

**FLORIDA STATE UNIVERSITY ATHLETICS
ASSOCIATION, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

**THE FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
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JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors,
Florida State University Athletic Association, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Florida State University Athletic Association, Inc. (the Association), a direct-support organization and component unit of Florida State University, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association, as of and for the years ended June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association 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.

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 Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 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, 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

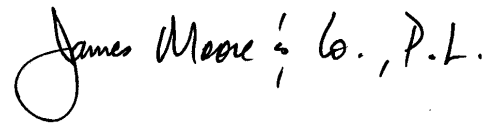
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as noted in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
October 31, 2024

**FLORIDA STATE UNIVERSITY ATHLETICS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

The management's discussion & analysis (MD&A) provides an overview of the financial position and activities of the Florida State University Athletic Association (the Association) for the years ended June 30, 2024 and 2023. The intent of this discussion and analysis of financial performance is to provide readers with a comprehensive picture of the Association's financial condition and results of operations. It should be read in conjunction with the audited financial statements and related footnotes as details provided there are not necessarily repeated in this analysis.

OVERVIEW OF FINANCIAL STATEMENTS

The Association's financial report contains a series of three basic financial statements: Statement of Net Position; Statement of Revenue, Expense and Changes in Net Position; and Statement of Cash Flows. These financial statements are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The financial statements focus on the financial condition of the Association, the results of operations, and cash flows of the Association as a whole. The accrual basis of accounting is used for presentation which is similar to most private-sector companies.

STATEMENT OF NET POSITION

The statement of net position reflects the assets and liabilities of the Association, using the accrual basis of accounting, and presents the financial position of the Association as of June 30, 2024 and 2023. The difference between total assets, total liabilities, and net position, is one significant indicator of the Association's current financial condition. The changes in net position that occur over time indicate enhancement or deterioration in the Association's financial condition. The following table summarizes the Association's assets, liabilities, and net position at June 30:

	<u>2024</u>	<u>2023</u>
Assets		
Current assets	\$ 10,212,104	\$ 12,645
Noncurrent assets	83,432,936	-
Total assets	<u>93,645,040</u>	<u>12,645</u>
Liabilities		
Current liabilities	53,112,952	2,316,666
Noncurrent liabilities	-	-
Total liabilities	<u>53,112,952</u>	<u>2,316,666</u>
Net position		
Net investment in capital assets	36,512,364	-
Restricted	3,998,793	-
Unrestricted	20,931	(2,304,021)
Total net position	<u>\$ 40,532,088</u>	<u>\$ (2,304,021)</u>

**FLORIDA STATE UNIVERSITY ATHLETICS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

The Association's total assets as of June 30, 2024, increased by \$93.6 million.

Current assets increased by \$10.2 million as the Association had investments in the Florida PRIME investment pool of \$6.1 million and an additional \$4.0 million of investments held by Florida State University (the University). The Association showed an increase in noncurrent assets of \$83.4 million due the construction in process of two major FSU Athletics capital projects – the Football Operations Facility (\$31.6 million) and Doak Campbell Stadium Seating Upgrades (\$51.8 million). Additional information related to capital assets can be found in note (3) in the notes to the financial statements.

Total liabilities increased by \$50.8 million. This increase was mainly the result of \$29.1 million in outstanding loans and notes payable due to the FSU Athletics Department. This bridge loan provided temporary funding for the construction of athletic related facilities until permanent funding could be secured which was completed on July 9, 2024. Additional financing information can be found in Note (6) of the Notes to Financial Statements. Also related to this permanent funding for the capital projects, there was \$6.2 million on deposit at the State Board of Administration in the Florida PRIME investment pool. Additionally, there were \$17.8 million in accounts payable related to construction contracts.

As a result, the Association's total net position increased by \$42.8 million.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position presents the Association's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the Association's activity for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating revenues	\$ -	\$ -
Less operating expenses	(45,306)	(343,339)
Operating income (loss)	(45,306)	(343,339)
Non-operating income	42,881,415	1,361,065
Net change in net position	42,836,109	1,017,726
Net position, beginning of year	(2,304,021)	(3,321,747)
Net position, end of year	<u>\$ 40,532,088</u>	<u>\$ (2,304,021)</u>

The Association's change in net position of \$42.8 million was almost entirely driven by capital contributions from the Seminole Boosters (\$40.5 million) along with \$2.4 million in contributions from the FSU Athletic Department which were received primarily in order to pay down termination benefits payable.

