

GATOR BOOSTERS, INC.
FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

GATOR BOOSTERS, INC.
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JUNE 30, 2012 AND 2011

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JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Gator Boosters, Inc.:

We have audited the accompanying financial statements of Gator Boosters, Inc. (Gator Boosters), a direct support organization and component unit (for accounting purposes only) of the University of Florida, as of and for the years ended June 30, 2012 and 2011 which collectively comprise Gator Boosters' basic financial statements as listed in the table of contents. These financial statements are the responsibility of Gator Boosters' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

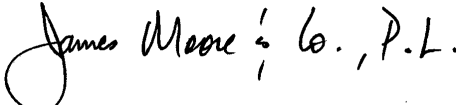
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gator Boosters, Inc. as of June 30, 2012 and 2011, and the respective changes in financial position, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2012, on our consideration of Gator Boosters, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have

applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise Gator Boosters, Inc.'s financial statements as a whole. The accompanying additional information (included on pages 24 through 29) is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying additional information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Gainesville, Florida
September 11, 2012

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012 AND 2011

Introduction

Gator Boosters, Inc. (Gator Boosters), a not-for-profit corporation, is a Direct Support Organization of the University of Florida (the University). The mission of Gator Boosters is to strengthen the University's athletic program by encouraging private giving and volunteer leadership from Gators everywhere. Gator Boosters is the University's athletic fund-raising arm. Its goals are to fully fund the scholarship needs for the University's student-athletes and provide them with the resources necessary to compete at the highest level in athletics and academics. The success of Gator Boosters fund-raising efforts is a testament to the accomplishments of our athletes, the generosity of our membership and the hard work of our fundraisers and support staff.

Overview of the Financial Statements

This report is provided for your convenience and understanding of Gator Boosters financial condition and operating activities as of and for the fiscal years ended June 30, 2012 and 2011. This discussion and analysis is a narrative explanation of Gator Boosters' financial condition and operating activities for these years. The overview presented below highlights the significant financial activities that occurred during the past two years and describes changes in financial activity from the prior year. Please read this overview in conjunction with the comparative summaries of net assets and revenues, expenses and changes in net assets and Gator Boosters' financial statements, which begin on Page 11.

Using These Financial Statements

This report consists of a series of financial statements, prepared in accordance with 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 Assets, the Statements of Revenues, Expenses and Changes in Net Assets and the Statements of Cash Flows. The Statements of Net Assets and the Statements of Revenues, Expenses, and Changes in Net Assets help to answer the question of whether Gator Boosters is better or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Summary of Net Assets

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

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012 AND 2011
(Continued)

From the data presented, readers of the Statements of Net Assets are able to determine the assets available to continue the operations of Gator Boosters. They are able to determine how much Gator Boosters owes vendors and other entities. Finally, the Statements of Net Assets provide a picture of the net assets and availability for expenditure by Gator Boosters.

Net assets are divided into three major categories. The first category is "unrestricted" net assets. Unrestricted net assets are available to Gator Boosters for any legal purpose. The next net asset category, "invested in capital assets", presents Gator Boosters' equity in property and equipment. The final category is "restricted" net assets for permanent endowments. Gator Boosters' restricted net assets include funds held and invested by the University of Florida Foundation, Inc. (the Foundation) and other assets restricted by contributors as to their use.

Condensed Summary of Net Assets

			2011-2012				2010-2011	
	2012	2011	Increase (decrease)	Percent change	2010	Increase (decrease)	Percent change	
Assets:								
Current assets	\$ 3,569,209	\$ 4,810,011	\$ (1,240,802)	(25.80)%	\$ 3,671,275	\$ 1,138,736	31.02%	
Capital assets, net	19,082	18,195	887	4.87%	23,409	(5,214)	(22.27)%	
Funds held and invested by the Foundation	1,638,970	1,733,535	(94,565)	(5.46)%	1,699,895	33,640	1.98%	
Cash surrender value of life insurance	414,249	409,338	4,911	1.20%	459,339	(50,001)	(10.89)%	
Total assets	5,641,510	6,971,079	(1,329,569)	(19.07)%	5,853,918	1,117,161	19.08%	
Liabilities	4,674,027	6,008,507	(1,334,480)	(22.21)%	4,841,345	1,167,162	24.11%	
Net Assets:								
Unrestricted	534,152	535,039	(887)	(0.17)%	529,825	5,214	0.98%	
Invested in capital assets	19,082	18,195	887	4.87%	23,409	(5,214)	(22.27)%	
Restricted for permanent endowments-nonexpendable	414,249	409,338	4,911	1.20%	459,339	(50,001)	(10.89)%	
	\$ 967,483	\$ 962,572	\$ 4,911	0.51%	\$ 1,012,573	\$ (50,001)	(4.94)%	

Highlights

- Gator Boosters transfers its operating income in the form of contributions to the University Athletic Association, Inc. (the Athletic Association) for scholarships and capital improvements and contributions to an endowment fund held at the Foundation for athletic scholarships. As a result, net assets remain relatively unchanged from year to year and this year Gator Boosters had no exceptions as did the prior year.
- In 2012, current assets decreased by \$1.2 million, as opposed to in 2011, whereby current assets increased by \$1.1 million. This change is due to the timing of payments made to the Athletic Association primarily through the liquidation of short term investments.

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012 AND 2011
(Continued)

Summary of Revenues, Expenses, and Changes in Net Assets

The Statements of Revenues, Expenses and Changes in Net Assets present the revenues and expenses incurred during each year. Revenues and expenses are reported as operating and nonoperating. Operating revenue consists of contributions from a 14,000 plus-person membership and major gifts. Operating expenses are related to the necessary administrative and personnel needs to manage and promote the membership program.

Nonoperating revenues are revenues received for which goods or services are not provided. Investment income generated on the endowment funds held at the Foundation and on Gator Booster operating funds are classified as nonoperating revenues.

Nonoperating expenses are investment and gift fees related to the management of the endowment funds, and the transfers of contributions to the Athletic Association and the Foundation.

