



**GATORS**  
**UNITED**

UNIVERSITY ATHLETIC ASSOCIATION, INC. FINANCIAL STATEMENTS 2020-2021





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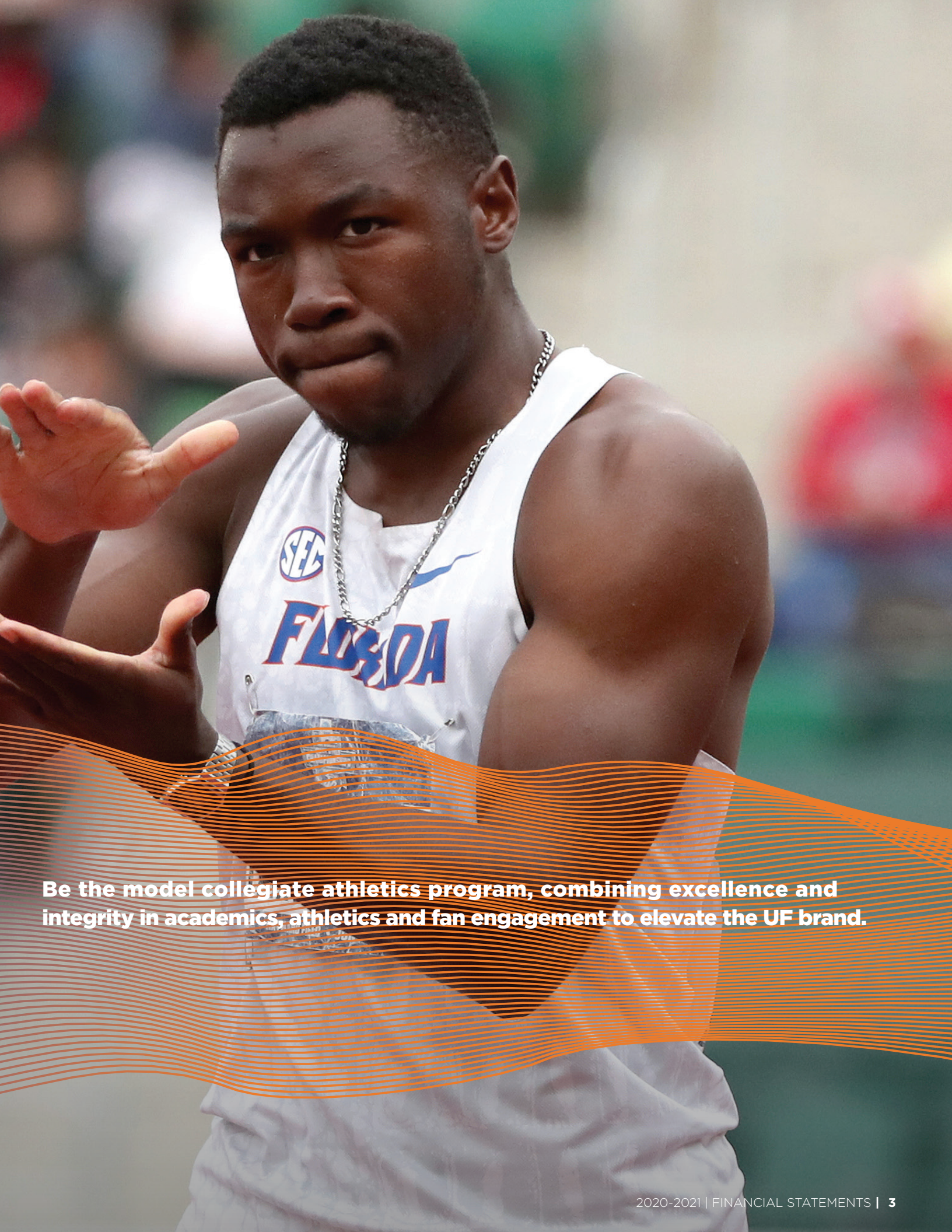
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UNITED BY

# VISION





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





UNITED BY

# 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, 2021 and 2020, 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 business-type activities, the aggregate discretely presented component units, and each major fund of the Association as of June 30, 2021 and 2020, and the respective 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.

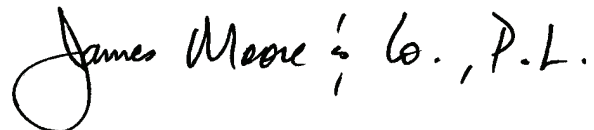
## ***Other Matters***

### ***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 September 7, 2021, 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 style with a large, looped initial 'J'.

Gainesville, Florida  
September 7, 2021





UNITED BY

# TEAMWORK





**For 37 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. Seventy-nine Gators collected a total of 172 All-America honors in 2020-21. Four Gator teams won 2021 Southeastern Conference team titles. Florida's 251 Southeastern Conference team titles all-time leads the league.





UNITED BY

# 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 or University). 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 fiscal years 2020 and 2021 the Association weathered the impact of the economic shutdown caused by the coronavirus pandemic. Social distancing, self-isolation and travel restrictions were in place throughout much of the fiscal year. 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, 2021 and 2020. This discussion and analysis are a narrative explanation of the Association's financial condition and operating activities for these years. The overview presented to the right 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 16.

## USING THESE FINANCIAL STATEMENTS

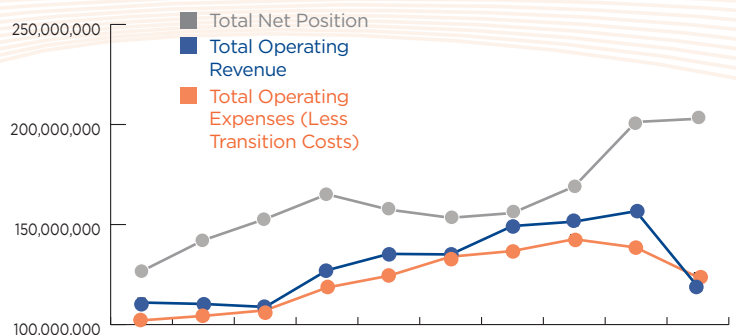
This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments and Statement No. 35, Basic Financial Statements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

There are three financial statements presented: The Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. As well, the addition of the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for the University Athletic Association (UAA) Employees' Money Purchase Pension Plan are now required by GASB Statement No. 84, Fiduciary Activities.

With support from reserves, the University of Florida and the Southeastern Conference (SEC), the Association was able to preserve its financial health during a worldwide economic crisis due to the pandemic. The cooperation among management, the UAA Board of Directors and the University led to sound fiscal stewardship and efficient operations. 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 61% from \$126 million in 2012 to \$202.9 million in 2021. This growth in net position is evidence of the Association's effort to maintain self-sufficiency. Even under the challenging circumstances, the Association had a year over year increase in net position of \$1.6 million.

The Association has also experienced steady rates of growth in its operating revenues and expenses prior to fiscal 2021. As shown below and on the following page, operating revenues had grown by 41% from \$111 million to \$157 million and operating expenses have grown by 36% from \$102 million to \$139 million. In 2021 the Association experienced a major impact to its operating revenue. This was primarily driven by a reduction in ticket sales to athletic events, ticket related contributions and royalties due to the need for social distancing and mandated reduced capacity at events.

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





# RANKINGS

## Gators in 2020-21 All-Sports Rankings

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 success of the intercollegiate athletic program for the current year is evidenced by the information displayed on the following page.



## LEARFIELD SPORTS DIRECTORS' CUP

- The first NCAA title by men's tennis led 10 top-10 team finishes as the University of Florida athletics program took fifth in the 2020-21 Learfield IMG College Directors' Cup. Florida's No. 5 standing is the program's 12th consecutive top-five national all-sports finish.
- Florida is the only program among top 10 in each of the last 37 national all-sports rankings.
- The Learfield IMG College Directors' Cup, presented annually by the nation's athletics directors, recognizes the schools with the best overall sports performances in an academic year. The scoring system uses scores for finishes in NCAA Division I men's and women's basketball, baseball and women's volleyball championship action. Additionally, a program can receive points in up to 15 other sports toward its final score.

## Total Revenues Ranking

NCAA Division I Institutions - Nationwide	TOP 10 of 300+
Southeastern Conference	TOP 5 of 14

Learfield Sports Directors' Cup Standings 2020-21

Rank	School	Total
1.	Texas	1252.00
2.	Stanford	1195.75
3.	Michigan	1126.50
4.	North Carolina	1126.25
<b>5.</b>	<b>FLORIDA</b>	<b>1121.75</b>
6.	Southern Cal	1052.00
7.	Alabama	1017.25
8.	Arkansas	988.75
9.	Ohio State	972.50
10.	Georgia	971.50

## Gators by the Numbers



Gators team celebrated a 2021 NCAA Championship - men's tennis. Florida is **one of two programs in the nation** to win at least one national title in each of the last 12 complete seasons. Since 2008-09, Florida has won 21 national championships.



Consecutive top-five finishes in Learfield Sports Directors' Cup standings. Only Florida and Stanford appear **among the top five of each of the last 12** national all-sports rankings.



Olympic medals (including nine gold!) won by Gators in 2020 Olympics is **third highest among all NCAA programs.** Florida's 32 Olympians in Tokyo was No. 5 among all NCAA programs.



Consecutive complete seasons with Florida teams posting **10 or more top-10 national finishes.** In 2020-21, 10 UF teams placed among the final top 10.



