Seminole Boosters, Inc.

Financial Report
June 30, 2022

Contents

Independent Auditor's Report

Board of Directors
Seminole Boosters, Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Seminole Boosters, Inc. (Boosters), a component unit of Florida State University, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Booster's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Booster's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Booster's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 December 22, 2022 on our consideration of the 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 the 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
December 22, 2022

Management's Discussion and Analysis
(Unaudited)

The management's discussion and analysis provide an overview of the financial position and activities of the Seminole Boosters, Inc. (Boosters) for the fiscal year ended June 30, 2022. 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 Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement 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 Statement 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, with the exception of investments and real estate held for resale, which are reported at fair value, and capital assets, which are reported at historical cost less accumulated depreciation.

The Statement 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 Statement 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

2022 vs. 2021

The assets and deferred outflows of resources of Boosters totaled $357,574,457 and $388,410,363 at June 30, 2022 and 2021, respectively, which reflects a decrease of $30,835,906 or 7.94% from June 30, 2021. This decrease is primarily due to significant changes in Capital Assets, net of depreciation which decreased $9.0 million during 2022, pledges receivable decreasing $7.5 million and notes receivable decreasing $10.9 million. The decrease in Capital Assets, net of depreciation is due to real estate being transferred to College Town I related to the refinancing of the Hancock Bank loan of $4.8 million, the addition of the Preview Center and Skybox Renovations as new capital assets totaling $2.1 million, and regular depreciation during the year of $7.9 million. The decrease in pledges receivable is due to fewer 5-year pledges being received for annual fund contribution resulting in a decrease of $2.1 million, reduction in current receivables for restricted pledges due to collections of Renaissance Fund pledges resulting in a decrease of $2.2 million, and the reduction in Capital Project and Endowment receivables because of collections resulted in a decrease of $3.4 million. The decrease in Notes Receivable is due to reductions in the notes receivable related to College Town I because of refinancing the $15 million loan from Hancock Bank directly to the property and transferring land of $4.8 million related to the mortgage note. This resulted in a net reduction in notes receivable of $10.2 million. The liabilities of Boosters totaled $201,371,595 and $219,502,483 at June 30, 2022 and 2021, respectively, which reflects a decrease of $18,130,888 or 8.26% from June 30, 2021. This decrease is primarily due to reductions in bonds payable of $5.1 million, reductions in notes payable of $15.7 million, and reductions in advanced receipts of $2.0 million, which were offset by the addition of leases payable related to the implementation of GASB 87 of $3.9 million. The decrease in bonds payables is due to the scheduled principal payments of bonds made during the fiscal year of $5.0 million. The decrease in notes payables is primarily due to the refinancing of the Hancock Bank note related to College Town I being refinanced directly by the project as a mortgage on the property. The decrease in advanced receipts is due to fewer 5-year annual fund pledges being received resulting in a reduction of $2 million. The addition of the lease liability is due to the implementation of GASB 87 and includes the lease liability for 51 on Madison, and the lease liability for Champions Hall, which resulted in an addition of $3.9 million. The net position of Boosters totaled $156,202,862 and $168,907,880 at June 30, 2022 and 2021, respectively, which reflects a decrease of $12,705,018 or 7.52% from June 30, 2021.

