

**FLORIDA STATE UNIVERSITY MAGNET
RESEARCH AND DEVELOPMENT, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
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JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Florida State University Magnet Research and Development, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Florida State University Magnet Research and Development, Inc., 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 Florida State University Magnet Research and Development, Inc.'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 Florida State University Magnet Research and Development, Inc., as of June 30, 2024 and 2023, and the changes in its financial position and 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 principles 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida State University Magnet Research and Development, Inc. 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

Florida State University Magnet Research and Development, Inc.'s management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 a substantial doubt about Florida State University Magnet Research and Development, Inc.'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 opinions. 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Florida State University Magnet Research and Development, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise a substantial doubt about Florida State University Magnet Research and Development, Inc.'s ability to continue as a going concern for a reasonable period of time.

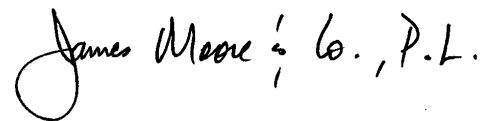
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed 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 15, 2024, on our consideration of Florida State University Magnet Research and Development, Inc.'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 Florida State University Magnet Research and Development, Inc.'s internal control over financial reporting and compliance.

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

Tallahassee, Florida
October 15, 2024

**FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

The following management’s discussion and analysis (MD&A) provides an overview of the financial performance of Florida State University Magnet Research & Development, Inc. (FSUMRD) based upon currently known facts, decisions, and conditions and is designed to assist the reader in understanding the accompanying financial statements. These financial statements are prepared in accordance with Government Accounting Standards Board (GASB) principles. The MD&A should be read in conjunction with the financial statements and notes thereto.

The FSUMRD financial statements consist of the statements of net position and the statements of revenues, expenses, and changes in net position, and statements of cash flows.

The statements of net position present the financial position of FSUMRD at June 30, 2024 and 2023. This statement provides readers with information on the nature of the entity’s assets, how much the entity owes creditors, and the net position available for the continued operations of FSUMRD. The change in net position is one indicator of whether overall financial condition has improved or declined during the year when considered with all other relevant information available. The following table shows the condensed statements of net position as of 2024, 2023, and 2022:

Condensed Statements of Net Position

	2024	2023	2022
Assets			
Current assets	\$ 347,086	\$ 309,474	\$ 287,131
Liabilities			
Current liabilities	39,662	47,285	11,217
Net position			
Unrestricted	307,424	262,189	275,914

All net position of the FSUMRD entity are defined as unrestricted, undesignated, and are available for current operations as defined by the Board of Directors and the approved annual operating budget.

FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

The statements of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the fiscal year, regardless of when cash is received or paid. Activities are reported as either operating or non-operating. The following table shows a condensed statement of revenues, expenses, and changes in net position for the 2024, 2023, and 2022 fiscal years:

Condensed Statements of Revenues, Expenses and
Changes in Net Position

	2024	2023	2022
Contract revenues	\$ 101,490	\$ -	\$ -
Less: direct contract costs	5,319	11,093	-
Net contract revenues	96,171	(11,093)	-
Operating expenses	(65,242)	(13,280)	(23,546)
Operating income (loss)	30,929	(24,373)	(23,546)
Net Non-Operating Revenues (expenses)	14,306	10,648	12,190
Change in net position	45,235	(13,725)	(11,356)
Net position at beginning of year	262,189	275,914	287,270
Net position at end of year	\$ 307,424	\$ 262,189	\$ 275,914

Operating revenues and expenses are those incurred in the normal business operations of FSUMRD, primarily as a result of Educational Research Agreements in effect with external funding agencies. Contract revenue resumed in 2024, after none being reported the previous two years. Net non-operating revenue is a result of interest earned on investments in the Florida State Board of Administration Florida PRIME governmental investment pool.

Request for Information

Questions concerning the financial information included in this report of requests for additional information should be addressed to Florida State University Magnet Research and Development, Inc., 1800 E Paul Dirac Dr, Tallahassee, FL 32310.

FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 17,495	\$ 35,978
Accounts receivable	41,789	-
Investments	287,802	273,496
Total current assets	\$ 347,086	\$ 309,474
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 39,662	\$ 11,093
Unearned revenue	-	36,192
Total current liabilities	\$ 39,662	\$ 47,285
<u>NET POSITION</u>		
Net Position		
Unrestricted	\$ 307,424	\$ 262,189

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

FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Operating revenues		
Contract revenue	\$ 101,490	\$ -
Less: direct contract costs	5,319	11,093
Net contract revenues	96,171	(11,093)
Operating expenses		
Personnel services	48,693	-
Professional fees	14,500	12,000
Other	2,049	1,280
Total operating expenses	65,242	13,280
Operating income (loss)	30,929	(24,373)
Nonoperating revenues (expenses)		
Investment income	14,306	10,648
Total nonoperating revenues (expenses)	14,306	10,648
Change in net position	45,235	(13,725)
Net position, beginning of year	262,189	275,914
Net position, end of year	\$ 307,424	\$ 262,189

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

FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Cash received from contracts	\$ 46,759	\$ 24,975
Cash payments to suppliers for goods and services	(16,549)	(13,280)
Cash payments for personnel and administrative services	(48,693)	-
Net cash provided by (used in) operating activities	(18,483)	11,695
Increase (decrease) in cash and cash equivalents	(18,483)	11,695
Cash and cash equivalents, beginning of year	35,978	24,283
Cash and cash equivalents, end of year	\$ 17,495	\$ 35,978
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 30,929	\$ (24,373)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Decrease (increase) in accounts receivable	(41,789)	-
Increase (decrease) in accounts payable	28,569	11,093
Increase (decrease) in unearned revenue	(36,192)	24,975
Total adjustments	(49,412)	36,068
Net cash provided by (used in) operating activities	\$ (18,483)	\$ 11,695

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

FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
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 Magnet Research and Development, Inc. (the “Organization”), which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—Florida State University Magnet Research and Development, Inc. is a direct support organization as provided for in Section 1004.28, Florida Statutes. The Organization is considered a component unit of Florida State University (the University). The Organization was formed as a not-for-profit organization in March 2007, in the state of Florida. The purpose of the Organization is to promote and assist the magnet research activities of the University through income from contracts, grants, and other sources, including income derived from the development and commercialization of the University’s work products.

(b) **Basis of accounting**—The Organization follows financial reporting requirements for enterprise funds, which use the accrual basis of accounting. Under this method, revenues and recorded when earned and expenses are recognized when they are incurred. The financial statements have been prepared in conformity with the pronouncement of the Governmental Accounting Standards Board (GASB) including GASB statement No. 14, *The Financial Reporting Entity*, which defines the organization as a component unit of the University. The financial statements are those of the Organization alone and, accordingly, are not intended to present to net position or the results of operations of the University.

(c) **Cash and cash equivalents**—Cash and cash equivalents consists of noninterest demand accounts and one interest bearing demand account. The financial instruments exposed to concentration of credit risk consist primarily of cash and cash equivalents, for which the aggregate bank balances were \$17,495 and \$35,978 at June 30, 2024 and 2023, respectively. Demand deposits of the Organization are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities in Florida’s multiple financial institution collateral pool pursuant of Chapter 280, Florida Statutes.

(d) **Revenue recognition**

Operating revenues—Operating revenues include activities that have the characteristics of exchange transactions, such as contracts. Exchange transactions are transactions in which each party receives and gives up essentially equal values. Revenue is recognized when project hours have been worked for contracts in which project hours are billed based on agreed upon rate, or when deliverables have been met with deliverable based contracts.

Nonoperating revenues—Nonoperating revenues include activities that have characteristics of nonexchange transactions, such as interest income. Nonexchange transactions are transactions in which an entity either gives or receives value to another party without directly giving or receiving equal value in exchange.

(e) **Accounts receivable**—Accounts receivable generally consist of accrued contract revenues and amounts related to purchases of magnet materials and supplies, which are to be reimbursed by the contracted parties. Management considers receivables to be fully collectible; therefore, no provision for doubtful accounts has been recorded.

FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

(f) **Work in progress**—Work in process consists of labor costs incurred in the process of producing contract deliverables that will be realized in a future period.

(g) **Accounts payable**—Accounts payable represents the amount owed to the University for payroll costs during the final month of the fiscal year and amounts due to vendors for magnet materials and supplies.

(h) **Income taxes**—Pursuant to a determination letter received from the Internal Revenue Service, the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and as such, is liable for tax only on business income unrelated to the purpose for which it is exempt. No provision for income tax expense or liability has been made. There are currently no Internal Revenue Service audits in progress for any tax period. With few exceptions, the Organization is no longer subject to examination by major tax jurisdictions for years ended June 30, 2020 and prior.

(i) **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 and liabilities and disclose 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.

(j) **Investments and fair value measurements**—In general, investments are reported at fair value when available. The Organization 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 that are measured at net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

(2) **Revenue Concentration:**

Approximately 90% of the Organization's net operating revenue was from one vendor for the year ending June 30, 2024.

(3) **Investments and Fair Value Measurements:**

The Organization 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 asset. 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. As of June 30, 2024 and June 30, 2023, all of the Organizations investments met the criteria under GASB Statement No. 79 for reporting investments in certain external investment pools at amortized cost therefore all of the Organizations investments were reported at amortized cost.

FLORIDA STATE UNIVERSITY MAGNET RESEARCH AND DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(3) **Investments and Fair Value Measurements:** (Continued)

Investment balances were \$287,802 and \$273,496 at June 30, 2024 and 2023, respectively, and represent amounts held with the Florida State Board of Administration, Local Government Surplus Funds Trust (PRIME Fund). The fund invests in money market and U.S. treasury notes, collateralized mortgage obligations, asset backed securities, agency notes, agency ARM pass-through, corporate bonds, government related securities, and certificates of deposit. This fund is carried at amortized cost. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for amortization of discount or premium over the period from purchase to maturity. Thus, the balance in the fund is its fair value. The State Board of Administration (SBA)'s interpretation of GASB Statement No. 79 is that the Florida PRIME investment pool currently meets all necessary criteria to measure its investments at amortized cost. Therefore, as a participant in the Florida SBA's Florida PRIME investment pool, the Organization's investments in Florida PRIME were also measured at amortized cost as of June 30, 2024 and 2023, respectively. There were no limitations or restrictions on participant withdrawals including items such as redemption notices, maximum transaction amounts, and the pool's authority to impose liquidity fees or redemption gates.

- **Credit Risk**—The Organization minimizes credit risk, the risk of loss due to failure of the security, by limiting investments to investment pools offered by the State Board of Administration. The Local Government Surplus Funds Trust (PRIME Fund) is rated by Standards & Poors. The current rating is AAAM. The Investment Manager of Florida PRIME managements credit risk by purchasing only high-quality securities, performing a credit analysis to develop a database of issuers and securities that meet the Investment manager's minimum standard and by regularly reviewing the portfolio's securities financial data, issuer news and developments, and ratings of the nationally recognized statistical rating organizations.
- **Interest Rate Risk**—The Organization manages its exposure to declines in fair values of investments by investing operating funds primarily in shorter-term securities and the Florida SBA's Florida PRIME. The weighted average days to maturity of the Local Government Surplus Funds Trust at June 30, 2024, was 37 days. Next interest rate reset dates for floating rate securities are used in the calculation of the weighted average days to maturity.
- **Custodial Credit Risk**—Investments are subject to custodial credit risk if the securities are uninsured, not registered in the Organization's name, and are held by the party that either sells to or buys for the Organization. No investments held at year-end were subject to custodial credit risk. The Florida SBA's Florida PRIME does participate in securities lending, but the Organization owns shares of the Florida PRIME and not the underlying investments. Neither the Organization nor Florida Prime has participated in securities lending program in the fiscal year ended June 30, 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**

To the Board of Directors,
Florida State University Magnet Research and Development, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Florida State University Magnet Research and Development, Inc., which comprise the statement of net position as of June 30, 2024, and the related statements of revenue, expenses, and change of net position, and cash flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated October 15, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida State University Magnet Research and Development, Inc.'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 Florida State University Magnet Research and Development, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Florida State University Magnet Research and Development, Inc.'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.

