



GATOR STRONG

UNIVERSITY ATHLETIC ASSOCIATION, INC. FINANCIAL STATEMENTS 2019-2020





GATOR **STRONG**

VISION

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Be the model collegiate athletics program, combining excellence and integrity in academics, athletics and fan engagement to elevate the UF brand.



GATOR **STRONG**

VALUES



TEAMWORK

- We promote cooperation by sharing information and working to understand each other's perspective.
- We display loyalty as we work together to create a successful experience for student-athletes, employees and fans.

PASSION

- We give everything we have for the people and the place we love.
- We love what we do and why we do it.

EXCELLENCE

- We strive to perform and achieve at the highest level in all that we do.

- We continuously improve and demand a higher level of performance than what is necessary.

INNOVATION

- We find creative solutions and embrace change.

RESPECT

- We treat each other with fairness, honesty, kindness and civility.

INTEGRITY

- We act in a fair, ethical and honest manner.
- We do things the right way every day.

INDEPENDENT AUDITORS' REPORT

The Audit Committee,
The University Athletic Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of The University Athletic Association, Inc. (the Association), a direct support organization and component unit (for accounting purposes only) of the University of Florida, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Association's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2020 and 2019, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

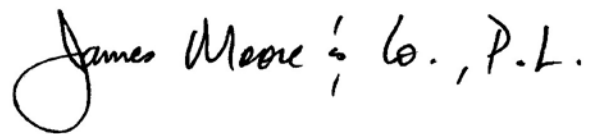
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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 August 28, 2020, on our consideration of the Association'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 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 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 Association'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 with a large loop at the beginning.

Gainesville, Florida
August 31, 2020



GATOR **STRONG**

TEAMWORK



For 36 consecutive years Florida achieved top-10 finishes in national all-sports standings. Florida is the only program to be among the top 10 in each all-sports ranking since 1983-84. Sixty-one Gators collected a total of 122 All-America honors in 2019-20. In 2018-19, three Gator teams won Southeastern Conference team titles. Florida's 247 Southeastern Conference team titles leads the league.



GATOR **STRONG**

PASSION

MANAGEMENT'S DISCUSSION & ANALYSIS

INTRODUCTION

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

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

The tremendous success of the athletic program can be attributed to many factors: outstanding coaches and support staff, extremely talented student-athletes, a great academic institution, a strong recruiting base, university support, supportive alumni and friends, and a commitment to each sport. The commitment to success in each sport, not just those with net revenue, brands the program as a national model for collegiate athletics. The Association's financial strength is also a key component in its success and is a major factor in maintaining or surpassing its current level of achievement in all the Association's endeavors. It should be noted during FY20 the Association began to feel the impact of the economic shutdown caused by the new coronavirus pandemic. Social distancing, self-isolation and travel restrictions have led to a reduced workforce across all economic sectors. Schools have had to close down and athletic activities ceased as of March 13, 2020. The Association experienced positive revenue increases prior to March and significant savings in expenses after March due to no competition. This is unprecedented in the history of college athletics.

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The Association is pleased to present its financial statements for the fiscal years ended June 30, 2020 and 2019. This discussion and analysis is a narrative explanation of the Association's financial condition and operating activities for these years. The overview presented below highlights the significant financial activities that occurred during the past two years and describes changes in financial activity from the prior year. Please read this overview in conjunction with the comparative summaries of net position and revenues, expenses and changes in net position and the Association's financial statements which begin on Page 14.

USING THESE FINANCIAL STATEMENTS

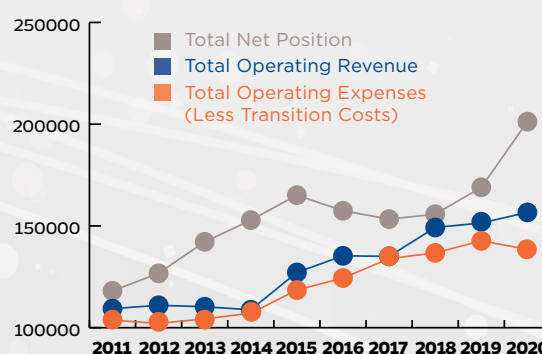
This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments* and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Colleges and Universities*.

There are three financial statements presented: the Statements of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows.

The Association continues to preserve its financial health by relying on sound fiscal stewardship, efficient operations and innovative revenue generation. Total net position is one indicator of the improvement or erosion of the Association's financial health. As displayed below and on the following page, over the last 10 years, the Association has managed to steadily grow its net position by 70% from \$118 million in 2011 to \$201 million in 2020. This growth in net position is evidence of the Association's effort to maintain self-sufficiency. The Association takes seriously its commitment to contribute to the overall academic mission of the University it represents. Not only does the Association contribute back to the University every year above and beyond minor amounts received from student fees, but it also pays the full in-state and out-of-state tuition rates for all of its scholarship athletes. Details surrounding contributions to the University can be seen on Page 17, as well as in note 8 to the financial statements.

The Association has also experienced steady rates of growth in its operating revenues and expenses over the last ten years. As shown below and on the following page, operating revenues have grown by 43% from \$111 million to \$157 million and operating expenses have grown by 34% from \$104 million to \$139 million.

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



THE ASSOCIATION proves, year after year, to be a national leader in total revenues generated by the athletic program. This financial success is only possible because of the overall academic and athletic success of the intercollegiate athletic program and the condition of its facilities. The Gators still achieved success in the pandemic shortened 2019-20 season:

TOTAL REVENUES RANKING

Florida Division 1	#1 OUT OF 13
NCAA Division 1 Institutions - Nationwide	TOP 10 OVER 300
Southeastern Conference	TOP 5 OUT OF 14

Three SEC Team Titles

GYMNASTICS (2nd consecutive)
MEN'S SWIMMING & DIVING (8th consecutive)
VOLLEYBALL (24th overall)

- Nine Gator teams did not complete (or in some cases, begin) 2020 league action.
- Florida's picked up at least one SEC team title for 42 consecutive seasons - the league's longest current streak.
- 247 SEC teams titles by Florida is the league's all-time leader.

SEC Athletes of the Year

KIERAN SMITH
 SEC Swimmer of the Year

TRINITY THOMAS
 SEC Gymnast of the Year

31st consecutive season at least one Gator earned their sport's top individual award

SEC Coach of the Year

ANTHONY NESTY - Men's Swimming
JENNY ROWLAND - Gymnastics

RANKINGS

2019-2020 *Only Florida's five fall sports completed their seasons.*



Gator Teams in Top 10

Completed Season

Football	No. 6
Volleyball	No. T9

Suspended Season

Baseball	No. 1	D1Baseball.com
Gymnastics	No. 2	Road to Nationals
Men's Indoor Track & Field	No. 6	(USTFCCCA)
Women's Golf	No. 7	(Golfweek/Sagarin)
Softball	No. 7	(USA Today/NFCA)
Women's Swimming & Diving	No. 7	(CSCAA)
Lacrosse	No. 8	(IWLCA)
Men's Tennis	No. 9	(Oracle/ITA)



National Coach of the Year

JENNY ROWLAND – Gymnastics

Florida's claimed **at least one national coach of the year** award each year since 2010.

Gator All-Americans

61 WITH 122 HONORS

5

3.19

116

339

Gators teams –**men's basketball, women's golf, gymnastics, lacrosse and volleyball** – recognized in 2020 for outstanding NCAA Academic Progress Report (APR) scores. All Gators teams are in good academic standing.

Combined grade-point average for all Gators student-athletes for 2019-20 academic year: 3.40 (**all-time record!**) for spring 2020; 3.12 for fall 2019.

Graduates combined for fall 2019, spring 2020 and summer 2020 semesters. **Master's degrees** earned by 18 and 28 graduated **with honors**.

255 Gators earned spots on the SEC Academic Honor Rolls and 84 on the SEC First-Year Honor Roll. Florida is the **only program to place 100 or more** student-athletes on the Academic Honor Roll each of the last 23 years.



SUMMARY OF NET POSITION

The Statements of Net Position present the assets, liabilities and net position of the Association as of the end of the last two fiscal years. A Statement of Net Position is a point-in-time financial statement. Its purpose is to present to the readers of the financial statements a fiscal snapshot of the Association. The Statements of Net Position present end-of-the-year data concerning assets (what the Association owns and how much is owed to the Association by others), liabilities (what the Association owes to others and has collected from others before the service has been provided), and net position (assets minus liabilities). The statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where revenues are recorded when they are

earned and expenses are recognized when they are incurred.

