



UNITED BY

# PASSION

# MANAGEMENT'S DISCUSSION & ANALYSIS

## INTRODUCTION

The University Athletic Association, Inc. (the Association), a not-for-profit corporation, is a direct support organization of the University of Florida (UF or University). The Association exists to advance UF's teaching, research and service missions through the intercollegiate athletics program.

The Association's strategic purpose focuses on providing a championship experience with integrity on and off the field for student-athletes and the Gator Nation. The Association's vision is to be the model collegiate athletics program, combining excellence and integrity in academics, athletics and fan engagement to elevate the UF brand. The Association recognizes its responsibility to UF to operate the Association in an efficient manner using sound business principles within an ethical decision-making process.

The tremendous success of the athletic program can be attributed to many factors: outstanding coaches and support staff, extremely talented student-athletes, a great academic institution, a strong recruiting base, university support, supportive alumni and friends, and a commitment to each sport. The commitment to success in each sport, not just those with net revenue, brands the program as a national model for collegiate athletics. The Association's financial strength is also a key component in its success and is a major factor in maintaining or surpassing its current level of achievement in all the Association's endeavors. It should be noted during fiscal years 2020 and 2021 the Association weathered the impact of the economic shutdown caused by the coronavirus pandemic. Social distancing, self-isolation and travel restrictions were in place throughout much of the fiscal year. This is unprecedented in the history of college athletics.

## OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The Association is pleased to present its financial statements for the fiscal years ended June 30, 2021 and 2020. This discussion and analysis are a narrative explanation of the Association's financial condition and operating activities for these years. The overview presented to the right 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 the Association's financial statements which begin on Page 16.

## USING THESE FINANCIAL STATEMENTS

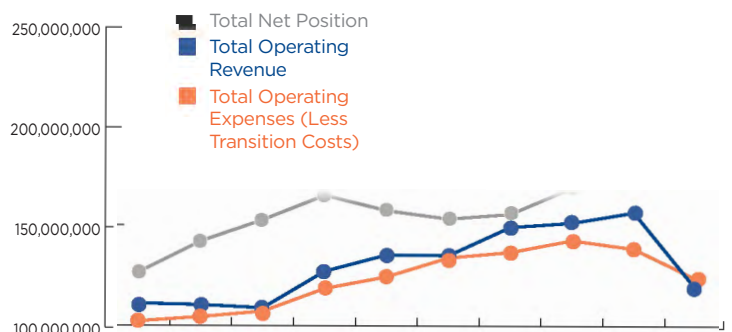
This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments and Statement No. 35, Basic Financial Statements - 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. As well, the addition of the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for the University Athletic Association (UAA) Employees' Money Purchase Pension Plan are now required by GASB Statement No. 84, Fiduciary Activities.

With support from reserves, the University of Florida and the Southeastern Conference (SEC), the Association was able to preserve its financial health during a worldwide economic crisis due to the pandemic. The cooperation among management, the UAA Board of Directors and the University led to sound fiscal stewardship and efficient operations. Total net position is one indicator of the improvement or erosion of the Association's financial health. As displayed below and on the following page, over the last 10 years, the Association has managed to steadily grow its net position by 61% from \$126 million in 2012 to \$202.9 million in 2021. This growth in net position is evidence of the Association's effort to maintain self-sufficiency. Even under the challenging circumstances, the Association had a year over year increase in net position of \$1.6 million.

The Association has also experienced steady rates of growth in its operating revenues and expenses prior to fiscal 2021. As shown below and on the following page, operating revenues had grown by 41% from \$111 million to \$157 million and operating expenses have grown by 36% from \$102 million to \$139 million. In 2021 the Association experienced a major impact to its operating revenue. This was primarily driven by a reduction in ticket sales to athletic events, ticket related contributions and royalties due to the need for social distancing and mandated reduced capacity at events.

## 10 Year History - Net Position, Revenue and Expenses (in thousands)





# RANKINGS

## Gators in 2020-21 All-Sports Rankings

The Association proves, year after year, to be a national leader in total revenues generated by the athletic program. This financial success is only possible because of the overall academic and athletic success of the intercollegiate athletic program and the condition of its facilities. The success of the intercollegiate athletic program for the current year is evidenced by the information displayed on the following page.

