

Seminole Boosters, Inc.

(A Component Unit of Florida State University)

Financial Report
June 30, 2023

Contents

Independent Auditor's Report	1-3
Required Supplementary Information	
Management's Discussion and Analysis (Unaudited).....	4-9
Basic Financial Statements	
Statement of Net Position	10-11
Statement of Revenues, Expenses and Changes in Net Position.....	12-13
Statement of Cash Flows	14-15
Notes to Financial Statements	16-37
Other Reports	
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 <i>Government Auditing Standards</i>	38-39
Schedule of Prior Year's Findings and Responses	40



RSM US LLP

Independent Auditor's Report

Board of Directors
Seminole Boosters, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Seminole Boosters, Inc. (the Boosters), a component unit of Florida State University, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Boosters' 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, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the Boosters adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) as of July 1, 2022. As a result, beginning SBITA asset and SBITA liability balances were restated. Our opinion is not modified with respect to this matter.

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 Boosters' ability to continue as a going concern for 12 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 Boosters' 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 Boosters' 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 the 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 November 30, 2023, on our consideration of the Boosters' 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 Boosters' 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 Boosters' internal control over financial reporting and compliance.

RSM US LLP

Jacksonville, Florida
November 30, 2023

**Management's Discussion and Analysis
(Unaudited)**

Seminole Boosters, Inc.

Management's Discussion and Analysis (Unaudited)

The management's discussion and analysis provides an overview of the financial position and activities of the Seminole Boosters, Inc. (the Boosters) for the fiscal years ended June 30, 2023 and 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 Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America promulgated by the GASB. The financial statements focus on the financial condition of Boosters' results of operations and cash flows of Boosters as a whole. The accrual basis of accounting is used for the presentation, which is similar to most private-sector companies.

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

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

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

Seminole Boosters, Inc.

Management's Discussion and Analysis (Unaudited)

FINANCIAL HIGHLIGHTS

2023 vs. 2022

The assets and deferred outflows of resources of Boosters totaled \$370,285,252 and \$357,574,457 at June 30, 2023 and 2022, respectively, which reflects an increase of \$12,710,795 or 3.55% from June 30, 2022. This increase is primarily due to significant changes in Cash & cash equivalents of approximately \$7.8 million, non-current Pledges Receivable of \$15.5 million, which was offset by decreases in Capital Assets, net of depreciation of approximately \$10.2 million. The increase in cash & cash equivalents is due to collections on pledges related to the Dunlap Football Center and the Doak Campbell Stadium renovation project. The increase in non-current Pledges receivable is primarily due to the sales related to the Doak Campbell Stadium Renovation which increased \$31.8 million during the 2023 fiscal year. Overall pledges receivable for capital projects only increased approximately \$18.1 million due to write-offs that occurred during the fiscal year related to old outstanding pledges of over \$11.8 million. The decrease in Capital Assets, net of depreciation is due to the current fiscal year depreciation of \$8.7 million, as well as capital assets contributed to Florida State University of approximately \$2.5 million related to the Dunlap Football Center and Doak Campbell Stadium Renovation. This was offset by the addition of Subscription-Based Information Technology Arrangements, and other assets during the fiscal year which totaled approximately \$1.2 million. The liabilities of Boosters totaled \$197,477,255 and \$201,371,595 at June 30, 2023 and 2022, respectively, which reflects a decrease of \$3,894,340 or 1.93% from June 30, 2022. This decrease is primarily due to the reductions in Bonds payables and Notes payable during the fiscal year of approximately \$6.8 million, and the decrease in Lease liabilities of approximately \$728 thousand. These decreases were offset by increases in Advanced receipts of approximately \$1.7 million, the increase in Accounts payable of approximately \$1.5 million and the increase in Accrued expenses and other liabilities of approximately \$608K. The decrease in Bonds payable and Notes payable is related to normal payment of principal on the bonds and notes. The payments on bonds totaled approximately \$5.2 million, payments on notes totaled approximately \$765K and the forgiveness of the Payroll Protection Program loan #2 of approximately \$819 thousand. The decrease in Lease liabilities is due to the recognition of the year worth of the liability being paid as well as the removal of the lease liability related to the 51 on Madison lease which was cancelled in December 2022. The increase in Advanced receipts is due to an increase in total annual fund to approximately \$19.1 million compared to \$16.7 million in the prior year, as well as increases in the sale of Dunlap Champions Club tickets and collections related to 2023 football season skybox payments of approximately \$1.2 million. These increases were offset by reductions in the non-current portion of Advanced receipts of approximately \$1.7 million that became current during the fiscal year. The increase in Accounts payable is primarily due to payables related to the Dunlap Football Center construction and Doak Campbell Stadium Renovation of approximately \$1.8 million. The increase in Accrued expenses and other liabilities is due to an increase in salaries and bonuses payable related to an agreement with the Men's Basketball Coach of \$650 thousand. The net position of Boosters totaled \$172,807,997 and \$156,202,862 at June 30, 2023 and 2022, respectively, which reflects an increase of \$16,605,135 or 10.63% from June 30, 2022 operating loss.

