

BASIC FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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Statements of Net Position

(as of June 30, 2020 and 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 476,788	\$ 1,949,800
Short-term investments	1,075,547	1,022,029
Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc., current portion	561,096	464,375
Accounts receivable	2,008	2,911
Due from the University Athletic Association, Inc.	26,650,794	-
Due from the University of Florida Foundation, Inc.	1,968,174	1,894,968
Prepaid expenses	90,948	126,930
Total current assets	<u>30,825,355</u>	<u>5,461,013</u>
Noncurrent Assets		
Capital assets, net	309	773
Cash surrender value of life insurance, restricted	495,842	491,913
Funds held and invested by the University of Florida Foundation, Inc on behalf of Gator Boosters, Inc., noncurrent portion	<u>70,613</u>	<u>98,175</u>
Total noncurrent assets	<u>566,764</u>	<u>590,861</u>
Total assets	<u>\$ 31,392,119</u>	<u>\$ 6,051,874</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	234,412	224,691
Due to the University Athletic Association, Inc., current portion	499,702	4,564,078
Accrued compensated absences, current portion	10,000	10,000
Unearned revenue	<u>30,933,783</u>	<u>-</u>
Total current liabilities	<u>31,677,897</u>	<u>4,798,769</u>
Noncurrent Liabilities		
Due to the University Athletic Association, Inc., noncurrent portion	70,613	98,175
Accrued compensated absences, noncurrent portion	<u>117,906</u>	<u>109,783</u>
Total noncurrent liabilities	<u>188,519</u>	<u>207,958</u>
Total liabilities	<u>\$ 31,866,416</u>	<u>\$ 5,006,727</u>
NET POSITION		
Net investment in capital assets	309	773
Restricted for permanent endowments - nonexpendable	495,842	491,913
Unrestricted	<u>(970,448)</u>	<u>552,461</u>
TOTAL NET POSITION	<u>\$ (474,297)</u>	<u>\$ 1,045,147</u>

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

Statements of Revenues, Expenses and Changes in Net Position

(for the years ended June 30, 2020 and 2019)

	2020	2019
Operating Revenues		
Football-related contributions	\$ 2,981,862	\$ 30,797,600
Basketball-related contributions	868,448	2,886,562
Capital improvement contributions	14,611,395	6,366,163
Special events	87,640	58,752
Other contributions	144,420	125,144
Total operating revenues	18,693,765	40,234,221
Operating Expenses		
Salaries and benefits	1,757,572	1,656,230
Publication expenses	57,085	48,910
Promotion	1,588,531	1,525,684
Meeting and travel	87,751	120,928
General and administrative	479,721	482,881
Special events	38,924	70,116
Total operating expenses	4,009,584	3,904,749
Operating Income	14,684,181	36,329,472
Nonoperating revenues (expenses)		
Contributions to the University Athletic Association, Inc.	(17,664,608)	(38,027,149)
Contributions to the University of Florida Foundation, Inc.	(64,166)	(10,040)
Allocation of earnings from endowments at the University of Florida Foundation, Inc.	2,046,000	1,938,551
Investment income (loss)	111,064	37,875
Gift and overhead fees	(634,789)	(270,774)
Net nonoperating revenues (expenses)	(16,206,499)	(36,331,537)
Loss before contributions for permanent endowments	(1,522,318)	(2,065)
Contributions from donors for permanent endowments	2,874	5,004
(Decrease) Increase in net position	(1,519,444)	2,939
Net position, beginning of year	1,045,147	1,042,208
Net position, end of year	\$ (474,297)	\$ 1,045,147