Condensed Summary of Revenues, Expenses and Changes in Net Assets

			2011-2012				2010-2011	
	2012	2011	Increase (decrease)	Percent change	2010	Increase (decrease)	Percent change	
Operating revenues:								
Football-related contributions	\$ 32,210,841	\$ 34,147,895	\$ (1,937,054)	(5.67)%	\$ 35,332,897	\$ (1,185,002)	(3.35)%	
Basketball-related contributions	2,231,797	1,860,368	371,429	19.97%	2,110,645	(250,277)	(11.86)%	
Capital improvement contributions	7,985,141	2,650,203	5,334,938	201.30%	3,710,607	(1,060,404)	(28.58)%	
Special events and other	153,650	122,993	30,657	24.93%	104,851	18,142	17.30%	
Total operating revenues	42,581,429	38,781,459	3,799,970	9.80%	41,259,000	(2,477,541)	(6.00)%	
Nonoperating revenues:								
Allocation of earnings from endowments at the Foundation	1,545,958	1,260,347	285,611	22.66%	1,170,313	90,034	7.69%	
Investment income (loss)	49,821	91,582	(41,761)	(45.60)%	(25,377)	116,959	(460.89)%	
Total nonoperating revenues	1,595,779	1,351,929	243,850	18.04%	1,144,936	206,993	18.08%	
Total revenues	44,177,208	40,133,388	4,043,820	10.08%	42,403,936	(2,270,548)	(5.35)%	
Operating expenses	2,501,641	2,623,905	(122,264)	(4.66)%	2,610,004	13,901	0.53%	
Nonoperating expenses:								
Contributions to the Athletic Association	41,468,368	37,393,038	4,075,330	10.90%	39,526,533	(2,133,495)	(5.40)%	
Contributions to the Foundation	52,031	118,309	(66,278)	(56.02)%	188,484	(70,175)	(37.23)%	
Gift fees	159,981	58,491	101,490	173.51%	112,924	(54,433)	(48.20)%	
Total nonoperating expenses	41,680,380	37,569,838	4,110,542	10.94%	39,827,941	(2,258,103)	(5.67)%	
Total expenses	44,182,021	40,193,743	3,988,278	9.92%	42,437,945	(2,244,202)	(5.29)%	
Contributions from donors for permanent endowment	9,724	10,354	(630)	(6.08)%	14,330	(3,976)	(27.75)%	
Increase (decrease) in net assets	4,911	(50,001)	54,912	(109.82)%	(19,679)	(30,322)	154.08%	
Net assets, end of year	\$ 967,483	\$ 962,572	\$ 4,911	0.51%	\$ 1,032,252	\$ (69,680)	(6.75)%	

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012 AND 2011
(Continued)

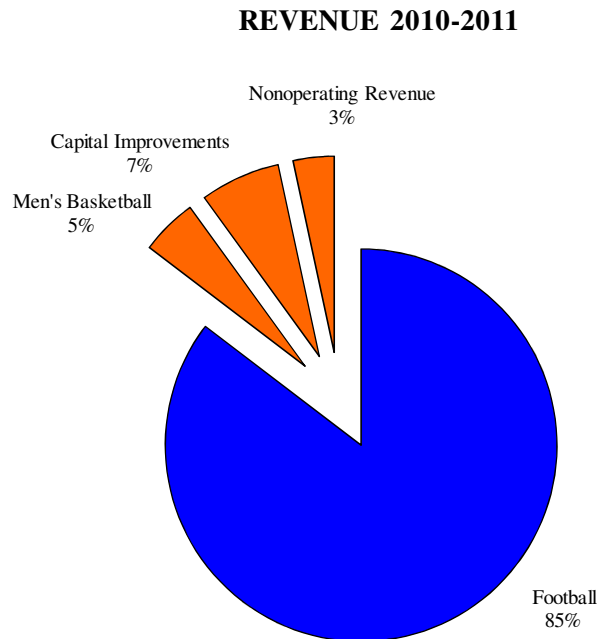
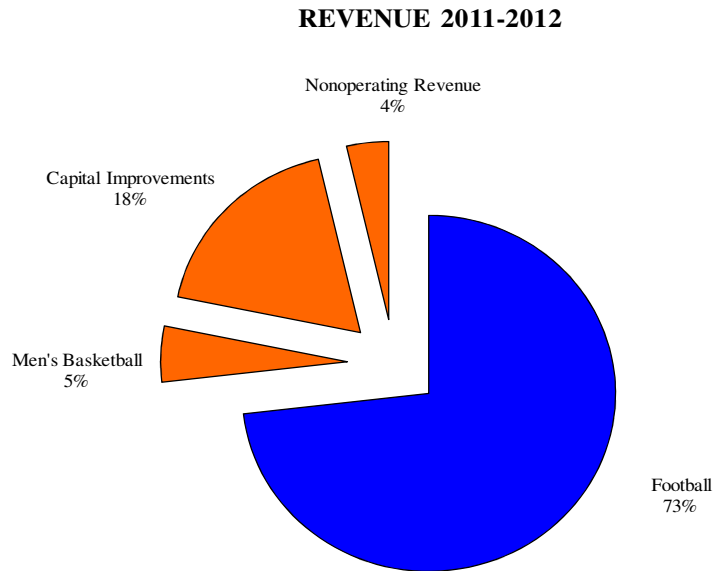
Highlights

- In 2012, football related contributions decreased by \$1.9 million and in 2011 by \$1.2 million. The decreases were due to booster attrition in the top donor club levels. In 2012, we sold more season tickets than in 2011 but boosters made contributions at lower club level amounts. The uncertainty of the economy has played a major role in our fans ability to have discretionary income.
- Basketball related contributions for the 2012 season increased by \$0.4 million due to higher season ticket sales because of the 2011 NCAA tournament appearance. In 2011, there was a decrease of \$0.2 million due to lower season ticket sales.
- Capital improvement contributions are major gifts designated by the donors for facility construction and renovation. These contributions increased by \$5.3 million due to additional gifts received for new projects. The gifts received were paid in full, rather than by pledge payments over a scheduled period of time. In 2011, capital improvement contributions decreased \$1 million. Due to poor economic conditions, gift agreement payment schedules were amended for pledged major gifts on the football front door and basketball practice facility projects.
- Earnings from endowments at the Foundation increased \$0.2 million in 2012 and in 2011 due to investment performance fluctuations and increased endowment contributions related to the "Drive for 500" campaign.
- In 2012, investment income decreased due to a real estate write-down offsetting interest earned in a Special Purpose Investment Account. In 2011, investment income increased because of interest income earned in the Special Purpose Investment Account.
- Contributions to the Athletic Association increased in 2012 by \$4.0 million due to increased contributions received for basketball related and capital contributions. In 2011, a decrease of \$2.1 million was due to a decrease in football related, basketball related and capital contributions received for the year.
- Gift fees paid to the Foundation fluctuate based on capital contributions received on a year to year basis.

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012 AND 2011
(Continued)

Highlights (Continued)

A graphical representation of the composition of our revenues for the years ended June 30, 2012, and 2011, follows:

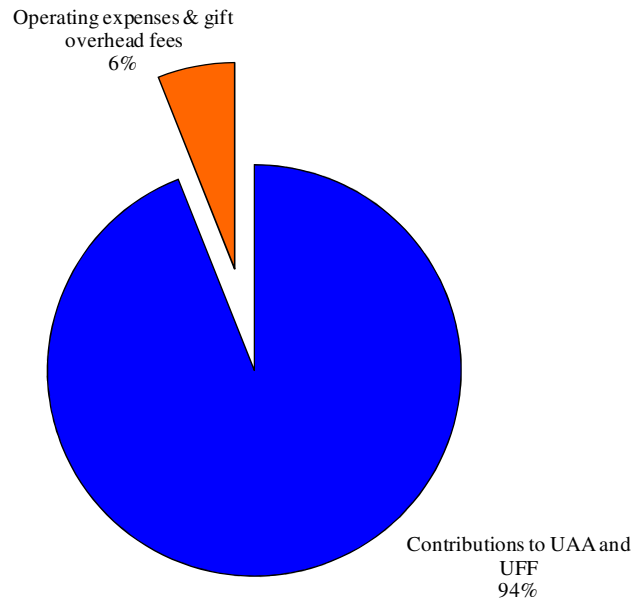


GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012 AND 2011
(Continued)

