



# INNOVATION





**Leading a Brighter Tomorrow:** The Gator Good isn't about any one university taking on a single cause. It's about bringing in the brightest minds to solve our toughest challenges, together. The problems facing our planet are bigger than any One person. One organization. One university. But together, we're solving them — because positive change goes further when we work as a team. The Association is committed to playing its part to contribute back to the University in its mission to move the whole world forward.





# RESPECT

*Notes to Financial Statements:*

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following is a summary of the more significant accounting policies of The University Athletic Association, Inc. (the Association), which affect significant elements of the accompanying basic financial statements.

(a) **Reporting entity**—The Association is a not-for-profit entity organized in 1929 for the purpose of conducting various intercollegiate athletic programs for and on behalf of the University of Florida. The Association operates for the service and convenience of the University of Florida and is a direct support organization and component unit (for accounting purposes only) of the University of Florida.

(b) **Measurement focus, basis of accounting and financial statement presentation**—For financial reporting purposes, the Association is considered a special-purpose government engaged only in business type activities. Accordingly, the Association prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) in the United States of America for proprietary funds, which is similar to those for private business enterprises. All assets and liabilities (whether current or noncurrent) are included on the Statements of Net Position. The Statements of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Association distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses for the Association are those that result from the operation of the University of Florida's intercollegiate athletic programs. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities. Governmental Accounting Standards Board (GASB) standards require that capital contributions from Gator Boosters, Inc. and contributions to the University of Florida and University of Florida Foundation, Inc. are not considered operating revenues or expenses. They are reported after nonoperating revenues and expenses in the accompanying Statements of Changes in Revenues, Expenses and Changes in Net Position. In addition to the business-type activities noted above, the Association reports the net position held in trust for the University

Athletic Association, Inc. Employees' Money Purchase Pension Plan and Trust (the Pension Plan), which is reported separately from the business-type activities as a fiduciary fund.

(c) **Cash and cash equivalents**—Cash and cash equivalents include cash in banks and money market funds available for immediate use.

(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 realization losses on balances outstanding at year-end will be immaterial. The Association has no policy requiring collateral or other security to support its accounts receivable.

(e) **Inventories**—Inventories consist of items held for sale at the golf course pro shop and snack bar. Inventory items at the golf course pro shop are recorded at the lower of cost or market using the average cost method. All other inventory items are recorded at the lower of cost or market, as determined by using the first-in, first-out (FIFO) method.

(f) **Fair value measurement**—The Association categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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.

(g) **Capital and right to use lease assets**—Capital assets purchased with an original cost of \$5,000 or more are recorded at cost and depreciated utilizing the straight-line method over the estimated useful lives of assets (generally 5 years for furniture, fixtures and equipment and 10 to 15 years for capital improvements, except for improvements to buildings which range from 20 to 50 years). Costs to maintain or repair these assets are expensed as incurred. Right to use lease assets with noncancelable terms greater than 12 months, and annual payments exceeding \$5,000 for equipment and \$100,000 for real estate, are capitalized as right to use lease assets and amortized over the shorter of the lease term or the useful life of the asset. Leases with noncancelable terms of less than 12 months are considered short-term leases and expensed as incurred. Subscription-based information technology arrangements (SBITAs) with



noncancelable terms greater than 12 months and payments exceeding \$4,000,000 over the life of the agreement are capitalized as right to use subscription assets and amortized over the shorter of the subscription term or the useful life of the asset. SBITAs with noncancelable terms of less than 12 months are considered short-term SBITAs and are expensed as incurred.

(h) **Accrued compensated absences**—Eligible employees are entitled to annual vacation and sick leave with pay. The Association accrues accumulated unpaid annual vacation leave and associated employee-related costs. These amounts are included in the accompanying Statements 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 revenues**—Current unearned revenues consist of advance sales of tickets for sport seasons in the next fiscal year, and miscellaneous other unearned fees received. The unearned items are recognized as revenue when the related games are played and when the service is performed or event occurs for which miscellaneous fees were received.

Additionally, unearned revenues included in other liabilities consist of advance sponsorship and royalty payments. The sponsorship and royalty amounts are recognized over the life of the agreements.