Boosters' operating revenues totaled \$44,654,478 and \$46,188,237 for the years ended June 30, 2023 and 2022, respectively. This decrease of \$1,533,759 or 3.32% for the 2022-2023 fiscal year is primarily due to the elimination of the University Center Club consolidated revenues of approximately \$5.3 million, and the elimination of revenues from 51 on Madison of approximately \$1.1 million, which were offset by increases in revenue related to Contributions of approximately \$2.6 million, increases in concessions revenues of approximately \$667 thousand, loan forgiveness of approximately \$819 thousand, and increases in Skybox and Dunlap Champions Club revenues of approximately \$563 thousand. The reduction in revenue for the University Center Club is due to a change in January 2022 to this area being operated directly by Legends Hospitality as a commission to the Boosters, which resulted in these revenues and expenses no longer being consolidated with the Boosters. The reduction related to 51 on Madison is due to the operations of this facility ending in December 2022 by approval of the Seminole

Seminole Boosters, Inc.

Management's Discussion and Analysis (Unaudited)

Boosters Board. The increase in Contributions is due to an increase of restricted contributions of approximately \$2.5 related to additional sport specific fundraising. The Concessions revenue increased due to additional operations being turned over to Legends during the 2023 fiscal year, primarily the operations of the Dunlap Champions Club and Skybox Suites. During the fiscal year we received forgiveness of the Payroll Protection Program loan #2 as those funds were appropriately used for eligible expenses. The Dunlap Champions Club and Skybox revenues increased due to sales during the year and the success of the Football team in the 2022 season. Operating expenses totaled \$57,589,700 and \$57,112,310 for the years ended June 30, 2023 and 2022, respectively. This increase of \$477,390 or 0.84% for the 2022-2023 fiscal year is the result of various increases and decreases in expenses during the fiscal year which resulted in a slight increase compared to the prior year. Nonoperating revenues totaled \$9,151,364 and \$4,668,327 for the years ended June 30, 2023 and 2022, respectively. This increase of \$4,483,037 or 96.03% for the 2022-2023 fiscal year is primarily due to an increase in investment income of approximately \$6.9 million, increases in Net Investment Gain related to realized and unrealized gains and losses related to real estate held for resale and the sales of security investments assets, and due to an increase in the Royalty revenue during the fiscal year which increased approximately \$731 thousand. These increases were offset by a reduction in Interest Income of approximately \$3.1 million due to the investment market not being up as much during FY23 compared to FY22 and not receiving a \$2.9 million distribution from CollegeTown related to the refinancing of debt on phase 1 of CollegeTown. Nonoperating expenses totaled \$31,443,804 and \$18,287,635 for the years ended June 30, 2023, and 2022, respectively. This increase of \$13,156,169 or 71.94% for the 2022-2023 fiscal year is primarily related to increases in Bad Debt Expense of approximately \$8.7 million that resulted from a change in the allowance policy in estimating uncollectible pledges on an ongoing basis, an increase in Capital Contributions to Florida State University due to of the construction for the Dunlap Football Center and Doak Campbell Stadium Renovation of approximately \$7.4 million. These increases were offset by a reduction in the loss realized from the sale of real estate assets of approximately \$2.3 million and a reduction in Interest Expense due to principal reductions of approximately \$585 thousand. Capital contributions totaled \$51,832,797 and \$11,838,363 for the years ended June 30, 2023, and 2022, respectively. This increase of \$39,994,434 or 337.84% is related to significant increases in Capital Project contributions related to the Dunlap Football Center and Doak Campbell Stadium Renovation which both increased by approximately \$3.4 million and \$38.9 million, respectively.

Although the changes in activity within the financial statements noted above are significant by each line item, the overall increase in net position for the 2022-2023 fiscal year is \$16,605,135.

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.

2023 vs. 2022

At June 30, 2023, Boosters' capital assets, net of depreciation, decreased to \$168,046,288, compared to the prior year net capital assets of \$178,752,552. The decrease in capital assets is primarily related to depreciation and amortization on existing assets during the current year, which was \$8.7 million, and the removal of capital assets no longer owned by the Boosters and contribution of construction in progress assets related to the Dunlap Football Center and Doak Campbell Stadium Renovation of approximately \$2.5M to the University. These decreases were offset by approximately \$1.2M in asset additions during the fiscal year related to seating in Section 120, and Subscription-Based Information Technology Arrangements.

Seminole Boosters, Inc.

Management's Discussion and Analysis (Unaudited)

Long-Term Debt

2023 vs. 2022

At June 30, 2023, Boosters had outstanding bonds and notes payable of \$151,627,137, a decrease of \$6,825,063 from \$158,452,200 at the end of fiscal year 2022. The decrease in the bonds and notes payable is related to the payment of principal during the fiscal year, which included the payment of \$5.2 million in bond debt and \$1.6 million in notes.

