



*Gators*

# 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 revenues and expenses not related to capital and related financing, noncapital financing, or investing activities. Governmental Accounting Standards Board (GASB) standards require that capital contributions from Gator Boosters, Inc. and contributions to the University of Florida and University of Florida Foundation, Inc. are not considered operating revenues or expenses. They are reported after nonoperating revenues and expenses in the accompanying Statements of Changes in Revenues, Expenses and Changes in Net Position. In addition to the business-type activities noted

above, the Association reports the net position held in trust for the University Athletic Association, Inc. Employees' Money Purchase Pension Plan and Trust (the Pension Plan), which is reported separately from the business-type activities as a fiduciary fund.

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

(d) **Accounts receivable**—Accounts receivable are stated at the amount management expects to collect from balances at year-end. Based on management's assessment of the credit history with organizations and individuals having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. The Association has no policy requiring collateral or other security to support its accounts receivable.

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

(f) **Fair value measurement**—The Association categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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



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

(h) **Accrued compensated absences**—Eligible employees are entitled to annual vacation and sick leave with pay. The Association accrues accumulated unpaid annual vacation leave and associated employee-related costs. These amounts are included in the accompanying Statements of Net Position. Vacation pay is expensed when earned by the employee up to the maximum payout. Sick leave payments are expensed when used as sick leave is not eligible for payout.

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

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

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

- Net investment in capital assets - consists of capital assets, net of accumulated depreciation and right to use lease assets, net of accumulated amortization, reduced by the outstanding balances of any debt or lease liability that is attributable to those assets.

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

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

(k) **Sales taxes retained**—In accordance with Chapter 1006, Section 71 of the Florida Statutes, the Association retains an amount equal to the sales taxes collected from ticket sales to athletic events for use in the support of women's athletic programs. Sales taxes retained totaled \$2,422,203 and \$2,329,338 for the years ended June 30, 2023 and 2022, respectively, and are included in other operating revenues in the Statements of Revenues, Expenses, and Changes in Net Position.

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

The Association files tax returns in the U.S. federal jurisdiction and in the state of Florida. Management of

the Association considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities, including changes to the Association's status as a not-for-profit entity. Management believes the Association met the requirements to maintain its tax-exempt status and has not identified any uncertain tax positions subject to the unrelated business income tax that require recognition or disclosure in the accompanying financial statements. The Association's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

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

(n) **Reclassification**—Certain prior year amounts have been reclassified to conform to the current year presentation.

## (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, 2023 and 2022 were as follows:

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

|  | 2023                | 2022                |
|--|---------------------|---------------------|
| Money market funds                     | \$ 1,502,588        | \$ 1,878            |
| Cash in bank demand accounts           | 2,910,741           | 4,084,380           |
| Cash held at the University of Florida | 241,300             | 217,054             |
| Cash on hand                           | 111,254             | 111,254             |
| Total cash and cash equivalents        | <u>\$ 4,765,883</u> | <u>\$ 4,414,566</u> |

Cash in bank demand accounts are held in regional banks. Bank account balances for these bank demand accounts were \$4,518,558 and \$8,599,822, as of June 30, 2023 and 2022, respectively. Deposits are uncollateralized and are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). Uninsured bank balances totaled \$3,551,730 and \$7,963,497 as of June 30, 2023 and 2022, 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, 2023 and 2022 are valued using quoted market prices (Level 1 inputs), with the exception of bonds and notes which are valued using a matrix pricing model (Level 2 inputs), investments with the State Treasury and GQG Partners LLC which are valued based on the Association's share of the pool (Level 3 inputs) and hedge funds which are valued using net asset valuations.



