Seminole Boosters, Inc.

Financial Report
June 30, 2017

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Directors
Seminole Boosters, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of the Seminole Boosters, Inc. (the Boosters), a component unit of the Florida State University, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Boosters' basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boosters, as of June 30, 2017, and the respective change in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2018, on our consideration of the Boosters 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 Boosters 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 Boosters internal control over financial reporting and compliance.

RSM US LLP

Jacksonville, Florida
February 16, 2018

Management’s Discussion and Analysis

Seminole Boosters, Inc.

Management's Discussion and Analysis

The management's discussion and analysis provides an overview of the financial position and activities of the Seminole Boosters, Inc. (the Boosters) for the fiscal year ended June 30, 2017. This overview is required by the 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 the financial statements for the Boosters which follow this section.

ORGANIZATIONAL VISION

As included in our Strategic Plan, our organizational vision is as follows:

> ***"To be a nationally recognized Boosters organization that underwrites the operations of a premier and fully endowed athletic program with state of the art facilities."***

This is not a phrase used for promotional purposes. This is who we strive to be each and every day. Every decision of this organization can be tied back to this vision.

OVERVIEW OF FINANCIAL STATEMENTS

The Boosters' financial report includes three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement 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 Boosters' the results of operations, and cash flows of the Boosters as a whole. The accrual basis of accounting is used for the presentation which is similar to most private-sector companies.

The Statement of Net Position presents the financial position of the Boosters at the end of the fiscal year and includes all of the assets, deferred outflows, liabilities, and deferred inflows of the Boosters. The change in net position – the difference between assets, deferred outflows, liabilities and deferred inflows – is one indicator of the current financial position of the Boosters; however, other non-financial factors, such as the national and international economy must also be considered when assessing the overall health of the Boosters. The differences in net position that occur over time indicate whether the overall financial condition of the Boosters has improved or worsened. Assets and liabilities are reported at cost, approximating fair value, with the exception of investments and endowment real estate held for resale, which are reported at fair value, and capital assets which are reported at historical cost less accumulated depreciation.

The Statement of Revenues, Expenses and Changes in Net Position present the revenue and expense activity for the Boosters, categorized as operating, non-operating and capital contributions. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The Statement of Cash Flows provides information about the Boosters' financial results by reporting the major sources and uses of cash and cash equivalents. This statement assists in evaluating the Boosters' ability to generate cash flows, its ability to meets its obligations as they come due and its need for external financing.

FINANCIAL HIGHLIGHTS

There have been several changes to the presentation of the financial statements for the year ended June 30, 2017. The Statement of Revenues, Expenses and Changes in Net Position is the statement that is most affected by these changes and there are significant increases in operating revenue, operating expenses and non-operating revenue as a result of these changes.

The assets and deferred outflows of resources of the Boosters totaled $389,668,909 at June 30, 2017, which reflects an increase of $12,850,432 or 3% from June 30, 2016. This increase was primarily a result of the addition of notes receivable related to the purchasing of loans from outside investors in CollegeTown Phase I. The liabilities of the Boosters totaled $243,577,455 at June 30, 2017, which reflects an increase of $10,613,775 or 5% from June 30, 2016. The increase was primarily due to the note payable issued by Hancock Bank for the Boosters to purchase the outstanding notes related to CollegeTown Phase I and the remainder of the loan from Hancock was used as equity towards CollegeTown Phase III. The net position of the Boosters totaled $146,091,454 at June 30, 2017, which reflects an increase of $2,236,657 or 2% from June 30, 2016.

The Boosters operating revenues increased $18,809,119 for the 2016-2017 fiscal year. The increase is the result of many factors: first during the fiscal year we changed the financial statements to appropriately show the gross revenues and expenses of the University Center Club throughout the Statement of Revenues, Expenses and Changes in Net Position instead of a net amount being shown; second the Albert J. and Judith A. Dunlap Champions Club (Dunlap Champions Club) opened for its first football season; third the changes in the annual fund and football season ticket priority policy are being recognized for the first year; and lastly the completion of a new concession contract resulted in a significant contribution towards concessions capital improvements. Operating expenses increased $27,572,686 for the 2016-2017 fiscal year. The increase is a result of additional depreciation related to the capitalization of the Dunlap Champions Club project, the first year of expenses related to the 2016 football season in the Dunlap Champions Club, the completion of a pledge validation process which resulted in significant bad debt write-offs from donors informing us that they do not intend to pay their commitment, the University Center Club expenses being reported gross, as noted above, and an increase in the disbursements made to the restricted coaches clubs. Non-operating revenues increased $8,407,469 for the 2016-2017 fiscal year. This increase was due to all of the endowment real estate held for resale being appraised and marked to the appraised market values as prescribed by GASB Statement No. 52 – *Land and Other Real Estate Held as Investments by Endowments*. Non-operating expenses increased $1,016,493 for the 2016-2017 fiscal year. This increase was due to an increase in the interest expense recognized during the fiscal year, during previous years a larger amount was interest was capitalized during the construction period for the Dunlap Champions Club. Capital Contributions totaled $14,379,710 for the 2016-2017 fiscal year, representing a 104% increase. The increase is a result of a continued focus on raising funds for capital projects and endowments. During the fiscal year we received one significant gift towards capital projects.

Although the increase in the Statement of Revenues, Expenses and Changes in Net Position noted above are significant by each line item, the overall increase in the net income for the 2016-2017 fiscal year was $5,960,049.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets include land, land improvements, buildings and building improvements, furniture, fixtures and equipment and construction in progress.

2017 vs. 2016

At June 30, 2017, the Boosters' capital assets, net of depreciation, decreased to $191,436,169, compared to the prior year net capital assets of $194,223,373. The decrease in capital assets, net of depreciation, is a result of the depreciation expense incurred during the fiscal year. During the 2016-2017 fiscal year, the Boosters capitalized $79,244,555 in assets related to the completion of the Dunlap Champions Club, Stadium repairs and maintenance, skybox renovations, indoor practice facility improvements and additional improvements to the University Center Club. These amounts were previously recorded as construction in progress and construction advances. Depreciation expenses for 2017, was $6,208,505, compared to $4,154,818 in 2016.

<u>2016 vs. 2015</u>

At June 30, 2016, the Boosters' capital assets, net of depreciation, grew to $194,223,373, compared to prior year net capital assets of $123,101,033. The increase in capital assets, net of depreciation, is a result of the construction funding and construction in progress, and the capitalization of skybox renovations completed during the fiscal year. During the 2016-2017 fiscal year, the Boosters recognized net additions of $75,386,053 to land, buildings and equipment and construction in progress mainly related to the construction of the Dunlap Champions Club and Stadium repairs and maintenance. Depreciation expenses for 2016, was $4,154,818, compared to $3,914,176 in 2015.

Long-Term Debt

<u>2017 vs. 2016</u>

At June 30, 2017, the Boosters' had outstanding bonds and notes payable of $168,602,153, an increase of $11,604,258 from $156,997,895 at the end of fiscal year 2016 (both net of unamortized bond discounts and premiums). The Boosters issues a new note payable as part of the buyout of outside investor loans on CollegeTown Phase I and the remaining amount from the note was used as equity towards the construction of CollegeTown Phase III. Additionally, a construction loan was completed by the Boosters for the remaining funding of CollegeTown Phase III but no draws were made on the construction loan prior to June 30, 2017.

<u>2016 vs. 2015</u>

At June 30, 2016, the Boosters' had outstanding bonds and notes payable of $156,997,895, an increase of $82,102,915 from $74,894,980 at the end of fiscal year 2015 (both net of unamortized bond discounts and premiums). During the fiscal year the Boosters issued new bonds (Series 2015A, 2015B and 2015C) in July 2015 for the renovations within Doak S. Campbell Stadium. The proceeds from this issuance are being used to renovate the skybox suites, construction the south end-zone club seating project and complete repair and maintenance on the remainder of the stadium.

The Boosters exceeded their minimum debt service coverage ratio for the note payable from Hancock Bank, but did not meet their minimum debt service coverage ratio on the loan from SunTrust Bank related to Champions Hall. The Boosters received a waiver from SunTrust Bank for not meeting this covenant.