Boosters' operating revenues totaled $46,188,237 and $38,137,802 for the years ended June 30, 2022 and 2021, respectively. This increase of $8,050,435 or 21.11% for the 2021-2022 fiscal year is primarily the result of football season returning to normal in the 2022 fiscal year following COVID-19 during the 2021 fiscal year. There were increases in concession revenue of $828 thousand, Dunlap Champions Club revenue of $4.1 million, and skybox revenue of $1.5 million due to returning to full capacity for the 2021 football season. The remaining increase is due to other income recognized related to changes in the consolidation of 51 on Madison, the University Center Club and other revenue changes during the year, which overall resulted in an increase in other income of $1.8 million. Operating expenses totaled $64,248,376 and $49,792,115 for the years ended June 30, 2022 and 2021, respectively. This increase of $14,456,261 or 29.03% for the 2021-2022 fiscal year is primarily the result of overall operations returning to normal in the 2022 fiscal year following COVID-19 during the 2021 fiscal year. There were increases in the operating transfer to the athletic department of $4.8 million due to additional revenues from the return of a full capacity football season, restricted athletic expenses increasing $1.4 million due to operations for sports returning to normal following COVID-19, and an increase in the tickets purchased for the Dunlap Champions Club of $4.1 million related to the 2021 football season retuning to full capacity. The remainder of the increase is related to construction expenses of $6.4 million related to the completion of construction projects for football, baseball, basketball, swimming and diving, soccer, softball and golf. Nonoperating revenues totaled $8,759,322 and $14,611,337 for the years ended June 30, 2022 and 2021, respectively. This decrease of $5,852,015 or 40.05% for the 2021-2022 fiscal year is primarily due returns from the investment market for the fiscal year being losses during the 2022 fiscal year and shifting to non-operating expenses. An increase of $562 thousand from increased product sales partially offset this decrease. Nonoperating expenses totaled $15,242,564 and $20,067,541 for the years ended June 30, 2022, and 2021, respectively. This decrease of $4,824,977 or 24.04% for the 2021-2022 fiscal year is primarily during the 2021 fiscal year including the loss on the acquisition of the College Town II investment of $9.6 million which was offset a little by the loss on investments of $1.8 million due to investment market performance during the 2022 fiscal year, which was partially offset by write downs related to Real Estate Investments of approximately $2.3 million. Capital contributions totaled $11,838,363 and $12,470,771 for the years ended June 30, 2022, and 2021, respectively. This decrease of $632,408 or 5.07% is a result of a slowing of capital project pledges during the fiscal year resulting in a decrease of $1.4 million, while endowment pledges increased $900k.

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 2021-2022 fiscal year is $12,705,018.

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.

2022 vs. 2021

At June 30, 2022, Boosters' capital assets, net of depreciation, decreased to $174,959,439, compared to the prior year net capital assets of $184,004,312. During the fiscal year, there was a decrease in capital assets of approximately $10.0 million and there was an increase in construction in progress of $996 thousand. The decrease in capital assets is primarily related to depreciation on existing assets during the current year, which was $7.9 million, the transfer of property to College Town I of $4.8 million. These decreases were offset by the addition of two new capital projects of $2.0 million. Depreciation expense for 2022 was $7.9 million, compared to $7.8 million in 2021.

Long-Term Debt

2022 vs. 2021

At June 30, 2022, Boosters had outstanding bonds and notes payable of $158,452,200, a decrease of $20,811,215 from $179,263,415 at the end of fiscal year 2021. The decrease in the bonds and notes payable is related to the payment of principal during the fiscal year, which included the payment of $5.0 million in bond debt and $15.7 million in notes. Of the principal payments on the notes $15.0 million of the payments was related to the refinancing of this debt directly to College Town I as a mortgage on the property.

FISCAL YEAR HIGHLIGHTS

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, 2022, the total funds raised towards this project was $57,884,075, which represents an increase of $7,914,263 from June 30, 2021. During the 2021-2022 fiscal year we began working on the Architectural, Engineering and Construction Design phase of the project. As we move into the 2022-2023 fiscal year, we are expecting to break ground on this facility and the construction time is expected to be approximately 18 months.

Doak Campbell Stadium Renovation – Prior to the end of the 2021 fiscal year the Florida State University Board of Trustees gave the Boosters permission to begin preselling products related to the renovation of the west side seating and Dunlap Champions Club seating in Doak Campbell Stadium. During the 2022 fiscal year, we began the process of selling a couple of the new premium seating options that will be available. The initial sales phase included Founders Suites (8) and Founders Loges (28), each with a required capital commitment and deposit to hold the product. All Founders Suites and Loges were sold during the 2022 fiscal year. After showing the viability of this project the Florida State University Board of Trustees provided the Boosters with the approval to continue to move forward with the project. We will continue into the 2023 fiscal year with sales of the new west side club seats and the updated seating in the Dunlap Champions Club. At June 30, 2022, there were pledges made of $220,000 related to the Founder Suites and Loges. Full capital commitment gift agreements will be completed with each Founders Suite and Founders Loge buyer during the 2023 fiscal year which will result in new pledges of $44,580,000 related to this project.

