



GATOR

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 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 year 2022 the Association began to see a financial recovery, especially when compared to 2021 when the Association weathered the impact of the economic shutdown caused by the coronavirus pandemic.

In 2022 the UAA's financial position was impacted by two significant elements of the Statement of Revenues, Expenses and Changes in Net Position including a onetime operating expense of \$20.7 million for the coaching staff transition and over \$12.5 million in unrealized loss on investments which is discussed in further detail later in the analysis.

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The Association is pleased to present its financial statements for the fiscal years ended June 30, 2022 and 2021. 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 24.

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.

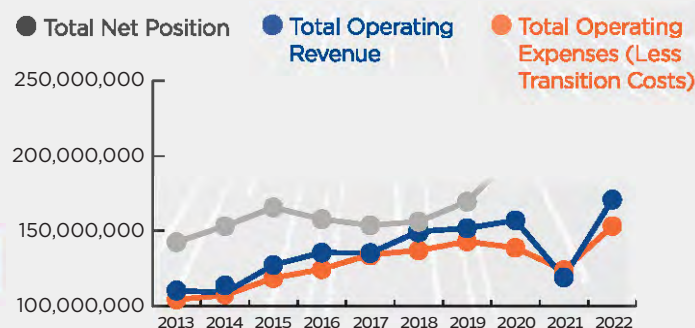
There are three financial statements presented: The Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. As well, the addition of the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for the University Athletic Association Employees' Money Purchase Pension Plan as 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 even with significant changes in football, men's basketball and women's basketball coaching staffs, which had an economic impact to the Association's operating income and net position. As well, a year-over-year decline in the capital markets meant unrealized investment losses at a level not seen since 2009. The cooperation among management, the Association 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 41% from \$142 million in 2013 to \$200.5 million in 2022. This growth in net position is evidence of the Association's effort to maintain self-sufficiency.

The Association has also experienced steady rates of growth in its operating revenues and expenses prior to fiscal year 2021. As shown below and on the following page, operating revenues have grown by 54% from \$110.3 million to \$170.3 million and operating expenses have grown by 46% from \$104 million to \$152.8 million. In 2022 there was a significant rebound in revenues which were up over \$15 million when compared to pre-pandemic revenue. 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 2021-22 All-Sports Rankings

The Association proves, year after year, to be a national leader in total revenues generated by the athletics 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

- A trio of NCAA titles led 11 top-10 team finishes as the University of Florida athletics program placed fifth in the 2021-22 LEARFIELD Directors' Cup. Florida's No. 5 standing is the program's 13th consecutive top-five national all-sports finish.
- Florida is the only program among top 10 in each of the last 38 national all-sports rankings.
- The LEARFIELD 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

LEARFIELD Directors' Cup Standings 2021-22

Rank	School	Total
1.	Texas	1449.50
2.	Stanford	1352.25
3.	Michigan	1245.25
4.	Ohio State	1184.50
5.	FLORIDA	1180.75
6.	North Carolina	1087.25
7.	Arkansas	1050.25
8.	Notre Dame	1021.00
9.	Kentucky	979.75
10.	Oklahoma	968.50

Gators by the Numbers



Gators team celebrated a **trio of NCAA Championships in 2022** - men's outdoor track & field, women's indoor & outdoor track & field. Florida is **one of two programs** in the nation to win at least one national title in each of the last 13 complete seasons. Since 2008-09, Florida has won 24 national championships.



Consecutive top-five finishes in LEARFIELD Directors' Cup standings. Only Florida and Stanford appear **among the top five of each of the last 13** national all-sports rankings.



17 Gators claimed a school-record **19 NCAA individual** event titles in 2022. The previous high of 18 individual titles was set in 1982.



Consecutive complete seasons with Florida teams posting **10 or more top-10 national finishes**. In 2021-22, 11 UF teams placed among the final top 10.