FISCAL YEAR HIGHLIGHTS

Doak S. Campbell Stadium – The 2016 football season saw the opening of the Dunlap Champions Club. Overall the Dunlap Champions Club had a successful first year with season ticket sales over 50% and a significant amount of single game, three game-packs and group ticket sales during the season. During the first season we identified some additional amenities that could be provided in the space and began working on implementing those amenities during the off-season.

CollegeTown Phase II – The second phase of CollegeTown completed construction during the fiscal year and opened in time for the fall 2016 semester. The residential section of CollegeTown II was 98% leased for the first year. The commercial side continued leasing and build-outs during the fiscal year with vendors opening during the spring 2017 semester.

Champions Campaign – Having already reached its $250 million goal the Boosters continued to push toward raising $300 million towards the Champions Campaign. The campaign is part of the Florida State University's $1 billion Raise the Torch Campaign.

Pledge Validation Process – During the fiscal year the Stewardship Department completed a pledge validation project on outstanding gifts. The criteria used for this validation was initial gift amount was over $50,000, a balance remained on the gift and no payments have been received during the last five years. The result of the validation project was a write-off of approximately $11 million in outstanding balances, while also validating the intent of constituents to honor $13 million of cash pledges and $89 million in deferred gifts.

ECONOMIC CONDITIONS AND OUTLOOOK

The financial outlook for the 2017-2018 fiscal year remains positive and is expected to be a successful year. Although the 2017 football season provides a less favorable schedule compared to 2016 and 2018, we will be able to leverage the 2017 season opening game against the University of Alabama to maintain or increase our annual fund levels. Additionally, a significant focus moving into the 2018 fiscal year is on capital projects and raising funds to continue to provide elite facilities for the student athletes. Potential tax changes may have a significant effect on the Boosters, but we continue to monitor these changes and the effects they will have on the Boosters.

Condensed Statements of Net Position

	2017	2016	2015
Current assets	$ 76,237,268	$ 78,860,521	$ 85,769,666
Noncurrent assets	311,115,695	295,385,465	213,054,679
Total assets	$ 387,352,963	$ 374,245,986	$ 298,824,345
Deferred outflows of resources	$ 2,315,946	$ 2,572,491	$ 2,829,035
Current liabilities	$ 41,553,234	$ 26,003,700	$ 39,051,769
Noncurrent liabilities	202,024,221	206,959,980	115,023,422
Total liabilities	$ 243,577,455	$ 232,963,680	$ 154,075,191
Net investment in capital assets	$ 37,834,016	$ 41,090,820	$ 47,035,020
Restricted	111,001,436	113,617,202	105,884,679
Unrestricted	(2,743,998)	(10,853,225)	(5,341,510)
Total net position	$ 146,091,454	$ 143,854,797	$ 147,578,189

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2017	2016	2015
Operating revenues	$ 47,571,019	$ 28,761,900	$ 33,677,428
Operating expenses	(58,196,039)	(40,687,172)	(40,620,944)
Net operating revenues (expenses)	$ (10,625,020)	$ (11,925,272)	$ (6,943,516)
Non-operating revenues	$ 3,893,549	$ 5,549,899	$ 7,391,529
Non-operating expenses	(5,411,582)	(4,395,089)	(3,706,264)
Total non-operating revenues (expenses)	$ (1,518,033)	$ 1,154,810	$ 3,685,265
Capital contributions	$ 14,379,710	$ 7,047,070	$ 4,389,896
Increase (decrease) in net position	2,236,657	(3,723,392)	1,131,645
Net position, beginning of year	143,854,797	147,578,189	146,446,544
Total net position, end of year	$ 146,091,454	$ 143,854,797	$ 147,578,189

Conclusion

The 2016-17 fiscal year was a successful year for the organization both in terms of fundraising and commitment shown by the Seminole Boosters' constituents. The outlook for next fiscal year is positive as well, thanks to the continued support from our constituents. We expect there to be wide sweeping changes that will affecting charitable giving and we are continuing to monitor those changes and how they will affect our constituents. At all times, our organizational mission and vision remain at the forefront of decisions made.

Our annual fund, the lifeline of the Seminole Boosters, will certainly continue to be the emphasis as well as major gift fundraising, aimed at fully endowing our athletic scholarships and the building and maintaining of athletic facilities. The Board of Directors volunteer significant time and effort into the Seminole Boosters and should be applauded for their personal commitment.

Sincerely,

John P. Sinclair III, CPA
Chief Financial Officer

Financial Reporting Requirements

The above section of the Seminole Boosters, Inc. (the Boosters) Financial Statements presents management's discussion of the Boosters' financial activity during the fiscal year ended June 30, 2017.

FSU Financial Assistance, a direct support organization of Florida State University created for the purpose of securing bond financing for athletic facilities, has been included with the financial statements of Seminole Boosters, Inc.

As required by accounting principles generally accepted in the United States of America, the financial statements include three basic financial statements that provide information on the Boosters as a whole: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Fund Net Position; and the Statement of Cash Flows.

Audited Financial Statements

Seminole Boosters, Inc.

Statement of Net Position
June 30, 2017

Assets	
Current assets:	
Cash and cash equivalents:	
Cash and cash equivalents	$ 6,077,461
Restricted cash	7,455,118
Total cash and cash equivalents	13,532,579
Investments:	
Investments securities	29,852,117
Investments in real estate	16,535,783
Other investments	362,150
Total investments	46,750,050
Accounts receivable:	
Accounts receivable	2,642,020
Due from FSU Foundation	29,656
Due from Florida State University	1,923,896
Other accounts receivable	2,847,352
Total accounts receivable	7,442,924
Pledges receivable, net	7,695,452
In-kind receivables	586,327
Other assets	229,936
Total current assets	76,237,268
Noncurrent assets:	
Restricted cash	1,502,604
Pledges receivable, net	63,357,204
In-kind receivables	728,277
Accounts receivable	13,369,874
Notes receivable	32,818,527
Capital assets, net	191,436,169
Other assets	7,903,040
Total noncurrent assets	311,115,695
Deferred outflows of resources:	
Deferred loss on refunding	2,315,946
Total assets and deferred outflows of resources	$ 389,668,909

(Continued)

Seminole Boosters, Inc.

Statement of Net Position (Continued)
June 30, 2017

Liabilities and Net Position	
Current liabilities:	
Accounts payable	$ 336,418
Accrued expenses	439,700
Accrued interest	1,466,558
Bonds payable	4,350,000
Notes payable	185,000
Advanced receipts	31,723,294
Due to FSU Department of Athletics	2,901,177
Other current liabilities	151,087
Total current liabilities	41,553,234
Long-term liabilities:	
Bonds payable, net	143,107,153
Notes payable	20,960,000
Advanced receipts	34,547,068
Due to FSU Foundation	3,410,000
Total long-term liabilities	202,024,221
Total liabilities	243,577,455
Net position:	
Net investment in capital assets	37,834,016
Restricted for:	
Athletic programs	5,895,859
Expendable contributions	63,577,819
Nonexpendable contributions	41,527,758
Unrestricted	(2,743,998)
Total net position	146,091,454
Total liabilities and net position	$ 389,668,909

See notes to financial statements.

Seminole Boosters, Inc.

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2017

Operating revenues:	
Charges for services:	
Concessions	$ 1,139,665
University Center Club	8,978,423
Skybox revenues	75,125
Total charges for services	10,193,213
Program support:	
Contributions	20,458,587
Stadium revenues – security for the series 2012A, 2012B, 2012C, 2015A, 2015B, and 2015C revenue bonds:	
Rent income-stadium lease	1,850,000
Conference facility revenues	5,034,988
License fee revenues	2,611,002
In-kind contributions	870,446
Other revenues	6,552,783
Total program support	37,377,806
Total operating revenues	47,571,019
Operating expenses:	
Program services:	
Program services	48,611,035
Bad debt expense	829,938
Other expenses	2,827,049
Total program expenses	52,268,022
Supporting services	5,928,017
Total operating expenses	58,196,039
Operating loss	(10,625,020)

(Continued)

Seminole Boosters, Inc.

Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Year Ended June 30, 2017

Nonoperating revenues (expenses):	
Interest income	$ 4,165,945
Interest expense	(5,411,582)
Net investment income	4,477,800
Royalties, security for the series 2012A, 2012B, 2012C, 2015A, 2015B and 2015C revenue bonds	3,956,866
Bad debt expense	(10,063,819)
Other nonoperating revenue	1,356,757
Total nonoperating net expenses	(1,518,033)
Loss before capital contributions	(12,143,053)
Capital contributions	14,379,710
Increase in net position	2,236,657
Net position at beginning of year	143,854,797
Net position at end of year	$ 146,091,454

See notes to financial statements.