ECONOMIC CONDITIONS AND OUTLOOK

The financial outlook for the 2022-2023 fiscal year looks to be positive, as mentioned above we will be completing capital commitment gift agreements with all of the Founders Suite and Founders Loge purchasers during the 2023 fiscal year for the Doak Campbell Stadium Renovation project, which will result in pledges of over $44 million. Additionally, there is increased excitement from the 2022 football season which will help generate additional revenues in the annual fund, skybox suites, Dunlap Champions Club and concessions. Also, during the 2023 fiscal year we will launch a new giving society called the Bowden Society which will focus on annual gifts to capital projects and endowed scholarships. 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. While we are not currently in a specific named campaign, we continue to focus on increasing annual fund membership and raising money for facility projects to continue to enhance the student-athlete experience and continue to compete for championships.

Condensed Statements of Net Position

	2022	2021
Current assets	$ 85,697,728	$ 92,953,418
Noncurrent assets	270,583,931	293,986,460
Total assets	$ 356,281,659	$ 386,939,878
Deferred outflows of resources	$ 1,292,798	$ 1,470,485
Current liabilities	$ 37,331,906	$ 49,333,016
Noncurrent liabilities	164,039,689	170,169,467
Total liabilities	$ 201,371,595	$ 219,502,483
Net investment in capital assets	$ 21,897,825	$ 20,863,107
Restricted	146,423,527	158,990,995
Unrestricted	(12,118,490)	(10,946,222)
Total net position	$ 156,202,862	$ 168,907,880

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2022	2021
Operating revenues	$ 46,188,237	$ 38,137,802
Operating expenses	(64,248,376)	(49,792,115)
Net operating loss	$ (18,060,139)	$ (11,654,313)
Nonoperating revenues	$ 8,759,322	$ 14,611,337
Nonoperating expenses	(15,242,564)	(20,067,541)
Net non-operating expenses	$ (6,483,242)	$ (5,456,204)
Capital contributions and additions to permanent endowments	$ 11,838,363	$ 12,470,771
Decrease in net position	(12,705,018)	(4,639,746)
Net position, beginning of year	168,907,880	173,547,626
Total net position, end of year	$ 156,202,862	$ 168,907,880

Conclusion

The 2021-2022 fiscal year from a net income perspective was down significantly, primarily due to over $7 million in construction expenses and a swing in the investment markets resulting in a loss of over $1.7 million during the fiscal year. Coming out of COVID-19 our revenues increased as expected, as did our expenses and support of FSU Athletics. While the outlook for next fiscal year is positive, as additional facility projects are completed construction expenses may continue to increase in future years. At all times, our organizational mission and vision remain at the forefront for making decisions.

Our annual fund, the lifeline of Boosters will certainly continue to be the emphasis, as well as, major gift fundraising, aimed at building and maintaining 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, 2022.

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 Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

Requests for Information

Questions concerning any information included in this report or any request for additional information should be addressed to the Chief Financial Officer, Seminole Boosters, Florida State University, PO Box 1353, Tallahassee, FL 32302.

Audited Financial Statements

Seminole Boosters, Inc.

Statement of Net Position
June 30, 2022

Assets	
Current assets:	
Cash and cash equivalents:	
Cash and cash equivalents	$ 12,876,853
Restricted cash	16,221,326
Total cash and cash equivalents	29,098,179
Investments:	
Investments in securities	30,086,937
Investments in real estate	10,913,499
Other investments	100,000
Total investments	41,100,436
Accounts receivable:	
Accounts receivable	236,520
Due from FSU Foundation	29,656
Due from Florida State University	489,304
Due from Athletics	2,015,009
Other accounts receivable	1,678,540
Total accounts receivable	4,449,029
Pledges receivable, net	10,567,726
In-kind receivables	134,378
Other assets	347,980
Total current assets	85,697,728
Noncurrent assets:	
Restricted cash	1,534,928
Pledges receivable, net	54,301,240
In-kind receivables	66,393
Notes receivable	27,981,723
Capital assets, net	174,959,439
Lease assets	3,793,113
Other assets	7,947,095
Total noncurrent assets	270,583,931
Deferred outflows of resources:	
Deferred loss on refunding	1,292,798
Total assets and deferred outflows of resources	$ 357,574,457

(Continued)

Seminole Boosters, Inc.