(j) **Net position**—Net position is classified and displayed in two components:

- Net investment in capital assets - consists of capital assets, net of accumulated depreciation and right to use lease assets, net of accumulated amortization, reduced by the outstanding balances of any debt or lease liability that is attributable to those assets.
- Unrestricted - consists of assets that are available to the Association for any legal use.
- The Association had no restricted net position at June 30, 2024 and 2023.

(k) **Sales taxes retained**—In accordance with Chapter 1006, Section 71 of the Florida Statutes, the Association retains an amount equal to the sales taxes collected from ticket sales to athletic events for use in the support of women's athletic programs. Sales taxes retained totaled \$2,824,348 and \$2,422,203 for the years ended June 30, 2024 and 2023, respectively, and are included in other operating revenues in the Statements of Revenues, Expenses, and Changes in Net Position.

(l) **Income taxes**—The Association is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. However, the Association is subject to income tax on unrelated business income. The Association's primary source of unrelated business income is from certain investments in a limited liability company. Income taxes incurred during the year, if any, are estimated to be immaterial to the financial statements.

The Association files tax returns in the U.S. federal jurisdiction and in the state of Florida. Management of the Association 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 upon examination by tax authorities, including changes to the Association's status as a not-for-profit entity. Management believes the Association met the requirements to maintain its tax-exempt status and has not identified any uncertain tax positions subject to the unrelated business income tax that require recognition or disclosure in the accompanying financial statements. The Association's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

(m) **In-kind contributions**—Donations of materials and services are recorded at their fair market value at the date of donation.

(n) **Recently issued accounting pronouncements**— The Governmental Accounting Standards Board (GASB) has

issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. The Association has not currently determined what, if any, impact implementation of the following will have on the Association's financial statements.

GASB issued Statement No. 101, Compensated Absences, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions in GASB 101 are effective for fiscal years beginning after December 15, 2023.

GASB issued Statement No. 102, Certain Risk Disclosures, in December 2023. The objective of GASB 102 is to provide users of governmental financial statements with essential information about risks related to an entity's vulnerabilities due to certain concentrations or constraints. The provisions in GASB 102 are effective for fiscal years beginning after June 15, 2024.

GASB issued Statement No. 103, Financial Reporting Model Improvements, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2025.

## (2) CASH AND CASH EQUIVALENTS:

The amounts reported as cash and cash equivalents include cash on hand, cash in bank demand accounts, cash held at the University of Florida and money market funds. Cash and cash equivalents at June 30, 2024 and 2023 were as follows:

**Table 1. Cash and Cash Equivalents (Note 2)**

	<b>2024</b>	<b>2023</b>
Money market funds	\$ 7,188	\$ 1,502,588
Cash in bank demand accounts	3,236,745	2,910,741
Cash held at the University of Florida	497,059	241,300
Cash on hand	111,000	111,254
Total cash and cash equivalents	<b>\$ 3,851,992</b>	<b>\$ 4,765,883</b>

Cash in bank demand accounts are held in regional banks. Bank account balances for these bank demand accounts were \$5,729,802 and \$4,518,558, as of June 30, 2024 and 2023, respectively. Deposits are uncollateralized and are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). Uninsured bank

balances totaled \$5,224,107 and \$3,551,730 as of June 30, 2024 and 2023, respectively. Money market funds are uninsured and collateralized by securities held by the institution, not in the Association's name. For deposits, custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association does not have a policy for custodial credit risk.

## (3) INVESTMENTS:

### A. University Athletic Association:

The Association reports investments at fair value, except those money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are defined as short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations.

Short-term investments are comprised of investments in external investment pools with the State of Florida Division of Treasury and the State Board of Administration (SBA), and a separately managed investment account managed by Buckhead Capital Management, and are reported at fair value. Short-term investments typically are funds accumulated from Southeastern Conference (SEC) distributions, advance ticket sales and booster contributions and will be used to fund operations in the upcoming fiscal year. Other investments include mutual funds and commingled funds that are reported at fair value as determined by their net asset values at year end. The classification of investments between short-term and long-term is based on management's anticipated cash flow needs. However, the needs of the Association may require the sale or retention of investment balances that differ from the classifications reflected in the accompanying Statements of Net Position.