Boosters exceeded their minimum debt service coverage ratio for the note payable from Ameris Bank related to CollegeTown Phase 3.

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, 2023, the total funds raised towards this project was \$55,464,912, which represents a decrease of \$2,419,163 from June 30, 2022, which was due to a significant increase of pledges written-off related to the project of \$5,837,988. During the 2022-2023, fiscal year we held the ground-breaking ceremony in December 2022 following the end of the 2022 football season. The first area of construction was relocating utilities related to the Indoor Practice Facility into an East Annex to allow for the construction of the Dunlap Football Center. Following the completion of the 2023 football season, full construction of the new facility will begin and the construction is expected to take 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. During the 2023 fiscal year we continued sales of the new West side seating options, as well as working towards getting full agreements signed for the Founders Suites and Founders Loges. At the end of the 2023 fiscal year, we had a total of \$39,730,500 in capital gifts pledged to the project related to seat sales. As of June 30, 2023 in addition to having all of the Founders Suites and Founders Loges sold we have sold 734 west club seats out of the 2,224 available or approximately 33% of the inventory. During the 2023 football season, construction teams will be completing enabling work to prepare for the renovation. Construction of this project will begin following the conclusion of the 2023 football season and it is expected that the renovation will be completed by the 2025 football season.

ECONOMIC CONDITIONS AND OUTLOOK

The financial outlook for the 2023-2024 fiscal year looks to be positive, during the 2022-2023 fiscal year we worked to get signed gift agreements for all committed Founders Suites and Founders Loge products for the renovation. At the end of the 2022-2023 fiscal year there were 3 Founders Suites and 6 Founders Loges unsigned, for the 2023-2024 year we will have the gift agreements for the remaining Founders Suites and Founders Loges signed. Additionally, there is increased excitement in the 2023 football season which will help generate additional revenues in the annual fund, skybox suites, Dunlap Champions Club, and concessions. Following the launch of the Bowden Society in September 2022 we will continue to make this a primary focus moving forward, working to renew donors that are completing their time in the society as well as adding new donors. The initial goal is for the Bowden Society memberships to reach 1,000 total members, and maintain that as a minimum number of total members

Seminole Boosters, Inc.

Management's Discussion and Analysis (Unaudited)

each year. 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

	2023	2022
Current assets	\$ 93,515,898	\$ 85,697,728
Noncurrent assets	275,654,243	270,583,931
Total assets	<u>\$ 369,170,141</u>	<u>\$ 356,281,659</u>
Deferred outflows of resources	<u>\$ 1,115,111</u>	<u>\$ 1,292,798</u>
Current liabilities	\$ 41,825,352	\$ 37,331,906
Noncurrent liabilities	155,651,903	164,039,689
Total liabilities	<u>\$ 197,477,255</u>	<u>\$ 201,371,595</u>
Net investment in capital assets	\$ 17,704,286	\$ 21,897,825
Restricted	172,773,079	146,423,527
Unrestricted	(17,669,368)	(12,118,490)
Total net position	<u>\$ 172,807,997</u>	<u>\$ 156,202,862</u>

Condensed Statements of Revenues, Expenses and Changes in Net Position

Operating revenues	\$ 44,654,478	\$ 46,188,237
Operating expenses	(57,589,700)	(57,112,310)
Net operating loss	<u>\$ (12,935,222)</u>	<u>\$ (10,924,073)</u>
Nonoperating revenues	\$ 9,151,364	\$ 4,668,327
Nonoperating expenses	(31,443,804)	(18,287,635)
Net nonoperating expenses	<u>\$ (22,292,440)</u>	<u>\$ (13,619,308)</u>
Capital contributions and additions to permanent endowments	<u>\$ 51,832,797</u>	<u>\$ 11,838,363</u>
Increase (decrease) in net position	16,605,135	(12,705,018)
Net position, beginning of year	156,202,862	168,907,880
Total net position, end of year	<u>\$ 172,807,997</u>	<u>\$ 156,202,862</u>

Seminole Boosters, Inc.

Management's Discussion and Analysis (Unaudited)

Conclusion

The 2022-2023 fiscal year from a net income perspective was very successful, primarily due to significant increases in Capital Contribution revenues of over \$50.6 million during the fiscal year. 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, 2023.

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, 2023

Assets

Current assets:

Cash and cash equivalents:

Cash and cash equivalents

\$ 6,259,653

Restricted cash

30,634,711

Total cash and cash equivalents

36,894,364

Investments:

Investments in securities

12,110,900

Investments in real estate

7,748,999

Other investments

100,000

Investments held by FSU Foundation

21,527,852

Total investments

41,487,751

Accounts receivable:

Accounts receivable

152,545

Due from FSU Foundation

29,656

Due from FSU

106,696

Due from Athletics

5,298,155

Other accounts receivable

825,568

Total accounts receivable

6,412,620

Pledges receivable, net

8,092,114

In-kind receivables

360,510

Other assets

268,539

Total current assets

93,515,898

Noncurrent assets:

Restricted cash

1,563,006

Pledges receivable, net

69,760,094

In-kind receivables

45,585

Notes receivable

27,977,073

Capital assets, net

164,766,500

SBITA assets, net

256,450

Lease asset

3,023,338

Other assets

8,262,197

Total noncurrent assets

275,654,243

Deferred outflows of resources:

Deferred loss on refunding

1,115,111

Total assets and deferred outflows of resources

\$ 370,285,252

(Continued)

Seminole Boosters, Inc.