Statement of Net Position (Continued)
June 30, 2022

Liabilities and Net Position	
Current liabilities:	
Accounts payable	$ 1,224,527
Accrued expenses	1,549,883
Accrued interest	1,287,360
Bonds payable	5,155,000
Notes payable	1,584,096
Advanced receipts	24,716,874
Lease liabilities	668,334
Due to FSU Department of Athletics	805,347
Other current liabilities	340,485
Total current liabilities	37,331,906
Long-term liabilities:	
Bonds payable, net	118,622,319
Notes payable	33,090,785
Advanced receipts	5,721,225
Lease liabilities, net	3,195,360
Due to FSU Foundation	3,410,000
Total long-term liabilities	164,039,689
Total liabilities	201,371,595
Net position:	
Net investment in capital assets	21,897,825
Restricted for:	
Athletic programs	6,793,956
Expendable contributions	89,094,769
Nonexpendable contributions	50,534,802
Unrestricted	(12,118,490)
Total net position	$ 156,202,862

See notes to financial statements.

Seminole Boosters, Inc.

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022

Operating revenues:	
Charges for services:	
Concessions	$ 827,916
University Center Club	3,650,024
Total charges for services	4,477,940
Program support:	
Contributions	21,001,669
Stadium revenues – security for the series 2012A, 2012C, 2013A, 2015A, 2015B and 2015C revenue bonds:	
Rent income-stadium lease	1,850,000
Champions club season tickets	5,614,555
Skybox season tickets	3,906,518
In-kind contributions	499,041
Other revenues	8,838,514
Total program support	41,710,297
Total operating revenues	46,188,237
Operating expenses:	
Program services:	
Program services	56,141,058
Bad debt expense	434,647
Other expenses	561,328
Total program expenses	57,137,033
Supporting services	7,111,343
Total operating expenses	64,248,376
Operating loss	(18,060,139)

(Continued)

Seminole Boosters, Inc.

Statement of Revenues, Expenses and Changes in Net Position (Continued)
Year Ended June 30, 2022

Nonoperating revenues (expenses):	
Interest income	$ 5,184,818
Interest expense	(6,788,400)
Net investment loss	(4,090,995)
Royalties, security for the series 2012A, 2012C, 2013A, 2015A, 2015B and 2015C revenue bonds	3,574,504
Bad debt expense	(813,695)
Other nonoperating loss	(3,549,474)
Net nonoperating expenses	(6,483,242)
Loss before capital contributions and additions to permanent endowments	(24,543,381)
Capital contributions and additions to permanent endowments:	
Capital contributions	10,529,165
Endowment	1,309,198
Total capital contributions and additions to permanent endowments	11,838,363
Decrease in net position	(12,705,018)
Net position at beginning of year	168,907,880
Net position at end of year	$ 156,202,862

See notes to financial statements.

Seminole Boosters, Inc.

Statement of Cash Flows
Year Ended June 30, 2022

Cash flows from operating activities:	
Receipts from customers	$ 45,515,952
Payments to suppliers and vendors	(46,922,478)
Payments to employees	(8,046,996)
Net cash used in operating activities	(9,453,522)
Noncapital financing activities:	
Principal collections on notes receivable	10,925,435
Receipts from royalty program	3,574,504
Payments to University	(335,137)
Interest received	6,193,584
Other nonoperating payments	(3,183,999)
Net cash provided by noncapital financing activities	17,174,387
Capital and related financing activities:	
Receipt of nonoperating contributions	15,237,706
Principal payments on bonds payable	(4,990,000)
Payments of interest	(6,739,220)
Principal payments on notes payable	(15,735,248)
Sale of capital assets – land	4,849,528
Purchase of capital assets	(4,079,940)
Net cash used in capital and related financing activities	(11,457,174)
Investing activities:	
Investment income	3,311,282
Sale of investments	31,487,782
Purchase of investments	(22,933,212)
Accounts receivable associated with sale of investment property	(212,675)
Net cash provided by investing activities	11,653,177
Net increase in cash and cash equivalents	7,916,868
Cash and cash equivalents:	
Beginning	22,716,239
Ending	$ 30,633,107

(Continued)

Seminole Boosters, Inc.