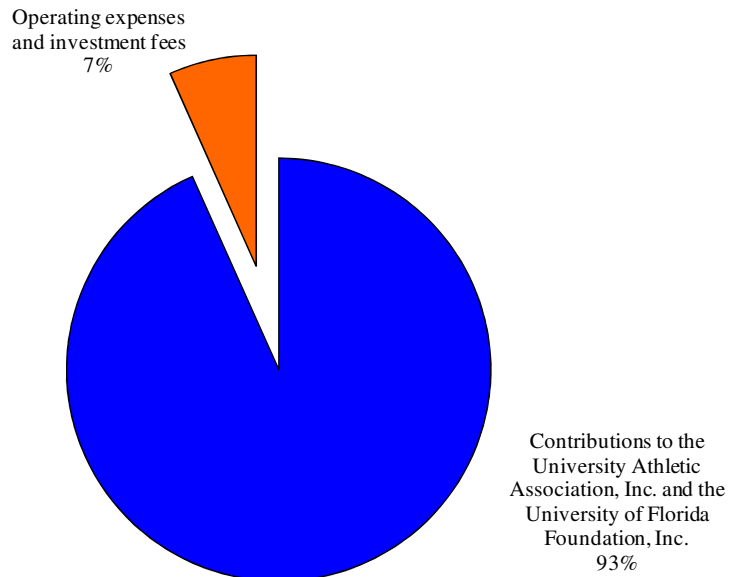
Highlights (Continued)

A graphical representation of the composition of our expenses for the years ended June 30, 2012 and 2011, follows:

EXPENSES AND CONTRIBUTIONS 2011-2012



EXPENSES AND CONTRIBUTIONS 2010-2011



GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012 AND 2011
(Continued)

Summary of the Statements of Cash Flows

The final statements presented include the Statements of Cash Flows. The primary purpose of the Statements of Cash Flows is to provide detailed information about the cash receipts and cash payments of Gator Boosters 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 Gator Boosters' operating income. The second section, cash flows from noncapital financing activities, shows the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes and includes contributions to the Athletic Association and Foundation. The next section, cash flows from capital and related financing activities, provides information about cash used for the acquisition of capital assets and related items. The fourth section, cash flows from investing activities, details the proceeds and income received from investing activities. The final section reconciles the net cash provided (used) by operating activities to the operating income reflected on the Statements of Revenues, Expenses and Changes in Net Assets.

Condensed Summary of Cash Flows

			<u>2011-2012</u>				<u>2010-2011</u>	
	<u>2012</u>	<u>2011</u>	<u>Increase (decrease)</u>	<u>Percent change</u>	<u>2010</u>	<u>Increase (decrease)</u>	<u>Percent change</u>	
Cash flows from:								
Operating activities	\$ 40,118,402	\$ 35,926,935	\$ 4,191,467	11.67%	\$ 37,580,931	\$ (1,653,996)	(4.40)%	
Noncapital financing activities	(42,653,383)	(36,372,947)	(6,280,436)	(17.27)%	(38,423,678)	2,050,731	5.34%	
Capital and related financing activities	(9,402)	(3,825)	(5,577)	(100.00)%	-	(3,825)	(100.00)%	
Investing activities	2,518,013	(296,510)	2,814,523	949.22%	782,281	(1,078,791)	(137.90)%	
Net change in cash and cash equivalents	<u>(26,370)</u>	<u>(746,347)</u>	<u>719,977</u>	<u>96.47%</u>	<u>(60,466)</u>	<u>(685,881)</u>	<u>(1,134.33)%</u>	
Cash and cash equivalents, end of year	<u>\$ 1,128,662</u>	<u>\$ 1,155,032</u>	<u>\$ (26,370)</u>	<u>(2.28)%</u>	<u>\$ 1,901,379</u>	<u>\$ (746,347)</u>	<u>(39.25)%</u>	

Highlights

- In 2012, cash provided by operating activities increased by \$4.2 million due to contribution increases for capital projects and basketball related giving. In 2011, cash provided by operating activities decreased by \$1.6 million due to football and basketball contribution decreases. The economy is the primary factor for a reduction in contributions.
- Cash used for noncapital financing activities increased by \$6.3 million in 2012, whereas a decrease of \$2 million took place in 2011 due to fluctuations in the contributions to the Athletic Association and UF Foundation.
- Cash provided by investing activities increased \$2.8 million in 2012 due to more proceeds from the sale and maturities of investment securities and investments held at the Foundation. In 2011, there was decrease of \$1.0 million due to a decline in proceeds from the sale and maturities of investment securities.

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012 AND 2011
(Continued)

Next Year

A scheduled contribution increase for football club levels should result in increased football related contributions. The scheduled increase could be postponed based on the continued uncertainty of the economy. Endowment growth will continue to be the primary focus of Gator Boosters in 2012. Capital improvement contributions are not expected to be as large as in the 2012 year, but we do anticipate recovering missed payments on various capital gifts due to economic hardships from the 2010-2011 fiscal year.

We anticipate no significant increases in operating expenses and will continue to work hard to trim expenses where possible.

Contacting Management

This financial narrative is designed to provide the reader with a general overview of Gator Boosters' finances and to show Gator Boosters' accountability for the contributions it receives. If you have questions about this report or need additional financial information, contact the Gator Booster Office at Ben Hill Griffin Stadium, Gainesville, Florida:

Gator Boosters, Inc.
P.O. Box 13796
Gainesville, FL 32604
(352) 375-4683

**GATOR BOOSTERS, INC.
STATEMENTS OF NET ASSETS
JUNE 30, 2012 AND 2011**

ASSETS

	2012	2011
Current assets		
Cash and cash equivalents	\$ 1,128,662	\$ 1,155,032
Short-term investments	729,381	2,038,606
Accounts receivable	1,669,357	1,595,393
Inventory	-	4,622
Prepaid expenses	41,809	16,358
Total current assets	3,569,209	4,810,011
Noncurrent assets		
Capital assets, net	19,082	18,195
Cash surrender value of life insurance, restricted	414,249	409,338
Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc.:		
Unrestricted	1,638,970	1,733,535
Total noncurrent assets	2,072,301	2,161,068
Total assets	5,641,510	6,971,079

LIABILITIES

Current liabilities		
Accounts payable and accrued expenses	4,432,803	5,751,365
Accrued compensated absences - current portion	49,145	10,000
Deferred revenue	82,330	39,000
Total current liabilities	4,564,278	5,800,365
Noncurrent liabilities		
Accrued compensated absences, less current portion	109,749	208,142
Total liabilities	4,674,027	6,008,507

NET ASSETS

Invested in capital assets	19,082	18,195
Restricted for permanent endowments - nonexpendable	414,249	409,338
Unrestricted	534,152	535,039
Total net assets	\$ 967,483	\$ 962,572

