

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**THE FLORIDA STATE UNIVERSITY  
ATHLETICS ASSOCIATION, INC.  
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JUNE 30, 2022 AND 2021**

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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**

#### ***Opinions***

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, 2022 and 2021, 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 respective financial position of the Association, as of and for the year ended June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

#### ***Responsibilities of Management for the Financial Statements***

The Association's 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 auditor's 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 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.

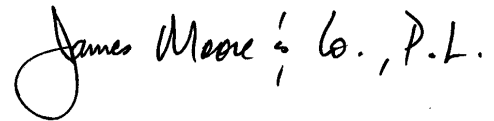
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 November 30, 2022, 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  
November 30, 2022

**FLORIDA STATE UNIVERSITY ATHLETICS ASSOCIATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022 AND 2021**

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, 2022 and 2021. 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, 2022 and 2021. 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>2022</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>			
Current assets	\$ 2,180,336	\$ 2,779,844	\$ 4,652,418
Total assets	<u>2,180,336</u>	<u>2,779,844</u>	<u>4,652,418</u>
<b>Liabilities</b>			
Current liabilities	3,475,000	3,475,000	5,376,538
Noncurrent liabilities	2,027,083	5,502,083	8,977,083
Total liabilities	<u>5,502,083</u>	<u>8,977,083</u>	<u>14,353,621</u>
<b>Net position</b>			
Unrestricted	(3,321,747)	(6,197,239)	(9,701,203)
Total net position	<u>\$ (3,321,747)</u>	<u>\$ (6,197,239)</u>	<u>\$ (9,701,203)</u>

**FLORIDA STATE UNIVERSITY ATHLETICS ASSOCIATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022 AND 2021**

**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>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues	\$ -	\$ -	\$ -
Less operating expenses	(65,622)	(78,911)	(14,440,274)
Operating income (loss)	(65,622)	(78,911)	(14,440,274)
Non-operating income	2,941,114	3,582,875	274,828
Net change in net position	2,875,492	3,503,964	(14,165,446)
Net position, beginning of year	(6,197,239)	(9,701,203)	4,464,243
Net position, end of year	<u>\$ (3,321,747)</u>	<u>\$ (6,197,239)</u>	<u>\$ (9,701,203)</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 funds to pay down the termination benefits payable. For the year ended June 30, 2022, there was no cash provided by or used in capital related financing activities. The balance of cash and cash equivalents was \$0 for 2022, 2021, and 2020.

**ECONOMIC CONDITIONS AND OUTLOOK**

The Association's end of year net position increased by \$2.87M 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.

**REQUEST FOR INFORMATION**

Questions concerning information provided in the MD&A or elsewhere in the June 30, 2022 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, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Investments	\$ 264,083	\$ 857,936
Due from other University funds	1,915,817	1,921,041
Interest receivable	436	867
<b>Total current assets</b>	<b>\$ 2,180,336</b>	<b>\$ 2,779,844</b>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Current portion of termination benefits payable	\$ 3,475,000	\$ 3,475,000
Noncurrent liabilities:		
Noncurrent portion of termination benefits payable	2,027,083	5,502,083
<b>Total liabilities</b>	<b>\$ 5,502,083</b>	<b>\$ 8,977,083</b>
<b><u>NET POSITION</u></b>		
Unrestricted	\$ (3,321,747)	\$ (6,197,239)
<b>Total net position</b>	<b>\$ (3,321,747)</b>	<b>\$ (6,197,239)</b>

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, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Operating revenues</b>		
Total operating revenues	\$ -	\$ -
<b>Operating expenses</b>		
Termination benefits to coaches	59,502	66,911
Other operating expenses	6,120	12,000
Total operating expenses	65,622	78,911
<b>Operating income (loss)</b>	(65,622)	(78,911)
<b>Nonoperating revenues (expenses)</b>		
Investment earnings	5,842	(95,253)
Contributions from Florida State University Foundation	341,671	-
Contributions from Seminole Boosters, Inc.	2,593,601	3,534,241
Transfers in from other University funds	-	143,887
Total nonoperating revenues (expenses)	2,941,114	3,582,875
<b>Increase (decrease) in net position</b>	2,875,492	3,503,964
<b>Net position, beginning of year</b>	(6,197,239)	(9,701,203)
<b>Net position, end of year</b>	\$ (3,321,747)	\$ (6,197,239)

