Attachment E
FSU Foundation Supporting Org.
260 Letter V1

REPORT DATE

To the Board of Directors
FSU Foundation Supporting Organization, Inc.

We have audited the financial statements of FSU Foundation Supporting Organization, Inc. (the "Organization") for the year ended June 30, 2021 and have issued our report thereon dated REPORT DATE. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit, and certain other matters related to the audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated June 15, 2021, our responsibility, as described by professional standards, is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement, and to express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Organization. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Organization's compliance with certain provisions of laws, regulations, contracts, and grants, 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.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

We gave consideration to the non-audit services provided to the Organization during the period of our engagement, which may reasonably be thought to bear on independence, in reaching the conclusion that our independence has not been impaired in accordance with professional standards.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our meeting about planning matters on July 9, 2021.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. This letter communicates any significant findings as a result of our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of the appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. As discussed in Note 1, the Organization adopted the Financial Accounting Standards Board's Accounting Standard Update ("ASU") 2014-09, *revenue from Contracts with Customers* (Topic 606) as of ended July 1, 2020 using the modified retrospective method of transition for all contracts that were not completed as of that date. The Organization's revenue for reporting period ending after June 30, 2020 are presented under the new guidance, while financial results for prior periods will continue to be reported in accordance with the prior guidance and the Organization's historical accounting policy.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We found no such accounting estimates affecting the financial statements to be particularly sensitive during our audit.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no disclosures deemed particularly sensitive.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatement detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of FSU Foundation Supporting Organization, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Karen K. Smith

Karen K. Smith, CPA
Partner

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NPO-CX-12.2: Audit Difference Evaluation Form

Entity: FSU Supporting Org., Inc.

Statement of Financial Position Date: 6/30/2021

Completed by: NDM

Date: 9/17/2021

Instructions: This form may be used to accumulate audit differences (AD) that are not considered clearly trivial in amount or nature (documented at Step 5 of NPO-CX-2.1). This form should not include normal closing entries. At the end of the audit, evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. This form also provides a space to document any misstatements of disclosures (including quantitative and qualitative disclosures) that are considered when evaluating misstatements in aggregate. Before evaluating the effect of uncorrected misstatements, reassess whether materiality is still appropriate based on the entity's actual financial results. The notes following the table provide explanations and a listing of qualitative considerations in evaluating materiality. The form allows for quantifying the effect of misstatements using both the rollover and iron curtain methods, as appropriate. You need to be familiar with the guidance in section 1112 before completing this form.

				Financial Statement Effect—Amount of Over (Under) Statement of:						
Description (Nature) of Audit Difference (AD)	Factual (F), Judgmental (J), or Projected (P)	Cause	W/P Reference	Total Assets	Total Liabilities	Net Assets	Revenues	Expenses	Change in Net Assets	Working Capital
To correct the deferred portion of the license fee	F		IS.2		-$1,426	-$7,943	$9,369		$9,369	
To reverse PY passed adjustment related to license fee revenue	P		PY		$13,148	-$13,148			$0	
									$0	
									$0	
									$0	
									$0	
									$0	
									$0	
									$0	
									$0	
Total				$0	$11,722	-$21,091	$9,369	$0	$9,369	$0
Less Audit Adjustments Subsequently Booked									$0	
Unadjusted AD—Current Year (Iron Curtain Method)				$0	$11,722	-$21,091	$9,369	$0	$9,369	$0
Effect of Unadjusted AD—Prior Years									$0	
Combined Current and Prior Year AD (Rollover Method)				$0	$11,722	-$21,091	$9,369	$0	$9,369	$0
Financial Statement Caption Totals				$6,622,726	$3,892,592	$2,730,134	$1,011,468		$1,011,468	
Current Year AD as % of FS Captions (Iron Curtain Method)				0.00%	0.30%	-0.77%	0.93%	0.00%	0.93%	0.00%
Current and Prior Year AD as % of FS Captions (Rollover Method)				0.00%	0.30%	-0.77%	0.93%	0.00%	0.93%	0.00%

Qualitative Factors: Describe qualitative factors that entered into your evaluation of whether uncorrected accumulated misstatements of amounts in the table are material, individually or in the aggregate, in relation to specific accounts and disclosures and to the financial statements as a whole, and the reasons why.