 **NATIONAL - GATORS NO. 5**

## LEARFIELD SPORTS DIRECTORS' CUP

- The first NCAA title by men's tennis led 10 top-10 team finishes as the University of Florida athletics program took fifth in the 2020-21 Learfield IMG College Directors' Cup. Florida's No. 5 standing is the program's 12th consecutive top-five national all-sports finish.
- Florida is the only program among top 10 in each of the last 37 national all-sports rankings.
- The Learfield IMG College Directors' Cup, presented annually by the nation's athletics directors, recognizes the schools with the best overall sports performances in an academic year. The scoring system uses scores for finishes in NCAA Division I men's and women's basketball, baseball and women's volleyball championship action. Additionally, a program can receive points in up to 15 other sports toward its final score.

## Total Revenues Ranking



Learfield Sports Directors' Cup Standings 2020-21

Rank	School	Total
1.	Texas	1252.00
2.	Stanford	1195.75
3.	Michigan	1126.50
4.	North Carolina	1126.25
<b>5.</b>	<b>FLORIDA</b>	<b>1121.75</b>
6.	Southern Cal	1052.00
7.	Alabama	1017.25
8.	Arkansas	988.75
9.	Ohio State	972.50
10.	Georgia	971.50

## Gators by the Numbers



Gators team celebrated a 2021 NCAA Championship - men's tennis. Florida is **one of two programs in the nation** to win at least one national title in each of the last 12 complete seasons. Since 2008-09, Florida has won 21 national championships.



Consecutive top-five finishes in Learfield Sports Directors' Cup standings. Only Florida and Stanford appear **among the top five of each of the last 12** national all-sports rankings.



Olympic medals (including nine gold!) won by Gators in 2020 Olympics is **third highest among all NCAA programs.** Florida's 32 Olympians in Tokyo was No. 5 among all NCAA programs.



Consecutive complete seasons with Florida teams posting **10 or more top-10 national finishes.** In 2020-21, 10 UF teams placed among the final top 10.

## CAPITAL ONE CUP

WOMEN - NO. 9 | MEN - NO. 18

- The University of Florida was ninth in the 2020-21 Capital One Cup women's final standings and the Gator men were 18th overall.
- In the 10-year history of the Capital One Cup, UF's men & women have been among the top 12 nine times. The men's program won the 2010-11 and 2011-12 Capital One Cups and Florida took the 2013-14 women's Cup. UF and Stanford are the only schools to win both in the award's history.

### Florida's All-Sports Finishes Since 1983-84

Rank	Years
2nd	2013-14, 2012-13, 2011-12, 2009-10, 1997-98
3rd	2018-19, 2017-18, 2016-17, 2008-09, 2001-02, 1995-96
4th	2014-15, 2010-11, 1998-99, 1993-94, 1992-93, 1986-87, 1984-85
5th	<b>2020-21</b> , 2015-16, 2005-06, 1996-97, 1994-95, 1991-92, 1990-91, 1989-90, 1987-88, 1983-84
6th	2007-08, 2006-07, 2004-05, 2003-04
7th	2002-03, 2000-01, 1999-00
8th	1985-86
9th	1988-89

## SOUTHEASTERN CONFERENCE

GATORS - NO. 2

### Four SEC Titles for Florida in 2020-21

- Florida claimed four Southeastern Conference team titles in 2020-21 - gymnastics, softball, men's swimming & diving and men's tennis. That total rose to five as the Gators took the American Athletic Conference lacrosse title for UF's 10th consecutive regular-season title across three conferences.
- Florida men claimed their 22nd overall USA Today Network Southeastern Conference All-Sports title. In the tightest race of the last eight complete seasons, Arkansas edged Florida for the 2020-21 overall USA Today Network Southeastern Conference All-Sports trophy. Florida also was second to Arkansas in the women's All-Sports standings.