STATEMENT OF CASH FLOWS

The statement of cash flows provides additional information about the Association’s financial results by reporting the major sources and uses of cash and cash equivalents. This statement assists in evaluating the Association’s ability to generate net cash flows, and its ability to meet its obligations when they come due, and its need for external financing. The statement of cash flows reconciles the Association’s cash transactions. Cash flows from operating activities show the net cash used by the operating activities of the university. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections. Sources of funds were primarily contributions from the Seminole Boosters (\$14.4 million) and the FSU Athletic Department (\$33.7 million). Major uses of funds were the purchase/construction of capital assets (\$39.5 million), purchases of investments (\$6.2 million), and the payment of termination benefits to former employees (\$2.4 million).

CAPITAL COMMITMENTS

The Association’s construction commitments are as follows:

Major Capital Commitments, at June 30 (In Thousands)

	2024
Total Committed	\$ 338,000
Completed to Date	(83,433)
Balance Committed	\$ 254,567

ECONOMIC CONDITIONS AND OUTLOOK

The Association’s financial position changed significantly in fiscal year 2024 with the groundbreaking on two transformational capital projects for the Florida State University athletic program. The economic outlook for the Association in future years will be heavily tied to ticket revenues, related capital gifts and donations for the football program, and conference revenue distributions. FSU Athletics has a national donor base and a long history of successful fundraising efforts, which has been evident in the significant progress made in presales of the new seating options being created by the Doak Campbell Stadium capital project. As of September 2024, pre-sales of new seating options in the stadium were very strong, with club seats, suites, and loge boxes at or close to 100 percent sold. Additionally, the high profile of FSU Athletics provides meaningful global branding awareness for the University, which has helped drive continued positive performance in student engagement, student recruitment and enrollment, and national academic rankings. In recognition of these impacts, the University has a demonstrated history of institutional support for FSU Athletics, which should persist as the University continues to rise in national prominence and maintains a very strong financial position.

The renovations to Doak Campbell Stadium along with the construction of the new Football Operations Facility will place FSU Athletics as a national leader in facilities and place the program in a position of strength to have a “seat at the table” as significant additional revenues are likely to flow in from media rights related to the premier brands in collegiate athletics. While the on-field success of individual seasons can vary from year to year, the FSU Athletics brand remains one of the strongest in the country and should position the Association for continued financial strength.

REQUEST FOR INFORMATION

Questions concerning information provided in the MD&A or elsewhere in the June 30, 2024 financial statements and supporting notes thereto should be addressed to Florida State University Department of Athletics, Business Office, P.O. Box 2195, Tallahassee, Florida 32306.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023**

	2024	2023
<u>ASSETS</u>		
Current Assets		
Cash	\$ 455	\$ -
Investments	6,184,545	-
Due from Athletic Department	-	12,645
Due from University	4,027,104	-
Total current assets	10,212,104	12,645
Noncurrent assets		
Capital assets, not being depreciated	83,432,936	-
Total Assets	\$ 93,645,040	\$ 12,645
<u>LIABILITIES</u>		
Current liabilities:		
Deposit payable	\$ 6,185,000	\$ -
Accounts payable	17,805,657	-
Current portion of termination benefits payable	-	2,316,666
Due to Athletic Department	29,122,295	-
Total current liabilities	53,112,952	2,316,666
Total liabilities	\$ 53,112,952	\$ 2,316,666
<u>NET POSITION</u>		
Net investment in capital assets	\$ 36,512,364	\$ -
Restricted	3,998,793	
Unrestricted	20,931	(2,304,021)
Total net position	\$ 40,532,088	\$ (2,304,021)

The accompanying notes to financial statements
are an integral part of these statements.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
Operating revenues		
Total operating revenues	\$ -	\$ -
Operating expenses		
Termination benefits to coaches	44,046	56,121
Other operating expenses	1,260	287,218
Total operating expenses	45,306	343,339
Operating loss	(45,306)	(343,339)
Nonoperating revenues		
Investment earnings	15,667	19,317
Contributions from Seminole Boosters, Inc.	40,893,097	1,054,531
Contributions from Athletic Department	1,972,651	287,217
Total nonoperating revenues	42,881,415	1,361,065
Increase in net position	42,836,109	1,017,726
Net position, beginning of year	(2,304,021)	(3,321,747)
Net position, end of year	\$ 40,532,088	\$ (2,304,021)

