Seminole Boosters, Inc.

Financial Report
June 30, 2021

Contents

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Independent Auditor's Report

Board of Directors
Seminole Boosters, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the Seminole Boosters, Inc. (Boosters), a component unit of the Florida State University, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Boosters' 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 an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boosters as of June 30, 2021 and 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, on our consideration of Booster'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 Booster's 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 Booster's internal control over financial reporting and compliance.

RSM US LLP

Jacksonville, Florida
November 29, 2021

Management’s Discussion and Analysis
(Unaudited)

The management's discussion and analysis provides an overview of the financial position and activities of the Seminole Boosters, Inc. (Boosters) for the fiscal years ended June 30, 2021 and 2020. This overview is required by the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. It should be read in conjunction with the financial statements and notes to the financial statements, which follow this section.

ORGANIZATIONAL VISION

Our organizational vision is:

> ***"To build personal, long lasting relationships with every student, fan, and alumni and inspire the success of the entire Florida State community through Athletics."***

This is not a phrase used for promotional purposes. This is who we strive to be each and every day. Every decision of this organization can be tied back to this vision.

OVERVIEW OF FINANCIAL STATEMENTS

Boosters' financial report includes three basic financial statements: the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America promulgated by the GASB. The financial statements focus on the financial condition of Boosters' results of operations, and cash flows of Boosters as a whole. The accrual basis of accounting is used for the presentation, which is similar to most private-sector companies.

The Statements of Net Position present the financial position of Boosters at the end of the fiscal year and includes all of the assets, deferred outflows and liabilities of Boosters. Net position – the difference between assets, deferred outflows and liabilities – is one indicator of the current financial position of Boosters; however, other non-financial factors, such as the national and international economy must also be considered when assessing the overall health of Boosters. The differences in net position that occur over time indicate whether the overall financial condition of Boosters has improved or worsened. Assets, deferred outflows and liabilities are reported at cost, approximating fair value, with the exception of investments and endowment real estate held for resale, which are reported at fair value, and capital assets, which are reported at historical cost less accumulated depreciation.

The Statements of Revenues, Expenses and Changes in Net Position present the revenue and expense activity for Boosters, categorized as operating, nonoperating and capital contributions. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The Statements of Cash Flows provides information about Boosters' financial results by reporting the major sources and uses of cash and cash equivalents. These statements assist in evaluating Boosters' ability to generate cash flows, its ability to meet its obligations as they come due and its need for external financing.

FINANCIAL HIGHLIGHTS

2021 vs. 2020

The assets and deferred outflows of resources of Boosters totaled $388,410,363 and $416,032,860 at June 30, 2021 and 2020, respectively, which reflects a decrease of $27,622,497 or 6.64% from June 30, 2020. This decrease is primarily due to the significant changes in Capital Assets, net of depreciation which decreased $20.1 million during 2021. Champions Hall was sold during the fiscal year which resulted in an additional decrease in capital assets of over $13.5 million, in addition to normal capital asset depreciation. Pledges receivable also decreased approximately $5.2 million related to reductions in annual fund gifts due to COVID-19 and adjusting to only taking single year annual fund pledges as opposed to multi-year pledges. Additionally, there was a significant increase in the long-term pledge receivable discount for capital project and endowment pledges due to changes in interest rates. Lastly, the remaining decrease of approximately $2.3 million is related to normal annual fluctuations throughout the fiscal year. The liabilities of Boosters totaled $219,502,483 and $242,485,234 at June 30, 2021 and 2020, respectively, which reflects a decrease of $22,982,751 or 9.48% from June 30, 2020. This decrease is primarily due to the reduction of approximately $19.7 million in the amount payable to the FSU Department of Athletics. In the 2020 fiscal year, the uncertainty of COVID resulted in a significant payable to FSU Department of Athletics which was paid during the 2021 fiscal year. Bonds and Notes payable also decreased approximately $6.5 million as a result of principal payments on bonds and paying off the Champions Hall note as part of the sale. These principal reductions were off-set by additional loans incurred related to the buyout of the CTI-2, LLC investors. The remaining fluctuations are related to normal annual fluctuations throughout the fiscal year. The net position of Boosters totaled $168,907,880 and $173,547,626 at June 30, 2021 and 2020, respectively, which reflects a decrease of $4,639,746 or 2.67% from June 30, 2020.

Boosters' operating revenues totaled $38,137,802 and $59,583,176 for the years ended June 30, 2021 and 2020, respectively. This decrease of $21,445,374 or 35.99% for the 2020-2021 fiscal year is primarily the result of COVID-19 during the 2021 fiscal year. Due to COVID-19 there was reduced capacity at sporting events for the 2020-2021 fiscal year including only 25% capacity at Doak Campbell Stadium. Additionally, the 2021 fiscal year was a year following the Renaissance Campaign which resulted in significant amounts of revenue during the 2020 fiscal year. As a result of these two items, contribution revenue was down approximately $11.9 million, charges for services were down approximately $3.9 million, and Champions Club and Skybox ticket sales were down approximately $5.0 million. Operating expenses totaled $49,792,115 and $68,641,300 for the years ended June 30, 2021 and 2020, respectively. This decrease of $18,849,185 or 27.46% for the 2020-2021 fiscal year is primarily the result of COVID-19. Due to COVID-19 there was an expected decrease in the amount of funding that would be available to the FSU Department of Athletics, as well as the implementation of other cost savings measures to address uncertainty during the fiscal year. As a result, the transfer to FSU Athletics was reduced approximately $14.7 million, construction expenses were reduced approximately $1.45 million, and other expenses were reduced by an additional $2.7 million, including salaries. Nonoperating revenues totaled $14,611,337 and $6,753,837 for the years ended June 30, 2021 and 2020, respectively. This increase of $7,857,500 or 116.34% for the 2020-2021 fiscal year is primarily due increase in the investment market during the fiscal year, as well as selling investments which resulted in significant realized gains. These increases were partially off-set by the loss recognized on the sale of Champions Hall. As a result, investment income increased approximately $10.25 million, and other incomes was reduced by approximately $3.33 million. Nonoperating expenses totaled $20,067,541 and $8,720,787 for the years ended June 30, 2021 and 2020, respectively. This increase of $11,346,754 or 130.11% for the 2020-2021 fiscal year is primarily due to the loss on the acquisition of the College Town II investment.

The investment in College Town II is considered an equity method investment, as such, the addition of equity from buying out the CTI-2, LLC investors and the project developer resulted in an investment of approximately $9.63 million. Due to the way College Town II was originally structured the overall equity in the investment is negative, which required the new investment to be written down to a value of $0 and caused a $9.63 million loss on acquisition to be recorded. In the future, if College Town is sold it would result in a significant gain to be recorded in the period it is sold. Capital contributions totaled $12,470,771 and $11,340,441 for the years ended June 30, 2021 and 2020, respectively. This increase of $1,130,330 or 9.97% is a result of a continued focus on capital fundraising for current projects including the Albert J. and Judith A. Dunlap Football Center. As a result, capital project contributions increased approximately $3.65 million, while endowment contributions decreased approximately $2.52 million.

Although the changes in activity within the financial statements noted above are significant by each line item, the overall decrease in net position for the 2020-2021 fiscal year is $4,639,746.

<u>2020 vs. 2019</u>

The assets and deferred outflows of resources of Boosters totaled $416,032,860 and $418,256,469 at June 30, 2020 and 2019, respectively, which reflects a decrease of $2,223,609 or 0.53% from June 30, 2019. This decrease is due to normal fluctuations within accounts during the fiscal year, including decreases in capital assets related to depreciation, and investments related to changes in market value. These decreases were off-set by increases in cash and restricted cash related to collections of outstanding pledges, and real estate related to the donation of property. The liabilities of Boosters totaled $242,485,234 and $243,732,091 at June 30, 2020 and 2019, respectively, which reflects a decrease of $1,246,857 or 0.51% from June 30, 2019. This decrease is due to normal fluctuations within accounts during the fiscal year, including decreases in advanced receipts related to recognizing revenue and adjusting how future items were recorded, and bonds payable related to principal payments made. These decreases were off-set by an increase in the amounts due to Athletics related to the annual transfer. The net position of Boosters totaled $173,547,626 and $174,524,378 at June 30, 2020 and 2019, respectively, which reflects a decrease of $976,752 or 0.56% from June 30, 2019.