### 2020-21 SEC All-Sports Overall Standings

Place	School	Total # of Part. teams	Points	Quotient
1	Arkansas	199	141.5	0.71106
<b>2</b>	<b>FLORIDA</b>	<b>209</b>	<b>148.5</b>	<b>0.71053</b>
3	Alabama	209	138	0.66029
4	Tennessee	201	132.5	0.65920
5	Texas A&M	205	120	0.58537
6	LSU	209	121.5	0.58134
7	Georgia	213	122	0.57277
8	Kentucky	209	111	0.53110
9	Mississippi	179	92	0.51397
10	South Carolina	205	89	0.43415
11	Missouri	196	77.5	0.39541
12	Auburn	213	83.5	0.39202
13	Mississippi State	179	67	0.37430
14	Vanderbilt	178	56	0.31461



Consecutive years of Florida top-10 finishes in national all-sports standings. Florida is the **only program among the top 10** in each all-sports ranking since 1983-84.



Gators collected 172 All-America honors in 2020-21. **Five Gators collected seven 2021 NCAA individual titles.**



Percent of all Gators earned Southeastern Conference Academic Honor Roll accolades in 2020-21 - **301 on SEC Academic Honor Rolls** and 77 on SEC First-Year Academic Honor Roll.



Southeastern Conference team titles claimed by Florida leads the league. **Four Gator teams won SEC titles** in 2020-21 & also won AAC lacrosse.





## SUMMARY OF NET POSITION

The Statements of Net Position present the assets, liabilities and net position of the Association 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 the Association. The Statements of Net Position present end-of-the-year data concerning assets (what the Association owns and how much is owed to the Association by others), liabilities (what the Association 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 they are 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 the Association. They are able to determine how much the Association owes to vendors and lending institutions. Finally, the Statements of Net Position provide a picture of the net position and their availability for expenditure by the Association.

Statements of Net Position are divided into three major categories. Net investment in capital assets presents the Association's equity in property, plant and equipment. Restricted net position has constraints placed upon its use by independent donors. Unrestricted net position is available to the Association for any legal use.

## HIGHLIGHTS

The Association experienced a net increase in total assets of \$71.4 million in 2021. This included an increase of \$48.8 million in current assets due to the issuance of the

**Condensed Summary of Net Position** (thousands of dollars)

	2021	2020	2021-2020		2019	2020-2019	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
<b>Assets</b>							
Current assets	\$ 140,742	\$ 91,921	\$ 48,821	53.11%	\$ 123,150	\$ (31,229)	-25.36%
Capital assets, net of depreciation	251,844	245,409	6,435	2.62%	204,574	40,835	19.96%
Other assets	65,442	49,305	16,137	32.73%	51,302	(1,997)	-3.89%
Total assets	<u>458,028</u>	<u>386,635</u>	<u>71,393</u>	<u>18.47%</u>	<u>379,026</u>	<u>7,609</u>	<u>2.01%</u>
<b>Liabilities</b>							
Long-term debt outstanding	164,260	119,375	44,885	37.60%	126,025	(6,650)	-5.28%
Other liabilities	<u>90,906</u>	<u>66,003</u>	<u>24,903</u>	<u>37.73%</u>	<u>84,005</u>	<u>(18,002)</u>	<u>-21.43%</u>
Total liabilities	<u>255,166</u>	<u>185,378</u>	<u>69,788</u>	<u>37.65%</u>	<u>210,030</u>	<u>(24,652)</u>	<u>-11.74%</u>
<b>Net Position</b>							
Net investment in capital assets	155,598	126,034	29,564	23.46%	106,261	19,773	18.61%
Restricted	18,061	15,044	3,017	20.05%	8,272	6,772	81.87%
Unrestricted	<u>29,203</u>	<u>60,179</u>	<u>(30,976)</u>	<u>-51.47%</u>	<u>54,463</u>	<u>5,716</u>	<u>10.50%</u>
Total net position	<u>\$ 202,862</u>	<u>\$ 201,257</u>	<u>\$ 1,605</u>	<u>0.80%</u>	<u>\$ 168,996</u>	<u>\$ 32,261</u>	<u>19.09%</u>

Series 2021 bond, timing of ticket-related contributions and single game sales for the 2021 football season. With the start of the construction of the Bill Heavener Football Training Center, the Association saw an increase of \$6.4 million in capital assets. Other assets grew by \$16.1 million due to a transfer of cash from short-term to long-term corporate investments, and an increase in market appreciation.