From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of the Association. They are able to determine how much the Association owes to vendors and lending institutions. Finally, the Statements of Net Position provide a picture of the net position and their availability for expenditure by the Association

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

Condensed Summary of Net Position (thousands of dollars)

	2020-2019				2019-2018		
	2020	2019	Increase (decrease)	Percent change	2018	Increase (decrease)	Percent change
Assets							
Current assets	\$ 91,921	\$ 123,150	\$ (31,229)	-25.36%	\$ 80,890	\$ 42,260	52.24%
Capital assets, net of depreciation	245,409	204,574	40,835	19.96%	182,642	21,932	12.01%
Other assets	49,305	51,302	(1,997)	-3.89%	52,965	(1,663)	-3.14%
Total assets	386,635	379,026	7,609	2.01%	316,497	62,529	19.76%
Liabilities							
Long-term debt outstanding	119,375	126,025	(6,650)	-5.28%	81,275	44,750	55.06%
Other liabilities	66,003	84,005	(18,002)	-21.43%	79,471	4,534	5.71%
Total liabilities	185,378	210,030	(24,652)	-11.74%	160,746	49,284	30.66%
Net Position							
Net investment in capital assets	126,034	106,261	19,773	18.61%	101,367	4,894	4.83%
Restricted	15,044	8,272	6,772	81.87%	5,831	2,441	41.86%
Unrestricted	60,179	54,463	5,716	10.50%	48,553	5,910	12.17%
Total net position	\$ 201,257	\$ 168,996	\$ 32,261	19.09%	\$ 155,751	\$ 13,245	8.50%

HIGHLIGHTS

The Association experienced a net increase in total assets of \$7.6 million in 2020. This included a decrease of \$31.2 million in current assets due to the timing of ticket-related contributions for the 2020 football season, which have not been recognized as revenue by Gator Boosters due to the uncertainty around COVID-19. In prior years this revenue was treated as an unearned liability vs. due from Gator Boosters. With construction of the Florida Ball Park near completion the Association saw an increase of \$40.8 million in capital assets. As well, the Association managed to pay down long-term debt by \$6.7 million and experienced an increase in net position in the current year of \$32.3 million.

**SUMMARY OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

The Statements of Revenues, Expenses and Changes in Net Position present the revenues and expenses incurred during each year. Revenues and expenses are reported as operating and nonoperating. In general, operating revenues are received for providing goods and services to the Association's various customers and constituencies. Operating expenses are those expenses paid to acquire or produce goods and services provided in return for the operating revenues, and to carry out the mission of the Association. The utilization of long-lived

assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes, and reduces operating income, by the cost of an asset over its expected useful life.

Nonoperating revenues are revenues received for which goods or services are not provided, such as investment income.

Nonoperating expenses include interest on capital asset related debt and contributions to UF and the University of Florida Foundation (UFF). Contributions to UF include unrestricted gifts for the academic mission of the University, contributions for designated purposes and costs contributed by the Association for UF capital projects. Contributions to the UFF are transfers by the Association to the athletic scholarship endowment.

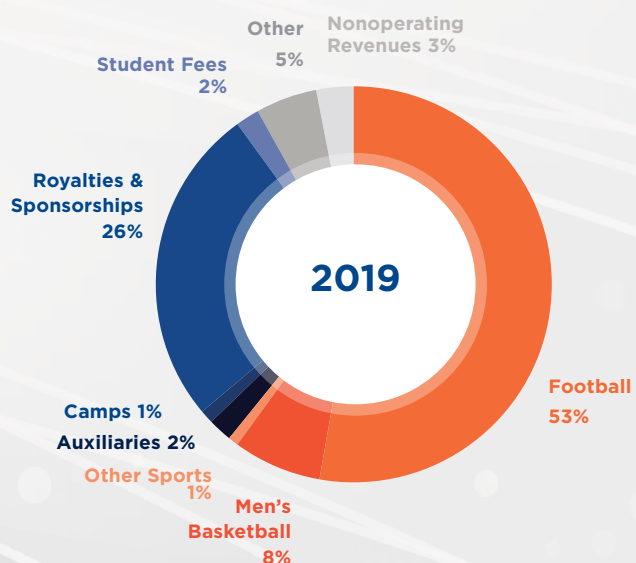
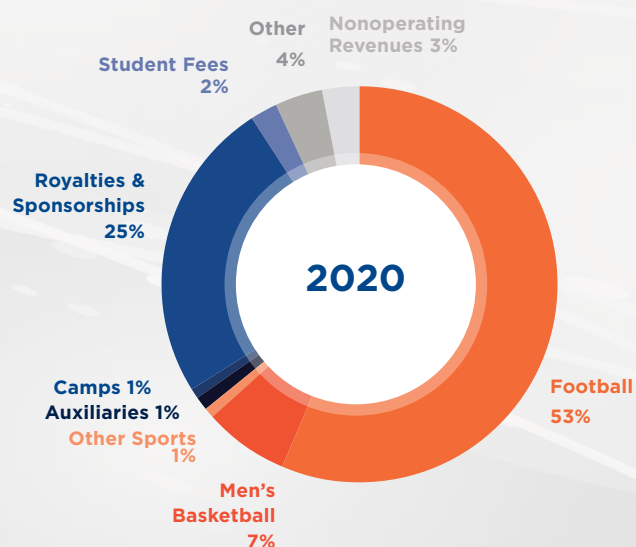
Capital contributions are considered neither operating nor nonoperating and are reported after "Income before contributions."

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

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

	2020-2019				2019-2018		
	2020	2019	Increase (decrease)	Percent change	2018	Increase (decrease)	Percent change
Operating revenues							
Sales of goods and services	\$ 41,138	\$ 35,470	\$ 5,668	15.98%	\$ 40,348	\$ (4,878)	-12.09%
SEC and NCAA distributions	46,591	47,670	(1,079)	-2.26%	45,420	2,250	4.95%
Contributions	37,890	38,635	(745)	-1.93%	36,976	1,659	4.49%
Royalties and sponsorships	24,203	21,363	2,840	13.29%	19,414	1,949	10.04%
Other	6,835	8,311	(1,476)	-17.76%	7,091	1,220	17.20%
Total operating revenues	156,657	151,449	5,208	3.44%	149,249	2,200	1.47%
Nonoperating revenues	4,648	5,154	(506)	-9.82%	4,734	420	8.87%
Total revenues	161,305	156,603	4,702	3.00%	153,983	2,620	1.70%
Operating expenses							
Salaries, wages and benefits	63,008	59,862	3,146	5.26%	70,585	(10,723)	-15.19%
Direct team expenses	26,178	32,239	(6,061)	-18.80%	29,667	2,572	8.67%
Scholarships and athlete support services	20,402	22,227	(1,825)	-8.21%	22,203	24	0.11%
Administrative services and facilities	18,479	17,653	826	4.68%	17,834	(181)	-1.01%
Camps and depreciation	10,446	10,695	(249)	-2.33%	10,925	(230)	-2.11%
Total operating expenses	138,513	142,676	(4,163)	-2.92%	151,214	(8,538)	-5.65%
Nonoperating expenses							
Interest on capital related debt	3,401	3,696	(295)	-7.98%	2,003	1,693	84.52%
Contributions to University of Florida and UF Foundation	1,741	3,352	(1,611)	-48.06%	7,426	(4,074)	-54.86%
Total nonoperating expenses	5,142	7,048	(1,906)	-27.04%	9,429	(2,381)	-25.25%
Total expenses	143,655	149,724	(6,069)	-4.05%	160,643	(10,919)	-6.80%
Capital contributions from Gator Boosters, Inc. and others	14,611	6,366	8,245	129.52%	9,039	(2,673)	-29.57%
Increase in net position	32,261	13,245	19,016	143.57%	2,379	10,866	456.75%
Net position, beginning of year	168,996	155,751	13,245	8.50%	153,372	2,379	1.55%
Net position, end of year	\$ 201,257	\$ 168,996	\$ 32,261	19.09%	\$ 155,751	\$ 13,245	8.50%

REVENUES



HIGHLIGHTS

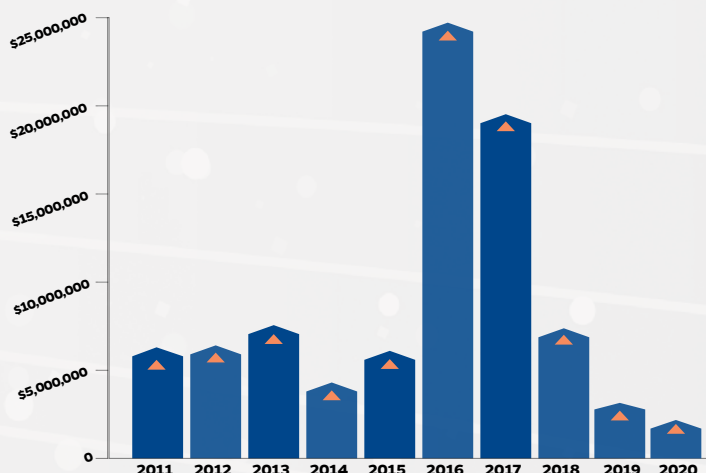
Overall operating revenue increased by over \$5.2 million. Sales of goods and services was up \$5 million based on the \$4.2 million guarantee received for the football team's participation in a neutral site game vs. Miami in 2019. In 2020 SEC Men's Basketball revenue, booster contributions and other were down a combined \$3.3 million due to the cancellation of the 2019-2020 NCAA Men's Basketball Tournament and the Association hosted a Garth Brooks concert in April 2019. Royalties and sponsorship were up \$2.8 million which reflects a signing bonus for the extension of the multimedia rights contract, but a net of sponsorship losses due to the new coronavirus.