Boosters' operating revenues totaled $59,583,176 and $51,837,429 for the years ended June 30, 2020 and 2019, respectively. This increase of $7,745,747 or 14.94% for the 2019-2020 fiscal year is primarily the result of the addition of revenues related to the Renaissance Campaign that began during the fiscal year. Operating expenses totaled $68,641,300 and $61,796,148 for the years ended June 30, 2020 and 2019, respectively. This increase of $6,845,152 or 11.08% for the 2019-2020 fiscal year is primarily the result of an increase in the regular transfer to the Athletic Department, as well as additional amounts transferred to Athletics related to the Renaissance Campaign funds received. Nonoperating revenues totaled $5,461,718 and $11,413,613 for the years ended June 30, 2020 and 2019, respectively. This decrease of $5,951,895 or 52.15% for the 2019-2020 fiscal year is primarily due to a reduction in investment income due to the fluctuations within the market, a reduction in other income related to not having a gain on the acquisition related to CollegeTown Investment Fund, a reduction in interest income related to CollegeTown I and a reduction in royalty revenue. Nonoperating expenses totaled $8,720,787 and $16,569,714 for the years ended June 30, 2020 and 2019, respectively. This decrease of $7,848,927 or 47.37% for the 2019-2020 fiscal year is primarily due to a reduction in the bad debt write-offs related to Endowment and Capital Project contributions. Capital contributions totaled $11,340,441 and $38,000,116 for the years ended June 30, 2020 and 2019, respectively. This decrease of $26,659,675 or 70.16% is a result of more commitments during the fiscal year going to the Renaissance Campaign, as well as not receiving a $20 million commitment during the fiscal year.

Although the changes in activity within the financial statements noted above are significant by each line item, the overall decrease in net position for the 2019-2020 fiscal year is $976,752.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets include land, land improvements, buildings and building improvements, furniture, fixtures and equipment and construction in progress.

2021 vs. 2020

At June 30, 2021, Boosters' capital assets, net of depreciation, decreased to $184,004,312, compared to the prior year net capital assets of $204,133,006. During the fiscal year, there was a decrease in capital assets of approximately $20.1 million and there was an increase in construction in progress of $1,353,397. The decrease in capital assets is primarily related to depreciation on existing assets during the current year, which was approximately $7.9 million, and the sale of Champions Hall valued at approximately $13.5 million. Depreciation expense for 2021 was $7.8 million, compared to $7,916,712 in 2020.

2020 vs. 2019

At June 30, 2020, Boosters' capital assets, net of depreciation, decreased to $204,133,006, compared to the prior year net capital assets of $213,388,023. During the fiscal year, there was a decrease in capital assets of approximately $9.2 million and there was a decrease in construction in progress of $55,190. The decrease in capital assets is primarily related to depreciation on existing assets during the current year, which was approximately $7.9 million and the sale of Burt Reynolds Hall for approximately $1.7 million. Depreciation expense for 2020 was $7,916,712, compared to $7,556,291 in 2019.

Long-Term Debt

2021 vs. 2020

At June 30, 2021, Boosters had outstanding bonds and notes payable of $179,263,415, a decrease of $6,460,394 from $185,723,809 at the end of fiscal year 2020. The decrease in the bonds and notes payable is related to the payment of principal during the fiscal year, which included the payment of $4.8 million in bond debt and $5.6 million in notes. These decreases were off-set during the fiscal year by the addition of a notes payable related to the purchase of ownership interest in CTI-2, LLC from the outside investors of College Town II. The amount received as part of the initial SBA's Payroll Protection Program was forgiven during the 2021 fiscal year, and the Boosters received funding as part of the second round of the SBA's Payroll Protection Program, which we expect to be forgiven during the 2022 fiscal year.

Boosters did not meet their minimum debt service coverage ratio for the note payable from Hancock Bank.

2020 vs. 2019

At June 30, 2020, Boosters had outstanding bonds and notes payable of $185,723,809, a decrease of $4,501,410 from $190,225,219 at the end of fiscal year 2019. The decrease in the bonds and notes payable is related to the amortization of debt during the fiscal year, which included the payment of $4.6 million in bond debt and $1.4 million in notes. These decreases were off-set during the fiscal year by the addition of a note payable related to the SBA's Payroll Protection Program, which we believe will be forgiven during the 2021 fiscal year.

Boosters exceeded their minimum debt service coverage ratio for the note payable from Hancock Bank, but did not meet their minimum debt service coverage ratio on the loan from SunTrust Bank related to Champions Hall. Boosters received a waiver from SunTrust Bank for not meeting this covenant.

FISCAL YEAR HIGHLIGHTS

Unconquered Campaign – Prior to the beginning of the 2018 football season, the Seminole Boosters announced the Unconquered Campaign. The campaign is focused on raising money for athletic facilities, scholarships and unrestricted dollars. The goal of the campaign is to raise $100 million for Florida State University Athletics. At June 30, 2021, the overall revenue pledged towards this campaign totaled $112.8 million compared to $92.8 million at June 30, 2020.

Albert J. and Judith A. Dunlap Football Center – During the 2018 fiscal year, we began raising money towards the construction of the Albert J. and Judith A. Dunlap Football Center. At June 30, 2021, the total funds raised towards this project was $49,969,812, which represents an increase of $11,279,602 from June 30, 2020. This project is expected to begin the Architectural, Engineering and Construction Design phase during the 2021-2022 fiscal year.

Renaissance Campaign – During the 2020 fiscal year the Athletic Department began an overall coaching transition within the Football Program, in response to this we created the Renaissance Campaign and solicited donors directly from the President of the University for Contributions helping with this transition. As of June 30, 2021, total pledges received was $13,755,725, which represents an increase of $1,231,196 from June 30, 2020.

ECONOMIC CONDITIONS AND OUTLOOK

The financial outlook for the 2021-2022 fiscal year looks to be positive, as we expect to be able to continue with full capacity at sporting events which will help to continue to drive revenue. We continue to focus on increasing the annual fund membership, as this is the life blood of the organization and our ability to support the FSU Department of Athletics. Providing the students of Florida State University While we have reached the overall goal of the Unconquered Campaign, we continue to focus on raising money for individual projects included in the campaign.

Condensed Statements of Net Position

	2021	2020	2019
Current assets	$ 92,953,418	$ 98,366,218	$ 84,746,818
Noncurrent assets	293,986,460	316,018,470	331,706,793
Total assets	$ 386,939,878	$ 414,384,688	$ 416,453,611
Deferred outflows of resources	$ 1,470,485	$ 1,648,172	$ 1,802,858
Current liabilities	$ 49,333,016	$ 64,351,369	$ 52,262,563
Noncurrent liabilities	170,169,467	178,133,865	191,469,528
Total liabilities	$ 219,502,483	$ 242,485,234	$ 243,732,091
Net investment in capital assets	$ 20,863,107	$ 29,643,946	$ 33,823,864
Restricted	158,990,995	156,129,727	143,691,605
Unrestricted	(10,946,222)	(12,226,047)	(2,991,091)
Total net position	$ 168,907,880	$ 173,547,626	$ 174,524,378

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2021	2020	2019
Operating revenues	$ 38,137,802	$ 59,583,176	$ 51,837,429
Operating expenses	(49,792,115)	(68,641,300)	(61,796,148)
Net operating loss	$ (11,654,313)	$ (9,058,124)	$ (9,958,719)
Nonoperating revenues	$ 14,611,337	$ 5,461,718	$ 11,413,613
Nonoperating expenses	(20,067,541)	(8,720,787)	(16,569,714)
Net non-operating expenses	$ (5,456,204)	$ (3,259,069)	$ (5,156,101)
Capital contributions and additions to permanent endowments	$ 12,470,771	$ 11,340,441	$ 38,000,116
(Decrease) increase in net position	(4,639,746)	(976,752)	22,885,296
Net position, beginning of year	173,547,626	174,524,378	151,639,082
Total net position, end of year	$ 168,907,880	$ 173,547,626	$ 174,524,378

Conclusion

The 2020-2021 fiscal year from a net income perspective was down significantly, primarily due to the loss on acquisition of College Town II. Considering the effect of COVID-19 on college athletics during the 2020-2021 fiscal year the organization performed very well and was able to position itself going into the 2021-2022 fiscal year. The outlook for next fiscal year is positive, thanks to the continued support from our constituents. At all times, our organizational mission and vision remain at the forefront for making decisions.