Long-term and other liabilities saw an increase of \$69.8 million due to the issuance of the \$50 million Series 2021 bond, an increase in payables and a \$10 million increase in unearned revenue from ticket sales for the 2021 football season, as well as roll over of revenue from men's basketball and baseball due to reduced capacities which caused the transfer of revenue to the next season. As well, the Association managed to pay down long-term debt by \$5.1 million and experienced an increase in net position in the current year of \$1.6 million.

### 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. In general,

operating revenues are received for providing goods and services to the Association's various customers and constituencies. Operating expenses are those expenses paid to acquire or produce goods and services provided in return for the operating revenues, and to carry out the mission of the Association. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes and reduces operating income, by the cost of an asset over its expected useful life.

Nonoperating revenues (expenses) are revenues received for which goods or services are not provided, such as investment income and interest expense on capital asset related debt. Capital contributions are considered neither operating nor nonoperating and are reported after "Income before contributions."

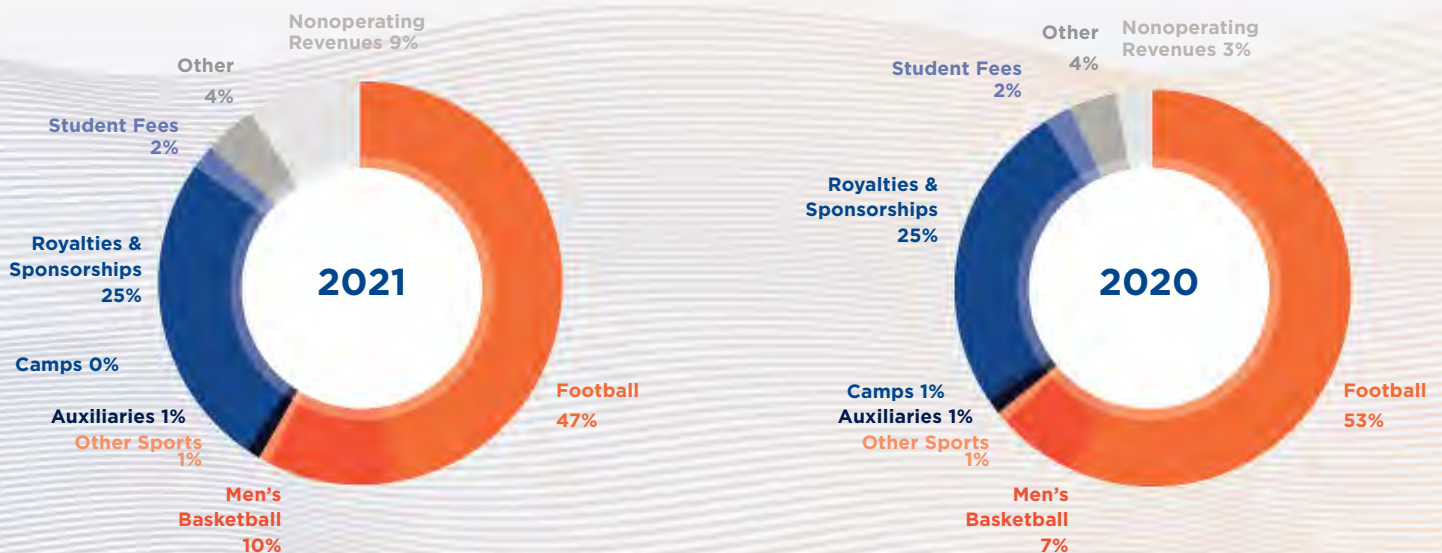
Changes in total net position as presented on the Statements of Net Position are based on the activity presented in the Statements of Revenues, Expenses and Changes in Net Position. The purpose of the Statements of Revenues, Expenses and Changes in Net Position is to present the operating and nonoperating revenues received by the Association and the operating and nonoperating expenses paid by the Association, and any other revenues, expenses, gains and losses received or spent by the Association.