The Association's corporate investment policy divides the Association's assets into two portfolios, the long-term portfolio and the short-term portfolio. The policy states that the short-term portfolio invests in cash and cash equivalents and the long-term portfolio invests in a diversified portfolio of commingled and/or mutual funds in the following classes: domestic large cap equity, domestic small cap equity, international equity, hedged strategies and fixed income.

All of the Association's recurring fair value measurements as of June 30, 2024 and 2023 are valued using quoted market prices (Level 1 inputs), with the exception of bonds



and notes which are valued using a matrix pricing model (Level 2 inputs), investments with the State Treasury and GQG Partners LLC which are valued based on the Association's share of the pool (Level 3 inputs).

The Association's investments at June 30, 2024 are reported as follows:

**Table 2. Investments - June 30, 2024 (Note 3A)**

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>External Investment Pool:</b>				
State Treasury Special Purpose Investment Account	\$ 1,014,889	\$ -	\$ -	\$ 1,014,889
<b>Cash Equivalents Classified as Short-Term Investments:</b>				
Commercial Paper	6,348,529	-	6,348,529	-
Non-Proprietary Cash Sweep	25,520,768	25,520,768	-	-
US Treasury Bills	7,909,600	7,909,600	-	-
<b>Bonds and Notes:</b>				
Corporate Backed Obligations	11,097,009	-	11,097,009	-
Corporate Bonds	1,967,518	-	1,967,518	-
Mortgage Backed Securities	9,139,904	-	9,139,904	-
<b>Mutual Funds:</b>				
Corporate Bonds	8,558,828	6,431,428	2,127,400	-
Equity	52,575,660	40,539,775	-	12,035,885
<b>Total investments by fair value level</b>	<b>\$ 124,132,705</b>	<b>\$ 80,401,571</b>	<b>\$ 30,680,360</b>	<b>\$ 13,050,774</b>
<b>Investments measured at amortized cost</b>				
SBA Florida PRIME	\$ 12,205			
<b>Total investments</b>	<b>\$ 124,144,910</b>			

The Association's investments at June 30, 2023 are reported as follows:

**Table 3. Investments - June 30, 2023 (Note 3A)**

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>External Investment Pool:</b>				
State Treasury Special Purpose Investment Account	\$ 958,128	\$ -	\$ -	\$ 958,128
<b>Cash Equivalents Classified as Short-term Investments:</b>				
Certificate of Deposit	446,565	446,565	-	-
Commercial Paper	15,921,560	-	15,921,560	-
Non-Proprietary Cash Sweep	8,839,518	8,839,518	-	-
US Treasury Bills	8,872,370	8,872,370	-	-
<b>Bonds and Notes:</b>				
Corporate Backed Obligations	13,038,739	-	13,038,739	-
Corporate Bonds	6,838,538	-	6,838,538	-
Government Bonds	718,947	718,947	-	-
Mortgage Backed Securities	7,961,977	-	7,961,977	-
Private Placement	293,937	-	293,937	-
<b>Mutual Funds:</b>				
Corporate Bonds	6,230,396	4,147,628	2,082,768	-
Equity	43,872,751	38,705,061	-	5,167,690
<b>Total investments by fair value level</b>	<b>\$ 113,993,426</b>	<b>\$ 61,730,089</b>	<b>\$ 46,137,519</b>	<b>\$ 6,125,818</b>
<b>Investments measured at amortized cost</b>				
SBA Florida PRIME	\$ 11,546			
<b>Total investments</b>	<b>\$ 114,004,972</b>			

**External Investment Pools**—The Association reported investments at fair value totaling \$1,014,889 and \$958,128 at June 30, 2024 and 2023, respectively, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, 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 (S&P), had an effective duration of 3.23 years and 3.02 years and fair value factor of 0.9958 and 0.9667 at June 30, 2024 and 2023, 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. The Association 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 Annual Comprehensive Financial Report.