## CAPITAL ONE CUP

WOMEN - NO. 9 | MEN - NO. 18

- The University of Florida was ninth in the 2020-21 Capital One Cup women's final standings and the Gator men were 18th overall.
- In the 10-year history of the Capital One Cup, UF's men & women have been among the top 12 nine times. The men's program won the 2010-11 and 2011-12 Capital One Cups and Florida took the 2013-14 women's Cup. UF and Stanford are the only schools to win both in the award's history.

### Florida's All-Sports Finishes Since 1983-84

Rank	Years
2nd	2013-14, 2012-13, 2011-12, 2009-10, 1997-98
3rd	2018-19, 2017-18, 2016-17, 2008-09, 2001-02, 1995-96
4th	2014-15, 2010-11, 1998-99, 1993-94, 1992-93, 1986-87, 1984-85
5th	<b>2020-21</b> , 2015-16, 2005-06, 1996-97, 1994-95, 1991-92, 1990-91, 1989-90, 1987-88, 1983-84
6th	2007-08, 2006-07, 2004-05, 2003-04
7th	2002-03, 2000-01, 1999-00
8th	1985-86
9th	1988-89

## SOUTHEASTERN CONFERENCE

GATORS - NO. 2

### Four SEC Titles for Florida in 2020-21

- Florida claimed four Southeastern Conference team titles in 2020-21 - gymnastics, softball, men's swimming & diving and men's tennis. That total rose to five as the Gators took the American Athletic Conference lacrosse title for UF's 10th consecutive regular-season title across three conferences.
- Florida men claimed their 22nd overall USA Today Network Southeastern Conference All-Sports title. In the tightest race of the last eight complete seasons, Arkansas edged Florida for the 2020-21 overall USA Today Network Southeastern Conference All-Sports trophy. Florida also was second to Arkansas in the women's All-Sports standings.

### 2020-21 SEC All-Sports Overall Standings

Place	School	Total # of Part. teams	Points	Quotient
1	Arkansas	199	141.5	0.71106
<b>2</b>	<b>FLORIDA</b>	<b>209</b>	<b>148.5</b>	<b>0.71053</b>
3	Alabama	209	138	0.66029
4	Tennessee	201	132.5	0.65920
5	Texas A&M	205	120	0.58537
6	LSU	209	121.5	0.58134
7	Georgia	213	122	0.57277
8	Kentucky	209	111	0.53110
9	Mississippi	179	92	0.51397
10	South Carolina	205	89	0.43415
11	Missouri	196	77.5	0.39541
12	Auburn	213	83.5	0.39202
13	Mississippi State	179	67	0.37430
14	Vanderbilt	178	56	0.31461

37

Consecutive years of Florida top-10 finishes in national all-sports standings. Florida is the **only program among the top 10** in each all-sports ranking since 1983-84.

79

Gators collected 172 All-America honors in 2020-21. **Five Gators collected seven 2021 NCAA individual titles.**

70

Percent of all Gators earned Southeastern Conference Academic Honor Roll accolades in 2020-21 - **301 on SEC Academic Honor Rolls** and 77 on SEC First-Year Academic Honor Roll.

251

Southeastern Conference team titles claimed by Florida leads the league. **Four Gator teams won SEC titles** in 2020-21 & also won AAC lacrosse.





## 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.

Statements of Net Position are 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.

## HIGHLIGHTS

The Association experienced a net increase in total assets of \$71.4 million in 2021. This included an increase of \$48.8 million in current assets due to the issuance of the



**Condensed Summary of Net Position** (thousands of dollars)

	2021	2020	2021-2020		2019	2020-2019	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
<b>Assets</b>							
Current assets	\$ 140,742	\$ 91,921	\$ 48,821	53.11%	\$ 123,150	\$ (31,229)	-25.36%
Capital assets, net of depreciation	251,844	245,409	6,435	2.62%	204,574	40,835	19.96%
Other assets	65,442	49,305	16,137	32.73%	51,302	(1,997)	-3.89%
Total assets	458,028	386,635	71,393	18.47%	379,026	7,609	2.01%
<b>Liabilities</b>							
Long-term debt outstanding	164,260	119,375	44,885	37.60%	126,025	(6,650)	-5.28%
Other liabilities	90,906	66,003	24,903	37.73%	84,005	(18,002)	-21.43%
Total liabilities	255,166	185,378	69,788	37.65%	210,030	(24,652)	-11.74%
<b>Net Position</b>							
Net investment in capital assets	155,598	126,034	29,564	23.46%	106,261	19,773	18.61%
Restricted	18,061	15,044	3,017	20.05%	8,272	6,772	81.87%
Unrestricted	29,203	60,179	(30,976)	-51.47%	54,463	5,716	10.50%
Total net position	<b>\$ 202,862</b>	<b>\$ 201,257</b>	<b>\$ 1,605</b>	<b>0.80%</b>	<b>\$ 168,996</b>	<b>\$ 32,261</b>	<b>19.09%</b>

Series 2021 bond, timing of ticket-related contributions and single game sales for the 2021 football season. With the start of the construction of the Bill Heavener Football Training Center, the Association saw an increase of \$6.4 million in capital assets. Other assets grew by \$16.1 million due to a transfer of cash from short-term to long-term corporate investments, and an increase in market appreciation.

Long-term and other liabilities saw an increase of \$69.8 million due to the issuance of the \$50 million Series 2021 bond, an increase in payables and a \$10 million increase in unearned revenue from ticket sales for the 2021 football season, as well as roll over of revenue from men's basketball and baseball due to reduced capacities which caused the transfer of revenue to the next season. As well, the Association managed to pay down long-term debt by \$5.1 million and experienced an increase in net position in the current year of \$1.6 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 (expenses) are revenues received for which goods or services are not provided, such as investment income and interest expense on capital asset related debt. Capital contributions are considered neither operating nor nonoperating and are reported after "Income before contributions."

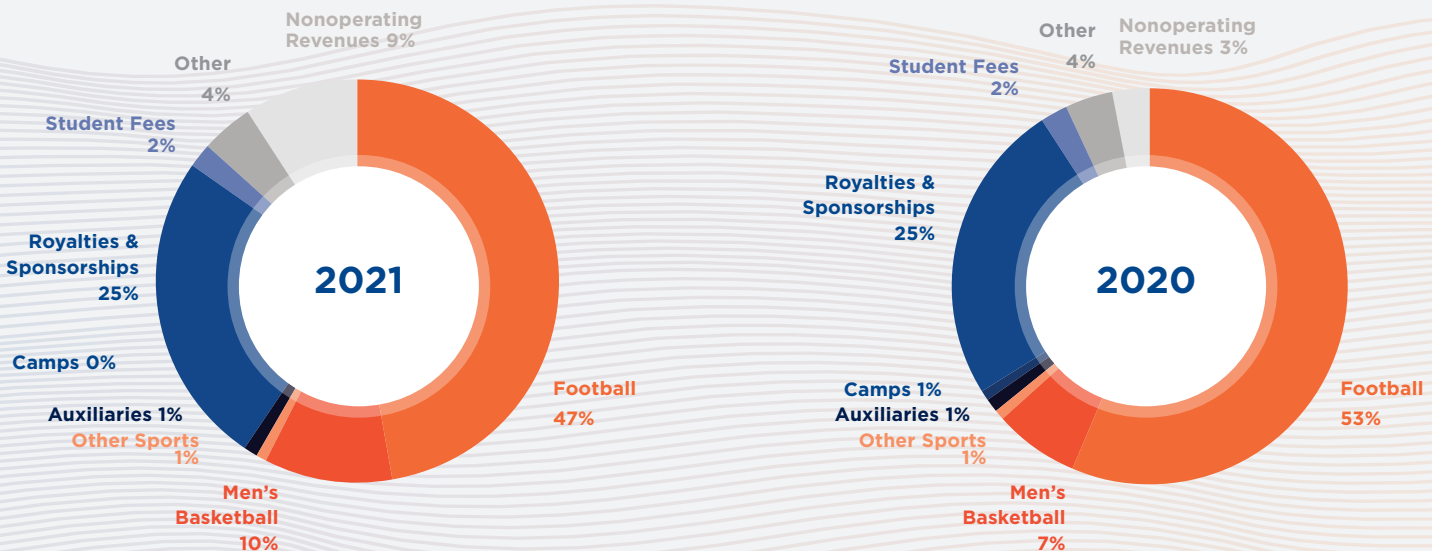
Changes in total net position as presented on the Statements of Net Position are based on the activity presented in the Statements of Revenues, Expenses and Changes in Net Position. The purpose of the Statements of Revenues, Expenses and Changes in Net Position is to present the operating and nonoperating 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)

