

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

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

**THE FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
TABLE OF CONTENTS
JUNE 30, 2021 AND 2020**

	<u>Page Number(s)</u>
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 4
Financial Statements	
Statements of Net Position	5
Statements of Revenues, Expenses and Changes in Net Position	6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 11
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 <i>Government Auditing Standards</i>	12 – 13

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Associations' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Association'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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- 1 -

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida State University Athletic Association, Inc. as of June 30, 2021 and 2020, 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.

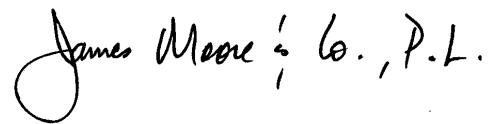
Other Matters

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 December 2, 2021, on our consideration of the Associations 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 Associations' internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
December 2, 2021

**FLORIDA STATE UNIVERSITY ATHLETICS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

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, 2021 and 2020. 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, 2021 and 2020. 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>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets	\$ 2,779,844	\$ 4,652,418	\$ 6,359,835
Other noncurrent assets	-	-	81,605
Total assets	<u>2,779,844</u>	<u>4,652,418</u>	<u>6,441,440</u>
Liabilities			
Current liabilities	3,475,000	5,376,538	1,895,592
Noncurrent liabilities	5,502,083	8,977,083	81,605
Total liabilities	<u>8,977,083</u>	<u>14,353,621</u>	<u>1,977,197</u>
Net position			
Unrestricted	<u>(6,197,239)</u>	<u>(9,701,203)</u>	<u>4,464,243</u>
Total net position	<u>\$ (6,197,239)</u>	<u>\$ (9,701,203)</u>	<u>\$ 4,464,243</u>

**FLORIDA STATE UNIVERSITY ATHLETICS ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position depicts the Association's revenue and expense activity. 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>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ -	\$ -	\$ 143,872
Less operating expenses	(78,911)	(14,440,274)	(135,936)
Operating income (loss)	(78,911)	(14,440,274)	7,936
Non-operating income	3,582,875	274,828	(3,441,189)
Net change in net position	3,503,964	(14,165,446)	(3,433,253)
Net position, beginning of year	(9,701,203)	4,464,243	7,897,496
Net position, end of year	<u>\$ (6,197,239)</u>	<u>\$ (9,701,203)</u>	<u>\$ 4,464,243</u>

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. 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. The statement of cash flows reconciles the Association's cash transactions. Receipts during the year were used to provide financial and administrative support to the University's varsity sports programs. For the year ended June 30, 2021, there was no cash provided by or used in capital related financing activities. The balance of cash and cash equivalents was \$0 for 2021, 2020, and 2019.

ECONOMIC CONDITIONS AND OUTLOOK

The Association's end of year net position increased by \$3.5M from the previous year. The increase is a result of contributions received from the Seminole Boosters in excess of current year expenses. There are no material expenses expected to be paid by the Association in the next fiscal year as the athletics program continues to transition into the Athletic Association model over the coming years. As discussed in Note (6) to the financial statements, the COVID 19 pandemic has brought unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications. The Association is committed to maintaining the health, safety, and wellbeing of its student-athletes and coaches and staff, and maintaining the financial health of the Association.

REQUEST FOR INFORMATION

Questions concerning information provided in the MD&A or elsewhere in the June 30, 2021 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, 2021 AND 2020**

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Investments	\$ 857,936	\$ 4,643,063
Due from other University funds - Boosters	1,921,041	-
Interest receivable	867	9,355
Total current assets	<u>\$ 2,779,844</u>	<u>\$ 4,652,418</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$ -	\$ 78,261
Current portion of termination benefits payable	3,475,000	3,924,866
Due to other University funds	-	1,373,411
Total current liabilities	<u>3,475,000</u>	<u>5,376,538</u>
Noncurrent liabilities:		
Noncurrent portion of termination benefits payable	5,502,083	8,977,083
Total liabilities	<u>\$ 8,977,083</u>	<u>\$ 14,353,621</u>
<u>NET POSITION</u>		
Unrestricted	\$ (6,197,239)	\$ (9,701,203)
Total net position	<u>\$ (6,197,239)</u>	<u>\$ (9,701,203)</u>

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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Operating revenues		
Total operating revenues	\$ -	\$ -
Operating expenses		
Termination benefits to coaches	66,911	14,353,621
Other operating expenses	12,000	86,653
Total operating expenses	<u>78,911</u>	<u>14,440,274</u>
Operating income (loss)	<u>(78,911)</u>	<u>(14,440,274)</u>
Nonoperating revenues (expenses)		
Investment earnings	(95,253)	224,828
Contributions from Seminole Boosters, Inc.	3,534,241	-
Transfers to other University funds	-	(550,000)
Transfers in from other University funds	143,887	600,000
Total nonoperating revenues (expenses)	<u>3,582,875</u>	<u>274,828</u>
Increase (decrease) in net position	<u>3,503,964</u>	<u>(14,165,446)</u>
Net position, beginning of year	(9,701,203)	4,464,243
Net position, end of year	<u>\$ (6,197,239)</u>	<u>\$ (9,701,203)</u>

