payable	8,181,439
Compensated Absences Payable	380,204
Due to Developer	1,250,000
Total Non-Current Liabilities	9,811,643
Total Liabilities	20,492,149
Net Position	
Net Investment in Capital Assets	12,543,961
Restricted for:	
State Categorical Programs	504,741
Capital Outlay	4,166,376
Debt Service	3,473,044
Unrestricted	9,108,717
Total Net Position	\$ 29,796,839

See accompanying notes.

STATEMENT OF ACTIVITIES
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
FOR THE YEAR ENDED JUNE 30, 2020

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 8,478,900	\$ 521,855	\$ -	\$ -	\$ (7,957,045)
Pupil Personnel Services	1,034,908	-	-	-	(1,034,908)
Instructional Media Services	125,734	-	-	-	(125,734)
Instructional Staff Training	24,132	-	-	-	(24,132)
Instructional Technology	62,728	-	-	-	(62,728)
Board	90,211	-	-	-	(90,211)
General Administration	494,690	-	-	-	(494,690)
School Administration	457,653	-	-	-	(457,653)
Facilities Acquisition and Construction	17,750	-	-	2,748,385	2,730,635
Fiscal Services	375,152	-	-	-	(375,152)
Food Services	468,960	246,209	215,912	-	(6,839)
Central Services	723,786	-	-	-	(723,786)
Pupil Transportation Services	51,280	-	-	-	(51,280)
Operation of Plant	1,521,807	-	-	-	(1,521,807)
Maintenance of Plant	250,643	-	-	-	(250,643)
Community Services	513,786	394,921	-	-	(118,865)
Interest on Long-Term Debt	378,415	-	-	2,233,589	1,855,174
Unallocated Depreciation Expenses	982,082	-	-	-	(982,082)
Other	7,012	-	-	-	(7,012)
Total Governmental Activities	\$ 16,059,629	\$ 1,162,985	\$ 215,912	\$ 4,981,974	\$ (9,698,758)

General Revenues

Grants and Contributions not Restricted to Specific Purposes	13,597,046
Investment Income	686,267

Total General Revenues and Transfers 14,283,313

Change in Net Position 4,584,555

Net Position, Beginning of Year 25,212,284

Net Position, End of Year \$ 29,796,839

See accompanying notes.

BALANCE SHEET
GOVERNMENTAL FUNDS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 17,473	\$ 8,747	\$ 4,537,733	\$ -	\$ 4,563,953
Investments	12,506,128	-	-	1,732,301	14,238,429
Due from Other Governments	268,626	-	-	8,831,363	9,099,989
Due from Other Funds	-	-	341,401	-	341,401
Accounts Receivable	11,627	-	-	-	11,627
Interest Receivable	20,767	-	-	3,121	23,888
Prepaid Expenses	415,668	26,050	-	-	441,718
Total Assets	13,240,289	34,797	4,879,134	10,566,785	28,721,005
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	111,845	-	-	5,284	117,129
Salaries and Wages Payable - Due to Florida State University	41,742	-	-	-	41,742
Unearned Revenue	24,143	-	-	8,826,079	8,850,222
Due to Other Governments	305,207	-	-	-	305,207
Due to Developer	-	-	1,250,000	-	1,250,000
Due to Other Funds	341,401	-	-	-	341,401
Total Liabilities	824,338	-	1,250,000	8,831,363	10,905,701
Fund Balances					
Non-Spendable:					
Prepaid Expenses	415,668	26,050	-	-	441,718
Restricted for:					
Debt Service	-	-	3,629,134	-	3,629,134
Capital Outlay	2,430,954	-	-	1,735,422	4,166,376
State Categorical Programs	504,741	-	-	-	504,741
Assigned	-	8,747	-	-	8,747
Unassigned	9,064,588	-	-	-	9,064,588
Total Fund Balances	12,415,951	34,797	3,629,134	1,735,422	17,815,304
Total Liabilities and Fund Balances	\$ 13,240,289	\$ 34,797	\$ 4,879,134	\$ 10,566,785	\$ 28,721,005

See accompanying notes.

**RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020**

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance - Governmental Funds	\$ 17,815,304
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	21,909,384
Interest on long-term debt is accrued as a liability in the school-wide financial statements but is not recognized in the governmental funds until due.	(156,090)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Long-term liabilities at year-end consist of long-term debt totaling \$9,365,423 and compensated absences payable totaling \$406,336.	<u>(9,771,759)</u>
Total Net Position - Governmental Activities	<u><u>\$ 29,796,839</u></u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Federal Through State	\$ -	\$ 155,912	\$ -	\$ -	\$ 155,912
State	13,597,046	60,000	2,233,589	373,921	16,264,556
Charges for Services	916,776	246,209	-	-	1,162,985
Investment Income	602,094	-	5,811	78,362	686,267
Total Revenues	<u>15,115,916</u>	<u>462,121</u>	<u>2,239,400</u>	<u>452,283</u>	<u>18,269,720</u>
Expenditures					
Current:					
Instruction	8,449,698	-	-	-	8,449,698
Pupil Personnel Services	1,034,908	-	-	-	1,034,908
Instructional Media Services	125,734	-	-	-	125,734
Instructional Staff Training	24,132	-	-	-	24,132
Instructional Technology	62,728	-	-	-	62,728
Board	90,211	-	-	-	90,211
General Administration	494,690	-	-	-	494,690
School Administration	457,653	-	-	-	457,653
Facilities Acquisition and Construction	20,189	-	-	2,412,702	2,432,891
Fiscal Services	375,152	-	-	-	375,152
Food Services	-	468,960	-	-	468,960
Central Services	723,786	-	-	-	723,786
Pupil Transportation Services	51,280	-	-	-	51,280
Operation of Plant	1,521,807	-	-	-	1,521,807
Maintenance of Plant	250,643	-	-	-	250,643
Community Services	513,786	-	-	-	513,786
Other	-	-	7,012	-	7,012
Debt Service:					
Principal	-	-	1,139,720	-	1,139,720
Interest	-	-	397,411	-	397,411
(Total Expenditures)	<u>(14,196,397)</u>	<u>(468,960)</u>	<u>(1,544,143)</u>	<u>(2,412,702)</u>	<u>(18,622,202)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>919,519</u>	<u>(6,839)</u>	<u>695,257</u>	<u>(1,960,419)</u>	<u>(352,482)</u>
Other Financing Sources (Uses)					
Transfers From Florida State University	-	-	-	2,374,464	2,374,464
Transfers in	512,859	-	-	-	512,859
Transfers (out)	-	-	(512,260)	(599)	(512,859)
Total Other Financing Sources (Uses)	<u>512,859</u>	<u>-</u>	<u>(512,260)</u>	<u>2,373,865</u>	<u>2,374,464</u>
Net Change in Fund Balance	1,432,378	(6,839)	182,997	413,446	2,021,982
Fund Balance, Beginning of Year	<u>10,983,573</u>	<u>41,636</u>	<u>3,446,137</u>	<u>1,321,976</u>	<u>15,793,322</u>
Fund Balance, End of Year	<u>\$ 12,415,951</u>	<u>\$ 34,797</u>	<u>\$ 3,629,134</u>	<u>\$ 1,735,422</u>	<u>\$ 17,815,304</u>

See accompanying notes.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
FOR THE YEAR ENDED JUNE 30, 2020**

**Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:**

Change in Fund Balances - Governmental Funds \$ 2,021,982

Capital outlays to purchase or build/renovate capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

This is the amount by which depreciation exceeds outlays in the period:

Capital Outlay	\$ 2,415,141	
Depreciation Expense	<u>(982,082)</u>	1,433,059

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,139,720

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for leave used. This is the net amount of vacation and sick leave earned in excess of the amount used in the current period. (29,202)

Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrued in the statement of activity. 18,996

Total Changes in Net Position - Governmental Activities \$ 4,584,555

See accompanying notes.

STATEMENT OF FIDUCIARY NET POSITION
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Assets

Cash

\$ 365,787

Total Assets

365,787

Liabilities

Due to Teachers for Classroom Support, Student Athletics,
Club Activities, etc.

\$ 365,787

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Florida State University School, Inc. (FSUS or the School) conform to accounting principles generally accepted in the United States of America as applicable to school districts.

Reporting Entity

Florida State University School, Inc., a Florida not-for-profit corporation, was established for the purposes of creating and maintaining a developmental research charter school (DRCS) pursuant to Section 1002.33(5), Florida Statutes. Florida State University (FSU) has contracted (sponsored) with FSUS for the operation of FSUS and has administrative and fiscal oversight of FSUS, a developmental research school (DRS) established pursuant to Section 1002.32, Florida Statutes. All personnel assigned to FSUS are employees of FSU. Pursuant to Section 1011.24, Florida Statutes, the DRS is a special school district for the purposes therein set forth. FSUS is included as a discretely presented component unit of FSU's financial statements.

