
**Financial Statements
and Reports**

**For the Year Ended
June 30, 2025**



(A Discrete Component Unit of Florida State University)

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Financial Statements and Reports
For the Years Ended June 30, 2025 and 2024

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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 years ended June 30, 2025 and 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, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

Auditor's Responsibility 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 19, 2025 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 19, 2025

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

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, 2025, 2024, and 2023. 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.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

STATEMENTS OF NET POSITION (continued)

The following schedule is a summary of the Association's Statements of Net Position as of June 30, 2025 and the two preceding fiscal years:

Condensed Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current Assets	\$ 6,899,087	\$ 6,326,830	\$ 5,994,814
Noncurrent Assets	137,523	166,552	85,514
Total Assets	<u>7,036,610</u>	<u>6,493,382</u>	<u>6,080,328</u>
Liabilities			
Current Liabilities	182,278	140,636	177,004
Noncurrent Liabilities	-	67,406	-
Total Liabilities	<u>182,278</u>	<u>208,042</u>	<u>177,004</u>
Net Position			
Net Investment in Capital Assets	92,537	79,405	74,949
Unrestricted	6,761,795	6,205,935	5,828,375
Total Net Position	<u>\$ 6,854,332</u>	<u>\$ 6,285,340</u>	<u>\$ 5,903,324</u>

The Association's assets totaled \$7,036,610 as of June 30, 2025. This balance reflects an increase of \$543,228, or 8%, compared to June 30, 2024, and is attributed to higher investment returns, additional support from the Florida State University Foundation (the Foundation), and an increase in rental income. Current assets are comprised of resources available to meet current obligations and include cash, amounts due from related organizations, invested assets held by the Foundation, and other receivables due within one year. Current assets increased \$572,257, or 9%, over the previous year and is primarily due to higher investment returns, additional support from the Foundation, and an increase in rental income. Noncurrent assets consist of a SBITA asset and capital assets. Noncurrent assets decreased by \$29,029, or 17%, primarily due to annual depreciation and amortization expenses, partially offset by capital asset purchases of \$35,398 during the fiscal year.

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 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 Foundation, and other receivables due within one year. Current assets increased \$332,016, or 6%, over the previous year and are primarily due to higher investment returns. Noncurrent assets consist of SBITA assets and capital assets. Noncurrent assets increased \$81,038, or 95% primarily due to the addition of a SBITA asset during the fiscal year.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

STATEMENTS OF NET POSITION (continued)

As of June 30, 2025, the Association's liabilities totaled \$182,278, representing a decrease of \$25,764, or 12%, from the previous year. This reduction was primarily due to payments on the SBITA liability, offset in part by an increase in amounts due to related organizations.

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 an SBITA liability and the decrease in amounts due to related organizations, specifically the salaries payable to the University.

The following summarizes capital assets for the fiscal year ended June 30, 2025, and the two preceding fiscal years:

Capital and SBITA Assets

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Furniture and Equipment, Net	\$ 43,338	\$ 15,354	\$ 22,178
Leasehold Improvements, Net	38,573	39,975	42,268
Vehicles, Net	<u>3,501</u>	<u>7,002</u>	<u>10,503</u>
Capital Assets, Net	<u>85,412</u>	<u>62,331</u>	<u>74,949</u>
 SBITA Assets, Net	 <u>52,111</u>	 <u>104,221</u>	 <u>-</u>
 Total Capital and SBITA Assets, Net	 <u>\$ 137,523</u>	 <u>\$ 166,552</u>	 <u>\$ 74,949</u>

The Association's capital assets were \$85,412 as of June 30, 2025, and are included as noncurrent assets on the Statements of Net Position. This balance is net of accumulated depreciation and reflects an increase of \$23,081, or 37%, compared to June 30, 2024. The increase is due to the purchase of multiple workstations for employees.

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.