The Association reported investments totaling \$12,205 and \$11,546 at June 30, 2024 and 2023, respectively, in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The Association's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAM by S&P's and had dollar weighted-average days to maturity (WAM) of 45 days and 37 days as of June 30, 2024 and 2023, respectively. A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to



interest rate changes. The investments in the Florida PRIME investment pool are reported at amortized cost. Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree

with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” As of June 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

**Bonds and Notes**—The Association reported investments totaling \$22,204,431 and \$28,852,138 as of June 30, 2024 and 2023, respectively, in bonds and notes held in separately managed investment accounts. The investment managers of these accounts use an investment philosophy that is based on a multifaceted, total return methodology which focuses on the four key components of fixed income portfolio construction: duration management, yield curve positioning, sector rotation, and security selection. The managers seek to add value and control risk in each component of the portfolio construction process to deliver superior risk-adjusted returns through all phases of the economic and interest rate cycles. The bonds and

notes are priced on a frequent basis using valuation methodologies and techniques available through independent third parties. The Association's bonds and notes are subject to credit and interest rate risk as outlined in the following sections.

**Custodial Credit Risk**—For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk if the securities are uninsured, not registered in the Association's name, and are held by the party that either sells to or buys for the Association. The Association does not have a policy regarding custodial credit risk. Custodial credit risk for the Association's bonds, notes and bond mutual funds as of June 30, 2024 and 2023 is categorized in the following schedule using S&P nationally recognized statistical ratings quality organizations:

**Table 4. Investments - Custodial Credit Risk (Note 3A)**

	Quality Rating	2024 Fair Value	2023 Fair Value
Corporate Backed Obligation	S&P AAA	\$ 7,293,701	\$ 9,282,259
Corporate Backed Obligation	Unrated	3,803,308	3,759,400
Corporate Bonds	S&P A	218,603	438,268
Corporate Bonds	S&P A-	861,774	1,499,054
Corporate Bonds	S&P A+	-	907,175
Corporate Bonds	S&P AA+	137,822	-
Corporate Bonds	S&P BBB	352,674	2,322,643
Corporate Bonds	S&P BBB+	172,014	1,701,986
Corporate Bonds	S&P BBB-	224,631	-
Government Bonds	S&P AA+	-	718,898
Mortgage Backed Securities	AA+	5,711,436	6,930,649
Mortgage Backed Securities	AAA	1,703,933	17,528
Mortgage Backed Securities	Unrated	500,356	1,013,725
Mortgage Backed Securities	A-1+	1,224,179	-
Private Placement	S&P BBB+	-	293,937
<b>Subtotal</b>		<b>22,204,431</b>	<b>28,885,522</b>
Bond Mutual Funds	Unrated	8,558,828	6,218,878
<b>Total</b>		<b>\$ 30,763,259</b>	<b>\$ 35,104,400</b>

**Interest Rate Risk**— For an investment, interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Association does not have a policy for interest rate risk associated with its investments. Interest rate risk associated with average duration for the Association's bonds, notes and bond mutual funds as of June 30, 2024 and 2023 is as follows:

**Table 5. Investments - Interest Rate Risk (Note 3A)**

	Average Duration	2024 Fair Value	2023 Fair Value
Corporate Backed Obligation	Less than one year	\$ 11,097,009	\$ 13,041,659
Corporate Bonds	Greater than five years	-	164,298
Corporate Bonds	One to five years	-	110,026
Corporate Bonds	Less than one year	1,967,518	6,594,802
Government Bonds	Greater than five years	-	718,898
Mortgage Backed Securities	Greater than five years	-	829,936
Mortgage Backed Securities	One to five years	-	183,788
Mortgage Backed Securities	Less than one year	9,139,904	6,948,178
Private Placement	Less than one year	-	293,937
<b>Subtotal</b>		<b>22,204,431</b>	<b>28,885,522</b>
Bond Mutual Funds	Less than one year	8,558,828	6,218,878
<b>Total</b>		<b>\$ 30,763,259</b>	<b>\$ 35,104,400</b>

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. At June 30, 2024 and 2023, the Association's investments were not concentrated to a single issuer to meet this threshold.



**Credit Risk**—Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Association utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. All are rated within the investment policy guidelines at June 30, 2024 and 2023.

**Foreign Currency Risk**—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Association's investment policy allows for foreign securities to be limited to 20% of a manager's portfolio. At June 30, 2024 and 2023, the investment portfolio met the foreign securities limitations.