The FSUS is organized and operated to support the FSUS mission, which is to advance, in collaboration with the College of Education at Florida State University, Florida's K-12 education through exemplary teaching, research, and service.

FSUS's Board of Directors is comprised of eleven voting members. Four members are FSU faculty appointed by FSU. Six members are elected by the Board members consisting of three parent representatives and three community representatives. An additional community representative is selected by the St. Joe Company and is designated the Southwood representative. FSU representatives serve a staggered two-year term not to exceed four terms. Remaining members are appointed for a staggered three-year term with a maximum of two terms served.

A listing of the current Board of Directors is found in the supplementary information.

Basis of Presentation

Although the School is a non-profit corporation, these financial statements are presented using the governmental reporting model. This treatment is required by accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The School's basic financial statements consist of school-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

School-wide Financial Statements

The statement of net position and the statement of activities display information about the School as a whole. These statements include the financial activities of the School, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the School at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School's governmental activities. Direct expenses are those that are specifically associated with a service program or department and, therefore, clearly identifiable

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

to a particular function. Program revenues include charges paid that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School. The comparison of direct expenses with program revenues identifies the extent to which the governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements

During the year, the School segregates transactions related to certain school functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Fiduciary funds are reported by type.

Fund Accounting

The School uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School's major governmental funds:

General Fund—to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State of Florida that are legally restricted to be expended for specific current operating purposes. The General Fund includes the activity in the Activities Fund and Extended Day Fund.

Special Revenue Fund—to account for the financial resources of the School food service program.

Debt Service Fund—to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – to account for the acquisition or construction of major capital facilities of the School.

Fiduciary Fund-Type—Fiduciary fund reporting focuses on net position and changes in net position. The School's fiduciary fund is the internal fund, an agency fund. Agency funds are custodial in nature (assets equals liabilities) and do not involve measurement or results of operations. The School's agency fund accounts for resources collected and administered in connection with School activities, student athletics, class, and club activities.

School-Wide Financial Statements—The School-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School are included on the statement of net position.

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Measurement Focus

Fund Financial Statements—All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing resources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the School-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the School-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues—On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Expenses/Expenditures—On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budget

As set forth in the bylaws of the articles of incorporation, the School adopts an annual budget for all revenues and expenses, which the Board of Directors approves. This budget is then sent to the Dean at the FSU College of Education, for review. Expenditure plans must be reviewed and approved by the Board of Directors with the Dean's review.

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and money market funds. Cash deposits and money market funds are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool required by Sections 280.07 and 280.08, Florida Statutes.

Capital Assets

General capital assets result from expenditures in the governmental fund. These assets are reported in the governmental activities column of the School-wide statement of net position but are not reported in the fund financial statements. Capital assets are defined by FSUS as those with an original cost greater than \$5,000.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The School does not possess any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities Estimated Lives
Building and Other Improvements	10 - 40 years
Furniture and Equipment	3 - 20 years
Audio-Visual Materials - Computer Software	5 - 10 years

Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental fund types are reported as liabilities in the School-wide statement of net position. In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

Compensated Absences Payable

In the School-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported in the School-wide financial statements using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon terminations are included.

Changes in long-term liabilities for the current year are reported in a subsequent note.

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (the Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the FSUS determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to FSUS. FSUS is permitted to amend its original reporting for a period of one year following the date of the original report. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of FSUS's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State of Florida provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved for the unencumbered balance of categorical educational program resources.

The State of Florida allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to FSUS on an annual basis. FSUS is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. Accordingly, the FSUS recognizes the allocation of Public Education Capital Outlay funds as deferred revenue until such time as, an encumbrance authorization is received.

A schedule of revenue from state sources for the current year is presented in a subsequent note.

Activity Fees

Pursuant to Section 1002.32(5) Florida Statutes, FSUS charges activity fees to its students. The financial activity related to the activity fees is included in the General Fund. Activity fee revenue is included in Charges for Services and the expenses are included in Instruction, Pupil Transportation Services, Pupil Personnel Services, and Fiscal Services.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Fund Balance

The School has implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: a) they are not expected to be converted to cash; or b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., board resolution) of the organization’s governing authority (the Board). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action employed to constrain those amounts. As of June 30, 2020, there are no amounts that are classified as committed fund balance.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned**—This classification is used for: a) negative unrestricted fund balances in any governmental fund, or b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the School’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the School’s policy to use committed resources first, then assigned, then unassigned, as needed.