CAPITAL ONE CUP

WOMEN - NO. 4 | MEN - NO. 14

- The University of Florida was fourth in the 2021-22 Capital One Cup women's final standings and the Gator men were 14th overall.
- In the 11-year history of the Capital One Cup, UF's men & women have been among the top-12 10 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	2021-22, 2020-21, 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 2021-22

- Florida claimed four Southeastern Conference team titles in 2021-22 - gymnastics, men's swimming & diving, men's tennis and women's outdoor track & field. That total rose to five as the Gators took the American Athletic Conference lacrosse title for UF's 11th consecutive regular-season title across three conferences.
- Florida women claimed their 24th overall USA Today Network Southeastern Conference All-Sports title. Tennessee claimed its first SEC Overall All-Sports title. The Vols also claimed their first SEC Men's All-Sports title since 2007-08. Florida was second in both overall and men's SEC All-Sports standings.

2021-22 SEC All-Sports Overall Standings

Place	School	Total # of Part. teams	Points	Quotient
1	Tennessee	200	154	0.77000
2	FLORIDA	208	154	0.74038
3	Arkansas	198	124	0.62626
4	LSU	208	120	0.57692
5	Alabama	208	118.5	0.56971
6	Georgia	212	120	0.56604
7	Texas A&M	204	114.5	0.56127
8	Kentucky	208	115	0.55288
9	Auburn	212	115	0.54245
10	Mississippi	178	96.5	0.54213
11	South Carolina	204	90.5	0.44363
12	Vanderbilt	164	58	0.35366
13	Mississippi State	178	62	0.34831
14	Missouri	208	60	0.28846



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.



Gators collected **166 All-America honors** in 2021-22.



Earned Southeastern Conference **Academic Honor Roll accolades** in 2021-22 - equaling the Gators record for second consecutive season.



Southeastern Conference team titles claimed by Florida leads the league. **Four Gator teams won SEC titles** in 2021-22 & 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

Condensed Summary of Net Position (thousands of dollars)

	2022	2021	2022-2021		2020	2021-2020	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
Assets							
Current assets	\$ 105,690	\$ 140,742	\$ (35,052)	-24.91%	\$ 91,921	\$ 48,821	53.11%
Capital assets, net of depreciation	296,324	251,844	44,480	17.66%	245,409	6,435	2.62%
Other assets	55,146	66,009	(10,863)	-16.46%	49,305	16,704	33.88%
Total assets	457,160	458,595	(1,435)	-0.31%	386,635	71,960	18.61%
Liabilities							
Long-term debt outstanding	157,485	164,260	(6,775)	-4.12%	119,375	44,885	37.60%
Other liabilities	99,163	91,421	7,742	8.47%	66,003	25,418	38.50%
Total liabilities	256,648	255,681	967	0.38%	185,378	70,303	37.92%
Net Position							
Net investment in capital assets	138,924	155,649	(16,725)	-10.75%	126,034	29,615	23.50%
Restricted	9,546	18,061	(8,515)	-47.15%	15,044	3,017	20.05%
Unrestricted	52,042	29,204	22,838	78.20%	60,179	(30,975)	-51.47%
Total net position	\$ 200,512	\$ 202,914	\$ (2,402)	-1.18%	\$ 201,257	\$ 1,657	0.82%

use by independent donors. Unrestricted net position is available to the Association for any legal use.

HIGHLIGHTS

The Association experienced a net decrease in total assets of \$(1.4) million in 2022. This included a decrease of \$(35) million in current assets due to spending down the Series 2021 bond and capital contributions which were awaiting construction of the Heavener Football Training Center. With the ongoing construction of the Heavener Football Training Center, the Association saw an increase of \$44.5 million in capital assets. Other assets declined by \$10.9 million due to a decrease in market value of long-term corporate investments.

Long-term and other liabilities saw an increase of \$1 million due to a decrease in payables and an increase in contracts payable. As well, the Association managed to pay down long-term debt by \$6.8 million and experienced an overall decrease in net position in the current year of \$(2.4) million driven primarily by the spend down of the series 2021 bond proceeds and a decrease in long term investments.

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.

