

GATOR BOOSTERS, INC.
FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

GATOR BOOSTERS, INC.
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JUNE 30, 2017 AND 2016

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Gator Boosters' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Gator Boosters' management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gator Boosters as of June 30, 2017 and 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

- 1 -

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Other Matters

Required Supplementary Information


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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise Gator Boosters financial statements as a whole. The schedule of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc. and the detailed schedule of revenues and expenses compared with budget (included on pages 21 through 24) are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017, on our consideration of Gator Boosters' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gator Boosters' internal control over financial reporting and compliance.

 James Moore & Co., P.L.

Gainesville, Florida
September 29, 2017

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017 AND 2016

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, 2017 and 2016. 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 position and revenues, expenses and changes in net position 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 Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows. The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position 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 Position

The Statements of Net Position presents the assets, liabilities and net position of Gator Boosters as of the end of the last two fiscal years. A Statement of Net Position is a point-in-time financial statement. Its purpose is to present to the readers of the financial statements a fiscal snapshot of Gator Boosters. The Statements of Net Position 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 Position (Assets minus Liabilities). The statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where revenues are recorded when earned and expenses are recognized when they are incurred.

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017 AND 2016
(Continued)

From the data presented, readers of the Statements of Net Position 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 Position provide a picture of the net position and availability for expenditure by Gator Boosters.

Net Position is divided into three major categories. The first category is "unrestricted" net position. Unrestricted net position is available to Gator Boosters for any legal purpose. The next net position category, "net investment in capital assets", presents Gator Boosters' equity in property and equipment. The final category is "restricted" net position for permanent endowments. Gator Boosters' restricted net position includes the cash surrender value of life insurance policies, which are restricted by contributors for permanent endowments.

Condensed Summary of Net Position

| | 2016-2017 | | | | 2015-2016 | | |
|--|------------------|------------------|------------------------|-------------------|-------------------|------------------------|-------------------|
| | 2017 | 2016 | Increase (Decrease) | Percent Change | 2015 | Increase (Decrease) | Percent Change |
| Assets: | | | | | | | |
| Current assets | \$ 6,072,772 | \$ 5,789,012 | \$ 283,760 | 4.90% | \$ 13,563,363 | \$ (7,774,351) | (57.32)% |
| Capital assets, net | 14,328 | 25,332 | (11,004) | (43.44)% | 34,224 | (8,892) | (25.98)% |
| Other assets | 666,974 | 1,247,172 | (580,198) | (46.52)% | 2,902,459 | (1,655,287) | (57.03)% |
| Total assets | <u>6,754,074</u> | <u>7,061,516</u> | <u>(307,442)</u> | <u>(4.35)%</u> | <u>16,500,046</u> | <u>(9,438,530)</u> | <u>(57.20)%</u> |
| Liabilities | <u>5,732,866</u> | <u>6,040,410</u> | <u>(307,544)</u> | <u>(5.09)%</u> | <u>15,495,317</u> | <u>(9,454,907)</u> | <u>(61.02)%</u> |
| Net Position: | | | | | | | |
| Unrestricted | 538,906 | 527,902 | 11,004 | 2.08% | 519,010 | 8,892 | 1.71% |
| Net investment in capital assets | 14,328 | 25,332 | (11,004) | (43.44)% | 34,224 | (8,892) | (25.98)% |
| Restricted for permanent endowments-nonexpendable | <u>467,974</u> | <u>467,872</u> | <u>102</u> | <u>0.02%</u> | <u>451,495</u> | <u>16,377</u> | <u>3.63%</u> |
| Total net postion | \$ 1,021,208 | \$ 1,021,106 | \$ 102 | 0.01% | \$ 1,004,729 | \$ 16,377 | 1.63% |

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 position remains relatively unchanged from year to year and this year Gator Boosters had no exceptions similar to the prior year.
- In 2017, current assets increased by \$0.2 million, as opposed to 2016, whereby current assets decreased by \$7.8 million. This change is primarily due to the timing of payments made to the University Athletic Association.
- Other assets decreased by \$.06 million in 2017 and by \$1.7 million in 2016 due to the sale of land held at the Foundation and scheduled pledge payments for the O'Connell Center renovation.

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017 AND 2016
(Continued)

Summary of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position present the revenues and expenses incurred during each year. Revenues and expenses are reported as operating and nonoperating. 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 Position

| | 2017 | 2016 | 2016-2017 | | 2015 | 2015-2016 | |
|--|---------------|---------------|------------------------|-------------------|---------------|------------------------|-------------------|
| | | | Increase (Decrease) | Percent Change | | Increase (Decrease) | Percent Change |
| Operating revenues: | | | | | | | |
| Football-related contributions | \$ 31,730,832 | \$ 28,837,594 | \$ 2,893,238 | 10.03% | \$ 31,172,758 | \$ (2,335,164) | (7.49)% |
| Basketball-related contributions | 2,252,224 | 2,923,661 | (671,437) | (22.97)% | 1,701,119 | 1,222,542 | 71.87% |
| Capital improvement contributions | 6,510,386 | 9,194,027 | (2,683,641) | (29.19)% | 20,621,687 | (11,427,660) | (55.42)% |
| Special events and other | 113,793 | 159,245 | (45,452) | (28.54)% | 129,501 | 29,744 | 22.97% |
| Total operating revenues | 40,607,235 | 41,114,527 | (507,292) | (1.23)% | 53,625,065 | (12,510,538) | (23.33)% |
| Nonoperating revenues: | | | | | | | |
| Allocation of earnings from endowments at the | 1,874,146 | 1,929,077 | (54,931) | (2.85)% | 1,767,501 | 161,576 | 9.14% |
| Investment income (loss) | (14,766) | 32,064 | (46,830) | (146.05)% | (6,687) | 38,751 | (579.50)% |
| Total nonoperating revenues | 1,859,380 | 1,961,141 | (101,761) | (5.19)% | 1,760,814 | 200,327 | 11.38% |
| Total revenues | 42,466,615 | 43,075,668 | (609,053) | (1.41)% | 55,385,879 | (12,310,211) | (22.23)% |
| Operating expenses | 3,298,248 | 2,843,447 | 454,801 | 15.99% | 2,671,594 | 171,853 | 6.43% |
| Nonoperating expenses: | | | | | | | |
| Contributions to the Athletic Association | 38,823,796 | 39,958,223 | (1,134,427) | (2.84)% | 52,210,675 | (12,252,452) | (23.47)% |
| Contributions to the Foundation | 36,902 | 23,777 | 13,125 | 55.20% | 28,347 | (4,570) | (16.12)% |
| Gift fees | 311,571 | 240,638 | 70,933 | 29.48% | 472,421 | (231,783) | (49.06)% |
| Total nonoperating expenses | 39,172,269 | 40,222,638 | (1,050,369) | (2.61)% | 52,711,443 | (12,488,805) | (23.69)% |
| Total expenses | 42,470,517 | 43,066,085 | (595,568) | (1.38)% | 55,383,037 | (12,316,952) | (22.24)% |
| Contributions from donors for permanent endowments | 4,004 | 6,794 | (2,790) | (41.07)% | 6,690 | 104 | 1.55% |
| Increase (decrease) in net position | 102 | 16,377 | (16,275) | (99.38)% | 9,532 | 6,845 | 71.81% |
| Net position, end of year | \$ 1,021,208 | \$ 1,021,106 | \$ 102 | 0.01% | \$ 1,004,729 | \$ 16,377 | 1.63% |