Our annual fund, the lifeline of Boosters and will certainly continue to be the emphasis, as well as, major gift fundraising, aimed at building and maintaining of athletic facilities. The Board of Directors volunteer significant time and effort into Boosters and should be applauded for their personal commitment.

Sincerely,

John P. Sinclair III, CPA
Chief Financial Officer

Financial Reporting Requirements

The above section of the Seminole Boosters, Inc. (Boosters') financial statements presents management's discussion of Boosters' financial activity during the fiscal year ended June 30, 2021.

As required by accounting principles generally accepted in the United States of America, the financial statements include three basic financial statements that provide information on Boosters as a whole: the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows.

Audited Financial Statements

Seminole Boosters, Inc.

Statements of Net Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents:		
Cash and cash equivalents	**$ 8,012,371**	$ 8,310,646
Restricted cash	**13,169,780**	17,603,794
Total cash and cash equivalents	**21,182,151**	25,914,440
Investments:		
Investments in securities	**32,142,453**	32,010,634
Investments in real estate	**24,804,831**	23,348,608
Other investments	**100,000**	100,000
Total investments	**57,047,284**	55,459,242
Accounts receivable:		
Accounts receivable	**856,380**	645,999
Due from FSU Foundation	**29,656**	29,656
Due from Florida State University	**154,167**	730,476
Due from Research Foundation	**-**	203,383
Other accounts receivable	**887,036**	580,903
Total accounts receivable	**1,927,239**	2,190,417
Pledges receivable, net	**12,003,010**	14,107,888
In-kind receivables	**400,800**	328,071
Other assets	**392,934**	366,160
Total current assets	**92,953,418**	98,366,218
Noncurrent assets:		
Restricted cash	**1,534,088**	1,532,652
Pledges receivable, net	**60,422,934**	63,560,493
In-kind receivables	**80,048**	92,253
Accounts receivable	**8,780**	19,620
Notes receivable	**38,907,158**	38,271,653
Capital assets, net	**184,004,312**	204,133,006
Other assets	**9,029,140**	8,408,793
Total noncurrent assets	**293,986,460**	316,018,470
Deferred outflows of resources:		
Deferred loss on refunding	**1,470,485**	1,648,172
Total assets and deferred outflows of resources	**$ 388,410,363**	$ 416,032,860

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Seminole Boosters, Inc.

Statements of Net Position (Continued)
June 30, 2021 and 2020

	2021	2020
Liabilities and Net Position		
Current liabilities:		
Accounts payable	**$ 1,613,322**	$ 345,637
Accrued expenses	**1,045,186**	116,022
Accrued interest	**1,329,900**	1,360,699
Bonds payable	**4,990,000**	4,835,000
Notes payable	**15,819,165**	16,097,024
Advanced receipts	**24,137,573**	21,575,578
Due to FSU Department of Athletics	**60,142**	19,743,362
Other current liabilities	**337,728**	278,047
Total current liabilities	**49,333,016**	64,351,369
Long-term liabilities:		
Bonds payable, net	**123,863,286**	128,939,252
Notes payable	**34,590,964**	35,852,533
Advanced receipts	**8,305,217**	9,618,745
Due to FSU Foundation	**3,410,000**	3,410,000
Other liabilities	**-**	313,335
Total long-term liabilities	**170,169,467**	178,133,865
Total liabilities	**219,502,483**	242,485,234
Net position:		
Net investment in capital assets	**20,863,107**	29,643,946
Restricted for:		
Athletic programs	**12,969,922**	14,576,687
Expendable contributions	**96,795,469**	93,729,421
Nonexpendable contributions	**49,225,604**	47,823,619
Unrestricted	**(10,946,222)**	(12,226,047)
Total net position	**$ 168,907,880**	$ 173,547,626

See notes to financial statements.

Seminole Boosters, Inc.

Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
Operating revenues:		
Charges for services:		
Concessions	**$ -**	$ 1,100,000
University Center Club	**3,419,485**	6,231,892
Total charges for services	**3,419,485**	7,331,892
Program support:		
Contributions	**21,403,511**	33,271,690
Stadium revenues – security for the series 2012A, 2012C, 2013A, 2015A, 2015B and 2015C revenue bonds:		
Rent income-stadium lease	**1,850,000**	1,850,000
Champions club season tickets	**1,543,325**	5,464,567
Skybox season tickets	**2,354,284**	3,432,805
In-kind contributions	**529,250**	457,610
Other revenues	**7,037,947**	7,774,612
Total program support	**34,718,317**	52,251,284
Total operating revenues	**38,137,802**	59,583,176
Operating expenses:		
Program services:		
Program services	**39,607,308**	58,962,798
Bad debt expense	**1,016,887**	891,057
Other expenses	**1,271,639**	2,358,278
Total program expenses	**41,895,834**	62,212,133
Supporting services	**7,896,281**	6,429,167
Total operating expenses	**49,792,115**	68,641,300
Operating loss	**(11,654,313)**	(9,058,124)

(Continued)

Seminole Boosters, Inc.

Statements of Revenues, Expenses and Changes in Net Position (Continued)
Years Ended June 30, 2021 and 2020

	2021	2020
Nonoperating revenues (expenses):		
Interest income	**$ 2,642,408**	$ 2,431,446
Interest expense	**(6,869,452)**	(7,368,677)
Net investment income (loss)	**8,957,304**	(1,292,119)
Loss on acquisition	**(9,625,571)**	-
Royalties, security for the series 2012A, 2012C, 2013A, 2015A, 2015B and 2015C revenue bonds	**3,011,625**	2,877,904
Bad debt expense	**(1,684,666)**	(1,352,110)
Other nonoperating (loss) revenue	**(1,887,852)**	1,444,487
Net nonoperating expenses	**(5,456,204)**	(3,259,069)
Loss before capital contributions and additions to permanent endowments	**(17,110,517)**	(12,317,193)
Capital contributions and additions to permanent endowments:		
Capital contributions	**11,970,297**	8,320,588
Endowment	**500,474**	3,019,853
Total capital contributions and additions to permanent endowments	**12,470,771**	11,340,441
Decrease in net position	**(4,639,746)**	(976,752)
Net position at beginning of year	**173,547,626**	174,524,378
Net position at end of year	**$ 168,907,880**	$ 173,547,626

See notes to financial statements.

Seminole Boosters, Inc.

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	**$ 40,635,295**	$ 50,788,722
Payments to suppliers and vendors	**(48,477,812)**	(37,107,968)
Payments to employees	**(10,239,170)**	(9,212,983)
Net cash (used in) provided by operating activities	**(18,081,687)**	4,467,771
Noncapital financing activities:		
Principal collections on notes receivable	**114,407**	114,271
Receipts from royalty program	**3,011,625**	2,877,904
Receipts (payments) from University	**779,692**	(668,962)
Interest received	**1,274,730**	1,687,058
Other non operating (payments) receipts	**(1,887,852)**	1,444,487
Net cash provided by noncapital financing activities	**3,292,602**	5,454,758
Capital and related financing activities:		
Receipt of nonoperating contributions	**12,658,002**	8,954,164
Principal payments on bonds payable	**(4,835,000)**	(4,600,000)
Receipt of note proceeds	**-**	1,566,744
Payments of interest	**(6,808,530)**	(7,339,802)
Principal payments on notes payable	**(7,000,595)**	(1,382,187)
Sale of capital assets	**12,000,000**	-
Purchase of capital assets	**(1,524,907)**	(416,372)
Net cash provided by (used in) capital and related financing activities	**4,488,970**	(3,217,453)
Investing activities:		
Investment income	**8,957,304**	2,636,799
Sale of investments	**35,270,261**	38,552,948
Purchase of investments	**(38,658,303)**	(41,879,792)
Net cash provided by (used in) investing activities	**5,569,262**	(690,045)
Net (decrease) increase in cash and cash equivalents	**(4,730,853)**	6,015,031
Cash and cash equivalents:		
Beginning	**27,447,092**	21,432,061
Ending	**$ 22,716,239**	$ 27,447,092

(Continued)

Seminole Boosters, Inc.