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

**Table 2. Investments - June 30, 2023 (Note 3A)**

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

The Association's investments at June 30, 2022 are reported as follows:

**Table 3. Investments - June 30, 2022 (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             | \$ 39,218,022         | \$ -   | \$ -  | \$ 39,218,022                             |
| <b>Cash Equivalents Classified as Short-term Investments:</b> |                       |  |   |   |
| Commercial Paper  | 2,128,953             | -  | 2,128,953                                     | -   |
| Non-Proprietary Cash Sweep                                    | 31,392,793            | 31,392,793   | -   | -   |
| US Government Short-Term                                      | -                     | -  | -   | -   |
| <b>Bonds and Notes:</b>                                       |                       |  |   |   |
| Corporate Backed Obligations                                  | 2,710,587             | -  | 2,710,587                                     | -   |
| Corporate Bonds   | 967,668               | -  | 967,668                                       | -   |
| Government Bonds  | 3,036,269             | 2,472,210  | 564,059                                       | -   |
| Mortgage Backed Securities                                    | 4,354,941             | -  | 4,354,941                                     | -   |
| <b>Mutual Funds:</b>  |                       |  |   |   |
| Corporate Bonds   | 12,278,919            | 8,659,027  | 3,619,892                                     | -   |
| Equity  | 31,694,591            | 27,007,318   | -   | 4,687,273                                 |
| <b>Total investments by fair value level</b>                  | <b>\$ 127,782,743</b> | <b>\$ 69,531,348</b>   | <b>\$ 14,346,100</b>                          | <b>\$ 43,905,295</b>                      |
| <b>Investments measured at the net asset value (NAV)</b>      |                       |  |   |   |
| Multi-Strategy Hedge Funds                                    | \$ 6,479,377          |  |   |   |
| <b>Total investments measured at fair value</b>               | <b>\$ 134,262,120</b> |  |   |   |
| <b>Investments measured at amortized cost</b>                 |                       |  |   |   |
| SBA Florida PRIME   | \$ 11,096             |  |   |   |
| <b>Total investments</b>                                      | <b>\$ 134,273,216</b> |  |   |   |

**Multi-Strategy Hedge Funds**—The Association's investment in multi-strategy hedge funds of \$0 and \$6,479,377 at June 30, 2023 and 2022, 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 \$958,128 and \$39,218,022 at June 30, 2023 and 2022, respectively, in



the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The SPIA carried a credit rating of AA-f by Standard & Poor's (S&P), had an effective duration of 3.02 years and 2.66 years and fair value factor of 0.9667 and 0.9479 at June 30, 2023 and 2022, respectively. Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The Association relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

The Association reported investments totaling \$11,546 and \$11,096 at June 30, 2023 and 2022, respectively, in

the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The Association's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAm by S&P's and had a weighted-average days to maturity (WAM) of 37 days and 28 days as of June 30, 2023 and 2022, 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 FloridaPRIME 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, 2023, 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 \$28,852,138 and \$11,069,465 as of June 30, 2023 and 2022, respectively, in bonds and notes held in separately managed investment accounts. The investment managers of these accounts use an investment philosophy that is based on a multifaceted, total return methodology which focuses on the four key components of fixed income portfolio construction: duration management, yield curve positioning, sector rotation, and security selection. The managers seek to add value and control risk in each component of the portfolio construction process to deliver superior risk-adjusted returns through all phases of the economic and interest rate cycles. The bonds and notes are priced on a frequent basis using valuation methodologies and techniques available through independent third parties. The Association’s bonds and notes are subject to credit and interest rate risk as outlined in the 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, 2023 and 2022 is categorized in the following schedule using S&P nationally recognized statistical ratings quality organizations:

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

|                             | Quality Rating | 2023 Fair Value      | 2022 Fair Value      |
|-----------------------------|----------------|----------------------|----------------------|
| Corporate Backed Obligation | S&P AAA        | \$ 9,282,259         | \$ 1,961,144         |
| Corporate Backed Obligation | Unrated        | 3,759,400            | 684,686              |
| Corporate Bonds             | S&P A          | 438,260              | -                    |
| Corporate Bonds             | S&P A          | 1,499,041            | 462,160              |
| Corporate Bonds             | S&P A+         | 907,475              | -                    |
| Corporate Bonds             | S&P BBB        | 2,322,648            | -                    |
| Corporate Bonds             | S&A BBB+       | 1,701,986            | 505,380              |
| Government Bonds            | S&P AA+        | 718,898              | 1,926,802            |
| Government Bonds            | Unrated        | -                    | 845,552              |
| Mortgage Backed Securities  | AA             | 8,530,649            | 3,390,929            |
| Mortgage Backed Securities  | AA             | 1,013,725            | -                    |
| Mortgage Backed Securities  | Unrated        | 1,013,725            | 1,448,409            |
| Private Placement           | S&P BBB        | 293,937              | -                    |
| <b>Subtotal</b>             |                | <b>28,885,522</b>    | <b>10,877,780</b>    |
| Bond Mutual Funds           | Unrated        | 6,218,878            | 12,278,919           |
| <b>Total</b>                |                | <b>\$ 35,104,400</b> | <b>\$ 23,156,699</b> |

**Interest Rate Risk**— For an investment, interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Association does not have a policy for interest rate risk associated with its investments. Interest rate risk associated with average duration for the Association’s bonds, notes and bond mutual funds as of June 30, 2023 and 2022 is as follows:

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

|                             | Average Duration        | 2023 Fair Value      | 2022 Fair Value      |
|-----------------------------|-------------------------|----------------------|----------------------|
| Corporate Backed Obligation | Less than one year      | \$ 13,041,659        | \$ 2,645,830         |
| Corporate Bonds             | Greater than five years | 164,298              | 725,825              |
| Corporate Bonds             | One to five years       | 110,026              | 241,735              |
| Corporate Bonds             | Less than one year      | 6,594,802            | -                    |
| Government Bonds            | Greater than five years | 718,898              | 2,241,288            |
| Government Bonds            | One to five years       | -                    | 230,766              |
| Mortgage Backed Securities  | Greater than five years | 829,936              | -                    |
| Mortgage Backed Securities  | One to five years       | 183,788              | 1,250,516            |
| Mortgage Backed Securities  | Less than one year      | 6,948,178            | 3,541,820            |
| Private Placement           | Less than one year      | 293,937              | -                    |
| <b>Subtotal</b>             |                         | <b>28,885,522</b>    | <b>10,877,780</b>    |
| Bond Mutual Funds           | Less than one year      | 6,218,878            | 12,278,919           |
| <b>Total</b>                |                         | <b>\$ 35,104,400</b> | <b>\$ 23,156,699</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, 2023 and 2022, less than five percent of the Association’s investments were held in the Florida Hedged Strategies

NOTES

Fund, LLC. Such concentrations are permitted by the Association's investment policy.

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

rating agencies. All are rated within the investment policy guidelines at June 30, 2023 and 2022.

**Foreign Currency Risk**—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Association's investment policy allows for foreign securities to be limited to 20% of a manager's portfolio. At June 30, 2023 and 2022, 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, 2022 are reported as follows:

**Table 6. Investments - December 31, 2022 (Note 3B)**

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

The fund's investments at December 31, 2021 are reported as follows:

**Table 7. Investments - December 31, 2021 (Note 3B)**

| Investments by fair value level              | Amount               | Fair Value Measurements Using                                  |   |   |
|--|----------------------|--|---|---|
|  |                      | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Interest bearing cash                        | \$ 534,951           | \$ 534,951   | \$ -  | \$ -                                      |
| U.S. Government securities                   | 3,506,320            | -  | 3,506,320                                     | -   |
| Preferred corporate bonds                    | 1,459,777            | -  | 1,459,777                                     | -   |
| Registered investment companies              | 42,121,062           | 42,121,062   | -   | -   |
| Common/collective trusts:                    |                      |  |   |   |
| Equity funds                                 | 5,785,363            | 5,785,363  | -   | -   |
| Limited partnership interest                 | 5,573,805            | 5,573,805  | -   | -   |
| <b>Total investments by fair value level</b> | <b>\$ 58,981,278</b> | <b>\$ 54,015,181</b>   | <b>\$ 4,966,097</b>                           | <b>\$ -</b>                               |
| <b>Investments measured at NAV</b>           |                      |  |   |   |
| Common/collective trusts:                    |                      |  |   |   |
| Fixed income funds                           | 6,228,052            |  |   |   |
| Limited partnership interests                | 7,057,940            |  |   |   |
| Total investments measured at NAV            | 13,285,992           |  |   |   |
| Total investments measured at fair value     | <b>\$ 72,267,270</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, 2022 and 2021.

