

**UNIVERSITY OF FLORIDA
RESEARCH FOUNDATION, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
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JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors,
University of Florida Research Foundation, Inc.
Gainesville, Florida:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and aggregate remaining fund information of the University of Florida Research Foundation, Inc. (the Research Foundation), a component unit of the University of Florida as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of the Research Foundation as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Research Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Research Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Research Foundation's ability to continue as a going concern for a reasonable period of time.

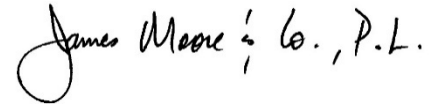
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2025, on our consideration of the Research Foundation's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Research Foundation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
September 12, 2025

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

The Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the University of Florida Research Foundation, Inc. (the Research Foundation) for the fiscal years ended June 30, 2025 and 2024, and should be read in conjunction with the financial statements and notes thereto. This overview is required by Governmental Accounting Standards Board (GASB). The MD&A, the financial statements, and the notes thereto are the responsibility of the Research Foundation management.

FINANCIAL HIGHLIGHTS

The Research Foundation's assets totaled \$132.1 million at June 30, 2025. This balance reflects a decrease of \$4.7 million or 3.4% in assets from June 30, 2024. Due from University of Florida (the University) decreased by \$5.0 million, mainly due to the operating loss of the fiscal year ended June 30, 2025. Total liabilities were \$26.6 million at June 30, 2025, an increase of \$0.3 million or 1.1% in liabilities from June 30, 2024. Patent and licensing costs payable increased by \$0.9 million due to the timing of legal invoice receipts and payments. University allocation payable decreased by \$0.5 million due to the decrease in royalties. As a result, the Research Foundation's net position decreased to \$105.5 million. The Research Foundation's assets totaled \$136.8 million at June 30, 2024, which reflected a decrease of \$3.1 million or 2.2% in assets from June 30, 2023. Liabilities totaled \$26.3 million and \$27.1 million at June 30, 2024 and 2023, respectively.

The Research Foundation's operating revenues totaled \$46.2 million in the fiscal year ended June 30, 2025, reflecting a \$3.0 million increase compared to the fiscal year ended June 30, 2024. Operating revenues were largely comprised of royalty and licensing revenue, and reimbursement of patent and licensing costs. Royalties decreased by \$1.1 million or 3.1% compared with the fiscal year ended June 30, 2024. License and option fees increased by \$5.0 million or 163.2% primarily due to the significant proceeds from a stock sale. License and option fees fluctuate each year depending on one-time events such as equity sales and milestone payments from licensees. The Research Foundation's operating revenues totaled \$43.2 million and \$48.9 million in fiscal years 2024 and 2023, respectively.

Cost of royalties and licenses totaled \$34.2 million for the fiscal year ended June 30, 2025, reflecting an increase of \$2.4 million or 7.7% from the fiscal year ended June 30, 2024. The major components of these costs were payments for patent and licensing costs, and royalty allocations. Allocations were distributed to the individual inventors, their programs, departments, and colleges. The Research Foundation's cost of royalties and licenses totaled \$31.8 million for the fiscal year ended June 30, 2024, which represents a decrease of \$4.0 million or 11.3% from the fiscal year ended June 30, 2023.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024
(Continued)

Operating expenses totaled \$20.1 million and \$15.7 million for the fiscal years ended June 30, 2025 and 2024, respectively. The main components of operating expenses were payroll expenses and research support to the University, and the latter increased by \$4.3 million. Net nonoperating revenues totaled \$3.1 million and \$1.9 million for the fiscal years ended June 30, 2025 and 2024, respectively. The main components of nonoperating revenues were investments and unit repayments for the Cancer/Genetics Building.

The ending balances of the Research Foundation's cash and cash equivalents were \$0.6 million and \$0.7 million at June 30, 2025 and 2024, respectively. The net cash used in operating activities was \$2.6 million for fiscal year 2025, reflecting an increase of \$0.5 million compared with fiscal year 2024. The only component in net cash provided by capital financing activities was unit repayments for the Cancer/Genetics Building of \$2.3 million. The net cash provided in investing activities was \$0.2 million for fiscal year 2025, including the sale of the stocks that the Strategic Early Stage Investment Committee invested in.

OVERVIEW OF FINANCIAL STATEMENTS

The Research Foundation's financial report includes three basic financial statements: 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 consist of current and non-current assets and liabilities. The Statements of Revenues, Expenses, and Changes in Net Position characterize revenues and expenses as either operating or nonoperating. A portion of the Research Foundation's anticipated recurring resources is considered nonoperating as defined by GASB Statement No. 35. The principal component of recurring nonoperating revenues for the fiscal year ended June 30, 2025, was Unit repayments for the Cancer/Genetics Building of \$2.3 million. Finally, the Statements of Cash Flows consist of cash flows from operating, capital and related financing, and investing activities.