Statements of Cash Flows (Continued)
Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of operating loss to net cash (used in) provided by operating activities:		
Operating loss	**$ (11,654,313)**	$ (9,058,124)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	**7,798,271**	7,916,712
In-kind contributions	**(529,250)**	(457,610)
Changes in operating assets and liabilities:		
Accounts receivable	**(505,674)**	6,854,101
Pledges receivable	**3,330,192**	(4,096,126)
Other assets	**(29,355)**	14,421
Accounts payable	**1,267,685**	(233,361)
Accrued expenses	**983,131**	(156,905)
Advanced receipts	**1,248,467**	(10,218,183)
Due to FSU Department of Athletics	**(19,683,220)**	13,419,401
Other liabilities	**(307,621)**	483,445
Net cash (used in) provided by operating activities	**$ (18,081,687)**	$ 4,467,771
Supplemental disclosures of noncash capital and financing activities:		
Change in market value of investments and real estate	**$ 4,192,989**	$ (3,928,918)
Notes payable issued in exchange for ownership interest in equity method investment	**$ 5,461,167**	$ -
(Loss) gain from exchange or sale of real estate	**$ (1,912,588)**	$ 1,430,886

See notes to financial statements.

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations: The Seminole Boosters, Inc. (the Boosters) is a direct support organization of The Florida State University (the University) pursuant to Section 1004.28, Florida Statutes and regulations thereunder at 6C-9.011 of the Florida Administrative Code. The Boosters is a nonprofit Florida corporation exempt from tax under Code Section 501(c)(3) of the Internal Revenue Code (IRC). The purpose of the Boosters is to stimulate and promote the education, health and physical welfare of the students of the University by providing financial support for the intercollegiate athletic programs at the University, including, but not limited to, scholarships, capital projects and authorized travel and entertainment. The most significant source of support is derived from annual contributions. The Boosters also operates retail concession outlets for most major University sporting events with main facilities located at Doak S. Campbell Stadium (the Stadium) and Dick Howser Stadium. Other special projects and fund-raising activities occur during the year.

The University Center Club, Inc. (the Club) was founded in 1996 and is owned and operated by the Boosters. The purpose of the Club is to provide a superior dining facility to be used exclusively for the pleasure, recreation and other purposes of its members and to provide a dining and entertainment facility for alumni, students, faculty and friends of the University. The Club also serves as part of the Department of Hospitality and Administration within the University. The Club’s fiscal year is accounted for on a 52/53-week year, ending the last Tuesday in December. The Club’s balances reported in the Boosters’ financial statements represent balances at June 30, 2021 and 2020.

T’Alley Properties, LLC (T’Alley Properties), a blended component unit of the Boosters, was formed to account for real estate holding and development activities associated with the College Town project (the Project) (see Note 8). T’Alley Properties’ fiscal year-end is December 31; however, balances reported in the Boosters’ financial statements represent balances as of and for the fiscal years ended June 30, 2021 and 2020.

FSU Financial Assistance, Inc. (Financial Assistance), a blended component unit of the Boosters, is a nonprofit Florida corporation exempt from income tax under IRC Section 501(c)(3) and was incorporated on December 26, 1994. Financial Assistance was created for the purpose of securing bond financing as a direct support organization of the University in accordance with Section 1004.28, Florida Statutes.

Ten G & G, Inc. (Ten G & G), a blended component unit of the Boosters, was acquired in December 2018. Ten G & G was formed in 2011 for the purpose of funding the development activities of the College Town project.

College Town Investment Fund (CTIF), a blended component unit of the Boosters, was acquired in December 2018. CTIF was created as a holding company to manage all investments in the College Town project.

CTI-2, LLC (CTI-2), a blended component unit of the Boosters, was acquired in December 2020. CTI-2 was created as a holding company to manage all investments in the College Town II project.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Reporting entity: In defining the Boosters for financial reporting purposes, management has applied the requirements of *Governmental Accounting Standards Board Statement (GASB) No. 14, The Financial Reporting Entity, and GASB No. 61, The Financial Reporting Entity, Omnibus*. These statements establish the basis for the reporting entity and whether it is considered a component unit of another entity. The Boosters would be a component unit of another entity if it is financially accountable to that unit. Financial accountability occurs when an entity appoints a voting majority of the Board of the potential component unit and: (1) is able to impose its will on the potential component unit, and/or (2) is fiscally dependent and is in a relationship of financial benefit or burden with the potential component unit. An entity would also be considered financially accountable if the potential component unit is fiscally dependent and there is a financial benefit or burden relationship, regardless of whether the entity appoints the voting majority of the potential component unit's Board. The Boosters are a direct support organization of the University and has met all of the financial accountability criteria necessary to be considered a component unit of the University.

The financial statements of the Boosters represent all of the Boosters' operating activities as well as the financial activity of the Club, T'Alley Properties, Financial Assistance, Ten G & G, CTIF and CTI-2. Collectively, these activities and supporting organizations represent the primary reporting activity.

The Boosters maintains direct control of Financial Assistance and has the ability to determine the direction of its policies and its operations through common management. Each year significant transfers are made by the Boosters to Financial Assistance to help service the bond debt of which the Boosters is the guarantor. Additionally, the Boosters maintain direct control of T'Alley Properties, Ten G & G, CTIF and CTI-2. Each of these entities are single member limited liability corporations of which the Boosters is the sole member. Based on these criteria, Financial Assistance, T'Alley Properties, Ten G & G, CTIF and CTI-2 are included as blended component units of the Boosters. Separate financial statements of Financial Assistance, T'Alley Properties, Ten G & G, CTIF and CTI-2 are not issued.

Basis of accounting: The Boosters follow financial reporting requirements for enterprise funds, which use the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for governmental business-type activities. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred. In order to comply with restrictions that donors place on contributions and other gifts, as well as designations made by the Board of Directors, the principles of fund accounting are used. Separate accounts are maintained for each fund in the general ledger. For financial reporting purposes, these funds are combined into one column.

Proprietary funds distinguish operating revenues and expenses from nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operation. The principal operating revenues for the Boosters' proprietary fund are charges for services, contributions and stadium revenues. Operating expenses include direct expenses of providing the services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents: The Boosters consider demand deposits, repurchase agreements, cash with fiscal agents, certificates of deposit and investments with original maturities of three months or less to be cash and cash equivalents. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Boosters have not experienced any losses in such accounts.

The bond indenture requires that certain cash balances be maintained to pay future debt service. These amounts are reported as restricted cash on the statements of net position.

The Boosters have certain cash deposit accounts that are swept nightly into United States Treasury bills for interest earning purposes. These overnight investments are not covered by federal insurance or collateralized by any other securities.

Investments: Investments are carried at fair value. Fair value is defined by GASB Statement No. 72, as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment earnings on endowment contributions are considered unrestricted.

Alternative investments, some of which are structured such that the Boosters holds limited partnership interests, are stated at net asset value (NAV) which is a practical expedient for fair value.

The Boosters have other investments, including a membership interest in a limited liability corporation through its blended component units, T'Alley Properties and Ten G & G, and a limited ownership interest in a partnership. These investments are accounted for using the equity method.

Accounts receivable: Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible accounts is based on collection history as well as current economic information regarding those doing business with the Boosters. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

Pledges receivable: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give in future periods are initially recorded at estimated fair value determined using the discounted present value of expected cash flows, net of an allowance for uncollectable pledges. The discount rates are determined at the time the unconditional pledge to give is initially received.

The allowance for uncollectable pledges receivable is based upon the Boosters' analysis of past collection experience, pledge activity and other judgmental factors regarding the donors ability to pay.

Notes receivable: Notes receivable are comprised of loans made in connection with the development of College Town (see Note 8).

Advanced receipts: The Boosters often receive contributions benefiting future periods. When such contributions are received, they are recorded as advanced receipts until the period in which the time restrictions are met. Dunlap Champions Club and skybox tickets purchased in advanced of the football season are also recorded as advanced receipts until the reporting period in which the tickets will be used.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Capital assets: Capital assets are recorded at cost less accumulated depreciation. Donated materials and equipment are reflected at their estimated acquisition value at the date of receipt. All real estate donations are recorded at their appraised value at the time donated.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

	Years
Stadium and facility improvements	15-40
Equipment	5-7

Capital assets, which include land, buildings, equipment and improvements other than buildings are defined as assets with a cost of $1,000 or more and an estimated useful life greater than one year.

Bond discounts, premiums, issuance costs and refunding losses: Bond issuance costs are expensed in the period they are incurred. Bond discounts and premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the straight-line method.

Revenue recognition:

Program support and operating revenues: Program revenues consist of contributions, stadium rent, conference facility and license fee revenues collected, which are the principal revenues used by the Boosters to carry out their exempt purpose.

Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenues of the Boosters consist of activities of the stadium concessions, the Club and skybox seating. Operating expenses include the cost of sales, administrative expenses and depreciation on capital assets.

