

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2022





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 and the supporting discussion and analysis is provided for your convenience and understanding of Gator Boosters' financial condition and operating activities as of and for the fiscal year ended June 30, 2022. The overview presented below highlights the significant financial activities that occurred during the past year 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 18.

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 Statement of Net Position presents the assets, liabilities and net position of Gator Boosters as of the end of the last fiscal year. 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 Statement of Net Position presents end of 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 statement is 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 Statement of Net Position provides 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 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)

	2022	2021	2021-2022		2020	2020-2021	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
Assets							
Current asset	\$ 38,922,193	\$ 34,860,977	\$ 4,061,216	11.65%	\$ 30,825,355	\$ 4,035,622	13.09%
Capital assets, net	-	-	-	-	309	(309)	(100.00)%
Other assets	567,527	584,381	(16,854)	(2.88)%	566,455	17,926	3.16%
Total assets	39,489,719	35,445,358	4,044,361	11.41%	31,392,119	4,053,239	12.91%
Liabilities							
	39,942,730	35,894,115	4,048,615	11.28%	31,866,416	4,027,699	12.64%
Net Position							
Unrestricted	(970,137)	(970,138)	1	-	(970,448)	310	0.03%
Net investment in capital assets	-	-	-	-	309	(309)	(100.00)%
Restricted for permanent endowments-nonexpendable	517,127	521,381	(4,254)	(0.82)%	495,842	25,539	5.15%
Total net position	\$ (453,010)	\$ (448,757)	\$ (4,253)	(0.95)%	\$ (474,297)	\$ 25,540	5.38%

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). As a result, net position remains relatively unchanged from year to year, and this year Gator Boosters had no exceptions similar to the prior year.
- In 2022 and 2021 total assets increased by \$4.1 million due to the timing of transfers to the University Athletic Association.
- Liabilities increased by \$4.0 million in 2022 and \$4.0 million in 2021 due to the timing of transfers to the University Athletic Association.

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 Position (thousands of dollars)