FINANCIAL HIGHLIGHTS OF THE RESEARCH FOUNDATION

The Statements of Net Position report all financial and capital resources of the Research Foundation at the end of the fiscal year. Net Position over time can be a useful indicator of an entity's financial position. The Research Foundation's assets exceeded liabilities as of June 30, 2025, 2024, and 2023, by approximately \$105.5, \$110.5, and \$112.8 million, respectively. The following schedules are the Research Foundation's condensed Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows:

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024
(Continued)

The Research Foundation's Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Current assets	\$ 132,128,503	\$ 136,829,768	\$ 139,930,356
Total assets	<u>132,128,503</u>	<u>136,829,768</u>	<u>139,930,356</u>
Current liabilities	<u>26,639,774</u>	<u>26,348,464</u>	<u>27,112,377</u>
Total liabilities	<u>26,639,774</u>	<u>26,348,464</u>	<u>27,112,377</u>
Net position			
Unrestricted	<u>105,488,729</u>	<u>110,481,304</u>	<u>112,817,979</u>
Total Net Position	<u>\$ 105,488,729</u>	<u>\$ 110,481,304</u>	<u>\$ 112,817,979</u>

The Research Foundation's Activities and Changes in Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Revenues			
Operating revenues	\$ 46,221,978	\$ 43,214,164	\$ 48,893,226
Costs of royalties and licenses	<u>(34,208,787)</u>	<u>(31,760,793)</u>	<u>(35,795,938)</u>
Net operating revenues	<u>12,013,191</u>	<u>11,453,371</u>	<u>13,097,288</u>
Total operating expenses	<u>(20,143,213)</u>	<u>(15,684,842)</u>	<u>(13,740,835)</u>
Operating income (loss)	<u>(8,130,022)</u>	<u>(4,231,471)</u>	<u>(643,547)</u>
Nonoperating revenues, net	<u>3,137,447</u>	<u>1,894,796</u>	<u>1,412,375</u>
Change in Net Position	<u>\$ (4,992,575)</u>	<u>\$ (2,336,675)</u>	<u>\$ 768,828</u>

The Research Foundation's Cash Flows

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash provided by (used in):			
Operating activities	\$ (2,598,908)	\$ (2,119,293)	\$ (2,041,011)
Capital financing activities	2,300,000	2,300,000	2,300,000
Investing activities	<u>183,105</u>	<u>(172,939)</u>	<u>(762,826)</u>
Net increase (decrease) in cash and cash equivalents	<u>(115,803)</u>	<u>7,768</u>	<u>(503,837)</u>
Cash and cash equivalents, beginning of year	<u>747,306</u>	<u>739,538</u>	<u>1,243,375</u>
Cash and cash equivalents, end of year	<u>\$ 631,503</u>	<u>\$ 747,306</u>	<u>\$ 739,538</u>

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024
(Continued)

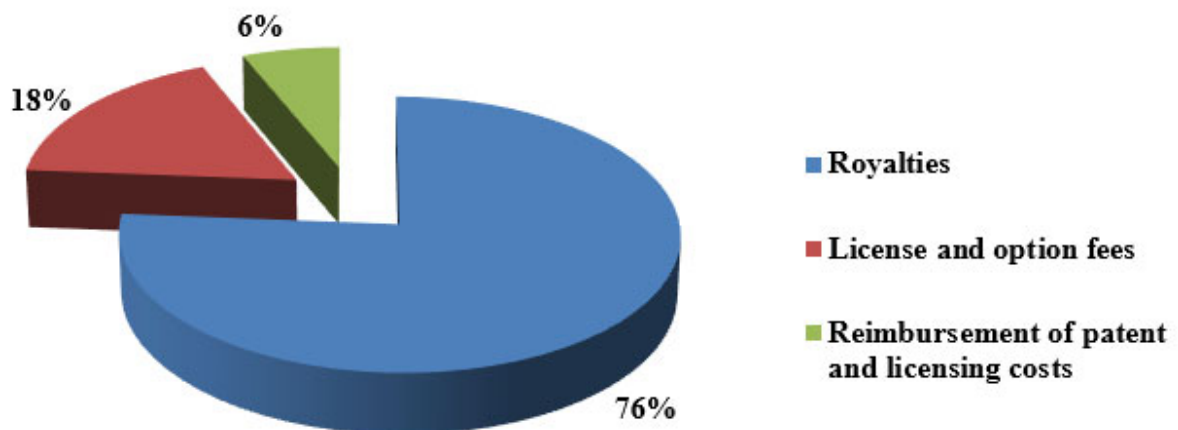
FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Research Foundation is considered a component unit of the University for accounting purposes. In addition, the Research Foundation is self-supporting, and does not receive any State support.

The Research Foundation strives to operate on a financial breakeven basis generating revenue sufficient to cover operating costs. All capital assets purchased by the Research Foundation are immediately donated to the University, therefore, the Research Foundation has no capital assets.