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, 2021 AND 2020**

	2021	2020
Cash flows from operating activities		
Receipts from contributions	\$ -	\$ 5,885,999
Payments to suppliers and others	(4,082,038)	(2,063,850)
Net cash provided by (used in) operating activities	(4,082,038)	3,822,149
Cash flows from investing activities		
Purchases of investments	(217,917)	(6,642,924)
Sales of investments	3,842,249	2,552,851
Investment earnings	74,030	217,924
Net cash provided by (used in) investing activities	3,698,362	(3,872,149)
Cash flows from noncapital financing activities		
Transfers to other University funds	(1,373,411)	(550,000)
Transfers in from other University funds	143,887	600,000
Contributions from Seminole Boosters, Inc.	1,613,200	-
Net cash provided by (used in) noncapital financing activities	383,676	50,000
 Increase (decrease) in cash and cash equivalents	 -	 -
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (78,911)	\$ (14,440,274)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Decrease (increase) in contributions receivable	-	4,000,000
Decrease (increase) in liquidated damages receivable	-	1,885,999
Increase (decrease) in accounts payable	(78,261)	78,261
Increase (decrease) in due to other University funds	-	(395,547)
Increase (decrease) in termination benefits payable	(3,924,866)	12,693,710
Total adjustments	(4,003,127)	18,262,423
Net cash provided by (used in) operating activities	\$ (4,082,038)	\$ 3,822,149

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, 2021 AND 2020**

(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 the 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) **Cash and cash equivalents** – For purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash in demand accounts. Association cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by the Federal Depository Insurance Corporation (FDIC) up to specified limits, or collateralized with securities held in Florida’s multiple financial institution collateral pool in accordance with Florida statutes.

(d) **Investments and fair value measurement** – The Association categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Association is invested in the State Treasury Special Purpose Investment Account (SPIA). SPIA is measured at level 3 fair values within the fair value hierarchy under GASB 72.

(e) **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.

Other Revenues – Other revenues includes the amount of estimated liquidated damages to be recovered per contractual obligations associated with involuntary termination benefits for an athletic coach’s breach of contract.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2021 AND 2020**

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

(f) **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.

(g) **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, 2021 or 2020.

(h) **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.

(i) **Net position** – Net position is classified and displayed in two components:

(i) **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.

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

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

Pronouncements issued – GASB issued Statement No. 87, Leases, in June 2017. GASB 87 aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

The Association is currently evaluating the effects that implementation of the new standards will have on its financial position, results of operations, and cash flows.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2021 AND 2020**

(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 reported investments at fair value totaling \$857,936 and \$4,643,063 at June 30, 2021 and 2020, respectively, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The SPIA carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 2.60 years and .43 years and fair value factor of .9840 and 1.0291 at June 30, 2021 and 2020, respectively. Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The Association relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report. Investments in SPIA are reported as level 3 fair value investments within the fair value hierarchy per GASB 72.

(3) **Related Party Transactions:**

As stated in Note (1), the Association is a direct support organization of The Florida State University (the University). Additionally, the University's personnel have operational responsibility of the Association. Certain payroll expenditures in relation to termination benefits described in Note (4), were paid by the University on behalf of the Association. During the year ended June 30, 2021 and 2020 those payments totaled \$301,013 and \$1,373,411, respectively. The Association received transfers from other University funds in the amount of \$143,887 and \$600,000 during the years ended June 30, 2021 and 2020, respectively. Additionally, the Association transferred funds for athletic related projects, including capital improvements, to other departments within the University. Those transfers totaled \$550,000 for the year ended 2020. There were no transfers for the year ended June 30, 2021. Amounts due from (to) the University totaled \$1,921,041 and (\$1,373,411) at June 30, 2021 and 2020, respectively.

Seminole Boosters, Inc.—Seminole Boosters, Inc. 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. Seminole Boosters, Inc. expends significant resources for, or on behalf of, the Association. The contributions category on the statements of revenues, expenses and changes in net position includes non-operating contributions of \$3,534,241 from Seminole Boosters, Inc. during the year ended June 30, 2021. There were no contributions from Seminole Boosters, Inc. during the year ended June 30, 2020.

**FLORIDA STATE UNIVERSITY
ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2021 AND 2020**

(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, 2021 and 2020 were \$66,911 and \$14,353,621, respectively.

The estimated remaining termination benefits for the terminated coaches are to be paid in years 2021 through 2024 and are reported as accrued expenses on the Statement of Net Position. At June 30, 2021, the total estimated liability for involuntary termination benefits for each of the next five years, is as follows:

Year Ending June 30,	Guaranteed Amount
2022	\$ 3,475,000
2023	3,475,000
2024	2,027,083
2025	-
	\$ 8,977,083

(5) Subsequent Events:

The Association evaluated all events and transactions that occurred from July 1, 2021 through December 2, 2021, the date the financial statements were available for issuance. During the period from July 1, 2021 to December 2, 2021, the Association did not have any material recognized subsequent events.

(6) Risks and Uncertainties -COVID-19:

The financial impacts of the COVID-19 pandemic were felt through the end of fiscal year 2020 and much of fiscal year 2021, and such financial impacts have been reflected in the June 30, 2021 and 2020 financial statements.

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 (the Association), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated December 2, 2021.

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.

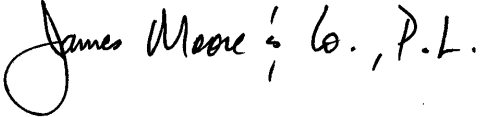
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

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.

James Moore & Co., P.L.

Tallahassee, Florida
December 2, 2021