Statement of Net Position (Continued)
June 30, 2023

Liabilities and Net Position

Current liabilities:

Accounts payable	\$ 2,680,777
Accrued expenses	2,157,596
Accrued interest	1,246,633
Bonds payable	5,335,000
Notes payable	792,748
Advanced receipts	28,054,886
SBITA liabilities	84,303
Lease liability	591,363
Due to FSU Department of Athletics	322,907
Other current liabilities	559,139
Total current liabilities	<u>41,825,352</u>

Long-term liabilities:

Bonds payable, net	113,201,352
Notes payable	32,298,037
Advanced receipts	4,061,313
SBITA liabilities	137,057
Lease liability	2,544,144
Due to FSU Foundation	3,410,000
Total long-term liabilities	<u>155,651,903</u>

Total liabilities

197,477,255

Net position:

Net investment in capital assets	17,704,286
Restricted for:	
Athletic programs	6,241,561
Expendable contributions	115,707,039
Nonexpendable contributions	50,824,479
Unrestricted	<u>(17,669,368)</u>

Total net position

\$ 172,807,997

See notes to financial statements.

Seminole Boosters, Inc.

**Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023**

Operating revenues:	
Charges for services:	
Concessions	\$ 1,494,512
Total charges for services	<u>1,494,512</u>
Program support:	
Contributions	23,571,021
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	5,874,925
Skybox season tickets	4,209,466
In-kind contributions	336,629
Other revenues	7,317,925
Total program support	<u>43,159,966</u>
Total operating revenues	<u>44,654,478</u>
Operating expenses:	
Program services:	
Program services	46,347,078
Bad debt expense	2,005,961
Other expenses	736,621
Total program expenses	<u>49,089,660</u>
Supporting services	<u>8,500,040</u>
Total operating expenses	<u>57,589,700</u>
Operating loss	<u>(12,935,222)</u>

(Continued)

Seminole Boosters, Inc.

Statement of Revenues, Expenses and Changes in Net Position (Continued)
Year Ended June 30, 2023

<hr/>	
Nonoperating revenues (expenses):	
Interest income	\$ 2,058,406
Interest expense	(6,203,338)
Net investment gain	2,787,465
Royalties, security for the series 2012A, 2012C, 2013A, 2015A, 2015B and 2015C revenue bonds	4,305,493
Bad debt expense	(9,498,539)
Construction contributions to FSU	(14,547,955)
Other nonoperating loss	(1,193,972)
Net nonoperating expenses	<u>(22,292,440)</u>
Loss before capital contributions and additions to permanent endowments	<u>(35,227,662)</u>
Capital contributions and additions to permanent endowments:	
Capital contributions	50,611,895
Endowment	1,220,902
Total capital contributions and additions to permanent endowments	<u>51,832,797</u>
Increase in net position	16,605,135
Net position at beginning of year	<u>156,202,862</u>
Net position at end of year	<u><u>\$ 172,807,997</u></u>

See notes to financial statements.

Seminole Boosters, Inc.

**Statement of Cash Flows
Year Ended June 30, 2023**

<hr/>	
Cash flows from operating activities:	
Receipts from customers	\$ 45,403,992
Payments to suppliers and vendors	(36,772,156)
Payments to employees	(8,216,416)
Net cash provided by operating activities	<u>415,420</u>
Noncapital financing activities:	
Principal collections on notes receivable	4,650
Receipts from royalty program	4,305,493
Payments to FSU	382,608
Interest received	1,787,388
Receipt of nonoperating contributions	23,889,846
Assets contributed to FSU	(12,085,072)
Other nonoperating receipts	136,771
Net cash provided by noncapital financing activities	<u>18,421,684</u>
Capital and related financing activities:	
Receipt of nonoperating contributions	1,654,484
Principal payments on bonds payable	(5,155,000)
Payments of interest	(6,140,052)
Principal payments on notes payable	(1,584,096)
Principal payments on lease liabilities	(618,040)
Payments of interest on lease liabilities	(132,672)
Principal payments on SBITA liabilities	(122,075)
Payments of interest on SBITA liabilities	(12,293)
Purchase of capital assets	(314,131)
Net cash used in capital and related financing activities	<u>(12,423,875)</u>
Investing activities:	
Investment income	87,193
Sale of investments	5,910,200
Purchase of investments	(4,799,034)
Proceeds from sale of investment property	212,675
Net cash provided by investing activities	<u>1,411,034</u>
Net increase in cash and cash equivalents	7,824,263
Cash and cash equivalents:	
Beginning	<u>30,633,107</u>
Ending	<u>\$ 38,457,370</u>

(Continued)

Seminole Boosters, Inc.