The accompanying notes to financial statements
are an integral part of these statements.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
Cash flows from operating activities		
Receipts from contributions	\$ -	\$ -
Payments to suppliers and others	(2,361,972)	(3,528,756)
Net cash used in operating activities	(2,361,972)	(3,528,756)
Cash flows from investing activities		
Sales of investments	-	264,083
Purchases of investments	(6,184,545)	-
Investment earnings	15,667	19,753
Net cash (used in) provided by investing activities	(6,168,878)	283,836
Cash flows from noncapital financing activities		
Contributions from Seminole Boosters, Inc.	381,940	1,054,531
Contributions from Athletic Department	1,972,651	2,190,389
Net cash provided by noncapital financing activities	2,354,591	3,244,920
Cash flows from capital and related financing activities		
Contributions from Seminole Boosters, Inc.	13,998,793	-
Proceeds from Athletic Department	31,292,836	-
Purchase of capital assets	(39,114,915)	-
Net cash provided by financing activities	6,176,714	-
Increase in cash and cash equivalents	455	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ 455	\$ -
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (45,306)	\$ (343,339)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Decrease in termination benefits payable	(2,316,666)	(3,185,417)
Total adjustments	(2,316,666)	(3,185,417)
Net cash used in operating activities	\$ (2,361,972)	\$ (3,528,756)
Supplementary schedule of noncash investing and financing activities:		
Capital assets purchased on credit	\$ 17,805,657	\$ -
Capital assets transferred to Association from Seminole Boosters, Inc.	\$ 26,512,364	\$ -

The accompanying notes to financial statements
are an integral part of these statements.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024 AND 2023**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies of Florida State University Athletic Association, Inc. (the Association), which affect significant elements of the accompanying financial statements.

(a) **Reporting entity**—The Association is a direct support organization of Florida State University (the University) pursuant to Section 1004.28, Florida Statutes. The Association is a non-profit Florida Corporation exempt from tax under Code Section 501(c)(3) of the Internal Revenue Code (IRC). The Association is organized and operated exclusively to receive, hold, invest, and administer property for the benefit of Florida State University. The purpose of the Association includes providing financial and administrative support to the University’s varsity sports as deemed necessary and appropriate by the University President.

(b) **Measurement focus and basis of accounting**—The financial statements of the Association have been prepared following the financial reporting requirements for enterprise funds, which use the economic resources measurement focus and the accrual basis of accounting. 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.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities.

The Association distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses for the Association are those that result from supporting the operation of the University’s intercollegiate athletic programs. It excludes all revenue and expenses related to capital and related financing, noncapital financing, and investing activities.

(c) **Investments**—In general, investments are reported at fair value when available. The Association categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments in 2a7-like external investment pools are measured at amortized cost.

(d) **Revenue recognition**—*Contributions* – Annual contributions are recorded as revenue at the time they are received or when all eligibility requirements are met, whichever is first.

(e) **Termination benefits**—The Association has entered into employment contracts with certain employees that provided for involuntary termination benefits. An expense and liability is created by the Association when a plan of termination has been approved by those with the authority to commit the Association to the plan, the plan has been communicated to those employees, and the amount can be reasonably estimated.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024 AND 2023**

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Income taxes**—Pursuant to a determination letter received from the Internal Revenue Service, the Association is exempt from federal income taxes under IRC Section 501(c)(3) and as such, is liable for tax only on business income unrelated to the purpose for which they are exempt. There are no provisions for income tax for the years ended June 30, 2024 or 2023.

(g) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

(h) **Net position**—Net position is classified and displayed in three components:

(i) Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets.

(ii) Restricted – consists of net position that has constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.

(iii) Unrestricted – consists of net position that does not meet the definition of “restricted.”

When both restricted and unrestricted net positions are available for use, it is the Association’s policy to use the restricted resources first, then unrestricted resources as they are needed.

(i) **Pronouncements issued**—GASB issued Statement No. 101, Compensated Absences, in June 2022. It aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. Generally, a liability for leave that has not been used would be recognized if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The provisions in GASB 101 are effective for periods beginning after December 15, 2023.

GASB issued Statement No. 102, Certain Risk Disclosures, in December 2023. The objective of GASB 102 is to provide users of governmental financial statements with essential information about risks related to an entity’s vulnerabilities due to certain concentrations or constraints. The provisions in GASB 102 are effective for fiscal years beginning after June 15, 2024.