The Association's SBITA assets were \$52,111 as of June 30, 2025, and are included in noncurrent assets on the accompanying Statements of Net Position. This balance is net of accumulated amortization and reflects a decrease of \$52,110, or 50%, compared to June 30, 2024. This decrease is a result of a year of amortization 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.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

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, 2025, resulted in an overall increase in net position of \$568,992, or 9%, compared to June 30, 2024. This increase is due to higher investment returns on the amounts held at the Foundation and invested on the Alumni Association's behalf, increased support from the Foundation, and an increase in rental income. 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 attributed to higher investment returns reported in both the reserve fund and the endowment.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues	\$ 4,463,549	\$ 3,834,312	\$ 3,312,185
Less: Operating Expenses	<u>4,468,368</u>	<u>3,935,765</u>	<u>3,264,655</u>
Operating Income (Loss)	<u>(4,819)</u>	<u>(101,453)</u>	<u>47,530</u>
Nonoperating Revenues	618,869	534,712	318,848
Less: Nonoperating Expenses	<u>45,058</u>	<u>51,243</u>	<u>30,471</u>
Net Nonoperating Revenues	<u>573,811</u>	<u>483,469</u>	<u>288,377</u>
Increase in Net Position	568,992	382,016	335,907
Net Position, Beginning of Year	<u>6,285,340</u>	<u>5,903,324</u>	<u>5,567,417</u>
Total Net Position, End of Year	<u>\$ 6,854,332</u>	<u>\$ 6,285,340</u>	<u>\$ 5,903,324</u>

The Association's operating revenues for the fiscal year ended June 30, 2025, totaled \$4,463,549, an increase of \$629,237, or 16%, compared to the prior year. These revenues are primarily derived from University support, transfers from related organizations, in-kind contributions, commissions, sponsorships, and other miscellaneous operating activities. A significant portion of the increase is attributed to a \$494,525 rise in the annual transfer from the Foundation, which continues to support the Association's transition away from a dues-based membership model. Additional University support was provided to fund across-the-board salary increases and to accommodate a shift to a fringe benefits pool model, both of which contributed to the overall revenue growth. Transfers from related organizations and in-kind contributions comprise most of operating revenues representing \$3,629,967, or 81%.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

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

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 its 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%.

The Association's operating expenses for the fiscal year ended June 30, 2025, totaled \$4,468,368, an increase of \$532,603, or 14%, compared to fiscal year 2024. These expenses encompass programmatic events, other activities, and administrative costs necessary for day-to-day operations. The year-over-year increase was primarily driven by a 3% across-the-board salary raise and the University's transition to a fringe benefits pool model, which resulted in higher benefit-related costs. Additional contributing factors included an expansion in event programming and the associated expenditures, as well as staffing shortages that necessitated increased reliance on external support and contracted services.

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.

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, 2025, net non-operating revenues were \$573,811, an increase of \$90,342, or 19%, as compared to fiscal year 2024. This growth was primarily driven by enhanced rental income, resulting from strategic planning and improved communication efforts. Net non-operating revenues for the year ended June 30, 2024 totaled \$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.