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

Statements of Cash Flows

(for the years ended June 30, 2020 and 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Receipts from contributors and others	\$ 22,977,657	\$ 40,236,614
Payments to employees for services	(1,749,001)	(1,668,140)
Payments to suppliers	(2,206,290)	(2,248,608)
Net cash provided by operating activities	<u>19,022,366</u>	<u>36,319,866</u>
Cash flows from noncapital financing activities		
Receipts from contributors for permanent endowments	4,332	5,004
Contributions to the University of Florida Foundation, Inc.	(64,166)	(10,040)
Contributions to the University Athletic Association, Inc.	(21,758,005)	(36,631,497)
Net cash used in noncapital financing activities	<u>(21,817,839)</u>	<u>(36,636,533)</u>
Cash flows from investing activities		
Redemption of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc.	14,007,027	6,979,625
Investment of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc.	(14,073,228)	(6,405,207)
Gift and overhead fees	(634,790)	(270,774)
Premiums paid on life insurance policies	(4,332)	(6,376)
Proceeds from life insurance policies	54,661	-
Allocation of earnings from endowments at the University of Florida Foundation, Inc.	1,972,793	1,916,772
Purchases of investment securities	(33,524)	(417,023)
Cash received for interest	33,854	19,690
Net cash provided by investing activities	<u>1,322,461</u>	<u>1,816,707</u>
Increase (decrease) in cash and cash equivalents	<u>(1,473,012)</u>	<u>1,500,040</u>
Cash and cash equivalents, beginning of year	1,949,800	449,760
Cash and cash equivalents, end of year	<u>\$ 476,788</u>	<u>\$ 1,949,800</u>

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

Statements of Cash Flows

(for the years ended June 30, 2020 and 2019)

	2020	2019
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 14,684,181	\$ 36,329,472
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	464	5,053
Changes in assets and liabilities:		
Accounts receivables	903	2,393
Prepaid expenses	35,982	(47,053)
Accounts payable and accrued expenses	9,725	32,522
Due from the University Athletic Association, Inc.	(26,650,794)	-
Accrued compensated absences	8,122	(2,521)
Unearned revenue	30,933,783	-
Net cash provided by operating activities	\$ 19,022,366	\$ 36,319,866

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of Gator Boosters, Inc. (Gator Boosters), which affect significant elements of the accompanying basic financial statements:

(a) Reporting entity—Gator Boosters is a not-for-profit organization established solely to solicit funds for the benefit of the University of Florida (the University) athletic programs. The accompanying financial statements are intended to present the results of these fund raising efforts and the resources available to support the University's athletic programs. Gator Boosters is a direct support organization and component unit (for accounting purposes only) of the University.

(b) Measurement focus, basis of accounting, and financial statement presentation—The financial statements of Gator Boosters have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

Gator Boosters distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses for Gator Boosters are those that result from the solicitation of funds for the benefit of the University athletic programs. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. As required by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, contributions to permanent endowments are not considered operating revenues and are reported after nonoperating revenues and expenses in the accompanying statements of revenues, expenses, and changes in net position.

(c) Cash and cash equivalents—For purposes of reporting cash flows, cash and cash equivalents include only highly liquid investments with original maturities of three months or less.

(d) Accounts receivable—Accounts receivable are stated at the amount management expects to collect from balances at year-end. Based on management's assessment of the credit history with organizations and individuals having outstanding balances and current relationships with them, it has concluded that realized losses on balances outstanding at year-end will likely be immaterial. Gator Boosters has no policy requiring collateral or other security to support its accounts receivable.

(e) Fair value measurements—Gator 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. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(f) Capital assets—Capital assets purchased or acquired with an original cost of \$700 or more are recorded at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets, which is considered to be five years for all assets owned by Gator Boosters at June 30, 2020 and 2019.

(g) Restricted assets—Restricted assets include the cash surrender value of life insurance policies, which are restricted by contributors for permanent endowments.

(h) Accrued compensated absences—Eligible employees are entitled to annual and sick leave with pay. Gator Boosters accrues accumulated unpaid annual vacation leave and associated employee-related costs, these amounts are included in the accompanying statement of net position. Vacation pay is expensed when earned by the employee up to the maximum payout. Sick leave payments are expensed when used, as sick leave is not eligible for payout.

(i) Net position—Net position is classified and displayed in three components:

- Net investment in capital assets - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets.
- Restricted - consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.
- Unrestricted - consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted net position is available for use, it is Gator Boosters’ policy to use restricted resources first, then unrestricted resources as they are needed.

