Financial Statements and Reports

For the Year Ended June 30, 2024

FSU | ALUMNI ASSOCIATION

(A Discrete Component Unit of Florida State University)

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Financial Statements and Reports
For the Years Ended June 30, 2024 and 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Florida State University Alumni Association, Inc.
Tallahassee, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Florida State University Alumni Association, Inc. (the "Association"), a component unit of the Florida State University, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Association, as of June 30, 2024, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Association for the year ended June 30, 2023, were audited by other auditors whose report thereon dated November 15, 2023, expressed an unmodified opinion on the respective financial statements of the financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

(Continued)

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 on pages 4-9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 13, 2024 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's 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.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
November 13, 2024

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2024 and 2023

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the Florida State University Alumni Association (Association) for the fiscal years ended June 30, 2024, 2023, and 2022, respectively. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. It should be read in conjunction with the financial statements and notes to financial statements for the Association which follow this section.

The Association is presented as a discrete component unit of Florida State University (University or FSU) and is a direct support organization (DSO) of the University pursuant to Section 1004.28, Florida Statutes, and Regulation 9.011, Board of Governors. The primary purpose of the Association is to advance the University's greatness while enriching the lives of the Seminole family.

OVERVIEW OF FINANCIAL STATEMENTS

The Association's financial report includes three basic financial statements: the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. These financial statements are prepared in accordance with generally accepted accounting principles promulgated by the 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. See the notes to the financial statements for a summary of the Association's significant accounting policies.

STATEMENTS OF NET POSITION

The Statements of Net Position present the financial position of the Association at the end of the fiscal year and include all of the assets and liabilities of the Association. Net position, the difference between assets less liabilities, is one indicator of the current financial position of the Association; however, other non-financial factors, such as the national and international economy must also be considered when assessing the overall health of the Association. The differences in net position that occur over time indicate whether the overall financial condition of the Association has improved or deteriorated. Assets and liabilities are reported at cost with the exception of investments, which are reported at fair value, and capital assets, which are stated at the historical cost less accumulated depreciation. Net position is reported in the following three categories: net investment in capital assets, restricted net position and unrestricted net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any borrowings attributable to the acquisition, construction or improvement of those assets and SBITA assets, net of accumulated amortization, reduced by liabilities for future SBITA payments. Restricted net position is comprised of expendable assets and consists of assets that have constraints placed upon their use either by external donors or creditors or through laws or regulations imposed through constitutional provisions or enabling legislation.

Unrestricted net position consists of those assets that do not meet the definition of net investment in capital assets or restricted net position.

STATEMENTS OF NET POSITION *(continued)*

The following schedule is a summary of the Association's Statements of Net Position as of June 30, 2024 and the two preceding fiscal years:

Condensed Statements of Net Position

	2024	2023	2022
Assets			
Current Assets	$ 6,326,830	$ 5,994,814	$ 5,603,607
Noncurrent Assets	166,552	85,514	87,676
Total Assets	**6,493,382**	**6,080,328**	**5,691,283**
Liabilities			
Current Liabilities	140,636	177,004	123,866
Noncurrent Liabilities	67,406	-	-
Total Liabilities	**208,042**	**177,004**	**123,866**
Net Position			
Net Investment in Capital Assets	79,405	74,949	87,566
Unrestricted	6,205,935	5,828,375	5,479,851
Total Net Position	**$ 6,285,340**	**$ 5,903,324**	**$ 5,567,417**

The Association's assets totaled $6,493,382 as of June 30, 2024. This balance reflects an increase of $413,054, or 7%, compared to June 30, 2023, and is attributed to higher investment returns and the addition of a Subscription Based Information Technology Arrangement (SBITA) asset. Current assets are comprised of resources available to meet current obligations and include cash, amounts due from related organizations, invested assets held by the Florida State University Foundation (the Foundation) and other receivables due within one year. Current assets increased $332,016, or 6%, over the previous year and is primarily due to higher investment returns. Noncurrent assets consist of commission receivables due beyond one year, SBITA assets, and capital assets. Noncurrent assets increased $81,038, or 95%, due to the addition of a SBITA asset during the fiscal year.

Assets totaled $6,080,328 as of June 30, 2023. This balance reflects an increase of $389,045, or 7%, compared to June 30, 2022, and is attributed to higher investment returns and the increase in commission and facility rental receivables. Current assets are comprised of resources available to meet current obligations and include cash, amounts due from related organizations, invested assets held by the Florida State University Foundation (the Foundation) and other receivables due within one year. Current assets increased $391,207, or 7%, over the previous year and is primarily due to higher investment returns as well as an increase in commission and facility rental receivables. Noncurrent assets consist of life membership receivables and commission receivables due beyond one year and capital assets. Noncurrent assets decreased $2,162, or 2%, primarily due to the annual depreciation of capital assets.

STATEMENTS OF NET POSITION *(continued)*

The Association's liabilities totaled $208,042 at June 30, 2024. This balance reflects an increase of $31,038, or 18%, compared to June 30, 2023. The increase is driven by the addition of a SBITA liability and the decrease of amounts due to related organizations due to the salaries payable to the University.

Liabilities totaled $177,004 at June 30, 2023. This balance reflects an increase of $53,138, or 43%, compared to June 30, 2022. The increase is driven by four items. There were no commission payments received in advance, an increase in amounts due to related organizations, primarily consisting of salaries payable to the University, increased compared to the previous fiscal year due to timing and having more contract and grant funded employees. Invoices for events and the VIRES magazine came in after year-end and needed to be accrued as well.