Contributions: Annual contributions and gifts, including pledges, are recorded as revenue when all eligibility requirements are met. In-kind contributions represent donated goods and services recorded as revenue based on their acquisition value at the time of the contribution or pledge. Contributions designated by donors to be used in future years are recorded as unearned revenues or advance receipts until such time restrictions have elapsed.

Concession revenue: Concession revenue is derived from the sale of food and beverage items at various University athletic events. The Boosters contract with a third party to provide these services and share revenue with the contractor in accordance with the concessionaire agreement. Revenue is recognized at the time of the sale.

Dunlap Champions Club and skybox ticket revenue: Financial Assistance is entitled to receive lease and contribution revenues from skybox seating at Doak S. Campbell Stadium. Revenues received for this purpose are recognized as revenue in the period the skybox seating is used.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Functional allocation of expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs benefited.

Net position: Net position represents the residual interest in the Boosters' assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt. Net position is reported as restricted when constraints are imposed by third parties. The Boosters reports restricted net position that is both expendable and nonexpendable.

In certain cases, the Boosters may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts reported as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Boosters' policy to consider restricted net position to have been depleted before unrestricted net position is used.

Recent accounting pronouncements:

GASB 87: Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Boosters are still evaluating the impact of this statement on the financial statements.

Reclassification: Certain reclassifications have been made to the June 30, 2020 financial statements to conform with 2021 presentation.

Note 2. Cash, Cash Equivalents and Investments

Cash and cash equivalents as of June 30, 2021 and 2020, comprised of the following:

	2021	2020
Unrestricted cash:		
Demand deposit accounts	$ 4,996,688	$ 5,186,828
Money market funds	966,349	3,067,398
Certificates of deposit	2,004,651	-
State Board of Administration pooled deposits	33,375	33,301
Petty cash	11,308	23,119
Total unrestricted cash and cash equivalents	8,012,371	8,310,646
Restricted cash:		
Demand deposits	5,326,259	5,241,583
Money market funds	2,969,256	1,532,652
Cash management accounts	6,408,353	12,362,211
Total restricted cash	14,703,868	19,136,446
Total cash and cash equivalents	$ 22,716,239	$ 27,447,092

A credit rating is not available for deposits in the Local Government Surplus Trust Fund (LGSF), administered by the State Board of Administration (SBA). Interest earnings of the LGSF are allocated on a pro-rata basis using the weighted average deposit balance per fund. The LGSF is an external investment pool that is not a registrant with the Securities and Exchange Commission (SEC). The LGSF is governed by Chapter 19-7 of the *Florida Administrative Code*, which identifies the rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of the LGSF. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA. The Boosters' fair value of their position in the pool approximates the value of the pool shares.

Investments as of June 30, 2021 and 2020, comprised of the following:

	2021	2020
Investment securities:		
Mutual funds	$ 706,502	$ 1,781,235
Corporate securities	20,508,753	20,738,937
Private equity securities	4,860,911	5,073,118
Real estate securities	6,066,287	4,417,344
Total investment securities	32,142,453	32,010,634
Investment in partnership	100,000	100,000
Investment in real estate	24,804,831	23,348,608
	$ 57,047,284	$ 55,459,242

Note 2. Cash, Cash Equivalents and Investments (Continued)

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy is based upon the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets as of measurement date; Level 2 inputs are significant other observable inputs; Level 3 inputs are unobservable inputs. Investments as of June 30, 2021 and 2020, had the following fair value hierarchy:

	As of June 30, 2021			
Asset Type	Level 1	Level 2	Level 3	Total
Mutual funds	$ 706,502	$ -	$ -	$ 706,502
Corporate securities	20,508,753	-	-	20,508,753
	21,215,255	-	-	21,215,255
Other investments:				
Other investments	-	-	100,000	100,000
Investment in real estate	-	-	24,804,831	24,804,831
Total assets in the fair value hierarchy	$ 21,215,255	$ -	$ 24,904,831	46,120,086
Investments measured at net asset value				
Private equity securities				4,860,911
Real estate securities				6,066,287
Investments at fair value				$ 57,047,284

	As of June 30, 2020			
Asset Type	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,781,235	$ -	$ -	$ 1,781,235
Corporate securities	20,738,937	-	-	20,738,937
	22,520,172	-	-	22,520,172
Other investments:				
Other investments	-	-	100,000	100,000
Investment in real estate	-	-	23,348,608	23,348,608
Total assets in the fair value hierarchy	$ 22,520,172	$ -	$ 23,448,608	45,968,780
Investments measured at net asset value				
Private equity securities				5,073,118
Real estate securities				4,417,344
Investments at fair value				$ 55,459,242

In accordance with GASB 72, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

Interest rate risk: Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The Boosters do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Note 2. Cash, Cash Equivalents and Investments (Continued)

Credit risk: Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Boosters' mutual fund investments were not rated by a major rating agency as of June 30, 2021 or 2020.

Custodial credit risk: This is the risk that in the event of the failure of the counterparty, the Boosters will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The Boosters' investment policy requires securities shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the Boosters should be properly designated as an asset of the Boosters. The securities must be held in an account separate and apart from the assets of the financial institution.

Concentrations of credit risk: Concentration of credit risk means the magnitude of a government's investment in a single issuer. Excluded from this definition are investments issued or explicitly guaranteed by the U.S. government and external investments pools. The Boosters maintain cash balances at several financial institutions that, at times, may exceed federally insured limits. The cash balances are insured by the FDIC up to $250,000 per customer. Management does not believe that this results in any significant credit risk.

The Boosters' investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the Boosters' investment portfolio.

For the Years Ended June 30, 2021 and 2020

Asset Allocation	Lower Limit	Target	Upper Limit
U.S. equity:			
Large cap	10%	15%	20%
Small/mid cap	10%	15%	20%
International equity developed	15%	19%	25%
Emerging markets equity	5%	10%	15%
Real estate	5%	10%	15%
Private equity	10%	15%	20%
Private credit	10%	15%	20%
Cash	0%	1%	2%

Note 3. Capital Assets

Capital assets activity for the years ended June 30, 2021 and 2020, are as follows:

	June 30, 2020	Additions	Deletions	June 30, 2021
Capital assets not being depreciated:				
Land	$ 11,353,022	$ 10,000	$ 2,911,945	$ 8,451,077
Construction in progress	12,457	1,366,060	12,663	1,365,854
Total capital assets not being depreciated	11,365,479	1,376,060	2,924,608	9,816,931
Stadium, facility improvements and equipment	270,437,190	161,510	13,124,632	257,474,068
Less accumulated depreciation	77,669,663	7,798,271	2,181,247	83,286,687
Capital assets, net	$ 204,133,006	$ (6,260,701)	$ 13,867,993	$ 184,004,312

	June 30, 2019	Additions	Deletions	June 30, 2020
Capital assets not being depreciated:				
Land	$ 13,061,819	$ 5,000	$ 1,713,797	$ 11,353,022
Construction in progress	67,647	-	55,190	12,457
Total capital assets not being depreciated	13,129,466	5,000	1,768,987	11,365,479
Stadium, facility improvements and equipment	270,011,508	466,562	40,880	270,437,190
Less accumulated depreciation	69,752,951	7,916,712	-	77,669,663
Capital assets, net	$ 213,388,023	$ (7,445,150)	$ 1,809,867	$ 204,133,006

For the fiscal years ended June 30, 2021 and 2020, depreciation expense of $7,798,271 and $7,916,712, respectively, was recorded in program expense.

Note 4. Pledges Receivable

Unrestricted pledges receivable consists of amounts pledged for annual gifts and are presented net of an allowance for uncollectible amounts. These pledges are classified as current or noncurrent based on their scheduled collection date. Pledges receivable that are restricted are for varsity club seating and various athletic programs supported by the Boosters. These pledges are classified as noncurrent because of their scheduled collection date and are considered by management to be fully collectible as of June 30, 2021. Endowment and capital campaign pledges receivable represent long-term pledges made to the Boosters and are presented net of allowance for uncollectible amounts. Allowance for uncollectible amounts are estimated based on prior years' collection rates, pledge activity and other judgmental factors regarding the donors' ability to pay. In-kind pledges receivable of $480,848 and $420,324 are reported separately on the statements of net position and are considered by management to be fully collectible as of June 30, 2021 and 2020, respectively.