Upcoming Government Accounting Standards Board (GASB) Pronouncements

The GASB has recently issued two new accounting and financial reporting pronouncements, which will become effective in the School’s 2021 and 2022 fiscal year-ends; GASB No. 84 – *Fiduciary Activities* and GASB No. 87 – *Leases*.

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

GASB No. 84, effective for fiscal year ended June 30, 2021, deals with financial reporting of Fiduciary Activities and no longer permits the use of Agency Funds, which will require a change to the way the School reports its Internal Accounts. Depending upon the degree of administrative involvement (defined primarily as degree of spending control) maintained by the School, Internal Account activity will now be reported in either Fiduciary Custodial Accounts, the General Fund, or possibly a Special Revenue Fund. Management is in the process of evaluating the impact of implementation of this standard.

GASB No. 87, effective for the fiscal year ended June 30, 2022, dealing with Leases, with certain exceptions, will require that all long-term, non-cancelable leases be recorded as long-term liabilities on the balance sheet with a corresponding "right to use" asset, both of which will be reduced over the life of the lease agreement. Management is in the process of evaluating the impact of implementation of this standard.

Subsequent Events

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

Note 2 - Investments

FSUS maintains investments at two financial institutions, including a qualified depository and an account with the State of Florida Treasury. FSUS is authorized by the Board of Directors to invest outside of the State Treasury in the following types of investments: qualified depositories, certificates of deposit, time deposits, and securities of the U.S. Government including obligations of the U.S. Treasury.

State of Florida Treasury

FSUS participates in an investment pool through the State of Florida Treasury in accordance with the provisions of Sections 17.61 and 215.49, Florida Statutes. These investment pools operate under the investment guidelines established by Section 215.47, Florida Statutes. Account balances with the State of Florida Treasury are held in a Special Purpose Investment Account (SPIA). Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. As a SPIA participant, FSUS owns a share in the Florida State Treasury Investment pool, not the underlying securities. FSUS's investments in this pool are reported at fair value. The fair value of FSUS's investments in the SPIA was \$14,238,429 at June 30, 2020. The SPIA carried a rating of AA-f by Standard & Poor's, had an effective duration of 3.00 years, and had a fair value factor of 1.0291 at June 30, 2020.

Additional disclosure for the Florida State Treasury Investment Pool may be found in Note 2 of the State of Florida's Comprehensive Annual Financial Report.

Qualified Depository

Investments held at the qualified depository were issued pursuant to the Series 2010 Bond issue whereby, FSUS entered into an agreement with U.S. Bank, as Trustee for the City of Tallahassee (see Note 4).

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Interest Rate Risk

The State of Florida Treasury manages its exposure to fair value losses arising from increasing interest rates by using a duration methodology to construct a portfolio to fund future cash needs. For reporting purposes, it selects an effective duration method with assumptions regarding the most likely timing and amounts of variable cash flow arising from specific investments to reduce the portfolio exposure to changes in interest rates. The SPIA account's effective duration was 0.43 years at June 30, 2020. FSUS does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair market value losses arising from increasing interest rates.

Credit Risk

Authorized investment types are set forth in Section 17.57, Florida Statutes, and include certificates of deposit, direct obligations of the United States Treasury, obligations of Federal agencies, asset backed or mortgage-backed securities, commercial paper, bankers' acceptances, medium-term corporate obligations, repurchase agreements, commingled and mutual funds, negotiable certificates of deposits, and subject to certain rating conditions, foreign bonds denominated in the U.S. dollars and registered with the Securities and Exchange Commission for sale in the U.S. and convertible debt obligations of any corporation domiciled in the U.S., FSUS has no formal investment policy that would further limit these investment choices. As of June 30, 2020, SPIA was rated by Standard and Poor's with a rating of AA-f.

Foreign Currency Risk

State law does not authorize the State of Florida Treasury to purchase investments in foreign currencies. Therefore, the SPIA is not exposed to foreign currency risk.

