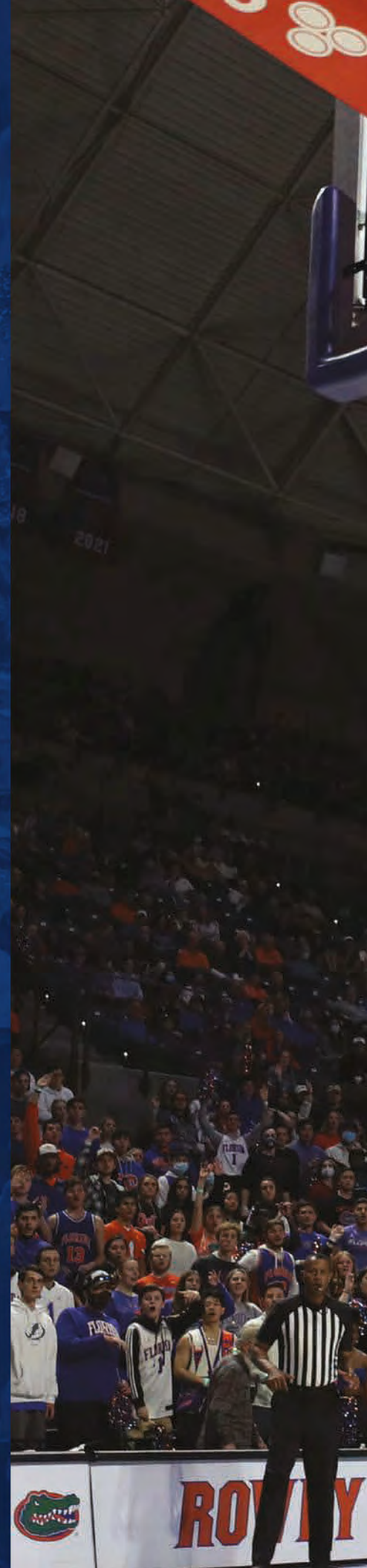


BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

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Statement of Net Position

(for the year ended June 30, 2022)

	2022
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 4,631,318
Short-term investments	1,015,208
Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc., current portion	1,615,351
Accounts receivable	918
Due from the University Athletic Association, Inc.	29,135,396
Due from the University of Florida Foundation, Inc.	2,482,454
Prepaid expenses	21,627
Total current assets	38,902,272
Noncurrent Assets	
Cash surrender value of life insurance, restricted	517,127
Funds held and invested by the University of Florida Foundation, Inc on behalf of Gator Boosters, Inc., noncurrent portion	50,400
Total noncurrent assets	567,527
Total assets	\$ 39,469,799
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	195,777
Due to the University Athletic Association, Inc., current portion	8,639,736
Accrued compensated absences, current portion	10,000
Unearned revenue	30,411,489
Total current liabilities	39,257,002
Noncurrent Liabilities	
Due to the University Athletic Association, Inc., noncurrent portion	30,479
Unearned Revenue, noncurrent portion	534,275
Accrued compensated absences, noncurrent portion	101,053
Total noncurrent liabilities	665,807
Total liabilities	\$ 39,922,809
NET POSITION	
Net investment in capital assets	-
Restricted for permanent endowments - nonexpendable	517,127
Unrestricted	(970,137)
TOTAL NET POSITION	\$ (453,010)

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

Statement of Revenues, Expenses and Changes In Net Position

(for the year ended June 30, 2022)

	2022
Operating Revenues	
Football-related contributions	\$ 33,837,511
Basketball-related contributions	2,863,904
Baseball-related contributions	1,125,550
Capital improvement contributions	21,864,501
Special events	68,817
Other contributions	1,627,450
Total operating revenues	61,387,733
Operating Expenses	
Salaries and benefits	1,776,059
Publication expenses	21,510
Promotion	1,819,863
Meeting and travel	133,107
General and administrative	382,944
Special events	36,564
Total operating expenses	4,170,047
Operating Income	57,217,686
Nonoperating revenues (expenses)	
Contributions to the University Athletic Association, Inc.	(58,542,640)
Contributions to the University of Florida Foundation, Inc.	(28,700)
Allocation of earnings from endowments at the University of Florida Foundation, Inc.	2,539,723
Investment income (loss)	(127,016)
Gift and overhead fees	(1,072,345)
Net nonoperating revenues (expenses)	(57,230,978)
Income (loss) before contributions for permanent endowments	(13,292)
Contributions from donors for permanent endowments	9,039
Decrease in net position	(4,253)
Net position, beginning of year	(448,757)
Net position, end of year	\$ (453,010)

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

Statement of Cash Flows

(for the year ended June 30, 2022)