A graphical representation of the Research Foundation's sources of operating revenues for the year ended June 30, 2025 is as follows:

**The Research Foundation's Main Sources of Operating Revenues
for the Year Ended June 30, 2025**



UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024
(Continued)

ECONOMIC OUTLOOK

The Research Foundation's economic outlook is closely related to and largely dependent on the ongoing royalty and licensing income received. There is increased economic uncertainty regarding income sources, considering factors such as tariffs and instability in the global market. The Research Foundation also has challenges due to the expiration of a few significant royalty-generating agreements. However, the Research Foundation receives most of its royalties from Gatorade, which has been relatively stable. Accordingly, royalty and licensing income from recurring items is budgeted at \$35.5 million for fiscal year 2026.

CONTACTING MANAGEMENT

This financial narrative is designed to provide you with a general overview of the Research Foundation's finances and to show accountability for the various revenues we receive. If you have questions about this report or need additional financial information, please contact the Business Office:

University of Florida Research Foundation, Inc.
720 SW 2nd Ave, Suite 575
Gainesville, FL 32611-5500
(352) 392-5221

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 631,503	\$ 747,306
License fees and royalties receivable, net	7,309,355	7,442,855
Patent and licensing costs receivable, net	424,773	530,051
Due from University of Florida	121,893,878	126,894,904
Investments, unrestricted, at fair value	1,868,994	1,214,652
Total current assets	<u>132,128,503</u>	<u>136,829,768</u>
Total assets	<u>132,128,503</u>	<u>136,829,768</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	1,449,697	1,410,931
Patent and licensing costs payable	2,231,412	1,292,722
Inventors' allocation payable	1,243,805	1,402,290
University allocation payable - license fees and royalties	21,714,860	22,242,521
Total current liabilities	<u>26,639,774</u>	<u>26,348,464</u>
Total liabilities	<u>26,639,774</u>	<u>26,348,464</u>
<u>NET POSITION</u>		
Net position		
Unrestricted	<u>\$ 105,488,729</u>	<u>\$ 110,481,304</u>

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

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Operating revenues		
Royalties	\$ 35,119,353	\$ 36,243,338
License and option fees	8,091,671	3,074,187
Reimbursement of patent and licensing costs	2,865,205	3,793,551
Unexpended program support returned to the Research Foundation	88,339	44,218
Miscellaneous operating revenues	57,410	58,870
Total operating revenues	<u>46,221,978</u>	<u>43,214,164</u>
Cost of royalties and licenses		
Inventors' allocations	4,691,049	3,408,174
Inventors' department allocations	19,486,825	19,042,204
Inventors' college allocations	996,895	624,972
Inventors' program allocations	1,015,995	649,685
Patent and licensing	8,018,023	8,035,758
Total cost of royalties and licenses	<u>34,208,787</u>	<u>31,760,793</u>
Net operating revenues	<u>12,013,191</u>	<u>11,453,371</u>
Operating expenses		
Research and development awards	1,266,680	1,282,672
Gatorade research allocations	12,252,375	7,910,549
Tech licensing expenses:		
Salary reimbursement	4,173,618	3,879,868
Other administrative expenses	711,343	660,805
Administrative expenses:		
Salary reimbursement	918,748	899,650
Publications	1,276	217,171
Other administrative expenses	819,173	834,127
Total operating expenses	<u>20,143,213</u>	<u>15,684,842</u>
Operating loss	<u>(8,130,022)</u>	<u>(4,231,471)</u>
Nonoperating revenues (expenses)		
Investment gain (loss)	683,101	(143,442)
Net change in the fair value of investments	154,346	(261,762)
Unit repayments for the Cancer/Genetics Building	2,300,000	2,300,000
Total nonoperating revenues (expenses)	<u>3,137,447</u>	<u>1,894,796</u>
Change in net position	(4,992,575)	(2,336,675)
Net position, beginning of year	110,481,304	112,817,979
Net position, end of year	<u>\$ 105,488,729</u>	<u>\$ 110,481,304</u>

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

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Receipts and disbursements from licensed products:		
Royalties	\$ 35,240,822	\$ 37,141,515
License and option fees	8,103,702	3,318,557
Reimbursement of patent and licensing costs	2,970,483	3,856,330
Inventors' allocation payments	(4,849,534)	(3,430,320)
University allocation payments	(22,027,376)	(20,912,408)
Patent and licensing costs	(7,079,333)	(8,223,755)
Total receipts and disbursements from licensed products, net	<u>12,358,764</u>	<u>11,749,919</u>
Unexpended program support returned to the Research Foundation	88,339	44,218
Gatorade allocations	(12,252,375)	(7,910,549)
Research and development awards	(1,266,680)	(1,282,672)
Due from the University of Florida, net	5,001,026	1,670,765
Payments to vendors and salary reimbursements	(6,585,392)	(6,449,844)
Miscellaneous	57,410	58,870
Net cash used in operating activities	<u>(2,598,908)</u>	<u>(2,119,293)</u>
Cash flows from capital and related financing activities		
Unit repayments for the Cancer/Genetics Building	2,300,000	2,300,000
Net cash provided by capital and related financing activities	<u>2,300,000</u>	<u>2,300,000</u>
Cash flows from investing activities		
Purchase of investments	(749,996)	(249,999)
Proceeds from sale of investments	879,076	32,571
Investment interest, net	54,025	44,489
Net cash provided by (used in) investing activities	<u>183,105</u>	<u>(172,939)</u>
Net increase (decrease) in cash and cash equivalents	(115,803)	7,768
Cash and cash equivalents, beginning of year	747,306	739,538
Cash and cash equivalents, end of year	<u><u>\$ 631,503</u></u>	<u><u>\$ 747,306</u></u>