Fair Value Disclosure

FSUS's investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2020:

<u>Investments</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u> <u>Inputs</u>	<u>Level 2</u> <u>Inputs</u>	<u>Level 3</u> <u>Inputs</u>
SPIA Account – State of Florida Treasury	\$ 14,238,429	\$ -	\$ -	\$ 14,238,429

Note 3 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Capital Assets				
Construction in Progress	\$ 634,880	\$ 2,374,464	\$ -	\$ 3,009,344
Buildings and Other Improvements	32,865,821	34,997	-	32,900,818
Furniture, Fixtures, and Equipment	1,132,529	5,680	-	1,138,209
Total Capital Assets	<u>34,633,230</u>	<u>2,415,141</u>	<u>-</u>	<u>37,048,371</u>
Less Accumulated Depreciation for				
Building and Other Improvements	13,518,663	874,220	-	14,392,883
Furniture, Fixtures, and Equipment	638,242	107,862	-	746,104
Total Accumulated Depreciation	<u>14,156,905</u>	<u>982,082</u>	<u>-</u>	<u>15,138,987</u>
Total Capital Assets, Net	<u>\$ 20,476,325</u>	<u>\$ 1,433,059</u>	<u>\$ -</u>	<u>\$ 21,909,384</u>

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Current year depreciation expense was included in unallocated depreciation expense in the statement of activities.

Note 4 - Bonds Payable

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rate (Percent)</u>	<u>Annual Maturity To</u>
District Revenue Bonds:			
Series 2010 Refunding	\$ 9,365,423	4.00%	2027
Total Bonds Payable	<u>\$ 9,365,423</u>		

The various bonds were issued to finance capital outlay projects of the School. The following is a description of the bonded debt service:

The City of Tallahassee issued on behalf of FSUS, Capital Improvement Revenue Bonds, Series 2000A on August 31, 2000, and Series 2000B on August 27, 2001, in the aggregate principal amount of \$24,180,000 to finance the acquisition, construction, and equipping of new kindergarten through 12th grade education facilities (the Project) for a developmental research charter school located within the jurisdiction of the City of Tallahassee. In December 2010, the City of Tallahassee issued Florida Lease Revenue Refunding Bonds Series 2010. A portion of the proceeds of these bonds was used to refund the Capital Improvement Revenue Bonds Series 2000A. The Series 2000B bonds were paid in full during 2013.

The bonds are payable from the charter school capital outlay and developmental research school capital outlay appropriated by the Florida Legislature. The bonds are due in annual principal installments varying between \$930,000 and \$1,500,000 through August 1, 2026, plus interest due semiannually on February 1 and August 1 of each year. The remaining principal and interest to be paid on the bonds total \$10,735,410 as of June 30, 2020. During the current year, capital outlay revenues pledged toward the bonds totaled \$2,233,589 compared with debt service payments of \$1,537,131.

Under the terms of the Lease Purchase Agreement related to the Series 2010 Bonds, FSUS must maintain certain financial and non-financial covenants. At June 30, 2020, FSUS was in compliance with such stated covenants.

As part of the original issuance of the bonds, the developer of the residential community where the School is located was required to place \$1,250,000 into the School's Debt Service Reserve Account. The funds will be returned to the developer when the bonds are paid off, therefore, this amount has been reported as Due to Developer in the accompanying financial statements.

The bonds do not constitute a general debt, liability, or obligation of the State of Florida, or of any political subdivision thereof, or of the Florida Board of Education, or of the Florida State University. In addition, the bonds do not constitute a pledge of the faith and credit of the State of Florida, or of any political subdivision or agency thereof, or of the Florida Board of Education, or of the Florida State University.

Interest expense totaled \$397,411 for the year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Required principal and interest payments through maturity are as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
2021	\$ 1,534,921	\$ 1,183,984	\$ 350,937
2022	1,537,221	1,234,656	302,565
2023	1,536,135	1,283,942	252,193
2024	1,531,665	1,331,787	199,878
2025	1,533,613	1,388,134	145,479
2026-2027	3,061,856	2,942,920	118,936
Total	\$ 10,735,411	\$ 9,365,423	\$ 1,369,988

Note 5 - Long-Term Liabilities

The following is a summary of changes in general long-term liabilities:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 10,505,143	\$ -	\$ (1,139,720)	\$ 9,365,423	\$ 1,183,984
*Compensated Absences payable	377,134	29,202	-	406,336	26,132
Total	\$ 10,882,277	\$ 29,202	\$ (1,139,720)	\$ 9,771,759	\$ 1,210,116

*Records kept for compensated absences relate only to hours earned, used, and available. Accordingly, only the net change in compensated absences payable is shown.

Note 6 - Schedule of State Revenue Sources

FSUS's principal source of revenue is from the State of Florida, which provided approximately 89.02% percent of total revenues in the 2019-2020 fiscal year. The following is a schedule of state revenue sources and amounts:

Sources	Amount
Florida Education Finance Program	\$ 11,706,328
Other Categorical State Sources:	
Class Size	1,776,665
School Recognition Funds	172,354
Discretionary Lottery Funds	1,699
Gross Receipts Tax (Public Education Capital Outlay)	2,233,589
State Appropriation for STEAM Building Construction	373,921
Total	\$ 16,264,556

Accounting policies relating to certain state revenue sources are described in Note 1.