Note 4. Pledges Receivable (Continued)

The following is a summary, by type, of pledges receivable:

	2021	2020
Unrestricted	$ 7,072,674	$ 10,144,239
Unrestricted – allowance	(645,468)	(683,323)
Restricted	12,072,138	12,384,224
Restricted – allowance	(603,607)	(619,211)
Endowment	7,386,082	8,504,554
Endowment – allowance	(1,574,718)	(1,834,438)
Capital campaign	58,921,707	59,283,225
Capital campaign – allowance	(10,202,864)	(9,510,889)
	72,425,944	77,668,381
Less current portion	12,003,010	14,107,888
	$ 60,422,934	$ 63,560,493

Note 5. Bonds and Notes Payable

Bonds and notes payable activity for the years ended June 30, 2021 and 2020, was as follows:

	June 30, 2020	Additions	Deletions	June 30, 2021	Amounts Due Within One Year
Bonds payable	$ 132,195,000	$ -	$ 4,835,000	$ 127,360,000	$ 4,990,000
Notes payable	51,949,557	5,461,167	7,000,595	50,410,129	15,819,165
Bond premium, net	1,579,252	-	85,966	1,493,286	-
Total bonds and notes payable	$ 185,723,809	$ 5,461,167	$ 11,921,561	$ 179,263,415	$ 20,809,165

	June 30, 2019	Additions	Deletions	June 30, 2020	Amounts Due Within One Year
Bonds payable	$ 136,795,000	$ -	$ 4,600,000	$ 132,195,000	$ 4,835,000
Notes payable	51,765,000	1,566,744	1,382,187	51,949,557	16,097,024
Bond premium, net	1,665,219	-	85,967	1,579,252	-
Total bonds and notes payable	$ 190,225,219	$ 1,566,744	$ 6,068,154	$ 185,723,809	$ 20,932,024

Note 5. Bonds and Notes Payable (Continued)

Bonds payable as June 30, 2021 and 2020, consisted of the following:

	2021	2020
$35,580,000 Educational, including Athletic Facilities Improvement Revenue Refunding Bonds – Series 2012A, due in semi-annual interest-only payments of $669,956 from October 1, 2012 to October 1, 2016, then annual principal installments of $775,000 to $4,225,000 from October 1, 2017 to October 1, 2031, interest rates of 3.000% to 5.000%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the payment of the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between Seminole Boosters, Inc., and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2021, for the bond issue is $845,000 and $1,251,163, respectively.	$ 32,340,000	$ 33,185,000
$13,065,000 Educational, including Athletic, Facilities Improvement Revenue Bonds – Series 2012C, issued to fund the construction of the indoor practice facility, due in annual installments of $270,000 to $745,000 from October 1, 2014 to October 1, 2042, interest rates at 2.00% to 5.00%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2021, for the bond issue is $325,000 and $435,575, respectively.	10,985,000	11,310,000
$8,115,000 Educational, including Athletic, Facilities Improvement Revenue Refunding Bonds – Series 2013A, due in annual installments of $50,000 to $2,070,000 from October 1, 2015 to October 1, 2023, interest rates at 2.63% fixed rate. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2021, for the bond issue is $1,940,000 and $185,152, respectively.	6,070,000	8,010,000
$63,530,000 Educational, including Athletic, Facilities Improvement Revenue Bonds – Series 2015A, issued to fund the construction of the Dunlap Champions Club, due in annual installments of $2,355,000 to $4,935,000 from October 1, 2028 to October 1, 2045, interest rates at 3.50% to 5.00%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between the Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2021, for the bond issue is $0 and $2,678,738, respectively.	63,530,000	63,530,000
$9,055,000 Educational, including Athletic, Facilities Improvement Revenue Bonds – Series 2015B, issued to fund skybox improvements in Doak Campbell Stadium, due in annual installments of $45,000 to $2,310,000 from October 1, 2017 to October 1, 2028, interest rates at 1.500% to 4.375%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between the Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2021, for the bond issue is $630,000 and $274,428, respectively.	6,630,000	7,260,000

(Continued)

Note 5. Bonds and Notes Payable (Continued)

		2021		2020
$11,965,000 Educational, including Athletic, Facilities Improvement Revenue Bonds – Series 2015C, issued to fund capital improvements in Doak Campbell Stadium, due in annual installments of $990,000 to $1,435,000 from October 1, 2017 to October 1, 2026, interest rates at 3.00% to 5.00%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between the Seminole Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2021, for the bond issue is $1,095,000 and $362,819, respectively.	$	7,805,000	$	8,900,000
		127,360,000		132,195,000
Less current portion		4,990,000		4,835,000
Plus bond premium, net		1,493,286		1,579,252
	$	123,863,286	$	128,939,252

Pledged revenues as defined by the bond indenture consist of revenues from skybox suites, Athletic department rent, net revenues from the sale of club seats, royalties and net ticket sales from the Athletic department. During the fiscal years ended June 30, 2021 and 2020, the Boosters recognized $14,801,750 and $17,178,107 in pledged revenues, respectively. The remaining amount of the pledge is equal to the remaining principal and interest payments on the outstanding bonds.

On July 15, 2013, the Boosters entered into a note with SunTrust Bank for $6,500,000 to fund the construction of a student housing facility for the University. The note is at a fixed interest rate of 3.67% and initially matures on July 15, 2020, with an option to renew for an additional three periods of six years each. Interest payments are due semi-annually with principal payments beginning on October 1, 2015, based on a 25-year amortization. The note is collateralized by Champions Hall student housing facility, assignment of any and all Champions Hall leases, and any improvements made to the property. The note was paid in full as of June 30, 2021.

On February 1, 2017, the Boosters entered into a note with Hancock Bank, a trade name for Whitney Bank, for $15,000,000 to fund the purchase of outstanding loans as part of the CollegeTown I transaction (see Note 8). These loans were purchased from an investor of Ten G & G and, are Note 2 and Note 3 of the CollegeTown I transaction. The amount of these notes were $6,524,760 and $2,344,458, respectively. The remainder balance of the loan from Hancock was used towards CollegeTown III development. The note is at a fixed interest rate of 3.52%. Interest payments started on March 1, 2017, and are due monthly on the first day of each month through January 1, 2020. Final payment equal to the entire unpaid balance of principal plus accrued and unpaid interest are due on May 12, 2022. The note is fully guaranteed by the Boosters and all revenues received from CollegeTown I are pledged as collateral towards the loan. The outstanding balance as of June 30, 2021, was $15,000,000.

On February 23, 2017, the Boosters entered into a note with Ameris Bank. The note is to fund the construction of phase three of the College Town project (see Note 8). The construction term of the loan is for 36 months beginning February 1, 2017 through February 23, 2020. During the construction term, the note bears an interest rate at prime, or 4.25%, as of June 30, 2018. Accrued interest is due and payable on the 23rd day of each calendar month during the construction term, beginning March 23, 2017 through February 23, 2020. On February 23, 2020, the construction term converts to a permanent term and matures on February 23, 2045. The permanent term will bear an interest rate of 218 basis points above the seven-year U.S. Treasury Rate and will be fixed at such rate until the scheduled rate change dates of February 23, 2020, February 23, 2027, February 23, 2034 and February 23, 2041. Principal and interest payments on the permanent term commence February 23, 2020. The note is collateralized by an interest reserve and equity account held at the Ameris Bank and the assignment of any and all leases, and any improvements made to the College Town property. The Boosters have not guaranteed this note. The outstanding balance as of June 30, 2021 was $29,948,962.

Note 5. Bonds and Notes Payable (Continued)

On April 22, 2020, the Boosters entered into a note with Hancock Bank. The original amount of the note, which is part of the Paycheck Protection Program administered by the United States Small Business administration, was $1,017,454. The note bears interest of 1% and is payable in 18 equal installments of $57,269 from April 22, 2021 through September 22, 2022. The note was fully forgiven during fiscal year 2021.

On December 28, 2020, Boosters executed nine individual promissory notes with the owners of College Town II Investment Trust totaling $4,642,002 with the purpose of acquiring their ownership interest. Interest on the principal sum of this note from time to time outstanding will be computed at a per annum interest rate of 5.5%. Interest only payments are due quarterly through October 2025. Principal amounts still owed on December 31, 2025 will be paid in full. The outstanding balance as of June 30, 2021 was $4,642,002.