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

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Continued)

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (8,130,022)	\$ (4,231,471)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Decrease in license fees and royalties receivable	133,500	1,142,547
Decrease in patent and licensing costs receivable	105,278	62,779
Decrease in receivable from the University of Florida, net	5,001,026	1,670,765
Increase in accounts payable	38,766	41,777
Increase (decrease) in patent and licensing costs payable	938,690	(187,997)
Decrease in inventors' allocation payable	(158,485)	(22,146)
Decrease in license fees and royalties payable	(527,661)	(595,547)
Net cash used in operating activities	<u>\$ (2,598,908)</u>	<u>\$ (2,119,293)</u>
Supplemental noncash information		
Net increase (decrease) in the fair value of investments, unrestricted	<u>\$ 154,346</u>	<u>\$ (261,762)</u>

The net increase (decrease) in the fair value of unrestricted investments above was recognized in the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2025 and 2024.

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

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
STATEMENTS OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Assets		
Due from University of Florida	\$ 56,644,122	\$ 61,523,096
Total assets	<u>56,644,122</u>	<u>61,523,096</u>
<u>NET POSITION</u>		
Fiduciary net position		
Restricted for other organizations	56,644,122	61,523,096
Total net position	<u><u>\$ 56,644,122</u></u>	<u><u>\$ 61,523,096</u></u>

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

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Additions		
License and option fees	\$ 3,287,128	\$ 3,391,718
Miscellaneous operating revenues	14,193	26,435
Total additions	<u>3,301,321</u>	<u>3,418,153</u>
Deductions		
Transfer royalties to the University of Florida	5,870,000	-
Transfer license fees to the University of Florida	2,294,131	2,111,670
Miscellaneous operating expenses	16,164	25,718
Total deductions	<u>8,180,295</u>	<u>2,137,388</u>
Change in fiduciary net position	(4,878,974)	1,280,765
Net position, beginning of year	61,523,096	60,242,331
Net position, end of year	<u><u>\$ 56,644,122</u></u>	<u><u>\$ 61,523,096</u></u>

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

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies of the Research Foundation, which affect elements of the accompanying basic financial statements:

(a) **Reporting entity**—The Research Foundation is a direct support organization and component unit of the University as provided for under Section 1004.28, Florida Statutes. The Research Foundation was formed as a Florida not-for-profit organization in August of 1986. The Research Foundation's purpose is to assist the University in the funding of research and development, and in the commercialization of intellectual properties, which include inventions, discoveries, processes, and work products. When inventions and other intellectual property of the University are commercialized through the Research Foundation, the proceeds are distributed pursuant to the University's Intellectual Property Policy.

(b) **Measurement focus, basis of accounting, and financial statement presentation**—The financial statements of the Research Foundation have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

For financial reporting purposes, the Research Foundation is considered a special purpose government entity engaged only in business-type activities. Accordingly, the Research Foundation prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP for proprietary funds, which is similar to those for private business enterprises. Therefore, revenues are recorded when earned, and expenses are recorded when incurred.

In addition to the business type activities noted above, the Research Foundation has a custodial fund to account for the net position held on behalf of others and the related financial activities of these funds, which involve the collection and transfer of resources as needed by the various entities that are entitled to these funds. Custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting, with additions recognized when earned and deductions recognized when a liability is incurred.

The entire net position of the Research Foundation is considered to be unrestricted, in accordance with the purpose and bylaws of the Research Foundation [see Notes (1)(a) and (5)]. It is the Research Foundation's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

(c) **Cash and cash equivalents**—The Research Foundation's cash and cash equivalents are demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statements of cash flows, the Research Foundation considers all deposit accounts cash and cash equivalents.

(d) **Receivables**—License fees and royalties receivable, and patent and licensing costs receivable are recorded at net realizable value and are unsecured. The Research Foundation's policy is to provide an allowance for these receivables that are not expected to be paid. Receivables are periodically evaluated for collectability based on past payment history with companies and their current financial conditions.