Misstatements of Disclosures: Accumulate and describe any misstatements of disclosures, including qualitative and quantitative disclosures, that entered into your evaluation of whether uncorrected accumulated misstatements are material, individually or in the aggregate, in relation to specific accounts and disclosures and to the financial statements as a whole.

Conclusion: Based on the results of the evaluation performed above, as well as the consideration of qualitative factors and misstatements by nature or circumstances, uncorrected audit differences, individually and in the aggregate, ○ do ◉ do not cause the financial statements taken as a whole to be materially misstated.

Qualitative Considerations in Evaluating Materiality

The judgment about whether a misstatement is material is influenced by qualitative considerations as well as quantitative considerations. The following are examples of qualitative considerations (see section 1112):

1. Effect on other financial statement components (that is, the pervasiveness of the misstatement).
2. Effect of the misstatement on the overall trend of the change in net assets, such a misstatement that reverses a downward trend of contributions or changes a decrease in net assets to an increase in net assets.
3. Significance of the financial statement element or portion of the Organization's activities affected by the misstatement.
4. Effect of misstatement on the Organization's compliance with loan covenants, other contractual agreements, or regulatory provisions.
5. The existence of statutory or regulatory requirements affecting materiality thresholds.
6. A misstatement that affects management's compensation (for example, meeting a contribution target might trigger a bonus).
7. The sensitivity of the circumstances (such a implications of misstatements involving fraud, possible violations of laws and regulations, violations of contractual provisions, or conflicts of interest).
8. The effects of misclassifications that could be significant to the financial statements users.
9. Significance of the misstatement or disclosures in relation to known user needs.
10. The character of the misstatement (for example, the precision of the audit differences).
11. Motivation of management.
12. Offsetting effects of individually significant misstatements.
13. Potential effect on future periods.
14. Cost of making the correction.
15. Risk of possible additional undetected misstatements.
16. A misstatement that may alter key ratios that are used to evaluate the Organization’s financial position, results of operations, or cash flows.
17. Misstatements that relate to transactions involving particular parties (for example, transactions with related parties) or significant unusual transactions.

The items in the above list are only examples of qualitative factors that may be pertinent to the auditor’s evaluation of materiality. The auditor should consider additional qualitative factors that may exist.

Misstatements of Disclosures

In May 2019, the AICPA issued SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, a suite of auditor reporting standards. With regard to disclosures, SAS No. 134 amends a number of AU-C sections, including AU-C 450, *Evaluation of Misstatements Identified During the Audit,* and adds new application guidance on evaluation of misstatements in disclosures. SAS No. 134 is effective for audits of financial statements for periods ending on or after December 15, 2020, **with no early adoption permitted**. AU-C 450, as amended by SAS No 134, clarifies that misstatements of disclosures, like those related to account balances and transactions, are to be accumulated and evaluated both individually and for their effect on the financial statements as a whole. Quantitative and qualitative information in disclosures may be misstated. Examples of such misstatements include incomplete, inadequate, or omitted disclosures; misleading or obscured information; or inappropriate classification, aggregation, or disaggregation of information. Like financial statement misstatements, misstatements of disclosures may also be deemed *clearly trivial* based on size, nature, or circumstances. Misstatements of disclosures may also be indicative of fraud.

Misstatements of qualitative disclosures may not be able to be quantified in the same way as misstatements of amounts. AU-C 450, as amended by SAS No. 134, however, clarifies that such misstatements are required to be considered when evaluating misstatements individually and in the aggregate. Determining whether such misstatements are material to the financial statements as a whole requires the exercise of professional judgment and skepticism. The following are examples of factors to consider when evaluating the materiality of misstatements by nature or circumstances, individually and in aggregate, with all other misstatements:

- Errors are persistent or pervasive in nature.
- Multiple misstatements relate to the same matter that, collectively, may potentially affect the financial statement user's understanding of the matter.
- One or more misstatements that are the result of management bias.
- One or more misstatements that indicate possible fraud.
- The misstatements undermine the overall presentation of the financial statements.

The auditor may determine qualitative misstatements that seem individually insignificant indicate a pattern, for example of management bias, and are therefore material in aggregate.