



DRIVE

GATOR BOOSTERS, INC. FINANCIAL STATEMENTS | JUNE 30, 2020 AND 2019





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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Gator Boosters, Inc. (Gator Boosters), a direct support organization and component unit (for accounting purposes only) of the University of Florida, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Gator Boosters' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gator Boosters as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

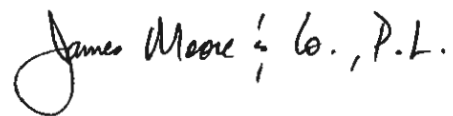
Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise Gator Boosters financial statements as a whole. The schedule of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc. (included on page 29) is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2020, on our consideration of Gator Boosters' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gator Boosters' internal control over financial reporting and compliance.

Gainesville, Florida
November 10, 2020

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial "J" and a distinct "Co." followed by "P.L." with a period.

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2020 AND 2019

Gator Boosters, Inc. (Gator Boosters), a not-for-profit corporation, is a Direct Support Organization of the University of Florida (the University). The mission of Gator Boosters is to strengthen the University's athletic program by encouraging private giving and volunteer leadership from Gators everywhere. Gator Boosters is the University's athletic fund-raising arm. Its goals are to fully fund the scholarship needs for the University's student-athletes and provide them with the resources necessary to compete at the highest level in athletics and academics. The success of Gator Boosters' fund-raising efforts is a testament to the accomplishments of our athletes, the generosity of our membership and the hard work of our fundraisers and support staff.



OVERVIEW OF THE FINANCIAL STATEMENTS

This report is provided for your convenience and understanding of Gator Boosters' financial condition and operating activities as of and for the fiscal years ended June 30, 2020 and 2019. This discussion and analysis is a narrative explanation of Gator Boosters' financial condition and operating activities for these years. The overview presented below highlights the significant financial activities that occurred during the past two years and describes changes in financial activity from the prior year. Please read this overview in conjunction with the comparative summaries of net position and revenues, expenses and changes in net position and Gator Boosters' financial statements, which begin on Page 16.

USING THESE FINANCIAL STATEMENTS

This report consists of a series of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Colleges and Universities*.

There are three financial statements presented: the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows. The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position help to answer the question of whether Gator Boosters is better or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

SUMMARY OF NET POSITION

The Statements of Net Position presents the assets, liabilities and net position of Gator Boosters as of the end of the last two fiscal years. A Statement of Net Position is a point-in-time financial statement. Its purpose is to present to the readers of the financial statements a fiscal snapshot of Gator Boosters. The Statements of Net Position present end-of-the-year data concerning Assets (what Gator Boosters owns and how much is owed by others), Liabilities (what Gator Boosters owes to others and has collected from others before the service has been provided), and Net Position (Assets minus Liabilities). The statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where revenues are recorded when earned and expenses are recognized when they are incurred.

From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of Gator Boosters. They are able to determine how much Gator Boosters owes vendors and other entities. Finally, the Statements of Net Position provide a picture of the net position and availability for expenditure by Gator Boosters.

Net Position is divided into three major categories. The first category is "unrestricted" net position. Unrestricted net position is available to Gator Boosters for any legal purpose. The next net position category, "net investment in capital assets", presents Gator Boosters' equity in property and equipment. The final category is "restricted" net position for permanent endowments. Gator Boosters' restricted net position includes the cash surrender value of life insurance policies, which are restricted by contributors for permanent endowments.

Condensed Summary of Net Position (thousands of dollars)

	2019-2020				2018-2019		
	2020	2019	Increase (decrease)	Percent change	2018	Increase (decrease)	Percent change
Assets							
Current assets	\$ 30,825,355	\$ 5,461,013	\$ 25,364,342	464.46%	\$ 3,827,294	\$ 1,633,719	42.69%
Capital assets, net	309	773	(464)	(60.03)%	5,826	(5,053)	(86.73)%
Other assets	566,455	590,088	(23,633)	(4.00)%	790,162	(200,074)	(25.32)%
Total assets	<u>31,392,119</u>	<u>6,051,874</u>	<u>25,340,245</u>	<u>418.72%</u>	<u>4,623,282</u>	<u>1,428,592</u>	<u>30.90%</u>
Liabilities							
	<u>31,866,416</u>	<u>5,006,727</u>	<u>26,859,689</u>	<u>536.47%</u>	<u>3,581,074</u>	<u>1,425,653</u>	<u>39.81%</u>
Net Position							
Unrestricted	(970,448)	552,461	(1,522,909)	(275.66)%	547,408	5,053	0.92%
Net investment in capital assets	309	773	(464)	(60.03)%	5,826	(5,053)	(86.73)%
Restricted for permanent endowments-nonexpendable	495,842	491,913	3,929	0.80%	488,974	2,939	0.60%
Total net position	<u>\$ (474,297)</u>	<u>\$ 1,045,147</u>	<u>\$ (1,519,444)</u>	<u>(145.38)%</u>	<u>\$ 1,042,208</u>	<u>\$ 2,939</u>	<u>0.28%</u>

