

**FLORIDA A&M UNIVERSITY
RATTLER BOOSTERS, INCORPORATED**

**AUDITED FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED
JUNE 30, 2023, AND JUNE 30, 2022**



FAMU RATTLER BOOSTERS, INC.
FOR THE YEAR ENDED
JUNE 30, 2023, AND JUNE 30, 2022

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Required Supplementary Information	
Management Discussion and Analysis (Unaudited)	4-7
Basic Financial Statements	
Statement of Net Position.....	8
Statement of Revenues, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11-23
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>.....	24-25

Independent Auditor's Report

To the Board of Directors
Florida A&M University Rattler Boosters, Inc.

Opinion

We have audited the accompanying financial statements of the Florida A&M University Rattler Boosters, Inc. (a nonprofit organization), which comprise the statement of net position as of June 30, 2023, and June 30, 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Florida A&M University Rattler Boosters as of June 30, 2023, and June 30, 2022, and in its revenues, expenses, and changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida A&M University Rattler Boosters and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida A&M University Rattler Boosters' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Florida A&M Rattler Boosters' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida A&M University Rattler Boosters' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental

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

Grayson Accounting & Consulting, P.A.

Tallahassee, Florida
October 20, 2023

Florida A & M University Rattler Boosters, Inc.
Management Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2023, and 2022

The management's discussion and analysis provide an overview of the financial position and activities of the FAMU Rattler Booster, Inc. ("Rattler Boosters") for the fiscal years ended June 30, 2023, and 2022. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. It should be read in conjunction with the financial statements and notes to financial statements for the Rattler Boosters which follow this section.

OVERVIEW OF FINANCIAL STATEMENTS

The Rattler 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 Governmental Accounting Standards Board (GASB). The financial statements focus on the financial condition of the Rattler Boosters, the results of operations, and cash flows of the Rattler Boosters as a whole. The accrual basis of accounting is used for presentation which is similar to most private-sector companies.

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

The Statement of Revenues, Expenses and Changes in Net Position presents the revenue and expense activity for the Rattler Boosters, categorized as operating and non-operating. 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 Rattler Boosters' financial results by reporting the major sources and uses of cash and cash equivalents. This statement assists in evaluating the Rattler Boosters' ability to generate net cash flows, its ability to meet its financial obligations as they come due and its need for external financing.

Florida A & M University Rattler Boosters, Inc.
Management Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2023, and 2022

REPORTING ENTITY

Florida A & M University Rattler Boosters, Inc. ("Rattler Boosters") is a non-profit organization that provides financial support to the student-athletes representing Florida A&M University. The Rattler Boosters seeks to enrich the educational experience of each student-athlete by generating substantial financial contributions through annual Rattler Booster memberships. These contributions significantly lend to the growth and stability of the Athletics Program.

FINANCIAL HIGHLIGHTS

The assets for the Rattler Boosters totaled \$299,589 as of June 30, 2023, which reflects an increase of \$32,983 or 12%, from the 2021-2022 fiscal year. This increase was primarily attributed to an increase in the collection of contributions for the permanent endowment fund. Liabilities for the Rattler Boosters did not change and remains at zero. Total ending net position increased by \$32,983, or 12%, for a year-end balance of \$299,589.

The Rattler Boosters operating revenues totaled \$83,872 for the 2022-2023 fiscal year, representing a \$28,825 or 26% decrease from 2021-2022. Operating expenses totaled \$49,194 for the 2022-2023 fiscal year resulting in a 91% increase over 2021-2022. Net non-operating revenues (expenses) for the 2022-2023 fiscal year totaled (\$29,213) which is an increased non-operating expense of \$4,669 or 19% increase from the 2021-2022 fiscal year. This increase in non-operating expenses was attributed to an increase in contributions to the athletic department of Florida A&M University.

BUDGETARY HIGHLIGHTS

The Rattler Boosters' budgeted amount of revenues for the fiscal year 2022-2023 was \$136,409. The actual amount of revenue was \$83,872 which represents an unfavorable variance of \$52,537 or 38% compared to projected revenues for the fiscal year. The unfavorable variance is attributed to not meeting the goals for gifts and other income.