(j) 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 and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(k) Income taxes—Gator Boosters is generally exempt from Federal income taxes under the provisions of

Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Gator Boosters files tax returns in the U.S. federal jurisdiction. Management of Gator Boosters considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to Gator Boosters’ status as a not-for-profit entity. Management believes Gator Boosters met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements. Gator Boosters’ income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

(l) Future accounting pronouncements—GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions in GASB 87 are effective for periods beginning after December 15, 2021. Gator Boosters is currently evaluating the impact this statement will have on its financial statements.

GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions in GASB 84 are effective for fiscal years beginning after December 15, 2019. The Association is currently evaluating the impact this statement will have on its financial statements.

(m) Unearned Revenues—Current unearned revenues consist of contributions for sport seasons in the next fiscal year. The unearned items are recognized as revenue when the related games are played.

2. CASH AND SHORT-TERM INVESTMENTS

(a) Cash and cash equivalents—Gator Boosters had demand deposits with a regional bank with bank balances amounting to \$496,589 and \$1,999,943 at June 30, 2020 and 2019, respectively. Custodial credit risk for deposits is the risk that in the event of a bank failure, Gator Boosters’ deposits may not be returned. Gator Boosters does not have a deposit policy for custodial credit risk, although all demand deposits with banks are federally insured up to \$250,000 under FDIC protection. As of June 30, 2020 and 2019, \$246,589 and \$1,749,943, respectively, of Gator Boosters’ bank balances was exposed to custodial credit risk.

(b) Short-term investments—Short-term investments are comprised of funds invested in the Special Purpose Investment Account (SPIA) within the Florida Treasury Investment Pool (FTIP). Funds within the FTIP are subject to various risks including credit risk and interest rate risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk can be evaluated based on the rating assigned to an issuer or other

counterparty by an independent rating agency. Interest rate risk is the risk that arises for holders of fixed income securities due to fluctuations in interest rates. This risk increases as the time to maturity or duration of these securities increase. The FTIP is not exposed to foreign currency risk as State law and investment policy do not authorize the FTIP to purchase investments in foreign currencies.

Gator Boosters reported short-term investments in SPIA at fair value totaling \$1,075,547 and \$1,022,029 at June 30, 2020 and 2019, respectively, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The SPIA carried a credit rating of AA-f and A+f by Standard & Poor’s, had an effective duration of 0.43 years and 2.71 years and a fair value factor of 1.0291 and 1.0103 as of June 30, 2020 and 2019, respectively. Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total



pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. Gator Boosters relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

The fair value of Gator Boosters investment in SPIA is measured on a recurring basis, which is valued based on Gator Boosters share of the pool, using significant unobservable inputs (Level 3).

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

Table 1a. Capital Assets - June 30, 2020 (Note 3)

	Beginning Balance	Additions	Decreases	Ending Balance
Furniture and equipment	\$ 135,017	\$ -	\$ -	\$ 135,017
Leasehold improvements	50,018	-	-	50,018
Total capital assets being depreciated	<u>185,035</u>	<u>-</u>	<u>-</u>	<u>185,035</u>
Less accumulated depreciation for:				
Furniture and equipment	134,244	464	-	134,708
Leasehold improvements	<u>50,018</u>	<u>-</u>	<u>-</u>	<u>50,018</u>
Total accumulated depreciation	<u>184,262</u>	<u>464</u>	<u>-</u>	<u>184,726</u>
Capital assets, net	<u>\$ 773</u>	<u>\$ (464)</u>	<u>\$ -</u>	<u>\$ 309</u>

Capital asset activity for the year ended June 30, 2019, was as follows:

Table 1b. Capital Assets - June 30, 2019 (Note 3)