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017 AND 2016
(Continued)

Highlights

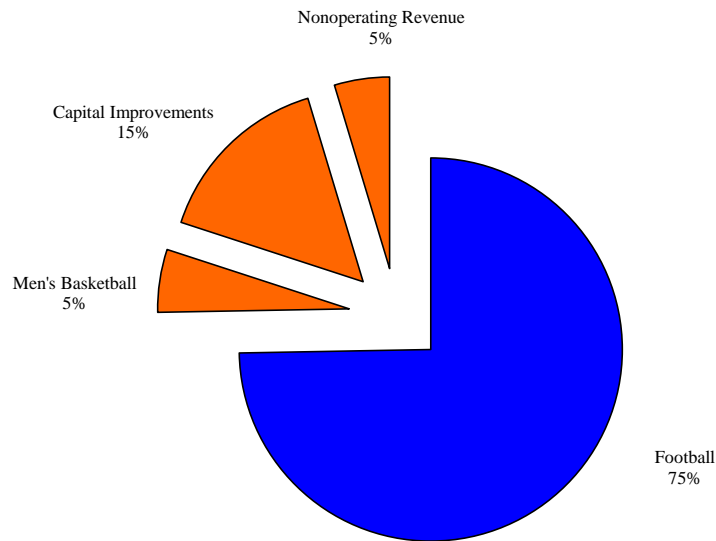
- Football related contributions in 2017 increased by \$2.9 million and decreased in 2016 by \$2.3 million. The increase in 2017 is due to increased ticket sales and the timing of contribution payments and the decrease in 2016 is due to the timing of the final payment plan contributions.
- Basketball related contributions for the 2017 season decreased by \$0.7 million and increased in 2016 by \$1.2 million due to the timing of the season ticket renewals.
- Capital improvement contributions are major gifts designated by the donors for facility construction and renovation. In 2017, these contributions decreased by \$2.7 million due to scheduled pledge payment. In 2016, capital improvement contributions decreased \$11.4 million due to an unscheduled anonymous donation.
- Earnings from endowments at the Foundation remained flat in both 2017 and 2016.
- In 2017, investment income decreased \$47K mainly due to the fair value adjustment of the Special Purpose Investment Account. In 2016, investment income remained flat.
- Contributions to the Athletic Association decreased in 2017 by \$1.4 million and increased in 2016 by \$12.3 million primarily due to capital improvement contributions.
- 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, 2017 AND 2016
(Continued)

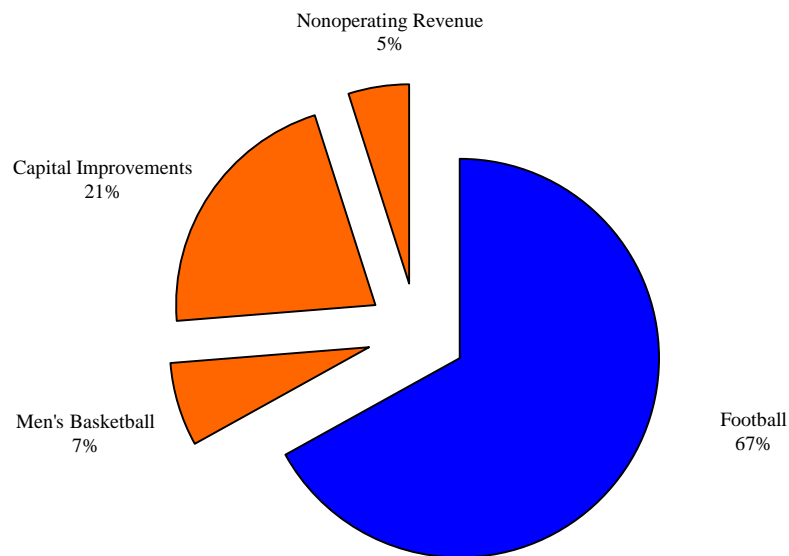
Highlights (Continued)

A graphical representation of the composition of our revenues for the years ended June 30, 2017 and 2016 follows:

REVENUE 2016-2017



REVENUE 2015-2016

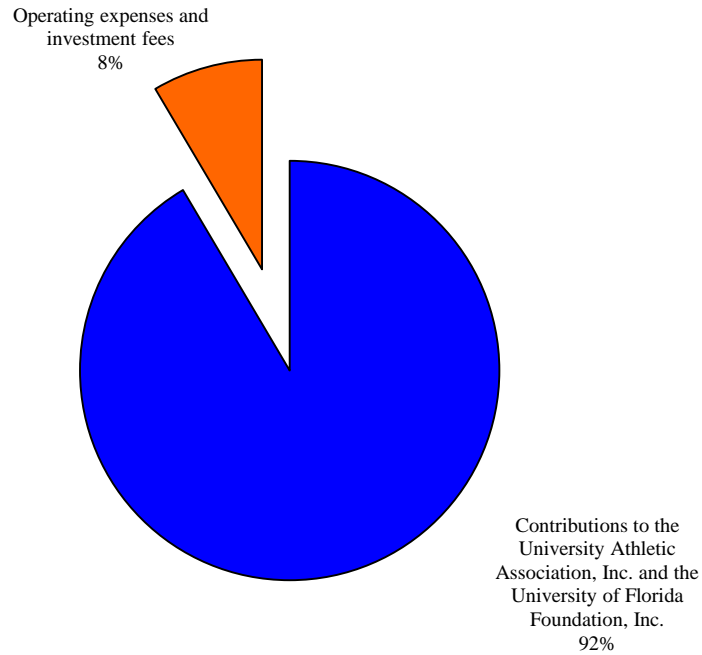


GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017 AND 2016
(Continued)

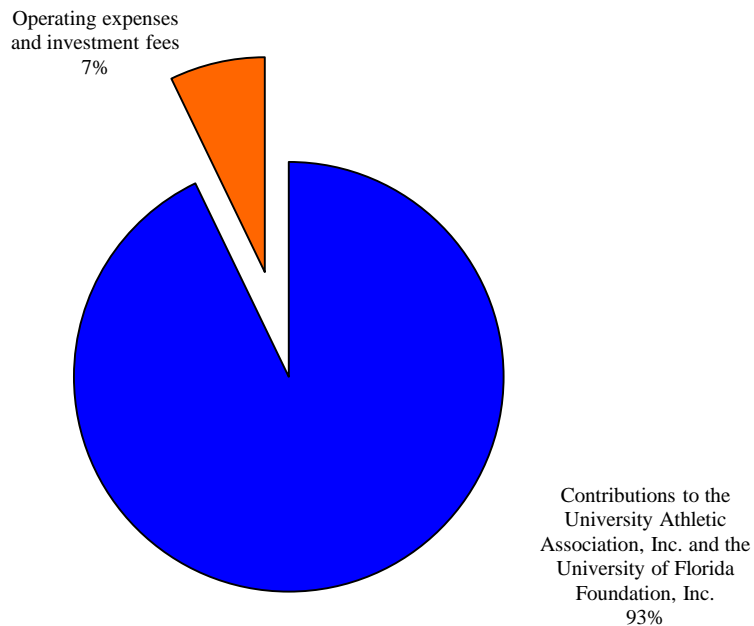
Highlights (Continued)

A graphical representation of the composition of our expenses for the years ended June 30, 2017 and 2016 follows:

EXPENSES AND CONTRIBUTIONS 2016-2017



EXPENSES AND CONTRIBUTIONS 2015-2016



GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017 AND 2016
(Continued)

Summary of the Statements of Cash Flows

The final statements presented are 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 Position.

Condensed Summary of Cash Flows

| | | | 2016-2017 | | | | 2015-2016 | |
|--|---------------|---------------|--------------------------------|---------------------------|---------------|--------------------------------|---------------------------|--|
| | 2017 | 2016 | Increase (Decrease) | Percent Change | 2015 | Increase (Decrease) | Percent Change | |
| Cash flows from: | | | | | | | | |
| Operating activities | \$ 37,792,160 | \$ 38,771,065 | \$ (978,905) | (2.52)% | \$ 49,347,415 | \$ (10,576,350) | (21.43)% | |
| Noncapital financing activities | (39,128,059) | (49,452,333) | 10,324,274 | 20.88% | (52,501,862) | 3,049,529 | 5.81% | |
| Capital and related financing activities | - | (2,320) | 2,320 | (100.00)% | - | (2,320) | (100.00)% | |
| Investing activities | 1,675,910 | 10,807,683 | (9,131,773) | (84.49)% | 284,198 | 10,523,485 | 3,702.87% | |
| Net change in cash and cash equivalents | 340,011 | 124,095 | 215,916 | 173.99% | (2,870,249) | 2,994,344 | 104.32% | |
| Cash and cash equivalents, end of year | \$ 779,486 | \$ 439,475 | \$ 340,011 | 77.37% | \$ 315,380 | \$ 124,095 | 39.35% | |

Highlights

- Cash provided by operating activities decreased by \$1.0 million in 2017 and increased by \$10.6 million in 2016 primarily due to the timing of football related contributions and capital projects contributions.
- Cash used for noncapital financing activities increased by \$10.3 million in 2017 and increased by \$3.0 million in 2016 due to fluctuations in the contributions made to the University Athletic Association, Inc.
- Cash provided by investing activities decreased by \$9.1 million in 2017 and increased by \$10.5 million in 2016 due to the timing of transfers from the UF Foundation to Gator Boosters.

Next Year

While capital improvement commitments will be a focus of Gator Boosters in 2017, an emphasis will be placed on member stewardship and endowment commitments. Gator Boosters will also focus on strengthening its annual fund, specifically the Bull Gator Program.