HIGHLIGHTS

- Gator Boosters transfers its earned operating income in the form of contributions to the University Athletic Association, Inc. (the Athletic Association) for scholarships, capital improvements, and also transfers non-operating income earned from endowment funds held at the University of Florida Foundation, Inc. (the Foundation).
- In 2020, total assets increased by \$25.3 million, as opposed to 2019, whereby current assets increased by \$1.4 million. This increase is due to a change in how Booster contributions are earned and recorded (see note 5).
- Liabilities increased by \$36.8 million in 2020 due to a change in how Booster contributions are earned and recorded (see note 5) and increased by \$1.4 million in 2019 due to the timing of transfers to the UAA.

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statements of Revenues, Expenses and Changes in Net Position present the revenues and expenses incurred during each year. Revenues and expenses are reported as operating and nonoperating. Operating revenue consists of contributions from a 12,000 plus-person membership and major gifts. Operating expenses are related to the necessary administrative and personnel needs to manage and promote the membership program.

Nonoperating revenues are revenues received for which goods or services are not provided. Investment income generated on the endowment funds held at the Foundation and on Gator Boosters operating funds are classified as nonoperating revenues.

Nonoperating expenses are investment and gift fees related to the management of the endowment funds, and the transfers of contributions to the Athletic Association and the Foundation.

Condensed Summary of Revenues, Expenses and Changes in Net Assets (thousands of dollars)

	2019-2020				2018-2019		
	2020	2019	Increase (decrease)	Percent change	2018	Increase (decrease)	Percent change
Operating revenues:							
Football-related contributions	\$ 2,981,862	\$30,797,600	\$(27,815,738)	(90.32)%	\$34,576,111	\$(3,778,511)	(10.93)%
Basketball-related contributions	868,448	2,886,562	(2,018,114)	(69.91)%	3,589,106	(702,544)	(19.57)%
Capital improvement contributions	14,611,395	6,366,163	8,245,232	129.52%	9,039,324	(2,673,161)	(29.57)%
Special events and other	232,060	183,896	48,164	26.19%	95,321	88,575	92.92%
Total operating revenues	<u>18,693,765</u>	<u>40,234,221</u>	<u>(21,540,456)</u>	<u>(53.54)%</u>	<u>47,299,862</u>	<u>(7,065,641)</u>	<u>(14.94)%</u>
Nonoperating revenues:							
Allocation of earnings from endowments at the Foundation	2,046,000	1,938,551	107,449	5.54%	1,899,775	38,776	2.04%
Investment Income	111,064	37,875	73,189	193.24%	45,351	(7,476)	(16.48)%
Total nonoperating revenues	<u>2,157,064</u>	<u>1,976,426</u>	<u>180,638</u>	<u>9.14%</u>	<u>1,945,126</u>	<u>31,300</u>	<u>1.61%</u>
Total revenues	<u>20,850,829</u>	<u>42,210,647</u>	<u>(21,359,818)</u>	<u>(50.60)%</u>	<u>49,244,988</u>	<u>(7,034,341)</u>	<u>(14.28)%</u>
Operating expenses	<u>4,009,584</u>	<u>3,904,749</u>	<u>104,835</u>	<u>2.68%</u>	<u>3,491,771</u>	<u>412,978</u>	<u>11.83%</u>
Nonoperating expenses:							
Contributions to the Athletic Association	17,664,608	38,027,149	(20,362,541)	(53.55)%	45,332,570	(7,305,421)	(16.12)%
Contributions to the Foundation	64,166	10,040	54,126	539.10%	14,135	(4,095)	(28.97)%
Gift fees	634,789	270,774	364,015	134.43%	391,931	(121,157)	(30.91)%
Total nonoperating expenses	<u>18,363,563</u>	<u>38,307,963</u>	<u>(19,944,400)</u>	<u>(52.06)%</u>	<u>45,738,636</u>	<u>(7,430,673)</u>	<u>(16.25)%</u>
Total expenses	<u>22,373,147</u>	<u>42,212,712</u>	<u>(19,839,565)</u>	<u>(47.00)%</u>	<u>49,230,407</u>	<u>(7,017,695)</u>	<u>(14.25)%</u>
Contributions from donors for permanent endowment	<u>2,874</u>	<u>5,004</u>	<u>(2,130)</u>	<u>(42.57)%</u>	<u>6,419</u>	<u>(1,415)</u>	<u>(22.04)%</u>
Increase (decrease) in net assets	<u>(1,519,444)</u>	<u>2,939</u>	<u>(1,522,383)</u>	<u>(51,799.35)%</u>	<u>21,000</u>	<u>(18,061)</u>	<u>(86.00)%</u>
Net assets, end of year	<u>\$ (474,297)</u>	<u>\$ 1,045,147</u>	<u>\$ (1,519,444)</u>	<u>(145.38)%</u>	<u>\$ 1,042,208</u>	<u>2,939</u>	<u>0.28%</u>