The Association experienced significant decreases in direct team support and student-athlete support categories due to the cancellation of events, recruiting and team travel due to the pandemic starting March 2020. Most notably, direct team expenses decreased by \$6 million due to the cancellations. The Association anticipates the return of these expenses to normalized levels once teams begin to compete again.

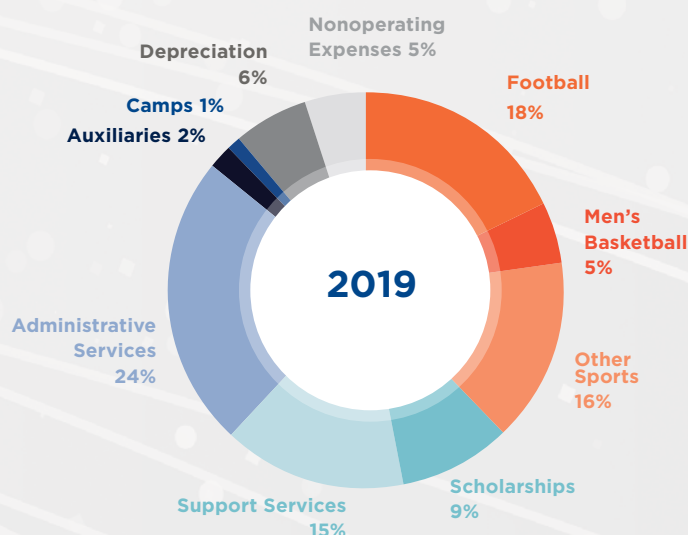
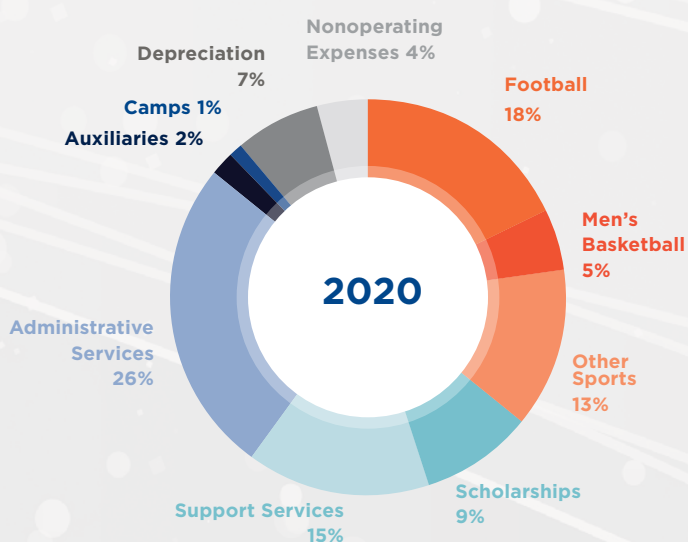
Contributions to UF are detailed in note 8 to the financial statements.



Annual Contributions to the University of Florida



EXPENSES





SUMMARY OF CASH FLOWS

The primary purpose of the Statements of Cash Flows is to provide relevant information about the Association's cash receipts and cash payments during the years shown. The statements classify cash receipts and cash payments as they result from operating, noncapital financing, capital and related financing, or investing activities. The first section, cash flows from operating activities, presents the cash effects of transactions and other events that enter into the determination of the Association's operating income. The second section, cash flows from noncapital financing activities, shows the cash received and spent for

nonoperating, noninvesting, and noncapital financing purposes and includes contributions to and from the University of Florida, the University of Florida Foundation and the State of Florida. The next section, cash flows from capital and related financing activities, provides information about cash used for the acquisition and construction of capital and related items and cash received from contributions specifically designated for capital purposes. The fourth section, cash flows from investing activities, details the purchases, proceeds and income received from investing activities. The final section reconciles the net cash provided by operating activities to the operating income reflected on the Statements of Revenues, Expenses, and Changes in Net Position.

Condensed Summary of Cash Flows (thousands of dollars)

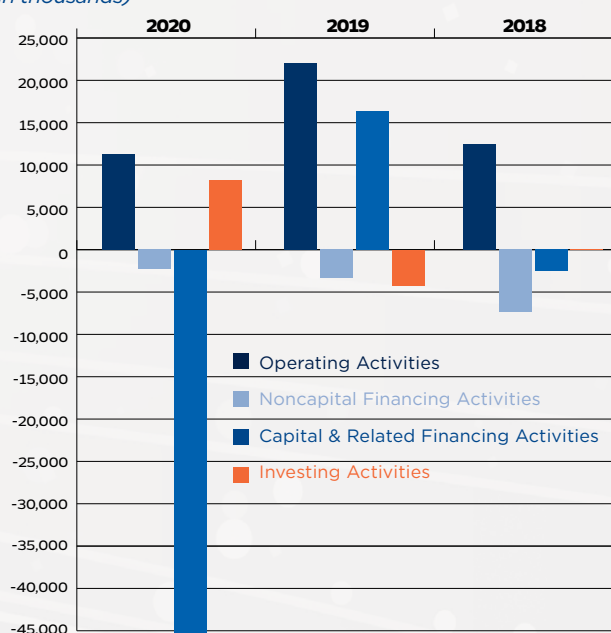
	2020-2019				2019-2018		
	2020	2019	Increase (decrease)	Percent change	2018	Increase (decrease)	Percent change
Cash flows from:							
Operating activities	\$ 8,895	\$ 21,968	\$ (13,073)	-59.51%	\$ 12,439	\$ 9,529	76.61%
Noncapital financing activities	(141)	(3,350)	3,209	-95.79%	(7,375)	4,025	-54.58%
Capital & related financing activities	(45,832)	16,353	(62,185)	-380.27%	(2,545)	18,898	-742.55%
Investing activities	8,771	(4,218)	12,989	-307.94%	(7)	(4,211)	60157.14%
Net change in cash and cash equivalents	(28,307)	30,753	(59,060)	-192.05%	2,512	28,241	1124.24%
Cash and cash equivalents, beginning of year	38,887	8,134	30,753	378.08%	5,622	2,512	44.68%
Cash and cash equivalents, end of year	\$ 10,580	\$ 38,887	\$ (28,307)	-72.79%	\$ 8,134	\$ 30,753	378.08%

HIGHLIGHTS

Cash and cash equivalents were down a net \$28M. This is a result of the decrease in restricted cash due to the use of bond proceeds for capital projects. Cash utilized for construction expense was up 72%. The fluctuation in cash used in noncapital financing activities is attributed to payments to the University of Florida. Cash flows from investing activities will vary based on market conditions and the purchases or sales of securities. Cash flows from capital and related financing activities fluctuate based on capital projects and debt amortization schedules.

Net Cash Flow Activities

(in thousands)



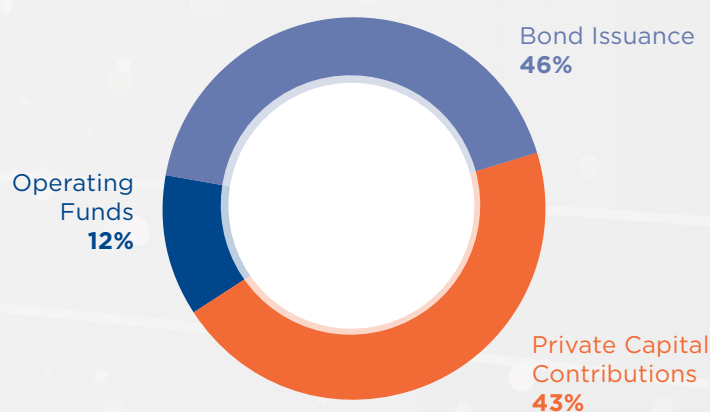
CAPITAL ASSET AND DEBT ADMINISTRATION

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

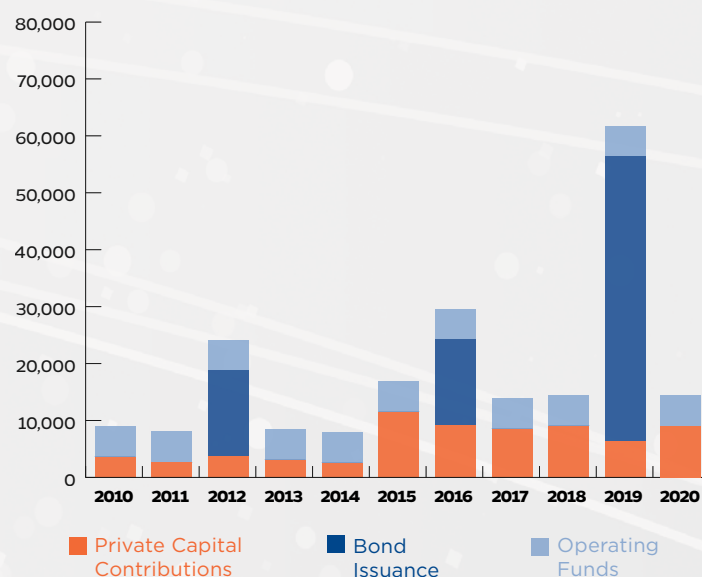
The Association has a rich history of financing these projects through a combination of major capital gifts, Association operating funds, and tax-exempt debt. See exhibits below:

Annual Capitalized Projects - 2010 through 2020

Total of \$174.2M



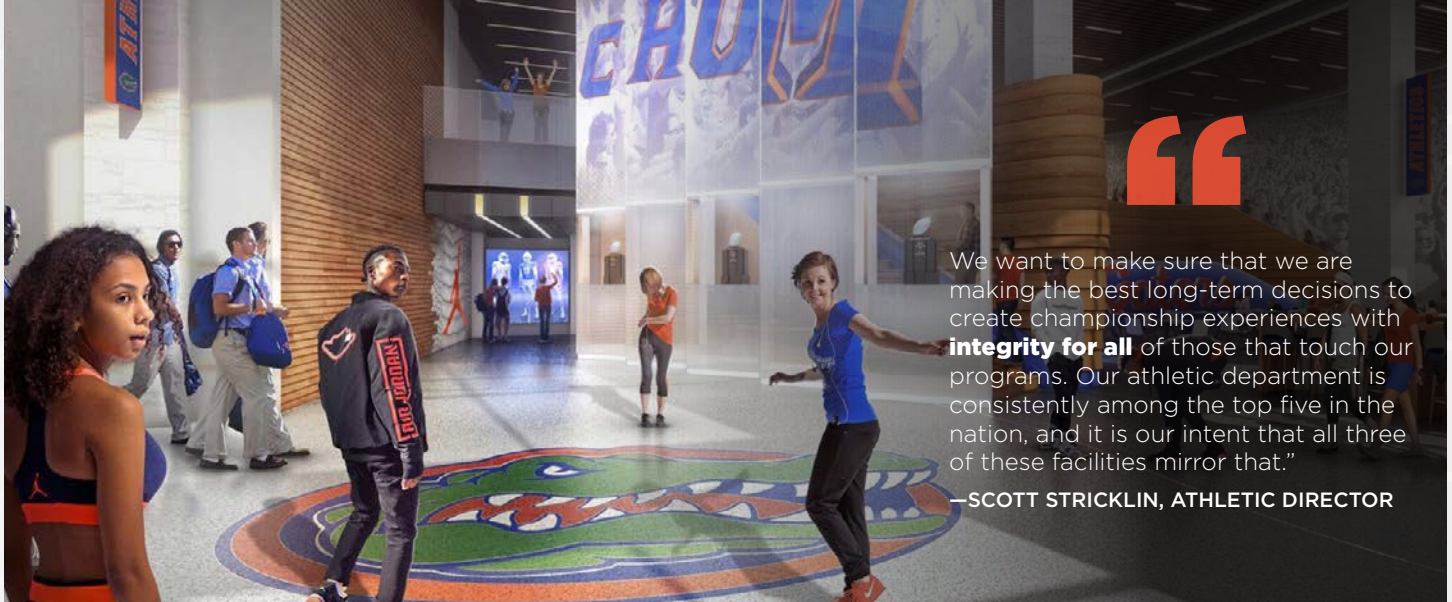
(in thousands)



As of June 30, 2020, the Association has a total of \$119 million in outstanding debt. This debt was used to finance a number of different athletic facilities, including a 1990 expansion of the north end zone of Ben Hill Griffin Stadium, a 2001 expansion of the Ben Hill Griffin Stadium Skybox and press box complex, a 2007 expansion and



LISTENING. We strive to listen to uncomfortable truths with humility, setting aside the natural inclination of defensiveness and ego. **UNDERSTANDING.** We seek underlying root causes – history, policy, attitudes – as we desire to learn about why things are the way they are. **WORKING.** In the process of educating ourselves and having open discussions with coworkers, we want to work on bettering ourselves and growing our understanding of the experiences of others, and ultimately putting our learning to action.



We want to make sure that we are making the best long-term decisions to create championship experiences with **integrity for all** of those that touch our programs. Our athletic department is consistently among the top five in the nation, and it is our intent that all three of these facilities mirror that.”

—SCOTT STRICKLIN, ATHLETIC DIRECTOR

renovation of the football offices and student-athlete strength and conditioning center, a 2011 expansion of the west concourse of Ben Hill Griffin Stadium, an expansion and renovation of the gymnastics practice facility and an expansion and renovation of the Charles R. and Nancy V. Perry Indoor Tennis Facility and the 2016 construction of Gary Condon Family football indoor practice facility and renovation and expansion of the Hawkins Center for Academic and Personal Excellence. In July 2018, the Association issued \$50 million of tax-exempt bonds as a private placement with a financial institution to fund the construction of the new Florida Ballpark and renovate and expand Katie Seashole Softball stadium. The construction of the softball stadium was completed in February 2019, and the Florida Ball Park is expected to be complete in September 2020.

ECONOMIC OUTLOOK

Over the past 10 years, the world of college athletics as a whole has recognized remarkable growth along with a number of changes in revenue streams and expense demands. The UAA has realized an increase in revenue of over 40% during this time frame. Recently, however, ticket sales across the country have lagged, but the UAA has been able to stabilize its existing sales across all sports. The UAA has also shifted a larger portion of yearly revenue to more guaranteed and less variable revenue streams.

Although expenses have grown significantly over the past decade, they have grown proportionately across the board. The largest spending changes involve directing more funds towards the support of our student-athletes via direct team support and staff recruitment and retention. The UAA has been able to further its mission of providing a championship experience by way of building new state-of-the-art facilities, enhancing the student-athlete experience,

improving the fan experience, and competing at an elite level in all sports.

The UAA maintains a strong financial position among its peers. Within the SEC, the UAA ranks among the top five schools in total revenue, and also carries debt well below the average for SEC schools. This strong financial position helps to make the UAA uniquely prepared for the uncertainty that lies ahead, and provides the opportunity to continue to grow and move forward as an organization.

We are fortunate enough to boast some of the brightest and most talented student-athletes in the nation. The Association is dedicated to providing them with the financial tools they need to be successful on and off the field. Legislation around the benefits we are allowed to provide our student-athletes seems to be consistently changing and we will ensure that we are financially able to provide them with the maximum amount of support allowed.

The Association anticipates continued uncertainty in the short term due to the pandemic, but good stewardship over time of the Association’s resources puts our enterprise in the position to weather these challenges and be ready to compete when it is safer to return to sports.

CONTACTING MANAGEMENT

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

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



GATOR **STRONG**

EXCELLENCE



Student-athletes are committed not only to excellence on the field but also in the classroom. The Association is privileged to offer its student-athletes a preeminent education by investing in people and programs to help UF help the world. The true might of The Gator Nation is in our ability to come together around a challenge. UF Preeminence began in 2013 with UF's designation by the Florida Legislature as the state's preeminent institution. This grew into an opportunity to achieve national and international recognition for our work in serving students and the world. We're taking what we are good at and making it great. We're taking what we're great at and making it world-class. We're extending the reach of our efforts, so we can help even more people in even more places. And by transforming the state's flagship university into a truly global university, we're showing the world that the Gator Good is the greater good.



BASIC FINANCIAL STATEMENTS

Statements of Net Position

(as of June 30, 2020 and 2019)

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 10,578,969	\$ 11,173,745
Restricted cash and cash equivalents	-	27,712,278
Short-term investments	68,548,355	70,683,585
Accounts and other receivables, net	12,062,086	7,914,443
Due from Gator Boosters, Inc., current	499,703	4,564,076
Inventories	58,007	43,935
Prepaid expenses and other current assets	174,315	1,057,545
Total current assets	<u>91,921,435</u>	<u>123,149,607</u>
Noncurrent Assets		
Investments	49,234,069	51,203,365
Due from Gator Boosters, Inc., less current portion	70,613	98,175
Capital assets not being depreciated	65,917,784	18,148,726
Capital assets being depreciated, net of accumulated depreciation	<u>179,491,664</u>	<u>186,425,306</u>
Total noncurrent assets	<u>294,714,130</u>	<u>255,875,572</u>
TOTAL ASSETS	<u>\$ 386,635,565</u>	<u>\$ 379,025,179</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	\$ 10,117,282	\$ 13,508,529
Accrued compensated absences, current	264,000	285,000
Contracts payable, current	997,150	1,997,026
Long-term debt, current	5,115,000	6,650,000
Deferred revenues, current	21,015,243	60,608,980
Due to Gator Boosters, Inc., current	25,840,397	-
Due to University of Florida	<u>2,496,816</u>	<u>-</u>
Total current liabilities	<u>65,845,888</u>	<u>83,049,535</u>
Noncurrent Liabilities		
Accrued compensated absences, less current portion	1,694,050	1,484,672
Contracts payable, less current portion	498,837	1,443,432
Deferred revenues, less current portion	3,080,000	4,676,729
Long-term debt, less current portion	<u>114,260,000</u>	<u>119,375,000</u>
Total noncurrent liabilities	<u>119,532,887</u>	<u>126,979,833</u>
TOTAL LIABILITIES	<u>\$ 185,378,775</u>	<u>\$ 210,029,368</u>
NET POSITION		
Net investment in capital assets	\$ 126,034,447	\$ 106,261,310
Restricted for capital projects	15,043,847	8,271,521
Unrestricted	<u>60,178,496</u>	<u>54,462,980</u>
TOTAL NET POSITION	<u>\$ 201,256,790</u>	<u>\$ 168,995,811</u>