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

	2021	2020	2021-2020		2019	2020-2019	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
<b>Operating revenues</b>							
Sales of goods and services	\$ 12,786	\$ 41,138	\$ (28,352)	-68.92%	\$ 35,470	\$ 5,668	15.98%
SEC and NCAA distributions	76,141	46,591	29,550	63.42%	47,670	(1,079)	-2.26%
Contributions	8,038	37,890	(29,852)	-78.79%	38,635	(745)	-1.93%
Royalties and sponsorships	15,926	24,203	(8,277)	-34.20%	21,363	2,840	13.29%
Other	6,063	6,835	(772)	-11.29%	8,311	(1,476)	-17.76%
Total operating revenues	118,954	156,657	(37,703)	-24.07%	151,449	5,208	3.44%
<b>Nonoperating revenues</b>	12,117	4,648	7,469	160.69%	5,154	(506)	-9.82%
Total revenues	131,071	161,305	(30,234)	-18.74%	156,603	4,702	3.00%
<b>Operating expenses</b>							
Salaries, wages and benefits	58,101	63,008	(4,907)	-7.79%	59,862	3,146	5.26%
Direct team expenses	21,982	26,178	(4,196)	-16.03%	32,239	(6,061)	-18.80%
Scholarships and athlete support services	18,736	20,402	(1,666)	-8.17%	22,227	(1,825)	-8.21%
Administrative services and facilities	15,078	18,479	(3,401)	-18.40%	17,653	826	4.68%
Camps and depreciation	9,816	10,446	(630)	-6.03%	10,695	(249)	-2.33%
Total operating expenses	123,713	138,513	(14,800)	-10.68%	142,676	(4,163)	-2.92%
<b>Nonoperating expenses</b>							
Interest on capital related debt	3,255	3,401	(146)	-4.29%	3,696	(295)	-7.98%
Loss on disposal of fixed assets	9,367	-	9,367	N/A	-	-	0.00%
Other nonoperating expenses	1,227	1,741	(514)	-29.52%	3,352	(1,611)	-48.06%
Total nonoperating expenses	13,849	5,142	8,707	169.33%	7,048	(1,906)	-27.04%
Total expenses	137,562	143,655	(6,093)	-4.24%	149,724	(6,069)	-4.05%
<b>Income (loss) before Capital Contributions</b>	(6,491)	17,650	(24,141)	-136.78%	6,879	10,771	156.58%
<b>Capital contributions from Gator Boosters, Inc. and others</b>	8,096	14,611	(6,515)	-44.59%	6,366	8,245	129.52%
<b>Increase (decrease) in net position</b>	1,605	32,261	(30,656)	-95.02%	13,245	19,016	143.57%
<b>Net position, beginning of year</b>	201,257	168,996	32,261	19.09%	155,751	13,245	8.50%
<b>Net position, end of year</b>	<b>\$ 202,862</b>	<b>\$ 201,257</b>	<b>\$ 1,605</b>	<b>0.80%</b>	<b>\$ 168,996</b>	<b>\$ 32,261</b>	<b>19.09%</b>