The following summarizes capital assets for the fiscal year ended June 30, 2024 and the two preceding fiscal years:

Capital and SBITA Assets

	2024	2023	2022
Leasehold Improvements, Net	$ 39,975	$ 42,268	$ 44,561
Equipment, Net	15,354	22,178	29,001
Vehicles, Net	7,002	10,503	14,004
Capital Assets, Net	**62,331**	**74,949**	**87,566**
SBITA Assets, Net	**104,221**	**-**	**-**
Total Capital and SBITA Assets, Net	**$ 166,552**	**$ 74,949**	**$ 87,566**

The Association's capital assets were $62,331 as of June 30, 2024, and are included as noncurrent assets on the Statements of Net Position. This balance is net of accumulated depreciation and reflects a decrease of $12,618 compared to June 30, 2023. The decrease is due to a year of depreciation expense.

Capital assets were $74,949 as of June 30, 2024, and are included as noncurrent assets on the Statements of Net Position. This balance is net of accumulated depreciation and reflects a decrease of $12,617 compared to June 30, 2023. The decrease is primarily due to the disposal of the AV System in the Ball Room at the Alumni Center and a year of depreciation expense.

The Association's SBITA assets were $104,221 as of June 30, 2024, and are included in noncurrent assets on the accompanying Statements of Net Position. This balance is net of accumulated amortization and reflects an increase of $104,221 compared to June 30, 2023. This increase is a result of a three-year alumni engagement software arrangement.

There were no SBITA assets as of June 30, 2023 or June30, 2022.

STATEMENTS OF NET POSITION *(continued)*

See Notes 7 and 8 for more details on the Association's capital and SBITA assets.

Changes in assets and liabilities as of June 30, 2024 resulted in an overall increase in net position of $382,016, or 6%, compared to June 30, 2023. This increase is due to higher investment returns on the amounts held at the Foundation and invested on the Alumni Association's behalf. Changes in assets and liabilities as of June 30, 2023 resulted in an overall increase in net position of $335,907, or 6%, compared to June 30, 2022. This increase is attributed to higher investment returns reported in both the reserve fund and the endowment as well.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statements of Revenues, Expenses and Changes in Net Position presents the revenue and expense activity for the Association, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. The following table summarizes the Association's changes in net position for the fiscal years ended June 30:

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2024	2023	2022
Operating Revenues	$ 3,834,312	$ 3,312,185	$ 3,361,037
Operating Expenses	(3,935,765)	(3,264,655)	(2,835,919)
Operating Income	**(101,453)**	**47,530**	**525,118**
Nonoperating Revenues	534,712	318,848	(61,766)
Nonoperating Expenses	(51,243)	(30,471)	(28,681)
Net Nonoperating Revenues (Expenses)	**483,469**	**288,377**	**(90,447)**
Increase in Net Position	382,016	335,907	434,671
Net Position, Beginning of Year	5,903,324	5,567,417	5,132,746
Total Net Position, End of Year	**$ 6,285,340**	**$5,903,324**	**$ 5,567,417**

The Association's operating revenues are comprised of support from the University, transfers from related organizations, in-kind contributions, commissions, sponsorships and other miscellaneous operating activity. Operating revenues totaled $3,834,312 for the fiscal year ended June 30, 2024, an increase of $522,127, or 16%, as compared to fiscal year 2023. The annual transfer from the Foundation increased significantly to help the Association during their transition away from a dues-based model. Additionally, the Alumni Association received increased support from the University for standardized raises for employees as well as market raises for employees. Transfers from related organizations and in-kind contributions comprise most of operating revenues representing $3,017,335, or 79%.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION *(continued)*

Operating revenues totaled $3,312,185 for the fiscal year ended June 30, 2023, a decrease of $48,852, or 1%, as compared to fiscal year 2022. Multiple factors led to the decrease as employee vacancies led to a decrease of $58,152 in transfers from related organizations via University Support. Additionally, there were no membership campaigns in the spring as the Association was going away from a dues-based model beginning July 1, 2024, this led to a decrease of membership revenue of $197,263. To offset a majority of these decreases there was an increase in in-kind contributions, $64,330, commissions, $26,536 and event revenue, $68,390. The Association had a full year of endowment earnings as well which led to an increase of $89,961. Transfers from related organizations, in-kind contributions and memberships comprise most of operating revenues representing $2,477,068, or 75%.

The Association's operating expenses include programmatic events or other activities and administrative expenses for operations. Operating expenses totaled $3,935,765 for the year ended June 30, 2024, an increase of $671,110, or 21%, as compared to fiscal year 2023. The increase in operating expenses is due to a 5% standardized raise as well market raises for multiple positions. Another contributing factor were the increase of events and rentals related to events. Homecoming festivities were canceled the previous fiscal year due to a hurricane. Additionally, one of the Board meetings was held outside of Tallahassee which led to increased costs.

The Association's operating expenses include the cost of membership services as well as programmatic events or other activities and administrative expenses for operations. Operating expenses totaled $3,264,655 for the year ended June 30, 2023, an increase of $428,736, or 15%, as compared to fiscal year 2022. The increase in operating expenses is due to more events taking place in-person and outside the city of Tallahassee. The Association made a significant investment in equipment and supplies – including laptops, docking stations and monitors for staff, and equipment for Alumni events, during the fiscal year. Additionally, the cost of most items and services went up due to inflation in the United States.

Net non-operating revenues consist of realized, unrealized gains or losses on investments and facility rental income and expenses, and interest related to SBITA liabilities. For the year ended June 30, 2024, net non-operating revenues were $483,469, an increase of $195,092, or 68%, as compared to fiscal year 2023. The driving factor for this increase was the Foundation's investments returned a positive 11.5% for the year ended June 30, 2024 compared to a positive 7.3% for the year ended June 30, 2023. Net non-operating revenues for the year ended June 30, 2023 totaled $288,377, an increase of $378,824, or 419%, as compared to fiscal year 2022. The most significant factor for this was the Foundation's investments returned a positive 7.3% for the year ended June 30, 2023 compared to a negative 0.9% for the year ended June 30, 2022.