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

GATOR BOOSTERS, INC.
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating revenues		
Football-related contributions	\$ 32,210,841	\$ 34,147,895
Basketball-related contributions	2,231,797	1,860,368
Capital improvement contributions	7,985,141	2,650,203
Special events	132,785	70,039
Other contributions	20,865	52,954
Total operating revenues	<u>42,581,429</u>	<u>38,781,459</u>
Operating expenses		
Salaries and benefits	1,100,975	1,161,504
Publication expenses	31,305	32,468
Promotion	799,163	885,761
Meeting and travel	101,084	81,677
General and administrative	436,793	407,985
Special events	32,321	54,510
Total operating expenses	<u>2,501,641</u>	<u>2,623,905</u>
Operating income	<u>40,079,788</u>	<u>36,157,554</u>
Nonoperating revenues (expenses)		
Contributions to the University Athletic Association, Inc.	(41,468,368)	(37,393,038)
Contributions to the University of Florida Foundation, Inc.	(52,031)	(118,309)
Allocation of earnings from endowments at the University of Florida Foundation, Inc.	1,545,958	1,260,347
Investment income	49,821	91,582
Gift and overhead fees	(159,981)	(58,491)
Net nonoperating revenues (expenses)	<u>(40,084,601)</u>	<u>(36,217,909)</u>
Loss before contributions for permanent endowments	<u>(4,813)</u>	<u>(60,355)</u>
Contributions from donors for permanent endowments	9,724	10,354
Increase (decrease) in net assets	<u>4,911</u>	<u>(50,001)</u>
Net assets, beginning of year	962,572	1,012,573
Net assets, end of year	<u>\$ 967,483</u>	<u>\$ 962,572</u>

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

GATOR BOOSTERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Cash flows from operating activities		
Receipts from contributors and others	\$ 42,644,736	\$ 38,806,027
Payments to employees for services	(1,157,052)	(1,173,983)
Payments to suppliers	(1,369,282)	(1,705,109)
Net cash provided by operating activities	40,118,402	35,926,935
Cash flows from noncapital financing activities		
Receipts from contributors for permanent endowments	9,724	10,354
Contributions to the University of Florida Foundation, Inc.	(52,031)	(118,309)
Contributions to the University Athletic Association, Inc.	(42,611,076)	(36,264,992)
Net cash used in noncapital financing activities	(42,653,383)	(36,372,947)
Cash flows from capital and related financing activities		
Purchases of capital assets	(9,402)	(3,825)
Cash flows from investing activities		
Redemption of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc.	8,261,395	2,808,914
Investment of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc.	(8,166,830)	(2,842,554)
Gift and overhead fees	(159,980)	(58,491)
Premiums paid on life insurance policies	(9,724)	(10,354)
Proceeds from life insurance policies	6,372	65,094
Allocation of earnings from endowments at the University of Florida Foundation, Inc.	1,229,293	1,171,675
Purchases of investment securities	(20,026,171)	(13,345,615)
Proceeds from sale and maturities of investment securities	21,335,396	11,827,978
Investment income	48,262	86,843
Net cash provided by (used in) investing activities	2,518,013	(296,510)
Decrease in cash and cash equivalents	(26,370)	(746,347)
Cash and cash equivalents, beginning of year	1,155,032	1,901,379
Cash and cash equivalents, end of year	\$ 1,128,662	\$ 1,155,032
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 40,079,788	\$ 36,157,554
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,515	9,039
Changes in assets and liabilities:		
Accounts receivable	19,978	(14,432)
Inventory	4,622	6,078
Prepaid expenses	(25,451)	(3,313)
Accounts payable and accrued expenses	46,868	(279,389)
Accrued compensated absences	(59,248)	12,398
Deferred revenue	43,330	39,000
Net cash provided by operating activities	\$ 40,118,402	\$ 35,926,935

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

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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

The following is a summary of the more significant accounting policies of Gator Boosters, Inc. (Gator Boosters), which affect significant elements of the accompanying basic financial statements:

(a) **Reporting entity**—Gator Boosters is a not-for-profit organization established solely to solicit funds for the benefit of the University of Florida (the University) athletic programs. The accompanying financial statements are intended to present the results of these fund raising efforts and the resources available to support the University's athletic programs. Gator Boosters is a direct support organization and component unit (for accounting purposes only) of the University.

(b) **Measurement focus, basis of accounting, and financial statement presentation**—The financial statements of Gator Boosters have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

Gator Boosters follows all pronouncements of the Governmental Accounting Standards Board (GASB), and has elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

Gator Boosters distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses for Gator Boosters are those that result from the solicitation of funds for the benefit of the University athletic programs. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. As required by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, contributions to permanent endowments are not considered operating revenues and are reported after nonoperating revenues and expenses in the accompanying statements of revenues, expenses, and changes in net assets.

(c) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include only highly liquid investments with original maturities of three months or less.

(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 realized losses on balances outstanding at year-end will be immaterial. Gator Boosters has no policy requiring collateral or other security to support its accounts receivable.

(e) **Inventory**—Inventory consists of items held for sale to F Club members. Inventory items are recorded at the lower of cost or market using the first-in, first-out (FIFO) method.

(f) **Capital assets**—Capital assets purchased or acquired with an original cost of \$700 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets, which is considered to be five years for all assets owned by Gator Boosters at June 30, 2012 and 2011.

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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

(g) **Restricted assets**—Restricted assets include funds held and invested by the University of Florida Foundation, Inc. (the Foundation) and other assets that are restricted by contributors as to their use. All restricted assets at June 30, 2012 and 2011, are related to permanent endowments.

(h) **Accrued compensated absences**—Eligible employees are entitled to vacation and sick leave with pay. Employees are not limited in the amount of annual and sick leave accrued during the fiscal year. For annual leave, however, only a maximum of 352 hours can be carried forward from one fiscal year to the next and only a maximum of 200 hours can be paid upon termination provided the employee has completed six months of continuous service. As of June 30, 2011, employees could be paid a maximum of 352 hours upon termination. Any amounts accrued over the maximums convert to sick leave at the end of the year on an hour for hour basis. As of June 30, 2011, employees hired prior to April 1, 2010, were eligible to receive payment for the lesser of 480 hours or 1/4 of the employee's sick leave balances upon termination for those employees who had completed ten years of creditable service. Effective January 2012, the sick leave payout for employees was eliminated except for employees separating employment for retirement reasons. Eligible employees must retire on or before June 30, 2016, and either be at least age 62 and have completed at least ten years of creditable service or have completed 30 years of creditable service. If these requirements are met, retirees will be paid out 1/4 of their sick leave balance up to a maximum of 480 hours. Vacation pay is expensed when earned by the employee up to the maximum payout. Sick leave payments are expensed when earned up to the maximum payout only for eligible employees. The effect of these changes in the Gator Boosters' compensated absence policies was a reduction in the accrued compensated absence liability of approximately \$50,000.

(i) **Net assets**— Net assets are classified and displayed in three components:

- Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets.
- Restricted – consists of assets that have constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.
- Unrestricted – consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted net assets are available for use, it is Gator Boosters' policy to use restricted resources first, then unrestricted resources as they are needed.

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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

(j) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(k) **Income taxes**—Gator Boosters is generally exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Gator Boosters has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of Gator Boosters.

Gator Boosters files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which Gator Boosters is subject include fiscal years ended June 30, 2009 through June 30, 2012.

(l) **New accounting pronouncements**—In December 2010, the Government Accounting Standards Board (GASB) issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective for periods beginning after December 15, 2011. Statement 62 will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. In addition, all FASB and AICPA pronouncements became nonauthoritative literature for the private sector on July 1, 2009, the effective date of the FASB Accounting Standards Codification. Although certain FASB and AICPA pronouncements are still available in the archive section of the FASB's Codification on a limited basis, this Statement will make accessible in the GASB's authoritative literature all applicable accounting and financial reporting guidance previously residing only in the FASB and AICPA pronouncements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for periods beginning after December 15, 2011. Statement 63 improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. Gator Boosters is currently evaluating the effect this Statement will have on its financial statements.