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Pension Plan policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed five (5) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy (70) percent of the fund's total assets. The Pension Plan policy also does not allow for the aggregate investment in any one issuing company to exceed twelve and one-half (12.5) percent of the outstanding stock of that company. At December 31, 2022 and 2021, 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, 2022 and 2021, the investment portfolios met the foreign securities limitations.

#### (4) PENSION PLAN

In 1979, the Association established The University Athletic Association, Inc. Employees' Money Purchase Pension Plan and Trust, a defined contribution pension plan covering substantially all full-time employees. Total pension expense for the plan was \$2,704,722 and \$2,234,663, and pension plan forfeitures were \$900,000 and \$671,893 for the years ended June 30, 2023 and 2022, respectively. Contributions are made by the Association to the pension plan based on 10% of an eligible employee's earnings. The Internal Revenue Code Section 401(a)(17) set the annual compensation limit applicable to retirement plans at \$330,000 for 2023 and \$305,000 for 2022. During the years ended June 30, 2023 and 2022, total pension applicable payroll for employees covered under the plan was \$27,047,223 and \$23,132,872, which represented approximately 38% and 34% of total payroll for the years ended June 30, 2023 and 2022, respectively. Pension applicable payroll for the year ended June 30, 2022 includes October 1, 2021 - June 30, 2022 only, as the employer contribution was paused and resumed on October 1, 2021.

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

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

**Table 8. Capital and Right To Use Lease Assets - June 30, 2023** (Note 5)

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

Capital and right to use lease asset activity for the year ended June 30, 2022 was as follows:

**Table 9. Capital and Right To Use Lease Assets - June 30, 2022** (Note 5)

|   | Beginning Balance     | Additions            | Decreases             | Ending Balance        |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| Capital assets not being depreciated:                   |                       |                      |                       |                       |
| Land and land improvements                              | \$ 2,430,236          | \$ -                 | \$ -                  | \$ 2,430,236          |
| Construction in progress                                | 19,312,091            | 52,585,039           | (1,628,811)           | 70,268,319            |
| Total capital assets not being depreciated              | 21,742,327            | 52,585,039           | (1,628,811)           | 72,698,555            |
| Capital assets being depreciated:                       |                       |                      |                       |                       |
| Buildings and improvements                              | 6,641,755             | -                    | -                     | 6,641,755             |
| Furniture and equipment                                 | 26,322,085            | 2,029,354            | (111,107)             | 28,240,332            |
| Leasehold improvements                                  | 329,127,531           | 1,628,811            | -                     | 330,756,342           |
| Total capital assets being depreciated                  | 362,091,371           | 3,658,165            | (111,107)             | 365,638,429           |
| Less accumulated depreciation for:                      |                       |                      |                       |                       |
| Buildings and improvements                              | 4,895,662             | 133,003              | -                     | 5,028,665             |
| Furniture and equipment                                 | 16,194,281            | 1,542,523            | (111,107)             | 17,625,697            |
| Leasehold improvements                                  | 110,900,037           | 8,458,289            | -                     | 119,358,326           |
| Total accumulated depreciation                          | 131,989,980           | 10,133,815           | (111,107)             | 142,012,688           |
| Total capital assets being depreciated, net             | 230,101,391           | (6,475,650)          | -                     | 223,625,741           |
| Right to use lease assets being amortized:              |                       |                      |                       |                       |
| Leased equipment  | 826,440               | 102,966              | (10,126)              | 919,280               |
| Less accumulated amortization for:                      |                       |                      |                       |                       |
| Leased equipment  | 259,698               | 322,656              | (10,126)              | 572,228               |
| Total right to use lease assets being amortized, net    | 566,742               | (219,690)            | -                     | 347,052               |
| <b>Total capital and right to use lease assets, net</b> | <b>\$ 252,410,460</b> | <b>\$ 45,889,699</b> | <b>\$ (1,628,811)</b> | <b>\$ 296,671,348</b> |

Depreciation and amortization expense were \$12,625,166 and \$10,456,471 for the years ended June 30, 2023 and 2022, respectively.