Seminole Boosters, Inc.

Statement of Cash Flows
Year Ended June 30, 2017

Cash flows from operating activities:	
Receipts from customers	$ 57,062,944
Payments to suppliers and vendors	(54,589,599)
Payments to employees	(7,845,290)
Net cash used in operating activities	(5,371,945)
Noncapital financing activities:	
Principal collections on notes receivable	18,872
Receipts from royalty program	3,956,866
Advances to University	(1,923,896)
Issuance of notes receivable	(8,150,106)
Interest received	167,443
Net cash used in noncapital financing activities	(5,930,821)
Capital and related financing activities:	
Receipt of capital project contributions	14,379,710
Principal payments on bonds payable	(3,075,000)
Receipt note proceeds	15,000,000
Payments of interest expense	(5,847,270)
Principal payments on notes payable	(180,000)
Purchase of capital assets	(4,125,645)
Net cash provided by capital and related financing activities	16,151,795
Investing activities:	
Investment income	11,139
Sale of investments	20,924,971
Purchase of investments	(22,707,266)
Net cash used in investing activities	(1,771,156)
Net increase in cash and cash equivalents	3,077,873
Cash and cash equivalents:	
Beginning	11,957,310
Ending	$ 15,035,183

(Continued)

Seminole Boosters, Inc.

Statements of Cash Flows (Continued)
Year Ended June 30, 2017

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (10,625,020)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	6,208,505
Changes in operating assets and liabilities:	
Accounts receivable	2,614,757
Pledges receivable	(2,756,315)
Inventory	77,406
Prepaid expenses	(1,021,186)
Accounts payable	(56,564)
Accrued expenses	201,227
Advanced receipts	(389,827)
Due to FSU Department of Athletics	277,933
Other liabilities	97,139
Net cash used in operating activities	$ (5,371,945)
Supplemental disclosures of noncash capital and financing activities:	
Change in market value of investments and real estate	$ 5,331,909
Gain from exchange or sale of real estate	$ 1,189,314

See notes to financial statements.

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations: The Seminole Boosters, Inc. (the Seminole Boosters) is a direct support organization of The Florida State University (the University) pursuant to Section 1004.28, Florida Statutes and regulations thereunder at 6C-9.011 of the Florida Administrative Code. The Seminole Boosters is a nonprofit Florida corporation exempt from tax under Code Section 501(c)(3) of the Internal Revenue Code (IRC). The purpose of the Seminole Boosters is to stimulate and promote the education, health, and physical welfare of the students of the University by providing financial support for the intercollegiate athletic programs at the University, including, but not limited to, scholarships, capital projects, and authorized travel and entertainment. The most significant source of support is derived from annual contributions. The Seminole Boosters also operates retail concession outlets for most major University sporting events with main facilities located at Doak S. Campbell Stadium (the Stadium) and Dick Howser Stadium. Other special projects and fund raising activities occur during the year.

The University Center Club, Inc. (the Club) was founded in 1996 as a program of the Seminole Boosters. The purpose of the Club is to provide a superior dining facility to be used exclusively for the pleasure, recreation, and other purposes of its members and to provide a dining and entertainment facility for alumni, students, faculty, and friends of the University. The Club also serves as part of the Department of Hospitality and Administration within the University. The Club's fiscal year is accounted for on a 52/53-week year, ending the last Tuesday in December. The Club's balances reported in the Seminole Boosters' financial statements represent balances at June 30, 2017.

T'Alley Properties, LLC, (T'Alley Properties) a wholly owned subsidiary of the Seminole Boosters, was formed to account for real estate holding and development activities associated with the College Town project (the Project) (see Note 8). T'Alley Properties' fiscal year end is December 31; however, balances reported in the Seminole Boosters' financial statements represent balances as of and for the fiscal year ended June 30, 2017.

FSU Financial Assistance, Inc. (Financial Assistance), a nonprofit Florida corporation exempt from income tax under IRC Section 501(c)(3), was incorporated on December 26, 1994. Financial Assistance was created for the purpose of securing bond financing as a direct support organization of the University in accordance with Section 1004.28, Florida Statutes.

Reporting entity: In defining the Boosters for financial reporting purposes, management has applied the requirements of *Governmental Accounting Standards Board Statement (GASB) No. 14, the Financial Reporting Entity and GASB No. 61, the Financial Reporting Entity, Omnibus*. These statements establish the basis for the reporting entity and whether it is considered a component unit of another entity. The Boosters 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 fiscally dependent and 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 Boosters are 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.

The financial statements of the Seminole Boosters represent all of the Seminole Boosters' operating activities as well as the financial activity of the Club, T'Alley Properties and Financial Assistance. Collectively, these activities and supporting organizations represent the primary reporting activity.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

The Seminole Boosters maintains direct control of Financial Assistance and has the ability to determine the direction of management and policies through common officers and board members. Each year significant transfers are made by the Seminole Boosters to Financial Assistance to help service the bond debt of which the Seminole Boosters is the guarantor. Additionally, the Seminole Boosters maintain direct control of T'Alley Properties since it is a single member limited liability corporation of which the Seminole Boosters is the sole member. Based on these criteria, Financial Assistance and T'Alley Properties are included as blended component units of the Seminole Boosters. Separate financial statements of Financial Assistance and T'Alley Properties are not issued.

Basis of accounting: The Seminole Boosters follows financial reporting requirements for enterprise funds, which use the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for governmental business-type activities. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred. In order to comply with restrictions that donors place on contributions and other gifts, as well as designations made by the Board of Directors, the principles of fund accounting are used. Separate accounts are maintained for each fund in the general ledger. For financial reporting purposes, these funds are combined into one column.

Proprietary funds distinguish operating revenues and expenses from non-operating revenue and expenses. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operation. The principal operating revenue for the Boosters' proprietary fund are charges for services, contributions and stadium revenues. Operating expenses include direct expenses of providing the services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents: The Seminole Boosters consider demand deposits, repurchase agreements, cash with fiscal agents, certificates of deposit, and investments with original maturities of three months or less to be cash and cash equivalents. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation up to $250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Seminole Boosters has not experienced any losses in such accounts.

The bond indenture requires that certain cash balances be maintained to pay future debt service. These amounts are reported as restricted cash on the statement of net position.

The Seminole Boosters has certain cash deposit accounts that are swept nightly into United States Treasury bills for interest earning purposes. These overnight investments are not covered by federal insurance or collateralized by any other securities.

Investments: Investments are carried at fair value. Fair value is defined by GASB Statement No. 72, 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. Investment earnings on endowment contributions are considered unrestricted.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

The Seminole Boosters has other investments, including a membership interest in a limited liability corporation through its wholly owned subsidiary T'Alley Properties, and a limited ownership interest in a partnership. These investments are accounted for using the equity method as the Seminole Boosters do not have controlling interests or rights in these entities.

Accounts receivable: Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible accounts is based on collection history as well as current economic information regarding those doing business with the Seminole Boosters. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

Pledges receivable: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give in future periods are initially recorded at estimated fair value determined using the discounted present value of expected cash flows, net of an allowance for uncollectable pledges. The discount rates are determined at the time the unconditional pledge to give is initially received.

The allowance for uncollectable pledges receivable is based upon the Seminole Boosters' analysis of past collection experience, pledge activity and other judgmental factors regarding the donors ability to pay.

Notes receivable: Notes receivable are comprised of loans made in connection with the development of College Town (see Note 9).

Inventory: Inventory consists of food and beverage inventories. Food and beverage inventories are associated with services provided by the Club and are valued at the lower of cost or market, calculated on a first-in, first-out basis.

Advanced receipts: The Boosters often receive contributions benefiting future periods. When such contributions are received, they are recorded as advanced receipts until the period in which the time restrictions are met. Dunlap Champions Club and skybox tickets purchased in advanced of the football season are also recorded as advanced receipts until the reporting period in which the tickets will be used.