The balance in allowance for doubtful accounts for license fees and royalties receivable is approximately \$193,900 and \$176,600 at June 30, 2025 and 2024, respectively. The balance in allowance for doubtful accounts for patent and licensing costs receivable is \$285,000 and \$350,000 at June 30, 2025 and 2024, respectively.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Investments and fair value measurements**—In general, investments are reported at fair value when available. The Research Foundation 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 assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments that are measured at net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

(f) **Due from University of Florida**—The Research Foundation transfers excess operating cash to the University and withdraws funds as needed for operations [see Note (2)].

(g) **Income taxes**—The Research Foundation 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. The Research Foundation files informational tax returns in the U.S. federal jurisdiction. The Research Foundation's tax returns for the past three years are subject to examination by tax authorities and may change upon examination, but changes would not be expected to be material.

(h) **Classification of revenues**—The Research Foundation classifies its revenues as operating or nonoperating according to the following criteria:

- *Operating Revenues*—Include activities that have the characteristics of exchange transactions, such as royalty and license fees.
- *Nonoperating Revenues*—Include activities that have characteristics of nonexchange transactions, such as investment income.

(i) **Unexpended program support returned to the Research Foundation**—Program support funds that are no longer regularly utilized, or for which the deadline for expenses has passed, are returned to the Research Foundation and are recognized as operating revenue in the year returned.

(j) **Accounting estimates**—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(k) **Pronouncements issued**—The Government Accounting Standards Board (GASB) issued Statement No. 103., *Financial Reporting Model Improvements*, in April 2024. GASB 103 seeks 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 periods beginning after June 15, 2025. The Research Foundation has not yet determined what, if any, impact the implementation of the GASB 103 on the Research Foundation's financial statements.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(2) Due from University of Florida:

Effective July 1, 2014, the Research Foundation entered into an agreement with the University, where substantially all investments and excess operating cash are held by the University on behalf of the Research Foundation. All earnings, losses, and associated fees related to these funds will be retained or paid by the University. The Research Foundation has same day liquidity in regards to these funds up to \$10,000,000. A withdrawal of more than \$10,000,000 requires two days written notice. The balance of the funds held by the University was \$121,893,878 and \$126,894,904 at June 30, 2025 and 2024, respectively. These funds are shown as Due from University of Florida on the Statements of Net Position.

(3) Cash, Cash Equivalents, and Investments:

As of June 30, 2025 and 2024, cash and cash equivalents were held by depositories with bank balances amounting to \$633,854 and \$782,616, respectively. The Research Foundation's cash deposit account is insured by the federal public depository insurance corporation (FDIC) up to \$250,000 or fully collateralized by the bank's participation as a qualified public depository pursuant to the Florida Statutes, Chapter 280, Security for Public Deposits Act (the Act), and therefore, is not subject to custodial credit risk.

Investments

The Research Foundation's investment policy describes the types of investments that it is authorized to purchase. As of June 30, 2025 and 2024, investments entirely consist of equity securities [see Notes (6) and (7)], and are shown in the accompanying Statements of Net Position as follows:

	<u>2025</u>	<u>2024</u>
Investments, unrestricted, at fair value	\$ 1,868,994	\$ 1,214,652
Total Investments	<u><u>\$ 1,868,994</u></u>	<u><u>\$ 1,214,652</u></u>

Concentration of Credit Risk

The Research Foundation's investment policy does not allow for an investment in any one issuer in excess of 10% of the investment portfolio on a notional basis at the time of purchase. Exceptions to this policy are debt issues of the U.S. Government, mutual funds, external investment pools, and other pooled investments. There are no concentrations of credit risk.

Custodial Credit Risk—During fiscal years 2025 and 2024, no investments had associated custodial credit risk.

Foreign Currency Risk—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Research Foundation is exposed to limited foreign currency risk on deposits and investments denominated in currencies other than the U.S. dollar. As of June 30, 2025 and 2024, the fair value of such investments was not significant to the financial statements. The Research Foundation does not have a formal policy for managing foreign currency risk.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(4) Related Parties:

University of Florida

The Research Foundation recognized license and royalty income allocations to Inventors' respective departments, colleges, and programs for \$21,499,715 and \$20,316,861 for the fiscal years ended June 30, 2025 and 2024, respectively, of which \$21,714,860 and \$22,242,521 were payable at June 30, 2025 and 2024, respectively.

The Research Foundation provided the University with research support of \$12,478,468 and \$8,577,795 for the fiscal years ended June 30, 2025 and 2024, respectively. These supports were included in the total amounts for Research and development awards and Gatorade research allocations in the Statements of Revenues, Expenses, and Changes in Net Position. There was no outstanding payable at June 30, 2025 and 2024.

The Research Foundation has no employees and is supported by employees of the University. The Research Foundation reimburses the University based on a valuation that is determined by specific employees' time, pay rates, and fringe benefits. The Research Foundation reimbursed the University \$5,092,366 and \$4,779,518 for such services during fiscal years 2025 and 2024, respectively.

Equity Ownerships

The Research Foundation has acquired equity positions in commercial enterprises as consideration for various license agreements [see Note (6)]. The Research Foundation has no cost basis for these positions and their fair value is not subject to reasonable estimations. Accordingly, the value of these investments is not reflected on the statement of net position.