	2022
Cash flows from operating activities	
Receipts from contributors and others	\$ 59,212,542
Payments to employees for services	(1,777,544)
Payments to suppliers	(2,314,315)
Net cash provided by operating activities	<u>55,120,683</u>
Cash flows from noncapital financing activities	
Receipts from contributors for permanent endowments	2,977
Contributions to the University of Florida Foundation, Inc.	(28,700)
Contributions to the University Athletic Association, Inc.	(51,903,189)
Net cash used in noncapital financing activities	<u>(51,928,912)</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.	22,686,077
Investment of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc.	(23,051,226)
Gift and overhead fees	(1,072,345)
Premiums paid on life insurance policies	(2,977)
Allocation of earnings from endowments at the University of Florida Foundation, Inc.	1,090,065
Purchases of investment securities	(7,809)
Cash received for interest	9,068
Net cash provided by investing activities	<u>(349,147)</u>
Increase (decrease) in cash and cash equivalents	<u>2,842,624</u>
Cash and cash equivalents, beginning of year	1,788,694
Cash and cash equivalents, end of year	<u>\$ 4,631,318</u>

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

Statement of Cash Flows

(for the year ended June 30, 2022)

	2022
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 57,217,686
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	-
Changes in assets and liabilities:	
Accounts receivables	22
Prepaid expenses	61,875
Accounts payable and accrued expenses	24,669
Due from the University Athletic Association, Inc.	445,794
Accrued compensated absences	(8,353)
Unearned revenue	(2,621,010)
Net cash provided by operating activities	\$ 55,120,683

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, 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's athletic programs. The accompanying financial statements are intended to present the results of these fundraising 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's 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, 2022.

(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) Unearned revenue—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.

(j) 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.

(k) 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.

(l) 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.



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 \$4,658,026 at June 30, 2022. 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, 2022, \$4,408,026 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 \$1,015,208 at June 30, 2022 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 by Standard & Poor’s, had an effective duration of 2.66 years and a fair value factor of 0.9479 as of June 30, 2022. 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, 2022, was as follows:

Table 1. Capital Assets - June 30, 2022 (Note 3)

	Beginning Balance	Additions	Decreases	Ending Balance
Furniture and equipment	\$ 90,061	\$ -	\$ -	\$ 90,061
Leasehold improvements	50,018	-	-	50,018
Total capital assets being depreciated	140,079	-	-	140,079
Less accumulated depreciation for:				
Furniture and equipment	90,061	-	-	90,061
Leasehold improvements	50,018	-	-	50,018
Total accumulated depreciation	140,079	-	-	140,079
Capital assets, net	\$ -	\$ -	\$ -	\$ -

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 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 \$73,929,841 at June 30, 2022.

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, 2022:

Table 2. Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc. June 30, 2022 (Note 4)

	Major Gifts	Ticket Related	Admin O/H	Total
Assets:				
Cash	1,597,594	15,200	2,557	1,615,351
Real estate held for resale	50,400	-	-	50,400
Total Assets	1,647,994	15,200	2,557	1,665,751
Liabilities	-	-	-	-
Net funds held	\$ 1,647,994	\$ 15,200	\$ 2,557	\$ 1,665,751



NOTES TO FINANCIAL STATEMENTS

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 (roughly 4.00% for the year ended June 30, 2022) on endowment funds to Gator Boosters annually. These earnings allocations totaled \$2,539,723 for the year ended June 30, 2022. 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

Gator Boosters, Inc. only recognizes revenue for contributions received that are applicable to athletic events that are held during the fiscal year. All other contributions received for athletic events that will be held in future fiscal years are deferred. The unearned revenues for the year ended June 30, 2022 is as follows:

Table 3. Unearned Revenues - June 30, 2022 (Note 5)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Unearned Gator Boosters Revenues	\$ 33,566,774	\$ 35,223,966	\$ (37,844,976)	\$ 30,945,764	\$ 30,411,489

6. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022, was as follows:

Table 4. Long-Term Liabilities June 30, 2022 (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	\$ 119,406	\$ 100,668	\$ (109,021)	\$ 111,053	\$ 10,000

7. RELATED-PARTY TRANSACTIONS

Gator Boosters solicits contributions in support of the University's athletic programs, which are administered by The Athletic Association. Support is provided for scholarships and athletic facilities. Amounts transferred to the Athletic Association are reflected in the accompanying financial statements as an expense in the amount of \$58,542,561. This amount is also reflected as contribution income from

Gator Boosters in the financial statements of the Athletic Association.

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 year ended June 30, 2022, Gator Boosters paid \$190,000 to the Athletic Association for accounting and other support services.



8. DONATED MATERIALS, FACILITIES AND SERVICES

Gator Boosters records the value of donated materials at their fair market value at the date of donation. For the year ended June 30, 2022, Gator Boosters received \$22,500 for donated materials.

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 \$99,039 for the year ended June 30, 2022. Contributions are made by Gator Boosters to the pension plan based on 10% of an eligible employee's earnings. During the year ended June 30, 2022, total pension applicable payroll for

employees covered under the plan was \$975,712, which represented approximately 71% of total payroll for the year ended June 30, 2022. Pension applicable payroll for the year ended June 30, 2022 includes October 1, 2021 - June 30, 2022 only, as employer contribution was resumed beginning October 1, 2021.

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.