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

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

**Table 10. Long-term Obligations - June 30, 2023 (Note 6)**

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

The change in long-term obligations for the year ended June 30, 2022 was as follows:

**Table 11. Long-term Obligations - June 30, 2022 (Note 6)**

| Type of Long-term Liabilities      | Beginning Balance     | Additions            | Reductions             | Ending Balance        | Amounts Due Within One Year |
|------------------------------------|-----------------------|----------------------|------------------------|-----------------------|-----------------------------|
| Contracts payable                  | \$ 823,526            | \$ 12,091,323        | \$ (3,960,254)         | \$ 8,954,595          | \$ 3,136,727                |
| Accrued compensated absences       | 1,917,553             | 337,697              | (245,099)              | 2,010,151             | 578,000                     |
| Unearned revenues                  | 35,333,224            | 30,252,075           | (32,793,224)           | 32,792,075            | 30,252,075                  |
| Long-term debt                     | 164,260,000           | -                    | (6,775,000)            | 157,485,000           | 7,365,000                   |
| Long-term lease payable            | 512,327               | 92,965               | (343,389)              | 261,903               | 195,614                     |
| <b>Total long-term liabilities</b> | <b>\$ 202,846,630</b> | <b>\$ 42,774,060</b> | <b>\$ (44,116,966)</b> | <b>\$ 201,503,724</b> | <b>\$ 41,527,416</b>        |



### A. Long-term Debt:

At June 30, 2023 and 2022, the Association's Bonds outstanding bear interest based upon the following schedule:

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

| Series | June 30, 2023         |                     |               | June 30, 2022         |                     |               |
|--------|-----------------------|---------------------|---------------|-----------------------|---------------------|---------------|
|        | 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  | 7,130,000             | 11/27/13 - 10/01/24 | 1.78%         | 10,480,000            | 11/27/13 - 10/01/24 | 1.78%         |
| 2007   | 2,500,000             | 10/01/16 - 10/01/26 | 2.08%         | 3,000,000             | 10/01/16 - 10/01/26 | 2.08%         |
| 2011   | 6,750,000             | 10/01/16 - 10/01/26 | 2.08%         | 7,500,000             | 10/01/16 - 10/01/26 | 2.08%         |
| 2015   | 9,750,000             | 10/01/20 - 10/01/30 | 1.94%         | 10,500,000            | 10/01/20 - 10/01/30 | 1.94%         |
| 2018   | 44,585,000            | 7/24/18 - 10/01/38  | 3.43%         | 46,010,000            | 7/24/18 - 10/01/38  | 3.43%         |
| 2021   | 49,220,000            | 03/19/21 - 10/01/41 | 1.97%         | 49,810,000            | 03/19/21 - 10/01/41 | 1.97%         |
|        | <b>\$ 150,120,000</b> |                     |               | <b>\$ 157,485,000</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, 2023 were as follows:

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

| Year Ended<br>June 30, | Principal             | Interest             | Total Principal<br>and Interest |
|------------------------|-----------------------|----------------------|---------------------------------|
| 2024                   | \$ 7,530,000          | \$ 4,198,787         | \$ 11,728,787                   |
| 2025                   | 7,695,000             | 4,154,856            | 11,849,856                      |
| 2026                   | 7,870,000             | 3,898,883            | 11,768,883                      |
| 2027                   | 8,070,000             | 3,699,826            | 11,769,826                      |
| 2028                   | 8,280,000             | 3,401,833            | 11,681,833                      |
| 2029-2033              | 39,190,000            | 12,248,074           | 51,438,074                      |
| 2034-2038              | 20,970,000            | 7,571,003            | 28,541,003                      |
| 2039-2043              | 24,320,000            | 6,300,486            | 30,620,486                      |
| 2044-2048              | 16,890,000            | 3,998,375            | 20,888,375                      |
| 2049-2051              | 9,305,000             | 587,813              | 9,892,813                       |
|                        | <b>\$ 150,120,000</b> | <b>\$ 50,059,936</b> | <b>\$ 200,179,936</b>           |