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Note 7 - Student Reservation Agreement

On August 21, 2000, the School entered into a student reservation agreement with the developer of the residential community where the School is located. Under the terms of this agreement, FSUS agrees to reserve seats to be used by purchasers of lots or homes in the residential community. Based upon this agreement any unoccupied reserved seats are reimbursed by the developer to the School. No reimbursements were paid to the School for unoccupied reserved seats during the year ended June 30, 2020.

Note 8 - State Retirement Program

Plan Description—All regular employees of FSU (assigned to FSUS) are covered by the Florida Retirement System, a State-administered cost sharing multiple-employer defined benefit retirement plan (the Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, *Florida Administrative Code*, wherein the Plan eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified ages or number of years of service depending upon the employee’s classification. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments, as well as supplements for health-care insurance and, for certain employees, a supplement to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) was established effective July 1, 1998, subject to provisions of Section 121.091(13), Florida Statutes. It permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

The Plan’s financial statements and required supplemental information are included in the comprehensive annual financial report of the State of Florida, which may be obtained by contacting the Florida State Comptroller’s Office in Tallahassee, Florida. Also, an annual report on the Plan, which includes its financial statements, required supplemental information, actuarial report, and other relevant information may be obtained from the State of Florida, Division of Retirement, in Tallahassee, Florida.

Funding Policy—The contribution rates for Plan members are established, and may be amended, by the State of Florida. During the 2019-2020 fiscal year, contribution rates were as follows:

<u>Class or Plan</u>	<u>Percentage of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	3.00%	8.47%
Florida Retirement System, Special Risk	3.00%	25.48%
Florida Retirement System, Senior Management Services	3.00%	25.41%
Teachers’ Retirement System, Plan E	6.25%	11.90%
Deferred Retirement Option Program – Applicable to Members from all the above Classes and Plans	0%	14.60%
Florida Retirement System, Reemployed Retiree	(B)	(B)

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Note: (A) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of administering the FRS Investment Plan and the MyFRS Financial Guidance Program.

(B) Contribution rates are dependent upon the retirement class or plan in which reemployed.

The School's reimbursement of contributions to the Plan (excluding employee contributions) for the fiscal years ended June 30, 2020, 2019, and 2018, were \$675,335, \$597,960, and \$566,437, respectively.

The School's liability for participation in the Plan is limited to the reimbursement of the required pension contribution at the rates and frequencies established by law on future payrolls of the School. Therefore, the School did not report any proportionate share of the unfunded pension liability of the Florida Retirement System pursuant to Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. This liability is reported on the University-wide financial statements of FSU.

Note 9 - Inter-Fund Receivables, Payables, and Transfers

The composition of inter-fund balances as of June 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 341,401

Inter-Fund Transfers include the following:

<u>Transfers In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 512,260
General Fund	Capital Projects Fund	599

Inter-fund balances resulted from the timing of funds collected by the General Fund but not yet remitted to the Debt Service Fund at year-end.

Inter-Fund Transfers of \$512,260 represent the transfer of excess revenues from the Debt Service Fund to the General Fund in accordance with provisions of the bond agreement. Inter-fund transfers of \$599 from the Capital Projects fund to the General Fund represent the return of excess funds related to certain construction costs.

Note 10 - Related-Party Transactions

The School reimburses FSU for compensation costs provided to employees. In addition, the School pays administrative fees to FSU for the administration of the accounting system. Total reimbursements to FSU for the year ended June 30, 2020, were as follows:

Reimbursement of Compensation Costs	\$ 12,091,905
Administrative Fees	<u>175,000</u>
Total	<u>\$ 12,266,905</u>

NOTES TO FINANCIAL STATEMENTS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Amounts due to FSU for reimbursement of salaries and wages earned but not yet paid at June 30, 2020, totaled \$41,742.

During the fiscal year ended June 30, 2020, the School received \$2,374,464 from FSU for certain capital projects including construction of the STEAM building described in Note 12.

Note 11 - Risk Management

The School is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The School has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage has been consistent with previous years.