## REVENUES

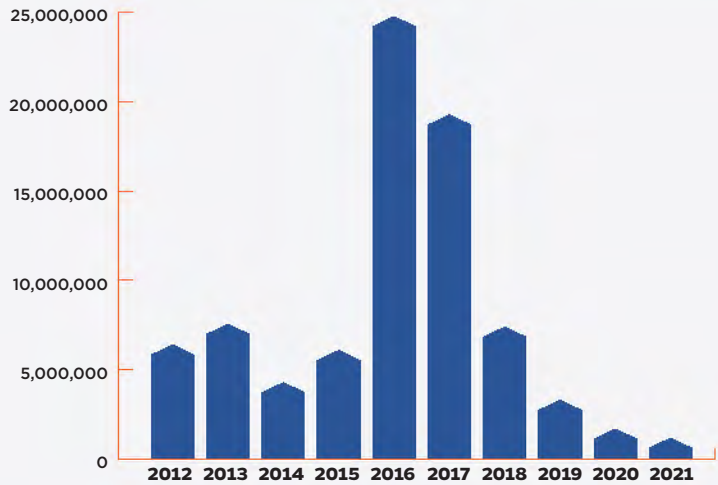


**HIGHLIGHTS**

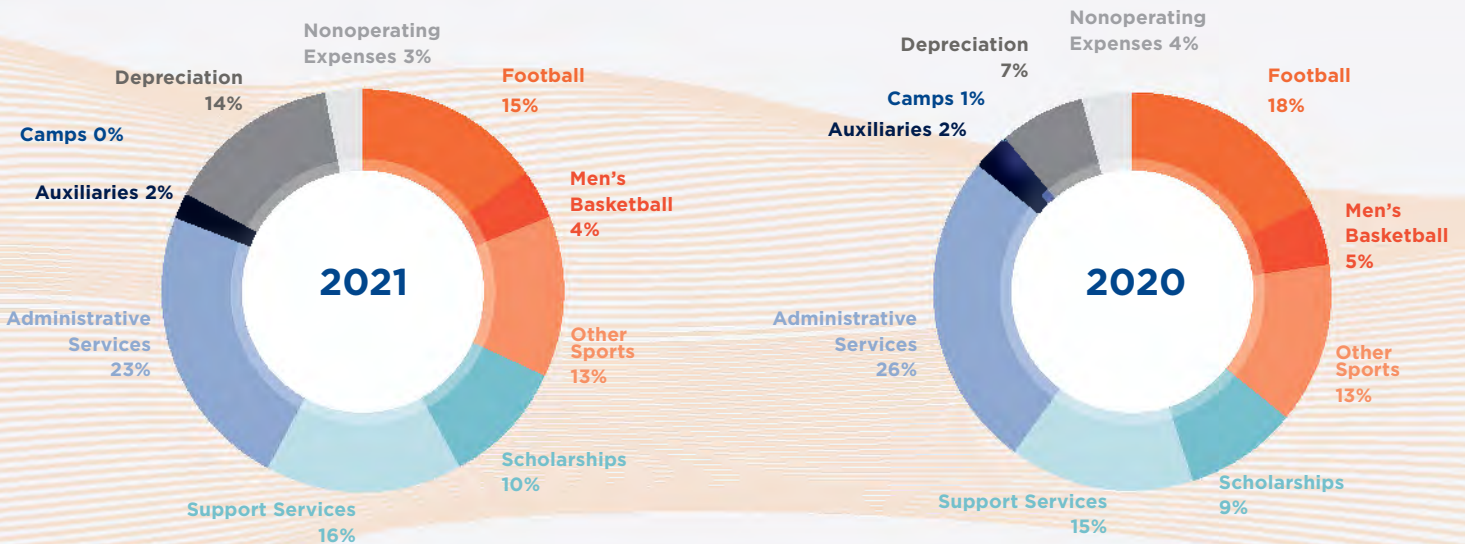
With the impact of reduced capacity at events, sales of goods and services, contributions and royalties were down a collective \$67 million while SEC distributions were up \$29 million, including a one-time distribution of \$23 million to each member institution. Overall operating revenue decreased by over \$37 million. The Association experienced significant decreases across all categories of operating expense with a total reduction of \$14.8 million. Salaries for coaches and staff of the Association were directly impacted. A pension contribution was only made for the first quarter instead of the full fiscal year which would have totaled \$3.2 million, and no performance bonuses were awarded, which when normalized, would have totaled \$2.5 million. Even though direct team support and student-athlete support categories were down due to the cancellation of events, along with recruiting and team travel during the pandemic, all other support for the student-athlete experience was consistent with prior years. The Association anticipates the return of these expenses to normalized levels in fiscal year 2022.