ECONOMIC CONDITIONS AND OUTLOOK

The economic outlook of the Association is affected by several factors, including support received from the University and the Foundation as well as its ability to retain alumni memberships, beginning July 1, 2023, the Alumni Association has eliminated membership dues and all graduates are now members of the Association. Florida's economy affects state appropriations to the University which could impact the amount of support the Association receives during the next year; however, it is expected that the University and the Foundation will continue to support the Association at levels consistent with the current year.

REQUESTS FOR INFORMATION

Questions concerning information provided in the management's discussion and analysis or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Florida State University Alumni Association, 325 West College Avenue, Tallahassee, Florida 32301.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Statements of Net Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 23,994	$ 157,664
Due from Related Organizations	1,143,046	1,065,558
Operations Endowment	5,034,406	4,646,815
Life Memberships Receivable, Net	-	9,351
Other Assets	125,384	115,426
Total Current Assets	**6,326,830**	**5,994,814**
Noncurrent Assets:		
Capital Assets, Net	62,331	74,949
SBITA Assets, Net	104,221	-
Other Assets	-	10,565
Total Noncurrent Assets	**166,552**	**85,514**
TOTAL ASSETS	**6,493,382**	**6,080,328**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses	11,851	49,261
Due to Related Organizations	84,534	127,180
SBITA Liabilities	42,161	-
Unearned Revenue	2,090	563
Total Current Liabilities	**140,636**	**177,004**
Noncurrent Liabilities		
Due to Related Organizations	22,420	-
SBITA Liabilities	44,986	-
Total Noncurrent Liabilities	**67,406**	**-**
TOTAL LIABILITIES	**208,042**	**177,004**
NET POSITION		
Net Investment in Capital Assets	79,405	74,949
Unrestricted	6,205,935	5,828,375
TOTAL NET POSITION	**$ 6,285,340**	**$ 5,903,324**

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

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Transfers from Related Organizations	$ 2,609,268	$ 1,734,626
In-Kind Contributions	408,067	410,305
Contributions from Donors	314,718	311,732
Commissions	157,171	188,341
Earnings from the Endowment	155,234	156,503
Sponsorships	92,750	60,000
Event Revenue	66,547	89,034
Other Income	30,557	29,507
Memberships	-	332,137
TOTAL OPERATING REVENUES	**3,834,312**	**3,312,185**
OPERATING EXPENSES		
Salaries and Related Benefits	2,162,331	1,667,492
Office Space and Other Rentals	631,446	464,352
Receptions and Meetings	319,427	208,997
Printing and Marketing	256,624	282,239
Professional Services	179,165	221,617
General and Administrative	149,230	113,244
Travel	98,468	56,982
Liability and Casualty Insurance	68,180	52,925
Equipment and Supplies	40,010	103,906
License Fees	22,922	28,889
Transfers to Related Organizations	7,962	64,012
TOTAL OPERATING EXPENSES	**3,935,765**	**3,264,655**
OPERATING INCOME	**(101,453)**	**47,530**
NONOPERATING REVENUES (EXPENSES)		
Rental Income	164,113	182,921
Investment Income	370,599	135,927
Facility Rental Expense	(45,404)	(30,471)
Interest on SBITA Liabilities	(5,839)	-
NET NONOPERATING REVENUES (EXPENSES)	**483,469**	**288,377**
Change in Net Position	**382,016**	**335,907**
Net Position, Beginning of Year	**5,903,324**	**5,567,417**
NET POSITION, END OF YEAR	**$ 6,285,340**	**$ 5,903,324**

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

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Others	$1,344,600	$ 390,568
Contributions from Donors	314,718	314,175
Cash Received from Members	10,568	349,150
Cash Paid to Vendors and Others	(1,785,688)	(1,153,757)
Net Cash Used In Operating Activities	**(115,802)**	**(99,864)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	1,714	1,151
Cash Paid for Purchase of Investments	(100,000)	(100,000)
Net Cash Used in Investing Activities	**(98,286)**	**(98,849)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Payments on SBITA Liabilities	(48,000)	-
Acquisition of SBITA Assets	(12,500)	-
Net Cash Used in Capital and Related Financing Activities	**(60,500)**	**-**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received for Rental of Facilities	179,098	189,311
Cash Paid for Rental of Facilities	(38,180)	(26,459)
Net Cash Provided by Noncapital Financing Activities	**140,918**	**162,852**
Net Decrease in Cash and Cash Equivalents	(133,670)	(35,861)
Cash and Cash Equivalents, Beginning of Year	157,664	193,525
Cash and Cash Equivalents, End of Year	**$ 23,994**	**$ 157,664**

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Statements of Cash Flows *(Continued)*
For the Years Ended June 30, 2024 and 2023

	2024	2023
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	**$ (101,453)**	**$ 47,530**
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Amortization and Depreciation Expense	56,044	12,617
Investment Income from FSU Foundation Funds	368,885	137,219
Noncash Transfers for Rental of Facilities	(7,224)	(4,012)
Donor Contributions from FSU Foundation Funds	-	(2,443)
Change in Assets and Liabilities:		
Due from Related Organizations	(77,488)	(234,419)
Operations Endowment, Net	(287,591)	(86,826)
Life Memberships Receivable, Net	9,351	15,998
Other Assets	(14,378)	(38,666)
Accounts Payable and Accrued Expenses	(43,249)	34,153
Due to Related Organizations	(20,226)	63,110
Unearned Revenue	1,527	(44,125)
NET CASH USED IN OPERATING ACTIVITIES	**$ (115,802)**	**$ (99,864)**
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Unrealized Gains on Investments	**$ 368,885**	**$ 137,219**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – The Florida State University Alumni Association, Inc. (Association) is a direct support organization (DSO) of Florida State University (University or FSU) pursuant to section 1004.28, Florida Statutes, and Regulation 9.011, Board of Governors, established to aid the advancement of the University by connecting them with their alumni. The Association provides programming, communications and recognition services for alumni and friends, while coordinating homecoming and other promotional functions throughout the year. The Association has also created a network of Seminole Clubs servicing the needs of alumni nationwide. The Association provides limited oversight and support to the activities of the Seminole Clubs which are legally separate entities. The Association is governed by a Board of Directors consisting of primarily appointed volunteer members who are elected by the Board. The University Board of Trustees is required to approve all elected board members of the Association. The Association is a non-profit Florida corporation exempt from federal income taxes under code section 501(c)(3) of the Internal Revenue Code, with the exception of any unrelated business income.