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 engage and retain alumni participation. Effective July 1, 2023, the Alumni Association 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.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 161,128	\$ 23,994
Due from Related Organizations	1,303,852	1,143,046
Operations Endowment	5,306,909	5,034,406
Other Assets	127,198	125,384
Total Current Assets	<u>6,899,087</u>	<u>6,326,830</u>
Noncurrent Assets:		
Capital Assets, Net	85,412	62,331
SBITA Assets, Net	52,111	104,221
Total Noncurrent Assets	<u>137,523</u>	<u>166,552</u>
TOTAL ASSETS	<u>7,036,610</u>	<u>6,493,382</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses	13,128	11,851
Due to Related Organizations	121,314	84,534
SBITA Liabilities	44,986	42,161
Unearned Revenue	2,850	2,090
Total Current Liabilities	<u>182,278</u>	<u>140,636</u>
Noncurrent Liabilities		
Due to Related Organizations	-	22,420
SBITA Liabilities	-	44,986
Total Noncurrent Liabilities	<u>-</u>	<u>67,406</u>
TOTAL LIABILITIES	<u>182,278</u>	<u>208,042</u>
NET POSITION		
Net Investment in Capital Assets	92,537	79,405
Unrestricted	6,761,795	6,205,935
TOTAL NET POSITION	<u>\$ 6,854,332</u>	<u>\$ 6,285,340</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Transfers from Related Organizations	\$ 3,244,902	\$ 2,609,268
In-Kind Contributions	385,065	408,067
Contributions from Donors	321,382	314,718
Commissions	176,901	157,171
Earnings from the Endowment	173,471	155,234
Sponsorships	84,113	92,750
Event Revenue	47,085	66,547
Other Income	30,630	30,557
TOTAL OPERATING REVENUES	<u>4,463,549</u>	<u>3,834,312</u>
OPERATING EXPENSES		
Salaries and Related Benefits	2,323,951	2,162,331
Office Space and Other Rentals	657,065	631,446
Receptions and Meetings	392,292	319,427
Printing and Marketing	296,330	256,624
Professional Services	276,202	179,165
General and Administrative	172,395	149,230
Travel	129,042	98,468
Equipment and Supplies	120,369	40,010
Liability and Casualty Insurance	75,940	68,180
License Fees	20,289	22,922
Transfers to Related Organizations	4,493	7,962
TOTAL OPERATING EXPENSES	<u>4,468,368</u>	<u>3,935,765</u>
OPERATING LOSS	<u>(4,819)</u>	<u>(101,453)</u>
NONOPERATING REVENUES (EXPENSES)		
Rental Income	261,292	164,113
Investment Income	357,577	370,599
Facility Rental Expense	(42,044)	(45,404)
Interest on SBITA Liabilities	(3,014)	(5,839)
NET NONOPERATING REVENUES (EXPENSES)	<u>573,811</u>	<u>483,469</u>
Change in Net Position	<u>568,992</u>	<u>382,016</u>
Net Position, Beginning of Year	<u>6,285,340</u>	<u>5,903,324</u>
NET POSITION, END OF YEAR	<u><u>\$ 6,854,332</u></u>	<u><u>\$ 6,285,340</u></u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Others	\$1,751,780	\$1,344,600
Contributions from Donors	321,382	314,718
Cash Received from Members	-	10,568
Cash Paid to Vendors and Others	<u>(2,085,129)</u>	<u>(1,785,688)</u>
Net Cash Used In Operating Activities	<u>(11,967)</u>	<u>(115,802)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	1,658	1,714
Cash Paid for Purchase of Investments	<u>-</u>	<u>(100,000)</u>
Net Cash Provided by (Used in) Investing Activities	<u>1,658</u>	<u>(98,286)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Payments on SBITA Liabilities	(42,161)	(48,000)
Acquisition of SBITA Assets	-	(12,500)
Acquisition of Capital Assets	<u>(35,398)</u>	<u>-</u>
Net Cash Used in Capital and Related Financing Activities	<u>(77,559)</u>	<u>(60,500)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received for Rental of Facilities	237,151	179,098
Cash Paid for Rental of Facilities	<u>(12,149)</u>	<u>(38,180)</u>
Net Cash Provided by Noncapital Financing Activities	<u>225,002</u>	<u>140,918</u>
Net Increase (Decrease) in Cash and Cash Equivalents	137,134	(133,670)
Cash and Cash Equivalents, Beginning of Year	<u>23,994</u>	<u>157,664</u>
Cash and Cash Equivalents, End of Year	<u>\$ 161,128</u>	<u>\$ 23,994</u>

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (4,819)	\$ (101,453)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Amortization and Depreciation Expense	64,427	56,044
Investment Income from FSU Foundation Funds	355,919	368,885
Noncash Transfers for Rental of Facilities	(29,895)	(7,224)
Change in Assets and Liabilities:		
Due from Related Organizations	(160,806)	(77,488)
Operations Endowment, Net	(272,503)	(287,591)
Life Memberships Receivable, Net	-	9,351
Other Assets	22,327	(14,378)
Accounts Payable and Accrued Expenses	(1,737)	(43,249)
Due to Related Organizations	14,360	(20,226)
Unearned Revenue	760	1,527
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (11,967)</u>	<u>\$ (115,802)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Unrealized Gains on Investments	<u>\$ 355,919</u>	<u>\$ 368,885</u>

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

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025 and 2024

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 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.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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 bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets net of any related unspent debt proceeds. This category also includes 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, 2025 and 2024.