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

Statements of Revenues, Expenses and Changes In Net Position

(for the years ended June 30, 2020 and 2019)

	2020	2019
Operating Revenues		
Ticket sales	\$ 34,356,368	\$ 32,432,340
SEC and NCAA distributions	46,591,415	47,669,824
Contributions	37,889,677	38,635,095
Royalties and sponsorships	24,202,943	21,362,635
Student fees	2,418,615	2,618,076
Direct state support	2,545,481	2,261,773
Camps	1,787,129	1,695,002
Other sports revenue	4,994,081	1,342,976
Other revenue	1,871,036	3,431,638
Total operating revenues	156,656,745	151,449,359
Operating Expenses		
Salaries, wages and benefits	63,008,061	59,862,204
Direct sports team expenses	26,178,404	32,239,385
Scholarships	13,687,766	14,663,676
Student-athlete support services	6,714,086	7,562,914
Administrative services	10,121,427	10,251,622
Facility maintenance and overhead	8,357,937	7,401,517
Camps	1,042,238	1,134,425
Depreciation	9,403,776	9,560,592
Total operating expenses	138,513,695	142,676,335
Operating Income	18,143,050	8,773,024
Nonoperating revenues (expenses)		
Investment income, net	4,648,344	5,154,114
Interest on capital asset related debt	(3,401,147)	(3,696,483)
Contributions to the University of Florida	(1,716,667)	(3,326,667)
Contributions to the University of Florida Foundation, Inc.	(23,996)	(24,997)
Net nonoperating revenues (expenses)	(493,466)	(1,894,033)
Income before capital contributions	17,649,584	6,878,991
Capital contributions from Gator Boosters, Inc.	14,611,395	6,366,163
Increase in net position	32,260,979	13,245,154
Net position, beginning of year	168,995,811	155,750,657
Net position, end of year	\$ 201,256,790	\$ 168,995,811

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

BASIC FINANCIAL STATEMENTS

Statements of Cash Flows

(for the years ended June 30, 2020 and 2019)

	2020	2019
Cash flows from operating activities		
Contributions from Gator Boosters, Inc.	\$ 33,231,419	\$ 30,812,830
Receipts from ticket holders and others	34,850,876	41,053,404
Receipts from the SEC and NCAA	46,898,615	47,770,749
Receipts from rights, royalties, and sponsors	17,627,992	20,404,312
Receipts from the University of Florida and the State of Florida	4,964,096	4,879,849
Other receipts	711,543	601,914
Payments to suppliers and others	(53,945,950)	(50,449,938)
Payments to employees	(62,332,424)	(58,448,037)
Payments for scholarships	(13,111,105)	(14,657,246)
Net cash provided by operating activities	8,895,062	21,967,837
Cash flows from noncapital financing activities		
Contributions to the University of Florida	(116,667)	(3,326,667)
Contributions to the University of Florida Foundation, Inc.	(23,996)	(23,388)
Net cash used in noncapital financing activities	(140,663)	(3,350,055)
Cash flows from capital and related financing activities		
Purchase of capital assets	(50,260,075)	(31,492,544)
Proceeds from bonds	-	50,000,000
Capital contributions from Gator Boosters, Inc.	14,611,395	6,366,163
Principal paid on bonds	(6,650,000)	(5,250,000)
Interest paid on bonds	(3,533,420)	(3,270,895)
Net cash provided by (used in) capital and asset related financing activities	(45,832,100)	16,352,724
Cash flows from investing activities		
Purchases of investment securities	(63,033,563)	(67,870,488)
Proceeds from sale and maturities of investment securities	67,138,089	58,538,089
Interest and dividends received	4,666,121	5,114,316
Net cash provided by (used in) investing activities	8,770,647	(4,218,083)
Net increase in cash and cash equivalents	(28,307,054)	30,752,423
Cash and cash equivalents, beginning of year	38,886,023	8,133,600
Cash and cash equivalents, end of year	\$ 10,578,969	\$ 38,886,023
Presented on the statement of net position as:		
Cash and cash equivalents	\$ 10,578,969	\$ 11,173,745
Restricted cash and cash equivalents	-	27,712,278
Total cash and cash equivalents	\$ 10,578,969	\$ 38,886,023

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

Statements of Cash Flows

(for the years ended June 30, 2020 and 2019)

	2020	2019
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 18,143,050	\$ 8,773,024
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	9,403,776	9,560,592
Loss on disposal of capital assets	20,884	-
Changes in assets and liabilities:		
Accounts and other receivables	(4,165,365)	(1,465,729)
Due from/to Gator Boosters, Inc.	29,932,332	(1,395,650)
Inventories	(14,072)	6,709
Prepaid expenses and other current assets	883,230	2,384,377
Accounts payable and accrued expenses	(2,362,214)	7,952,439
Accrued compensated absences	188,378	92,329
Contracts payable	(1,944,471)	(4,122,014)
Deferred revenues	(41,190,466)	181,760
Net cash provided by operating activities	<u>\$ 8,895,062</u>	<u>\$ 21,967,837</u>

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



GATOR **STRONG**

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.





GATOR **STRONG**

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**—The financial statements of the Association have been prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents 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 revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. 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 revenues, expenses, and changes in net position.

(c) **Cash and cash equivalents**—Cash and cash equivalents include cash in banks and money market funds available for immediate use. A bond was issued in July 2018 for \$50,000,000 with funds restricted to use for the baseball and softball stadium projects. At June 30, 2019 the remaining cash available was \$27,712,278. As of June 30, 2020, all bond proceeds have been used.

(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 generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(g) **Capital 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 30 years). Costs to maintain or repair these assets 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) **Deferred revenues**—Current deferred revenues consist of advance sales of tickets for sport seasons in the next fiscal year, and miscellaneous other unearned fees received. The deferred 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, deferred 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 three components:

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets.
- Restricted – consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. Restricted net position consists of capital contributions received for specific future capital projects
- Unrestricted – consists of assets that are available to the Association for any legal use.

When both restricted and unrestricted net position is available for use, it is the Association's policy to use restricted resources first, then unrestricted resources as they are needed.

(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 \$2,161,019 and \$1,877,311 for the years ended June 30, 2020 and 2019, respectively, and are included in other operating revenues in the statement 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) **Future accounting pronouncements**—GASB issued Statement No. 84, Fiduciary Activities, in January 2017. GASB 84 seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions in GASB 84 are effective for fiscal years beginning after December 15, 2019. The Association is currently evaluating the impact this statement will have on its financial statements.

GASB issued Statement No. 87, Leases, in June 2017. GASB 87 aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions in GASB 87 are effective for periods beginning after June 15, 2021. The Association is currently evaluating the impact this statement will have on its financial statements.

(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, 2020 and 2019 were as follows:

Table 1. Cash and Cash Equivalents (Note 2)

	2020	2019
Money market funds	\$ 2,485	\$ 998,227
Cash in bank demand accounts	9,939,644	9,327,634
Cash held at the University of Florida	338,013	694,484
Cash on hand	298,827	153,400
Restricted Cash	-	27,712,278
Total cash and cash equivalents	\$ 10,578,969	\$ 38,886,023

Cash in bank demand accounts are held in regional banks. Bank account balances for these bank demand accounts were \$12,427,474 and \$41,648,576, as of June 30, 2020 and 2019, respectively. Deposits are uncollateralized and are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). Uninsured bank balances totaled \$12,177,474 and \$41,310,945 as of June 30, 2020 and 2019, 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:

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, 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, commingled funds, multi-strategy hedge funds and separately managed investment accounts with Garcia Hamilton & Associates 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. The hedged strategies investment represents the Association's interest in the Florida Hedged Strategies Fund, LLC, a limited liability company that is managed by the University of Florida Investment Corporation.



All of the Association's recurring fair value measurements as of June 30, 2020 and 2019 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 which are valued

based on the Association's share of the pool (Level 3 inputs) and hedge funds which are valued using net asset valuations.