Note 12 - Construction Commitments

During 2018, the Florida Legislature appropriated \$7.5 million in funding to create a new Science, Technology Engineering, Arts, and Mathematics (STEAM) facility at the School. Total construction costs for the new building are expected to be approximately \$15 million. In addition to the STEAM Building, the Florida Legislature appropriated \$2 million for hardening the School's Cafeteria and Gymnasium to be used as a special needs shelter.

The initial stages of the two construction projects are underway. FSU has entered into construction contracts for the STEAM building totaling \$3,298,900. As of June 30, 2020, construction costs incurred related to the STEAM building contract totaled \$2,760,638 with a balance remaining of \$471,687. As of June 30, 2020, \$373,921 has been drawn from the State of Florida related to the STEAM building project and \$300,000 has been drawn related to the hardening project.

State funding that has been appropriated by the Legislature but not yet drawn by the School as of June 30, 2020, has been reported as a receivable and unearned revenue on the School's Statement of Net Position. As of June 30, 2020, this amount totaled \$8,826,079.

Note 13 - Subsequent Event

The School has evaluated events and transactions occurring subsequent to June 30, 2020, as of September 30, 2020, the date the combined consolidated financial statements were available to be issued. Subsequent events occurring after September 30, 2020, have not been evaluated by management.

The COVID-19 pandemic has created economic disruptions throughout the country as of the date of our report causing declines in economic activity overall. The ultimate effect of these items is expected to be significant but is not quantifiable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
FOR THE YEAR ENDED JUNE 30, 2020

	(Unaudited)		Actual (GAAP Basis)	Variance with Final Budget
	Budgeted Amounts			
	Original	Final		
Revenues				
Intergovernmental:				
State	\$ 13,530,564	\$ 13,753,296	\$ 13,597,046	\$ (156,250)
Charges for Services	1,120,000	1,120,000	916,776	(203,224)
Investment Income	-	-	602,094	602,094
Total Revenues	14,650,564	14,873,296	15,115,916	242,620
Expenditures				
Current:				
Instruction	8,213,192	8,392,749	8,449,698	(56,949)
Pupil Personnel Services	1,134,901	1,317,275	1,034,908	282,367
Instructional Media Services	143,097	127,944	125,734	2,210
Instructional Staff Training	35,000	20,000	24,132	(4,132)
Instructional Technology	551,895	281,184	62,728	218,456
Board	76,450	101,336	90,211	11,125
General Administration	378,333	512,164	494,690	17,474
School Administration	538,272	461,109	457,653	3,456
Facilities Acquisition and Construction	-	-	20,189	(20,189)
Fiscal Services	274,055	395,372	375,152	20,220
Central Services	618,266	664,931	723,786	(58,855)
Pupil Transportation Services	-	-	51,280	(51,280)
Operation of Plant	1,238,440	1,206,636	1,521,807	(315,171)
Maintenance of Plant	305,962	272,596	250,643	21,953
Community Services	670,000	670,000	513,786	156,214
(Total Expenditures)	(14,177,863)	(14,423,296)	(14,196,397)	226,899
Excess (Deficiency) of Revenues Over (Under) Expenditures	472,701	450,000	919,519	469,519
Other Financing Sources (Uses)				
Transfers in	-	-	512,859	512,859
Total Other Financing Sources (Uses)	-	-	512,859	512,859
Net Change in Fund Balance	472,701	450,000	1,432,378	982,378
Fund Balance, Beginning of Year	11,147,513	10,041,742	10,983,573	941,831
Fund Balance, End of Year	\$ 11,620,214	\$ 10,491,742	\$ 12,415,951	\$ 1,924,209

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
 FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
 FOR THE YEAR ENDED JUNE 30, 2020**

	(Unaudited) Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal through State	\$ 210,000	\$ 210,000	\$ 155,912	\$ (54,088)
State	-	-	60,000	60,000
Charges for Services	315,000	315,000	246,209	(68,791)
Total Revenues	<u>525,000</u>	<u>525,000</u>	<u>462,121</u>	<u>(62,879)</u>
Expenditures				
Current:				
Food Services	525,000	525,000	468,960	56,040
(Total Expenditures)	<u>(525,000)</u>	<u>(525,000)</u>	<u>(468,960)</u>	<u>56,040</u>
Net Change in Fund Balance	-	-	(6,839)	(6,839)
Fund Balance, Beginning of Year	<u>28,610</u>	<u>28,610</u>	<u>41,636</u>	<u>13,026</u>
Fund Balance, End of Year	<u>\$ 28,610</u>	<u>\$ 28,610</u>	<u>\$ 34,797</u>	<u>\$ 6,187</u>