Statement of Cash Flows (Continued)

Year Ended June 30, 2023

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (12,935,222)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	8,731,060
Loss on disposal of capital assets	63,930
Changes in operating assets and liabilities:	
Accounts receivable	724,272
In-kind receivables	(205,324)
Pledges receivable	3,806,216
Due from Athletics	(3,283,146)
Other assets	35,357
Accounts payable	1,456,250
Accrued expenses	552,633
Advanced receipts	1,678,100
Due to FSU Department of Athletics	(482,440)
Other liabilities	273,734
Net cash provided by operating activities	<u>\$ 415,420</u>
Supplemental disclosures of noncash capital and financing activities:	
Change in market value of investments and real estate	<u>\$ 1,600,972</u>
Loss from exchange or sale of real estate	<u>\$ (1,197,218)</u>

See notes to financial statements.

**Seminole Boosters, Inc.
(A Component Unit of Florida State University)**

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 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.

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 10). 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, 2023.

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.

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 T'Alley Properties, Financial Assistance, Ten G & G and CTIF. Collectively, these activities and supporting organizations represent the primary reporting activity.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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

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.

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.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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

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.

Investments held by FSU Foundation: Investments held by FSU Foundation consists of amounts owed from the Florida State University Foundation (the Foundation). These balances are related to funds that are invested by the Foundation on the Boosters' behalf. See Note 2 for more details on investments held by the Foundation.

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 10).

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.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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:

	<u>Years</u>
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 \$10,000 or more and an estimated useful life greater than one year.

Subscription Based Information Technology Arrangements (SBITA) Assets: SBITA assets include right-to-use software subscriptions of \$10,000 or more and a term of more than 12 months. The right to use assets are initially measured at an amount equal to the related subscription liability plus any payments made at or before commencement of the services and certain direct costs. The SBITA assets are amortized on a straight-line basis over the subscription term. The subscription term of the various SBITA assets range from three to four years.

SBITA liabilities: SBITA liabilities are initially measured at the present value of subscription payments expected to be made during the subscription term, discounted to present value. The discount rate used is the rate in effect at the date the SBITA is placed into service and ranges from 5% to 6%.

Long-term obligations: Bonds and notes payable are reported as liabilities on the statement of net position. Bonds and notes payable are reported net of applicable premiums or discounts. Discounts and premiums are deferred and amortized over the term of the debt using the straight-line method, which approximates the effective interest method. 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. Issuance costs are expensed in the year of issuance, except for prepaid insurance costs.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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

Revenue recognition:

Operating revenues: Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenue consists primarily of charges for services and program support. Charges for services consist of commissions earned on the operations of gameday concessions and premium hospitality connected with the third-party hospitality partner. Program support consists of contributions, stadium rent income, Dunlap Champions Club ticket sales, skybox suite ticket sales, and other revenues. Operating expenses include the cost of sales, administrative expenses and depreciation on capital assets.

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.

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.

Stadium rent: Stadium rent is revenue entitled to Financial Assistance as committed to the outstanding Revenue Bond issued by Financial Assistance. These amounts are collected directly from the FSU Athletic Department and will continue as long as the current bonds are outstanding.

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.

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 and SBITA assets, net of accumulated amortization, reduced by SBITA liabilities. 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.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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

Leases: The Boosters is a lessee for one noncancellable lease 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 \$10,000 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.

Adoption of new accounting standard and restatement of financial statements:

GASB 96: Subscription-Based Information Technology Arrangements: In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) and in April 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 the Boosters' fiscal year beginning July 1, 2022. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government is required to recognize a subscription liability and an intangible asset representing the government's right to use the subscription asset. The impact of the adoption resulted in the restatement of the July 1, 2022 balances of SBITA assets and SBITA liabilities each in the amount of \$264,029, respectively. See Note 8 for further information.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

Note 2. Cash, Cash Equivalents and Investments

Cash and cash equivalents as of June 30, 2023, comprised of the following:

Unrestricted cash:

Demand deposit accounts	\$ 3,840,359
Money market funds	2,383,156
State Board of Administration pooled deposits	34,838
Petty cash	1,300
Total unrestricted cash and cash equivalents	<u>6,259,653</u>

Restricted cash:

Demand deposits	5,546,818
Money market funds	4,864,374
Cash management accounts	21,786,525
Total restricted cash	<u>32,197,717</u>
Total cash and cash equivalents	<u>\$ 38,457,370</u>

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

Investments as of June 30, 2023, comprised of the following:

Investment securities:

Corporate securities	\$ 4,653,428
Private equity securities	1,611,531
Real estate securities	5,845,941
Total investment securities	<u>12,110,900</u>

Investment in partnership	100,000
Investment in real estate	7,748,999
	<u>\$ 19,959,899</u>