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 either net investment in capital assets or restricted net position.

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 \$0 and \$739 for the years ended June 30, 2025 and 2024, respectively.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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

Revenue Recognition – Contributions related to the Westcott brick program are 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 volunteers. 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 revenues and expenses associated with the organization’s daily activities. Operating revenues consist primarily of transfers from related organizations, contributions, 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 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 16 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.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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 consist 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, 2025 and 2024.

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 consist 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 16 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 future VIRES advertisement pages, as well as event revenue where funds are received for future fiscal year events.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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

Recent Accounting Pronouncements – Effective for the fiscal year ended June 30, 2025, the Association adopted the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement provides updated guidance on the recognition and measurement of liabilities related to compensated absences. The implementation did not result in a material change to the Association's financial position or disclosures.

The Association also adopted GASB Statement No. 102, *Certain Risk Disclosures*, effective for the fiscal year ended June 30, 2025. This Statement requires disclosure of certain risks that could significantly affect financial position or operations. Based on management's assessment, no conditions existed during the reporting period that met the criteria for disclosure under this Statement. As such, the adoption did not have a material impact on the Association's financial statements.

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 GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. This statement requires separate disclosure for four asset types: (a) lease assets reported under Statement No. 87, *Leases*, (b) intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, (c) subscription assets reported under Statement No. 96, *Subscription-Based Information Technology Arrangements*, and (d) other intangible assets. It also requires disclosure of the ending balance, historical cost, and accumulated depreciation by major class for capital assets held for sale, along with the carrying amount of any debt for which those assets are pledged as collateral. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Association does not anticipate a material impact upon adoption.

Management has also considered other new accounting guidance issued by the GASB but not yet adopted. None of these are expected to have a material effect 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

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

2. CASH AND CASH EQUIVALENTS (continued)

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 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, 2025 and 2024. Cash balances were \$161,128 and \$23,994 as of June 30, 2025 and 2024, respectively.

3. DUE FROM RELATED ORGANIZATIONS

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

	<u>2025</u>	<u>2024</u>
Foundation	\$ 1,303,852	\$ 1,143,046
Amounts due from related organizations	<u>\$ 1,303,852</u>	<u>\$ 1,143,046</u>

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:

	<u>2025</u>	<u>2024</u>
Reserve fund	\$ 962,861	\$ 879,445
Cash	340,956	261,486
Total amounts invested by the Foundation	<u>\$ 1,303,817</u>	<u>\$ 1,140,931</u>

4. OPERATIONS ENDOWMENT HELD BY FSU FOUNDATION

The Association established an endowment to provide support for the 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 its Board of Directors. Endowment balances totaled \$5,306,909 and \$5,034,406 as of June 30, 2025 and 2024, 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

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

the Foundation's investment program. The Foundation's Investment Committee identifies 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.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

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

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 \$6,269,770 and \$5,913,851 with the Foundation for the years ended June 30, 2025 and 2024, 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 \$0 and \$100,000 as of June 30, 2025 and 2024, 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, 2025 and 2024 are summarized as follows:

<u>Description</u>	June 30, 2025			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Marketable Securities				
Short-term Investment Fund	\$ 75,832	\$ -	\$ -	75,832
Commingled Funds				
Domestic Fixed Income	509,451	-	-	509,451
Domestic Large Cap Equities	84,292	-	-	84,292
Total assets in the fair value hierarchy	669,575	-	-	669,575
Investments measured at NAV*	-	-	-	5,600,195
Total investments	\$ 669,575	\$ -	\$ -	\$ 6,269,770