On April 27, 2021, the Boosters entered into a note with Hancock Bank. The original amount of the note, which is part of the Paycheck Protection Program administered by the United States Small Business administration, was $819,165. The note bears interest of 1% and matures five years from the date of execution. The outstanding balance as of June 30, 2021 was $819,165.

Scheduled maturities of bonds and notes payable as of June 30, 2021, were as follows:

	Interest	Principal	Total
Years ending June 30:			
2022	$ 6,916,131	$ 20,809,165	$ 27,725,296
2023	6,223,496	6,739,096	12,962,592
2024	6,014,356	6,127,748	12,142,104
2025	5,753,089	6,492,816	12,245,905
2026	5,432,188	11,418,238	16,850,426
2027-2031	22,361,875	37,713,635	60,075,510
2032-2036	15,232,902	27,614,424	42,847,326
2037-2041	9,752,357	28,781,844	38,534,201
2042-2046	3,268,005	32,073,163	35,341,168
	$ 80,954,399	$ 177,770,129	$ 258,724,528

Note 5. Bonds and Notes Payable (Continued)

The Boosters' (the Issuer's) sole assets consist of certain rights under the Sublease, the Sub-Sublease, the Four Party Agreement, and the Management Agreement, which are summarized as follows:

Sublease and Sub-Sublease: By Lease Agreement dated February 1, 1994, between the Trustees of the Internal Improvement Trust Fund of the State of Florida (Trustee), that holds title to the Stadium, as lessor, and the Florida Board of Education, as lessee, the Florida Board of Education has a 99-year lease on the Stadium. To facilitate the financing of the University Center Project through issuance of the Refunding Bonds Series 1994, the Florida Board of Education has granted a Sublease on the Stadium to the Issuer commencing on February 1, 1994, and expiring on October 2, 2023, or such earlier date as shall be one day after the Refunding Bonds Series 1994 and all obligations of the Issuer under the Indentures and the Bonds have been paid in full. Refunding Bond Series 1994 was subsequently refunded by Refunding Bond Series 2003 and 2004 and all obligations were transferred from Series 1994 to Series 2003 and 2004. Subsequently, Series 2003 and 2004 have been refunded by Series 2012A, 2012B, and 2014A and all obligations were transferred from Series 2003 and 2004 to Series 2012A, 2012B, and 2014A. The Issuer has in turn granted a Sub-Sublease to the University, which expires one day prior to the Sublease. The University has agreed to cause the construction of the University Center Project, to maintain and operate the Stadium, and to pay as rent an amount sufficient to pay the annual debt service on the bonds, to the extent the gross revenues of the Issuer are insufficient therefore. To secure its obligation under the Sub-Sublease, the University has pledged to the Issuer: (i) certain monies budgeted by the University to the Athletic Department of the University, (ii) all revenues received by the University from the leasing, licensing or granting of easements of use rights for that portion of the University Center Project constituting the conference suites to the extent such revenues are not paid over to the Issuer under the terms of the Management Agreement or to the extent such Management Agreement is terminated or expires, and (iii) the net ticket revenues up to an amount of $7,000,000 per year.

Four Party Agreement: On February 1, 1994, and as amended on February 1, 2002 and again on July 1, 2015, Financial Assistance, the Boosters, the Foundation, and the University signed the following agreement:

1. The University has entered into a Management Agreement with Financial Assistance. This agreement is subject to an automatic annual renewal by both parties thereafter. This agreement allows Financial Assistance to manage and receive revenues from the Conference Suites (Skyboxes) during the periods of time the Conference Suites are not needed for University educational purposes.

2. During the term of the Sub-Sublease (as discussed above), the University will include in its budget to be applied to the payment of rentals under the Sub-Sublease, an amount equal to at least $1,850,000 for the Athletic Department in each of the University fiscal years 2001 through 2032, or $57,350,000. Rentals are to be paid as requested by Financial Assistance and will not be requested until having fully utilized funds made available under paragraph 1. above.

3. During the term of the Sub-Sublease, The Foundation will pay over to Financial Assistance for application to the payment of debt service first on the Prior Lien Bonds, and then on the Subordinated Bonds as requested, all contributions, donations, gifts, pledges and grants of funds that it receives that are designated or earmarked for the University Center Project of the University Center.

Note 5. Bonds and Notes Payable (Continued)

4. The Boosters may transfer all income and revenues received under the Assignment of University Indicia Agreement to Financial Assistance for application to the payment of all bond issues. These funds will not be requested until having fully utilized all funds available to it under paragraphs 1, 2 and 3 above.

5. During the term of the Sub-Sublease, the University will apply up to $7,000,000 of the net revenues it derives annually from the sale of tickets for sporting or entertainment events held at the Stadium. Such payments will be made only after all other funds made available have been fully utilized under paragraphs 1 through 4 above.

6. The Boosters within 30 days following the last day of each bond year, shall return to the University any amount received from the rentals of the Sub-Sublease (see paragraph 2) in excess of debt service requirements.

Note 6. Advanced Receipts

Advanced receipts as of June 30, 2021 and 2020, comprised of the following:

	2021	2020
Prepaid premium seating	$ 6,903,769	$ 5,867,737
Varsity club seating	443,789	512,932
Restricted giving	2,968,600	2,368,573
Unamortized club life dues	19,334	19,334
Club dues	274,288	359,779
Pledge revenues	21,833,010	22,065,968
	32,442,790	31,194,323
Less current portion	24,137,573	21,575,578
	$ 8,305,217	$ 9,618,745

Note 7. Profit Sharing Plan

Effective February 1, 1992, the Boosters adopted The Boosters, Inc. 401(k) Profit Sharing Plan, a defined contribution profit sharing plan with the Internal Revenue Code (IRC) 403(b) provisions. Each year, the Board of Directors determines the contribution amount, if any. The contribution is a discretionary percentage not to exceed 15% of the compensation, excluding overtime and bonuses, of each eligible participant. For the years ended June 30, 2021 and 2020, the Boosters' contributions to the trust totaled $205,303 and $286,278, respectively. Each participant may elect a pre-tax and post-tax contribution of their compensation, but no more than permitted by the IRC.

Note 8. College Town Project

The Boosters owned a parcel of land on Madison Street (Madison parcel) near Gaines Street in Tallahassee. Gaines Street had been targeted as a redevelopment area by the City of Tallahassee and Leon County. Consistent with The Florida State University campus master plan, the Boosters initiated the development of a mixed-use project known as the Project to coincide with the local government effort. The Project includes student housing, entertainment venues, food service establishments and other commercial space on land owned by the Boosters and leased to College Town, LLC (College Town). As part of the Project, the Boosters entered into a series of agreements with the Florida State University Board of Trustees, College Town and other entities to arrange financing for the development of the Project through the use of the Federal New Market Tax Credits Program (FNMTCP). Under this program, College Town will serve as the qualified active low-income community business.

Sale and ground lease of Madison Street Parcel: On December 14, 2011, the Boosters sold the Madison parcel to College Town for use in the Project. The sale included previously capitalized costs incurred by the Boosters for the site plan, architectural plans, approvals from governmental agencies, surveys, site assessments and market studies. In conjunction with the sale, the Boosters entered into an assignment and assumption agreement with College Town. The agreement stated that the ownership of the Madison parcel would be transferred to T'Alley Properties on the condition that T'Alley Properties simultaneously granted a ground lease to College Town for the use and development of the land. Under the terms of the ground lease, College Town has development rights and will receive the future revenue streams generated by the Project. The ground lease is for a period of 95 years beginning in December 2011 at a rate of $1 per year and is subject to termination after seven years in the event of a default by College Town. The land along with any developed assets on the land will revert to T'Alley Properties upon termination of the lease.

Promissory note: In addition to the transactions described above, the Boosters entered into a promissory note for $14,517,934 with the College Town Investment Fund (CTIF), an entity serving as the Qualified Community Development Entity within the FNMTCP structure. These funds were indirectly loaned to College Town as part of the development financing for the Project. During 2019, the Boosters obtained the ownership of CTIF. Accordingly, the Boosters obtained ownership of the note receivable from CollegeTown.

The note bears interest at a rate of 1% simple interest per annum. The Boosters received $145,179 and $145,179 in interest income during the years ended June 30, 2021 and 2020, respectively, associated with this note. The note also accrues additional interest on the outstanding principal amount at a rate of 1.29% until December 31, 2018, up to a maximum of $1,319,881. Such interest is added to the principal balance and is paid upon maturity of the note. Interest in the amount of $0 and $0 was accrued and recognized as interest income during the years ended June 30, 2021 and 2020, respectively, for this additional interest percentage. Quarterly interest payments of $36,295 are received through January 5, 2019. Principal and interest payments of $176,842 commence April 5, 2019 through 2042.