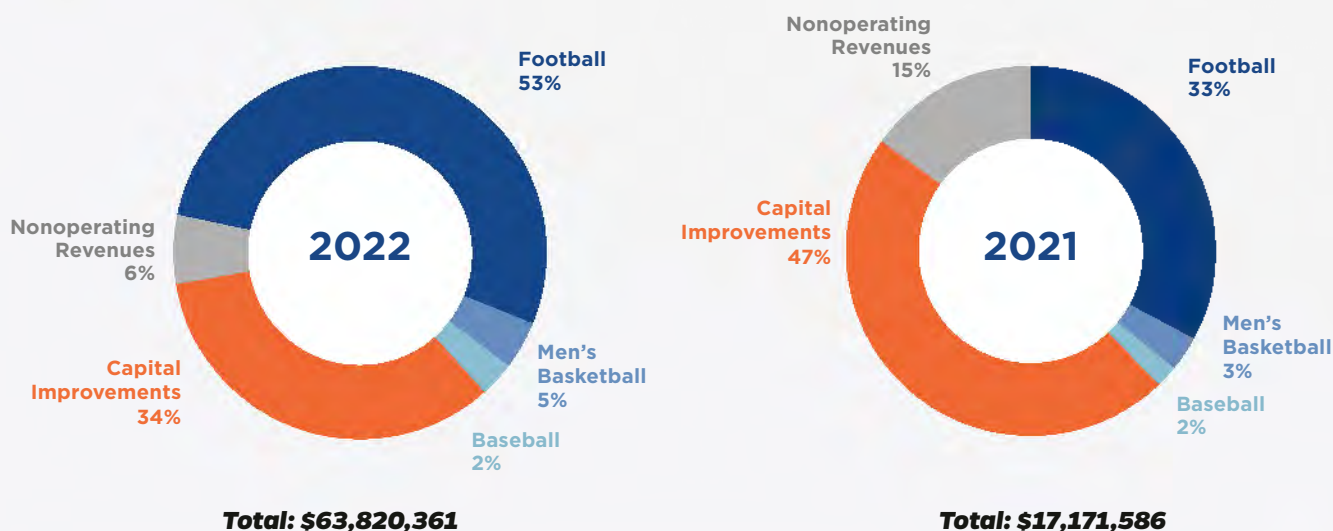
	2021-2022				2020-2021		
	2022	2021	Increase (decrease)	Percent change	2020	Increase (decrease)	Percent change
Operating revenues:							
Football-related contributions	\$ 33,837,911	\$ 5,582,327	\$ 28,255,584	506.16%	\$ 2,981,862	\$ 2,600,465	87.21%
Basketball-related contributions	2,863,904	597,090	2,266,814	379.64%	868,448	(271,358)	(31.25)%
Baseball-related contributions	1,125,150	391,840	733,310	187.15%	-	391,840	#DIV/0!
Capital improvement contributions	21,864,501	8,095,738	13,768,763	170.07%	14,611,395	(6,515,657)	(44.59)%
Special events and other	1,696,267	292,289	1,403,978	480.34%	232,060	60,229	25.95%
Total operating revenues	\$ 61,387,733	\$ 14,959,284	\$ 46,428,449	310.37%	\$ 18,693,765	\$ (3,734,481)	(19.98)%
Nonoperating revenues:							
Allocation of earnings from endowments at the Foundation	2,539,723	2,214,362	325,361	14.69%	2,046,000	168,362	8.23%
Investment Income	(107,095)	(2,060)	(105,035)	5,098.79%	111,064	(113,124)	(101.85)%
Total nonoperating revenues	2,432,628	2,212,302	220,326	9.96%	2,157,064	55,238	2.56%
Total revenues	63,820,361	17,171,586	46,648,775	271.66%	20,850,829	(3,679,243)	(17.65)%
Operating expenses	4,170,047	2,581,481	1,588,566	61.54%	4,009,584	(1,428,103)	(35.62)%
Nonoperating expenses:							
Contributions to the Athletic Association	58,562,561	14,234,478	44,328,083	311.41%	17,664,608	(3,430,130)	(19.42)%
Contributions to the Foundation	28,700	17,700	11,000	62.15%	64,166	(46,466)	(72.42)%
Gift fees	1,072,345	318,859	753,486	236.31%	634,789	(315,930)	(49.77)%
Total nonoperating expenses	59,663,606	14,571,037	45,092,569	309.47%	18,363,563	(3,792,526)	(20.65)%
Total expenses	63,833,653	17,152,518	46,681,135	272.15%	22,373,147	(5,220,629)	(23.33)%
Contributions from donors for permanent endowment	9,039	6,472	2,567	39.66%	2,874	3,598	125.19%
Increase (decrease) in net assets	(4,253)	25,540	(29,793)	(116.65)%	(1,519,444)	1,544,984	(101.68)%
Net assets, end of year	\$ (453,010)	\$ (448,757)	\$ (4,253)	0.95%	\$ (474,297)	\$ 25,540	(5.38)%

HIGHLIGHTS

- Football related contributions for the 2021 season increased by \$28.3 million mainly due to being back to pre-COVID-19 capacity levels.
- Basketball related contributions for the 21-22 season increased by \$2.3 million mainly due to being back to pre-COVID-19 capacity levels.
- Baseball related contributions for the 2022 season increased by \$733 thousand mainly due to being back to pre-COVID-19 capacity levels.
- Capital improvement contributions are major gifts designated by the donors for facility construction and renovation. In 2022, these contributions increased by \$13.8 million and decreased in 2021 by \$6.5 million due to the timing of pledge payments.
- Earnings from endowments at the Foundation remained relatively flat in both 2022 and 2021.
- In 2022, investment income decreased by approximately \$105 thousand due to a present value adjustment to investments held in the State of Florida's Special Purpose Investment Account along with donated stock sales losses on major giving. In 2021, investment income decreased by approximately \$113 thousand due to a present value adjustment to investments held in the State of Florida's Special Purpose Investment Account
- Contributions to the Athletic Association increased in 2022 by \$44.3 million due to a return to full capacity seating for all sports a contribution is required and increased capital improvement contributions. The decrease in 2021 by \$3.4 million is due to limited capacity seating in sports requiring a contribution and reduced capital improvement contributions.
- Gift fees paid to the Foundation fluctuate yearly due to those fees being based on capital contributions received during the year.