#### B. University Athletic Association, Inc. Employees' Money Purchase Pension Plan and Trust – Fiduciary Funds – Pension Trust Fund

The fund's investments at December 31, 2023 are reported as follows:

**Table 6. Investments - December 31, 2023 (Note 3B)**

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest bearing cash	\$ 244,992	\$ 244,992	\$ -	\$ -
U.S. Government securities	2,463,369	-	2,463,369	-
Preferred corporate bonds	310,875	-	310,875	-
Registered investment companies	42,505,471	42,505,471	-	-
Common/collective trusts:				
Fixed income funds	10,674,835	10,674,835	-	-
Limited partnership interests	3,580,203	3,580,203	-	-
<b>Total investments by fair value level</b>	<b>\$ 59,779,745</b>	<b>\$ 57,005,501</b>	<b>\$ 2,774,244</b>	<b>\$ -</b>
<b>Total investments measured at fair value</b>	<b>\$ 59,779,745</b>			

The fund's investments at December 31, 2022 are reported as follows:

**Table 7. Investments - December 31, 2022 (Note 3B)**

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest bearing cash	\$ 775,021	\$ 775,021	\$ -	\$ -
U.S. Government securities	2,477,224	-	2,477,224	-
Preferred corporate bonds	719,134	-	719,134	-
Registered investment companies	30,097,355	30,097,355	-	-
Common/collective trusts:				
Equity funds	3,524,405	3,524,405	-	-
Limited partnership interest	3,979,505	3,979,505	-	-
<b>Total investments by fair value level</b>	<b>\$ 41,572,644</b>	<b>\$ 38,376,286</b>	<b>\$ 3,196,358</b>	<b>\$ -</b>
<b>Investments measured at NAV</b>				
Common/collective trusts:				
Fixed income funds	5,166,933			
Limited partnership interests	2,904,223			
Total investments measured at NAV	8,071,156			
<b>Total investments measured at fair value</b>	<b>\$ 49,643,800</b>			



**Interest Rate Risk**—For an investment, interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The established performance objectives of the Pension Plan require investment maturities to provide sufficient liquidity to pay obligations as they become due.

**Credit Risk**—Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. All are rated within the investment policy guidelines at December 31, 2023 and 2022.

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Pension Plan policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed five (5) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy (70) percent of the fund's total assets. The Pension Plan policy also does not allow for the aggregate investment in any one issuing company to exceed twelve and one-half (12.5) percent of the outstanding stock of that company. At December 31, 2023 and 2022, the investment portfolios met the single issuer limitations.

**Custodial Credit Risk**—Custodial credit risk is the risk that the Association may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

**Foreign Currency Risk**—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension Plan policies allow for up to twenty-five (25) percent of its investments in common stock, capital stock and convertible securities at market value in foreign securities. At December 31, 2023 and 2022, the investment portfolios met the foreign securities limitations.

#### (4) PENSION PLAN

In 1979, the Association established The University 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 \$3,519,241 and \$2,704,722, and pension plan forfeitures were \$900,976 and \$900,000 for the years ended June 30, 2024 and 2023, respectively. Contributions are made by the Association to the pension plan based on 10% of an eligible employee's earnings. The Internal Revenue Code Section 401(a)(17) set the annual compensation limit applicable to retirement plans at \$345,000 for 2024 and \$330,000 for 2023. During the years ended June 30, 2024 and 2023, total pension applicable payroll for employees covered under the plan was \$28,251,545 and \$27,047,223, which represented approximately 37% and 38% of total payroll for the years ended June 30, 2024 and 2023, respectively.

**(5) CAPITAL AND RIGHT TO USE LEASE ASSETS:**

Capital and right to use lease asset activity for the year ended June 30, 2024 was as follows:

**Table 8. Capital and Right To Use Lease Assets - June 30, 2024 (Note 5)**

	Beginning Balance	Additions	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 2,430,236	\$ -	\$ -	\$ 2,430,236
Construction in progress	1,333,922	8,691,139	(5,523,157)	4,501,904
Total capital assets not being depreciated	3,764,158	8,691,139	(5,523,157)	6,932,140
Capital assets being depreciated:				
Buildings and improvements	6,641,755	-	-	6,641,755
Furniture and equipment	34,019,260	1,908,983	(2,661,887)	33,266,356
Leasehold improvements	419,761,371	5,501,885	-	425,263,256
Total capital assets being depreciated	460,422,386	7,410,868	(2,661,887)	465,171,367
Less accumulated depreciation for:				
Buildings and improvements	5,135,243	106,578	-	5,241,821
Furniture and equipment	20,014,297	2,691,652	(2,631,887)	20,074,062
Leasehold improvements	129,156,680	10,187,132	-	139,343,812
Total accumulated depreciation	154,306,220	12,985,362	(2,631,887)	164,659,695
Total capital assets being depreciated, net	306,116,166	(5,574,494)	(30,000)	300,511,671
Right to use lease assets being amortized:				
Leased equipment	1,007,374	113,579	(408,068)	712,885
Less accumulated amortization for:				
Leased equipment	566,565	158,828	(408,068)	317,325
Total right to use lease assets being amortized, net	440,809	(45,250)	-	395,560
<b>Total capital and right to use lease assets, net</b>	<b>\$ 310,321,133</b>	<b>\$ 3,071,395</b>	<b>\$ (5,553,157)</b>	<b>\$ 307,839,372</b>

Capital and right to use lease asset activity for the year ended June 30, 2023 was as follows:

**Table 9. Capital and Right To Use Lease Assets - June 30, 2023 (Note 5)**

	Beginning Balance	Additions	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 2,430,236	\$ -	\$ -	\$ 2,430,236
Construction in progress	70,268,319	23,927,052	(92,861,449)	1,333,922
Total capital assets not being depreciated	72,698,555	23,927,052	(92,861,449)	3,764,158
Capital assets being depreciated:				
Buildings and improvements	6,641,755	-	-	6,641,755
Furniture and equipment	28,240,332	5,778,928	-	34,019,260
Leasehold improvements	330,756,342	89,005,029	-	419,761,371
Total capital assets being depreciated	365,638,429	94,783,957	-	460,422,386
Less accumulated depreciation for:				
Buildings and improvements	5,028,665	106,578	-	5,135,243
Furniture and equipment	17,625,697	2,388,600	-	20,014,297
Leasehold improvements	119,358,326	9,798,354	-	129,156,680
Total accumulated depreciation	142,012,688	12,293,532	-	154,306,220
Total capital assets being depreciated, net	223,625,741	82,490,425	-	306,116,166
Right to use lease assets being amortized:				
Leased equipment	919,280	425,390	(337,296)	1,007,374
Less accumulated amortization for:				
Leased equipment	572,228	331,633	(337,296)	566,565
Total right to use lease assets being amortized, net	347,052	93,757	-	440,809
<b>Total capital and right to use lease assets, net</b>	<b>\$ 296,671,348</b>	<b>\$ 106,511,234</b>	<b>\$ (92,861,449)</b>	<b>\$ 310,321,133</b>

Depreciation and amortization expense were \$13,189,440 and \$12,625,166 for the years ended June 30, 2024 and 2023, respectively.

**(6) LONG-TERM OBLIGATIONS:**

The change in long-term obligations for the year ended June 30, 2024 was as follows:

**Table 10. Long-term Obligations - June 30, 2024 (Note 6)**

Type of Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Contracts payable	\$ 5,904,632	\$ 528,077	\$ (1,313,555)	\$ 5,119,154	\$ 1,754,077
Accrued compensated absences	1,639,054	209,674	(157,435)	1,691,293	309,000
Unearned revenues	31,772,080	39,832,641	(30,301,593)	41,303,128	41,303,128
Long-term debt	150,120,000	-	(7,530,000)	142,590,000	7,695,000
Long-term lease payable	384,776	113,579	(130,064)	368,291	129,252
<b>Total long-term liabilities</b>	<b>\$ 189,820,542</b>	<b>\$ 40,683,971</b>	<b>\$ 39,432,647</b>	<b>\$ 191,071,866</b>	<b>\$ 51,190,457</b>

The change in long-term obligations for the year ended June 30, 2023 was as follows:

**Table 11. Long-term Obligations - June 30, 2023 (Note 6)**

Type of Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Contracts payable	\$ 8,954,595	\$ 4,348,651	\$ (7,398,614)	\$ 5,904,632	\$ 1,313,555
Accrued compensated absences	2,010,151	147,954	(519,051)	1,639,054	391,000
Unearned revenues	32,792,075	29,219,631	(30,239,626)	31,772,080	30,502,080
Long-term debt	157,485,000	-	(7,365,000)	150,120,000	7,530,000
Long-term lease payable	261,903	425,391	(302,518)	384,776	124,073
<b>Total long-term liabilities</b>	<b>\$ 201,503,724</b>	<b>\$ 34,141,627</b>	<b>\$ (45,824,809)</b>	<b>\$ 189,820,542</b>	<b>\$ 39,860,708</b>



**A. Long-term Debt:**

At June 30, 2024 and 2023, the Association’s Bonds outstanding bear interest based upon the following schedule:

**Table 12. Long-term Debt (Note 6A)**

Series	June 30, 2024			June 30, 2023		
	Outstanding Amount	Term	Interest Rate	Outstanding Amount	Term	Interest Rate
2001	\$ 14,235,000	Daily Rate	Weekly	\$ 14,235,000	Daily Rate	Weekly
2001	15,950,000	10/01/23-10/01/30	4.44%	15,950,000	10/01/17 - 10/01/23	1.91%
*2001	3,640,000	11/27/13 - 10/01/24	1.78%	7,130,000	11/27/13 - 10/01/24	1.78%
2007	2,000,000	10/01/16 - 10/01/26	2.08%	2,500,000	10/01/16 - 10/01/26	2.08%
2011	6,000,000	10/01/16 - 10/01/26	2.08%	6,750,000	10/01/16 - 10/01/26	2.08%
2015	9,000,000	10/01/20 - 10/01/30	1.94%	9,750,000	10/01/20 - 10/01/30	1.94%
2018	43,110,000	7/24/18 - 10/01/38	3.43%	44,585,000	7/24/18 - 10/01/38	3.43%
2021	48,655,000	03/19/21 - 10/01/41	1.97%	49,220,000	03/19/21 - 10/01/41	1.97%
	<b>\$ 142,590,000</b>			<b>\$ 150,120,000</b>		

\*In December 2019, the Association re-marketed the bonds for the purpose of a lower interest rate and debt service savings.

Debt service requirements at June 30, 2024 were as follows:

**Table 13. Debt Service Requirements (Note 6A)**

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2025	\$ 7,695,000	\$ 4,154,856	\$ 11,849,856
2026	7,870,000	3,898,883	11,768,883
2027	8,070,000	3,699,826	11,769,826
2028	8,280,000	3,401,833	11,681,833
2029	8,495,000	3,065,134	11,560,134
2030-2034	34,645,000	10,959,696	45,604,696
2035-2039	21,600,000	7,091,663	28,691,663
2040-2044	25,055,000	6,113,509	31,168,509
2045-2049	14,615,000	3,239,188	17,854,188
2050-2051	6,265,000	236,560	6,501,560
	<b>\$ 142,590,000</b>	<b>\$ 45,861,148</b>	<b>\$ 188,451,148</b>

The Association is subject to certain general and financial covenants related to the Bond agreements (the Agreements). The first financial covenant requires the Association to maintain a Net Revenues to Principal and Interest Requirements due on the bonds, as defined in the Agreements, of greater than 1.10:1.00, tested annually at the end of each fiscal year. The Association's ratio of net revenues to required principal and interest was 1.51 and 0.59 in 2024 and 2023, respectively. Each of the banks included in the Agreements waived the requirement for the Association to comply with the financial covenant for fiscal year ended June 30, 2023, and waived any Event of Default that may arise under the Indenture and the respective Credit Agreements from the Association's failure to comply with the Financial Covenant for the fiscal year ended June 30, 2023. The second financial covenant requires the Association to maintain unrestricted cash, marketable securities and investments in an amount greater than twenty-five percent (25%) of its total indebtedness measured at the end of the fiscal year. At June 30, 2024, the required amount of liquidity was \$35,647,500 and the actual amount was \$127,996,902. At June 30, 2023, the required amount of liquidity was \$37,530,000 and the actual amount was \$118,770,855.