The Rattler Boosters budgeted amount of expenses for fiscal year 2022-2023 was \$136,409. The actual amount of expenses was \$49,191 which represents a favorable variance of \$87,218 or 64% compared to projected expenses for the fiscal year. This favorable variance is attributed to a lack of concession stand operation expenses, annual kickoff expenses and travel expenses.

Overall, the Rattler Boosters did not meet the budgeted revenue, but due to the savings in expenses of the net result is an increase in net position of \$32,983 for the fiscal year.

Florida A & M University Rattler Boosters, Inc.
Management Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2023, and 2022

ECONOMIC CONDITIONS AND OUTLOOK

Florida A&M University and the FAMU Foundation are expected to support the Rattler Boosters at levels consistent with the current year.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position June 30:

FAMU RATTLER BOOSTERS, INC.
STATEMENT OF NET POSITION
JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets	134,869	130,758
Noncurrent assets	164,720	135,848
Total assets	<u><u>299,589</u></u>	<u><u>266,606</u></u>
<u>LIABILITIES</u>		
Current liabilities	-	-
Noncurrent liabilities	-	-
Total Liabilities	<u><u>-</u></u>	<u><u>-</u></u>
<u>NET POSITION</u>		
Total net position	<u><u>299,589</u></u>	<u><u>266,606</u></u>

Florida A & M University Rattler Boosters, Inc.
Management Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2023, and 2022

Condensed Statement of Revenue, Expenses, and Changes in Net Position – June 30:

	<u>2023</u>	<u>2022</u>
Operating revenue		
Total operating revenues	83,872	112,697
Total operating expenses	49,194	25,719
Operating income	<u>34,678</u>	<u>86,978</u>
Net nonoperating revenues (expenses)	(29,213)	(24,543)
Contributions from donors for permanent endowments	27,518	13,750
Increase (decrease) in net position	<u>32,983</u>	<u>76,185</u>
Net position, beginning of year	266,606	190,421
Net position, end of year	<u>299,589</u>	<u>266,606</u>

FAMU RATTLER BOOSTERS, INC.
STATEMENT OF NET POSITION
JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	25,847	-
Cash and cash equivalents (Cash held in trust)	105,975	128,246
Funds held and invested by the Florida A&M University Foundation, Inc. on behalf of the FAMU Rattler Boosters, Inc., current portion	2,536	2,512
Total current assets	<u>134,359</u>	<u>130,758</u>
Noncurrent assets		
Funds held and invested by the Florida A&M University Foundation, Inc. on behalf of the FAMU Rattler Boosters, Inc., noncurrent portion	165,230	135,848
Capital assets, net	-	-
Total noncurrent assets	<u>165,230</u>	<u>135,848</u>
Total assets	<u><u>299,589</u></u>	<u><u>266,606</u></u>
<u>LIABILITIES</u>		
Current liabilities	-	-
Noncurrent liabilities	-	-
Total Liabilities	<u><u>-</u></u>	<u><u>-</u></u>
<u>NET POSITION</u>		
Net investment in capital assets	-	-
Restricted for permanent endowments - nonexpendable	154,856	129,006
Unrestricted	144,733	137,600
Total net position	<u><u>299,589</u></u>	<u><u>266,606</u></u>

FAMU RATTLER BOOSTERS, INC.
STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>
Operating revenue		
Contributions	61,189	98,777
Membership dues	13,845	6,550
Other Income	3,078	1,610
In-Kind Donations	5,760	5,760
Total operating revenues	<u>83,872</u>	<u>112,697</u>
Operating expenses		
Administrative Charges	1,868	1,574
Bank Fees	2,413	544
Charitable Contributions	-	880
Contract Services	3,500	7,750
Entertainment and Dinners	2,800	-
Facilities and Equipment Rental	17,163	-
Legal and Accounting	6,600	5,000
Materials and Supplies	5,761	2,495
Occupancy	5,760	6,083
Postage, Mailing Service	570	425
Software	1,632	-
Travel	1,128	968
Total operating expenses	<u>49,194</u>	<u>25,719</u>
Operating income	<u>34,678</u>	<u>86,978</u>
Nonoperating revenues (expenses)		
Transfer to restricted funds	-	(31,689)
Contributions to the Florida A&M University athletic department	(37,717)	(13,048)
Allocation of earnings from Life Membership endowment at the Florida A&M University Foundation, Inc.	8,505	20,194
Net nonoperating revenues (expenses)	<u>(29,213)</u>	<u>(24,543)</u>
Income (loss) before contributions for permanent endowments	<u>5,465</u>	<u>62,435</u>
Contributions from donors for permanent endowments	27,518	13,750
Increase (decrease) in net position	<u>32,983</u>	<u>76,185</u>
Net position, beginning of year	266,606	190,421
Net position, end of year	<u><u>299,589</u></u>	<u><u>266,606</u></u>

The accompanying notes are an integral part of these financial statements.