GATOR BOOSTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017 AND 2016
(Continued)

With the addition of luxury and club level seating in the renovated Exactech Arena at the Stephen C. O'Connell Center we anticipate an increase in operating expenses pertaining to those areas, however we 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.
PO Box 13796
Gainesville, FL 32604
(352) 375-4683

GATOR BOOSTERS, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| <u>ASSETS</u> | | |
| Current assets | | |
| Cash and cash equivalents | \$ 779,486 | \$ 439,475 |
| Short-term investments | 1,363,550 | 1,518,927 |
| Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc., current portion | 1,503,936 | 1,355,887 |
| Accounts receivable | 2,118 | 2,916 |
| Due from the University of Florida Foundation, Inc., current portion | 2,351,341 | 2,391,915 |
| Prepaid expenses | 72,341 | 79,892 |
| Total current assets | <u>6,072,772</u> | <u>5,789,012</u> |
| Noncurrent assets | | |
| Capital assets, net | 14,328 | 25,332 |
| Cash surrender value of life insurance, restricted | 467,974 | 467,872 |
| Funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc., noncurrent portion | 199,000 | 279,300 |
| Due from the University of Florida Foundation, Inc., noncurrent portion | - | 500,000 |
| Total noncurrent assets | <u>681,302</u> | <u>1,272,504</u> |
| Total assets | <u>6,754,074</u> | <u>7,061,516</u> |
| <u>LIABILITIES</u> | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | 131,706 | 180,560 |
| Due to The University Athletic Association, Inc., current portion | 5,285,730 | 4,976,794 |
| Accrued compensated absences, current portion | 18,000 | 19,246 |
| Deferred revenue | 6,825 | - |
| Total current liabilities | <u>5,442,261</u> | <u>5,176,600</u> |
| Noncurrent liabilities | | |
| Due to The University Athletic Association, Inc., noncurrent portion | 199,000 | 779,300 |
| Accrued compensated absences, noncurrent portion | 91,605 | 84,510 |
| Total noncurrent liabilities | <u>290,605</u> | <u>863,810</u> |
| Total liabilities | <u>5,732,866</u> | <u>6,040,410</u> |
| <u>NET POSITION</u> | | |
| Net investment in capital assets | 14,328 | 25,332 |
| Restricted for permanent endowments - nonexpendable | 467,974 | 467,872 |
| Unrestricted | 538,906 | 527,902 |
| Total net position | <u>\$ 1,021,208</u> | <u>\$ 1,021,106</u> |

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

GATOR BOOSTERS, INC.
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | <u>2017</u> | <u>2016</u> |
|--|----------------------------|----------------------------|
| Operating revenues | | |
| Football-related contributions | \$ 31,730,832 | \$ 28,837,594 |
| Basketball-related contributions | 2,252,224 | 2,923,661 |
| Capital improvement contributions | 6,510,386 | 9,194,027 |
| Special events | 32,050 | 108,510 |
| Other contributions | 81,743 | 50,735 |
| Total operating revenues | <u>40,607,235</u> | <u>41,114,527</u> |
| Operating expenses | | |
| Salaries and benefits | 1,491,161 | 1,307,439 |
| Publication expenses | 45,965 | 43,698 |
| Promotion | 1,033,336 | 951,825 |
| Meeting and travel | 130,549 | 95,899 |
| General and administrative | 588,371 | 411,285 |
| Special events | 8,866 | 33,301 |
| Total operating expenses | <u>3,298,248</u> | <u>2,843,447</u> |
| Operating income | <u>37,308,987</u> | <u>38,271,080</u> |
| Nonoperating revenues (expenses) | | |
| Contributions to The University Athletic Association, Inc. | (38,823,796) | (39,958,223) |
| Contributions to the University of Florida Foundation, Inc. | (36,902) | (23,777) |
| Allocation of earnings from endowments at the University of Florida Foundation, Inc. | 1,874,146 | 1,929,077 |
| Investment income (loss) | (14,766) | 32,064 |
| Gift and overhead fees | (311,571) | (240,638) |
| Net nonoperating revenues (expenses) | <u>(37,312,889)</u> | <u>(38,261,497)</u> |
| Income (loss) before contributions for permanent endowments | <u>(3,902)</u> | <u>9,583</u> |
| Contributions from donors for permanent endowments | 4,004 | 6,794 |
| Increase in net position | <u>102</u> | <u>16,377</u> |
| Net position, beginning of year | 1,021,106 | 1,004,729 |
| Net position, end of year | <u><u>\$ 1,021,208</u></u> | <u><u>\$ 1,021,106</u></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, 2017 AND 2016

| | <u>2017</u> | <u>2016</u> |
|---|-----------------------------|-----------------------------|
| Cash flows from operating activities | | |
| Receipts from contributors and others | \$ 41,114,858 | \$ 41,624,257 |
| Payments to employees for services | (1,495,598) | (1,338,546) |
| Payments to suppliers | (1,827,100) | (1,514,646) |
| Net cash provided by operating activities | <u>37,792,160</u> | <u>38,771,065</u> |
| Cash flows from noncapital financing activities | | |
| Receipts from contributors for permanent endowments | 4,004 | 6,794 |
| Contributions to the University of Florida Foundation, Inc. | (36,902) | (23,777) |
| Contributions to The University Athletic Association, Inc. | (39,095,161) | (49,435,350) |
| Net cash used in noncapital financing activities | <u>(39,128,059)</u> | <u>(49,452,333)</u> |
| Cash flows from capital and related financing activities | | |
| Purchases of capital assets | <u>-</u> | <u>(2,320)</u> |
| Cash flows from investing activities | | |
| Redemption of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc. | 6,519,702 | 9,880,409 |
| Investment of funds held and invested by the University of Florida Foundation, Inc. on behalf of Gator Boosters, Inc. | (6,606,756) | (9,180,899) |
| Gift and overhead fees | (311,570) | (240,638) |
| Premiums paid on life insurance policies | (4,004) | (6,794) |
| Proceeds from life insurance policies | 22,787 | - |
| Allocation of earnings from endowments at the University of Florida Foundation, Inc. | 1,914,720 | 1,807,228 |
| Purchases of investment securities | (1,017,924) | (71,886) |
| Proceeds from sale and maturities of investment securities | 1,141,306 | 8,606,155 |
| Cash received for interest | 17,649 | 14,108 |
| Net cash provided by investing activities | <u>1,675,910</u> | <u>10,807,683</u> |
| Increase in cash and cash equivalents | <u>340,011</u> | <u>124,095</u> |
| Cash and cash equivalents, beginning of year | 439,475 | 315,380 |
| Cash and cash equivalents, end of year | <u><u>\$ 779,486</u></u> | <u><u>\$ 439,475</u></u> |
| Reconciliation of operating income to net cash provided by operating activities | | |
| Operating income | \$ 37,308,987 | \$ 38,271,080 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 11,004 | 11,212 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 798 | 9,730 |
| Due from the University of Florida Foundation, Inc. | 500,000 | 500,000 |
| Prepaid expenses | 7,551 | 197 |
| Accounts payable and accrued expenses | (48,854) | 23,117 |
| Accrued compensated absences | 5,849 | (44,271) |
| Deferred revenue | 6,825 | - |
| Net cash provided by operating activities | <u><u>\$ 37,792,160</u></u> | <u><u>\$ 38,771,065</u></u> |

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

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

(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 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 position.