**Annual Contributions to the University of Florida**



**EXPENSES**







## SUMMARY OF CASH FLOWS

The primary purpose of the Statements of Cash Flows is to provide relevant information about the Association's cash receipts and cash payments 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 the Association's operating income. The second section, cash flows from noncapital financing activities, shows the cash received and spent for

nonoperating, non-investing, and noncapital financing purposes and includes contributions to and from the University of Florida, the University of Florida Foundation and the State of Florida. The next section, cash flows from capital and related financing activities, provides information about cash used for the acquisition and construction of capital and related items and cash received from contributions specifically designated for capital purposes. The fourth section, cash flows from investing activities, details the purchases, proceeds and income received from investing activities. The final section reconciles the net cash provided 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)

	2021	2020	2021-2020		2019	2020-2019	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
<b>Cash flows from:</b>							
Operating activities	\$ 31,320	\$ 8,895	\$ 22,425	252.11%	\$ 21,968	\$ (13,073)	-59.51%
Noncapital financing activities	-	(141)	141	-100.00%	(3,350)	3,209	-95.79%
Capital & related financing activities	24,463	(45,832)	70,295	-153.38%	16,353	(62,185)	-380.27%
Investing activities	(4,851)	8,771	(13,622)	-155.31%	(4,218)	12,989	-307.94%
Net change in cash and cash equivalents	50,932	(28,307)	79,239	-279.93%	30,753	(59,060)	-192.05%
<b>Cash and cash equivalents, beginning of year</b>	10,580	38,887	(28,307)	-72.79%	8,134	30,753	378.08%
<b>Cash and cash equivalents, end of year</b>	<b>\$ 61,512</b>	<b>\$ 10,580</b>	<b>\$ 50,932</b>	<b>481.40%</b>	<b>\$ 38,887</b>	<b>\$ (28,307)</b>	<b>-72.79%</b>



**HIGHLIGHTS**

Cash and cash equivalents were up a net \$50.9 million. This is a result of the increase in restricted cash due to the receipt of bond proceeds for capital projects. Cash flows from investing activities will vary based on market conditions and the purchases or sales of securities. Cash flows from capital and related financing activities fluctuate based on capital projects and debt amortization schedules.

**Net Cash Flow Activities**  
*(in thousands)*

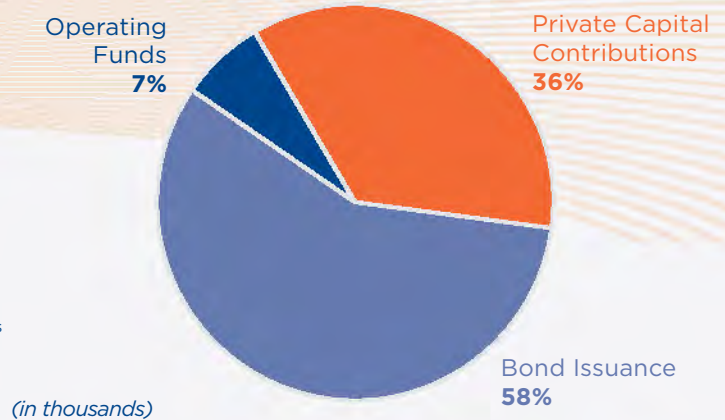


**CAPITAL ASSET AND DEBT ADMINISTRATION**

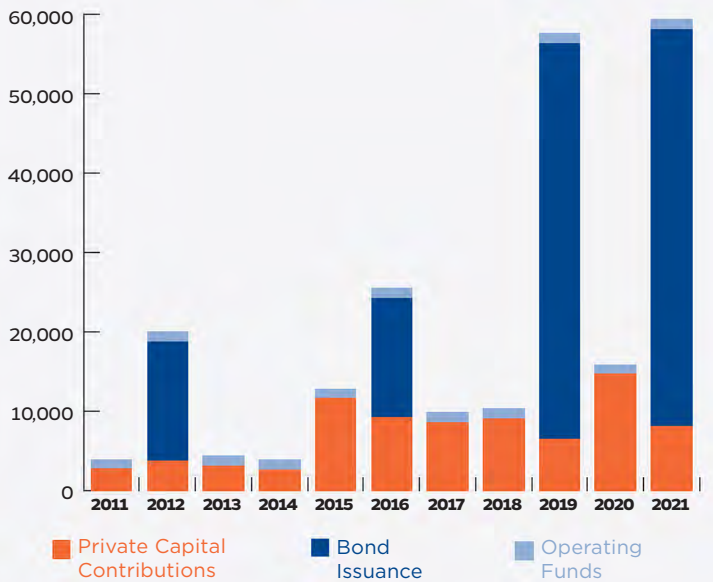
The Association is financially responsible for all major capital projects and improvements. The Association coordinates all capital projects under University construction guidelines and with University personnel, but has full financial responsibility of the cost of the projects.