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy is based upon the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets as of measurement date; Level 2 inputs are significant other observable inputs; Level 3 inputs are unobservable inputs. Investments as of June 30, 2023, had the following fair value hierarchy:

Asset Type	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Corporate securities	\$ 4,653,428	\$ -	\$ -	\$ 4,653,428
Other investments:				
Other investments	-	-	100,000	100,000
Investment in real estate	-	-	7,748,999	7,748,999
Total assets in the fair value hierarchy	<u>\$ 4,653,428</u>	<u>\$ -</u>	<u>\$ 7,848,999</u>	12,502,427
Investments measured at net asset value				
Private equity securities				1,611,531
Real estate securities				5,845,941
Investments at fair value				<u>\$ 19,959,899</u>

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.

The following table discloses all investments whose fair value is estimated using NAV, using the practical expedient.

Description	June 30, 2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited Partnerships (a)				
Private Equity	1,611,531	193,822	N/A	N/A
Real Estate	5,845,941	247,015	N/A	N/A
	<u>\$ 7,457,472</u>	<u>\$ 440,837</u>		

(a) Limited partnerships—This category includes investments in several limited partnership funds that invest in private equity and real estate.

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, 2023.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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, 2023

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%

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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

The Boosters had invested \$21,527,852 with the Foundation for the year ended June 30, 2023. The Boosters' proportionate share of the Foundation's assets measured at fair value on a recurring basis as of June 30, 2023 are summarized as follows:

Asset Type	As of June 30, 2023			Total
	Level 1	Level 2	Level 3	
Marketable Securities:				
Short-term Investment Fund	\$ 342,097	\$ -	\$ -	\$ 342,097
Commingled Funds:				
Domestic Fixed Income	1,857,009	-	-	1,857,009
Domestic Mid Cap Equities	88,115	-	-	88,115
Domestic Large Cap Equities	514,844	-	-	514,844
International Equities	95,585	-	-	95,585
Total assets in the fair value hierarchy	<u>\$ 2,897,650</u>	<u>\$ -</u>	<u>\$ -</u>	2,897,650
Investments measured at net asset value				<u>18,630,202</u>
Total Investments at fair value				<u>\$ 21,527,852</u>

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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

The following table discloses all investments held by the Foundation whose fair value is estimated using NAV, using the practical expedient.

<u>Description</u>	June 30, 2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income (a)				
Domestic institutional pooled fund	\$ -	\$ -	Daily	2 days
Private Credit	253,077	14,591	N/A	N/A
Equities (b)				
Institutional pooled funds	9,152,036		Daily / 1-6 months	2 - 60 days
Hedge Funds				
Growth (c)				
Long/Short	184,019		Annually	60 days
Open Mandate	277,880		Quarterly / Annually / Every 3 Years	45-65 days
Diversifier (d)				
Multi-Strategy	766,191		Quarterly	45 days
Event Driven / Open Mandate	179,432		Quarterly / Annually / Every 12	30-90 days
Credit Strategies / Distressed	151,491		Quarterly / Annually / Every 24	45-90 days
Global Macro	450,998		Monthly	10 days
Private Credit	150,985	51,055	N/A	N/A
Long/Short	202,625		Quarterly	45 days
Limited Partnerships (e)				
Venture Capital	1,719,186	112,159	N/A	N/A
Private Equity	2,969,416	1,320,045	N/A	N/A
Distressed Assets	397,269	227,962	N/A	N/A
Real Estate	496,343	215,293	N/A	N/A
Natural Resources	1,188,722	190,312	N/A	N/A
Real Assets (f)				
Global Real Estate Institutional Pooled Funds	90,532		Daily	2 days
	<u>\$ 18,630,202</u>	<u>\$ 2,131,417</u>		

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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

(a) Fixed Income—This category includes investments in domestic and global institutional pooled funds.

(b) Equities—This category includes investments in U.S., global ex. U.S., and emerging markets institutional pooled funds.

(c) Growth—This category includes investments in offshore funds that invest both long and short in domestic and international equity securities. The funds can also opportunistically invest in other domestic and international securities and instruments where the managers deem appropriate.

(d) Diversifiers—This category includes investments in offshore funds, except for one unit trust fund, that are designed to produce results that are largely independent of, or have low correlation to, the broader markets.

(e) Limited partnerships—This category includes investments in several limited partnership funds that invest in private equity, venture capital, distressed assets, natural resources and real estate.

(f) Real assets—This category includes investments in a global REIT and a global natural resources fund.