Reporting Entity – In defining the Association for financial reporting purposes, management has applied the requirements of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity, Omnibus*. These statements establish the standards for defining and reporting on the financial reporting entity and whether it is considered a component unit of another entity. The Association would be a component unit of another entity if it is financially accountable to that unit. Financial accountability occurs when an entity appoints a voting majority of the board of the potential component unit and (1) is able to impose its will on the potential component unit and/or (2) is in a relationship of financial benefit or burden with the potential component unit. An entity would also be considered financially accountable if the potential component unit is fiscally dependent and there is a financial benefit or burden relationship, regardless of whether the entity appoints the voting majority of the potential component unit's board. The Association is a direct support organization of the University and has met all of the financial accountability criteria necessary to be considered a component unit of the University.

A summary of the Association's significant accounting policies follows:

Basis of Presentation – As a discrete component unit of the University, the Association prepares its financial statements according to the provisions of the GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. This Statement establishes accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

These standards require public institutions to present management's discussion and analysis (MD&A), basic financial statements, notes to the financial statements, and required supplementary information other than MD&A.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of Accounting – The Association prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for government business-type activities. Accordingly, revenues are recognized when earned and expenses are recognized when the liability is incurred, regardless of the timing of the related cash flows.

Net position of the Association is reported in three categories and defined as follows:

> Net investment in capital assets – This category of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of any related unspent debt proceeds and SBITA assets, net of accumulated amortization, reduced by liabilities for future SBITA payments.
>
> Restricted net position – This category represents the net position of the Association which is restricted by constraints placed on the use by either externally imposed creditors, grantors, contributors or laws or regulations of other governments or imposed by law through enabling legislation. The Association had no restricted net position as of June 30, 2024 and 2023, respectively.
>
> Unrestricted net position – This category of net position represents funds that are available without restriction for carrying out the Association's objectives that do not meet the definition of "net investment in capital assets or restricted.

The Association's policy is to apply restricted resources before unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available for use.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes – The Association is a nonprofit corporation which is generally exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Activities which constitute a trade or business, that are regularly carried on and not substantially related to the Association's exempt purpose, may be considered unrelated business income activities under Section 511(a) of the Internal Revenue Code and subject to income tax. The Association had unrelated business income tax expense of $739 and $743 for the years ended June 30, 2024 and 2023, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue Recognition – Life memberships are recognized as revenue in the year committed and unpaid memberships are recorded as life memberships receivable net of an allowance for doubtful accounts. Annual memberships are recognized as revenue when received. Contributions related to the Westcott brick program are also recognized as revenue in the year received. Intentions to give, such as amounts bequested upon death, are not included in these financial statements.

In-kind Contributions – The Association is provided the use of office space by the University. Contributions with reasonably determinable fair values have been included in revenues as in-kind contributions with the associated expense recorded to office space rental. As part of certain contracts, the Association is provided in-kind contributions to provide to Board Members and award winners. These contributions with reasonably determined fair values have been included in revenues as in-kind contributions with the associated expense recorded to printing and marketing.

Operating and Non-operating Activities – The Association's operating income includes all revenues and expenses associated with the organization's daily activities. Operating revenues consist primarily of transfers from related organizations, contributions, membership revenue, affinity commissions and sponsorships. In-kind contributions from the University are considered operating revenues as they directly offset certain operating expenses. Operating expenses include the cost of membership services as well as programmatic events or other activities and administrative expenses associated with the Association's operations. Non-operating activities arise from transactions not associated with the Association's principal activities, such as rental of facilities, investment gains or losses and interest on SBITA liabilities.

Cash and Cash Equivalents – Cash and cash equivalents consist of deposits held by financial institutions. The Association maintains its accounts with a financial institution that qualifies as a public depository pursuant to Chapter 280, Florida Statutes. The Association considers all highly-liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Due from Related Organizations – Due from related organizations consists of amounts owed from the University or related entities. These balances are primarily related to custodial funds that are invested by the Florida State University Foundation (the Foundation) on the Association's behalf. These amounts are fully collectible and as such, no allowance is recorded. See Note 17 for more details on related party transactions.

Operations Endowment – An endowment was established to provide support for general operations and financial stability of the Association. The endowment is administered and invested by the Foundation with the intent that it will be held in perpetuity; however the Association bears the right to withdraw these funds with a two-thirds vote of their Board of Directors. These amounts are included in Operations endowment on the Statements of Net Position and any activity is included in the accompanying Statements of Revenues, Expenses and Changes in Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair Value Measurements – Long-term investments are reported at fair value using quoted market prices or other fair value techniques, including net asset value (NAV), as required by GASB Statement No. 72, *Fair Value Measurement and Application*.

Other Assets – Other assets consists of accounts receivable, prepaid expenses and other advances or deposits. Prepaid expenses are expenses paid in advance of actually incurring them. Accounts receivable are carried at their estimated collectible amounts.

Capital Assets – Capital assets with a cost equal to or greater than $5,000 are carried at cost or, if donated, at acquisition value as of the date of donation. These assets are depreciated using the straight-line method over the estimated useful lives of the assets. The useful life can range from five to thirty years. Items with a cost less than $5,000 are expensed when incurred.

Impairment of Capital Assets – The Association reviews its capital assets and considers impairment whenever indicators of impairment are present, such as when the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Pursuant to these guidelines, no impairments have been recognized for the years ended June 30, 2024 and 2023.