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, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and others	\$ (3,535,398)	\$ (4,082,038)
Net cash provided by (used in) operating activities	(3,535,398)	(4,082,038)
<b>Cash flows from investing activities</b>		
Purchases of investments	-	(217,917)
Sales of investments	593,719	3,842,249
Investment earnings	6,407	74,030
Net cash provided by (used in) investing activities	600,126	3,698,362
<b>Cash flows from noncapital financing activities</b>		
Transfers to other University funds	-	(1,373,411)
Transfers in from other University funds	-	143,887
Contributions from Florida State University Foundation	341,671	
Contributions from Seminole Boosters, Inc.	2,593,601	1,613,200
Net cash provided by (used in) noncapital financing activities	2,935,272	383,676
<b>Increase (decrease) in cash and cash equivalents</b>	-	-
<b>Cash and cash equivalents, beginning of year</b>	-	-
<b>Cash and cash equivalents, end of year</b>	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (65,622)	\$ (78,911)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Increase (decrease) in accounts payable	-	(78,261)
(Increase) decrease in due from other University funds	5,224	-
Increase (decrease) in termination benefits payable	(3,475,000)	(3,924,866)
Total adjustments	(3,469,776)	(4,003,127)
<b>Net cash provided by (used in) operating activities</b>	\$ (3,535,398)	\$ (4,082,038)

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, 2022 AND 2021**

(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) **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.

(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.

*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.

(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, 2022 AND 2021**

(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, 2022 or 2021.

(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 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.

(i) **Recent Accounting Pronouncements** – GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Association is currently evaluating the effect that Statement No. 96 will have on its financial statements.

(2) **Subsequent Events:**

The Association evaluated all events and transactions that occurred from July 1, 2022 through November 30, 2022, the date the financial statements were available for issuance. During the period from July 1, 2022 to November 30, 2022, the Association did not have any material recognized subsequent events. However, due to the recent employment events of the previous football coach, the Association may incur an additional termination benefits liability in the years ending June 30, 2023 and 2024.

**FLORIDA STATE UNIVERSITY  
ATHLETICS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2022 AND 2021**

**(3) 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 \$264,083 and \$857,936 at June 30, 2022 and 2021, 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 2.66 years and 2.60 years and fair value factor of .9479 and .9840 at June 30, 2022 and 2021, 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.

**(4) 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 5, were paid by the University Department of Athletics (Athletics) on behalf of the Association. During the year ended June 30, 2021 those payments totaled \$301,013. No such payments were made for the year ended June 30, 2022.

The Association received transfers from Athletics in the amount of \$143,887 during the year ended June 30, 2021. The Association's transfers to/from Athletics for the year ended June 30, 2022 were as follows: The Association received \$61,224 from Athletics, which was owed to the Association by another University for termination benefits payable to the Association. In addition, during the year ended June 30, 2022, the Association paid \$56,000 on behalf of Athletics for expenditures related to professional fees. The net effect of these transactions resulted in a \$5,224 change in the amount due from other University funds. Amounts due from (to) the University totaled \$1,915,817 and \$1,921,041 at June 30, 2022 and 2021, respectively.

**FLORIDA STATE UNIVERSITY  
ATHLETICS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2022 AND 2021**

(4) **Related Party Transactions:** (Continued)

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. Contributions made by Seminoles Boosters, Inc. were \$2,593,601 and \$3,534,241, during the years ended June 30, 2022 and 2021 respectively.

Contributions from the Florida State University Foundation on the Statement of Activities were contributions received as a result of donations made by employees of Florida State University Department of Intercollegiate Athletics to benefit the Association. Contributions were \$341,671 during the year ended June 30, 2022. There were no contributions from the Florida State University Foundation during the year ended June 30, 2021.

(5) **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, 2022 and 2021 were \$59,502 and \$66,911, respectively.

The estimated remaining termination benefits for the terminated coaches are to be paid in years 2023 through 2024 and are reported as accrued expenses on the Statement of Net Position. At June 30, 2022, the total estimated liability for involuntary termination benefits for each of the next five years, is as follows:

<b>Year Ending June 30,</b>	<b>Guaranteed Amount</b>
2023	\$ 3,475,000
2024	2,027,083
	<u>\$ 5,502,083</u>

**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, 2022, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated November 30, 2022.

***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.

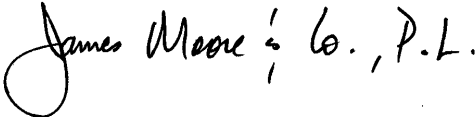
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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  
November 30, 2022