(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 likely be immaterial. Gator Boosters has no policy requiring collateral or other security to support its accounts receivable.

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

(f) **Capital assets**—Capital assets purchased or acquired with an original cost of \$700 or more are recorded at historical cost or estimated historical cost. Contributed assets are recorded 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, 2017 and 2016.

(g) **Restricted assets**—Restricted assets include the cash surrender value of life insurance policies, which are restricted by contributors for permanent endowments.

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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

(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. Any amounts accrued over the maximums convert to sick leave at the end of the year on an hour for hour basis. 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.

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

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

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

(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 files tax returns in the U.S. federal jurisdiction. Management of Gator Boosters 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, including changes to Gator Boosters’ status as a not-for-profit entity. Management believes Gator Boosters met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements. Gator Boosters’ income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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

(l) **Future accounting pronouncements**—GASB issued Statement No. 87, Leases, in June 2017. GASB 87 aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions in GASB 87 are effective for periods beginning after December 15, 2019. Gator Boosters is currently evaluating the impact this statement will have on its financial statements.

(2) **Cash and Short-term Investments:**

(a) **Cash and cash equivalents**—Gator Boosters had demand deposits with a regional bank with bank balances amounting to \$782,622 and \$481,476 at June 30, 2017 and 2016, respectively. 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, 2017 and 2016, \$532,622 and \$231,476 respectively, of Gator Boosters' bank balances was exposed to custodial credit risk.

(b) **Short-term investments**—Short-term investments are comprised of funds invested in the Special Purpose Investment Account (SPIA) within the Florida Treasury Investment Pool (FTIP). Funds within the FTIP are subject to various risks including credit risk and interest rate risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk can be evaluated based on the rating assigned to an issuer or other counterparty by an independent rating agency. Interest rate risk is the risk that arises for holders of fixed income securities due to fluctuations in interest rates. This risk increases as the time to maturity or duration of these securities increase. The FTIP is not exposed to foreign currency risk as State law and investment policy do not authorize the FTIP to purchase investments in foreign currencies.

Gator Boosters reported short-term investments in SPIA at fair value totaling \$1,363,550 and \$1,518,927 at June 30, 2017 and 2016, respectively, 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 A+f by Standard & Poor's, had an effective duration of 2.80 years and 2.61 years and a fair value factor of 0.9923 and 1.0143 as of June 30, 2017 and 2016, 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. 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 State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

The fair value of Gator Boosters investment in SPIA is measured on a recurring basis, which is valued based on Gator Boosters share of the pool, using significant unobservable inputs (Level 3).

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

(3) **Capital Assets:**

Capital asset activity for the year ended June 30, 2017, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|------------------------------|------------------|------------------|---------------------------|
| Furniture and equipment | \$ 370,251 | \$ - | \$ 235,234 | \$ 135,017 |
| Leasehold improvements | 50,018 | - | - | 50,018 |
| Total capital assets at historical cost | 420,269 | - | 235,234 | 185,035 |
| Less accumulated depreciation for: | | | | |
| Furniture and equipment | 344,919 | 11,004 | 235,234 | 120,689 |
| Leasehold improvements | 50,018 | - | - | 50,018 |
| Total accumulated depreciation | 394,937 | 11,004 | 235,234 | 170,707 |
| Capital assets, net | \$ 25,332 | \$ (11,004) | \$ - | \$ 14,238 |

Capital asset activity for the year ended June 30, 2016, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|------------------------------|------------------|------------------|---------------------------|
| Furniture and equipment | \$ 367,931 | \$ 2,320 | \$ - | \$ 370,251 |
| Leasehold improvements | 50,018 | - | - | 50,018 |
| Total capital assets at historical cost | 417,949 | 2,320 | - | 420,269 |
| Less accumulated depreciation for: | | | | |
| Furniture and equipment | 333,707 | 11,212 | - | 344,919 |
| Leasehold improvements | 50,018 | - | - | 50,018 |
| Total accumulated depreciation | 383,725 | 11,212 | - | 394,937 |
| Capital assets, net | \$ 34,224 | \$ (8,892) | \$ - | \$ 25,332 |

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

Endowment fund investments are held and invested by the University of Florida Foundation (the Foundation) to be managed on behalf of Gator Boosters. Endowment fund contributions made to the Foundation and any appreciation on all of the endowment funds are considered to be assets and net position 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 \$56,991,326 and \$51,661,553 at June 30, 2017 and 2016, 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

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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

Boosters, Inc.” and were comprised of the following at June 30, 2017 and 2016:

| | June 30, 2017 | | | |
|-----------------------------|----------------------|-----------------------|--------------------------------|---------------------|
| | Major Gifts | Ticket Related | Administrative Overhead | Total |
| Assets: | | | | |
| Cash | \$ 1,513,192 | \$ 27,210 | \$ 3,534 | \$ 1,543,936 |
| Real estate held for resale | 199,000 | - | - | 199,000 |
| Total assets | <u>1,712,192</u> | <u>27,210</u> | <u>3,534</u> | <u>1,742,936</u> |
| Liabilities | 40,000 | - | - | 40,000 |
| Net Funds Held | <u>\$ 1,672,192</u> | <u>\$ 27,210</u> | <u>\$ 3,534</u> | <u>\$ 1,702,936</u> |

| | June 30, 2016 | | | |
|-----------------------------|----------------------|-----------------------|--------------------------------|---------------------|
| | Major Gifts | Ticket Related | Administrative Overhead | Total |
| Assets: | | | | |
| Cash | \$ 345,608 | \$ 21,599 | \$ 10,630 | \$ 377,837 |
| Receivable | 957,500 | - | 24,000 | 981,500 |
| Real estate held for resale | 279,300 | - | - | 279,300 |
| Total assets | <u>1,582,408</u> | <u>21,599</u> | <u>34,630</u> | <u>1,638,637</u> |
| Liabilities | 3,450 | - | - | 3,450 |
| Net Funds Held | <u>\$ 1,578,958</u> | <u>\$ 21,599</u> | <u>\$ 34,630</u> | <u>\$ 1,635,187</u> |

Donations of real estate held for resale received by the Foundation on behalf of Gator Boosters are initially recorded at the appraised value and annually the Director of Real Estate at the Foundation reviews all properties for any material impairment. The real estate held for resale component of these funds are considered noncurrent assets, all other items are considered current assets in the accompanying financial statements.