The Association is subject to certain general and financial covenants related to the Bond agreements (the Agreements). The first financial covenant requires the Association to maintain a Net Revenues to Principal and Interest Requirements due on the bonds, as defined in the Agreements, of greater than 1.10:1.00, tested annually at the end of each fiscal year. The Association's ratio of net revenues to required principal and interest was 0.59 and 0.64 in 2023 and 2022, respectively. Each of the banks included in the Agreements waived the requirement for the Association to comply with the financial covenant for the fiscal years ended June 30, 2023 and 2022, 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 years ended June 30, 2023 and 2022. 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, 2023, the required amount of liquidity was \$37,530,000 and the actual amount was \$118,770,855. At June 30, 2022, the required amount of liquidity was \$39,371,250 and the actual amount was \$138,687,782.

### B. Unearned Revenues:

Changes in current unearned revenues for June 30, 2023 and 2022 are as follows:

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

|   | 2023                 | 2022                 |
|---|----------------------|----------------------|
| Balance, beginning of year                | \$ 30,252,075        | \$ 31,523,224        |
| Additions:                                |                      |                      |
| Advance ticket sales and related handling | 27,028,855           | 27,314,863           |
| Unearned camp fees                        | 2,002,738            | 1,653,063            |
| Unearned other income                     | 188,038              | 1,284,149            |
| Total additions                           | 29,219,631           | 30,252,075           |
| Deductions:                               |                      |                      |
| Earned ticket sales and related handling  | (27,314,863)         | (29,655,865)         |
| Earned camp fees                          | (1,653,063)          | (531,073)            |
| Earned other income                       | (1,700)              | (1,336,286)          |
| Total deductions                          | (28,969,626)         | (31,523,224)         |
| <b>Balance, end of year</b>               | <b>\$ 30,502,080</b> | <b>\$ 30,252,075</b> |

Changes in long-term unearned revenues for June 30, 2023 and 2022 are as follows:

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

|                                   | 2023                | 2022                |
|-----------------------------------|---------------------|---------------------|
| Balance, beginning of year        | \$ 2,540,000        | \$ 3,810,000        |
| Additions:                        |                     |                     |
| Unearned royalties                | -                   | -                   |
| Total additions                   | -                   | -                   |
| Deductions:                       |                     |                     |
| Royalties reclassified to current | (1,270,000)         | (1,270,000)         |
| Total deductions                  | (1,270,000)         | (1,270,000)         |
| <b>Balance, end of year</b>       | <b>\$ 1,270,000</b> | <b>\$ 2,540,000</b> |

### C. Long-term Lease Payable:

As of June 30, 2023, and 2022, the Association had assets recorded under leases (see Note 5) discounted at an implicit rate of 1.1%. Future maturities of lease payments as of June 30, 2023 are as follows:

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

| Year Ended<br>June 30, | Principal         | Interest         | Total Principal<br>and Interest |
|------------------------|-------------------|------------------|---------------------------------|
| 2024                   | \$ 144,199        | \$ 5,130         | \$ 149,329                      |
| 2025                   | 117,827           | 3,252            | 121,079                         |
| 2026                   | 88,490            | 973              | 89,463                          |
| 2027                   | 31,398            | 623              | 32,021                          |
| 2028                   | 2,862             | 44               | 2,906                           |
|                        | <b>\$ 384,776</b> | <b>\$ 10,022</b> | <b>\$ 394,798</b>               |

2017 and 2016, respectively.