Capital assets: Capital assets are recorded at cost less accumulated depreciation. Donated materials and equipment are reflected at their estimated acquisition value at the date of receipt. All real estate donations are recorded at their appraised value at the time donated.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

	Years
Stadium and facility improvements	15-40
Equipment	5-7

Capital assets, which include land, buildings, equipment and improvements other than buildings are defined as assets with a cost of $1,000 or more and an estimated useful life greater than one year.

Interest on borrowed funds is capitalized for qualifying assets during the construction period and amortized over the lives of the related assets.

Revenue recognition

Program support and operating revenues: Program revenues consist of contributions, stadium rent, conference facility and license fee revenues collected, which are the principal revenues used by the Seminole Boosters to carry out its exempt purpose.

Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenues of the Seminole Boosters consist of activities of the stadium concessions, the Club, and skybox seating. Operating expenses include the cost of sales, administrative expenses and depreciation on capital assets.

Contributions: Annual contributions and gifts, including pledges, are recorded as revenue when all eligibility requirements are met. In-kind contributions represent donated goods and services recorded as revenue based on their fair market value at the time of the contribution or pledge. Contributions designated by donors to be used in future years are recorded as unearned revenues or advance receipts until such time restrictions have elapsed.

Concession revenue: Concession revenue is derived from the sale of food and beverage items at various University athletic events. In 2004, the Seminole Boosters entered into a contract with Aramark Sports & Entertainment Services, Inc. (Aramark) to outsource the concession operations. The contract was effective through June 2018 and guaranteed a minimum return of $800,000 annually under the premise that the University will have six home games every season. On April 1, 2017, the Seminole Boosters and Aramark entered a settlement agreement and mutual release ending the contract effective May 31, 2017.

The Seminole Boosters entered into a Food Service Master Contract with Sodexo America, LLC effective May 15, 2017, as amended June 8, 2017. The contract is effective through May 2027 and includes one five-year renewal option to be exercised by mutual agreement of the parties. The contract also states that neither party can terminate the contract for convenience within the first two contract years. In subsequent years the agreement may be terminated by either party. The minimum concession commission guarantee in the contract ranges from $2,007,615 to $3,373,437 between year 1 and year 10 of the agreement. Additionally, actual concession revenue could surpass the guarantee amount in a given year if certain sales levels are achieved.

Conference facility and license fee revenue: Financial Assistance is entitled to receive lease and contribution revenues from skybox seating at Doak S. Campbell Stadium. Revenues received for this purpose are recognized as revenue in the period the skybox seating is used.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Bond discounts, premiums, issuance costs and refunding losses: Bond issuance costs are expensed in the period they are incurred. Bond discounts and premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the straight-line method.

Functional allocation of expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs benefited.

Net position: Net position represents the residual interest in the Boosters assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt. Net position is reported as restricted when constraints are imposed by third parties. The Boosters' reports restricted net position that is both expendable and nonexpendable.

In certain cases, the Boosters may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts reported as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Boosters' policy to consider restricted net position to have been depleted before unrestricted net position.

Recent accounting pronouncements:

GASB 87: Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Boosters are still evaluating the impact of this statement on the financial statements.

Note 2. Cash, Cash Equivalents and Investments

Cash and cash equivalents as of June 30, 2017, comprised of the following:

Unrestricted cash:	
Demand deposit accounts	$ 2,598,683
Money market funds	2,629,671
Cash management accounts	558,735
Certificates of deposit	254,558
State Board of Administration pooled deposits	31,414
Petty cash	4,400
Total unrestricted cash and cash equivalents:	6,077,461
Restricted cash:	
Demand deposits	7,455,118
Money market funds	1,502,604
Total restricted cash	8,957,722
Total cash and cash equivalents	$ 15,035,183

A credit rating is not available for deposits in the Local Government Surplus Trust Fund (LGSF), administered by the State Board of Administration (SBA). Interest earnings of the LGSF are allocated on a pro-rata basis using the weighted average deposit balance per fund. The LGSF is an external investment pool that is not a registrant with the Securities and Exchange Commission (SEC); however, the SBA has adopted operating procedures consistent with the requirements for an SEC Rule 2a-7 fund. The LGSF is governed by Chapter 19-7 of the *Florida Administrative Code*, which identifies the rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of the LGSF. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA. The Seminole Boosters' fair value of its position in the pool approximates its value of the pool shares.

Investments as of June 30, 2017, comprised of the following:

Investment securities:	
Mutual funds	$ 4,728,936
Corporate securities	14,543,231
Private equity securities	7,678,992
Real estate securities	2,810,469
Real estate limited partnership	90,489
Total investment securities	29,852,117
Certificate of deposit	262,150
Investment in partnership	100,000
Investment in real estate	16,535,783
	$ 46,750,050

Note 2. Cash, Cash Equivalents and Investments (Continued)

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy is based upon the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets as of measurement date; Level 2 inputs are significant other observable inputs; Level 3 inputs are unobservable inputs. Investments as of June 30, 2017, had the following fair value hierarchy:

Asset Type	Level 1	Level 2	Level 3	Total
Mutual funds	$ 4,728,936	$ -	$ -	$ 4,728,936
Corporate securities	14,543,231	-	-	14,543,231
Real estate limited partnership	-	-	90,489	90,489
	19,272,167	-	90,489	19,362,656
Other investments:				
Other investments	262,150	-	100,000	362,150
Investment in real estate	-	-	16,535,783	16,535,783
Total assets in the fair value hierarchy	$ 19,534,317	$ -	$ 16,726,272	36,260,589
Investments measured at net asset value				
Private equity securities				7,678,992
Real estate securities				2,810,469
Investments at fair value				$ 46,750,050

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

As of June 30, 2017, the Seminole Boosters had an interest and is considered a limited partner of a real estate limited partnership (the Partnership). The Partnership invests in commercial and mixed-use types of real estate. The Seminole Boosters have a capital commitment to the Partnership of $4,148,000, of which $3,702,241 has been funded as of June 30, 2017. The carrying value of the Partnership at June 30, 2017, is $90,489. The difference between the amount funded and the carrying value is due to capital distributions, allocations of earnings, fees, and expenses incurred by the Partnership that reduce the Seminole Boosters' contributed capital. Such reductions are reported as changes in investment value on the statements of revenues, expenses, and changes in net position.

Interest rate risk: The Seminole Boosters do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk: The Seminole Boosters' mutual fund investments were not rated by a major rating agency as of June 30, 2017.

Custodial credit risk: This is the risk that in the event of the failure of the counterparty, the Boosters will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Boosters investment policy requires securities, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the Boosters should be properly designated as an asset of the Boosters. The securities must be held in an account separate and apart from the assets of the financial institution.

Concentrations of credit risk: The Company maintains cash balances at several financial institutions that, at times, may exceed federally insured limits. The cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per customer. Management does not believe that this results in any significant credit risk.

Note 2. Cash, Cash Equivalents and Investments (Continued)

The Boosters investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the Boosters' investment portfolio.

Asset Allocation	Lower Limit	Target	Upper Limit
U.S. Equity			
Large Cap	10%	15%	20%
Small/Mid Cap	10%	15%	20%
International Equity Developed	10%	15%	20%
Emerging Markets Equity	5%	10%	15%
Fixed Income/Tactical Allocation	10%	20%	30%
Hedge Funds	5%	9.50%	15%
Real Estate	5%	10%	15%
Commodities	3%	5%	8%
Cash	0%	0.50%	1%

Note 3. Capital Assets

Capital assets activity for the years ended June 30, 2017, were as follows:

	June 30, 2016	Additions	Deletions	June 30, 2017
Capital assets not being depreciated:				
Land	$ 13,758,707	$ 17,456	$ 704,344	$ 13,071,819
Land held by fiscal agent	1,814,664	-	-	1,814,664
Construction in progress	77,403,886	3,651,107	78,787,473	2,267,520
Total capital assets not being depreciated	92,977,257	3,668,563	79,491,817	17,154,003
Stadium, facility improvements and equipment	153,920,877	79,244,555	-	233,165,432
Less accumulated depreciation	52,674,761	6,208,505	-	58,883,266
Capital assets, net	$ 194,223,373	$ 76,704,613	$ 79,491,817	$ 191,436,169

For the fiscal year ended June 30, 2017, depreciation expense of $6,208,505 was recorded in program expense.