The Association's investments at June 30, 2020, are reported as follows:

Table 2. Investments - June 30, 2020 (Note 3)

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)
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 19,584,463	\$ -	\$ -	\$ 19,584,463
Cash Equivalents Classified as Short Term Investments:				
Commercial Paper	6,146,061	6,146,061	-	-
Non-Proprietary Cash Sweep	13,871,082	13,871,082	-	-
US Government Short-Term	15,998,430	15,998,430	-	-
Bonds and Notes:				
Corporate Backed Obligations	5,846,026	-	5,846,026	-
Corporate Bonds	6,737,414	-	6,737,414	-
Government Bonds	3,292,509	-	3,292,509	-
Mortgage Backed Securities	4,069,920	-	4,069,920	-
Mutual Funds:				
Corporate Bonds	3,606,916	3,606,916	-	-
Equity	32,972,728	32,972,728	-	-
Total investments by fair value level	\$ 112,125,549	\$ 72,595,217	\$ 19,945,869	\$ 19,584,463
Investments measured at the net asset value (NAV)				
Multi-Strategy Hedge Funds	\$ 5,645,839			
Total investments measured at fair value	\$ 117,771,388			
Investments measured at amortized cost				
SBA Florida PRIME	\$ 11,036			
Total investments	\$ 117,782,424			

The Association's investments at June 30, 2019, are reported as follows:

Table 3. Investments - June 30, 2019 (Note 3)

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)	
External Investment Pool:					
State Treasury Special Purpose Investment Account	\$ 22,467,666	\$ -	\$ -	\$ 22,467,666	
Cash Equivalents Classified as Short Term Investments:					
Commercial Paper	10,575,550	10,575,550	-	-	
Non-Proprietary Cash Sweep	18,887,527	18,887,527	-	-	
Bonds and Notes:					
Corporate Backed Obligations	10,453,940	-	10,453,940	-	
Corporate Bonds	10,535,049	-	10,535,049	-	
Government Bonds	2,169,286	-	2,169,286	-	
Mortgage Backed Securities	924,882	-	924,882	-	
Private Placement	1,428,262	-	1,428,262	-	
Mutual Funds:					
Corporate Bonds	3,497,374	3,497,374	-	-	
Equity	35,275,834	35,275,834	-	-	
Total investments by fair value level	\$ 116,215,370	\$ 68,236,285	\$ 25,511,419	\$ 22,467,666	
Investments measured at the net asset value (NAV)					
Multi-Strategy Hedge Funds	\$ 5,660,728				
Total investments measured at fair value	\$ 121,876,098				
Investments measured at amortized cost					
SBA Florida PRIME	\$ 10,852				
Total investments	\$ 121,886,950				

Multi-Strategy Hedge Funds—The Association's investment in multi-strategy hedge funds of \$5,645,839 and \$5,660,728 at June 30, 2020 and 2019, respectively, represent an interest in the Florida Hedged Strategies Fund, LLC (the Fund), a limited liability company that is managed by the University of Florida Investment Corporation. The underlying investments in the Fund are valued, as a practical expedient, utilizing the net asset valuations provided by the underlying investee funds without adjustment, when the net asset valuations of the investments are calculated (or adjusted by the Fund if necessary) in a manner consistent with accounting principles generally accepted in the United States of America ("GAAP") for investment companies. The Fund applies the practical expedient to its investments in investee funds on an investment-by-investment basis, and consistently with the Fund's entire position in a particular investment, unless it is probable that the Fund will sell a portion of an investment at an amount different from the net asset valuation. If it is probable that the Fund will sell an investment at an amount different from the net asset valuation or in other situations where practical expedient is not available, the Fund considers other factors in addition to the net asset valuation, such

as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

The underlying investee funds value securities and other financial instruments on a mark-to-market or other estimated fair value basis. The estimated fair values of substantially all of the investments of the underlying investee funds, which may include securities for which prices are not readily available, are determined by the general partner or management of the respective underlying investee funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

External Investment Pools—The Association reported investments at fair value totaling \$19,584,463 and \$22,467,666 at June 30, 2020 and 2019, 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, had an effective duration of 0.43 years and 2.71 years and fair value factor of 1.0291 and 1.0103 at June 30, 2020 and 2019, 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 Comprehensive Annual Financial Report.

The Association reported investments totaling \$11,036 and \$10,852 at June 30, 2020 and 2019, 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 Standard & Poor's and had a weighted-average days to maturity (WAM) of 53 days and 29 days as of June 30, 2020 and 2019, 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, the Investment Advisory Council, and the Participant Local Government

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, 2020, 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 \$19,945,869 and \$25,511,419 as of June 30, 2020 and 2019, 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 multi-faceted, 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 sections below.

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, 2020 and 2019 is categorized in the following schedule using Standard and Poor’s (S&P) nationally recognized statistical ratings quality organizations:

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

	Quality Rating	2020 Fair Value	2019 Fair Value
Corporate Backed Obligation	S&P AAA	\$ 4,577,829	\$ 8,326,873
Corporate Backed Obligation	Unrated	1,268,197	2,127,067
Corporate Bonds	S&P A	1,617,525	1,786,241
Corporate Bonds	S&P A-	2,734,213	3,040,020
Corporate Bonds	S&P A+	-	1,166,550
Corporate Bonds	S&P AA	-	936,389
Corporate Bonds	S&P AA-	1,000,640	1,589,402
Corporate Bonds	S&P AA+	-	90,836
Corporate Bonds	S&P AAA	212,914	-
Corporate Bonds	S&P BBB	170,000	786,908
Corporate Bonds	S&P BBB+	1,002,122	1,138,704
Government Bonds	S&P AA+	2,352,803	2,169,286
Government Bonds	Unrated	939,706	-
Mortgage Backed Securities	AA	259,064	-
Mortgage Backed Securities	AA+	2,549,152	8,688
Mortgage Backed Securities	AAA	161,492	187,940
Mortgage Backed Securities	Unrated	1,100,212	728,254
Private Placement	S&P A+	-	289,539
Private Placement	S&P AA+	-	249,545
Private Placement	S&P BBB+	-	299,874
Private Placement	S&P A-	-	589,304
Bond Mutual Funds	Unrated	3,606,916	3,497,374
US Government Short-Term	AA+	15,998,430	-
Total		\$ 39,551,215	\$ 29,008,794

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. The Association does not have a policy for interest rate risk associated with its investments. Interest rate risk for the Association’s bonds, notes and bond mutual funds as of June 30, 2020 and 2019 is as follows:

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

	Average Duration	2020 Fair Value	2019 Fair Value
Corporate Backed Obligation	Less than one year	\$ 5,846,026	\$ 10,453,941
Corporate Bonds	Greater than five years	3,815,390	376,687
Corporate Bonds	Less than one year	2,922,024	10,158,362
Government Bonds	Greater than five years	-	1,390,254
Government Bonds	Less than one year	3,292,509	779,033
Mortgage Backed Securities	One to five years	3,880,912	625,727
Mortgage Backed Securities	Less than one year	189,008	299,154
Private Placement	One to five years	-	1,428,262
Bond Mutual Funds	Less than one year	3,606,916	3,497,374
US Government Short-Term	Greater than five years	15,998,430	-
Total		\$ 39,551,215	\$ 29,008,794

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, 2020 and 2019, less than five percent of the Association's investments were held in the Florida Hedged Strategies Fund, LLC. Such concentrations are permitted by the Association's investment policy.

(4) CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2020 was as follows:

Table 6. Capital Assets - June 30, 2020

	Beginning Balance	Additions	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 2,430,236	\$ -	\$ -	\$ 2,430,236
Construction in progress	15,718,490	49,650,478	(1,881,420)	63,487,548
Total capital assets not being depreciated	18,148,726	49,650,478	(1,881,420)	65,917,784
Capital assets being depreciated:				
Buildings and improvements	6,641,755	-	-	6,641,755
Furniture and equipment	27,904,417	611,670	(12,680)	28,503,407
Leasehold improvements	274,704,267	1,879,348	(192,408)	276,391,207
Total capital assets being depreciated	309,250,439	2,491,018	(205,088)	311,536,369
Less accumulated depreciation for:				
Buildings and improvements	4,612,270	141,696	-	4,753,966
Furniture and equipment	15,480,679	1,850,252	(12,680)	17,318,251
Leasehold improvements	102,732,184	7,411,828	(171,524)	109,972,488
Total accumulated depreciation	122,825,133	9,403,776	(184,204)	132,044,705
Total capital assets being depreciated, net	186,425,306	(6,912,758)	(20,884)	179,491,664
Capital assets, net	\$ 204,574,032	\$ 42,737,720	\$ (1,902,304)	\$ 245,409,448

Capital asset activity for the year ended June 30, 2019 was as follows:

Table 7. Capital Assets - June 30, 2019

	Beginning Balance	Additions	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 2,430,236	\$ -	\$ -	\$ 2,430,236
Construction in progress	1,460,417	30,873,774	(16,615,701)	15,718,490
Total capital assets not being depreciated	3,890,653	30,873,774	(16,615,701)	18,148,726
Capital assets being depreciated:				
Buildings and improvements	6,641,755	-	-	6,641,755
Furniture and equipment	27,089,545	814,872	-	27,904,417
Leasehold improvements	259,045,621	16,419,599	(760,953)	274,704,267
Total capital assets being depreciated	292,776,921	17,234,471	(760,953)	309,250,439
Less accumulated depreciation for:				
Buildings and improvements	4,470,575	141,695	-	4,612,270
Furniture and equipment	13,466,378	2,014,301	-	15,480,679
Leasehold improvements	96,088,541	7,404,596	(760,953)	102,732,184
Total accumulated depreciation	114,025,494	9,560,592	(760,953)	122,825,133
Total capital assets being depreciated, net	178,751,427	7,673,879	-	186,425,306
Capital assets, net	\$ 182,642,080	\$ 38,547,653	\$ (16,615,701)	\$ 204,574,032