The Foundation distributes an earnings allocation (4.00% for the years ended June 30, 2017 and 2016) on endowment funds to Gator Boosters annually. These earnings allocations totaled \$1,874,146 and \$1,929,077 for the years ended June 30, 2017 and 2016, 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, 2017 AND 2016

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

Long-term liability activity for the year ended June 30, 2017, 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 | \$ 103,756 | \$ 104,861 | \$ 99,012 | \$ 109,605 | \$ 18,000 |

Long-term liability activity for the year ended June 30, 2016, 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 | \$ 148,027 | \$ 87,557 | \$ 131,828 | \$ 103,756 | \$ 19,246 |

(6) **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 as recognized in the accompanying statements of revenues, expenses, and changes in net position to contributions revenue as reflected in the financial statements of the Athletic Association for the years ended June 30, 2017 and 2016, is as follows:

| | <u>2017</u> | <u>2016</u> |
|--|----------------------|----------------------|
| Contributions to the Athletic Association, as recognized in the accompanying statements of revenues, expenses, and changes in net position | \$ 38,823,796 | \$ 39,958,223 |
| Recognition by the Athletic Association of prior year amounts received from Gator Boosters that were previously unearned | 29,392,390 | 29,788,206 |
| Deferral by the Athletic Association of amounts received from Gator Boosters in the current year | (29,106,949) | (29,392,390) |
| Contributions from Gator Boosters, as recognized in the financial statements of the Athletic Association | <u>\$ 39,109,237</u> | <u>\$ 40,354,039</u> |

GATOR BOOSTERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

(6) Related-Party Transactions: (Continued)

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, 2017 and 2016, 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, 2017 and 2016, Gator Boosters paid \$190,000 and \$90,000, respectively, to the Athletic Association for accounting and other support services.

During the year ended June 30, 2015, Gator Boosters received a commitment from the University of Florida Foundation (the Foundation) in the amount of \$2,000,000 for future renovations of the Stephen C. O’Connell Center that is included in capital improvement contributions in the accompanying financial statements. As of June 30, 2017, Gator Boosters has collected \$1,500,000 from the Foundation with \$500,000 still outstanding to be received in the fiscal year ending June 20, 2018.

(7) Donated Materials, Facilities and Services:

Gator Boosters records the value of donated materials, facilities and services at their fair market value at the date of donation. For the years ended June 30, 2017 and 2016, Gator Boosters received \$88,000 and \$79,000, respectively, for donated materials, facilities and services, of which \$70,620 per year was from the Athletic Association for the use of office space.

(8) Pension Plan:

Beginning July 1, 2013, the Gator Boosters Board of Directors elected to adopt The University of Florida 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 \$125,291 and \$110,617 for the years ended June 30, 2017 and 2016, respectively. Contributions are made by Gator Boosters to the pension plan based on 12% of an eligible employee’s earnings. During the years ended June 30, 2017 and 2016, total pension applicable payroll for employees covered under the plan was \$1,058,099 and \$950,959, respectively, which represented approximately 97% of total payroll for the years ended June 30, 2017 and 2016.

(9) 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, 2017 AND 2016

| | 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, 2015 | \$ 2,334,697 | \$ 1,733,910 | \$ 777,270 | \$ 53,361,855 | \$ 58,207,732 |
| Contributions | 9,652,599 | 49,589 | - | 2,001,317 | 11,703,505 |
| Gift, credit card, and overhead fees | (253,394) | (26,134) | (24,777) | (672,073) | (976,378) |
| Beneficiary distributions | - | - | (65,558) | - | (65,558) |
| Investment earnings (losses) | (45,027) | - | 5,088 | (1,761,963) | (1,801,902) |
| Real estate gains (losses) | (185,316) | - | - | (36,904) | (222,220) |
| Allocation of earnings from endowments at the UF Foundation, Inc. | - | 1,922,702 | - | - | 1,922,702 |
| Transfer of operating funds to other accounts | (9,868,372) | (1,779,166) | - | (1,922,702) | (13,570,240) |
| Balance, June 30, 2016 | <u>1,635,187</u> | <u>1,900,901</u> | <u>692,023</u> | <u>50,969,530</u> | <u>55,197,641</u> |
| Contributions | 6,965,426 | 5,247 | - | 1,994,795 | 8,965,468 |
| Gift, credit card, and overhead fees | (281,906) | (21,968) | (23,446) | (666,698) | (994,018) |
| Beneficiary distributions | - | - | (141,125) | - | (141,125) |
| Investment earnings (losses) | (19,191) | - | 208,943 | 5,829,572 | 6,019,324 |
| Real estate gains (losses) | (76,233) | - | - | 34,318 | (41,915) |
| Allocation of earnings from endowments at the UF Foundation, Inc. | - | 1,906,587 | - | - | 1,906,587 |
| Transfer of operating funds to other accounts | (6,520,347) | (1,929,077) | - | (1,906,587) | (10,356,011) |
| Balance, June 30, 2017 | <u>\$ 1,702,936</u> | <u>\$ 1,861,690</u> | <u>\$ 736,395</u> | <u>\$ 56,254,930</u> | <u>\$ 60,555,951</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 due from the University of Florida Foundation, Inc. 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, 2017
(with comparative actual information for the year ended June 30, 2016)