Subscription Based Information Technology Arrangements (SBITA) Assets – SBITA assets include right-to-use software subscriptions of $100,000 or more and a term of more than 12 months. The right-to-use assets are initially measured at an amount equal to the related subscription liability plus any payments made at or before commencement of the services and certain direct costs. The SBITA assets are amortized on a straight-line basis over the subscription term. The subscription term of the SBITA asset is three years.

SBITA Liabilities – SBITA liabilities are initially measured at the present value of subscription payments expected to be made during the subscription term, discounted to present value. The discount rate used is the rate in effect at the date the SBITA is placed into service which was 6.7%.

Accounts Payable and Accrued Expenses – Accounts payable includes accrued expenses and outstanding liabilities to vendors. Accrued expenses are amounts which were owed to a vendor at the time the financial statements were prepared but for which no invoice has been received.

Due to Related Organizations – Due to related organizations consists of amounts owed to the University or related entities. These balances consist primarily of costs that are reimbursed to the Foundation for use of the accounting and fundraising software and related credit card processing system. See Note 17 for more details on related party transactions.

Unearned Revenue – Unearned revenue consists of cash received before eligibility requirements are met, excluding time requirements. Amounts recorded as unearned revenue primarily relate to deposits for use of the facilities at the Alumni Center as well as event revenue where funds are received for future fiscal year events.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recent Accounting Pronouncements – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62,* effective for fiscal years beginning after June 15, 2023, that provides guidance for changes in the financial reporting entity, accounting principles, and estimates used to prepare financial information. The new standard also prescribes the treatment for the correction of errors in previously issued financial statements.

The GASB issued Statement No. 101, *Compensated Absences*, in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023.

The GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. This statement defines concentrations and constraints that may limit a government's ability to obtain resources or control spending, provides criteria for governments to determine if disclosure related to those risks is required, and lays out the required note disclosure content. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. This statement focuses on key areas of improvement for the current financial reporting model, including enhancements of management's discussion and analysis (MD&A), presentation of the proprietary fund statement of revenues, expenses and changes in net position, budgetary comparison information requirement changes, and other issues. The statement is required to be adopted for fiscal years beginning after June 15, 2025, with earlier adoption permitted.

The Association is currently evaluating the impact of the adoption of these standards on its financial statements. The GASB has issued other new accounting guidance or modifications to, or interpretations of, existing accounting guidance. The Association has considered the new un-adopted guidance and does not believe that any other new or modified guidance will have a material impact on the Association's reported net position or activities in the near term.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand and deposits held by financial institutions. The Association maintains its accounts with a financial institution that qualifies as a public depository pursuant to Chapter 280, Florida Statutes. A qualified public depository has a branch office(s) authorized to receive deposits in Florida, maintains FDIC deposit insurance, meets the specific statutory requirements of Section 280.17, Florida Statutes, and has been approved by the Florida Treasury's Bureau of Collateral Management to accept public funds for deposit. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are satisfied first through any applicable deposit insurance, and then through the sale of collateral pledged or deposited by the defaulting depository. When

2. CASH AND CASH EQUIVALENTS *(continued)*

necessary, assessments may also be made against other qualified public depositories of the same type as the depository in default. There were no uninsured amounts as of June 30, 2024 and 2023. Cash balances were $23,994 and $157,664 as of June 30, 2024 and 2023, respectively.

3. DUE FROM RELATED ORGANIZATIONS

Due from related organizations consists of the following at June 30th:

	2024	2023
Foundation	$ 1,143,046	$ 1,065,558
Amounts due from related organizations	**$ 1,143,046**	**$ 1,065,558**

These balances primarily consist of custodial funds that are invested by the Foundation on the Association's behalf and include a reserve fund and other funds that are generated through the fundraising efforts of the Association. These amounts are included in due from related organizations on the Statements of Net Position and any activity is included in the accompanying Statements of Revenues, Expenses and Changes in Net Position.

Invested amounts included as due from related organizations consist of the following at June 30th:

	2024	2023
Reserve fund	$ 879,445	$ 798,152
Cash	261,486	267,406
Total amounts invested by Foundation	**$ 1,140,931**	**$ 1,065,558**

4. OPERATIONS ENDOWMENT HELD BY FSU FOUNDATION

The Association established an endowment to provide support for general operations and financial stability of the organization. The endowment is administered and invested by the Foundation with the intent that it will be held in perpetuity; however the Association bears the right to withdraw these funds with a two-thirds vote of their Board of Directors. Endowment balances totaled $5,034,406 and $4,646,815 as of June 30, 2024 and 2023, respectively.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Association, through an agreement with the Foundation, invests its surplus funds in the long-term investment portfolio of the Foundation with the intent of achieving the highest possible return. The Foundation diversifies its investments among various financial instruments and asset categories, and uses multiple investment strategies and investment managers. Key decisions in this regard are made by the Foundation's Investment Committee, which has oversight responsibility for the Foundation's investment program. The Foundation's Investment Committee identifies

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

appropriate categories for investments, determines the allocation of assets to each category, and approves the investment strategies employed.

The Association prepares its financial statements according to the provisions of the GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining the fair value, the Foundation uses various methods including market, income and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Foundation uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

The Association categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are disclosed in one of the following three categories:

- Level 1 inputs are quoted prices in active markets for identical assets;

- Level 2 inputs are observable, either directly or indirectly, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the asset. The Association has no investments valued using level 2 inputs;

- Level 3 inputs are significant unobservable inputs. The Association has no investments valued using level 3 inputs.

All transfers between fair value hierarchy levels are recognized by the Foundation at the end of each reporting period. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement in its entirety, requires judgment, and considers factors specific to the investment. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investment in those instruments.