Note 4. Pledges Receivable

Unrestricted pledges receivable consists of amounts pledged for annual gifts and are presented net of an allowance for uncollectible amounts. These pledges are classified as current or noncurrent based on their scheduled collection date. Pledges receivable that are restricted are for varsity club seating and various athletic programs supported by the Seminole Boosters. These pledges are classified as noncurrent because of their scheduled collection date and are considered by management to be fully collectible as of June 30, 2017. Endowment and capital campaign pledges receivable represent long-term pledges made to the Seminole Boosters and are presented net of allowance for uncollectible amounts. Allowance for uncollectible amounts are estimated based on prior years' collection rates, pledge activity and other judgmental factors regarding the donors' ability to pay. In-kind pledges receivable of $728,277 are reported separately on the statement of net position and are considered by management to be fully collectible as of June 30, 2017.

The following is a summary, by type, of pledges receivable:

Unrestricted	$ 23,363,274
Unrestricted – allowance	(737,512)
Restricted	4,712,450
Restricted – allowance	(471,245)
Endowment	18,985,039
Endowment – allowance	(1,580,585)
Capital campaign	29,822,501
Capital campaign – allowance	(3,041,266)
	71,052,656
Less current portion	7,695,452
	$ 63,357,204

Note 5. Bonds and Notes Payable

Bonds and notes payable activity for the year ended June 30, 2017, were as follows:

	June 30, 2016	Additions	Deletions	June 30, 2017	Amounts Due Within One Year
Bonds payable	$ 148,695,000	$ -	$ 3,075,000	$ 145,620,000	$ 4,350,000
Notes payable	6,325,000	15,000,000	180,000	21,145,000	185,000
Bond premium, net	1,977,895	-	140,742	1,837,153	-
Total bonds and notes payable	$ 156,997,895	$ 15,000,000	$ 3,395,742	$ 168,602,153	$ 4,535,000

Note 5. Bonds and Notes Payable (Continued)

Bonds payable as June 30, 2017, consisted of the following:

$35,580,000 Educational, including Athletic Facilities Improvement Revenue Refunding Bonds – Series 2012A, due in semi-annual interest-only payments of $669,956 from October 1, 2012 to October 1, 2016, then annual principal installments of $775,000 to $4,225,000 from October 1, 2017 to October 1, 2031, interest rates at 3.000% to 5.000%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the payment of the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2017, for the bond issue is $775,000 and $1,328,288, respectively.	$ 35,580,000
$5,925,000 Taxable Educational, including Athletic Facilities Improvement Revenue Refunding Bonds – Series 2012B, due in annual principal installments of $50,000 to $1,800,000 from October 1, 2012 to October 1, 2019, interest rates at 0.700% to 3.510%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the payment of the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2017, for the bond issue is $1,705,000 and $141,466, respectively.	5,255,000
$13,065,000 Educational, including Athletic, Facilities Improvement Revenue Bonds – Series 2012C, issued to fund the construction of the indoor practice facility, due in annual installments of $270,000 to $745,000 from October 1, 2014 to October 1, 2042, interest rates at 2.00% to 5.00%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provided by the Guaranty Agreement between Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2017 for the bond issue is $295,000 and $462,000, respectively.	12,225,000

(Continued)

Note 5. Bonds and Notes Payable (Continued)

$8,115,000 Educational, including Athletic, Facilities Improvement Revenue Refunding Bonds – Series 2013A, due in annual installments of $50,000 to $2,070,000 from October 1, 2015 to October 1, 2023, interest rates at 2.63% fixed rate. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provide by the Guaranty Agreement between the Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2017, for the bond issue is $0 and $210,663, respectively.	8,010,000
$63,530,000 Educational, including Athletic, Facilities Improvement Revenue Bonds – Series 2015A, issued to fund the construction of the Dunlap Champions Club, due in annual installments of $2,355,000 to $4,935,000 from October 1, 2028 to October 1, 2045, interest rates at 3.50% to 5.00%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provide by the Guaranty Agreement between the Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2017, for the bond issue is $0 and $2,678,738, respectively.	63,530,000
$9,055,000 Educational, including Athletic, Facilities Improvement Revenue Bonds – Series 2015B, issued to fund skybox improvements in Doak Campbell Stadium, due in annual installments of $45,000 to $2,310,000 from October 1, 2017 to October 1, 2028, interest rates at 1.500% to 4.375%, depending on maturity date. Bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provide by the Guaranty Agreement between the Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2017, for the bond issue is $585,000 and $316,425, respectively.	9,055,000
$11,965,000 Educational, including Athletic, Facilities Improvement Revenue Bonds – Series 2015C, issued to fund capital improvements in Doak Campbell Stadium, due in annual installments of $990,000 to $1,435,000 from October 1, 2017 to October 1, 2026, interest rates at 3.00% to 5.00%, depending on maturity date. bonds are secured by the pledged revenues and secured as to the principal redemption price and interest thereon, by a lien upon and security interest as provide by the Guaranty Agreement between the Seminole Boosters, Inc. and the Trustee. The current principal and interest due during the fiscal year ended June 30, 2017, for the bond issue is $990,000 and $467,294, respectively.	11,965,000
	145,620,000
Less current portion	4,350,000
Plus bond premium, net	1,837,153
	$ 143,107,153

(Continued)

Note 5. Bonds and Notes Payable (Continued)

Pledged revenues as defined by the bond indenture consist of revenues from skybox suites, Athletic department rent, net revenues from the sale of club seats, royalties, and net ticket sales from the Athletic department. During the fiscal year ended June 30, 2017, the Boosters recognized $21,192,464 in pledged revenues. The remaining amount of the pledge is equal to the remaining principal and interest payments on the outstanding bonds.

On July 15, 2013, the Seminole Boosters entered into a note with SunTrust Bank for $6,500,000 to fund the construction of a student housing facility for the University. The note is at a fixed interest rate of 3.67% and initially matures on July 15, 2020, with an option to renew for an additional three periods of 6 years each. Interest payments are due semi-annually with principal payments beginning on October 1, 2015, based on a 25-year amortization. The note is collateralized by Champions Hall student housing facility, assignment of any and all Champions Hall leases, and any improvements made to the property. The outstanding balance as of June 30, 2017, was $6,145,000, with $185,000 current.

On February 1, 2017, the Seminole Boosters entered into a note with Hancock Bank, a trade name for Whitney Bank, for $15,000,000 to fund the purchase of outstanding loans as part of the CollegeTown I transaction (see Note 8). These loans were purchased from investor of Ten G & G and, are Note 2 and Note 3 of the CollegeTown I transaction. The amount of these notes were $6,524,760 and $2,344,458, respectively. The remainder balance of the loan from Hancock was used towards CollegeTown III development. The note is at a fixed interest rate of 3.52%. Interest payments started on March 1, 2017 and are due monthly on the first day of each month through January 1, 2020. Final payment equal to the entire unpaid balance of principal plus accrued and unpaid interest are due on February 1, 2020. The note is fully guaranteed by the Seminole Boosters and all revenues received from CollegeTown I are pledged as collateral towards the loan. The outstanding balance as of June 30, 2017, was $15,000,000.

On February 23, 2017, the Seminole Boosters entered into a note with Ameris Bank. The note is to fund the construction of phase three of the College Town project (see Note 8). The construction term of the loan is for 36 months beginning February 1, 2017 through February 23, 2020. During the construction term, the note bears an interest rate at Prime, or 4.25% as of June 30, 2017. Accrued interest is due and payable on the 23rd day of each calendar month during the construction term, beginning March 23, 2017 through February 23, 2020. On February 23, 2020, the construction term converts to a permanent term and matures on February 23, 2045. The permanent term will bear an interest rate of 218 basis points above the seven-year U.S. Treasury Rate and will be fixed at such rate until the scheduled rate change dates of February 23, 2020, February 23, 2027, February 23, 2034 and February 23, 2041. Principal and interest payments on the permanent term commence February 23, 2020. The note is collateralized by an interest reserve and equity account held at the Ameris Bank and the assignment of any and all leases, and any improvements made to the College Town property. The Boosters have not guaranteed this note. As of June 30, 2017, there have been no draws on the construction term.