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
FOR THE YEAR ENDED JUNE 30, 2020

	(Unaudited)		Actual (GAAP Basis)	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
State	\$ 2,120,772	\$ 2,120,772	\$ 2,233,589	\$ 112,817
Investment Income	-	-	5,811	5,811
Total Revenues	<u>2,120,772</u>	<u>2,120,772</u>	<u>2,239,400</u>	<u>118,628</u>
Expenditures				
Current:				
Debt Service	2,120,772	1,608,512	1,537,131	71,381
Other	-	-	7,012	(7,012)
(Total Expenditures)	<u>(2,120,772)</u>	<u>(1,608,512)</u>	<u>(1,544,143)</u>	<u>64,369</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>512,260</u>	<u>695,257</u>	<u>182,997</u>
Other Financing (Uses)				
Transfers (out)	-	(512,260)	(512,260)	-
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>182,997</u>	<u>182,997</u>
Fund Balance, Beginning of Year	<u>2,891,045</u>	<u>2,891,045</u>	<u>3,446,137</u>	<u>555,092</u>
Fund Balance, End of Year	<u>\$ 2,891,045</u>	<u>\$ 2,891,045</u>	<u>\$ 3,629,134</u>	<u>\$ 738,089</u>

ADDITIONAL INFORMATION

SCHEDULE OF BOARD OF DIRECTORS
FLORIDA STATE UNIVERSITY SCHOOL, INC. - TALLAHASSEE, FLORIDA
JUNE 30, 2020

Voting Members

Mr. Cheval Breggins, Chair
(Community Rep - Appointed)

Dr. Jason Pappas
(Parent Rep - Appointed)

Mr. John Curtis, Vice Chair
(St. Joe Rep - Appointed)

Dr. Heather Bishop
(Parent Rep - Appointed)

Ms. Anne Blankenship, Treasurer
(FSU Rep - Appointed)

Dr. Linda Smith
(FSU Rep - Appointed)

Dr. Sara Scott Shields
(FSU Rep - Appointed)

Ms. Kathy Mizereck
(Community Rep - Appointed)

Mr. Carlos Villa
(Parent Rep - Appointed)

Ms. Allison Crume
(Community Rep - Appointed)

Dr. Ruth Feiock
(FSU Rep - Appointed)

Ex-Officio Members (Non-Voting)

Dr. Stacy Chambers
(Director)

Ms. Megan Crombie
(Faculty Rep - Appointed)

Ms. Mary Krause
(Student Rep - Appointed)

**ADDITIONAL ELEMENTS OF REPORT PREPARED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES**

**INDEPENDENT AUDITOR'S 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
Florida State University School, Inc.
Tallahassee, Florida

We have audited, in accordance with the 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 the governmental activities, each major fund, and the aggregate remaining fund information of Florida State University School, Inc. (the School), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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.

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To the Board of Directors
Florida State University School, Inc.
Tallahassee, Florida

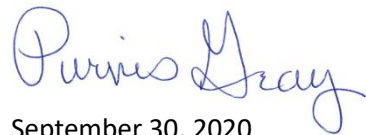
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



September 30, 2020
Tallahassee, Florida

MANAGEMENT LETTER

To the Board of Directors
Florida State University School, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the financial statements of Florida State University School, Inc. as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 30, 2020.

Auditor's Responsibility

We conducted our audit 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 of America.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Governmental Auditing Standards*, which is dated September 30, 2020, and should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., *Rules of the Auditor General*, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the school is Florida State University School, Inc. – 730341.

Financial Condition and Management

Sections 10.854(1)(e)2 and 10.855(11), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate whether or not the Florida State University School, Inc. has met one or more of the conditions described in requires a statement 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Florida State University School, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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To the Board of Directors
Florida State University School, Inc.
Tallahassee, Florida

MANAGEMENT LETTER

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), *Rules of the Auditor General*, we applied financial condition assessment procedures for Florida State University School, Inc. It is management's responsibility to monitor Florida State University School, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

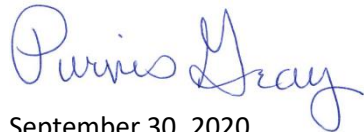
Sections 10.854(1)(e)7 and 10.855(13), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the Florida State University School, Inc. maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined Florida State University School, Inc. has complied with the requirements of Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., *Rules of the Auditor General*, requires that we address non-compliance of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the Florida State University and is not intended to be, and should not be, used by anyone other than these specified parties.



September 30, 2020
Tallahassee, Florida

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