If the positions become actively traded or transact over-the-counter on a less frequent basis, and the fair value can be determined, then the Research Foundation records the equity on its Statement of Net Position at fair value and recognizes the related income [see Notes (6) and (7)].

Additionally, the Research Foundation has invested in early stage companies that have licensed University technology or inventions per its Strategic Early Stage Investment Committee (the Committee) recommendations. The Committee must follow the lead of a Qualified Venture Capital Fund for any investment, and may not be an initial or lead investor in a company. Because these early stage companies are privately held, and their securities are not traded over-the-counter, their fair market values are measured at NAV [See Notes (6) and (7)].

Florida Research Consortium

The Florida Research Consortium (FRC) is a Florida not-for-profit corporation established to facilitate and foster information technology advancement in Florida through collaboration and research partnerships between academia, industry, and state government. The FRC became inactive during fiscal year 2021 and named the Research Foundation as the qualified successor entity to maintain the remaining assets and the nonprofit status of the FRC. The FRC's assets and transactions are recorded in the fiduciary financial statements.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(5) **Unrestricted Net Position:**

Unrestricted Net Position is classified as follows at June 30:

	<u>2025</u>	<u>2024</u>
Designated		
Gatorade Fund —This component represents funds that are discretionary to the President of the Research Foundation, to support the Research Enterprise of the University. These funds arise by virtue of a stipulation and subsequent agreements to the sale of Gatorade.	\$ 95,335,142	\$ 97,075,557
Total Designated	<u>95,335,142</u>	<u>97,075,557</u>
Undesignated		
This component represents funds that have not been designated for any purpose by the Board of Directors and are readily available for expenditure in accordance with the purpose and bylaws of the Research Foundation [see Note (1) (a)].	10,153,587	13,405,747
Total Unrestricted Net Position	<u>\$ 105,488,729</u>	<u>\$ 110,481,304</u>

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(6) Equity Ownerships:

The Research Foundation acquired equity positions in commercial enterprises as consideration for license agreements, in addition to revenues received for license fees of \$8,091,671 and \$3,074,187 in fiscal years 2025 and 2024, respectively. The Research Foundation has no cost basis in these investments, and their market value is not subject to reasonable estimations. Accordingly, the value of these investments is not reflected on the Statements of Net Position.

The following table is a summary of the Research Foundation's ownership positions and shares or units owned in each at June 30:

	2025	2024
Andante Biologics, Inc.	397,368	5%
Apollidon Holdings, Inc.	24,157	24,157
ARMASI, Inc.	50	50
CoMentis, Inc.	198,253	198,253
Comm-N-Sense Corp.	29,000	29,000
Curtiss Healthcare, Inc.	268,122	268,122
Dialectic Therapeutics, Inc.	150,000	150,000
Encor Biotechnology, Inc.	12,000	12,000
Entrinsic Holdings, Inc.	663,254	663,254
Expansion Therapeutics, Inc.	-	1,288,522
Gila Therapeutics, Inc.	75,598	75,598
iOncologi, Inc.	145,833	145,833
Key Medical Technologies, Inc.	49,500	49,500
Lacerta Therapeutics, Inc.	526,400	526,400
MacuLogix, Inc.	6,151	6,151
Micropure Genomics, Inc.	2%	-
Morphogenesis, Inc.	-	230,923
Nanophotonica, Inc.	-	2,307,773
NanoTherics, Ltd.	570	570
NxtGen Nano, Inc.	3,949,737	3,949,737
Oceanyx Pharmaceuticals, Inc.	31,579	31,579
OPKO Health, Inc.	500	500
Oracle Diagnostics, Inc.	239,940	239,940
QuantumBio, Inc.	524,822	524,822
Red Lambda, Inc.	192,857	192,857
ReliOx Corp.	25,000	25,000
Ribonaut Therapeutics, Inc.	759,235	759,235
Sharklet, Inc.	228,151	228,151
Synkine Therapeutics, Inc.	23,700	23,700
TAO Connect, Inc.	-	26,316
Uplift Health Technologies, Inc.	41,312	-
U.S. Precision Medicine, Inc.	3%	3%
Vala Sciences, Inc.	38,213	38,213
Virtual Review Assist, Inc.	677,419	677,419

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(6) **Equity Ownerships:** (Continued)

	2025	2024
AgyPharma, LLC	10% of Units	10% of Units
Apeliotus Life Science Holdings, LLC	15,000 Units	15,000 Units
Axoxy Laboratories LLC	5% of Units	5% of Units
EBS Holdings, LLC	663,254 Units	663,254 Units
Enviroflux, LLC	632 Units	632 Units
EnVan Neuro, LLC	5% of Units	-
Envisage Innovations, LLC	3% of Units	3% of Units
Evolugate, LLC	7,374 Units	7,374 Units
Florida Insect Control Group, LLC	5% of Units	5% of Units
Meno Holdings, LLC	5% of Units	5% of Units
Nuvara Therapeutics, LLC	663,254 Units	663,254 Units
Osage Partners	2.5% of Units	2.5% of Units
Prometheon Pharma, LLC	10.05% of Units	10.05% of Units
Redox Power Systems, LLC	3.6% of Units	3.6% of Units
sAAVient Therapeutics, LLC	2% of Units	-
Seropeutics, LLC	10% of Units	10% of Units
SimuGrid Technology, LLC	5% of Units	5% of Units
XDG, LLC	4% of Units	4% of Units