	Beginning Balance	Additions	Decreases	Ending Balance
Furniture and equipment	\$ 135,017	\$ -	\$ -	\$ 135,017
Leasehold improvements	50,018	-	-	50,018
Total capital assets being depreciated	<u>185,035</u>	<u>-</u>	<u>-</u>	<u>185,035</u>
Less accumulated depreciation for:				
Furniture and equipment	129,191	5,053	-	134,244
Leasehold improvements	<u>50,018</u>	<u>-</u>	<u>-</u>	<u>50,018</u>
Total accumulated depreciation	<u>179,209</u>	<u>5,053</u>	<u>-</u>	<u>184,262</u>
Capital assets, net	<u>\$ 5,826</u>	<u>\$ (5,053)</u>	<u>\$ -</u>	<u>\$ 773</u>

4. FUNDS HELD AND INVESTED BY THE UNIVERSITY OF FLORIDA FOUNDATION, INC. ON BEHALF OF GATOR BOOSTERS:

Endowment fund investments are held and invested by the University of Florida Foundation, Inc. (the Foundation) to be managed on behalf of Gator Boosters. Endowment fund contributions made to the Foundation and any appreciation on all of the endowment funds are considered to be assets and net position of the Foundation. These amounts are not included in the accompanying financial statements of Gator Boosters as they are not considered to be the property of Gator Boosters. The total amount of endowment and deferred endowment assets held by the

Foundation on behalf of Gator Boosters was \$62,302,503 and \$62,259,693 at June 30, 2020 and 2019, respectively.

In addition to endowment and deferred endowment funds, Gator Boosters maintains operating accounts with the Foundation. These amounts are included in the accompanying financial statements of Gator Boosters as “Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc.” and were comprised of the following at June 30, 2020 and 2019:

Table 2a. Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc. June 30, 2020 (Note 4)

	<u>Major Gifts</u>	<u>Ticket Related</u>	<u>Admin O/H</u>	<u>Total</u>
Assets:				
Cash	\$ 533,769	\$ 23,794	\$ 3,534	\$ 561,097
Real estate held for resale	70,613	-	-	70,613
Total Assets	<u>604,382</u>	<u>23,794</u>	<u>3,534</u>	<u>631,710</u>
Liabilities	-	-	-	-
Net funds held	\$ 604,382	\$ 23,794	\$ 3,534	\$ 631,710

The change in long-term obligations for the year ended June 30, 2019 was as follows:

Table 2b. Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc. June 30, 2019 (Note 4)

	<u>Major Gifts</u>	<u>Ticket Related</u>	<u>Admin O/H</u>	<u>Total</u>
Assets:				
Cash	\$ 450,841	\$ -	\$ 13,534	\$ 464,375
Real estate held for resale	98,175	-	-	98,175
Total Assets	<u>549,016</u>	<u>-</u>	<u>13,534</u>	<u>562,550</u>
Liabilities	-	-	-	-
Net funds held	\$ 549,016	\$ -	\$ 13,534	\$ 562,550

Donations of real estate held for resale received by the Foundation on behalf of Gator Boosters are initially recorded at the appraised value and annually the Director of Real Estate at the Foundation reviews all properties for any material impairment. The real estate held for resale component of these funds are considered noncurrent assets, all other items are considered current assets in the accompanying financial statements.

The Foundation distributes an earnings allocation (4.00% for the years ended June 30, 2020 and 2019) on endowment funds to Gator Boosters annually. These earnings allocations totaled \$2,046,000 and \$1,938,551 for the years ended June 30, 2020 and 2019, respectively. Gator Boosters must use the cash payout for the purposes designated by the donor. Any investment income and realized or unrealized gains in excess of the

earnings allocation is retained by the Foundation and reinvested in the Foundation endowment pool.

5. UNEARNED REVENUES:

During the fiscal years ending June 30, 2019 and prior, Gator Boosters, Inc. would recognize all ticket related contributions as revenues in the year in which such amounts were received. However, due to the uncertainty that the COVID-19 pandemic has created for the fiscal year ending June 30, 2021 athletic calendar year, Gator Boosters, Inc. recognized only those contributions received that were applicable to an athletic event that was held during FY19-20. All other contributions received for athletic events that will be held in the following fiscal year have been reported as unearned. The unearned revenues for the year ended June 30, 2020 are as follows:

Table 3. Unearned Revenues - June 30, 2020 (Note 5)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Unearned Gator Boosters Revenues	-	30,933,783	-	30,933,783	30,933,783



6. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020, was as follows:

Table 4a. Long-Term Liabilities June 30, 2020 (Note 6)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Accrued compensated absences	\$ 119,783	\$ 92,897	\$ 84,775	\$ 127,905	\$ 10,000

Long-term liability activity for the year ended June 30, 2019, was as follows:

Table 4b. Long-Term Liabilities June 30, 2019 (Note 6)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Accrued compensated absences	\$ 122,304	\$ 108,385	\$ 110,906	\$ 119,783	\$ 10,000

7. RELATED-PARTY TRANSACTIONS

Gator Boosters solicits contributions in support of the University's athletic programs, which are administered by the University Athletic Association, Inc. (the Athletic Association). Support is provided for scholarships and athletic facilities. Amounts transferred to the Athletic Association are reflected in the accompanying financial statements.

Beginning with the fiscal year ending June 30, 2020, Gator Boosters, Inc. recognizes contribution expense for amounts remitted to the Association in the year in which the related athletic event is held. A reconciliation of contribution revenues from Gator Boosters, Inc. as recognized in the accompanying statements of revenues, expenses, and changes in net position to contribution expense as reflected in the financial statements of Gator Boosters, Inc. for the years ended June 30, 2020 and 2019 is as follows:

Table 5. Related Party Transactions - Booster Transfers (Note 7)

	<u>2020</u>	<u>2019</u>
Contributions to the Athletic Association, as recognized in the accompanying statements of revenues, expenses, and changes in net position.	\$ 17,664,608	\$ 38,027,149
Recognition by the Athletic Association of prior year amounts received from Gator Boosters that were previously unearned	30,283,545	32,654,627
Deferral by the Athletic Association of amounts received from Gator Boosters in the current year.	-	(30,283,545)
Contributions from Gator Boosters, Inc., as recognized in the financial statements of the Athletic Association.	<u>\$ 47,948,153</u>	<u>\$ 40,398,231</u>

Gator Boosters occupies, without charge, office space owned by the Athletic Association. The use of this office space was valued at \$70,620 for the years ended June 30, 2020 and 2019, and is recorded by Gator Boosters as rent expense and donated facilities, which is included in “general and administrative” expenses in the accompanying financial statements. During 2004, Gator Boosters entered into an agreement with the Athletic Association whereby the Athletic Association would provide accounting services to Gator Boosters. Additionally, Gator Boosters annually reimburses the Athletic Association for sports information and computer support services. For the years ended June 30, 2020 and 2019, Gator Boosters paid \$190,000 in each year, respectively, to the Athletic Association for accounting and other support services.

8. DONATED MATERIALS, FACILITIES AND SERVICES

Gator Boosters records the value of donated materials, facilities and services at their fair market value at the date of donation. For the years ended June 30, 2020 and 2019, Gator Boosters received \$93,120 and \$92,000, respectively, for donated materials, facilities and services, of which \$70,620 per year was from the Athletic Association for the use of office space.

9. PENSION PLAN

Beginning July 1, 2013, the Gator Boosters Board of Directors elected to adopt The University of Florida Athletic Association, Inc. Employees’ Money Purchase Pension Plan and Trust, a defined contribution pension plan covering substantially all full-time employees. Total pension expense for the plan was \$144,293 and \$135,606 for the years ended June 30, 2020 and 2019, respectively. Contributions are made by Gator Boosters to the pension plan based on 12% of an eligible employee’s earnings. During the years ended June 30, 2020 and 2019, total pension applicable payroll for employees covered under the plan was \$1,245,133 and \$1,166,928, respectively, which represented approximately 95% and 90% of total payroll for the years ended June 30, 2020 and 2019.

10. RISK MANAGEMENT

Gator Boosters is exposed to various risks of loss including general liability, property and casualty, group health and life, auto and physical damage, and workers’ compensation. Conventional, commercial insurance coverage has been purchased from various independent carriers to insure against such risks and minimize Gator Boosters’ financial exposure to such risks. Claims have not exceeded coverage in the past three years.