(5) LONG TERM OBLIGATIONS:

The change in long-term obligations for the year ended June 30, 2020 was as follows:

Table 8. Long-term Obligations - June 30, 2020 (Note 5)

Type of Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Contracts payable	\$ 3,440,458	\$ 200,814	\$ (2,145,285)	\$ 1,495,987	\$ 997,150
Accrued compensated absences	1,769,672	737,378	(549,000)	1,958,050	264,000
Deferred revenues	65,285,708	20,172,715	(61,363,180)	24,095,243	21,015,243
Long-term debt	126,025,000	-	(6,650,000)	119,375,000	5,115,000
Total long-term liabilities	\$ 196,520,838	\$ 21,110,907	\$ (70,707,465)	\$ 146,924,280	\$ 27,391,393

The change in long-term obligations for the year ended June 30, 2019 was as follows:

Table 9. Long-term Obligations - June 30, 2019 (Note 5)

Type of Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Contracts payable	\$ 7,562,472	\$ 370,799	\$ (4,492,813)	\$ 3,440,458	\$ 1,997,026
Accrued compensated absences	1,677,343	1,047,018	(954,689)	1,769,672	285,000
Deferred revenues	65,103,949	59,890,566	(59,708,807)	65,285,708	60,608,980
Long-term debt	81,275,000	50,000,000	(5,250,000)	126,025,000	6,650,000
Total long-term liabilities	\$ 155,618,764	\$ 111,308,383	\$ (70,406,309)	\$ 196,520,838	\$ 69,541,006

A. Long-term Debt:

At June 30, 2020 and 2019, the Association's Bonds outstanding bear interest based upon the following schedule:

Table 10. Long-term Debt (Note 5A)

Series	June 30, 2020			June 30, 2019		
	Outstanding Amount	Term	Interest Rate	Outstanding Amount	Term	Interest Rate
1990	\$ -	10/1/17 - 10/1/23	1.91%	\$ 2,000,000	10/1/17 - 10/1/23	1.91%
2001	14,235,000	Daily Rate	Variable	14,235,000	Daily Rate	Variable
2001	15,950,000	10/1/17 - 10/1/23	1.91%	15,950,000	10/1/17 - 10/1/23	1.91%
*2001	14,475,000	11/27/13 - 10/01/24	1.78%	15,240,000	11/27/13 - 10/01/24	3.83%
*2005	1,000,000	11/27/13 - 10/01/20	1.78%	1,600,000	11/27/13 - 10/01/20	3.83%
2007	4,000,000	10/01/16 - 10/01/26	2.08%	4,500,000	10/01/16 - 10/01/26	2.08%
2011	9,000,000	10/01/16 - 10/01/26	2.08%	9,750,000	10/01/16 - 10/01/26	2.08%
2015	12,000,000	07/01/15 - 10/01/20	2.39%	12,750,000	07/01/15 - 10/01/20	2.39%
2018	48,715,000	7/24/18 - 10/01/38	3.43%	50,000,000	7/24/18 - 10/01/38	3.43%
	\$ 119,375,000			\$ 126,025,000		

*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, 2020 were as follows:

Table 11. Debt Service Requirements (Note 5A)

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2021	\$ 5,115,000	\$ 3,106,242	\$ 8,221,242
2022	6,585,000	2,954,511	9,539,511
2023	6,775,000	2,806,526	9,581,526
2024	6,965,000	2,784,726	9,749,726
2025	7,165,000	2,671,658	9,836,658
2026 - 2030	38,110,000	10,297,242	48,407,242
2031 - 2035	24,845,000	5,360,409	30,205,409
2036 - 2040	12,680,000	2,769,002	15,449,002
2041 - 2044	11,135,000	599,063	11,734,063
	\$ 119,375,000	\$ 33,349,379	\$ 152,724,379

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 1.1:1, tested annually at the end of each fiscal year. The Association's ratio of net revenues to required principal and interest was 2.89 and 1.87 in 2020 and 2019, respectively. 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, 2020, the required amount of liquidity was \$29,843,750 and the actual amount was \$128,361,393. At June 30, 2019, the required amount of liquidity was \$31,506,250 and the actual amount was \$133,060,695.

GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, in June 2018. GASB 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and also simplifies accounting for interest cost incurred before the end of a construction period. The provisions in GASB 89 are effective for periods beginning after December 15, 2019. The Association early implemented GASB 89.

B. Deferred Revenues:

Changes in current deferred revenues for June 30, 2020 and 2019 are as follows:

Table 12. Changes in Current Deferred Revenues (Note 5B)

	2020	2019
Balance, beginning of year	\$ 60,608,980	\$ 58,938,807
Additions:		
Advance ticket sales and related handling	20,245,243	27,400,590
Unearned booster contributions	-	29,456,817
Unearned amenities	-	1,342,567
Unearned camp fees	-	1,498,779
Unearned other income	770,000	910,227
Total additions	21,015,243	60,608,980
Deductions:		
Earned ticket sales and related handling	(27,400,590)	(23,829,576)
Earned booster contributions	(29,456,817)	(31,109,485)
Earned amenities	(1,342,567)	(1,248,931)
Earned camp fees	(1,498,779)	(1,344,009)
Earned other income	(910,227)	(1,406,806)
Total deductions	(60,608,980)	(58,938,807)
Balance, end of year	\$ 21,015,243	\$ 60,608,980



Changes in long term deferred revenues for June 30, 2020 and 2019 are as follows:

Table 13. Changes in Long-term Deferred Revenues (Note 5B)

	2020	2019
Balance, beginning of year	\$ 4,676,728	\$ 6,165,142
Additions:		
Unearned booster contributions	-	103,190
Total additions	-	103,190
Deductions:		
Booster contributions reclassified to current	-	(821,604)
Contributions transferred to Gator Boosters	(826,728)	-
Royalties reclassified to current	(770,000)	(770,000)
Total deductions	(1,596,728)	(1,591,604)
Balance, end of year	\$ 3,080,000	\$ 4,676,728

(6) 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 \$3,228,353 and

\$2,775,582 (net of forfeitures of \$650,323 and \$894,167, respectively) for the years ended June 30, 2020 and 2019, respectively. Contributions are made by the Association to the pension plan based on 12% of an eligible employee's earnings. The Internal Revenue Code Section 401(a)(17) set the annual compensation limit applicable to retirement plans at \$285,000 for 2020 and \$280,000 for 2019. During the years ended June 30, 2020 and 2019, total pension applicable payroll for employees covered under the plan was \$32,322,299 and \$30,740,534, which represented approximately 51% and 57% of total payroll for the years ended June 30, 2020 and 2019, respectively.

(7) RELATED-PARTY TRANSACTIONS:

Gator Boosters, Inc. receives contributions from the public and remits the majority of these funds (less their operating expenses) to the Association. Contributions of \$47,948,153 and \$40,398,231 were recognized from Gator Boosters, Inc., for the years ended June 30, 2020 and 2019, 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, 2020 and 2019.

Gator Boosters, Inc. recognizes contribution expense for amounts remitted to the Association in the year in which such amounts are remitted. The Association, however, does not recognize these amounts as revenue until the year in which the related athletic event is held. Due to the impact of the pandemic, Gator Boosters did not transfer amounts in the current year due to uncertainty (see Note 14). A reconciliation of contribution revenues from Gator Boosters, Inc. as recognized in the accompanying statements of revenues, expenses, and changes in net position to contribution expense as reflected in the financial statements of Gator Boosters, Inc. for the years ended June 30, 2020 and 2019 is as follows:

Table 14. Related Party Transactions - Booster Transfers
(Note 7)

	2020	2019
Contributions to the Association, as reported in the financial statements of Gator Boosters, Inc.	\$ 17,664,608	\$ 38,027,149
Recognition of prior year amounts received from Gator Boosters, Inc. that were previously deferred	30,283,545	32,654,627
Deferral of amounts received from Gator Boosters, Inc. in the current year	-	(30,283,545)
Contributions from Gator Boosters, Inc., as recognized in the accompanying statements of revenues, expenses, and changes in net position	<u>\$ 47,948,153</u>	<u>\$ 40,398,231</u>

(8) CONTRIBUTIONS TO THE UNIVERSITY OF FLORIDA:

Contributions to the University of Florida for the years ended June 30, 2020 and 2019 consisted of gifts for the following purposes:

Table 15. Contributions to UF (Note 8)

	2020	2019
Broward Teaching Center (strategic plan support)	\$ -	\$ 200,000
Transition and control of property for New Baseball Stadium Complex	600,000	600,000
General scholarships	75,000	81,300
Council for Economic Outreach	41,667	41,667
Various UF speakers and projects	-	3,700
Stephen C. O'Connell Center renovation	1,000,000	2,400,000
Total contributions to University of the Florida	<u>\$ 1,716,667</u>	<u>\$ 3,326,667</u>

(9) CONTRIBUTIONS TO THE UNIVERSITY OF FLORIDA FOUNDATION, INC.:

The Association actively sells personalized Gator Walk bricks as a fundraising initiative. For the fiscal years ended June 30, 2020 and 2019, profits from the sale of these bricks totaling \$23,996 and \$24,997, respectively, were contributed to the University of Florida Foundation, Inc. and included in the athletic scholarship endowment.