Statement of Cash Flows (Continued)
Year Ended June 30, 2022

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (18,060,139)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	8,622,531
In-kind contributions	(499,041)
Changes in operating assets and liabilities:	
Accounts receivable	49,811
Pledges receivable	4,113,059
Due from Athletics	(2,015,009)
Other assets	118,233
Lease asset	712,721
Accounts payable	(388,795)
Accrued expenses	619,036
Advanced receipts	(2,004,691)
Due to FSU Department of Athletics	745,205
Other liabilities	(111,582)
Lease liability	(642,140)
Net cash used in operating activities	$ (8,740,801)
Supplemental disclosures of noncash capital and financing activities:	
Change in market value of investments and real estate	$ (7,402,277)
Loss from exchange or sale of real estate	$ (3,454,600)

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-end is December 31. Operations of the Club were discontinued as of December 31, 2021. The Club's balances reported in the Boosters' financial statements represent balances at December 31, 2021.

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 9). 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 year ended June 30, 2022.

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.

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 and CTIF. 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 and CTIF. 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 and CTIF are included as blended component units of the Boosters. Separate financial statements of Financial Assistance, T'Alley Properties, Ten G & G and CTIF 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 statement 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 Booster's analysis of past collection experience, pledge activity and other judgmental factors regarding the donor's ability to pay.

Notes receivable: Notes receivable are comprised of loans made in connection with the development of College Town (see Note 9).

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
Lease assets	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.

Leases: The Boosters is a lessee for two noncancellable leases of real estate. The Boosters recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The Boosters recognizes lease liabilities with an initial, individual value of $1,000 or more.

At the commencement of a lease, the Boosters initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Boosters determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Boosters uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Boosters generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Boosters is reasonably certain to exercise.

The Boosters monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets and lease liabilities are reported separately on the statement of net position.

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

Recent accounting pronouncements:

GASB 96: Subscription-Based Information Technology Arrangements: In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The objective of this Statement is to provide guidance on the accounting and financial reporting for SBITAs for government end users (governments). This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The new guidance is effective for fiscal years beginning after June 15, 2022; however, early adoption is permitted. In May 2022, the GASB issued Statement No. 99, *Omnibus 2022* that includes clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs).

The requirements related to SBITAs are effective for fiscal years beginning after June 15, 2022. The Boosters are currently evaluating the impact of the adoption of these standards on its financial statements.

The GASB has issued other new accounting guidance or modifications to, or interpretations of, existing accounting guidance. The Boosters have considered the new unadopted guidance and does not believe that any other new or modified guidance will have a material impact on the Boosters' reported net position or activities in the near term.

Note 2. Cash, Cash Equivalents and Investments

Cash and cash equivalents as of June 30, 2022, comprised of the following:

Unrestricted cash:		
Demand deposit accounts	$	8,164,391
Money market funds		2,671,818
Certificates of deposit		2,005,862
State Board of Administration pooled deposits		33,482
Petty cash		1,300
Total unrestricted cash and cash equivalents		12,876,853
Restricted cash:		
Demand deposits		5,410,124
Money market funds		4,830,422
Cash management accounts		7,515,708
Total restricted cash		17,756,254
Total cash and cash equivalents	$	30,633,107

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.

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

Investments as of June 30, 2022, comprised of the following:

Investment securities:	
Mutual funds	$ 282,133
Corporate securities	16,175,097
Private equity securities	5,896,051
Real estate securities	7,733,656
Total investment securities	30,086,937
Investment in partnership	100,000
Investment in real estate	10,913,499
	$ 41,100,436

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, 2022, had the following fair value hierarchy:

	As of June 30, 2022			
Asset Type	Level 1	Level 2	Level 3	Total
Mutual funds	$ 282,133	$ -	$ -	$ 282,133
Corporate securities	16,175,097	-	-	16,175,097
	16,457,230	-	-	16,457,230
Other investments:				
Other investments	-	-	100,000	100,000
Investment in real estate	-	-	10,913,499	10,913,499
Total assets in the fair value hierarchy	$ 16,457,230	$ -	$ 11,013,499	27,470,729
Investments measured at net asset value				
Private equity securities				5,896,051
Real estate securities				7,733,656
Total investments				$ 41,100,436

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.