### B. Unearned Revenues:

Changes in current unearned revenues for June 30, 2024 and 2023 are as follows:

**Table 14. Changes in Current Unearned Revenues (Note 6B)**

	2024	2023
Balance, beginning of year	\$ 30,502,080	\$ 30,252,075
Additions:		
Advance ticket sales and related handling	37,799,714	27,028,855
Unearned camp fees	2,032,852	2,002,738
Unearned other income	75	188,038
Total additions	<u>39,832,641</u>	<u>29,219,631</u>
Deductions:		
Earned ticket sales and related handling	(27,028,855)	(27,314,863)
Earned camp fees	(2,002,738)	(1,653,063)
Earned other income	-	(1,700)
Total deductions	<u>(29,031,593)</u>	<u>(28,969,626)</u>
<b>Balance, end of year</b>	<b>\$ 41,303,128</b>	<b>\$ 30,502,080</b>

Changes in long-term unearned revenues for June 30, 2024 and 2023 are as follows:

**Table 15. Changes in Long-term Unearned Revenues (Note 6B)**

	2024	2023
Balance, beginning of year	\$ 1,270,000	\$ 2,540,000
Additions:		
Unearned royalties	-	-
Total additions	<u>-</u>	<u>-</u>
Deductions:		
Royalties reclassified to current	(1,270,000)	(1,270,000)
Total deductions	<u>(1,270,000)</u>	<u>(1,270,000)</u>
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ 1,270,000</b>

### C. Long-term Lease Payable:

As of June 30, 2024, and 2023, the Association had assets recorded under leases (see Note 5) discounted at an implicit rate of 1.1%. Future maturities of lease payments as of June 30, 2024 are as follows:

**Table 16. Lease Requirements (Note 6C)**

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2025	\$ 163,210	\$ 4,435	\$ 167,645
2026	133,629	2,058	135,687
2027	67,046	699	67,745
2028	4,406	180	4,586
	<b>\$ 368,291</b>	<b>\$ 7,372</b>	<b>\$ 375,663</b>

2017 and 2016, respectively.

**(7) RELATED-PARTY TRANSACTIONS:**

Gator Boosters, Inc. (Gator Boosters) receives contributions from the public and remits the majority of these funds (less their operating expenses) to the Association. Contributions of \$47,399,125 and \$49,196,656 were recognized from Gator Boosters, for the years ended June 30, 2024 and 2023, respectively, and have been included in the accompanying Statements of Revenues, Expenses and Changes in Net Position. Additionally, the Association provides accounting and other support services to Gator Boosters. The Association recognized contract revenue in the amount of \$190,000 for the years ended June 30, 2024 and 2023.

Contributions and operating expenses are paid to the University throughout the year. Included in accounts payable at June 30, 2023 was \$7,602,143 due to the University of Florida. There are no amounts included in accounts payable due to the University of Florida at June 30, 2024



**(8) COMMITMENTS:**

The Association has entered into employment contracts with certain employees expiring in years through 2034 that provide for a minimum annual salary. At June 30, 2024, the total commitment for all contracts for each of the next five years and thereafter in the aggregate is as follows:

**Table 17. Commitments (Note 8)**

Year Ending June 30,	Amount
2025	\$ 35,953,827
2026	26,510,206
2027	21,556,013
2028	17,816,319
2029	14,763,413
Thereafter	14,934,754
	<b>\$ 131,534,532</b>

**(9) INCOME TAXES:**

The Association did not incur any income tax expense for the years ended June 30, 2024 and 2023. The Association did however, pay an excise tax of \$1,784,741 and \$4,351,770 on highly compensated employees for calendar years 2023 and 2022.

**(10) RISK MANAGEMENT:**

The Association purchased conventional commercial insurance coverage for potential exposures in the areas of property, workers' compensation, automobile liability and physical damage, and other general liability exposures. This insurance was purchased from various independent carriers and is designed to insure against such risks and minimize the Association's financial exposure. The Association also participates with the employees in the purchase of group health, dental and life insurance for its employees and their families.

The Association has also purchased commercial excess insurance to cover injuries to student-athletes sustained during practice or play. This policy requires a \$10,000 deductible per athlete per incident. Any amounts paid by the athletes' private insurance carriers can be applied to the Association's deductible.

The Association is not involved in any risk pools with other governmental entities.