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, Statement 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, Statement 65 recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The requirements of Statement 65 are effective for fiscal year 2014. Gator Boosters is currently evaluating the effect this Statement will have on its financial statements.

(2) **Cash and Investments:**

(a) **Cash and cash equivalents**—Gator Boosters had demand deposits with a regional bank with bank balances amounting to \$1,154,508 and \$1,187,924 at June 30, 2012 and 2011. Custodial credit risk for deposits is the risk that in the event of a bank failure, Gator Boosters' deposits may not be returned. Gator Boosters does not have a deposit policy for custodial credit risk, although all demand deposits with banks are federally insured up to \$250,000 under FDIC protection. As of June 30, 2012 and 2011, \$904,508 and \$937,924 respectively, of Gator Boosters' bank balances was exposed to custodial credit risk.

(b) **Investments**—Gator Boosters reports investments at fair value, except that 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 an investment account with the State of Florida Division of Treasury and are reported at fair value.

As of June 30, 2012 and 2011, Gator Boosters had the following investments:

	2012	2011
Short term investments:		
External Investment Pools:		
Florida State Treasury Special Purpose Investment Account	\$ 729,381	\$ 2,038,606

Custodial Credit Risk—For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation 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 Gator Boosters' name, and are held by the party that either sells to or buys for Gator Boosters. Gator Boosters does not have a policy regarding custodial credit risk. At June 30, 2012 and 2011, Gator Boosters' investments were invested in the State Treasury Special Purpose Investment Account (SPIA) and therefore, are not categorized as to custodial credit risk.

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

(2) **Cash and Investments:** (Continued)

Interest Rate Risk—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 maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Gator Boosters does not have a policy for interest rate risk associated with its investments.

Gator Boosters' investment in the State Treasury Special Purpose Investment Account (SPIA) represents ownership of a share of the pool, not the underlying securities. The State Treasury has taken the position that participants in the pool should disclose information related to interest rate risk and credit risk. The SPIA carried a credit rating of A+f by Standard and Poor's and had an effective duration of 2.38 years at June 30, 2012 compared to a credit rating of Af by Standard and Poor's and had an effective duration of 2.13 years at June 30, 2011. Gator Boosters relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool.

Disclosures for the SPIA investment pool are included in the notes to the financial statements of the State of Florida's Comprehensive Annual Financial Report.

Credit risk—Credit risk relates to the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Gator Boosters does not have a policy for credit risk associated with its investments.

(3) **Accounts Receivable:**

Accounts receivable at June 30, 2012 and 2011, consist of the following:

	<u>2012</u>	<u>2011</u>
Due from the University of Florida Foundation, Inc.	\$ 1,609,392	\$ 1,292,726
Due from the University Athletic Association, Inc.	44,635	267,357
Other receivables	15,330	35,310
Total accounts receivable	<u>\$ 1,669,357</u>	<u>\$ 1,595,393</u>

(4) **Capital Assets:**

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Furniture and equipment	\$ 323,166	\$ 9,402	\$ -	\$ 332,568
Leasehold improvements	50,018	-	-	50,018
Total capital assets at historical cost	<u>373,184</u>	<u>9,402</u>	<u>-</u>	<u>382,586</u>
Less accumulated depreciation for:				
Furniture and equipment	304,971	8,515	-	313,486
Leasehold improvements	50,018	-	-	50,018
Total accumulated depreciation	<u>354,989</u>	<u>8,515</u>	<u>-</u>	<u>363,504</u>
Capital assets, net	<u>\$ 18,195</u>	<u>\$ 887</u>	<u>\$ -</u>	<u>\$ 19,082</u>

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

(4) **Capital Assets:** (Continued)

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Furniture and equipment	\$ 319,340	\$ 3,826	\$ -	\$ 323,166
Leasehold improvements	50,018	-	-	50,018
Total capital assets at historical cost	<u>369,358</u>	<u>3,826</u>	<u>-</u>	<u>373,184</u>
Less accumulated depreciation for:				
Furniture and equipment	295,931	9,040	-	304,971
Leasehold improvements	50,018	-	-	50,018
Total accumulated depreciation	<u>345,949</u>	<u>9,040</u>	<u>-</u>	<u>354,989</u>
Capital assets, net	<u>\$ 23,409</u>	<u>\$ (5,214)</u>	<u>\$ -</u>	<u>\$ 18,195</u>

(5) **Funds Held and Invested by the University of Florida Foundation, Inc. on Behalf of Gator Boosters:**

Gator Boosters has transferred its endowment fund investments to the University of Florida Foundation (the Foundation) to be managed on its behalf. Endowment fund contributions made to the Foundation and any appreciation on all of the endowment funds are considered to be assets and net assets of the Foundation. These amounts are not included in the accompanying financial statements of Gator Boosters as they are not considered to be the property of Gator Boosters. The total amount of endowment and deferred endowment assets held by the Foundation on behalf of Gator Boosters was \$44,646,365 and \$45,249,609 at June 30, 2012 and 2011, respectively.

In addition to endowment and deferred endowment funds, Gator Boosters maintains operating accounts with the Foundation. These amounts are included in the accompanying financial statements of Gator Boosters as "Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc." and totaled \$1,638,970 and \$1,733,535 at June 30, 2012 and 2011, respectively. The composition of these funds at June 30, 2012 and 2011 was as follows:

	June 30, 2012			
	Major Gifts	Ticket Related	Administrative Overhead	Total
Assets:				
Cash	\$ 845,907	\$ 4,950	\$ 96	\$ 850,953
Receivable	-	-	24,000	24,000
Investments	-	-	-	-
Real estate held for resale	764,355	-	-	764,355
Total assets	<u>1,610,262</u>	<u>4,950</u>	<u>24,096</u>	<u>1,638,308</u>
Liabilities	-	-	338	338
Net Funds Held	<u>\$ 1,610,262</u>	<u>\$ 4,950</u>	<u>\$ 23,758</u>	<u>\$ 1,638,970</u>

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

(5) **Funds Held and Invested by the University of Florida Foundation, Inc. on Behalf of Gator Boosters:** (Continued)

	June 30, 2011			
	Major Gifts	Ticket Related	Administrative Overhead	Total
Assets:				
Cash	\$ 53,640	\$ 789,153	\$ 38,274	\$ 881,067
Receivable	-	-	24,000	24,000
Investments	-	-	-	-
Real estate held for resale	859,355	-	-	859,355
Total assets	912,995	789,153	62,274	1,764,422
Liabilities	-	-	30,887	30,887
Net Funds Held	\$ 912,995	\$ 789,153	\$ 31,387	\$ 1,733,535

The asset allocations for the investment pools were as follows at June 30:

	2012		2011	
	Endowment Pools	Non-Endowed Pools	Endowment Pools	Non-Endowed Pools
Global equity	29%	0%	30%	0%
Hedged strategies	21%	1%	23%	1%
Private investments	38%	0%	37%	0%
Fixed income	9%	0%	8%	0%
Cash	3%	99%	2%	99%
Total	100%	100%	100%	100%

All of the pooled investments held with the Foundation are invested in uninsured and unregistered investments, which are held in the name of the Foundation. All amounts held by the Foundation and presented in the accompanying financial statements as “Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc.” are presented at their fair value.