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, 2022.

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

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 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 Year Ended June 30, 2022

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 year ended June 30, 2022, are as follows:

	June 30, 2021	Additions	Deletions	June 30, 2022
Capital assets not being depreciated:				
Land	$ 8,451,077	$ -	$ 4,849,528	$ 3,601,549
Construction in progress	1,365,854	2,361,597	644,653	3,082,798
Total capital assets not being depreciated	9,816,931	2,361,597	5,494,181	6,684,347
Stadium, facility improvements and equipment	257,474,068	2,362,996	910,797	258,926,267
Leased assets	-	4,505,834	-	4,505,834
Less accumulated depreciation	(83,286,687)	(8,622,531)	(545,322)	(91,363,896)
Capital assets, net	$ 184,004,312	$ (3,897,938)	$ 5,859,656	$ 178,752,552

For the fiscal year ended June 30, 2022, depreciation expense of $7,909,810, 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 presented net of an allowance for uncollectible amounts. 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 is estimated based on prior years' collection rates, pledge activity and other judgmental factors regarding the donors' ability to pay. In-kind pledges receivable of $200,771 are reported separately on the statement of net position and are considered by management to be fully collectible as of June 30, 2022.

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

Unrestricted	$ 5,796,149
Unrestricted – allowance	(887,326)
Restricted	9,340,900
Restricted – allowance	(467,045)
Endowment	6,045,837
Endowment – allowance	(1,280,055)
Capital campaign	56,863,768
Capital campaign – allowance	(10,543,262)
	64,868,966
Less current portion	(10,567,726)
	$ 54,301,240

Note 5. Bonds and Notes Payable

Bonds and notes payable activity for the year ended June 30, 2022, was as follows:

	June 30, 2021	Additions	Deletions	June 30, 2022	Amounts Due Within One Year
Bonds payable	$ 127,360,000	$ -	$ 4,990,000	$ 122,370,000	$ 5,155,000
Notes payable	50,410,129	-	15,735,248	34,674,881	1,584,096
Bond premium, net	1,493,286	-	85,967	1,407,319	-
Total bonds and notes payable	$ 179,263,415	$ -	$ 20,811,215	$ 158,452,200	$ 6,739,096

Note 5. Bonds and Notes Payable (Continued)

Bonds payable as June 30, 2022, consisted of the following:

$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, 2022, for the bond issue is $875,000 and $1,221,138, respectively.	$ 31,465,000
$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, 2022, for the bond issue is $335,000 and $425,675, respectively.	10,650,000
$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, 2022, for the bond issue is $1,980,000 and $133,604, respectively.	4,090,000
$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, 2022, for the bond issue is $0 and $2,678,738, respectively.	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, 2022, for the bond issue is $650,000 and $254,253, respectively.	5,980,000

(Continued)

Note 5. Bonds and Notes Payable (Continued)

$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, 2022, for the bond issue is $1,150,000 and $306,694, respectively.	$ 6,655,000
	122,370,000
Less current portion	(5,155,000)
Plus bond premium, net	1,407,319
	$ 118,622,319

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 year ended June 30, 2022, the Boosters recognized $18,615,977 in pledged revenues. The remaining amount of the pledge is equal to the remaining principal and interest payments on the outstanding bonds.

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 9). 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 was $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. The entire unpaid balance of principal plus accrued and unpaid interest was paid in full as of June 30, 2022.

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 9). 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, 2022 was $29,213,714.

Note 5. Bonds and Notes Payable (Continued)

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, 2022 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, 2022 was $819,165. The loan was fully forgiven in July 2022.

Scheduled maturities of bonds and notes payable as of June 30, 2022, were as follows:

	Interest	Principal	Total
Years ending June 30:			
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	32,157,080	35,425,085
	$ 74,038,268	$ 157,044,881	$ 231,083,149

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.

Note 5. Bonds and Notes Payable (Continued)

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.