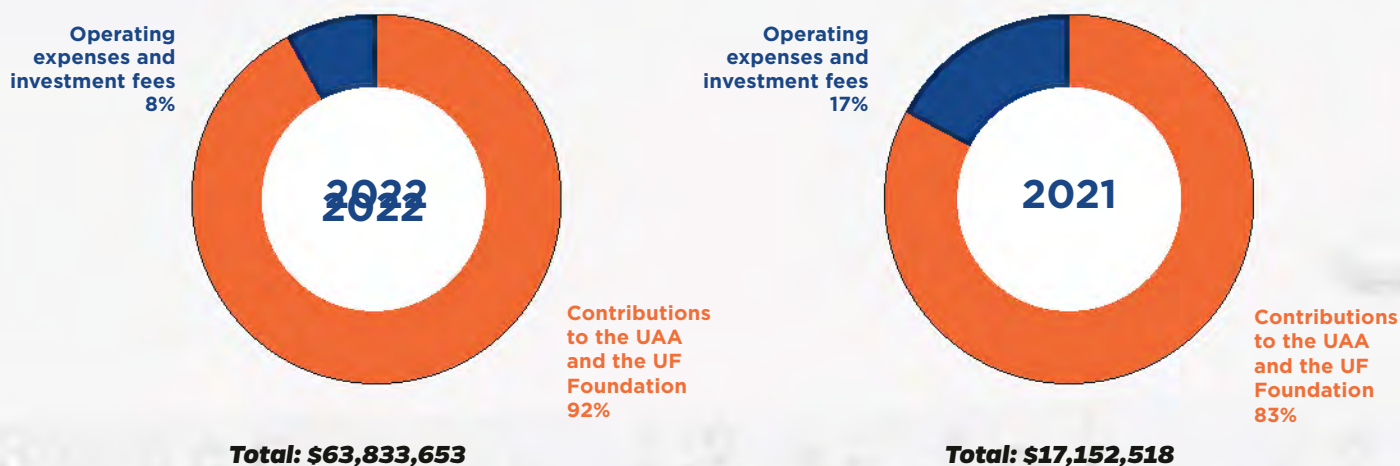
REVENUES

A graphical representation of the composition of our revenues for the years ended June 30, 2022 and 2021 follows:



EXPENSES

A graphical representation of the composition of our expenses for the years ended June 30, 2022 and 2021 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 third 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)

			2021-2022				2021-2022	
	2022	2021	Increase (decrease)	Percent change	2020	Increase (decrease)	Percent change	
Cash flows from:								
Operating activities	\$ 55,120,683	\$ 12,017,414	\$ 43,103,269	358.67%	\$ 19,022,366	\$ (7,004,952)	(36.82)%	
Noncapital financing activities	(51,928,912)	(12,779,192)	(39,149,720)	(305.22)%	(21,817,839)	9,038,647	41.43%	
Investing activities	(349,147)	2,073,684	(2,422,831)	(116.84)%	1,322,461	751,223	56.80%	
Net change in cash and cash equivalents	2,842,624	1,311,906	1,530,718	127.74%	(1,473,012)	2,784,918	189.06%	
Cash and cash equivalents, end of year	\$ 4,631,318	\$ 1,788,694	\$ 1,530,718	158.92%	\$ 476,788	\$ 1,311,906	275.15%	

HIGHLIGHTS

- Cash provided by operating activities increased by \$43.1 million in 2022 mainly due to full capacity seating in Football, Men's Basketball, and Baseball as well as increased major giving and decreased by \$7.0 million in 2021 due to reduced capacity seating in Football, Men's Basketball, and Baseball.
- Cash used for noncapital financing activities decreased by \$39.1 million in 2022 and decreased by \$9.0 million in 2021 due to fluctuations in the contributions transferred to the Athletic Association.

- Cash provided by investing activities decreased by \$2.4 million in 2022 and increased by \$751 thousand in 2021 due to the timing of transfers from the Foundation to Gator Boosters.

NEXT YEAR

The main focus of Gator Boosters in 2022-2023 will be on soliciting major gifts for capital projects and the continual growth of the University's athletic facilities. Gator Boosters will also focus on our donor pipeline and fundraising for various non-capital athletic programs.



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