FAMU RATTLER BOOSTERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Cash received from members and contributors	83,872	112,576
Cash payments for services and to vendors	(49,194)	(25,718)
Net cash provided by operating activities	<u>34,678</u>	<u>86,858</u>
Cash flows from noncapital financing activities		
Reciepts from contributors for permanent endowments	27,670	13,750
Contributions to the Florida A&M University athletic department	(37,717)	(13,048)
Net cash provided by noncapital financing activities	<u>(10,047)</u>	<u>702</u>
Cash flows from investing activities		
Investment of funds held and invested by the Florida A&M Foundation, Inc. on behalf of FAMU Rattler Boosters, Inc.	(29,406)	2,171
Allocation of earnings from endowments at the Florida A&M University Foundation	8,505	(11,496)
Net cash provided by investing activities	<u>(20,901)</u>	<u>(9,325)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,729	78,236
CASH AND CASH EQUIVALENTS, beginning of the year	128,093	49,857
CASH AND CASH EQUIVALENTS, end of the year	<u>131,822</u>	<u>128,093</u>
Reconciliation of operating income to net cash provided /(used) by operating activities		
Operating income	34,678	86,858
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	-
Changes in current assets and liabilities		
Pledges Receivable	-	-
Net cash provided by operating activities	<u>34,678</u>	<u>86,858</u>

The accompanying notes are an integral part of these financial statements.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

1. NATURE OF THE ORGANIZATION

Florida A & M University Rattler Boosters, Inc. (“Rattler Boosters”) is a non-profit organization that provides financial support to the student-athletes representing Florida A&M University (University). The Rattler Boosters seeks to enrich the educational experience of each student-athlete by generating substantial financial contributions through annual Rattler Booster memberships. These contributions significantly lend to the growth and stability of the Athletics Program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a component unit of the University, the Rattler Boosters prepares its financial statements according to the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. This Statement establishes accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB Statement No.

34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments*. These standards require public institutions to present management’s discussion and analysis (MD&A), basic financial statements, and notes to the financial statements, and required supplementary information other than MD&A.

The standards require the classification of net position into three components defined as follows:

- Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted for permanent endowments – This component represents the net position of the Rattler Boosters which is restricted by constraints placed on the use by external groups such as creditors, grantors, contributors or laws and regulations. The Rattler Boosters had restricted net position of \$154,856 and \$129,006 as of June 30, 2023, and 2022, respectively.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Reporting Entity

In defining the Rattler 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 Rattler 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 Rattler Boosters is a direct support organization of the University and has met all of the financial accountability criteria necessary to be considered a component unit of the University.

The Florida legislature passed and the governor signed into law Chapter 2018-004, Laws of Florida, a provision that changed Section 1004.28, Florida Statutes, which addresses university direct support organizations. With this change, the University Board of Trustees will have to approve all DSO board members, and the University will now have control of the board of the DSO. Management has evaluated this change and is reporting the financial statements of the Rattler Boosters under the GASB model.

Measurement Focus and Basis of Accounting

The Rattler Boosters is presented as a component unit of the University. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred, regardless of the timing of the related cash flows. Revenues, expenses, income, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget

As set forth in the bylaws of the articles of organization, the Rattler Boosters adopts an annual budget for all revenues and expenses which the Board of Directors approves. This budget must then be approved by the President of the University and sent to the University Board of Trustees for review and final approval.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Annual membership dues, which are nonrefundable, are contributions to the organization in which no exchange element is provided. The Organization recognizes these contributions upon receipt.

Life memberships subscriptions are recognized as revenue committed and unpaid memberships are recorded as life memberships receivable net of an allowance for doubtful accounts.