	2021	2020	2021-2020		2019	2020-2019	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
<b>Operating revenues</b>							
Sales of goods and services	\$ 12,786	\$ 41,138	\$ (28,352)	-68.92%	\$ 35,470	\$ 5,668	15.98%
SEC and NCAA distributions	76,141	46,591	29,550	63.42%	47,670	(1,079)	-2.26%
Contributions	8,038	37,890	(29,852)	-78.79%	38,635	(745)	-1.93%
Royalties and sponsorships	15,926	24,203	(8,277)	-34.20%	21,363	2,840	13.29%
Other	6,063	6,835	(772)	-11.29%	8,311	(1,476)	-17.76%
Total operating revenues	118,954	156,657	(37,703)	-24.07%	151,449	5,208	3.44%
<b>Nonoperating revenues</b>	12,117	4,648	7,469	160.69%	5,154	(506)	-9.82%
Total revenues	131,071	161,305	(30,234)	-18.74%	156,603	4,702	3.00%
<b>Operating expenses</b>							
Salaries, wages and benefits	58,101	63,008	(4,907)	-7.79%	59,862	3,146	5.26%
Direct team expenses	21,982	26,178	(4,196)	-16.03%	32,239	(6,061)	-18.80%
Scholarships and athlete support services	18,736	20,402	(1,666)	-8.17%	22,227	(1,825)	-8.21%
Administrative services and facilities	15,078	18,479	(3,401)	-18.40%	17,653	826	4.68%
Camps and depreciation	9,816	10,446	(630)	-6.03%	10,695	(249)	-2.33%
Total operating expenses	123,713	138,513	(14,800)	-10.68%	142,676	(4,163)	-2.92%
<b>Nonoperating expenses</b>							
Interest on capital related debt	3,255	3,401	(146)	-4.29%	3,696	(295)	-7.98%
Loss on disposal of fixed assets	9,367	-	9,367	N/A	-	-	0.00%
Other nonoperating expenses	1,227	1,741	(514)	-29.52%	3,352	(1,611)	-48.06%
Total nonoperating expenses	13,849	5,142	8,707	169.33%	7,048	(1,906)	-27.04%
Total expenses	137,562	143,655	(6,093)	-4.24%	149,724	(6,069)	-4.05%
<b>Income (loss) before Capital Contributions</b>	(6,491)	17,650	(24,141)	-136.78%	6,879	10,771	156.58%
<b>Capital contributions from Gator Boosters, Inc. and others</b>	8,096	14,611	(6,515)	-44.59%	6,366	8,245	129.52%
<b>Increase (decrease) in net position</b>	1,605	32,261	(30,656)	-95.02%	13,245	19,016	143.57%
<b>Net position, beginning of year</b>	201,257	168,996	32,261	19.09%	155,751	13,245	8.50%
<b>Net position, end of year</b>	<b>\$ 202,862</b>	<b>\$ 201,257</b>	<b>\$ 1,605</b>	<b>0.80%</b>	<b>\$ 168,996</b>	<b>\$ 32,261</b>	<b>19.09%</b>

## REVENUES



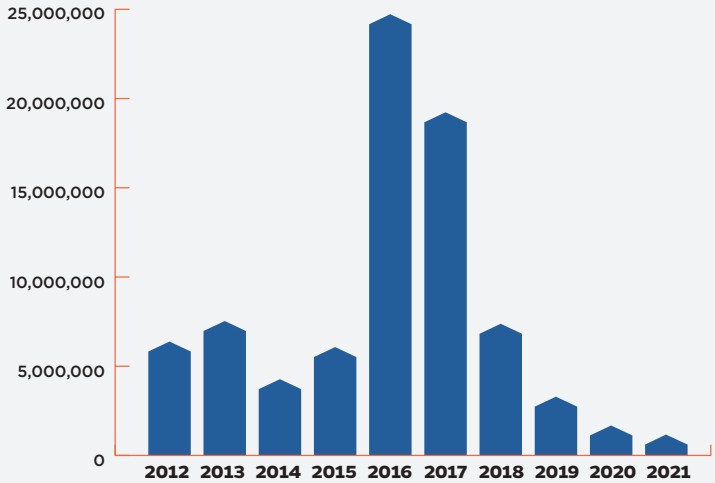


**HIGHLIGHTS**

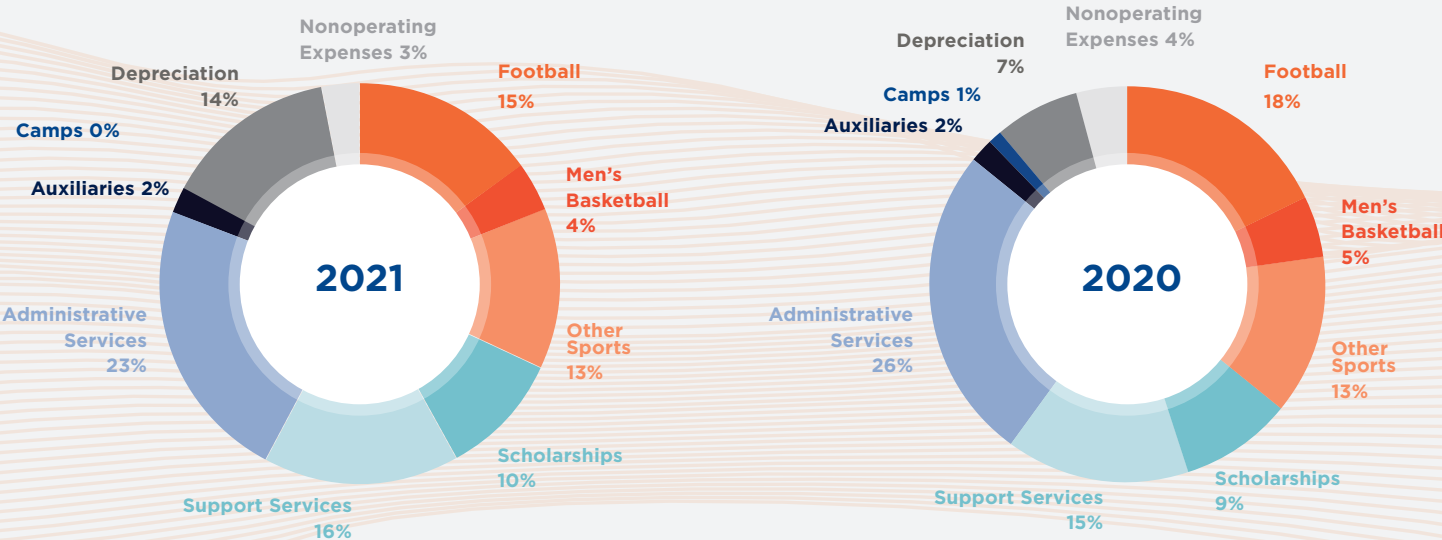
With the impact of reduced capacity at events, sales of goods and services, contributions and royalties were down a collective \$67 million while SEC distributions were up \$29 million, including a one-time distribution of \$23 million to each member institution. Overall operating revenue decreased by over \$37 million. The Association experienced significant decreases across all categories of operating expense with a total reduction of \$14.8 million. Salaries for coaches and staff of the Association were directly impacted. A pension contribution was only made for the first quarter instead of the full fiscal year which would have totaled \$3.2 million, and no performance bonuses were awarded, which when normalized, would have totaled \$2.5 million. Even though direct team support and student-athlete support categories were down due to the cancellation of events, along with recruiting and team travel during the pandemic, all other support for the student-athlete experience was consistent with prior years. The Association anticipates the return of these expenses to normalized levels in fiscal year 2022.



**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, non-investing, 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.

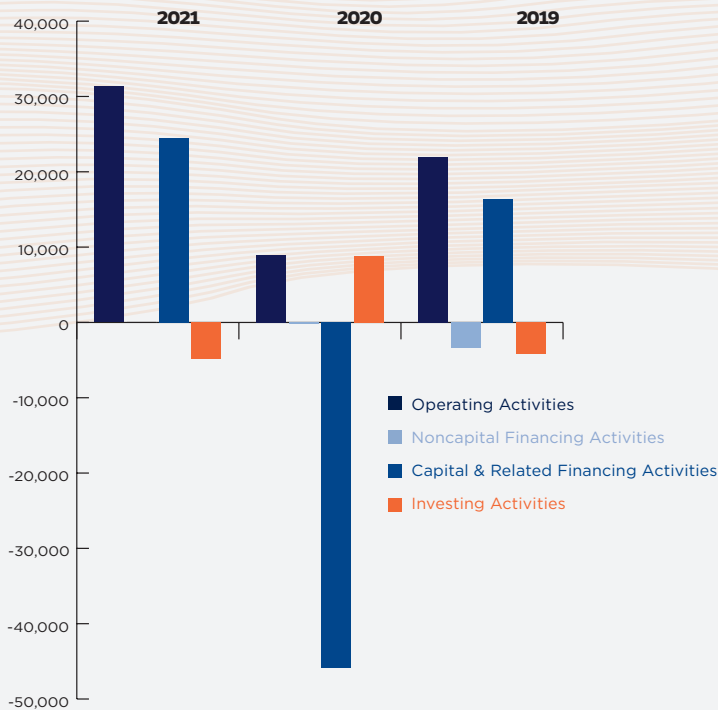
### Condensed Summary of Cash Flows (thousands of dollars)

	2021	2020	2021-2020		2019	2020-2019	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
<b>Cash flows from:</b>							
Operating activities	\$ 31,320	\$ 8,895	\$ 22,425	252.11%	\$ 21,968	\$ (13,073)	-59.51%
Noncapital financing activities	-	(141)	141	-100.00%	(3,350)	3,209	-95.79%
Capital & related financing activities	24,463	(45,832)	70,295	-153.38%	16,353	(62,185)	-380.27%
Investing activities	(4,851)	8,771	(13,622)	-155.31%	(4,218)	12,989	-307.94%
Net change in cash and cash equivalents	50,932	(28,307)	79,239	-279.93%	30,753	(59,060)	-192.05%
<b>Cash and cash equivalents, beginning of year</b>	10,580	38,887	(28,307)	-72.79%	8,134	30,753	378.08%
<b>Cash and cash equivalents, end of year</b>	<b>\$ 61,512</b>	<b>\$ 10,580</b>	<b>\$ 50,932</b>	<b>481.40%</b>	<b>\$ 38,887</b>	<b>\$ (28,307)</b>	<b>-72.79%</b>

**HIGHLIGHTS**

Cash and cash equivalents were up a net \$50.9 million. This is a result of the increase in restricted cash due to the receipt of bond proceeds for capital projects. 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)*