<u>Description</u>	June 30, 2024			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
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

*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.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

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

Description	June 30, 2025			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed income (a)				
Private Credit	\$ 69,857	\$ 8,939	Daily	2 days
Equities (b)				
Institutional pooled funds	2,968,350	-	Daily / 1-6 months	2-60 days
Hedge funds				
Growth (c)				
Long/Short	64,396	-	Annually	60 days
Open mandate	84,991	-	Quarterly/Annually/ Every 3 Years	45-65 days
Diversifier (d)				
Multi-Strategy	220,333	-	Quarterly	45 days
Event driven/open mandate	54,348	-	Quarterly/Annually/ Every 12 months	30-90 days
Credit strategies/distressed	39,349	-	Quarterly/Annually/ Every 24 months	45-90 days
Global macro	121,165	-	Monthly	10 days
Private Credit	48,501	3,022	N/A	N/A
Long/Short	62,006	-	N/A	N/A
Limited partnerships (e)				
Venture capital	347,739	35,260	N/A	N/A
Private equity	924,099	372,915	N/A	N/A
Distressed assets	142,925	89,256	N/A	N/A
Private Credit	19,473	5,185	N/A	N/A
Real estate	145,620	89,491	N/A	N/A
Natural resources	275,107	92,601	N/A	N/A
Real assets (f)				
Global real estate institutional pooled fund	11,936	-	Daily	2 days
Investments measured at NAV	\$ 5,600,195	\$ 696,669		

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Description	June 30, 2024			
	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 12 months	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		

(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 U.S. real estate investment trust (REIT) mutual fund. The fund's objective is total return through investments in real estate securities, primarily equity and potentially debt securities of companies whose business is to own, operate, develop and manage real estate. All investments in this category are redeemable within one year as of June 30, 2025.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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 follow 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:

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ 101,910	\$ 85,119
Prepaid expenses	<u>25,288</u>	<u>40,265</u>
Total other assets	<u>\$ 127,198</u>	<u>\$ 125,384</u>

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

7. CAPITAL ASSETS

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

June 30, 2025	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable Capital Assets				
Leasehold Improvements	\$ 69,187	\$ -	\$ -	\$ 69,187
Furniture and Equipment	87,288	35,398	-	122,686
Computer Equipment	34,119	-	-	34,119
Vehicles	47,131	-	-	47,131
Total Depreciable Capital Assets	237,725	35,398	-	273,123
Less: Accumulated Depreciation				
Leasehold Improvements	(29,212)	(1,402)	-	(30,614)
Furniture and Equipment	(87,288)	(590)	-	(87,878)
Computer Equipment	(18,765)	(6,824)	-	(25,589)
Vehicles	(40,129)	(3,501)	-	(43,630)
Total Accumulated Depreciation	(175,394)	(12,317)	-	(187,711)
Total Capital Assets, Net	\$ 62,331	\$ 23,081	\$ -	\$ 85,412

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

Total depreciation expense for the years ended June 30, 2025 and 2024 was \$12,317 and \$12,618, respectively. This amount was charged to general and administrative expense on the accompanying Statements of Revenues, Expenses and Changes in Net Position.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

8. SBITA ASSETS AND LIABILITIES

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

<u>June 30, 2025</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
SBITA Assets	\$ 147,647	\$ -	\$ -	\$ 147,647
Less, Accumulated Amortization	(43,426)	(52,110)	-	(95,536)
Total SBITA Assets, Net	<u><u>\$ 104,221</u></u>	<u><u>\$ (52,110)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,111</u></u>

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

Total amortization expense for the years ended June 30, 2025 and 2024 was \$52,110 and \$43,426, 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:

<u>June 30, 2025</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
SBITA Liabilities	\$ 87,147	\$ -	\$ (42,161)	\$ 44,986