Investments

The Rattler Boosters' long-term investments are reported at fair value using quoted market prices of other fair value techniques, including net asset value, as required by GASB Statement No. 72, *Fair Value Measurement and Valuation*.

The following are required risk disclosures applicable to the Rattler Boosters' investments:

Credit Risk — Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Rattler Boosters' investments are held by the Florida A&M University Foundation, Inc. (the "Foundation") and follows the policies of the Foundation with regards to credit risk.

Concentration of Credit Risk – The Rattler Boosters maintains a cash account with a financial institution that qualifies as a public depository pursuant to Chapter 280, Florida Statutes. A qualified public depository has a branch office(s) authorized to receive deposits in Florida, maintains FDIC deposit insurance, meets the specific

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

statutory requirements of Section 280.17, Florida Statutes, and has been approved by the Florida Treasury's Bureau of Collateral Management to accept public funds for deposit. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are satisfied first through any applicable deposit insurance, and then through the sale of collateral pledged or deposited by the defaulting depository. When necessary, assessments may also be made against other qualified public depositories of the same type as the depository in default.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Custodial Credit Risk — Custodial credit risk exists when, in the event of a bank failure, the Rattler Boosters's deposits may not be returned to it. The Rattler Boosters's policy in regards to custodial credit risk is to maintain deposits in qualified public depositories pursuant to Chapter 280, Florida Statutes, and, accordingly, are entirely insured by federal depository insurance or collateralized pursuant to the Florida Security for Public Deposits Act. The Rattler Boosters' investments are held by the Foundation and follow the policies of the Foundation in regards to custodial credit risk.

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

Capital Assets

Capital assets (\$1,000 and over) are recorded at cost, less accumulated depreciation, computed on the straight-line basis. These assets are depreciated over their estimated useful lives, ranging from five to forty years depending on the asset class. The organization's capital assets at June 20, 2023 and June 30, 2022, were fully depreciated and are as follows:

Office equipment	\$ 28,946
Transportation equipment	<u>10,738</u>
Fixed assets, at cost	39,684
Accumulated depreciation	<u>(39,684)</u>
Total	\$ -

Depreciation expense for fiscal year ended June 30, 2023, and June 30, 2022, was \$0.

Income Taxes

The Rattler Boosters is a nonprofit corporation which is generally exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Activities which constitute a trade or business, that are regularly carried on and not substantially related to the Rattler Boosters exempt purpose, may be considered unrelated business income activities under Section 511(a) of the Internal Revenue Code and subject to income tax. The Rattler Boosters had no unrelated business income tax expense for the years ended June 30, 2023, and June 30, 2022, respectively.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Facilities

The Rattler Boosters is provided the use of office space by the University. Contributions with reasonably determinable fair values have been included in revenues as in-kind contributions.

Operating Revenues and Expenses

The Statement of Revenues, Expenses and Changes in Net Position distinguishes between operating and non-operating revenues. For this purpose, operating revenues, such as dues and memberships, result from exchange transactions associated with the principle activities of the Rattler Boosters. Exchange transactions are those in which each party to the transaction receives or gives up essentially equal values. In-kind contributions from the University are considered operating revenues as they directly offset certain operating expenses. Operating expenses include the cost of membership services and administration. Non-operating revenues arise from exchange transactions not associated with the Rattler Boosters principle activities, such as contributions and investment income.

Management 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

The GASB has issued new accounting guidance or modifications to, or interpretations of, existing accounting guidance. The Rattler Boosters has considered the new un-adopted guidance and does not believe that any other new or modified guidance will have a material impact on the Rattler Boosters' reported financial position or activities in the near term.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The Rattler Boosters maintains its cash accounts with the Foundation. There were no uninsured amounts as of June 30,

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

3. CASH AND CASH EQUIVALENTS (continued)

2023 and 2022, respectively. Cash balances were \$131,822 and \$128,246 as of June 30, 2023, and 2022, respectively.

4. LIFE MEMBERSHIP ENDOWMENT HELD BY FAMU FOUNDATION

The Rattler Roosters established the Life Membership Endowment to provide support for general operations and financial stability of the organization. The endowment is administered and invested by the Foundation. As of June 30, 2023, and 2022, endowment balances totaled \$ 167,767 and \$138,360, respectively.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

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

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

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

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

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

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are observable, either directly or indirectly, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the asset;
- Level 3 inputs are significant unobservable inputs. The Rattler Boosters has no investments valued using level 3 inputs.