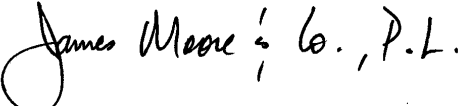
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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 Florida State University Magnet Research and Development, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

James Moore & Co., P.L.

Tallahassee, Florida
October 15, 2024



October 15, 2024

To the Board of Directors
Florida State University Magnet Research and Development, Inc.:

We have audited the financial statements of the Florida State University Magnet Research and Development, Inc. (the Organization), a direct-support organization and component unit of Florida State University, as of and for the year ended June 30, 2024, and have issued our report thereon dated October 15, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 13, 2024, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of Florida State University Magnet Research and Development, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Override of internal controls by management. Our responses to the significant risk included incorporating an element of unpredictability in designing audit procedures, obtaining an understanding of the process and related controls over journal entries and other adjustments, testing journal entries and other adjustments, reviewing significant accounting estimates for evidence of management bias, and obtaining an understanding of management's rationale for significant and unusual transactions.
- Management improperly recognizing revenue due to fraud. Our responses to the significant risk included substantively testing of revenues through third-party confirmations and performing predictive tests over revenue.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organization is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no accounting estimates that were considered significant in nature for the current period.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the Organization's financial statements relate to the disclosures regarding revenue recognition in Note (1)(d) to the financial statements.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements for the year ended June 30, 2024.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material misstatements that we identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Organization's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which were included in the management representation letter provided to us dated October 15, 2024.

Management's Consultations with Other Accountants

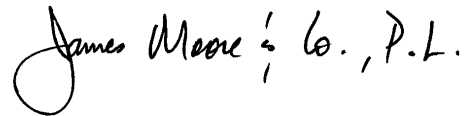
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditors.

This report is intended solely for the information and use of the Audit Committee and management of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, prominent initial "J" that loops around the first part of the name.

JAMES MOORE & CO., P.L.



October 15, 2024

James Moore & Co., P.L.
Certified Public Accountants
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows of the Florida State University Magnet Research and Development, Inc. (the Organization) as of June 30, 2024 and 2023, and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the Organization in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 15, 2024:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated August 13, 2024 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.



- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable in the context of the applicable financial reporting framework.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.



- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- In regards to the tax preparation services and preparation of the financial statements performed by you, we have:
 - Made all management decisions and performed all management functions.
 - Designated Walter Lee, an individual with suitable skills, knowledge, or experience to oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Evaluated and accepted responsibility for the results of the services.
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various



opinion units referred to above, such as records, documentation, meeting minutes, and other matters;

- Additional information that you have requested from us for the purpose of the audit;
- Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Florida State University Magnet Research and Development, Inc. has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Florida State University Magnet Research and Development, Inc. is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance



with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.

- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Florida State University Magnet Research and Development, Inc. has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.



FLORIDA STATE UNIVERSITY
MAGNET RESEARCH & DEVELOPMENT, INC.

- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

DocuSigned by:

Walter Lee

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Walter Lee (Treasurer)

Stacey Patterson

81DDCE533FEB441...

Stacey Patterson (Board President)

Certificate Of Completion

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Source Envelope:	
Document Pages: 6	Signatures: 2
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Walter Lee
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	A1400 University Center
	Tallahassee, FL 32306-2370
	welee@fsu.edu
	IP Address: 146.201.200.212

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 welee@fsu.edu
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Stacey Patterson
 stacey@fsu.edu
 Vice President
 Florida State University Research Foundation
 Security Level: Email, Account Authentication (None)

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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
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Signing Complete	Security Checked	10/15/2024 5:00:07 PM

Envelope Summary Events	Status	Timestamps
Completed	Security Checked	10/15/2024 5:00:07 PM

Payment Events	Status	Timestamps
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