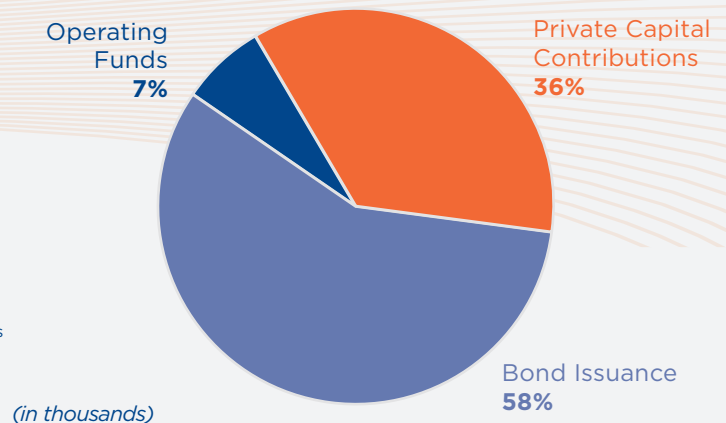


**CAPITAL ASSET AND DEBT ADMINISTRATION**

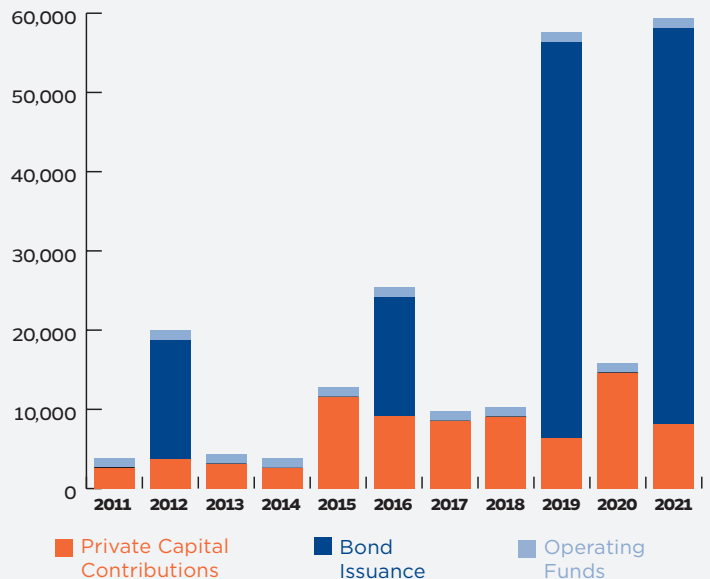
The Association is financially responsible for all major capital projects and improvements. The Association coordinates all capital projects under University construction guidelines and with University personnel, but has full financial responsibility of the cost of the projects.

The Association has a rich history of financing these projects through a combination of major capital gifts, Association operating funds, and tax-exempt debt. Operating funds do not include bond principal payments, which were \$50.4 million from the years ended June 30, 2011 through 2021. See exhibits below:

**Annual Capitalized Projects - 2011 through 2021**  
**Total of \$222.9M**



*(in thousands)*



As of June 30, 2021, the Association has a total of \$157.5 million in long-term outstanding debt. This debt was used to finance a number of different athletic facilities, including a 2001 expansion of the Ben Hill Griffin Stadium Skybox and press box complex, a 2007 expansion and 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. Other projects included the 2016 construction of the Gary Condron Family Football Indoor Practice Facility and renovation and expansion of the Hawkins Center at Farrior Hall. 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 Pressly Softball Stadium. The construction of the softball stadium was completed in February 2019, and the Florida Ballpark was completed in September 2020. In March 2021, the Association issued the 30-year Series 2021 tax exempt bonds in support of the Bill Heavener Football Training Center and a renovation expansion of the Soccer/Lacrosse complex. The bonds were privately placed with an interest rate of 1.97% for 20 years.

## ECONOMIC OUTLOOK

The past 18 months have been an unprecedented time in college athletics. The Association's finances have experienced a stress test no one had thought possible. As the Association closes the fiscal year, the impact of the pandemic remains evident on the Statement of Revenues, Expenses and Changes in Net Position, when compared to prior years. But, given the circumstances, on a relative basis, the Association will finish the year with a strong financial position and has mitigated the effect of the pandemic with utilization of reserves, University and SEC support.

Fiscal highlights for the year include the continuation of on-going capital projects with support from the Series 2021 Bond. The ability for the Association to issue debt during this fiscal year represents the solid

foundation and management of finances over time. The support the University has provided of these initiatives will position the Association to rebound and be better positioned for future growth and financial stability.

The Association maintains a strong financial position among its peers. Within the SEC and the NCAA, a strong financial position helps to make the Association uniquely prepared for the changing landscape of college athletics, 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 resources they need to be successful on and off the field. Legislation around benefits has allowed us to provide our student-athletes with the maximum amount of support permitted.

The past year presented a number of challenges and changes, but with the support of Gator Nation, the University Athletic Association and University of Florida's commitment to providing a championship experience with integrity remains unwavering.

## 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.





UNITED BY

# 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

(for the years ended June 30, 2021 and 2020)

	2021	2020
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 27,504,973	\$ 10,578,969
Restricted cash and cash equivalents	34,007,125	-
Short-term investments	69,401,826	68,548,355
Accounts and other receivables, net	7,276,558	12,062,086
Due from Gator Boosters, Inc., current	1,973,827	499,703
Inventories	54,829	58,007
Prepaid expenses and other current assets	522,890	174,315
Total current assets	<u>140,742,028</u>	<u>91,921,435</u>
<b>Noncurrent Assets</b>		
Investments	65,378,946	49,234,069
Due from Gator Boosters, Inc., less current portion	63,000	70,613
Capital assets not being depreciated	21,742,327	65,917,784
Capital assets being depreciated, net of accumulated depreciation	230,101,391	179,491,664
Total noncurrent assets	<u>317,285,664</u>	<u>294,714,130</u>
<b>TOTAL ASSETS</b>	<b>\$ 458,027,692</b>	<b>\$ 386,635,565</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 23,250,056	\$ 12,614,098
Accrued compensated absences, current	274,000	264,000
Contracts payable, current	823,526	997,150
Long-term debt, current	6,775,000	5,115,000
Unearned revenues, current	31,523,224	21,015,243
Due to Gator Boosters, Inc., current	29,581,191	25,840,397
Total current liabilities	<u>92,226,997</u>	<u>65,845,888</u>
<b>Noncurrent Liabilities</b>		
Accrued compensated absences, less current portion	1,643,553	1,694,050
Contracts payable, less current portion	-	498,837
Unearned revenues, less current portion	3,810,000	3,080,000
Long-term debt, less current portion	157,485,000	114,260,000
Total noncurrent liabilities	<u>162,938,553</u>	<u>119,532,887</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 255,165,550</b>	<b>\$ 185,378,775</b>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 121,590,843	\$ 126,034,447
Restricted for capital projects	18,060,675	15,043,847
Unrestricted	63,210,624	60,178,496
<b>TOTAL NET POSITION</b>	<b>\$ 202,862,142</b>	<b>\$ 201,256,790</b>

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, 2021 and 2020)

	<b>2021</b>	<b>2020</b>
<b>Operating Revenues</b>		
Ticket sales	\$ 11,969,242	\$ 34,356,368
SEC and NCAA distributions	76,140,873	46,591,415
Contributions	8,038,375	37,889,677
Royalties and sponsorships	15,926,438	24,202,943
Student fees	2,492,688	2,418,615
Direct state support	1,052,968	2,545,481
Camps	19,802	1,787,129
Other sports revenue	796,685	4,994,081
Other revenue	2,516,925	1,871,036
Total operating revenues	<u>118,953,996</u>	<u>156,656,745</u>
<b>Operating Expenses</b>		
Salaries, wages and benefits	58,100,721	63,008,061
Direct sports team expenses	21,981,953	26,178,404
Scholarships	13,346,707	13,687,766
Student-athlete support services	5,389,613	6,714,086
Administrative services	7,143,277	10,121,427
Facility maintenance and overhead	7,934,290	8,357,937
Camps	118,346	1,042,238
Depreciation	9,698,182	9,403,776
Total operating expenses	<u>123,713,089</u>	<u>138,513,695</u>
<b>Operating income (loss)</b>	<u>(4,759,093)</u>	<u>18,143,050</u>
<b>Nonoperating revenues (expenses)</b>		
Investment income, net	12,116,852	4,648,344
Loss on disposal of fixed assets	(9,366,862)	-
Interest on capital asset related debt	(3,254,737)	(3,401,147)
Other nonoperating expenses	(1,226,546)	(1,740,663)
Net nonoperating revenues (expenses)	<u>(1,731,293)</u>	<u>(493,466)</u>
<b>Income (loss) before capital contributions</b>	<u>(6,490,386)</u>	<u>17,649,584</u>
<b>Capital contributions from Gator Boosters, Inc.</b>	8,095,738	14,611,395
<b>Increase in net position</b>	<u>1,605,352</u>	<u>32,260,979</u>
<b>Net position, beginning of year</b>	201,256,790	168,995,811
<b>Net position, end of year</b>	<u>\$ 202,862,142</u>	<u>\$ 201,256,790</u>

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



# BASIC FINANCIAL STATEMENTS

## Statements of Cash Flows

(for the years ended June 30, 2021 and 2020)