The Foundation distributes an earnings allocation (4.00% for the years ended June 30, 2012 and 2011) on all endowment funds (including both endowments owned by the Foundation, as well as those owned by Gator Boosters) to Gator Boosters annually. These earnings allocations totaled \$1,545,958 and \$1,260,347 for the years ended June 30, 2012 and 2011, respectively. Gator Boosters must use the cash payout for the purposes designated by the donor. Any investment income and realized or unrealized gains in excess of the earnings allocation is retained by the Foundation and reinvested in the Foundation endowment pool.

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

(6) **Accounts Payable and Accrued Expenses:**

Accounts payable and accrued expenses consist of the following at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Due to vendors	\$ 78,477	\$ 47,697
Due to employees for salaries and benefits	22,712	14,473
Due to the University of Florida Foundation, Inc.	55,659	44,811
Due to the University Athletic Association, Inc.	4,275,955	5,644,384
Total accounts payable and accrued expenses	<u>\$ 4,432,803</u>	<u>\$ 5,751,365</u>

(7) **Long-term Liabilities:**

Long-term liability activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Accrued compensated absences	\$ 218,142	\$ -	\$ 59,248	\$ 158,894	\$ 49,145

Long-term liability activity for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Accrued compensated absences	\$ 205,744	\$ 12,398	\$ -	\$ 218,142	\$ 10,000

(8) **Related-Party Transactions:**

Gator Boosters solicits contributions in support of the University's athletic programs, which are administered by the University Athletic Association, Inc. (the Athletic Association). Support is provided for scholarships and athletic facilities. Amounts transferred to the Athletic Association are reflected in the accompanying financial statements.

Gator Boosters recognizes contribution expense for amounts due to the Athletic Association in the year in which such amounts are received. The Athletic Association, however, does not recognize these amounts as revenue until the year in which the related athletic event is held or the year when the related scholarship expenses are incurred. A reconciliation of contribution expenses to the Athletic Association

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

(8) **Related-Party Transactions:** (Continued)

as recognized in the accompanying statements of revenues, expenses, and changes in net assets to contributions revenue as reflected in the financial statements of the Athletic Association for the years ended June 30, 2012 and 2011, is as follows:

	2012	2011
Contributions to the Athletic Association, as recognized in the accompanying statements of revenues, expenses, and changes in net assets	\$ 41,468,368	\$ 37,393,038
Recognition by the Athletic Association of prior year amounts received from Gator Boosters that were previously deferred	33,112,647	34,168,445
Deferral by the Athletic Association of amounts received from Gator Boosters in the current year	(31,772,600)	(33,112,647)
Contributions from Gator Boosters, as recognized in the financial statements of the Athletic Association	<u>\$ 42,808,415</u>	<u>\$ 38,448,836</u>

Gator Boosters occupies, without charge, office space owned by the Athletic Association. The use of this office space was valued at \$70,620 for the years ended June 30, 2012 and 2011, and is recorded by Gator Boosters as rent expense and donated facilities, which is included in “general and administrative” expenses in the accompanying financial statements. During 2004, Gator Boosters entered into an agreement with the Athletic Association whereby the Athletic Association would provide accounting services to Gator Boosters. Additionally, Gator Boosters annually reimburses the Athletic Association for sports information and computer support services. For the years ended June 30, 2012 and 2011, Gator Boosters paid \$90,000 and \$85,000, respectively, to the Athletic Association for accounting and other support services.

(9) **Donated Materials, Facilities and Services:**

Gator Boosters records the value of donated material, facilities and services at their fair market value at the date of donation. The amount of donated materials, facilities and services received during the years ended June 30, 2012 and 2011, was approximately \$100,000 in each year respectively.

(10) **Pension Plan:**

Gator Boosters sponsors a defined contribution plan called the Simplified Employee Pension Plan (the Plan). Employees are eligible to participate at age 21, provided they work 20 hours per week and provided they have worked two calendar years. Gator Boosters contributes 12% of employees’ wages to the Plan. During the years ended June 30, 2012 and 2011, total payroll expense for all employees covered under the Plan was \$794,250 and \$807,525, respectively. Pension expense for the years ended June 30, 2012 and 2011, was \$95,310 and \$96,903, respectively.

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

(11) **Risk Management:**

Gator Boosters is exposed to various risks of loss including general liability, property and casualty, group health and life, auto and physical damage, and workers' compensation. Conventional, commercial insurance coverage has been purchased from various independent carriers to insure against such risks and minimize Gator Boosters' financial exposure to such risks. Claims have not exceeded coverage in the past three years.

Gator Boosters is not involved in any risk pools with other governmental entities.

ADDITIONAL INFORMATION

GATOR BOOSTERS, INC.
SCHEDULE OF FUNDS HELD AND INVESTED BY THE UNIVERSITY
OF FLORIDA FOUNDATION, INC. ON BEHALF OF GATOR BOOSTERS, INC.
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	Operating Funds	Endowment Income Funds**	Deferred Endowments Owned by the UF Foundation, Inc.*	Endowment Funds Owned by the UF Foundation, Inc.*	Total
Balance, June 30, 2010	\$ 1,699,895	\$ 1,139,511	\$ 691,141	\$ 37,666,046	\$ 41,196,593
Contributions	2,884,579	-	-	2,137,439	5,022,018
Gift, credit card, and overhead fees	(48,824)	(60,604)	(21,686)	(445,605)	(576,719)
Beneficiary distributions	-	-	(230,616)	-	(230,616)
Investment earnings (losses)	(1,157)	404	403,994	6,451,400	6,854,641
Real estate losses	-	-	-	(24,915)	(24,915)
Allocation of earnings from endowments at the UF Foundation, Inc.	-	1,385,089	-	(1,377,589)	7,500
Transfer of operating funds to other accounts	(2,800,958)	(1,204,175)	-	-	(4,005,133)
Balance, June 30, 2011	<u>1,733,535</u>	<u>1,260,225</u>	<u>842,833</u>	<u>44,406,776</u>	<u>48,243,369</u>
Contributions	8,307,995	-	-	1,500,781	9,808,776
Gift, credit card, and overhead fees	(159,981)	(46,259)	(20,767)	(494,928)	(721,935)
Beneficiary distributions	-	-	(67,562)	-	(67,562)
Investment earnings (losses)	(15,892)	6,928	(34,911)	40,389	(3,486)
Real estate losses	(95,000)	-	-	(5,000)	(100,000)
Allocation of earnings from endowments at the UF Foundation, Inc.	-	1,522,852	-	-	1,522,852
Transfer of operating funds to other accounts	(8,131,687)	(1,197,790)	-	(1,521,246)	(10,850,723)
Balance, June 30, 2012	<u>\$ 1,638,970</u>	<u>\$ 1,545,956</u>	<u>\$ 719,593</u>	<u>\$ 43,926,772</u>	<u>\$ 47,831,291</u>

* Amounts owned by the University of Florida Foundation, Inc. are not included in the accompanying financial statements.

** The balance of endowment income funds at year-end is included in accounts receivable in the accompanying statement of net assets.

See accompanying notes to financial statements.