(10) OPERATING LEASES:

The Association leases various equipment and facilities under operating leases. Total lease expense for the years ended June 30, 2020 and 2019, was \$1,714,184 and \$1,735,009, respectively. Included in lease expense for the years ended June 30, 2020 and 2019, were payments in the amount of \$1,214,764 and \$1,267,821, respectively, to the University of Florida for the rental of the O'Connell Center and recreational sports fields. In addition, the Association has a long-term lease between the Association and the University of Florida Board of Trustees for the lease of various other athletic facilities on the University campus. There are no rental payments due under the lease.

Future minimum lease payments under noncancelable operating lease agreements for the next five years are as follows:

Table 16. Operating Leases (Note 10)

Year Ending June 30,	Amount
2021	\$ 1,459,882
2022	333,119
2023	191,827
2024	27,913
2025	1,270
	<u>\$ 2,014,011</u>

(11) Commitments:

The Association has entered into employment contracts with certain employees expiring in years through 2029 that provide for a minimum annual salary. At June 30, 2020, the total commitment for all contracts for each of the next five years and in the aggregate is as follows:

Table 17. Commitments (Note 11)

Year Ending June 30,		Amount
2021	\$	27,855,199
2022		22,434,485
2023		16,151,587
2024		9,761,695
2025		5,051,603
Thereafter		8,582,183
	\$	89,836,752

At June 30, 2019, the Association has commitments to provide funding for additional capital improvement projects of approximately \$18,000,000.

(12) INCOME TAXES:

The Association did not incur any income tax expense for the years ended June 30, 2020 and 2019. The Association did however, pay an excise tax of \$435,308 on highly compensated employees for calendar year 2018.

(13) 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.

Total athlete medical expenses were \$1,200,597 and \$1,258,324 for the years ended June 30, 2020 and 2019, respectively. Estimated liabilities relating to unpaid and incurred but not reported claims were considered immaterial, and therefore have not been reported in the accompanying financial statements.

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

(14) RISKS AND UNCERTAINTIES - COVID-19:

During the year ended June 30, 2020, local, U.S., and world governments encouraged self-isolation to curtail the spread of the new coronavirus (COVID-19). This included mandating temporary work stoppage in many sectors and imposing limitations on travel, size, and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. As a result, on March 13, 2020, athletic activities ceased, and the financial impacts from that date through June 30, 2020, have been reflected in the June 30, 2020 financial statements.

There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while the Association cannot reasonably estimate the length or severity of this pandemic, management believes that a material impact on the Association's future financial position and results of future operations is reasonably possible.

Subsequent to June 30, 2020, the Association contacted its season ticket holders with options for redirecting the funds received for 2020 football season tickets, which are reported as advance ticket sales in current deferred revenues as of June 30, 2020 (see Note 5B). Season ticket holders were given the options of converting all or some of their balance into a Gator Boosters donation, redeeming all or some of their balance for one-of-a-kind items and experiences, rolling over their balance to the 2021 football season, or requesting a refund. As of August 31, 2020, \$5,408,939, or 27% of the \$20,245,243 advance ticket sales received during the year ended June 30, 2020, was refunded.





GATOR **STRONG**

INTEGRITY

A photograph of three children on a grassy field. In the foreground, a girl with brown hair in a bun and blue face paint looks down. To her left, a girl with blonde hair and purple pom-pom headbands looks on. To the right, a boy is partially visible. In the background, a large stadium with a white roof and red accents is visible under a clear blue sky.

The mission of the University Athletic Association's **Goodwill Gators Community Outreach Program** is to foster citizenship between staff, coaches, student-athletes and the greater Gainesville community. Through volunteerism, Goodwill Gators will:

- **enhance** the personal development of student-athletes.
- **strengthen** our commitment to the greater Gainesville and surrounding communities.
- **encourage** citizenship, civic virtues and how one should behave as part of a community.

**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**

The Audit Committee,
The University Athletic Association, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The University Athletic Association, Inc. (the Association), which comprise the statement of net position as of June 30, 2020, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated August 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the 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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 a 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.

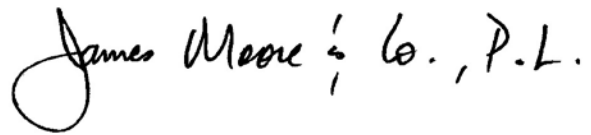
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from 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 determination of financial statement amounts. 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, flowing style with a large loop at the beginning.

Gainesville, Florida
August 31, 2020

GATOR STRONG





GATORS STICK **TOGETHER** IN ALL KINDS OF WEATHER.

UNIVERSITY ATHLETIC ASSOCIATION, INC.

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Principal Accounting Officials

Melissa Stuckey

Associate Athletics Director and Chief Financial Officer
melissas@gators.ufl.edu

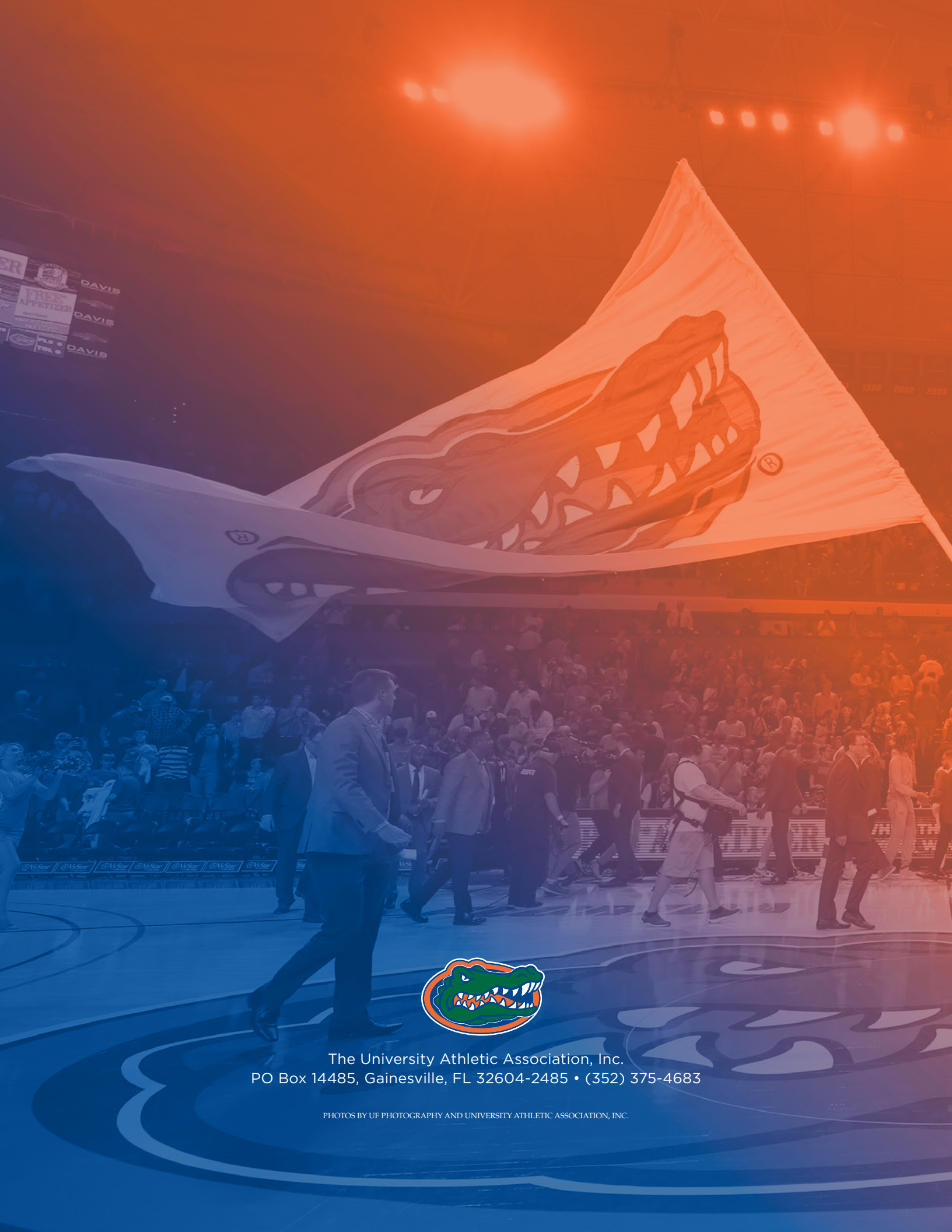
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