Note 3. Capital Assets

Capital assets activity for the year ended June 30, 2023, are as follows:

	June 30, 2022	Additions / Transfers	Deletions / Transfers	June 30, 2023
Capital assets not being depreciated:				
Land	\$ 3,601,549	\$ 10,264	\$ -	\$ 3,611,813
Construction in progress	3,082,798	101,289	3,184,087	-
Total capital assets not being depreciated	6,684,347	111,553	3,184,087	3,611,813
Stadium, facility improvements and equipment	258,926,267	923,782	1,671,317	258,178,732
Leased assets	4,505,834	-	252,664	4,253,170
SBITA assets	-	343,434	-	343,434
Less accumulated depreciation and amortization	(91,363,896)	(8,731,060)	(1,754,095)	(98,340,861)
Capital assets, net	<u>\$ 178,752,552</u>	<u>\$ (7,352,291)</u>	<u>\$ 3,353,973</u>	<u>\$ 168,046,288</u>

For the fiscal year ended June 30, 2023, depreciation and amortization expense of \$8,731,060 was recorded in program expense.

Additionally, the Boosters contributed \$2,462,883 of capital assets to the University during fiscal year 2023. This amount is included in nonoperating expenses on the statement of revenues, expenses and changes in net position.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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 \$406,095 are reported separately on the statement of net position and are considered by management to be fully collectible as of June 30, 2023.

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

	<u>2023</u>
Unrestricted	\$ 2,958,352
Unrestricted—allowance	(854,611)
Restricted	8,284,708
Restricted—allowance	(411,987)
Endowment	3,576,189
Endowment—allowance	(175,684)
Capital campaign	71,817,645
Capital campaign—allowance	<u>(7,342,404)</u>
	77,852,208
Less current portion	<u>(8,092,114)</u>
	<u><u>\$ 69,760,094</u></u>

During 2023, the Boosters amended their policy to estimate the allowance for uncollectible accounts. The change in accounting policy resulted in a write-off of pledge receivable balances of approximately \$9.8 million during the current year.

Note 5. Bonds and Notes Payable

Bonds and notes payable activity for the year ended June 30, 2023, was as follows:

	June 30, 2022	Additions	Deletions	June 30, 2023	Amounts Due Within One Year
Bonds payable	\$ 122,370,000	\$ -	\$ 5,155,000	\$ 117,215,000	\$ 5,335,000
Notes payable	34,674,881	-	1,584,096	33,090,785	792,748
Bond premium, net	1,407,319	-	85,967	1,321,352	-
Total bonds and notes payable	<u>\$ 158,452,200</u>	<u>\$ -</u>	<u>\$ 6,825,063</u>	<u>\$ 151,627,137</u>	<u>\$ 6,127,748</u>

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

Note 5. Bonds and Notes Payable (Continued)

Bonds payable as June 30, 2023, 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, 2023, for the bond issue is \$940,000 and \$1,194,363, respectively.	\$ 30,555,000
\$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, 2023, for the bond issue is \$355,000 and \$413,750, respectively.	10,305,000
\$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, 2023, for the bond issue is \$2,070,000 and \$81,004, respectively.	2,070,000
\$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, 2023, 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, 2023, for the bond issue is \$695,000 and \$231,468, respectively.	5,310,000

(Continued)

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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 Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2023, for the bond issue is \$1,275,000 and \$247,694, respectively.

	5,445,000
	117,215,000
Less current portion	(5,335,000)
Plus bond premium, net	1,321,352
	\$ 113,201,352

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, 2023, the Boosters recognized \$18,765,842 in pledged revenues. The remaining amount of the pledge is equal to the remaining principal and interest payments on the outstanding bonds.

On February 23, 2017, the Boosters entered into a note with Ameris Bank. The note funded the construction of phase three of the College Town project (see Note 10). The construction term of the loan was for 36 months beginning February 1, 2017 through February 23, 2020. During the construction term, the note had an interest rate at prime, or 4.25%, as of June 30, 2018. Accrued interest was 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 converted 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, 2027, February 23, 2034 and February 23, 2041. Principal and interest payments on the permanent term commenced 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, 2023 was \$28,448,783.

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, 2023 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.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

Note 5. Bonds and Notes Payable (Continued)

Scheduled maturities of bonds and notes payable as of June 30, 2023, were as follows:

	Principal	Interest	Total
Years ending June 30:			
2024	\$ 6,127,748	\$ 6,014,356	\$ 12,142,104
2025	6,492,816	5,753,089	12,245,905
2026	11,418,238	5,432,188	16,850,426
2027	7,001,005	5,026,931	12,027,936
2028	7,249,495	4,764,647	12,014,142
2029-2033	36,448,797	19,307,838	55,756,635
2034-2038	25,438,937	13,100,679	38,539,616
2039-2043	31,250,901	7,287,928	38,538,829
2044-2046	18,877,848	1,174,018	20,051,866
	<u>\$ 150,305,785</u>	<u>\$ 67,861,674</u>	<u>\$ 218,167,459</u>

Boosters is a party to a sublease agreement. 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.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

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, 2023, comprised of the following:

Prepaid premium seating	\$ 8,112,413
Varsity club seating	549,234
Restricted giving	2,027,544
Pledge revenues	21,427,008
	<hr/>
	32,116,199
Less current portion	(28,054,886)
	<hr/>
	<u>\$ 4,061,313</u>

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

Note 7. Leases

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, 2023, the lease liability balance was \$3,135,507. 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 right-to-use asset balance as of the end of the current fiscal year was \$3,023,338 and had accumulated amortization of \$1,229,832.