Note 5. Bonds and Notes Payable (Continued)

Scheduled maturities of bonds and notes payable as of June 30, 2017, were as follows:

Years Ending	Interest	Principal	Total
06/30/2018	$ 6,362,333	$ 4,535,000	$ 10,897,333
06/30/2019	6,232,274	4,670,000	10,902,274
06/30/2020	5,911,593	19,800,000	25,711,593
06/30/2021	5,388,255	5,045,000	10,433,255
06/30/2022	5,212,683	5,205,000	10,417,683
2023-2027	23,011,799	29,380,000	52,391,799
2028-2032	16,940,041	35,605,000	52,545,041
2033-2037	11,053,212	19,965,000	31,018,212
2038-2042	6,530,226	23,270,000	29,800,226
2043-2047	1,632,981	19,290,000	20,922,981
	$ 88,275,397	$ 166,765,000	$ 255,040,397

The Seminole Boosters (the Issuer's) sole assets consist of certain rights under the Sublease, the Sub-Sublease, the Four Party Agreement, and the Management Agreement which are summarized as follows:

Sublease and Sub-Sublease: By Lease Agreement dated February 1, 1994, between the Trustees of the Internal Improvement Trust Fund of the State of Florida (Trustee), that holds title to the Stadium, as lessor, and the Florida Board of Education, as lessee, the Florida Board of Education has a 99-year lease on the Stadium. To facilitate the financing of the University Center Project through issuance of the Refunding Bonds Series 1994, the Florida Board of Education has granted a Sublease on the Stadium to the Issuer commencing on February 1, 1994, and expiring on October 2, 2023, or such earlier date as shall be one day after the Refunding Bonds Series 1994 and all obligations of the Issuer under the Indentures and the Bonds have been paid in full. Refunding Bond Series 1994 was subsequently refunded by Refunding Bond Series 2003 and 2004 and all obligations were transferred from Series 1994 to Series 2003 and 2004. Subsequently, Series 2003 and 2004 have been refunded by Series 2012A, 2012B, and 2014A and all obligations were transferred from Series 2003 and 2004 to Series 2012A, 2012B, and 2014A. The Issuer has in turn granted a Sub-Sublease to the University which expires one day prior to the Sublease. The University has agreed to cause the construction of the University Center Project, to maintain and operate the Stadium, and to pay as rent an amount sufficient to pay the annual debt service on the bonds, to the extent the gross revenues of the Issuer are insufficient therefore. To secure its obligation under the Sub-Sublease, the University has pledged to the Issuer: (i) certain monies budgeted by the University to the Athletic Department of the University, (ii) all revenues received by the University from the leasing, licensing or granting of easements of use rights for that portion of the University Center Project constituting the conference suites to the extent such revenues are not paid over to the Issuer under the terms of the Management Agreement or to the extent such Management Agreement is terminated or expires, and (iii) the net ticket revenues up to an amount of $7,000,000 per year.

Note 5. Bonds and Notes Payable (Continued)

Four Party Agreement: On February 1, 1994, and as amended on February 1, 2002 and again on July 1, 2015, Financial Assistance, the Seminole Boosters, the Foundation, and the University signed the following agreement:

1. The University has entered into a Management Agreement with Financial Assistance. This agreement is subject to an automatic annual renewal by both parties thereafter. This agreement allows Financial Assistance to manage and receive revenues from the Conference Suites (Skyboxes) during the periods of time the Conference Suites are not needed for University educational purposes.

2. During the term of the Sub-Sublease (as discussed above), the University will include in its budget to be applied to the payment of rentals under the Sub-Sublease, an amount equal to at least $1,850,000 for the Athletic Department in each of the University fiscal years 2001 through 2032, or $57,350,000. Rentals are to be paid as requested by Financial Assistance and will not be requested until having fully utilized funds made available under paragraph 1. above.

3. During the term of the Sub-Sublease, The Foundation will pay over to Financial Assistance for application to the payment of debt service first on the Prior Lien Bonds, and then on the Subordinated Bonds as requested, all contributions, donations, gifts, pledges and grants of funds that it receives that are designated or earmarked for the University Center Project of the University Center.

4. The Seminole Boosters may transfer all income and revenues received under the Assignment of University Indicia Agreement to Financial Assistance for application to the payment of all bond issues. These funds will not be requested until having fully utilized all funds available to it under paragraphs 1, 2 and 3 above.

5. During the term of the Sub-Sublease, the University will apply up to $7,000,000 of the net revenues it derives annually from the sale of tickets for sporting or entertainment events held at the Stadium. Such payments will be made only after all other funds made available have been fully utilized under paragraphs 1 through 4 above.

6. The Seminole Boosters within 30 days following the last day of each bond year, shall return to the University any amount received from the rentals of the Sub-Sublease (see paragraph 2) in excess of debt service requirements.

Defeased debt: On March 14, 2012, the Seminole Boosters defeased in substance the 2002 Series and a portion of the 2003A Series debt issues by placing a portion of the proceeds of the 2012A and 2012B Series bonds in an irrevocable trust to provide for all future debt service payments on the in-substance defeased bonds. Additionally, on December 5, 2014, the Seminole Boosters defeased in substance the 2004 Series debt issue by placing a porting of the proceeds of the 2014A Series bonds in an irrevocable trust to provide for all future debt service payments on the in-substance defeased bonds. Accordingly, the trust accounts' assets and the liability for the in-substance defeased bonds are not included in the Seminole Boosters' financial statements.

Note 5. Bonds and Notes Payable (Continued)

The in-substance defeased debt as of June 30, 2017, is as follows:

2002 Series	$ 34,885,000
2003A Series	13,470,000
2004 Series	4,900,000
Total	$ 53,255,000

Note 6. Advanced Receipts

Advanced receipts as of June 30, 2017, comprised of the following:

Prepaid skybox seating	$ 21,697,105
Varsity club seating	633,765
Land leases	5,100,000
Skybox Maintenance	73,667
Restricted giving	2,406,641
Unamortized club life dues	21,700
Club dues	184,000
Pledge revenues	36,153,484
	66,270,362
Less current portion	31,723,294
	$ 34,547,068

Note 7. Profit Sharing Plan

Effective February 1, 1992, the Seminole Boosters adopted The Seminole Boosters, Inc. 401(k) Profit Sharing Plan, a defined contribution profit sharing plan with the Internal Revenue Code (IRC) 403 (b) provisions. Each year, the Board of Directors determines the contribution amount, if any. The contribution is a discretionary percentage not to exceed 15% of the compensation, excluding overtime and bonuses, of each eligible participant. For the year ended June 30, 2017, the Seminole Boosters' contributions to the trust totaled $298,375. Each participant may elect a pre-tax contribution of their compensation of between 1% and 20% to the plan, but not more than permitted by the IRC.

Note 8. College Town Project

The Seminole Boosters owned a parcel of land on Madison Street (Madison parcel) near Gaines Street in Tallahassee. Gaines Street had been targeted as a redevelopment area by the City of Tallahassee and Leon County. Consistent with The Florida State University campus master plan, the Seminole Boosters initiated the development of a mixed-use project known as the Project to coincide with the local government effort. The Project includes student housing, entertainment venues, food service establishments and other commercial space on land owned by the Seminole Boosters and leased to College Town, LLC (College Town). As part of the Project, the Seminole Boosters entered into a series of agreements with the Florida State University Board of Trustees, College Town and other entities to arrange financing for the development of the Project through the use of the Federal New Market Tax Credits Program (FNMTCP). Under this program, College Town will serve as the qualified active low income community business.

Sale and ground lease of Madison Street Parcel: On December 14, 2011, the Seminole Boosters sold the Madison parcel to College Town for use in the Project. The sale included previously capitalized costs incurred by the Seminole Boosters for the site plan, architectural plans, approvals from governmental agencies, surveys, site assessments and market studies. In conjunction with the sale, the Seminole Boosters entered into an assignment and assumption agreement with College Town. The agreement stated that the ownership of the Madison parcel would be transferred to T'Alley Properties on the condition that T'Alley Properties simultaneously granted a ground lease to College Town for the use and development of the land. Under the terms of the ground lease, College Town has development rights and will receive the future revenue streams generated by the Project. The ground lease is for a period of 95 years beginning in December 2011 at a rate of $1 per year and is subject to termination after 7 years in the event of a default by College Town. The land along with any developed assets on the land will revert to T'Alley Properties upon termination of the lease.

Promissory note: In addition to the transactions described above, the Seminole Boosters entered into a promissory note for $14,517,934 with the College Town Investment Fund (CTIF), an entity serving as the Qualified Community Development Entity within the FNMTCP structure. These funds were indirectly loaned to College Town as part of the development financing for the Project.