The following is a description of the valuation methodologies used for instruments measured at fair value:

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

Marketable securities - The fair value of marketable securities reflects market closing prices reported from publicly traded exchanges and are recorded in Level 1.

Commingled funds - The fair value of commingled funds reflects market closing prices reported from publicly traded exchanges and are recorded in Level 1.

The Association had invested $5,913,851 and $5,444,967 with the Foundation for the years ended June 30, 2024 and 2023, respectively. These amounts are included in Due from Related Organizations in the reserve fund, see Note 3, and Operations Endowment on the Statements of Net Position. Transfers to the Foundation for investment of $100,000 and $100,000 as of June 30, 2024 and 2023, respectively are included in the Statements of Net Position.

The Association's proportionate share of the Foundation's assets measured at fair value on a recurring basis as of June 30, 2024 and 2023 are summarized as follows:

	June 30, 2024			
Description	**Level 1**	**Level 2**	**Level 3**	**Fair Value**
Marketable Securities				
Short-term Investment Fund	$ 135,927	$ -	$ -	$ 135,927
Commingled Funds				
Domestic Fixed Income	474,427	-	-	474,427
Domestic Large Cap Equities	94,287	-	-	94,287
Total assets in the fair value hierarchy	**704,641**	**-**	**-**	**704,641**
Investments measured at NAV*	-	-	-	5,209,210
Total investments	**$ 704,641**	**$ -**	**$ -**	**$ 5,913,851**

	June 30, 2023			
Description	**Level 1**	**Level 2**	**Level 3**	**Fair Value**
Marketable Securities				
Short-term Investment Fund	$ 86,525	$ -	$ -	$ 86,525
Commingled Funds				
Domestic Fixed Income	469,687	-	-	469,687
Domestic Mid Cap Equities	22,287	-	-	22,287
Domestic Large Cap Equities	130,218	-	-	130,218
International Equities	24,176	-	-	24,176
Total assets in the fair value hierarchy	**732,893**	**-**	**-**	**732,893**
Investments measured at NAV*	-	-	-	4,712,074
Total investments	**$ 732,893**	**$ -**	**$ -**	**$ 5,444,967**

*In accordance with GASBS 72 certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

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

	June 30, 2024			
Description	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Fixed income (a)				
Private Credit	$ 71,173	$ (8,811)	Daily	2 days
Equities (b)				
Institutional pooled funds	2,745,821	-	Daily / 1-6 months	2-60 days
Hedge funds				
Growth (c)				
Long/Short	54,393	-	Annually	60 days
Open mandate	78,184	-	Quarterly/Annually/ Every 3 Years	45-65 days
Diversifier (d)				
Multi-Strategy	205,759	-	Quarterly	45 days
Event driven/open mandate	50,248	-	Quarterly/Annually/ Every 12 months	30-90 days
Credit strategies/distressed	40,073	-	Quarterly/Annually/ Every 24 months	45-90 days
Global macro	117,478	-	Monthly	10 days
Private Credit	50,291	(1,718)	N/A	N/A
Long/Short	54,660	-	N/A	N/A
Limited partnerships (e)				
Venture capital	376,267	42,873	N/A	N/A
Private equity	805,140	259,769	N/A	N/A
Distressed assets	117,578	76,440	N/A	N/A
Private Credit	21,527	21,683	N/A	N/A
Real estate	134,264	96,699	N/A	N/A
Natural resources	274,693	60,013	N/A	N/A
Real assets (f)				
Global real estate institutional pooled fund	11,661	-	Daily	2 days
Investments measured at NAV	**$ 5,209,210**	**$ 546,948**		

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2024 and 2023

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

	June 30, 2023			
Description	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed income (a)				
Private Credit	$ 64,010	$ 3,690	Daily	2 days
Equities (b)				
Institutional pooled funds	2,314,796	-	Daily / 1-6 months	2-60 days
Hedge funds				
Growth (c)				
Long/Short	46,543	-	Annually	60 days
Open mandate	70,283	-	Quarterly/Annually/ Every 12 months	45-65 days
Diversifier (d)				
Multi-Strategy	193,790	-	Quarterly	45 days
Event driven/open mandate	45,383	-	Quarterly/Annually/ Every 12 months	30-90 days
Credit strategies/distressed	38,316	-	Quarterly/Annually/ Every 24 months	45-90 days
Global macro	114,069	-	Monthly	10 days
Private Credit	38,188	12,913	N/A	N/A
Fixed Income Relative Value	51,249	-	N/A	N/A
Limited partnerships (e)				
Venture capital	434,828	28,368	N/A	N/A
Private equity	751,044	333,875	N/A	N/A
Distressed assets	100,480	57,658	N/A	N/A
Real estate	125,538	54,453	N/A	N/A
Natural resources	300,659	48,135	N/A	N/A
Real assets (f)				
Global real estate institutional pooled fund	22,898	-	Daily	2 days
Investments measured at NAV	**$ 4,712,074**	**$ 539,092**		

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

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

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

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

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

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

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

The following are required risk disclosures applicable to the Association's investments:

Credit Risk – Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Association's investments are held by the Foundation and follow the policies of the Foundation with regards to credit risk.

Interest Rate Risk – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The Association's investments are held by the Foundation and follow the policies of the Foundation with regards to interest rate risk.

Concentration of Credit Risk – Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3,* concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Association's investments are held by the Foundation and follows the policies of the Foundation with regards to concentration of credit risk.

Custodial Credit Risk – The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker, dealer) to a transaction, the Association will not be able to recover the value of its investment or collateral securities that are in possession of another party. The Association's investments are held by the Foundation and follow the policies of the Foundation in regards to custodial credit risk.