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, 2022, comprised of the following:

Prepaid premium seating	$ 7,051,488
Varsity club seating	503,270
Restricted giving	2,515,893
Pledge revenues	20,367,448
	30,438,099
Less current portion	(24,716,874)
	$ 5,721,225

Note 7. Leases

On January 17, 2019, the Boosters entered into a five-year lease agreement as lessee for the use of real property. An initial lease liability as of July 1, 2021, was recorded in the amount of $252,664. As of June 30, 2022, the value of the lease liability was $158,784. The Boosters is required to make monthly principal and interest payments of $8,275 through January 1, 2022, $8,453 through January 1, 2023, and $8,636 through January 1, 2024. The lease has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was $154,858 and had accumulated amortization of $97,805.

On June 4, 2021, the Boosters entered into a seven-year lease agreement as lessee for the use of real property. An initial lease liability as of July 1, 2021, was recorded in the amount of $4,253,170. As of June 30, 2022, the value of the lease liability was $3,704,910. The Boosters is required to make monthly principal and interest payments of $58,333 through May 1, 2028. The lease has an interest rate of 3.79%. The value of the right-to-use asset as of the end of the current fiscal year was $3,704,910 and had accumulated amortization of $614,916.

The future principal and interest lease payments as of June 30, 2022, were as follows:

	Interest	Principal	Total
Years ending June 30:			
2023	$ 134,011	$ 668,334	$ 802,345
2024	109,233	651,216	760,449
2025	85,827	614,169	699,996
2026	62,142	637,854	699,996
2027	37,543	662,453	699,996
2028 - 2032	11,995	629,668	641,663
	$ 440,751	$ 3,863,694	$ 4,304,445

Note 8. 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 year ended June 30, 2022, the Boosters' contributions to the trust totaled $110,138. Each participant may elect a pre-tax and post-tax contribution of their compensation, but no more than permitted by the IRC.

Note 9. 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.

Note 9. College Town Project (Continued)

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 in interest income during the year ended June 30, 2022, 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 was accrued and recognized as interest income during the year ended June 30, 2022, 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.

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. The note was paid in full during the year ended June 30, 2022.

Note 9. College Town Project (Continued)

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.

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 10. 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 year ended June 30, 2022 totaled $688,680, and is 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 year ended June 30, 2022, the Boosters provided support totaling $19,877,886. Additionally, for the fiscal year ended June 30, 2022, the Boosters purchased tickets related to the Dunlap Champions Club totaling $2,224,406. These expenses are recorded as part of the program service expenses. At June 30, 2022, total amount due to the Athletic Department for these purposes was $805,347.

During the fiscal year ended June 30, 2022, the Athletic Department paid the Boosters $1,850,000 for the use of Doak Campbell Stadium.

Florida State University Athletic Association: The purpose of the Florida State University Athletic Association (Athletic Association) is to provide financial and administrative support to the University's varsity sports as deemed necessary and appropriate by the University President. As part of the overall Athletic Department, the Boosters will expend resources for, or on behalf of the Athletic Association. For the fiscal year ended June 30, 2022, the Boosters provided supporting totaling $2,593,601. These expenses are recorded as part of the program service expenses.

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 June 30, 2022, total amount due to the Foundation for these purposes was $3,410,000. At June 30, 2022, total amount due from the Foundation for these purposes was $29,656.

Note 10. 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 9 to the financial statements.

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

Note 11. 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.

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, 2022, the statement of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Booster's basic financial statements, and have issued our report thereon dated December 22, 2022.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Booster's 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 and therefor, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Booster's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Booster's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the Booster's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Booster's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
December 22, 2022

2022-001 – Valuation of Investments

Criteria: An investment is security or other asset that is held primarily for the purpose of income or profit and has a has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Paragraph 64 of the Governmental Accounting Standards Board Statement No.72, *Fair Value Measurement and Application,* states that investments should be measured and reported at fair value.

Condition: In conducting our audit procedures for the current year, we noted the following investments that required adjustment to be fairly presented in the financial statements.

a) A number of investments in real estate has not been appraised in recent years. Upon conducting current appraisals, it was determined that the Boosters investment in real estate was overstated by approximately $2.3 million.