Additionally, the Research Foundation has recorded the following equity interests at fair value as of June 30, 2025 and 2024. The Research Foundation obtained these interests as license or royalty payments, or through direct investments in early stage companies that licensed University technology or inventions. These interests are either stocks traded over-the-counter or partnership interests. All following equities other than Oragenics, Inc. and Inflexion Fund, LP are valued at NAV [see Note (7)]. The equity interests with \$0 estimated fair value for both fiscal years are excluded from the table.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(6) **Equity Ownerships:** (Continued)

Name of Security	2025		2024	
	Number of Shares or Units	Amount	Number of Shares	Amount
Algernon Pharmaceuticals, Inc.	9,364	\$ 345	234,081	\$ -
Atsena Therapeutics, Inc.	281,366	315,873	281,366	-
Benson Hill, Inc.	354	11	12,428	2,836
Cannabix Technologies, Inc.	603,870	11,065	603,870	20,851
Genascence Corp.	124,774	3,567	124,774	12,370
Gradient Corp. *	14,333	66,610	14,333	66,610
Inflexion Fund, LP	N/A	33,571	N/A	30,755
Kate Therapeutics, Inc.	-	-	937,036	283,503
Matrix Technologies, Inc.	1,666,667	11,458	1,666,667	16,658
Myosin Therapeutics, Inc.	12,054,301	441,589	11,364,250	179,926
Orogenics, Inc.	2	8	45	47
RedoxBlox, Inc.	137,523	124,760	57,483	-
Satlantis, LLC	500,000	101,663	500,000	147,209
Satlantis Microsats S.A.	239	559,394	239	420,218
Solid Biosciences, Inc.	3,293	12,513	3,293	18,342
Tuhura Biosciences, Inc.	41,312	16,008	-	-
Urban Sdk, Inc.	713,775	157,632	-	-
Xortx Therapeutics, Inc.	17,864	12,927	160,782	15,327
Total Equities		<u>\$ 1,868,994</u>		<u>\$1,214,652</u>

* Due to the lack of available information, the investment in Gradient Corp. was not updated in fiscal year 2025, the impact of which is considered immaterial.

(7) **Fair Value Measurements:**

The Research Foundation 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; and Level 3 inputs are significant unobservable inputs.

The Research Foundation has the following recurring fair value measurements as of June 30, 2025 and 2024:

Equity ownership funds – Valued at the daily closing price as reported by the fund (Level 1), at market prices for similar assets in active markets (Level 2), for securities that are actively traded on a frequent basis using complex market prices and subjective assumptions (Level 3), or at NAV of units held as reported by the fund advisor, for securities that are traded over-the-counter on a less frequent basis. NAV is used as a practical expedient, and the estimated value is subject to uncertainty, therefore, it may differ from the value that would have been used had a readily available market for such investments existed, and differences could be material.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(7) **Fair Value Measurements:** (Continued)

The following table summarizes the assets and liabilities of the Research Foundation for which fair values are determined on a recurring basis as of June 30, 2025 and 2024, respectively:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
June 30, 2025:				
Equity ownerships	\$ 8	\$ 33,571	\$ -	\$ 33,579
Total assets in the fair value hierarchy	<u>\$ 8</u>	<u>\$ 33,571</u>	<u>\$ -</u>	33,579
Investments measured at NAV*				1,835,415
Investments at fair value				<u>\$ 1,868,994</u>
June 30, 2024:				
Equity ownerships	\$ 47	\$ 30,755	\$ -	\$ 30,802
Total assets in the fair value hierarchy	<u>\$ 47</u>	<u>\$ 30,755</u>	<u>\$ -</u>	30,802
Investments measured at NAV*				1,183,850
Investments at fair value				<u>\$ 1,214,652</u>

* In accordance with GASB No. 72, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net position.