GATOR BOOSTERS, INC.
DETAILED SCHEDULE OF REVENUES, EXPENSES, AND
BUDGETED CAPITAL ITEMS COMPARED WITH BUDGET
FOR THE YEAR ENDED JUNE 30, 2012
(with comparative actual information for the year ended June 30, 2011)

	<u>Actual</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>2011 Actual</u>
Operating revenue				
Football related contributions				
Per Seat Contributions	\$ 17,590,235	\$ 18,031,670	\$ (441,435)	\$ 18,593,381
Evans Champions Club Contributions	6,184,395	7,142,200	(957,805)	6,780,558
Touchdown Terrace Contributions	3,432,663	4,413,600	(980,937)	3,629,809
Deck Contributions	1,012,656	1,036,640	(23,984)	1,011,889
Suite Contributions	2,783,994	2,978,900	(194,906)	2,760,722
Zone Contributions	306,980	327,360	(20,380)	462,975
Den Contributions	761,903	816,480	(54,577)	754,331
Undesignated Booster Contributions	14,875	-	14,875	22,897
Single game ticket sales	2,185	-	2,185	5,121
In-kind Contributions	101,120	70,620	30,500	101,120
Endowment Contributions	19,835	-	19,835	25,092
Total football related contributions	<u>32,210,841</u>	<u>34,817,470</u>	<u>(2,606,629)</u>	<u>34,147,895</u>
Basketball related contributions				
Per Seat Contributions	2,102,966	1,745,000	357,966	1,780,205
Courtside Seating	128,497	150,000	(21,503)	97,171
Basketball Contributions	1,500	-	1,500	1,000
Single game ticket sales	(2,566)	-	(2,566)	(18,508)
Endowment Contributions	1,400	-	1,400	500
Total basketball related contributions	<u>2,231,797</u>	<u>1,895,000</u>	<u>336,797</u>	<u>1,860,368</u>
Capital improvement contributions				
Major Gift Facility Pledge Payments	<u>7,985,141</u>	<u>3,879,896</u>	<u>4,105,245</u>	<u>2,650,203</u>
Special events				
F Club Fundraising Events	10,570	8,500	2,070	15,469
Hall of Fame Banquet	43,045	60,000	(16,955)	54,570
Special Events	79,170	58,500	20,670	-
Total special events	<u>132,785</u>	<u>127,000</u>	<u>5,785</u>	<u>70,039</u>
Other contributions				
Sport Contributions (not FB or BB)	10,212	-	10,212	3,000
Chris Patrick Athletic Trainer Scholarship	2,500	-	2,500	2,500
Other	5,023	-	5,023	38,243
F Club Merchandise Sales	1,755	-	1,755	5,521
FB Letterman Endowment	1,375	-	1,375	3,690
Total other contributions	<u>20,865</u>	<u>-</u>	<u>20,865</u>	<u>52,954</u>
Total operating revenue	<u>42,581,429</u>	<u>40,719,366</u>	<u>1,862,063</u>	<u>38,781,459</u>

See accompanying notes to financial statements

GATOR BOOSTERS, INC.
DETAILED SCHEDULE OF REVENUES, EXPENSES, AND
BUDGETED CAPITAL ITEMS COMPARED WITH BUDGET
FOR THE YEAR ENDED JUNE 30, 2012
(with comparative actual information for the year ended June 30, 2011)

	<u>Actual</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>2011 Actual</u>
Operating expenses				
Salaries and benefits				
Salaries	\$ 838,498	\$ 848,831	\$ 10,333	\$ 836,353
Overtime	8,847	9,709	862	7,957
OPS Personnel	823	-	(823)	7,768
Compensated Absences	(54,128)	5,000	59,128	16,769
Dealer Car Expense	30,500	-	(30,500)	30,500
Insurance	119,216	97,559	(21,657)	101,331
Payroll Taxes	60,415	48,086	(12,329)	63,923
Pension	95,310	92,373	(2,937)	96,903
EE Tuition Reimbursement	1,494	-	(1,494)	-
Total salaries and benefits	<u>1,100,975</u>	<u>1,101,558</u>	<u>583</u>	<u>1,161,504</u>
Publication expense				
Annual Report/Year In Review	31,305	42,000	10,695	32,468
Total publication expense	<u>31,305</u>	<u>42,000</u>	<u>10,695</u>	<u>32,468</u>
Promotion				
General Administrative	13,386	15,000	1,614	9,705
John James	2,680	9,000	6,320	8,071
Phil Pharr	4,087	7,000	2,913	4,025
Doug Brown	5,772	4,500	(1,272)	5,205
Curtis Head	2,371	4,000	1,629	1,867
Jana Stough	1,174	2,000	826	436
Gator Club Activities	885	7,000	6,115	37
Football Post Season	-	20,000	20,000	-
Endowment Campaign	125	15,000	14,875	2,090
Endowment Brochure	5,229	-	(5,229)	760
F Club Expenses	4,376	12,000	7,624	10,783
Club Perks	234,625	278,000	43,375	310,364
Membership Mailer	52,316	57,500	5,184	43,841
Bull Gator Perks	200,939	223,000	22,061	204,933
Distinguished Director Perks	19,172	50,000	30,828	18,057
Bull Gator Club - TDT	106,770	140,000	33,230	128,625
Suite Expenses	85,589	85,000	(589)	70,827
Basketball Courtside Seats	8,264	8,000	(264)	1,600
F Club Operations	14,709	15,000	291	12,984
F Club Merchandise Expenses	4,622	1,500	(3,122)	7,384
Donor Recognition	20,567	50,000	29,433	32,923
Game Day Transportation	9,450	11,000	1,550	9,450
Hall of Fame Expenses	2,055	-	(2,055)	1,794
Total promotion	<u>799,163</u>	<u>1,014,500</u>	<u>215,337</u>	<u>885,761</u>

See accompanying notes to financial statements.

GATOR BOOSTERS, INC.
DETAILED SCHEDULE OF REVENUES, EXPENSES, AND
BUDGETED CAPITAL ITEMS COMPARED WITH BUDGET
FOR THE YEAR ENDED JUNE 30, 2012
(with comparative actual information for the year ended June 30, 2011)

	<u>Actual</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>2011 Actual</u>
Meeting and travel				
General Administrative	\$ 9,792	\$ 7,000	\$ (2,792)	\$ 8,468
John James	1,592	6,000	4,408	5,121
Phil Pharr	7,101	9,000	1,899	9,905
Doug Brown	4,946	6,000	1,054	2,599
Curtis Head	5,332	7,000	1,669	4,994
Jana Stough	5,246	3,000	(2,246)	1,128
Booster Board Meetings	67,075	60,000	(7,075)	49,462
Total meeting and travel	<u>101,084</u>	<u>98,000</u>	<u>(3,084)</u>	<u>81,677</u>
General and administrative				
Temporary Personnel	-	-	-	3,293
Other Meetings	559	200	(359)	101
UAA Salaries	90,000	85,000	(5,000)	85,000
Dues and Memberships	1,456	2,000	544	1,415
Books and Subscriptions	229	300	71	259
Office Equipment and Supplies	14,516	15,000	484	9,811
Printing	9,062	3,500	(5,562)	3,014
Postage	101,423	115,000	13,577	107,382
Computer Support and Supplies	3,550	10,000	6,450	11,650
Booster Tax Receipting	15,450	16,000	550	15,222
Annual Audit/Tax Services	26,200	28,000	1,800	25,500
Telephone	2,034	13,000	10,966	10,377
Major Maintenance	-	6,500	6,500	6,008
Repairs and Maintenance	816	2,000	1,184	1,168
Miscellaneous Business Expense	63,271	51,000	(12,271)	23,962
Rent Expense	70,620	70,620	-	70,620
Property and Casualty Insurance	19,091	26,000	6,909	19,391
Seminars, Training and Development	4,569	500	(4,069)	-
Bank Card Merchant Fees	5,432	2,500	(2,932)	4,773
Depreciation	8,515	-	(8,515)	9,039
Contingency	-	14,000	14,000	-
Total general and administrative	<u>436,793</u>	<u>461,120</u>	<u>24,327</u>	<u>407,985</u>
Special events				
F Club Fundraising Items	2,762	5,500	2,738	7,167
Hall of Fame Banquet	29,559	60,000	30,441	47,343
Total special events	<u>32,321</u>	<u>65,500</u>	<u>33,179</u>	<u>54,510</u>
Total operating expense	<u>2,501,641</u>	<u>2,782,678</u>	<u>281,037</u>	<u>2,623,905</u>
Operating income	<u>40,079,788</u>	<u>37,936,688</u>	<u>2,143,100</u>	<u>36,157,554</u>