| | 2017 | | | 2016 |
|--|---------------|---------------|--------------|---------------|
| | Actual | Budget | Variance | Actual |
| Operating revenue | | | | |
| Football related contributions | | | | |
| Per Seat Contributions | \$ 17,767,157 | \$ 18,000,000 | \$ (232,843) | \$ 16,241,496 |
| Evans Champions Club Contributions | 5,889,099 | 5,992,500 | (103,401) | 5,163,861 |
| Touchdown Terrace Contributions | 2,982,218 | 3,520,000 | (537,782) | 2,743,132 |
| Deck Contributions | 991,854 | 995,068 | (3,214) | 917,968 |
| Suite Contributions | 2,948,699 | 2,880,170 | 68,529 | 2,666,811 |
| Zone Contributions | 293,483 | 282,046 | 11,437 | 266,974 |
| Den Contributions | 759,972 | 777,654 | (17,682) | 742,246 |
| Single game ticket sales | 4,730 | - | 4,730 | 845 |
| In-kind Contributions | 88,120 | 88,120 | - | 79,370 |
| Endowment Contributions | 5,500 | - | 5,500 | 14,891 |
| Total football related contributions | 31,730,832 | 32,535,558 | (804,726) | 28,837,594 |
| Basketball related contributions | | | | |
| Per Seat Contributions | 1,977,427 | 1,750,000 | 227,427 | 2,653,481 |
| Courtside Seating | 274,847 | 200,000 | 74,847 | 269,952 |
| Single game ticket sales | (50) | - | (50) | 228 |
| Total basketball related contributions | 2,252,224 | 1,950,000 | 302,224 | 2,923,661 |
| Capital improvement contributions | | | | |
| Major Gift Facility Pledge Payments | 6,510,386 | 3,587,350 | 2,923,036 | 9,194,027 |
| Total capital improvement contributions | 6,510,386 | 3,587,350 | 2,923,036 | 9,194,027 |
| Special events | | | | |
| F Club Fundraising Events | 8,825 | 12,000 | (3,175) | 12,635 |
| Hall of Fame Banquet | - | 45,000 | (45,000) | 24,560 |
| Special Events | 23,225 | 131,500 | (108,275) | 71,315 |
| Total special events | 32,050 | 188,500 | (156,450) | 108,510 |
| Other contributions | | | | |
| Sport Contributions (not FB or BB) | 40,750 | - | 40,750 | 15,100 |
| Chris Patrick Athletic Trainer Scholarship | - | - | - | 2,500 |
| Other | 40,993 | - | 40,993 | 33,135 |
| Undesignated Booster Contributions | - | - | - | - |
| FB Letterman Endowment | - | - | - | - |
| Total other contributions | 81,743 | - | 81,743 | 50,735 |
| Total operating revenue | 40,607,235 | 38,261,408 | 2,345,827 | 41,114,527 |
| Operating expenses | | | | |
| Salaries and benefits | | | | |
| Salaries | 1,073,848 | 1,085,697 | (11,849) | 966,766 |
| Overtime | 10,865 | 10,808 | 57 | 9,814 |
| OPS Personnel | 15,153 | 21,000 | (5,847) | 19,079 |
| Compensated Absences | 23,596 | 22,000 | 1,596 | (34,370) |
| Dealer Car Expense | 17,500 | 24,000 | (6,500) | 8,750 |
| Insurance | 148,739 | 192,576 | (43,837) | 151,676 |
| Payroll Taxes | 76,168 | 79,024 | (2,856) | 68,568 |
| Pension | 125,292 | 126,516 | (1,224) | 110,617 |
| Employee Moving | - | - | - | 6,539 |
| EE Tuition Reimbursement | - | - | - | - |
| Total salaries and benefits | 1,491,161 | 1,561,621 | (70,460) | 1,307,439 |
| Publication expense | | | | |
| Annual Report/Year In Review | 45,965 | 47,000 | (1,035) | 43,698 |
| Total publication expense | 45,965 | 47,000 | (1,035) | 43,698 |

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, 2017
(with comparative actual information for the year ended June 30, 2016)