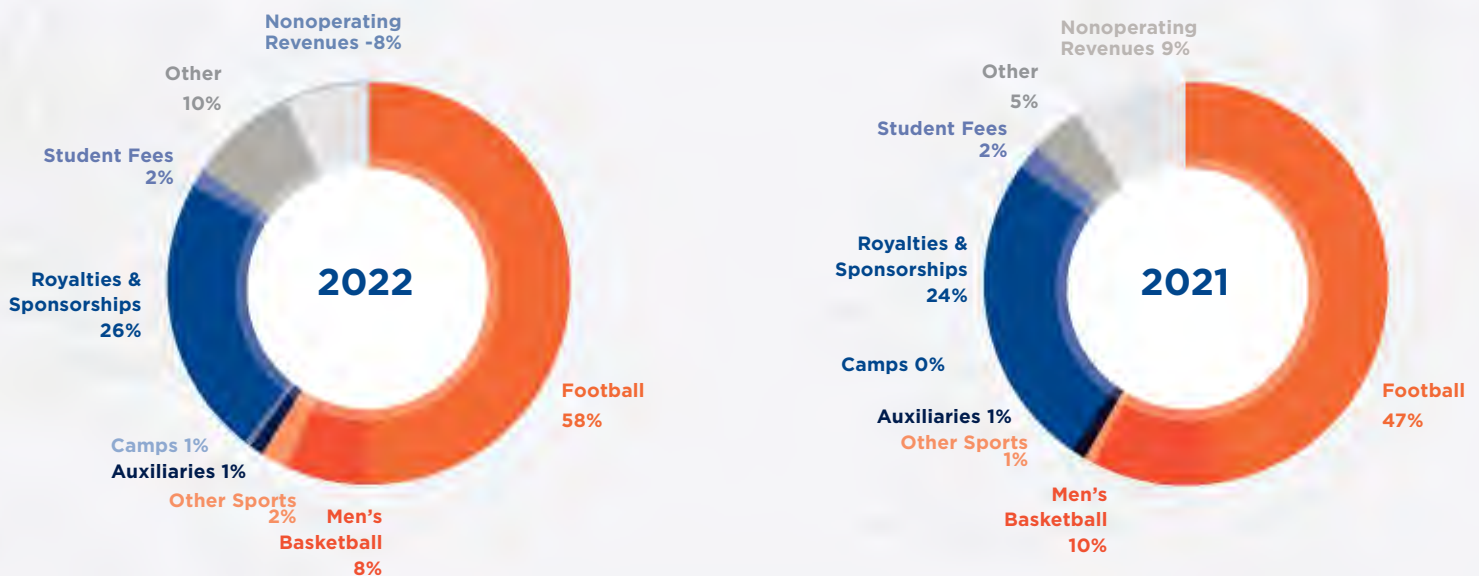
Nonoperating revenues (expenses) are revenues received for which goods or services are not provided, such as investment income and interest expense on capital asset related debt. Capital contributions are considered neither operating nor nonoperating and are reported after "Income before contributions."

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)