Gator Boosters is not involved in any risk pools with other governmental entities.

11. UNCERTAINTIES:

During the year ended June 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. As a result, on March 13, 2020, athletic activities ceased, and the financial impacts from that date through June 30, 2020, have been reflected in the June 30, 2020 financial statements.

There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while Gator Boosters cannot reasonably estimate the length or severity of this pandemic, management believes that a material impact on the Boosters’ future financial position and results of future operations is reasonably possible.

Subsequent to June 30, 2020, Gator Boosters contacted its season ticket holders with options for redirecting the funds received for 2020 football ticket related contributions, which are reported as unearned revenues as of June 30, 2020 (see Note 5). Season ticket holders were given the options of converting all or some of their balance into a Gator Boosters donation, redeeming all of some of their balance for one-of-a-kind items and experiences, rolling over their balance to the 2021 football season, or requesting a refund. As of November 10, 2020, \$4,804,362 or 16% of the \$30,933,783 unearned revenue received during the year ended June 30, 2020, was refunded.



ADDITIONAL INFORMATION

JUNE 30, 2020 AND 2019

**Schedule of Funds Held and Invested by The University of Florida Foundation, Inc.
On Behalf Of Gator Boosters, Inc.**

(for the years ended June 30, 2020 and 2019)

	Operating Funds	Endowment Income Funds**	Deferred Endowments Owned by the UF Foundation, Inc.*	Endowment Funds Owned by the UF Foundation, Inc.*	Total
Balance, June 30, 2018	\$ 1,133,376	\$ 1,902,405	\$ 754,577	\$ 59,451,135	\$ 63,241,493
Contributions	6,598,628	50	119,882	1,104,469	7,823,029
Gift, credit card, and overhead fees	(257,228)	(53,444)	(16,481)	(668,865)	(996,018)
Beneficiary distributions	-	-	(219,616)	-	(219,616)
Investment earnings (losses)	5,245	-	228,013	3,823,191	4,056,449
Real estate gains (losses)	(143,244)	-	-	(13,758)	(157,002)
Change in valuation methodology by the UF Foundation, Inc.***	-	-	(315,712)	-	(315,712)
Allocation of earnings from endowments at the UF Foundation, Inc.	-	1,987,142	-	-	1,987,142
Transfer of operating funds to other accounts	(6,774,227)	(1,907,813)	-	(1,987,142)	(10,669,182)
Balance, June 30, 2019	562,550	1,928,340	550,663	61,709,030	64,750,583
Contributions	14,670,590	1	22	1,625,053	16,295,666
Gift, credit card, and overhead fees	(634,789)	(81,142)	(13,197)	(692,875)	(1,422,003)
Beneficiary distributions	-	-	(222,024)	-	(222,024)
Investment earnings (losses)	37,328	-	30,411	1,481,872	1,549,611
Real estate gains (losses)	(49,300)	-	-	(94,500)	(143,800)
Change in valuation methodology by the UF Foundation, Inc.***	-	-	(24,259)	-	(24,259)
Allocation of earnings from endowments at the UF Foundation, Inc.	-	2,056,736	-	-	2,056,736
Transfer of operating funds to other accounts	(13,954,669)	(1,938,551)	-	(2,047,693)	(17,940,913)
Balance, June 30, 2020	\$ 631,710	\$ 1,965,384	\$ 321,616	\$ 61,980,887	\$ 64,899,597

* Amounts owned by the University of Florida Foundation, Inc. are not included in the accompanying financial statements.

** The balance of endowment income funds at year-end is included in "Due from the University of Florida Foundation, Inc." in the accompanying statements of net position.

***The University of Florida Foundation, Inc. is utilizing a more recent mortality table for discounting the present value of the trust liability based on extended life expectancies.

**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
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Gator Boosters, Inc.:

We have audited 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, the financial statements of Gator Boosters, Inc., which comprise the statement of net position as of June 30, 2020, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gator Boosters, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gator Boosters, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Gator Boosters, Inc.'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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.

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Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
November 10, 2020



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