GASB issued Statement No. 103, Financial Reporting Model Improvements in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity’s accountability. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2025.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024 AND 2023**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Reclassification**—Certain accounts in the prior year information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

(k) **Capital assets**—Capital assets purchased with an original cost of \$5,000 or more are recorded at cost and depreciated utilizing the straight-line method over the estimated useful lives of assets (generally ranging from 5 to 20 years). Costs to maintain or repair these assets are expensed as incurred. On June 30, 2024, the entire balance of capital assets consisted to construction in process.

(2) **Investments:**

Fair value of investments—In general, investments are reported at fair value when available. The Association categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value:

Level 1 – Inputs are quoted prices in active markets for identical assets.

Level 2 – Inputs are significant other observable inputs.

Level 3 – Inputs are significant unobservable inputs.

The Association reports no investments measured at fair value as of June 30, 2024 and 2023. At June 30, 2024, the Association held investments in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. These investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, at June 30, 2024, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAM by Standard & Poor’s and had a weighted average days to maturity (WAM) of 45 days as of June 30, 2024. A portfolio’s WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in Florida PRIME investment pool are reported at amortized cost.

(3) **Capital Assets:**

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>July 01, 2023</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Construction in process	<u>\$ -</u>	<u>\$83,432,936</u>	<u>\$ -</u>	<u>\$83,432,936</u>

The Association did not have capital asset activity for the year ended June 30, 2023.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024 AND 2023**

(4) Termination Benefits:

As part of the University's ongoing evaluation of its athletic programs, the University terminated certain coaches in recent years, thereby enacting the involuntary termination clause of the applicable employment contracts. Employment agreements associated with those coaches provide for termination benefits equal to the total compensation remaining on the employee's contracts after a 20-week period, reduced on a dollar for dollar basis by any new compensation agreement entered into by the employee with any third party. Termination benefits incurred by the Association for the years ended June 30, 2024 and 2023 were \$44,046 and \$56,121, respectively. As of June 30, 2024, all termination benefits had been paid.

(5) Related Party Transactions:

As stated in Note (1), the Association is a direct support organization of The Florida State University (the University). For the year ended June 30, 2024 and 2023, the Association reported \$4,027,104 and \$-, respectively, for their investments held by the University.

The University's Athletics department personnel have operational responsibility of the Association. Certain payroll expenditures in relation to termination benefits described in Note 4, were paid by the University Department of Athletics (Athletics) on behalf of the Association. For the years ended June 30, 2024 and 2023, contributions from the Athletics department on the Statement of Activities for operating, personnel, and capital activities were \$1,972,651 and \$287,217, respectively. Net amounts due from (to) the Athletics department totaled \$(29,122,295) and \$12,645 at June 30, 2024 and 2023, respectively.

Seminole Boosters, Inc. (Boosters) serves as an official legal conduit for the acceptance, investment, and distribution of private gifts in support of the activities and programs of the University. Boosters expends significant resources for, or on behalf of, the Association. Contributions made by Boosters were \$40,893,097 and \$1,054,531 during the years ended June 30, 2024 and 2023, respectively. The fiscal year 2024 contribution included \$26,512,364 for ongoing capital projects of which \$9,815,762 had been reported by the Boosters as an expense in previous years. The Association recognized the full amount as a capital contribution revenue and construction in process during the current fiscal year.

(6) Subsequent Events:

On July 9, 2024, the Florida Board of Governors, on behalf of the University, issued \$306,335,000 Florida State University Athletics Association Revenue Bonds, Series 2024A and 2024B. The bonds will be secured by a first lien on pledged revenues. The proceeds will be used to finance a portion of ongoing capital improvement projects. The average interest rate on the debt being issued is 4.8%. The bonds mature on various dates between October 1, 2028, and October 1, 2053. Principal amortization payments are due annually on October 1, beginning October 1, 2025, and interest amortization payments are due semiannually on April 1 and October 1, beginning October 1, 2024.

**INDEPENDENT AUDITORS' 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**

The Board of Directors,
Florida State University Athletic Association, Inc.
Tallahassee, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Florida State University Athletic Association, Inc. (the Association), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated October 31, 2024.

Report on Internal Control Over Financial Reporting

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

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

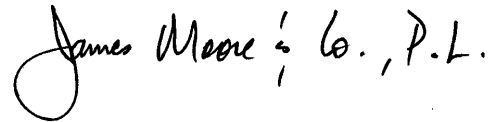
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, circular initial "J" at the beginning.

Tallahassee, Florida
October 31, 2024