City of Tallahassee Community Redevelopment Agency Grant Agreement: In support of the Project, the City of Tallahassee Community Redevelopment Agency (City CRA) entered into an agreement with the Boosters to provide certain grant funds totaling $2,382,045. This grant contract is payable by the City CRA upon completion of various construction milestones. As of June 30, 2019, $2,382,045, the full amount of the grant had been received from the City CRA, with $366,409 received during 2019. This amount was recorded in other nonoperating revenue (expense) on the statements of revenues, expenses and changes in net position.

Note 8. College Town Project (Continued)

Investment in CollegeTown: T'Alley Properties has a membership interest in College Town, which is accounted for as an equity investment. The other equity owner of College Town is Ten G & G, LLC. Through November 2018, Ten G & G was owned by certain individuals comprising approximately 10% of the voting members of the Boosters' Board of Directors. Distributions of cash flow will be made in accordance with College Town's Operating Agreement. In accordance with its operating agreement, College Town is required to distribute available cash to equity members following the end of each fiscal quarter after construction of the Project is completed. During December 2018, the Boosters became the sole owner of Ten G & G.

CollegeTown I note payable: During 2017, the Boosters entered into a loan agreement with Hancock Bank (see Note 5). The loan allowed them to purchase the outstanding note receivables held by Ten G & G with College Town as part of the College Town I transaction. The remainder of the balance is to fund construction of CollegeTown III.

CollegeTown II operating agreement and membership interest: On March 4, 2015, T'Alley Properties entered into an operating agreement with CollegeTown II, LLC (CT II). CT II was organized as a Delaware limited liability company pursuant to the provisions of the Delaware Limited Liability Company Act to acquire, hold, entitle and develop property and construct, manage, finance, operate, lease, dispose of and negotiate other deals with the project, and engage all activities incidental or necessary in connection therewith. T'Alley Properties' membership interest in CT II was 40.624% on June 30, 2020. In December 2020, Boosters acquired the remaining ownership interest in CT II and is now the sole member of the LLC.

Each member's capital account in CT II shall be increased by: i) the amount of such member's additional capital contributions (if any) to the CT II; and ii) the amount of any profit, income and gain allocated to such member pursuant to the provisions of the operating agreement. Each member's capital account in CT II shall be decreased by: i) the amount of any losses, deductions and costs allocated to such member pursuant to the provisions of the operating agreement and ii) the amount of all distributions to such member including the fair market value of assets distributed.

Distributions of cash flow will be made in accordance with CT II's Operating Agreement. In accordance with its operating agreement, CT II is required to distribute "available cash" to equity members at such times and in such amounts determined by CT II after construction of the project is completed.

CollegeTown II promissory note receivables: On September 2, 2015, T'Alley Properties, lender, executed a promissory note for $8,700,000 with CT II, borrower, an entity. The note bears interest at a rate of 8% per annum. The promissory note was subsequently amended from $8,700,000 to $9,265,428. The payment terms are to the extent CT II or any subsidiary of CT II received any net capital transaction proceeds, the 38.145% of such net capital transaction proceeds shall be paid to the Boosters and be applied first to unpaid interest and then to principal. Accrued but unpaid interest and all unpaid principal shall be due and payable in full on the earlier to occur of the date all or substantially all of the assets of CT II or subsidiary of CT II are sold, any event of default by CT II or any subsidiary of CT II, or December 31, 2035.

CollegeTown II license agreement: On September 2, 2015, the Boosters entered into a License Agreement with CT II and related entities. The term of the agreement is fifty years (50) unless sooner terminated in accordance with the agreement. The Boosters will receive payment of 3% of all Combined Gross Revenues of CT II, including the related entities.

Note 8. College Town Project (Continued)

CollegeTown III: During 2017, the Boosters entered into a promissory note with Ameris Bank to begin construction on CollegeTown III (see Note 5). As of June 30, 2019, $31,000,000 had been expended on the construction loan at which time construction on CollegeTown III was complete. Operations began during the 2020 fiscal year.

Note 9. Related-Party Transactions

The Boosters serve as a direct support organization of the University. As such, the Boosters has integral relationships with many of the University's related organizations. Each fiscal year the Boosters make contributions and payments for services to these entities, which are included in the program service expenses, and supporting services expenses in the financial statements.

The University: Part of the Boosters' relationship with the University includes support provided to the President of the University. The total amount transferred during the fiscal years ended June 30, 2021 and 2020, totaled $839,896 and $1,925,000, respectively, and are included in the program service expenses. Additionally, the University provides various services to the Boosters each year including, telephone, internet, fire service, maintenance and other miscellaneous services. These expenses are included in the program and supporting service expenses.

Florida State University Department of Intercollegiate Athletics (Athletic Department): The Boosters' primary purpose is to support the Athletic Department, and as such, they serve as the official legal conduit for the acceptance, investment and distribution of private gifts in support of the activities and programs of the University. The Boosters expend significant resources for, or on behalf of the Athletic Department. For the fiscal years ended June 30, 2021 and 2020, the Boosters provided support totaling $17,349,114 and $31,533,546, respectively. These expenses are recorded as part of the program service expenses. At June 30, 2021 and 2020, total amounts due to the Athletic Department for these purposes were $60,142 and $19,743,362, respectively.

During each of the fiscal years ended June 30, 2021 and 2020, the Athletic Department paid the Boosters $1,850,000 for the use of Doak Campbell Stadium.

The Florida State University Foundation: The purpose of the Florida State University Foundation (Foundation) is to aid the advancement of the University through charitable giving. The Foundation maintains all of the contracts related to the accounting and fundraising software used by the Boosters. As part of this contract each fiscal year, the Boosters pay the Foundation for the percentage of cost attributed to the Boosters for staff use of the software and the use of the credit card processing system. These expenses are included in the program and supporting service expenses. The Foundation also receives certain contributions for the University Center Project that they contractually forward to the Boosters. Similarly, the Boosters receive contributions on behalf of the Foundation. Depending on the nature of the donation, these assets may be held by the Boosters until they are ultimately transferred to the Foundation. At both June 30, 2021 and 2020, total amount due to the Foundation for these purposes was $3,410,000. At June 30, 2021 and 2020, total amount due from the Foundation for these purposes were $29,656 at both June 30, 2021 and 2020.

Note 9. Related-Party Transactions (Continued)

The Florida State University Research Foundation: On April 21, 2020 the Boosters sold a student residential hall to the Florida State University Research Foundation (Research Foundation) for approximately $3.7 million. As part of the sales agreement, the Boosters will manage the property for a period of 10 years and has agreed to guarantee the Research Foundation a minimum return on their investment of 5% ($185,000) annually for a period of ten years. For the first five years of the agreement the Boosters has the right to market and negotiate the sale of the property provided the Boosters is able to sell the property for an amount equal to the Research Foundation's purchase price. For the second 5 years of the agreement, the Research Foundation will have the right to market and negotiate the sale of the property exclusive of the Boosters. If this agreement is terminated, the Research Foundation has the right to compel Boosters to repurchase the property at the original sales price.

The Florida State University Real Estate Foundation: On June 4, 2021 the Boosters sold a student residential hall to the Florida State University Real Estate Foundation (Real Estate Foundation) for approximately $12.0 million. As part of the sale, the Boosters will lease the property back for a period of 7 years, with annual lease payments of $700,000, and will manage the property during the lease period. At the end of the 7-year lease period the Real Estate Foundation has the option to require the Boosters to repurchase the property at a price of approximately $10.36 million.

External to the University, the Boosters has a related party relationship with CollegeTown, as described in Note 8 to the financial statements.

In the normal course of business, the Boosters receive contributions including cash and other assets from Board members.

Note 10. Contingent Liabilities and Commitments

Risk management: The Boosters are exposed to various risks of loss associated with normal operations and have purchased commercial insurance to mitigate such risks. For each of the past three years, settlements have not exceeded insurance coverage.

RSM US LLP

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*

Board of Directors
Seminole Boosters, Inc.

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 Seminole Boosters, Inc. (Boosters), a component unit of the Florida State University, which comprise the statement of net position as of June 30, 2021, the statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 29, 2021.

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

RSM US LLP

Jacksonville, Florida
November 29, 2021