The following table discloses the nature and risk of investments for which fair value has been estimated using the NAV per share of the investments as a practical expedient as of June 30, 2025 and 2024. The equity interests with \$0 estimated fair value are excluded from the table.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(7) **Fair Value Measurements:** (Continued)

Investments Measured at Net Asset Value as of June 30, 2025

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Algernon Pharmaceuticals, Inc.	\$ 345	\$ -	Illiquid	N/A
Atsena Therapeutics, Inc.	315,873	-	Illiquid	N/A
Benson Hill, Inc.	11	-	Illiquid	N/A
Cannabix Technologies, Inc.	11,065	-	Illiquid	N/A
Genascence Corp.	3,567	-	Illiquid	N/A
Gradiant Corp.	66,610	-	Illiquid	N/A
Matrix Technologies, Inc.	11,458	-	Illiquid	N/A
Myosin Therapeutics, Inc.	441,589	-	Illiquid	N/A
RedoxBlox, Inc.	124,760	-	Illiquid	N/A
Satlantis, LLC	101,663	-	Illiquid	N/A
Satlantis Microsats S.A.	559,394	-	Illiquid	N/A
Solid Biosciences, Inc.	12,513	-	Illiquid	N/A
Tuhura Biosciences, Inc.	16,008	-	Illiquid	N/A
Urban Sdk, Inc.	157,632	-	Illiquid	N/A
Xortx Therapeutics, Inc.	12,927	-	Illiquid	N/A
	<u>\$ 1,835,415</u>	<u>\$ -</u>		

Investments Measured at Net Asset Value as of June 30, 2024

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Benson Hill, Inc.	\$ 2,836	\$ -	Illiquid	N/A
Cannabix Technologies, Inc.	20,851	-	Illiquid	N/A
Genascence Corp.	12,370	-	Illiquid	N/A
Gradiant Corp.	66,610	-	Illiquid	N/A
Kate Therapeutics, Inc.	283,503	-	Illiquid	N/A
Matrix Technologies, Inc.	16,658	-	Illiquid	N/A
Myosin Therapeutics, Inc.	179,926	-	Illiquid	N/A
Satlantis, LLC	147,209	-	Illiquid	N/A
Satlantis Microsats S.A.	420,218	-	Illiquid	N/A
Solid Biosciences, Inc.	18,342	-	Illiquid	N/A
Xortx Therapeutics, Inc.	15,327	-	Illiquid	N/A
	<u>\$ 1,183,850</u>	<u>\$ -</u>		

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(8) Concentrations:

The Research Foundation received approximately 75% of its total royalties, licenses, and option fees from two companies during the fiscal year ended June 30, 2025; and 82% from those companies during the fiscal year ended June 30, 2024. The revenues from each of these companies individually accounted for at least 10% of total royalties and fees.

(9) Risk Management:

The Research Foundation is exposed to various risks of loss including suits against directors and officers; general liability; and property and casualty. Conventional and commercial insurance coverage has been purchased from various independent carriers to insure against such risks and minimize the Research Foundation's financial exposure to such risks.

The Research Foundation is not involved in any risk pools with other government entities.

(10) Unit Repayments for the Cancer/Genetics Building:

In August 2003, the Research Foundation issued \$35,000,000 in tax-exempt Capital Improvement Revenue Bonds for the purpose of financing a portion of a genetics and cancer research facility on the campus of the University. The bonds were originally issued at a variable interest rate. In August 2004, the Research Foundation converted these bonds to fixed interest rates ranging from 2.125% to 5.125%, resulting in an overall effective rate of 4.56%. The bonds were secured by a general obligation of the Research Foundation revenues, or assets earned by the Research Foundation, and were expected to mature in 2034.

Per the Research Foundation Board's decision in the year ended June 30, 2013, to redeem the bonds as soon as they became eligible, the Research Foundation redeemed \$22,600,000 in the year ended June 30, 2014, and redeemed the remaining \$6,500,000 during the year ended June 30, 2015.

The Research Foundation will continue collecting \$2,300,000 annually from the University's College of Medicine, the Institute for Food and Agricultural Sciences, and the College of Liberal Arts and Sciences through fiscal year 2033. These are collections of pledged revenue from these entities associated with the original bond agreements. Included in the accompanying Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2025 and 2024 are \$2,300,000 in Unit repayments per year for the Cancer/Genetics Building.

(11) Leases:

Leases consist of contracts that convey control of the right-to-use an underlying asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The Research Foundation recognizes an intangible right-to-use lease asset and lease liability when it is the lessee party to a contract. The expected payments are discounted using an estimated incremental borrowing rate. The Research Foundation applies a materiality threshold of \$5,000 for equipment and \$100,000 for space based on the annualized value of each lease. The Research Foundation calculates the lease liability as the present value of payments expected to be made during the lease term (less any lease incentives) using an estimated incremental borrowing rate. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term. Lease amounts are amortized over the contract term. As of June 30, 2025 and 2024, the Research Foundation did not have any lease that met the material threshold.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors,
University of Florida Research Foundation, Inc.
Gainesville, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity and the aggregate remaining fund information of the University of Florida Research Foundation, Inc. (the Research Foundation), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Research Foundation's basic financial statements, and have issued our report thereon dated September 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Research Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

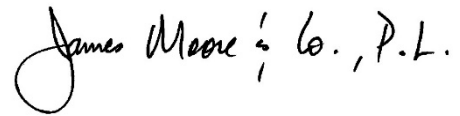
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Research Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Gainesville, Florida
September 12, 2025