The note bears interest at a rate of 1% simple interest per annum. The Seminole Boosters received cash of $145,179 in interest income during the year ended June 30, 2017, associated with this note. The note also accrues additional interest on the outstanding principal amount at a rate of 1.29% until December 31, 2018, up to a maximum of $1,319,881. Such interest is added to the principal balance and is paid upon maturity of the note. Interest in the amount of $187,282 was accrued and recognized as interest income during the year ended June 30, 2017, for this additional interest percentage. Total accrued interest receivable as of June 30, 2017, was $1,038,891. Quarterly interest payments of $36,295 are received through January 5, 2019. Principal and interest payments of $176,842 commence April 5, 2019 through 2042.

City of Tallahassee Community Redevelopment Agency Grant Agreement: In support of the Project, the City of Tallahassee Community Redevelopment Agency (City CRA) entered into an agreement with the Seminole Boosters to provide certain grant funds totaling $2,382,045. This grant contract is payable by the City CRA upon completion of various construction milestones. As of June 30, 2017, $1,649,277 has been received from the City CRA and with $366,409 received during 2017 and included in other nonoperating revenue (expense) on the statements of revenues, expenses, and changes in net position. The remaining balance will be recognized as revenue in the period it is received and earned.

Note 8. College Town Project (Continued)

Investment in College Town: T'Alley Properties has a membership interest in College Town, which is accounted for as an equity investment. The other equity owner of College Town is Ten G & G, LLC. Ten G & G is owned by certain individuals comprising approximately 10% of the voting members of the Seminole Boosters Board of Directors. Distributions of cash flow will be made in accordance with College Town's Operating Agreement. In accordance with its operating agreement, College Town is required to distribute available cash to equity members following the end of each fiscal quarter after construction of the Project is completed.

CollegeTown I note payable: During 2017, the Seminole Boosters entered into a loan agreement with Hancock Bank (see Note 5). The loan allowed them to purchase the outstanding note receivables held by Ten G & G with College Town as part of the College Town I transaction. The remainder of the balance is to fund construction of CollegeTown III.

CollegeTown II operating agreement and membership interest: On March 4, 2015, T'Alley Properties entered into an operating agreement with CollegeTown II, LLC (CT II). CT II was organized as a Delaware limited liability company pursuant to the provisions of the Delaware Limited Liability Company Act to acquire, hold, entitle, and develop property and construct, manage, finance, operate, lease, dispose of and negotiate other deals with the project, and engage all activities incidental or necessary in connection therewith. T'Alley Properties' membership interest in CT II is 38.145%.

Each member's capital account in CT II shall be increased by: i) the amount of such member's additional capital contributions (if any) to the CT II; and ii) the amount of any profit, income, and gain allocated to such member pursuant to the provisions of the operating agreement. Each member's capital account in CT II shall be decreased by: i) the amount of any losses, deductions and costs allocated to such member pursuant to the provisions of the operating agreement and ii) the amount of all distributions to such member including the fair market value of assets distributed.

Distributions of cash flow will be made in accordance with CT II's Operating Agreement. In accordance with its operating agreement, CT II is required to distribute "available cash" to equity members at such times and in such amounts determined by CT II after construction of the project is completed.

CollegeTown II promissory note receivables: On September 2, 2015, T'Alley Properties, lender, executed a promissory note for $8,700,000 with CT II, borrower, an entity. The note bears interest at a rate of 8% per annum. The promissory note was subsequently amended from $8,700,000 to $9,265,428. The payment terms are to the extent CT II or any subsidiary of CT II received any net capital transaction proceeds, the 38.145% of such net capital transaction proceeds shall be paid to the Seminole Boosters and be applied first to unpaid interest and then to principal. Accrued but unpaid interest and all unpaid principal shall be due and payable in full on the earlier to occur of the date all or substantially all of the assets of CT II or subsidiary of CT II are sold, any event of default by CT II or any subsidiary of CT II, or December 31, 2035.

On July 25, 2016, T'Alley Properties, lender, executed a promissory note for $460,312 with CT II, borrower. The promissory note was a capital call from the developer to all members of CT II. The note bears interest at a rate of 8% compounded annually. The promissory note shall be due and payable in full on or before July 24, 2017, and shall be paid in accordance with the distribution provisions of the Operating Agreement. Payment shall be credited first to accrued interest due and payable and the remainder applied to principal. As of June 30, 2017, interest paid related to the promissory note totaled $30,932 and the remaining principal balance is $315,058 as of June 30, 2017.

Note 8. College Town Project (Continued)

CollegeTown II license agreement: On September 2, 2015, the Seminole Boosters entered into a License Agreement with CT II and related entities. The term of the agreement is fifty years (50) unless sooner terminated in accordance with the agreement. The Seminole Boosters will receive payment of 3% of all Combined Gross Revenues of CT II, including the related entities.

CollegeTown III: During 2017, the Seminole Boosters entered into a promissory note with Ameris Bank to begin construction on CollegeTown III (see Note 5). As of June 30, 2017, no funds have been expended on the construction loan and only portions of owners' equity have been expended for construction.

Note 9. Related Party Transactions

The Seminole Boosters serves as a direct support organization of the University. As such the Seminole Boosters has integral relationship with many of the University's related organization. Each fiscal year the Seminole Boosters make contributions and payments for services to these entities which are included in the program service expenses, and supporting services expenses in the financial statements.

The University: Part of the Boosters relationship with the University includes support provided to the President of the University. The total amount transferred during the fiscal year totaled $2,635,278 and is included in the program service expenses. Additionally, the University provides various services to the Seminole Boosters each year including, telephone, internet, fire service, maintenance and other miscellaneous services. These expenses are included in the program and supporting service expenses.

Florida State University Department of Intercollegiate Athletics (Athletic Department): The Seminole Boosters primary purpose it to support the Athletic Department, as such, it serves as the official legal conduit for the acceptance, investment and distribution of private gifts in support of the activities and programs of the University. The Seminole Boosters expend significant resources for, or on behalf of the Athletic Department. For the fiscal year ended June 30, 2017, the Boosters provided support totaling $24,456,519. These expenses are recorded as part of the program service expenses. At June 30, 2017, total amounts due to the Athletic Department for these purposes was $2,901,177.

During the fiscal year ended June 30, 2017, the Athletic Department paid the Boosters $1,850,000 for the use of Doak Campbell Stadium.

The Florida State University Foundation: The purpose of the Florida State University Foundation (Foundation) is to aid the advancement of the University through charitable giving. The Foundation maintains all of the contracts related to the accounting and fundraising software used by the Seminole Boosters. As part of this contract each fiscal year the Seminole Boosters pays the Foundation for the percentage of cost attributed to the Seminole Boosters for staff use of the software and the use of the credit card processing system. These expenses are included in the program and supporting service expenses. The Foundation also receives certain contributions for the University Center Project that they contractually forward to the Seminole Boosters. The Seminole Boosters also receive contributions on behalf of the Foundation. Depending on the nature of the donation, these assets may be held by the Seminole Boosters until they are ultimately transferred to the Foundation. At June 30, 2017, total amounts due to and due from the Foundation for these purposes were $3,410,000 and $29,656, respectively.

External to the University, the Seminole Boosters has a related party relationship with CollegeTown, as described in Note 8 to the financial statements.

In the normal course of business, the Seminole Boosters receives contributions including cash and other assets from Board members.

Note 10. Contingent Liabilities and Commitments

Claims bill: During 2017, the Florida Legislature passed a claims bill related to a tort claim by the family of a University football player who collapsed during voluntary work-out drills in 2001. The University made settled the tort in the amount of $1.8 million. It is possible that the University will ask the Boosters to contribute to this loss.

Deferred compensation agreement: On November 12, 2010, the Seminole Boosters entered into a deferred compensation agreement with a key executive. The terms of the agreement state that the executive will receive a lump sum payment of $1,000,000 upon reaching normal retirement age at December 31, 2020, with certain provisions for disablement and other reasons for separation of employment. The Seminole Boosters has purchased a life insurance contract on this executive to ultimately fund this agreement.