A summary of changes in lease liabilities as of June 30, 2023, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Lease liabilities	\$ 3,863,694	\$ -	\$ (728,187)	\$ 3,135,507

The future principal and interest lease payments as of June 30, 2023, were as follows:

	Principal	Interest	Total
Years ending June 30:			
2024	\$ 591,363	\$ 108,633	\$ 699,996
2025	614,169	85,827	699,996
2026	637,854	62,142	699,996
2027	662,453	37,543	699,996
2028	629,668	11,995	641,663
	<u>\$ 3,135,507</u>	<u>\$ 306,140</u>	<u>\$ 3,441,647</u>

Note 8. SBITA Assets and Liabilities

A summary of changes in SBITA assets as of June 30, 2023, were as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
SBITA assets	\$ 264,029	\$ 79,405	\$ -	\$ 343,434
Less, accumulated amortization	-	(86,984)	-	(86,984)
Total SBITA assets, net	<u>\$ 264,029</u>	<u>\$ (7,579)</u>	<u>\$ -</u>	<u>\$ 256,450</u>

A summary of changes in SBITA liabilities as of June 30, 2023, were as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
SBITA liabilities	\$ 264,029	\$ 40,283	\$ (82,952)	\$ 221,360

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

Note 8. SBITA Assets and Liabilities (Continued)

A summary of the principal and interest amounts for the remaining arrangements includes the following principal and interest payments:

	Principal	Interest	Total
Years ending June 30:			
2024	\$ 84,303	\$ 8,892	\$ 93,195
2025	88,692	4,430	93,122
2026	48,365	678	49,043
	<u>\$ 221,360</u>	<u>\$ 14,000</u>	<u>\$ 235,360</u>

Note 9. 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, 2023, the Boosters' contributions to the trust totaled \$127,766. Each participant may elect a pre-tax and post-tax contribution of their compensation, but no more than permitted by the IRC.

Note 10. College Town Project

The Boosters owned a parcel of land on Madison Street (Madison parcel) near Gaines Street in Tallahassee, Florida. 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.

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 balance of the note as of June 30, 2023 is \$15,742,903.

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, 2023, 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, 2023, 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.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

Note 10. College Town Project (Continued)

Investment in CollegeTown: T'Alley Properties has a membership interest in College Town, which is accounted for as an equity investment. The other equity owner of College Town is Ten G & G, LLC. Through November 2018, Ten G & G was owned by certain individuals comprising approximately 10% of the voting members of the Boosters' Board of Directors. Distributions of cash flow will be made in accordance with College Town's Operating Agreement. In accordance with its operating agreement, College Town is required to distribute available cash to equity members following the end of each fiscal quarter after construction of the Project is completed. During December 2018, the Boosters became the sole owner of Ten G & G. The Boosters acquired \$2,100,000 in notes receivable as part of the transaction. The balances of the notes receivable as of June 30, 2023 is \$2,100,000.

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. The balance of the note as of June 30, 2023 is \$10,015,339.

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.

**Seminole Boosters, Inc.
(A Component Unit of Florida State University)**

Notes to Financial Statements

Note 11. 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, 2023 totaled \$709,542, 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, 2023, the Boosters provided support totaling \$20,212,160. Additionally, for the fiscal year ended June 30, 2023, the Boosters purchased tickets related to the Dunlap Champions Club totaling \$2,277,814. These expenses are recorded as part of the program service expenses. At June 30, 2023, total amount due to the Athletic Department for these purposes was \$322,907.

During the fiscal year ended June 30, 2023, the Athletic Department paid the Boosters \$1,850,000 for the use of Doak Campbell Stadium. Additionally, as of June 30, 2023, the Athletic Department held amounts due to the Boosters of \$5,298,155 related to collections of Dunlap Champions Club Ticket sales collected by the Athletic Department on behalf of the Boosters.

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, 2023, the Boosters provided supporting totaling \$1,054,531. 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, 2023, total amount due to the Foundation for these purposes was \$3,410,000. At June 30, 2023, total amount due from the Foundation for these purposes was \$29,656.

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Notes to Financial Statements

Note 11. 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 10 to the financial statements.

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

Note 12. 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.

**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***

Independent Auditor's Report

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 (*Government Auditing Standards*), the financial statements of Seminole Boosters Inc. (the Boosters), a component unit of Florida State University, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Boosters' basic financial statements, and have issued our report thereon dated November 30, 2023. Our report included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption of this statement resulted in the restatement of the financial statements as of July 1, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

RSM US LLP

Jacksonville, Florida
November 30, 2023

Seminole Boosters, Inc.
(A Component Unit of Florida State University)

Schedule of Prior Year's Findings and Responses

Prior-Year Finding

- 2022-001 – Valuation of Investments

Current Status

- Corrected