	2022 - 2021				2021 - 2020		
	2022	2021	Increase (decrease)	Percent change	2020	Increase (decrease)	Percent change
Operating revenues							
Sales of goods and services	\$ 39,342	\$ 12,786	\$ 26,556	207.70%	\$ 41,138	\$ (28,352)	-68.92%
SEC and NCAA distributions	52,579	76,141	(23,562)	-30.95%	46,591	29,550	63.42%
Contributions	39,500	8,038	31,462	391.42%	37,890	(29,852)	-78.79%
Royalties and sponsorships	23,288	15,926	7,362	46.23%	24,203	(8,277)	-34.20%
Other	15,652	6,063	9,589	158.16%	6,835	(772)	-11.29%
Total operating revenues	170,361	118,954	51,407	43.22%	156,657	(37,703)	-24.07%
Nonoperating revenues							
Investment income (loss), net	(12,534)	12,117	(24,651)	-203.44%	4,648	7,469	160.69%
Total revenues	157,829	131,071	26,758	20.41%	161,305	(30,234)	-18.74%
Operating expenses							
Salaries, wages and benefits	88,700	58,101	30,599	52.67%	63,008	(4,907)	-7.79%
Direct team expenses	33,359	21,982	11,377	51.76%	26,178	(4,196)	-16.03%
Scholarships and athlete support services	22,036	18,736	3,300	17.61%	20,402	(1,666)	-8.17%
Administrative services and facilities	18,307	14,767	3,540	23.97%	18,479	(3,712)	-20.09%
Camps and depreciation	11,174	10,076	1,098	10.90%	10,446	(370)	-3.54%
Total operating expenses	173,576	123,662	49,914	40.36%	138,513	(14,851)	-10.72%
Nonoperating expenses							
Interest on capital related debt	3,720	3,255	465	14.29%	3,401	(146)	-4.29%
Loss on disposal of fixed assets	-	9,367	(9,367)	100.00%	-	9,367	0.00%
Other nonoperating expenses	4,797	1,227	3,570	290.95%	1,741	(514)	-29.52%
Total nonoperating expenses	8,517	13,849	(5,332)	-38.50%	5,142	8,707	169.33%
Total expenses	182,093	137,511	44,582	32.42%	143,655	(6,144)	-4.28%
Income (loss) before Capital Contributions	(24,266)	(6,440)	(17,826)	276.80%	17,650	(24,090)	-136.49%
Capital contributions from Gator Boosters, Inc. and others	21,865	8,096	13,769	170.07%	14,611	(6,515)	-44.59%
Increase (decrease) in net position	(2,401)	1,656	(4,057)	-244.99%	32,261	(30,605)	-94.87%
Net position, beginning of year	202,913	201,257	1,656	0.82%	168,996	32,261	19.09%
Net position, end of year	\$ 200,512	\$ 202,913	\$ (2,401)	-1.18%	\$ 201,257	\$ 1,656	0.82%

REVENUES



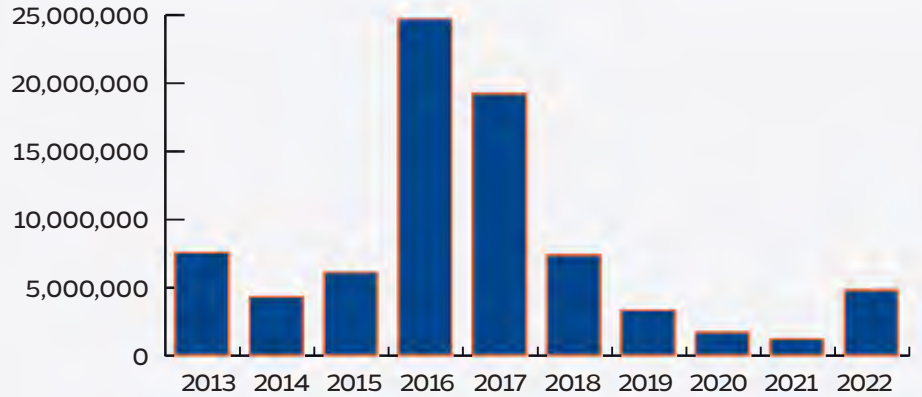
HIGHLIGHTS

During fiscal year 2022, the Association saw a significant rebound in operating revenues which were up over \$51.4 million across all categories when compared to 2021 and up \$13.7 million compared to pre-pandemic year 2020. Overall revenue was up 20% even after factoring in \$12.5 million in unrealized investment losses. Operating expenses were up year-over-year by 24% not inclusive of the one-time coaching transition expenses of \$20.7 million. Increases included additional scholarship expenses, athlete support services, normalized team travel and recruiting as well as the return of a pension contribution for the Association employees and performance bonuses.