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

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

Corporate stocks and commingled funds (equities and fixed income) – Valued at quoted market prices, which for commingled funds represents the net asset value of shares held by the Foundation at year end.

Mutual Funds/Short-term investments – Valued at quoted market prices, which for commingled funds represents the net asset value of shares held by the Foundation at year end.

Corporate bonds and government issues (domestic and foreign) – Investments classified as Level 1 are based on quoted market prices from independent pricing vendors.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments classified as Level 2 are based upon independent pricing models or other model-based valuation techniques, such as the present value of the stream of expected cash flows adjusted for the security's credit rating and other factors. Other factors may include items, such as credit loss assumptions.

Hedge Funds and Real Estate Funds – Valued at the net asset value of the units held by the Foundation at year end, as reported by the investment manager.

Limited Partnerships – Investments in limited partnerships for which there is no readily determinable fair value are classified as Level 3, as the valuation is based on significant unobservable inputs. To estimate fair value, the Foundation uses the net asset value of the limited partnerships.

Real Estate Property – Valued at cost plus improvements and allocated 15% to fixed assets and 85% to investments. To provide net operating income that is sufficient to cover the cost of preventive maintenance, capital improvements, operating reserves, and the educational activities that the donor specified when the property was donated. The Foundation's risk with respect to this property is mitigated by the Foundation's general liability insurance, and property and casualty insurance, as well as the insurance provided by tenants pursuant to lease agreements.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

6. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The Rattler Boosters' proportionate share of the Foundation's investments by level, within the fair value hierarchy as of June 30, 2023, and 2022, is summarized as follows:

Description	Quoted Prices on Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	* Significant Unobservable Inputs (Level 3)	Total
June 30, 2023				
Common Stocks	72,449 -	2,630	-	75,079
Commingled Funds	3,813 -	8,750	-	12,563
Corporate Bonds	855 -	-	-	855
U.S. Government Securities	8,493 -	3,309	-	11,802
Real Estate Property	- -	1,565	-	1,565
	- -	11,495	-	11,495
Cash/Money Market Funds	12,292 -	-	-	12,292
Accrued Interest/Unsettled Transactions	(5,731) -	-	-	(5,731)
Total assets in the fair value hierarchy	92,173	27,749	-	119,922
Investments measured at net asset value			47,845	47,845
Total Investments at fair value	92,173	27,749	47,845	167,767

*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.

Description	Quoted Prices on Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	* Significant Unobservable Inputs (Level 3)	Total
June 30, 2022				
Common Stocks	21,242 -	-	-	21,242
Commingled Funds	- -	7,367	-	7,367
Corporate Bonds	2,790 -	-	-	2,790
U.S. Government Securities	5,913 -	1,497	-	7,410
Real Estate Property	- -	1,372	-	1,372
	- -	5,312	-	5,312
Cash/Money Market Funds	60,144 -	-	-	60,144
Accrued Interest/Unsettled Transactions	369 -	-	-	369
Total assets in the fair value hierarchy	90,459	15,548	-	106,007
Investments measured at net asset value			32,507	32,507
Total Investments at fair value	90,459	15,548	32,507	138,514

*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.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following is a description of the significant investment strategies of each major category of investments that calculate net asset value per share and are not in an active market (Level 3 measurements):

Hedge Funds, Fund of Funds and Limited Partnership Funds- To provide capital appreciation and generate high returns at reduced risk through aggressively managed portfolio of investments using advanced investment strategies.

Real Estate Funds – To provide capital appreciation and generate high returns through a professionally managed private Real Estate Investment Trust portfolio that approximates the investment risks and returns for private commercial real estate.

Real Estate Property – To provide net operating income that is sufficient to cover the cost of preventive maintenance, capital improvements, operating reserves, and the educational activities that the donor specified when the property was donated. The Foundation's risk with respect to this property is mitigated by the Foundation's general liability insurance, and property and casualty insurance, as well as the insurance provided by tenants pursuant to lease agreements.