The Association has a rich history of financing these projects through a combination of major capital gifts, Association operating funds, and tax-exempt debt. Operating funds do not include bond principal payments, which were \$50.4 million from the years ended June 30, 2011 through 2021. See exhibits below:

**Annual Capitalized Projects - 2011 through 2021**  
**Total of \$222.9M**



*(in thousands)*



As of June 30, 2021, the Association has a total of \$157.5 million in long-term outstanding debt. This debt was used to finance a number of different athletic facilities, including a 2001 expansion of the Ben Hill Griffin Stadium Skybox and press box complex, a 2007 expansion and renovation of the football offices and student-athlete









strength and conditioning center, a 2011 expansion of the west concourse of Ben Hill Griffin Stadium, an expansion and renovation of the gymnastics practice facility and an expansion and renovation of the Charles R. and Nancy V. Perry Indoor Tennis Facility. Other projects included the 2016 construction of the Gary Condron Family Football Indoor Practice Facility and renovation and expansion of the Hawkins Center at Farrior Hall. In July 2018, the Association issued \$50 million of tax-exempt bonds as a private placement with a financial institution to fund the construction of the new Florida Ballpark and renovate and expand Katie Seashole Pressly Softball Stadium. The construction of the softball stadium was completed in February 2019, and the Florida Ballpark was completed in September 2020. In March 2021, the Association issued the 30-year Series 2021 tax exempt bonds in support of the Bill Heavener Football Training Center and a renovation expansion of the Soccer/Lacrosse complex. The bonds were privately placed with an interest rate of 1.97% for 20 years.

## ECONOMIC OUTLOOK

The past 18 months have been an unprecedented time in college athletics. The Association's finances have experienced a stress test no one had thought possible. As the Association closes the fiscal year, the impact of the pandemic remains evident on the Statement of Revenues, Expenses and Changes in Net Position, when compared to prior years. But, given the circumstances, on a relative basis, the Association will finish the year with a strong financial position and has mitigated the effect of the pandemic with utilization of reserves, University and SEC support.

Fiscal highlights for the year include the continuation of on-going capital projects with support from the Series 2021 Bond. The ability for the Association to issue debt during this fiscal year represents the solid

foundation and management of finances over time. The support the University has provided of these initiatives will position the Association to rebound and be better positioned for future growth and financial stability.

The Association maintains a strong financial position among its peers. Within the SEC and the NCAA, a strong financial position helps to make the Association uniquely prepared for the changing landscape of college athletics, and provides the opportunity to continue to grow and move forward as an organization.

We are fortunate enough to boast some of the brightest and most talented student-athletes in the nation. The Association is dedicated to providing them with the resources they need to be successful on and off the field. Legislation around benefits has allowed us to provide our student-athletes with the maximum amount of support permitted.

The past year presented a number of challenges and changes, but with the support of Gator Nation, the University Athletic Association and University of Florida's commitment to providing a championship experience with integrity remains unwavering.

## CONTACTING MANAGEMENT

This financial narrative is designed to provide the reader with a general overview of the University Athletic Association, Inc.'s finances and to show the Association's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Association's Business Office at Ben Hill Griffin Stadium, Gainesville, Fla.:

The University Athletic Association, Inc. Attn: Associate Athletics Director - CFO, PO Box 14485, Gainesville, FL 32604-2485; (352) 375-4683.