See accompanying notes to financial statements.

GATOR BOOSTERS, INC.
DETAILED SCHEDULE OF REVENUES, EXPENSES, AND
BUDGETED CAPITAL ITEMS COMPARED WITH BUDGET
FOR THE YEAR ENDED JUNE 30, 2012
(with comparative actual information for the year ended June 30, 2011)

	<u>Actual</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>2011 Actual</u>
Nonoperating revenue (expenses)				
Contributions to the Athletic Association				
Contributions to the Athletic Association:				
Football Pledge Only	\$ (14,875)	\$ -	\$ (14,875)	\$ (22,897)
Basketball Pledge Only	(1,500)	-	(1,500)	(1,000)
Other Sport Contributions (not FB or BB)	(10,212)	-	(10,212)	(3,000)
Scholarships	(13,105,551)	-	(13,105,551)	(11,823,991)
Capital Improvement/Debt Services	(1,355,627)	-	(1,355,627)	(6,700,174)
Facility Pledge	(7,985,141)	(3,879,896)	(4,105,245)	(2,650,203)
Dens	(761,903)	-	(761,903)	(754,332)
Skybox Suites	(2,783,994)	-	(2,783,994)	(2,760,722)
Champions Club	(6,184,395)	-	(6,184,395)	(6,780,558)
Touchdown Terrace	(3,432,663)	-	(3,432,663)	-
Bull Gator Deck	(1,012,656)	-	(1,012,656)	(1,011,889)
Bull Gator Zone	(306,980)	-	(306,980)	(462,975)
Surplus to UAA	(2,260,169)	-	(2,260,169)	(2,526,318)
Future Year Per Seat Contributions	(21,239)	-	(21,239)	(17,603)
Basketball General Seats	(2,102,966)	-	(2,102,966)	(1,780,205)
Basketball Courtside Seats	(128,497)	-	(128,497)	(97,171)
UAA Transfer Budget	-	(35,043,350)	35,043,350	-
Total contributions to the Athletic Association	<u>(41,468,368)</u>	<u>(38,923,246)</u>	<u>(2,545,122)</u>	<u>(37,393,038)</u>
Contributions to the University of Florida Foundation:				
F Club Fundraising Items	(7,248)	-	(7,248)	(8,302)
Hall of Fame Banquet	(13,487)	-	(13,487)	(7,227)
Life Insurance	(6,372)	-	(6,372)	(68,013)
Endowment Contributions	(24,924)	-	(24,924)	(34,767)
Total contributions to UFF	<u>(52,031)</u>	<u>-</u>	<u>(52,031)</u>	<u>(118,309)</u>
Allocation of earnings from endowments at the University of Florida Foundation, Inc.				
UFF Endowment Spendable Income	1,545,958	1,100,000	445,958	1,260,347
Total allocation of earnings from endowments at the University of Florida Foundation, Inc.	<u>1,545,958</u>	<u>1,100,000</u>	<u>445,958</u>	<u>1,260,347</u>
Investment income				
Interest Income	64,154	25,000	39,154	88,001
UFF Other Revenue	(16,041)	-	(16,041)	(1,157)
UFF Investment Pool Earnings	149	-	149	-
Dividends-Life Insurance Premium	1,559	-	1,559	4,738
Total investment income	<u>49,821</u>	<u>25,000</u>	<u>24,821</u>	<u>91,582</u>
Gift fees				
UFF Gift Fees	(142,026)	(156,495)	14,469	(43,048)
UFF Other Expense	(17,955)	(5,000)	(12,955)	(15,443)
Total Gift fees	<u>(159,981)</u>	<u>(161,495)</u>	<u>1,514</u>	<u>(58,491)</u>
Net nonoperating revenue (expenses)	<u>(40,084,601)</u>	<u>(37,959,741)</u>	<u>(2,124,860)</u>	<u>(36,217,909)</u>

See accompanying notes to financial statements.

GATOR BOOSTERS, INC.
DETAILED SCHEDULE OF REVENUES, EXPENSES, AND
BUDGETED CAPITAL ITEMS COMPARED WITH BUDGET
FOR THE YEAR ENDED JUNE 30, 2012
(with comparative actual information for the year ended June 30, 2011)

	<u>Actual</u>	<u>2012 Budget</u>	<u>Variance</u>	<u>2011 Actual</u>
Income (loss) before contributions	\$ (4,813)	\$ (23,053)	\$ 18,240	\$ (60,355)
Contributions from donors for permanent endowments				
Life Insurance Premium Contributions	9,724	-	9,724	10,354
Total contributions from donors for permanent endowments	<u>9,724</u>	<u>-</u>	<u>9,724</u>	<u>10,354</u>
Increase (decrease) in net assets	<u>4,911</u>	<u>(23,053)</u>	<u>27,964</u>	<u>(50,001)</u>
Budgeted capital items				
Permanent Equipment	9,402	20,000	(10,598)	3,826
Total budgeted capital items	<u>9,402</u>	<u>20,000</u>	<u>(10,598)</u>	<u>3,826</u>
Increase (decrease) in net assets, less budgeted capital items	<u>\$ (4,491)</u>	<u>\$ (43,053)</u>	<u>\$ 38,562</u>	<u>\$ (53,827)</u>

See accompanying notes to financial statements.

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**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***

To the Board of Directors,
Gator Boosters, Inc.:

We have audited the financial statements of Gator Boosters, Inc. as of and for the year ended June 30, 2012, which collectively comprise Gator Boosters, Inc.'s basic financial statements and have issued our report thereon dated September 11, 2012. We conducted our audit 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.

Internal Control over Financial Reporting

Management of Gator Boosters, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Gator Boosters, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gator Boosters, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gator Boosters, Inc.'s internal control over financial reporting.

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.

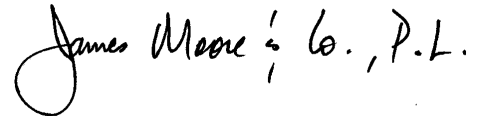
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Gator Boosters, Inc. in a separate letter dated September 11, 2012.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Directors and management of Gator Boosters, Inc., and the Board of Trustees and management of the University of Florida, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Gainesville, Florida
September 11, 2012