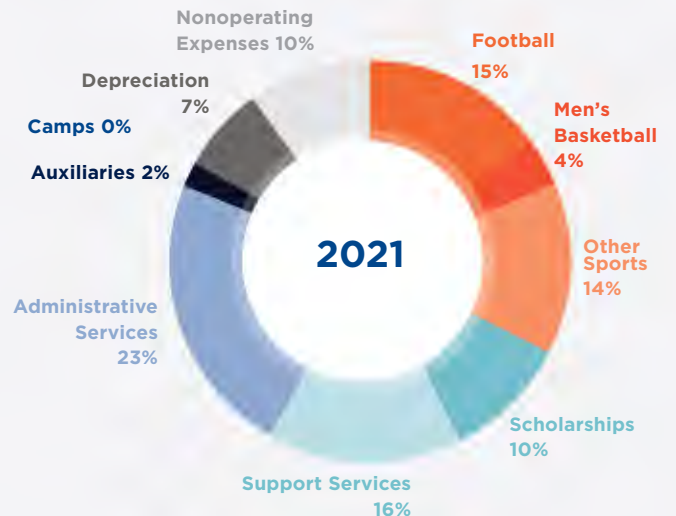
Gator Boosters, a related party entity and the fund-raising arm of the Association, had a record year with capital gifts totaling \$21.9 million in 2022. This was especially important in preserving the Association’s net position which was impacted by expenses for the coaching changes and unrealized investment losses.



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)

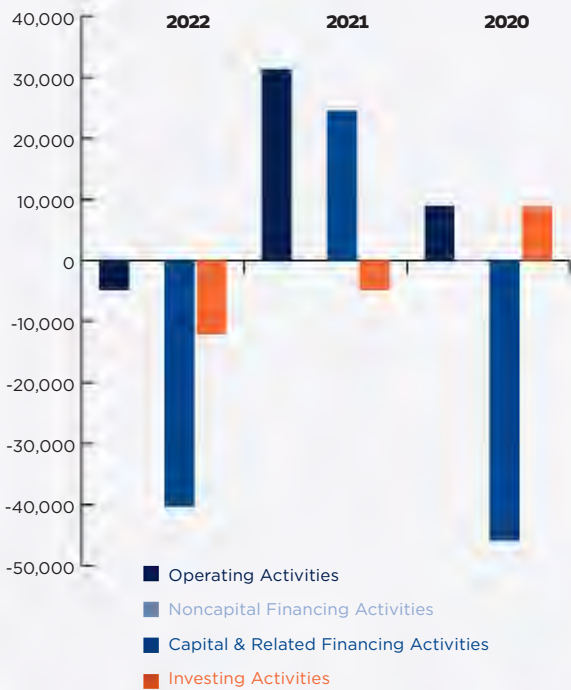
	2022	2021	2022-2021		2020	2021-2020	
			Increase (decrease)	Percent change		Increase (decrease)	Percent change
Cash flows from:							
Operating activities	\$ (4,739)	\$ 31,320	\$ (36,059)	-115.13%	\$ 8,895	\$ 22,425	252.11%
Noncapital financing activities	(101)	-	(101)	-	(141)	141	-100.00%
Capital & related financing activities	(40,214)	24,463	(64,677)	-264.39%	(45,832)	70,295	-153.38%
Investing activities	(12,043)	(4,851)	(7,192)	148.26%	8,771	(13,622)	-155.31%
Net change in cash and cash equivalents	(57,097)	50,932	(108,029)	-212.10%	(28,307)	79,239	-279.93%
Cash and cash equivalents, beginning of year	61,512	10,580	50,932	481.40%	38,887	(28,307)	-72.79%
Cash and cash equivalents, end of year	\$ 4,415	\$ 61,512	\$ (57,097)	-92.82%	\$ 10,580	\$ 50,932	481.40%

HIGHLIGHTS

Cash and cash equivalents were down a net of \$(57) million. This is a result of the increase in payments to employees which resulted from the coaching staff changes and the spend down of the restricted cash due to the receipt of bond proceeds for capital projects as well as unrealized market losses of \$12 million. 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)