HIGHLIGHTS

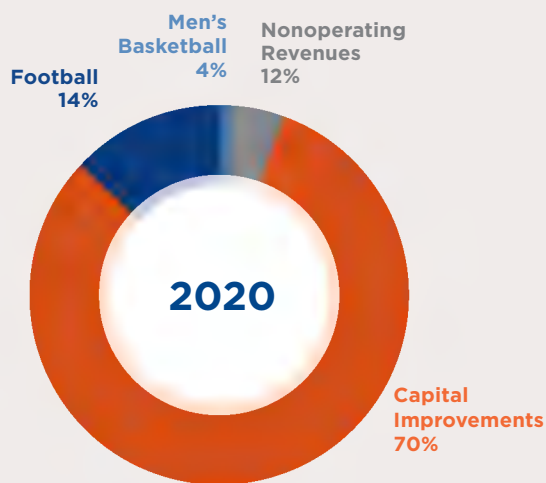
- Football related contributions in 2020 decreased by \$27.8 million and decreased in 2019 by \$3.8 million. The decrease in 2020 is due to a change in how Booster contributions are earned and recorded (see note 5) and the decrease in 2019 is due to a normalization of Booster contributions for the 2019 renewal period.
- Basketball related contributions for the 2020 season decreased by \$2.0 million due to a change in how Booster contributions are earned and recorded (see note 5) and decreased in 2019 by \$702K due to the timing of the season ticket renewals.
- Capital improvement contributions are major gifts designated by the donors for facility construction and

renovation. In 2020, these contributions increased by \$8.2 million and decreased in 2019 by \$2.7 million due to the timing of pledge payments.

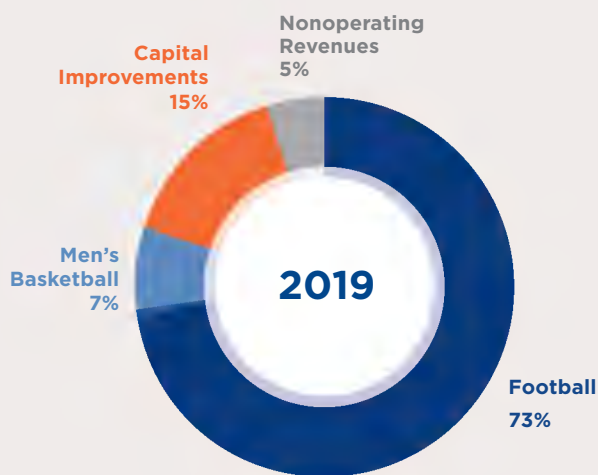
- Earnings from endowments at the Foundation remained relatively flat in both 2020 and 2019.
- In 2020, investment income increased by approximately \$73K due to realizing the proceeds from a life insurance policy owned by Gator Boosters. In 2019, investment income decreased by approximately \$7K mainly due to the change in life insurance policies owned by the Boosters.
- Contributions to the Athletic Association decreased in 2020 by \$20.4 million due to capital improvement contributions and a change in how Booster contributions are earned and recorded (see note 5) and decreased in 2019 by \$7.3 million primarily due to capital improvement contributions and ticket related contributions.
- Gift fees paid to the Foundation fluctuate based on capital contributions received on a year to year basis.

REVENUES

A graphical representation of the composition of our revenues for the years ended June 30, 2020 and 2019 follows:



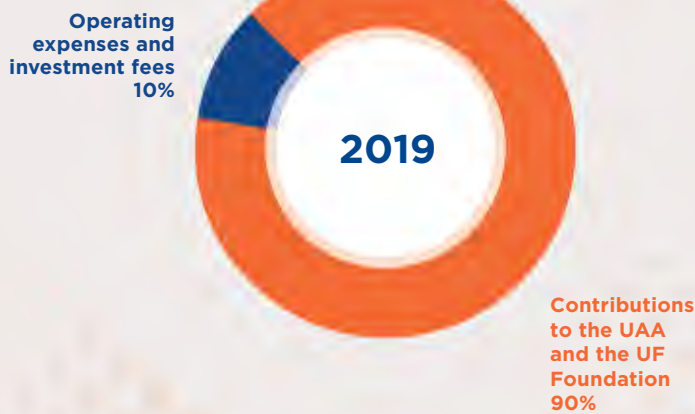
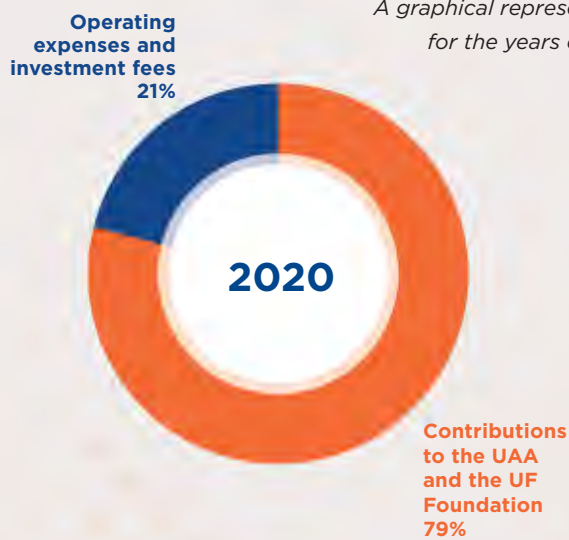
Total: \$20,850,829



Total: \$42,210,647

EXPENSES

A graphical representation of the composition of our expenses for the years ended June 30, 2020 and 2019 follows:



SUMMARY OF THE STATEMENTS OF CASH FLOWS

The final statements presented are the Statements of Cash Flows. The primary purpose of the Statements of Cash Flows is to provide detailed information about the cash receipts and cash payments of Gator Boosters during the years shown. The statements classify cash receipts and cash payments as they result from operating, noncapital financing, capital and related financing, or investing activities. The first section, cash flows from operating activities, presents the cash effects of transactions and other events that enter into the determination of Gator Boosters' operating

income. The second section, cash flows from noncapital financing activities, shows the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes and includes contributions to the Athletic Association and Foundation. The next section, cash flows from capital and related financing activities, provides information about cash used for the acquisition of capital assets and related items. The fourth section, cash flows from investing activities, details the proceeds and income received from investing activities. The final section reconciles the net cash provided (used) by operating activities to the operating income reflected on the Statements of Revenues, Expenses and Changes in Net Position.

Condensed Summary of Cash Flows (thousands of dollars)

	2020	2019	2019-2020		2018	2018-2019	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
Cash flows from:							
Operating activities	\$ 19,022,366	\$ 36,319,866	\$(17,297,500)	(47.63)%	44,372,211	(8,052,345)	(18.15)%
Noncapital financing activities	(21,817,839)	(36,636,533)	14,818,694	40.45%	(47,558,418)	10,921,885	22.97%
Investing activities	1,322,461	1,816,707	(494,246)	(27.21)%	2,856,481	(1,039,774)	(36.40)%
Net change in cash and cash equivalents	(1,473,012)	1,500,040	(2,973,052)	(198.20)%	(329,726)	1,829,766	554.94%
Cash and cash equivalents, end of year	\$ 476,788	\$ 1,949,800	\$(1,473,012)	(75.55)%	\$ 449,760	\$ 1,500,040	333.52%

HIGHLIGHTS

- Cash provided by operating activities decreased by \$17.3 million in 2020. This is due to the uncertainty of the 2020 football season and the UAA retaining associated funds in anticipation of member refunds. This is evidenced by the increase in the due from UAA account at June 30, 2020. Cash provided by operating activities in 2019 decreased by \$8.1 million primarily

due to the timing of football related contributions and capital projects contributions.

- Cash used for noncapital financing activities increased by \$14.8 million in 2020 and increased by \$10.9 million in 2019 due to fluctuations in the contributions made to the Athletic Association.
- Cash provided by investing activities decreased by \$0.5 million in 2020 is due to the timing of transfers from the Foundation to Gator Boosters and decreased by \$1.0 million in 2019 due to the timing of transfers from the Foundation to Gator Boosters.



NEXT YEAR

Amidst the uncertainty created by the COVID-19 pandemic the main focus of Gator Boosters in 2020-2021 will be on maintaining a fiscally responsible organization while still soliciting major gifts for the two capital projects consisting of the new baseball ballpark and the new football training complex.

CONTACTING MANAGEMENT

This financial narrative is designed to provide the reader with a general overview of Gator Boosters' finances and to show Gator Boosters' accountability for the contributions it receives. If you have questions about this report or need additional financial information, contact the Gator Boosters Office at Ben Hill Griffin Stadium, Gainesville, Florida: Gator Boosters, Inc., PO Box 13796, Gainesville, FL 32604, (352) 375-4683.