<u>June 30, 2024</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
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:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 44,986	\$ 3,014	\$ 48,000
Totals	<u><u>\$ 44,986</u></u>	<u><u>\$ 3,014</u></u>	<u><u>\$ 48,000</u></u>

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

9. DUE TO RELATED ORGANIZATIONS

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

	<u>2025</u>	<u>2024</u>
University	\$ 26,137	\$ 37,338
Foundation	83,088	56,932
Seminole Boosters	12,089	12,684
Total due to related organizations	<u>\$ 121,314</u>	<u>\$ 106,954</u>

10. UNEARNED REVENUE

Unearned revenue consists of the following at June 30th:

	<u>2025</u>	<u>2024</u>
Deposits for VIRES advertisements	\$ 2,850	\$ -
Unearned Event Revenue	-	2,090
Total unearned revenue	<u>\$ 2,850</u>	<u>\$ 2,090</u>

11. RETIREMENT PLANS

Association personnel are employees of the University and participate in the University's retirement and other postemployment benefit programs, including the Florida Retirement System (FRS) Pension Plan, the FRS Investment Plan, the Optional Retirement Program (ORP), and the State Employees' Group Health Insurance Plan for other postemployment benefits (OPEB).

The Association is not a payor fund for the purpose of liquidating the pension and OPEB liabilities and therefore does not report any such liabilities or related deferred amounts in its financial statements. Association employees are included in the University's actuarial valuations. Detailed information on the University's retirement and OPEB programs, including plan descriptions, funding policies, and the University's proportionate share of related liabilities, is available in the University's Annual Report, which may be obtained from the University.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
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12. TRANSFERS FROM RELATED ORGANIZATIONS

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

	<u>2025</u>	<u>2024</u>
University	\$ 1,938,542	\$ 1,784,420
FSU Foundation	1,245,025	750,500
Seminole Boosters	-	35,404
FSU Student Groups	17,000	14,219
Others	44,335	24,725
Total transfers from related organizations	<u>\$ 3,244,902</u>	<u>\$ 2,609,268</u>

These transfers include both cash and noncash support. See Note 16 for more details concerning related party transactions.

13. 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 \$385,065 and \$408,067 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, 2025 and 2024.

14. 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.

15. 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 \$962,861 and \$879,445 for the years ended June 30, 2025 and 2024, respectively.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025 and 2024

16. 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 \$1,938,542 and \$1,784,420 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, 2025 and 2024, respectively. The University also provides office space valued at \$380,176 and \$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, 2025 and 2024, respectively.

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 \$44,335 and \$24,725 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, 2025 and 2024, respectively. No amounts were owed to the Association from the University as of June 30, 2025 and 2024. The total amount owed from the Association to the University was \$26,137 and \$37,338 as of June 30, 2025 and 2024, respectively.

Florida State University Foundation, Inc. – The Foundation serves to advance the University through organized fundraising and prudent funds management. As part of its role in advancing the University, the Foundation provides programmatic support to the Association. This support is used for initiatives that foster alumni engagement and charitable giving, including publication of the *VIREs* magazine, events hosted in collaboration with colleges on campus, and activities with Seminole Club chapters nationwide. Amounts totaling \$1,245,025 and \$750,500 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, 2025 and 2024, 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 \$829,949 and \$745,850 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 \$1,303,852 and \$1,143,046 as of June 30, 2025 and 2024, respectively. The total amount owed from the Association to the Foundation for these purposes was \$83,088 and \$56,932 as of June 30, 2025 and 2024, respectively.

FLORIDA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2025 and 2024

16. RELATED ORGANIZATIONS (continued)

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 \$49,143 and \$50,836 were included in affinity commissions in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2025 and 2024, respectively. From this MOU, the total amount owed from the Association to the Boosters was \$12,089 and \$12,684 as of June 30, 2025 and 2024, respectively.

Seminole Club Chapters – There are 49 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 \$4,493 and \$7,962 to Seminole Clubs for the years ended June 30, 2025 and 2024, 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, 2025, 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 19, 2025.

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.

(Continued)

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*.

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 19, 2025