6. OTHER ASSETS

Other assets consists of the following at June 30th:

	2024	2023
Accounts receivable	$ 85,119	$ 112,264
Prepaid expenses	40,265	13,727
Total other assets	**$ 125,384**	**$ 125,991**

7. CAPITAL ASSETS

A summary of changes in capital assets at June 30th is shown below:

June 30, 2024	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable Capital Assets				
Leasehold improvements	$ 69,187	$ -	$ -	$ 69,187
Furniture and equipment	87,288	-	-	87,288
Computer equipment	34,119	-	-	34,119
Vehicles	47,131	-	-	47,131
Total Depreciable Capital Assets	237,725	-	-	237,725
Less: Accumulated Depreciation				
Leasehold improvements	(26,919)	(2,293)	-	(29,212)
Furniture and equipment	(87,288)	-	-	(87,288)
Computer equipment	(11,941)	(6,824)	-	(18,765)
Vehicles	(36,628)	(3,501)	-	(40,129)
Total Accumulated Depreciation	(162,776)	(12,618)	-	(175,394)
Total Capital Assets, Net	**$ 74,949**	**$ (12,618)**	**$ -**	**$ 62,331**

June 30, 2023	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable Capital Assets				
Leasehold improvements	$ 69,187	$ -	$ -	$ 69,187
Furniture and equipment	87,288	-	-	87,288
Computer equipment	49,365	-	(15,246)	34,119
Vehicles	47,131	-	-	47,131
Total Depreciable Capital Assets	252,971	-	(15,246)	237,725
Less: Accumulated Depreciation				
Leasehold improvements	(24,626)	(2,293)	-	(26,919)
Furniture and equipment	(87,288)	-	-	(87,288)
Computer equipment	(20,364)	(6,823)	15,246	(11,941)
Vehicles	(33,127)	(3,501)	-	(36,628)
Total Accumulated Depreciation	(165,405)	(12,617)	15,246	(162,776)
Total Capital Assets, Net	**$ 87,566**	**$ (12,617)**	**$ -**	**$ 74,949**

Total depreciation expense for the years ended June 30, 2024 and 2023 was $12,618 and $12,617, respectively. This amount was charged to general and administrative expense on the accompanying Statements of Revenues, Expenses and Changes in Net Position.

8. SBITA ASSETS AND LIABILITIES

A summary of changes in SBITA assets for the years ended June 30th is shown below:

June 30, 2024	Beginning Balance	Increases	Decreases	Ending Balance
SBITA Assets	$ -	$ 147,647	$ -	$ 147,647
Less, Accumulated Amortization	-	(43,426)	-	(43,426)
Total SBITA Assets, Net	**$ -**	**$ 104,221**	**$ -**	**$ 104,221**

Total amortization expense for the years ended June 30, 2024 and 2023 was $43,426 and $0, respectively. This amount was charged to general and administrative expense on the accompanying Statements of Revenues, Expenses and Changes in Net Position.

A summary of changes in SBITA liabilities for the years ended June 30th is shown below:

June 30, 2023	Beginning Balance	Increases	Decreases	Ending Balance
SBITA liabilities	$ -	$ 135,147	$ (48,000)	$ 87,147

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

Year ending June 30,	Principal	Interest	Total
2025	$ 42,161	$ 5,839	$ 48,000
2026	44,986	3,014	48,000
Totals	**$ 87,147**	**$ 8,853**	**$ 96,000**

9. DUE TO RELATED ORGANIZATIONS

Due to related organizations consists of the following at June 30th:

	2024	2023
University	$ 37,338	$ 78,335
Foundation	56,932	36,259
Seminole Boosters	12,684	12,586
Total due to related organizations	**$ 106,954**	**$ 127,180**

10. UNEARNED REVENUE

Unearned revenue consists of the following at June 30th:

	2024	2023
Unearned Event Revenue	$ 2,090	$ -
Deposits for Facility Rentals	-	563
Total unearned revenue	**$ 2,090**	**$ 563**

11. RETIREMENT PLAN

The Association personnel are employees of the University and are eligible to enroll as members of the State administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 605, Florida Administrative Code; wherein plan eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the FRS Investment Plan (Investment Plan).

Benefits of the Plan vest as of six years of service or eight years for new employees enrolled after July 1, 2011. All members are eligible for normal retirement benefits based on the plan definition of normal retirement date which is determined on the date they enrolled in the plan. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. Upon termination of employment, the participant receives the total DROP benefits and begins to receive previously determined retirement benefits.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual

11. RETIREMENT PLAN *(continued)*

member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial statements and other supplementary information of the FRS are included in the State's Annual Comprehensive Financial Report (ACFR), which is available from the Florida Department of Financial Services. An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement's Web site (www.frs.myflorida.com).

It has been determined that the Association is not a payor fund for the purposes of liquidating the pension liability. An actuarial valuation has been performed for the plan. The Association's employees were included in the actuarial analysis and are part of the total pension liability and net pension liability disclosed in the footnotes and required supplementary information of the University's ACFR. The University does not determine a separate liability for the Association employees and as a result, there is no net pension liability and related pension balances recorded in these financial statements.

The cost of the defined benefit pension plan for the Association's current employees is paid by the University and recorded by the Association as an operating transfer from related organizations and an operating expense. Retirement contributions were $179,181 and $118,982 for the years ended June 30, 2024 and 2023, respectively.

12. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program, an agent multiple-employer defined-benefit plan (Plan). The University subsidizes the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

A stand-alone report is not issued and the Plan information is not included in the report of a public employee retirement system or another entity.

Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. Premiums necessary for funding the Plan each year on a pay-as-you-go basis are established by the Governor's recommended budget and the General Appropriations Act. The University provided required contributions toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums.

12. OTHER POSTEMPLOYMENT BENEFITS PAYABLE *(continued)*

It has been determined that the Association is not a payor fund for the purpose of liquidating the net OPEB liability. An actuarial valuation has been performed for the plan. The Association's employees were included in the actuarial analysis of the valuation of the OPEB Plan and are part of the OPEB disclosed in the footnotes and required supplementary information of the University's ACFR. The University does not determine a separate liability for the Association employees and as a result, there is no OPEB cost, percentage of annual OPEB cost contributed to the Plan, or the net OPEB liability recorded in these financial statements.