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

Gator Boosters, Inc. (Gator Boosters) receives contributions from the public and remits the majority of these funds (less their operating expenses) to the Association. Contributions of \$49,196,656 and \$58,542,640 were recognized from Gator Boosters, for the years ended June 30, 2023 and 2022, respectively, and have been included in the accompanying Statements of Revenues, Expenses and Changes in Net Position. Additionally, the Association provides accounting and other support services to Gator Boosters. The Association recognized contract revenue in the amount of \$190,000 for the years ended June 30, 2023 and 2022.

Contributions and operating expenses are paid to the University throughout the year. Included in accounts payable at June 30, 2023 and 2022 is \$7,602,143 and \$13,131,551, 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, 2023 and 2022, profits from the sale of these bricks totaling \$0 and \$2,166, respectively, were contributed to the University of Florida Foundation, Inc. and included in the athletic scholarship endowment.



**(8) COMMITMENTS:**

The Association has entered into employment contracts with certain employees expiring in years through 2032 that provide for a minimum annual salary. At June 30, 2023, the total commitment for all contracts for each of the next five years and thereafter in the aggregate is as follows:

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

| Year Ending June 30, | Amount                |
|----------------------|-----------------------|
| 2024                 | \$ 33,245,011         |
| 2025                 | 24,864,305            |
| 2026                 | 20,486,705            |
| 2027                 | 18,353,548            |
| 2028                 | 16,096,127            |
| Thereafter           | 11,348,635            |
|                      | <b>\$ 124,394,331</b> |

At June 30, 2023, the Association has commitments to provide funding for additional capital improvement projects of approximately \$6,000,000.

**(9) INCOME TAXES:**

The Association did not incur any income tax expense for the years ended June 30, 2023 and 2022. The Association did however, pay an excise tax of \$4,351,770 and \$1,714,325 on highly compensated employees for calendar years 2022 and 2021.

**(10) RISK MANAGEMENT:**

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

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

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





*Gators*

# INTEGRITY



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

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



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

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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate remaining fund information of The University Athletic Association, Inc. (the Association) as of and for the year ended June 30, 2023, 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 21, 2023.

***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.

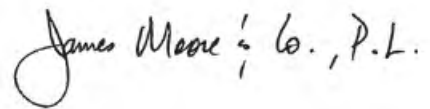
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### ***Report on 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 initial 'J'.

Gainesville, Florida  
September 21, 2023



*Gators*

# CELEBRATE



Only Florida has ranked among **top 10 in national all-sports** standings in each of the last 39 seasons.



## UNIVERSITY ATHLETIC ASSOCIATION, INC.

### *Fiscal Year 2022-2023 Board of Directors*

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University President and  
Chairman of the Board

**Scott Stricklin**

Athletics Director and  
Chief Executive Officer

**Chris Corr**

Board President

**Joelen K. Merkel**

Audit Committee Chair

**Doug Davidson**

Finance Committee Chair, Pension &  
Investment Committee Chair

**Dr. Andrew McCollough**

Intercollegiate Athletic  
Committee Chair

**Dr. Joseph Glover**

University Provost and Senior Vice  
President for Academic Affairs

**Dr. Charles E. Lane**

University Senior Vice President and  
Chief Operating Officer

**Chris Cowan**

University Senior Vice President and  
Chief Financial Officer

**Lynda Tealer**

Executive Associate  
Athletics Director

**Bill Heavener**

Board of Trustees Representative

**Robert Buckner**

Gator Boosters President

**Lou Oberndorf**

Past Gator Boosters President

**Dr. Chris Janelle**

Faculty Athletic Representative

**Dr. Doug DeMichele**

Faculty Representative

**Lauren Lemasters**

Student Body President

**Kinsey Goelz**

Student-Athlete Representative

**Brian Levine**

Alumni Representative

**Kim Barton**

Board Member

**Brian Beach**

Board Member

**Alvin Cowans**

Board Member

**Katrina Rolle**

Board Member

**Curtis Taylor**

Board Member

### *Principal Accounting Officials*

**Melissa Stuckey**

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

**Raquhel Alexander**

Senior Director, Athletics Business & Finance  
raquhela@gators.ufl.edu





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