	2021	2020
<b>Cash flows from operating activities</b>		
Contributions from Gator Boosters, Inc.	\$ 7,590,627	\$ 33,231,419
Receipts from ticket holders and others	22,603,783	34,850,876
Receipts from the SEC and NCAA	75,961,873	46,898,615
Receipts from rights, royalties, and sponsors	23,800,781	17,627,992
Receipts from the University of Florida and the State of Florida	3,545,656	4,964,096
Other receipts	1,022,833	711,543
Payments to suppliers and others	(36,552,006)	(53,945,950)
Payments to employees	(59,598,250)	(62,332,424)
Payments for scholarships	(7,054,589)	(13,111,105)
Net cash provided by operating activities	<u>31,320,708</u>	<u>8,895,062</u>
<b>Cash flows from noncapital financing activities</b>		
Payments of other nonoperating expenses	-	(140,663)
Net cash used in noncapital financing activities	<u>-</u>	<u>(140,663)</u>
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets	(25,509,007)	(50,260,075)
Proceeds from bonds	50,000,000	-
Capital contributions from Gator Boosters, Inc.	8,095,738	14,611,395
Principal paid on bonds	(5,115,000)	(6,650,000)
Interest paid on bonds	(3,008,085)	(3,533,420)
Net cash provided by (used in) capital and asset related financing activities	<u>24,463,646</u>	<u>(45,832,100)</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities	(77,792,501)	(63,033,563)
Proceeds from sale and maturities of investment securities	72,000,000	67,138,089
Interest and dividends received	941,275	4,666,121
Net cash provided by (used in) investing activities	<u>(4,851,226)</u>	<u>8,770,647</u>
<b>Net Change in cash and cash equivalents</b>	50,933,129	(28,307,054)
<b>Cash and cash equivalents, beginning of year</b>	10,578,969	38,886,023
<b>Cash and cash equivalents, end of year</b>	<u>\$ 61,512,098</u>	<u>\$ 10,578,969</u>
<b>Presented on the statement of net position as:</b>		
Cash and cash equivalents	\$ 27,504,973	\$ 10,578,969
Restricted cash and cash equivalents	34,007,125	-
Total cash and cash equivalents	<u>\$ 61,512,098</u>	<u>\$ 10,578,969</u>

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

## Statements of Cash Flows

(for the years ended June 30, 2021 and 2020)

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ (4,759,093)	\$ 18,143,050
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	9,698,182	9,403,776
Loss on disposal of capital assets	9,692	20,884
Changes in assets and liabilities:		
Accounts and other receivables	4,754,067	(4,165,365)
Due from/to Gator Boosters, Inc.	2,274,283	29,932,332
Inventories	3,178	(14,072)
Prepaid expenses and other assets	(348,575)	883,230
Accounts payable and accrued expenses	9,163,951	(2,362,214)
Accrued compensated absences	(40,497)	188,378
Contracts payable	(672,461)	(1,944,471)
Unearned revenues	11,237,981	(41,190,466)
Net cash provided by operating activities	<u>\$ 31,320,708</u>	<u>\$ 8,895,062</u>

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



# BASIC FINANCIAL STATEMENTS

## Statements of Fiduciary Net Position – Fiduciary Funds – Pension Trust Fund

(as of December 30, 2020 and 2019)

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Receivables		
Employer contributions receivable	\$ 1,858,099	\$ 456,602
Accrued income and other receivable	52,774	39,584
Total receivables	<u>1,910,873</u>	<u>496,186</u>
Investments	67,751,616	58,448,412
Total assets	<u>\$ 69,662,489</u>	<u>\$ 58,994,598</u>
<b>Net position</b>		
Held in trust for pension benefits	<u>\$ 69,662,489</u>	<u>\$ 58,944,598</u>

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



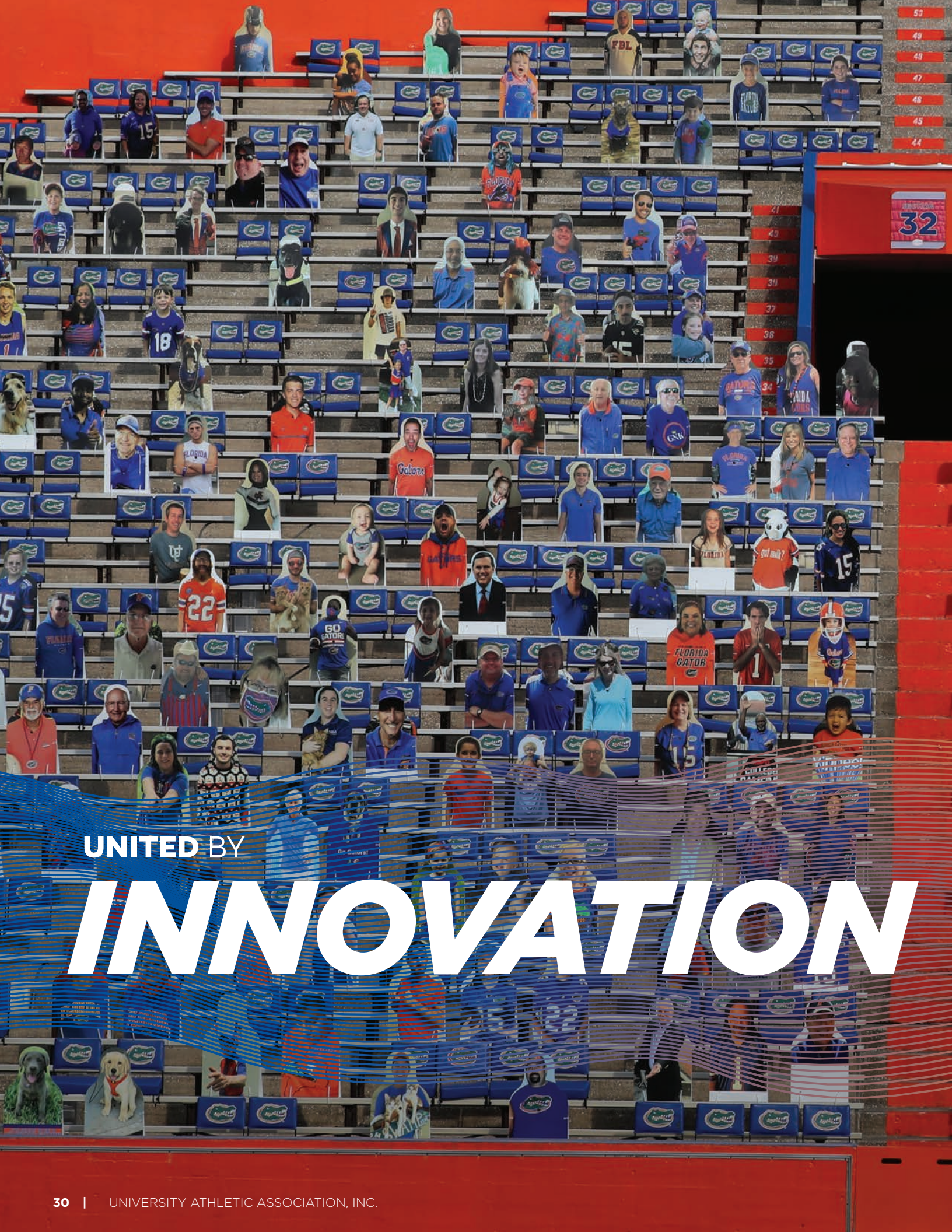
### Statements of Changes in Fiduciary Net Position – Fiduciary Funds - Pension Trust Fund

(as of December 30, 2020 and 2019)

	<u>2020</u>	<u>2019</u>
<b>Additions</b>		
Contributions:		
Employer	\$ 3,131,260	\$ 3,265,474
Investment earnings:		
Interest and dividends	1,604,755	637,752
Net appreciation (depreciation) in fair value of investments	7,300,324	10,058,662
Total investment earnings	<u>8,905,079</u>	<u>10,696,414</u>
Total additions	<u>12,036,339</u>	<u>13,961,888</u>
<b>Deductions</b>		
Benefit payments	1,273,160	2,246,087
Investment management fees	45,288	67,330
Total deductions	<u>1,318,448</u>	<u>2,313,417</u>
<b>Net increase in fiduciary net position</b>	10,717,891	11,648,471
<b>Net position held in trust for pension benefits, beginning of year</b>	58,944,598	47,296,127
<b>Net position held in trust for pension benefits, end of year (as restated)</b>	<u>\$ 69,662,489</u>	<u>\$ 58,944,598</u>

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





UNITED BY

# 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.





UNITED BY

# RESPECT



# NOTES TO FINANCIAL STATEMENTS

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

(b) **Measurement focus, basis of accounting, and financial statement presentation**— For financial reporting purposes, the Association is considered a special-purpose government engaged only in business-type activities. Accordingly, the Association prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) in the United States of America for proprietary funds, which is similar to those for private business enterprises. All assets and liabilities (whether current or noncurrent) are included on the Statements of Net Position. The 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. Governmental Accounting Standards Board (GASB) standards require that capital contributions from Gator Boosters, Inc. and contributions to the University of Florida and University of Florida Foundation, Inc. are not considered operating revenues or expenses. They are reported after nonoperating revenues and expenses in the accompanying Statements of Changes in Revenues, Expenses and Changes In Net Position.

In addition to the business-type activities noted above, the Association accounts for the net position held in trust

for the University Athletic Association, Inc. Employees' Money Purchase Pension Plan and Trust (the Pension Plan).

(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 March 2021 for \$50,000,000 with funds restricted to use for the football training center project. At June 30, 2021 the remaining cash available was \$34,007,125.

(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) **Unearned revenues**—Current unearned revenues consist of advance sales of tickets for sport seasons in the next fiscal year, and miscellaneous other unearned fees received. The unearned items are recognized as revenue when the related games are played and when the service is performed or event occurs for which miscellaneous fees were received.