Option agreement: On February 12, 2013, the Seminole Boosters entered into an agreement with Tallahassee Garnet Partners (TGP). The agreement gives TGP the right and option to enter into a ground lease, marketing agreement, and licensing agreement simultaneously for a piece of property the Seminole Boosters own. TGP can execute the ground lease, marketing agreement, and licensing agreement at any time until February 12, 2018. In some circumstances, TGP has the right to purchase the property. After February 12, 2018, if TGP has not executed the ground lease, marketing agreement, and licensing agreement, the Seminole Boosters have a period of time to buy-out the option agreement from TGP and retain title to the property for a specified amount. If the Seminole Boosters does not buy-out TGP, title to the property transfers to TGP. Until action is made by either party to the agreement, the title is held in escrow. The property is included as land held by fiscal agent in Note 3. TGP paid the Seminole Boosters $5.1 million to enter into this agreement. This amount is included in noncurrent advanced receipts on the statements of net position until action is taken by either party to the agreement.

Risk management: The Seminole Boosters is exposed to various risks of loss associated with normal operations and has purchased commercial insurance to mitigate such risks.

Note 11. Subsequent Events

Following June 30, 2017, the Seminole Boosters, Inc. began drawing on the construction loan related to CollegeTown III. The outstanding balance as of the February 16, 2018, statement was $11,390,490.

RSM US LLP

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*

Independent Auditor's Report

To the Board of Directors
Seminole Boosters, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Seminole Boosters, Inc. (the Boosters) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Booster's basic financial statements, and have issued our report thereon dated February 16, 2018.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Booster's internal control over financial reporting (internal control) to determine the 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 Booster's internal control. Accordingly, we do not express an opinion on the effectiveness of the Booster's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *schedule of findings and responses*, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency 2017-001, described in the accompanying *schedule of findings and responses as* to be a material weakness.

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. We consider the deficiency 2017-002 described in the accompanying *schedule of findings and* to be a significant deficiency.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Booster'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 determination of financial statement amounts. 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*.

Response to Findings
The Booster's response to the findings identified in our audit are described in the accompanying *schedule of findings and responses*. The Booster's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

RSM US LLP

Tallahassee, Florida
February 16, 2018

Seminole Boosters, Inc.

Schedule of Findings and Responses

2017-001 Financial Reporting

Criteria: The Boosters is responsible for establishing and maintaining internal control policies and procedures to provide reasonable assurance that the accounting and financial year end closing process is completed in an accurate and timely manner and that transactions are recorded in accordance with generally accepted accounting principles as applicable to governments.

Condition: During the current year, we noted the following items:

a. Upon examining the accounting treatment for the Boosters equity investment in College Town we observed that losses from the investment in College Town had been recognized in excess of the Boosters investment in College Town. As a result, the investment in College Town was being reported in the financial statements with a deficit balance.

   In accounting for equity investments, a government should discontinue applying the equity method when the investment is reduced to zero and should not recognize additional losses. To correct the accounting treatment we proposed an audit adjustment of approximately $2.1 million to increase the reported investment in College Town to zero. This adjustment was accepted by management.

b. In testing pledges receivable we selected multiple pledges from individuals who were deceased and for whom there was no observable evidence that the pledges would be collected. In response to this finding the pledge receivable detail was examined for other deceased individuals. Upon analysis approximately $641,000 of pledges from individuals who were currently deceased were identified. We proposed an audit adjustment to reduce the balance of pledges receivable by this amount. The adjustment was accepted by management.

   Additionally, during our testing of pledges receivable we observed that the Boosters were not discounting noncurrent pledges receivable in accordance with generally accepted accounting principles and their internal accounting policy.

c. It was necessary for the auditors to assist the Boosters in drafting the financial statements in order for the financial statements to be presented in accordance with Generally Accepted Accounting Principles.

Context: These conditions were determined to be isolated to their respective accounting cycles.

Cause:

a. Recognition of losses in excess of the Booster's investment in College Town appears to be the result of a misapplication of the equity method of accounting for investments.

b. The detailed listing of pledges receivable does not appear to have been examined by management for the ultimate collectability of the pledges. Or if pledges were identified by management which had a low probability of collecting, management had not been proactive in writing off, or allowing for the pledge. Additionally, management has not discounted noncurrent pledges receivable in accordance with their accounting policy.

c. As it pertains to external financial reporting, the Boosters have not established a formal financial reporting function. As a result, personnel tasked with preparing the financial statements in accordance with Generally Accepted Accounting Principles, do not have adequate resources or training to perform this function.

Effect: We identified errors in the Booster's accounting records and financial statements. These errors were detected as a result of our auditing procedures and were proposed to management as audit adjustments and recorded by management in order for the financial statements to be fairly presented in accordance with generally accepted accounting principles. These errors also resulted in additional audit work that had to be performed and a delay in the completion and issuance of the financial statements.

Recommendations:

a. We recommend that the Boosters examine, evaluate, and document the accounting treatment for each of their significant investments. The Boosters has numerous investments in limited partnerships and the terms of the partnership agreements are not static. It is possible that as the terms or the ownership of these partnerships change, the Boosters would have to change the accounting treatment for these investments. For this reason we recommend that the accounting policies for investments be evaluated annually.

b. Pledges receivable should be recorded net of any amounts which are deemed uncollectable. We recommend that the Boosters establish a policy to examine individual pledges for factors which indicate the pledge could be uncollectable. At a minimum, this examination should be performed annually as part of the closing process. We also recommend that the Boosters discount long-term pledges receivable in accordance with their accounting policy and generally accepted accounting principles.

c. We recommend that Authority establish formal policies and procedures over accounting and financial reporting including the year-end closing processes. Also, procedures should be put in place to monitor and reconcile significant accounts throughout the year to minimize the effort required during the year end close process. The frequency of the monitoring reviews should be designated by management based on the nature of the accounts and frequency of activities within the accounts.

Response / Planned Corrective Action:

a. The Seminole Boosters have implemented procedures to evaluate the accounting treatment of significant investments held by the Seminole Boosters outside of our general investment accounts. As changes occur in these investments we will adjust our accounting treatment for them and document the changes in the accounting treatment. These items will be evaluated annually moving forward.

b. The Seminole Boosters recognize the significance of pledges receivable and have implemented procedures to examine individual pledges for factors that indicate the pledge could be uncollectable. Additionally, we will evaluate long-term pledges and begin implementing procedures to discount them appropriately.

c. With a small accounting staff relative to the size of the organization, The Seminole Boosters do not have one employee dedicated to external financial reporting. We recognize that the lack of this position can result in some additional difficulties in financial reporting but are working toward improving our external financial reporting process. We continue to implement new procedures to help address deficiencies in our accounting and financial reporting process.

2017-002 Audit Trail

Criteria: An auditee is responsible for the maintenance of appropriate audit evidence. Audit evidence should be maintained in sufficient detail to allow an auditor to perform procedures over the amounts and disclosures in the financial statements in order to provide reasonable assurance that the financial statements are free from material misstatement.

Condition: In performing our audit procedures we encountered significant difficulties in obtaining sufficient, competent audit evidence. Although we were ultimately able to obtain evidence adequate to base our opinion on the financial statements, in multiple instances this evidence was not being maintained by the Boosters. Additionally, certain evidence that was being maintained by the Boosters required substantial modification to convert it to a format that could be utilized as audit evidence.

Context: This condition was present in multiple cycles thorough the financial statements.

Cause: The Boosters is not maintaining a sufficient audit trail to support the balances and disclosures in its financial statements.

Effect: Failure to maintain and provide sufficient audit evidence to support the amounts and disclosures in the financial statements resulted in significant delays in performance of the necessary audit procedures. As a result, the entire audit was delayed and extended and the issuance of the financial statements has been delayed beyond the normal issuance date requested by Florida State University.

Recommendations: We recommend that the Boosters develop policies to maintain sufficient and competent audit evidence to support all of the balances and disclosures in its financial statements. The Boosters should also review its fiscal year end accounting and reporting policies and procedures to establish a process that will result in timely completion and issuance of the financial statements in accordance with Florida State University's submission deadline.

Response / Planned Corrective Action:

The Seminole Boosters are aware of the University submission deadlines and are implementing practices to help with meeting these deadlines. Additionally, gift processing is implementing new procedures related to maintaining documents for audit purposes which will make this information more organized and easier to pull together for auditor requests. Lastly, the delay of time for completing the audit was a result of multiple factors both internally and externally. The factors that are controllable will be discussed and improvements made moving forward.