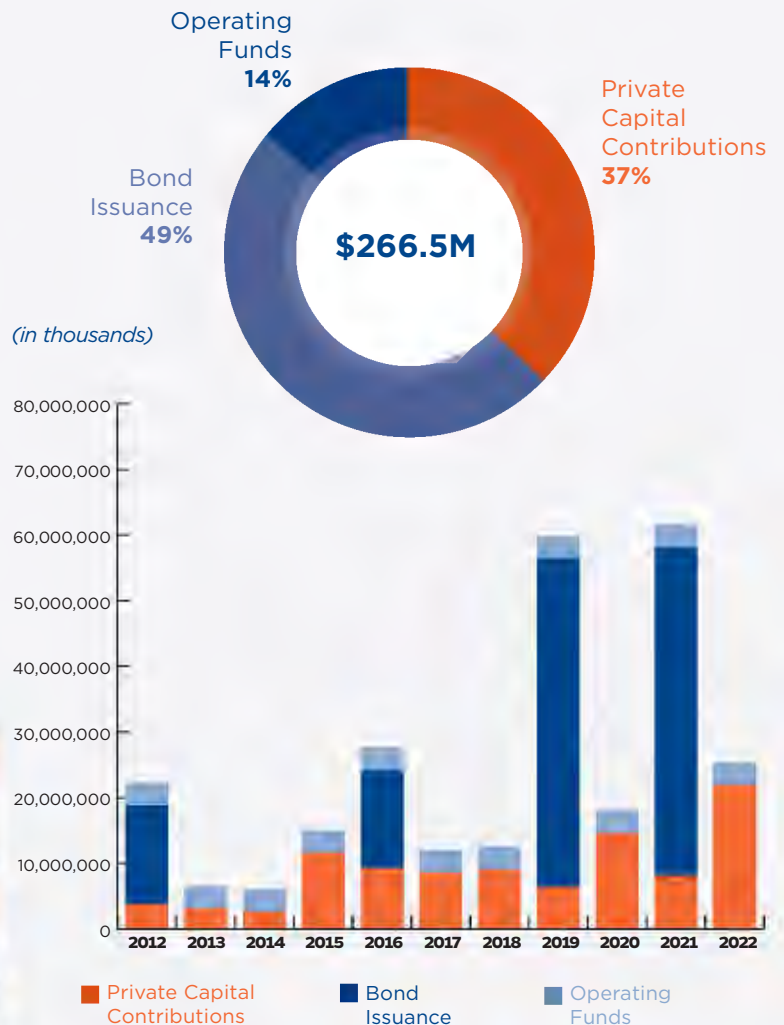


CAPITAL ASSET AND DEBT ADMINISTRATION

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 for 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 \$54.1 million from the years ended June 30, 2012 through 2022. See exhibits below:

Annual Capitalized Projects - 2012 through 2022



As of June 30, 2022, the Association has a total of \$157 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. The series 2018 bond funded the construction of the Condron Ballpark and renovation and expansion of the Katie Seashole Pressly Softball Stadium. The series 2021 bond for \$50 million supported the expansion and renovation of the Soccer and Lacrosse support facility and the Heavener Football Training Center. Both projects are construction in progress with expected completion in early Fall 2022. For further details regarding the Association's debt structure please reference note 6A

ECONOMIC OUTLOOK

After many months of an altered landscape for college athletics, this past fiscal year began a solid recovery from the worldwide pandemic. Operations returned to normalized levels with revenue and expenses both up accordingly. At the same time, to ensure the future stability of the overall program, fulfilling the contractual obligations related to the transition of the football coaching staff had a one-year negative impact on the Association's finances.

The U.S. capital markets entered bear territory for the first time since March 2020, and for only the 10th time since 1950, with securities pricing falling 20% or more from recent highs amid widespread pessimism and negative investor sentiment. The Association anticipates there will be stabilization in returns on investments but will see a slower rate of growth for the next fiscal year.

Fiscal highlights for the year include ongoing capital projects with support from a record year of capital gifts from Gator Boosters and the Series 2021 Bond. The ability for the Association to issue debt and keep the commitment to the facilities master plan represents the solid foundation and management of finances over time. The support the University has provided for these initiatives will position the Association for future growth and financial stability.

The Association maintains a strong financial position amongst its peers. Within the SEC and the NCAA, the Association is uniquely prepared for the changing landscape of college athletics, which 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.

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.