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

(j) **Net position**—Net position is classified and displayed in 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 \$668,506 and \$2,161,019 for the years ended June 30, 2021 and 2020, respectively, and are included in other operating revenues in the Statements of Changes in 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 has implemented this standard.

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, 2021 and 2020 were as follows:

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

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 1,632	\$ 2,485
Cash in bank demand accounts	24,694,001	9,939,644
Cash held at the University of Florida	2,738,352	338,013
Cash on hand	70,988	298,827
Restricted cash	<u>34,007,125</u>	-
Total cash and cash equivalents	<u>\$ 61,512,098</u>	<u>\$ 10,578,969</u>

Cash in bank demand accounts are held in regional banks. Bank account balances for these bank demand accounts were \$63,258,791 and \$12,427,474, as of June 30, 2021 and 2020, respectively. Deposits are uncollateralized and are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). Uninsured bank balances totaled \$62,779,328 and \$12,177,474 as of June 30, 2021 and 2020, respectively. Money market funds are uninsured and collateralized by securities held by the institution, not in the

Association's name. For deposits, custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association does not have a policy for custodial credit risk.

## (3) INVESTMENTS:

### A. University Athletic Association:

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

Short-term investments are comprised of investments in external investment pools with the State of Florida Division of Treasury and the State Board of Administration (SBA), and a separately managed investment account managed by Buckhead Capital Management, and are reported at fair value. Short-term investments typically are funds accumulated from Southeastern Conference (SEC) distributions, advance ticket sales and booster contributions and will be used to fund operations in the upcoming fiscal year. Other investments include mutual funds, 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 (UFICO).





All of the Association's recurring fair value measurements as of June 30, 2021 and 2020 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, 2021 are reported as follows:

**Table 2. Investments - June 30, 2021 (Note 3A)**

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>External Investment Pool:</b>				
State Treasury Special Purpose Investment Account	\$ 8,159,602	\$ -	\$ -	\$ 8,159,602
<b>Cash Equivalents Classified as Short-term Investments:</b>				
Commercial Paper	8,230,006	8,230,006	-	-
Non-Proprietary Cash Sweep	39,684,431	39,684,431	-	-
Certificates of Deposit	2,600,416	2,600,416	-	-
<b>Bonds and Notes:</b>				
Corporate Backed Obligations	6,880,973	-	6,880,973	-
Corporate Bonds	2,302,424	-	2,302,424	-
Government Bonds	4,557,229	-	4,557,229	-
Mortgage Backed Securities	6,688,878	-	6,688,878	-
<b>Mutual Funds:</b>				
Corporate Bonds	4,250,641	4,250,641	-	-
Equity	44,705,220	44,705,220	-	-
<b>Total investments by fair value level</b>	<b>\$ 128,059,820</b>	<b>\$ 99,470,714</b>	<b>\$ 20,429,504</b>	<b>\$ 8,159,602</b>
<b>Investments measured at the net asset value (NAV)</b>				
Multi-Strategy Hedge Funds	\$ 6,709,891			
<b>Total investments measured at fair value</b>	<b>\$ 134,769,711</b>			
<b>Investments measured at amortized cost</b>				
SBA Florida PRIME	\$ 11,061			
<b>Total investments</b>	<b>\$ 134,780,772</b>			



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

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

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>External Investment Pool:</b>				
State Treasury Special Purpose Investment Account	\$ 19,584,463	\$ -	\$ -	\$ 19,584,463
<b>Cash Equivalents Classified as Short-term Investments:</b>				
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	-	-
<b>Bonds and Notes:</b>				
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	-
<b>Mutual Funds:</b>				
Corporate Bonds	3,606,916	3,606,916	-	-
Equity	32,972,728	32,972,728	-	-
<b>Total investments by fair value level</b>	<b>\$ 112,125,549</b>	<b>\$ 72,595,217</b>	<b>\$ 19,945,869</b>	<b>\$ 19,584,463</b>
<b>Investments measured at the net asset value (NAV)</b>				
Multi-Strategy Hedge Funds	\$ 5,645,839			
<b>Total investments measured at fair value</b>	<b>\$ 117,771,388</b>			
<b>Investments measured at amortized cost</b>				
SBA Florida PRIME	\$ 11,036			
<b>Total investments</b>	<b>\$ 117,782,424</b>			

**Multi-Strategy Hedge Funds**—The Association's investment in multi-strategy hedge funds of \$6,709,891 and \$5,645,839 at June 30, 2021 and 2020, respectively, represents an interest in the Florida Hedged Strategies Fund, LLC (the Fund), a limited liability company that is managed by the UFICO. 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 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 \$8,159,602 and \$19,584,463 at June 30, 2021 and 2020, respectively, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled





investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The SPIA carried a credit rating of AA-f by Standard & Poor's (S&P), had an effective duration of 2.60 years and 0.43 years and fair value factor of 0.9840 and 1.0291 at June 30, 2021 and 2020 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 \$11,061 and \$11,036 at June 30, 2021 and 2020, 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 AA-Am by S&P's and had a weighted-average days to maturity (WAM) of 50 days and 53 days as of June 30, 2021 and 2020, respectively. A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at amortized cost. Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the



Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48 hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” As of June 30, 2021, 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 \$20,429,504 and \$19,945,869 as of June 30, 2021 and 2020, 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, 2021 and 2020 is categorized in the following schedule using S&P nationally recognized statistical ratings quality organizations:

**Interest Rate Risk**—For an investment, interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Association does not have a policy for interest rate risk associated with its investments. Interest rate risk for the Association’s bonds, notes and bond mutual funds as of June 30, 2021 and 2020 is as follows:

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

	Quality Rating	2021 Fair Value	2020 Fair Value
Corporate Backed Obligation	S&P AAA	\$ 4,001,512	\$ 4,577,829
Corporate Backed Obligation	S&P BBB	301,602	-
Corporate Backed Obligation	Unrated	2,577,859	1,268,197
Corporate Bonds	S&P A	157,324	1,617,525
Corporate Bonds	S&P A-	790,232	2,734,213
Corporate Bonds	S&P AA-	-	1,000,640
Corporate Bonds	S&P AAA	-	212,914
Corporate Bonds	S&P BBB	-	170,000
Corporate Bonds	S&P BBB+	1,354,868	1,002,122
Government Bonds	S&P AA+	2,820,233	2,352,803
Government Bonds	Unrated	1,736,996	939,706
Mortgage Backed Securities	AA	-	259,064
Mortgage Backed Securities	AA+	2,116,047	2,549,152
Mortgage Backed Securities	AAA	1,341,553	161,492
Mortgage Backed Securities	Unrated	3,231,278	1,100,212
<b>Subtotal</b>		<b>20,429,504</b>	<b>19,945,869</b>
Bond Mutual Funds	Unrated	4,250,641	3,606,916
US Government Short-Term	AA+	-	15,998,430
<b>Total</b>		<b>\$ 24,680,145</b>	<b>\$ 39,551,215</b>

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of an entity’s investment in a single issuer. At June 30, 2021 and 2020, 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.

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

	Average Duration	2021 Fair Value	2020 Fair Value
Corporate Backed Obligation	Less than one year	\$ 6,880,973	\$ 5,846,026
Corporate Bonds	Greater than five years	1,999,416	3,815,390
Corporate Bonds	Less than one year	303,008	2,922,024
Government Bonds	Greater than five years	3,084,916	-
Government Bonds	Less than one year	1,472,313	3,292,509
Mortgage Backed Securities	Less than one year	3,878,521	3,880,912
Mortgage Backed Securities	One to five years	2,810,357	189,008
<b>Subtotal</b>		<b>20,429,504</b>	<b>19,945,869</b>
Bond Mutual Funds	Greater than five years	4,250,641	3,606,916
US Government Short-Term	Less than one year	-	15,998,430
<b>Total</b>		<b>\$ 24,680,145</b>	<b>\$ 39,551,215</b>



**Credit Risk**—Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Association utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies.

**Foreign Currency Risk**—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. At June 30, 2021 and 2020, the investment portfolio met the foreign securities limitations.

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

The fund's investments at December 31, 2020 are reported as follows:

**Table 6. Investments - December 31, 2020 (Note 3B)**

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Non-interest bearing cash	\$ 67,275	\$ 67,275	\$ -	\$ -
U.S. Government securities	6,043,503	-	6,043,503	-
Corporate bonds	5,091,212	-	5,091,212	-
Registered investment companies	33,032,501	33,032,501	-	-
<b>Total investments by fair value level</b>	<b>\$ 44,234,491</b>	<b>\$ 33,099,776</b>	<b>\$ 11,134,715</b>	<b>\$ -</b>
<b>Investments measured at NAV</b>				
Common/collective trusts:				
Equity funds	\$ 5,669,396			
Fixed income funds	6,059,543			
Limited partnership interests	11,788,186			
Total investments measured at NAV	23,517,125			
<b>Total investments measured at fair value</b>	<b>\$ 67,751,616</b>			

The fund's investments at December 31, 2019 are reported as follows:

**Table 7. Investments - December 31, 2019 (Note 3B)**

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Non-interest bearing cash	\$ 54,625	\$ 54,625	\$ -	\$ -
U.S. Government securities	3,602,351	2,444,190	1,158,161	-
Corporate bonds	5,466,231	-	5,466,231	-
Registered investment companies	28,660,174	23,853,990	4,806,184	-
<b>Total investments by fair value level</b>	<b>\$ 37,783,381</b>	<b>\$ 26,352,805</b>	<b>\$ 11,430,576</b>	<b>\$ -</b>
<b>Investments measured at NAV</b>				
Common/collective trusts:				
Equity funds	\$ 11,156,138			
Limited partnership interests	9,508,893			
Total investments measured at NAV	20,665,031			
<b>Total investments measured at fair value</b>	<b>\$ 58,448,412</b>			





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

**Credit Risk**—Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. All are rated within the investment policy guidelines at December 31, 2020.

