

Florida State University Foundation, Inc.

Florida Single Audit Compliance Report
June 30, 2022

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RSM US LLP

**Report on Compliance for the Major State Project,
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of State Financial Assistance
Required by State of Florida Chapter 10.700, *Rules of the Auditor General***

Independent Auditor's Report

To the Board of Trustees
Florida State University Foundation, Inc.

Report on Compliance for the Major State Financial Assistance Project

Opinion on the Major State Financial Assistance Project

We have audited Florida State University Foundation, Inc.'s (the Foundation) compliance with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on the Foundation's major state financial assistance project for the year ended June 30, 2022. The Foundation's major state financial assistance project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state financial assistance project for the year ended June 30, 2022.

Basis for Opinion on the Major State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and Chapter 10.700, *Rules of the Auditor General* (Chapter 10.700). Our responsibilities under those standards and the Chapter 10.700 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.700 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major state financial assistance projects as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.700, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.700, but not for the purpose of expressing an opinion on the effectiveness of Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.700. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the Foundation as of and for the year ended June 30, 2022, and have issued our report thereon dated November 8, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.700 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

RSM US LLP

Jacksonville, Florida
November 8, 2022

Florida State University Foundation, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2022

<u>State Grantor / Program Title</u>	<u>CSFA Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
Florida Department of Highway Safety and Motor Vehicles – Florida State University License Plate Program	76.033	\$ 1,627,184	<u>\$ 1,463,955</u>
Florida Department of Education and Commissioner of Education – University Major Gifts Program	48.074	<u>9,091,184</u>	
Total Expenditures of State Financial Assistance		<u>\$ 10,718,368</u>	

See Notes to Schedule of Expenditures of State Financial Assistance.

Florida State University Foundation, Inc.

**Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2022**

Note 1. Basis of Presentations

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state financial assistance project activity of Florida State University Foundation, Inc. (the Foundation) under programs of the State of Florida for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Chapter 10.700, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the net position, changes in net position or cash flows of the Foundation.

Note 2. Summary of Significant Accounting Policies

Expenditures: Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles established by the State of Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Florida State University License Plate Program: The expenditures under the state license plate program in the Schedule represent \$1,463,955 in sub-awards to Florida State University which are utilized for scholarships and \$163,229 in fundraising expenditures. Receipts from the program during the year ended June 30, 2022 of \$1,818,723 are allocated to be spent for scholarships and for fundraising, consistent with the allocation plan, as amended, submitted to the Board of Governors of the State University System of Florida. Interest income on receipts and unexpended amounts from prior years totaled \$112,489.

Receipts for scholarships and fundraising exceeded expenditures during the year ended June 30, 2022 by \$191,539. At June 30, 2022, the Foundation had \$1,783,422 in collected, but unexpended funds related to scholarships and fundraising.

University Major Gifts Program: The University Major Gifts Program has been temporarily suspended by the State of Florida, and no funding was received from the state in the form of matching funds during the year ended June 30, 2022. The expenditures under the University Major Gifts Program in the accompanying schedule of expenditures of state financial assistance represent expenditures of earnings on endowments that have received state matching funds or have been submitted for matching. These expenditures include amounts spent from earnings on both the state match portion and the private donor portions of the endowments.

Florida State University Foundation, Inc.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X	No
Significant deficiency(ies) identified?	_____ Yes	_____ X	None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	No

State Financial Assistance

Internal control over major project:

Material weakness(es) identified?	_____ Yes	_____ X	No
Significant deficiency(ies) identified?	_____ Yes	_____ X	None Reported

Type of auditor’s report issued on compliance for major state financial assistance project: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State of Florida Chapter 10.700, *Rules of the Auditor General*?

	_____ Yes	_____ X	No
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Identification of major state financial assistance project:

	CSFA No.	Name of State Financial Assistance Project
	48.074	University Major Gifts Program

Dollar threshold used to distinguish between type A and type B state financial assistance projects: \$ 750,000

Section II – Financial Statement Findings

No matters were reported.

Section III – Findings and Questioned Costs for State Financial Assistance

No matters were reported.

Section IV – Other Reporting

1. No Summary Schedule of Prior Audit Findings is presented because there were no prior audit findings related to state financial assistance projects.
2. There was no management letter or control deficiency letter issued for the year ended June 30, 2022, and there were no matters required to be reported in these letters.