While these financial instruments may contain varying degrees of risk, the Foundation's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table discloses all investments whose value is calculated using NAV (or its equivalent), as a practical expedient for funds held at June 30, 2023, and 2022.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>Stock investments</u>				
Domestic equities	6,253		Quarterly	45 days
International equities	6,280		Monthly	5 days
<u>Limited partnerships</u>				
Venture capital	4,891	875	Duration of Partnership	N/A
Private equity	5,750	3,251	Duration of Partnership	N/A
Private credit	2,939	2,568	Duration of Partnership	N/A
Real estate fund	1,261	1,036	Duration of Partnership	N/A
Hedge fund	20,471		Monthly/Quarterly	45 - 90 days
Total investments at June 20, 2023	<u>47,845</u>	<u>7,730</u>		

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>Comingled Funds</u>				
Credit	-		Monthly	90 days
Diversified strategy	7,756		Quarterly	60 days
<u>Limited partnerships</u>				
Venture capital	6,167	1,699	Duration of Partnership	N/A
Private equity	6,583	4,015	Duration of Partnership	N/A
Private credit	4,677	3,683	Duration of Partnership	N/A
<u>Real assets</u>				
Strategic solutions core real estate fun	6,437		Quarterly	45 - 90 days
Total investments at June 20, 2022	<u>31,619</u>	<u>9,398</u>		

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

6. LIQUIDITY OF CURRENT ASSETS

The Organization's endowment funds consist of donor restricted lifetime memberships to be permanently invested in the fund. Life membership receivables are unconditional promises to give as a result of installment payments on life memberships, therefore once received it is not available for general expenditure.

The Organization's financial assets available within one-year of June 30, 2023, for general expenditure are as follows:

Cash and Cash Equivalents	\$ 131,822
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The organization relies predominantly on cash and cash equivalents as its general expenditures, liabilities, and other obligations come due.

7. IN-KIND DONATIONS

The University, which is a related organization, provides support to the Rattler Boosters in the form of contributed facilities. The Rattler Boosters occupies approximately 200 square feet of office space and utilizes telecommunication services in Tallahassee, Florida, the use of which is provided without charge by the University. The rental value of the facilities was estimated based on current rental rates for comparable properties in the area. In-kind contributions are valued at fair value at the date of the donation.

In-kind contributions of \$5,760 have been recognized as revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2023, and June 30, 2022.

8. CASH HELD IN TRUST

FAMU Foundation, Inc. (the "Foundation"), an related entity, holds funds in trust for the Rattler Boosters for collections made on behalf of the Rattler Boosters. In the current fiscal year, members of the Rattler Boosters made payments for member's contribution and payment into the members' lifetime endowment fund. The uses of the members' lifetime endowment fund is permanently restricted (**see Note 12**).

The balance on the endowment fund at June 30, 2023 and 2022 was \$167,767 and \$138,360, respectively and is classified as net position, restricted for permanent endowments on the Statement of Net Position.

FAMU RATTLER BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023, and JUNE 30, 2022

9. SUPPORT TO ATHLETIC PROGRAMS

During the fiscal year ended June 30, 2023 and 2022, the Rattler Boosters provided direct support of \$37,717 and \$13,048 respectively. The support included amounts paid to or on behalf of FAMU's athletic department.

10. DONATED EQUIPMENT AND FACILITIES

The Rattler Boosters is provided office space and telecommunication services (occupancy) by the Foundation. The estimated fair market value of the occupancy is approximately \$480 per month.

11. MEMBERS' ENDOWMENT FUND

The Rattler Boosters have a lifetime membership endowment fund. Each member has the option to pay \$750 into the fund. The members' lifetime endowment fund is permanently restricted, and the earnings are temporarily restricted for the payment of future membership dues and members' expenses. The balance of the endowment fund at June 30, 2023, and 2022 was \$167,767 and \$138,360, respectively.

12. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. We have evaluated subsequent events through the issuance date of the audit report, October 20, 2023, and there were no subsequent events to be disclosed.

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 of
Florida A&M University Rattler 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 Florida A&M University Rattler Boosters, Inc., (a nonprofit organization), which comprise the statement of net position as of June 30, 2023, and June 30, 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the FAMU Rattler Boosters' internal control over financial reporting (internal control) as a basis for designing 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 FAMU Rattler Boosters' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the FAMU Rattler Boosters' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grayson Accounting & Consulting, P.A.

Tallahassee, Florida
October 20, 2023