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Pension Plan policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed five (5) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy (70) percent of the fund's total assets. The Pension Plan policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed twelve and one-half (12.5) percent of the outstanding stock of that company. At December 31, 2020, the investment portfolios met the single issuer limitations.

**Custodial Credit Risk**—Custodial credit risk is the risk that the Association may not recover cash and investments held by another party in the event of

financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

**Foreign Currency Risk**—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension Plan policies allow for up to twenty-five (25) percent of its investments in common stock, capital stock and convertible securities at market value in foreign securities. At December 31, 2020, the investment portfolios met the foreign securities limitations.

#### (4) PENSION PLANS

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 \$635,374 and \$3,228,353 (net of forfeitures of \$95,040 and \$650,323, respectively) for the years ended June 30, 2021 and 2020, respectively. Contributions are made by the Association to the pension plan based on 12% of an eligible employee's earnings. No employer contribution will be made from October 1, 2020 through October 1, 2021. The Internal Revenue Code Section 401(a)(17) set the annual compensation limit applicable to retirement plans at \$290,000 for 2021 and \$285,000 for 2020. During the years ended June 30, 2021 and 2020, total pension applicable payroll for employees covered under the plan was \$6,086,783 and \$32,322,299, which represented approximately 12% and 51% of total payroll for the years ended June 30, 2021 and 2020, respectively. Pension applicable payroll for the year ended June 30, 2021 includes July 1 - September 30, 2020 only, as the employer contribution was paused beginning October 1, 2020 as noted above.



**(5) CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2021 was as follows:

**Table 8. Capital Assets - June 30, 2021 (Note 5)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 2,430,236	\$ -	\$ -	\$ 2,430,236
Construction in progress	63,487,548	23,789,284	(67,964,741)	19,312,091
Total capital assets not being depreciated	<u>65,917,784</u>	<u>23,789,284</u>	<u>(67,964,741)</u>	<u>21,742,327</u>
Capital assets being depreciated:				
Buildings and improvements	6,641,755	-	-	6,641,755
Furniture and equipment	28,503,407	778,666	(2,959,987)	26,322,086
Leasehold improvements	276,391,207	68,905,798	(16,169,475)	329,127,530
Total capital assets being depreciated	<u>311,536,369</u>	<u>69,684,464</u>	<u>(19,129,462)</u>	<u>362,091,371</u>
Less accumulated depreciation for:				
Buildings and improvements	4,753,966	141,696	-	4,895,662
Furniture and equipment	17,318,251	1,806,909	(2,930,879)	16,194,281
Leasehold improvements	109,972,488	7,726,604	(6,799,055)	110,900,037
Total accumulated depreciation	<u>132,044,705</u>	<u>9,675,209</u>	<u>(9,729,934)</u>	<u>131,989,980</u>
Total capital assets being depreciated, net	179,491,664	60,009,255	(9,399,528)	230,101,391
<b>Capital assets, net</b>	<b>\$ 245,409,448</b>	<b>\$ 83,798,539</b>	<b>\$ (77,364,269)</b>	<b>\$ 251,843,718</b>

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

**Table 9. Capital Assets - June 30, 2020 (Note 5)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
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	<u>18,148,726</u>	<u>49,650,478</u>	<u>(1,881,420)</u>	<u>65,917,784</u>
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	<u>309,250,439</u>	<u>2,491,018</u>	<u>(205,088)</u>	<u>311,536,369</u>
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	<u>122,825,133</u>	<u>9,403,776</u>	<u>(184,204)</u>	<u>132,044,705</u>
Total capital assets being depreciated, net	186,425,306	(6,912,758)	(20,884)	179,491,664
<b>Capital assets, net</b>	<b>\$ 204,574,032</b>	<b>\$ 42,737,720</b>	<b>\$ (1,902,304)</b>	<b>\$ 245,409,448</b>



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

The change in long-term obligations for the year ended June 30, 2021 was as follows:

**Table 10. Long-term Obligations - June 30, 2021 (Note 6)**

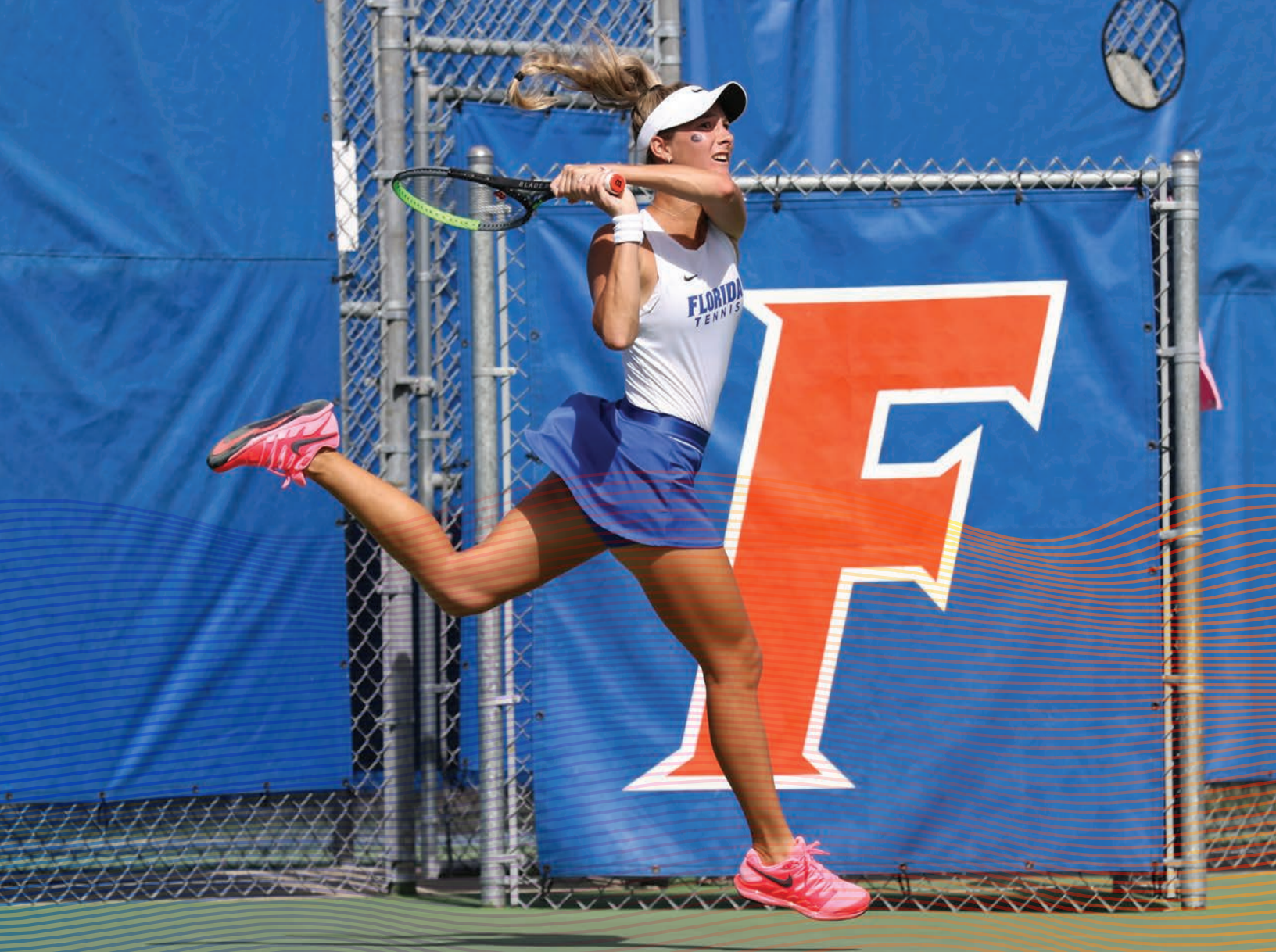
Type of Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Contracts payable	\$ 1,495,987	\$ 1,563,944	\$ (2,236,405)	\$ 823,526	\$ 823,526
Accrued compensated absences	1,958,050	144,804	(185,301)	1,917,553	274,000
Unearned revenues	24,095,243	33,023,224	(21,785,243)	35,333,224	31,523,224
Long-term debt	119,375,000	50,000,000	(5,115,000)	164,260,000	6,775,000
<b>Total long-term liabilities</b>	<b>\$ 146,924,280</b>	<b>\$ 84,731,972</b>	<b>\$ (29,321,949)</b>	<b>\$ 202,334,303</b>	<b>\$ 39,395,750</b>

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

**Table 11. Long-term Obligations - June 30, 2020 (Note 6)**

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
Unearned 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
<b>Total long-term liabilities</b>	<b>\$ 196,520,838</b>	<b>\$ 21,110,907</b>	<b>\$ (70,707,465)</b>	<b>\$ 146,924,280</b>	<b>\$ 27,391,393</b>





### A. Long-term Debt:

At June 30, 2021 and 2020, the Association's Bonds outstanding bear interest based upon the following schedule:

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

Series	June 30, 2021			June 30, 2020		
	Outstanding Amount	Term	Interest Rate	Outstanding Amount	Term	Interest Rate
2001	\$ 14,235,000	Daily Rate	Weekly	\$ 14,235,000	Daily Rate	Weekly
2001	15,950,000	10/01/17 - 10/01/23	1.91%	15,950,000	10/01/17 - 10/01/23	1.91%
*2001	13,690,000	11/27/13 - 10/01/24	1.78%	14,475,000	11/27/13 - 10/01/24	1.78%
*2005	-	11/27/13 - 10/01/20	1.78%	1,000,000	11/27/13 - 10/01/20	1.78%
2007	3,500,000	10/01/16 - 10/01/26	2.08%	4,000,000	10/01/16 - 10/01/26	2.08%
2011	8,250,000	10/01/16 - 10/01/26	2.08%	9,000,000	10/01/16 - 10/01/26	2.08%
2015	11,250,000	07/01/15 - 10/01/20	2.39%	12,000,000	07/01/15 - 10/01/20	2.39%
2018	47,385,000	7/24/18 - 10/01/38	3.43%	48,715,000	7/24/18 - 10/01/38	3.43%
2021	50,000,000	03/19/21 - 10/01/41	1.97%	-	N/A	N/A
	<b>\$ 164,260,000</b>			<b>\$ 119,375,000</b>		

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



Debt service requirements at June 30, 2021 were as follows:

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

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2022	\$ 6,775,000	\$ 3,936,704	\$ 10,711,704
2023	7,365,000	3,779,066	11,144,066
2024	7,530,000	3,746,012	11,276,012
2025	7,695,000	3,622,331	11,317,331
2026	7,870,000	3,416,570	11,286,570
2027 - 2031	42,515,000	13,739,671	56,254,671
2032 - 2036	25,235,000	8,739,626	33,974,626
2037 - 2041	22,915,000	5,527,696	28,442,696
2042 - 2046	21,155,000	3,438,060	24,593,060
2047 - 2051	15,205,000	1,044,638	16,249,638
	<u>\$ 164,260,000</u>	<u>\$ 50,990,374</u>	<u>\$ 215,250,374</u>

The Association is subject to certain general and financial covenants related to the Bond agreements (the Agreements). The first financial covenant requires the Association to maintain a Net Revenues to Principal and Interest Requirements due on the bonds, as defined in the Agreements, of greater than 1.10:1.00, tested annually at the end of each fiscal year. The Association's ratio of net revenues to required principal and interest was 0.44 and 2.89 in 2021 and 2020, respectively. Each of the banks included in the Agreements waived the requirement for the Association to comply with the financial covenant for the fiscal year ended June 30, 2021, and waived any Event of Default that may arise under the Indenture and the respective Credit Agreements from the Association's failure to comply with the Financial Covenant for the fiscal year ended June 30, 2021. 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, 2021, the required amount of liquidity was \$41,065,000 and the actual amount was \$162,285,743. At June 30, 2020, the required amount of liquidity was \$29,843,750 and the actual amount was \$128,361,393.

### B. Unearned Revenues:

Changes in current unearned revenues for June 30, 2021 and 2020 are as follows:

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

	2021	2020
Balance, beginning of year	\$ 21,015,243	\$ 60,608,980
Additions:		
Advance ticket sales and related handling	29,655,865	20,245,243
Unearned camp fees	531,073	-
Unearned other income	1,336,286	770,000
Total additions	<u>31,523,224</u>	<u>21,015,243</u>
Deductions:		
Earned ticket sales and related handling	(17,441,049)	(27,400,590)
Ticket refunds	(2,804,194)	-
Earned booster contributions	-	(29,456,817)
Earned amenities	-	(1,342,567)
Earned camp fees	-	(1,498,779)
Earned other income	(770,000)	(910,227)
Total deductions	<u>(21,015,243)</u>	<u>(60,608,980)</u>
<b>Balance, end of year</b>	<b>\$ 31,523,224</b>	<b>\$ 21,015,243</b>

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

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

	2021	2020
Balance, beginning of year	\$ 3,080,000	\$ 4,676,728
Additions:		
Unearned royalties	1,500,000	-
Total additions	<u>1,500,000</u>	<u>-</u>
Deductions:		
Contributions transferred to Gator Boosters	-	(826,728)
Royalties reclassified to current	(770,000)	(770,000)
Total deductions	<u>(770,000)</u>	<u>(1,596,728)</u>
<b>Balance, end of year</b>	<b>\$ 3,810,000</b>	<b>\$ 3,080,000</b>

### (7) RELATED-PARTY TRANSACTIONS:

Gator Boosters, Inc. (Gator Boosters) receives contributions from the public and remits the majority of these funds (less their operating expenses) to the Association. Contributions of \$13,424,081 and \$47,948,153 were recognized from Gator Boosters,

for the years ended June 30, 2021 and 2020, respectively, and have been included in the accompanying Statements of Changes in 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, 2021 and 2020.

Gator Boosters recognizes contribution expense for amounts remitted to the Association in the year in which such amounts are remitted. The Association, however, recognizes these amounts as revenue in the year in which the related athletic event is held. A reconciliation of contribution revenues from Gator Boosters as recognized in the accompanying Statements of Changes in Revenues, Expenses and Changes In Net Position to contribution expense as reflected in the financial statements of Gator Boosters for the years ended June 30, 2021 and 2020 is as follows:

**Table 16. Related Party Transactions - Booster Transfers (Note 7)**

	<u>2021</u>	<u>2020</u>
Contributions to the Association, as reported in the financial statements of Gator Boosters	\$ 14,234,478	\$ 17,664,608
Recognition of prior year amounts received from Gator Boosters that were previously unearned	(810,397)	30,283,545
Contributions from Gator Boosters, as recognized in the accompanying Statements of Revenues, Expenses and changes in Net Position	<u>\$ 13,424,081</u>	<u>\$ 47,948,153</u>

Contributions and operating expenses are paid to the University throughout the year. Included in accounts payable at June 30, 2021 and 2020 is \$14,944,767 and \$2,496,816, respectively, due to the University of Florida.

The Association actively sells personalized Gator Walk bricks as a fundraising initiative. For the fiscal years ended June 30, 2021 and 2020, profits from the sale of these bricks totaling \$19,113 and \$23,996, respectively, were contributed to the University of Florida Foundation, Inc. and included in the athletic scholarship endowment.

## (8) OPERATING LEASES:

The Association leases various equipment and facilities under operating leases. Total lease expense for the years ended June 30, 2021 and 2020, was \$847,369 and \$1,714,184, respectively. Included in lease expense for the years ended June 30, 2021 and 2020, were payments in the amount of \$383,872 and \$1,214,764, 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 17. Operating Leases (Note 8)**

Year Ending June 30,	Amount
2022	\$ 1,484,817
2023	350,844
2024	94,036
2025	6,808
2026	5,030
	<u>\$ 1,941,535</u>

## (9) 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, 2021, the total commitment for all contracts for each of the next five years and thereafter in the aggregate is as follows:

**Table 18. Commitments (Note 9)**

Year Ending June 30,	Amount
2022	\$ 24,955,605
2023	18,414,965
2024	15,663,352
2025	13,490,127
2026	9,597,495
Thereafter	8,141,359
	<u>\$ 90,262,903</u>





At June 30, 2021, the Association has commitments to provide funding for additional capital improvement projects of approximately \$57,000,000.

#### **(10) INCOME TAXES:**

The Association did not incur any income tax expense for the years ended June 30, 2021 and 2020. The Association did however, pay an excise tax of \$1,701,556 and \$435,308 on highly compensated employees for calendar years 2019 and 2018.

#### **(11) RISK MANAGEMENT:**

The Association purchased conventional commercial insurance coverage for potential exposures in the areas of property, workers' compensation, automobile liability and physical damage, and other general liability exposures. This insurance was purchased from various independent carriers and is designed to insure against such risks and minimize the Association's

financial exposure. The Association also participates with the employees in the purchase of group health, dental and life insurance for its employees and their families.

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

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

#### **(12) COVID-19 PANDEMIC**

The financial impacts of the COVID-19 pandemic were felt through the end of fiscal year 2020 and much of fiscal year 2021, and such financial impacts have been reflected in the June 30, 2021 and 2020 financial statements.





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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:

- o **enhance** the personal development of student-athletes.
- o **strengthen** our commitment to the greater Gainesville and surrounding communities.
- o **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 business-type activities, the aggregate discretely presented component units, each major fund of The University Athletic Association, Inc. (the Association) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated September 7, 2021.

***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) 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 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.

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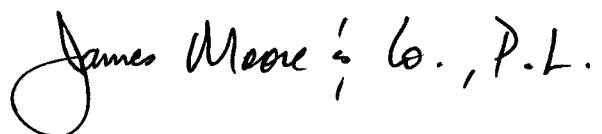


### ***Compliance and Other Matters***

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 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" and a distinct "Co." followed by a comma and "P.L.".

Gainesville, Florida  
September 7, 2021



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### *Fiscal Year 2020-2021 Board of Directors*

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Chairman of the Board

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Athletic Director and  
Chief Executive Officer

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Audit Committee Chair

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Faculty Representative

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Faculty Representative

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Student-Athlete Representative

**David Brandon**

Alumni Representative

**Gary Condron**

Alumni Representative

**Kim Barton**

Board Member

**Brian Beach**

Board Member

**Alvin Cowans**

Board Member

### *Principal Accounting Officials*

**Melissa Stuckey**

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

**Raquhel Alexander**

Associate Director, Financial Analyst  
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**Kyle Wilson**

Director of Financial Operations  
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