13. TRANSFERS FROM RELATED ORGANIZATIONS

Transfers from related organizations consist of the following at June 30:

	2024	2023
University	$ 1,784,420	$ 1,584,210
FSU Foundation	750,500	125,000
Seminole Boosters	35,404	-
FSU Student Groups	14,219	-
Others	24,725	25,416
Total transfers from related organizations	**$ 2,609,268**	**$ 1,734,626**

These transfers include both cash and noncash support. See Note 17 for more details concerning related party transactions.

14. IN-KIND CONTRIBUTIONS

The University provides support to the Association in the form of contributed facilities. The Association occupies approximately 22,000 square feet of office and meeting facilities in Tallahassee, Florida, the use of which is provided without charge by the University. The rental value of the facilities was estimated based on current rental rates for comparable properties in the area. Additionally, as part of certain contracts the Association receives in-kind contributions from vendors. In-kind contributions are valued at fair value at the date of the donation. In-kind contributions of $408,067 and $410,305 have been recognized as revenues and expenses in the accompanying Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2024 and 2023.

15. RISK MANAGEMENT PROGRAMS

The Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage for directors and officers, property and general liability coverage are provided through commercial insurance carriers, and management continuously reviews the limits of coverage to ensure that they are adequate. No settlements have exceeded coverage in place during the previous three fiscal years.

16. RESERVE FUND

The Board of Directors of the Association established a reserve fund. The purpose of this fund is to ensure that there are adequate reserves in place to offset significant declines in revenue that might occur from time to time. The reserve fund would allow for funding of existing programs and other necessary expenditures to provide stability for the Association during the reduced revenue period. The amount of unrestricted net position reserved for this purpose was $879,445 and $798,152 for the years ended June 30, 2024 and 2023, respectively.

17. RELATED ORGANIZATIONS

The Association serves to promote the welfare of the University by cultivating a mutually beneficial relationship between FSU and its alumni. As a result, the Association maintains integral relationships with many related organizations of the University. These relationships take various forms from providing or receiving support to sharing resources or providing reimbursement for the use of software or other expenditures. Further details outlining each relationship are provided below:

Florida State University – The University provides support to the Association for salaries and related benefits as well as some operational expenses. Amounts totaling $1,784,420 and $1,584,210 were included as transfers from related organizations in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2024 and 2023, respectively. The University also provides office space valued at $403,305 which is recorded as in-kind contributions in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2024 and 2023.

In addition to operational support, the University provides programmatic support to the Association for publication of the VIRES magazine and for various events that are held in partnership with student groups, colleges or University units across campus. Amounts totaling $24,725 and $25,416 were included as transfers from related organizations in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2024 and 2023, respectively. No amounts were owed to the Association from the University as of June 30, 2024 and 2023. The total amount owed from the Association to the University was $37,338 and $78,335 as of June 30, 2024 and 2023, respectively.

17. RELATED ORGANIZATIONS *(continued)*

Florida State University Foundation, Inc. – The Foundation serves to aid in the advancement of the University through charitable giving. In its efforts to assist in the fundraising efforts of the University, the Foundation provides programmatic support to the Association. This support is used for programmatic initiatives which cultivate charitable giving with its alumni such as publication of the VIRES magazine as well as hosted events with colleges on campus and Seminole Club chapters nationwide. Amounts totaling $750,500 and $125,000 were included as transfers from related organizations in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2024 and 2023, respectively.

The Foundation also manages all of the service contracts related to the accounting and fundraising software shared by DSOs of the University. As part of this contract, the Association reimburses the Foundation for the costs attributed to their use of the software as well as other operating expenses. The Alumni Association transferred amounts to the Foundation of $745,850 and $245,432 for amounts to be invested on the behalf of the Alumni Association, salaries and related benefits for Alumni Association employees, and costs related to the accounting and fundraising software. Amounts owed to the Association from the Foundation were $1,143,046 and $1,065,558 as of June 30, 2024 and 2023, respectively. The total amount owed from the Association to the Foundation for these purposes was $56,932 and $36,259 as of June 30, 2024 and 2023, respectively.

Seminole Boosters, Inc. (Boosters) – The Boosters serve to increase and promote the education, health, and physical welfare of University students by providing financial support from the private sector for the Intercollegiate Athletic Program. In this regard, the Boosters work in conjunction with the Association on athletic-based programming activities held on behalf of the University which include tailgate and other Alumni gatherings at athletic events around the country.

The Association also entered into a memorandum of understanding (MOU) with the Boosters pertaining to the Bank of America affinity card contract for the University. According to the terms of the agreement, the Association is responsible for promoting and marketing the affinity card to alumni. As a result of their efforts, they are entitled to a portion of the royalties that this revenue stream generates. Amounts totaling $50,836 and $65,706 were included in affinity commissions in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2024 and 2023, respectively. From this MOU, the total amount owed from the Association to the Boosters was $12,684 and $12,586 as of June 30, 2024 and 2023, respectively.

Seminole Club Chapters – There are 48 Seminole Club Chapters nationwide. These chapters build strong relationships among alumni, students, parents, and the community as a whole. Monetary support is provided by the Association to these chapters to promote advancement for the University through various outreach and engagement activities that are held throughout the year. The Association provided support of $7,962 and $29,923 to Seminole Clubs for the years ended June 30, 2024 and 2023, respectively. These amounts are included in transfers to related organizations on the accompanying Statements of Revenues, Expenses and Changes in Net Position.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Florida State University Alumni Association, Inc.
Tallahassee, Florida

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 the Florida State University Alumni Association, Inc. (the "Association"), a component unit of the Florida State University, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated November 13, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

(Continued)

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.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
November 13, 2024