   Upon further examination of Boosters investments in real estate, it was discovered that two parcels of land which had been sold prior to year-end were still included in Booster's investment in real estate. This resulted in a further reduction of investments of approximately $1.1 million.

   Lastly, one parcel of land was identified that was owned by Boosters but had not been recorded. The acquisition value of this property was approximately $50 thousand.

b) Boosters relies on its investment custodian to provide fair values on its investment securities. In auditing investments, it was determined that the custodian had not updated its pricing for one investment fund. In comparing the custodian's pricing to an independent pricing source, it was determined that the fair value of this security was overstated by approximately $500 thousand.

   Boosters also relies on its investment custodian to provide the net asset value (as a practical expedient for fair value) for its alternative investments. The fund managers statements, which became available subsequently to the custodian's statements indicated that two of the alternative investments were overstated. The combined overstatement was approximately $675 thousand.

Context: These conditions were specific to the investing accounting cycle, determining fair value, and managing an inventory of real estate investments.

Cause: The causes of the above conditions are as follows:

a) Boosters has a policy to appraise investments in real estate on a three year rotating cycle unless a triggering event indicates the need to reevaluate sooner. This process was suspended during the years of the COVID-19 pandemic due to restrictions on business. As restrictions were lifted, Boosters did not return to the practice of conducting regular appraisals of their investment properties.

   Additionally, Boosters real estate investments are managed by a distinct Real Estate and Development group. Communication between the Real Estate and Development group and the Finance and Accounting team does not appear sufficient to allow all real estate transactions to be captured within the financial reporting records.

b) Boosters relied on its investment custodian to accurately report the fair values of its investment securities and its alternative investments. As of June 30, 2022, the investment custodian reported inaccurate values for one actively traded investment fund and two alternative investments.

Effect: The real estate holdings and fair value of these holdings were corrected through audit adjustments allowing these investments to be fairly presented within the financial statements. The overstatements of fair value pertaining to the investment security and the alternative investments were not considered to be material. These will be reported as passed adjustments.

Recommendation: Management of the Boosters should reestablish a practice of conducting regular appraisals of its investment in real estate to determine fair value for financial reporting purposes. Management should also be aware of market conditions that could impact the commercial and residential real estate markets and trigger a need for more frequent appraisals.

Furthermore, we recommend that a formal process of communication be established between Real Estate and Development and Accounting and Finance. Communications should be sufficient to ensure that all real estate transactions are captured within the financial reporting system.

As it pertains to investment securities, the management of Boosters should periodically examine the custodian's reported fair values against an independent pricing source. If differences in fair value are detected, management should make inquiries of the custodian to determine the nature of the differences.

Alternative investments are typically more difficult to value than traditional investment securities and the investment custodian often does not have sufficient information to currently value the alternative investments. Statements from the investment fund managers which are received subsequent to the custodian's statements are generally more accurate. We would recommend that management of the Boosters compare the values reported by the custodian to the values reported by the fund managers before adjusting the value of their alternative investments at the measurement date.

Response / Planned Corrective Action: Upon the above issues were brought to our attention, we have started to prepare and implement new procedures related to Real Estate and Investment Securities. For Real Estate we will have implemented procedures to better track the real estate owned by the Boosters, the initial value of the real estate, the most recent appraised value, and the most recent appraisal date. Additionally, we will update our appraisal policy from being every 3-years to now being completed every 2-years to make sure the real estate values are more accurate. Moving forward we will inform the Director of Real Estate which properties need to be appraised each fiscal year to obtain those appraisals prior to the end of the fiscal year. Based off those reports we will update our tracking information to determine if an adjustment is required for each individual property with a new appraisal, any required adjustments will then be recorded in the accounting system to apply to the financial statements. For the valuation of investment securities, following the end of the 2022 fiscal year the Board of Directors of the Seminole Boosters has approved to move the investment securities of the Seminole Boosters over to being managed by the FSU Foundation as part of their investment portfolio. While making this change, we understand that the FSU Foundation also holds many alternative investments as well which typically report 90 days after the end of each quarter. As we approach the 2023 fiscal year financial statement audit, we will ensure that the updated values of all investments are received from the FSU Foundation and appropriately posted to the financial records of the Seminole Boosters to properly reflect the value of the alternative investments as of June 30, 2023.