| | 2017 | | | 2016 |
|------------------------------------|-------------------|-------------------|------------------|-------------------|
| | Actual | Budget | Variance | Actual |
| Promotion | | | | |
| General Administrative | \$ 19,595 | \$ 19,000 | \$ 595 | \$ 24,909 |
| Major Gift | 15,606 | 26,000 | (10,394) | 19,993 |
| Annual Giving | - | - | - | 512 |
| Stewardship Projects | 76,244 | 41,000 | 35,244 | 30,100 |
| Gator Club Activities | - | - | - | - |
| Basketball Post Season | - | - | - | - |
| Endowment Campaign | 17,234 | 16,000 | 1,234 | 4,391 |
| Capital Campaign | 60,859 | 7,500 | 53,359 | 45,097 |
| F Club Expenses | 12,456 | 4,500 | 7,956 | 3,003 |
| Club Perks | 400,161 | 272,000 | 128,161 | 263,445 |
| Membership Mailer | 42,426 | 57,000 | (14,574) | 55,981 |
| Bull Gator Perks | 167,626 | 189,000 | (21,374) | 232,589 |
| Tigert Society | 26,516 | 35,000 | (8,484) | 51,839 |
| Bull Gator Club - TDT | 98,342 | 135,000 | (36,658) | 133,283 |
| Suite Expenses | 55,107 | 53,000 | 2,107 | 49,576 |
| Basketball Courtside Seats | 21,926 | - | 21,926 | 2,285 |
| F Club Operations | 10,456 | 16,000 | (5,544) | 15,802 |
| Donor Recognition | 3,082 | 15,000 | (11,918) | 11,040 |
| Game Day Transportation | 5,700 | 9,000 | (3,300) | 7,980 |
| Total promotion | 1,033,336 | 895,000 | 138,336 | 951,825 |
| Meeting and travel | | | | |
| General Administrative | 14,857 | 8,000 | 6,857 | 8,561 |
| Major Giving | 35,049 | 36,000 | (951) | 25,700 |
| Annual Giving | - | - | - | 2,086 |
| Booster Board Meetings | 80,643 | 60,000 | 20,643 | 59,552 |
| Total meeting and travel | 130,549 | 104,000 | 26,549 | 95,899 |
| General and administrative | | | | |
| UAA Salaries | 190,000 | 190,000 | - | 90,000 |
| Dues and Memberships | 575 | 1,200 | (625) | 1,180 |
| Books and Subscriptions | 429 | 300 | 129 | 429 |
| Office Equipment and Supplies | 27,592 | 13,500 | 14,092 | 16,554 |
| Printing | - | - | - | 3,710 |
| Postage | 139,021 | 92,000 | 47,021 | 98,369 |
| Computer Support and Supplies | 4,694 | 5,000 | (306) | 17,268 |
| Booster Tax Receipting | 15,767 | 17,000 | (1,233) | 16,480 |
| Annual Audit/Tax Services | 29,750 | 29,250 | 500 | 28,500 |
| Telephone | 1,850 | 1,500 | 350 | 1,295 |
| Major Maintenance | - | 2,500 | (2,500) | - |
| Repairs and Maintenance | 798 | 1,000 | (202) | - |
| Miscellaneous Business Expense | 18,902 | 19,000 | (98) | 22,077 |
| Rent Expense | 70,620 | 70,620 | - | 70,620 |
| Property and Casualty Insurance | 20,719 | 22,000 | (1,281) | 19,941 |
| Seminars, Training and Development | 425 | 1,500 | (1,075) | 825 |
| Bank Card Merchant Fees | 9,975 | 8,500 | 1,475 | 12,825 |
| Depreciation | 11,004 | - | 11,004 | 11,212 |
| Contingency | 46,250 | 25,000 | 21,250 | - |
| Total general and administrative | 588,371 | 499,870 | 88,501 | 411,285 |
| Special events | | | | |
| F Club Fundraising Items | 1,974 | 3,750 | (1,776) | 3,749 |
| Hall of Fame Banquet | 6,892 | 35,000 | (28,108) | 29,552 |
| Total special events | 8,866 | 38,750 | (29,884) | 33,301 |
| Total operating expense | 3,298,248 | 3,146,241 | 152,007 | 2,843,447 |
| Operating income | 37,308,987 | 35,115,167 | 2,193,820 | 38,271,080 |

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, 2017
(with comparative actual information for the year ended June 30, 2016)

| | 2017 | | | 2016 |
|--|---------------------|---------------------|---------------------|---------------------|
| | Actual | Budget | Variance | Actual |
| Nonoperating revenue (expenses) | | | | |
| Contributions to the Athletic Association | | | | |
| Contributions to the Athletic Association: | | | | |
| Football Pledge Only | \$ (38,155) | \$ - | \$ (38,155) | \$ (32,735) |
| Other Sport Contributions (not FB or BB) | (40,750) | - | (40,750) | (17,600) |
| Scholarships/Capital Improvement/Debt Services | (16,109,028) | (16,886,665) | 777,637 | (15,201,599) |
| Facility Pledge | (6,510,386) | (3,587,350) | (2,923,036) | (9,194,027) |
| Dens | (759,972) | (777,654) | 17,682 | (742,246) |
| Skybox Suites | (2,948,699) | (2,880,170) | (68,529) | (2,666,811) |
| Champions Club | (5,889,099) | (5,992,500) | 103,401 | (5,163,861) |
| Touchdown Terrace | (2,982,218) | (3,520,000) | 537,782 | (2,743,132) |
| Bull Gator Deck | (991,854) | (995,068) | 3,214 | (917,968) |
| Bull Gator Zone | (293,483) | (282,046) | (11,437) | (266,974) |
| Future Year Per Seat Contributions | (7,878) | - | (7,878) | (87,837) |
| Basketball General Seats | (1,977,427) | (1,750,000) | (227,427) | (2,653,481) |
| Basketball Courtside Seats | (274,847) | (200,000) | (74,847) | (269,952) |
| Total contributions to the Athletic Association | <u>(38,823,796)</u> | <u>(36,871,453)</u> | <u>(1,952,343)</u> | <u>(39,958,223)</u> |
| Contributions to the University of Florida Foundation: | | | | |
| Restricted Scholarship Endowment | | | | |
| F Club Fundraising Items | (4,352) | - | (4,352) | (9,126) |
| Endowment Contributions | (32,550) | - | (32,550) | (14,651) |
| Total contributions to UFF | <u>(36,902)</u> | <u>-</u> | <u>(36,902)</u> | <u>(23,777)</u> |
| Allocation of earnings from endowments | | | | |
| at the University of Florida Foundation, Inc. | | | | |
| UFF Endowment Spendable Income | 1,874,146 | 1,950,000 | (75,854) | 1,929,077 |
| Total allocation of earnings from endowments | <u>1,874,146</u> | <u>1,950,000</u> | <u>(75,854)</u> | <u>1,929,077</u> |
| at the University of Florida Foundation, Inc. | | | | |
| Investment income | | | | |
| Interest Income | 17,649 | 45,000 | (59,346) | 64,783 |
| Net increase (decrease) in fair value of investments | (31,995) | - | - | 8,373 |
| UFF Other Revenue | (19,305) | - | (19,305) | (47,716) |
| UFF Investment Pool Earnings | - | - | - | - |
| Dividends-Life Insurance Premium | 18,885 | - | 18,885 | 6,624 |
| Total investment income | <u>(14,766)</u> | <u>45,000</u> | <u>(59,766)</u> | <u>32,064</u> |
| Gift fees | | | | |
| UFF Gift Fees | (309,052) | (125,557) | (183,495) | (240,763) |
| UFF Other Expense | (2,519) | - | (2,519) | 125 |
| Total Gift fees | <u>(311,571)</u> | <u>(125,557)</u> | <u>(186,014)</u> | <u>(240,638)</u> |
| Net nonoperating revenue (expenses) | <u>(37,312,889)</u> | <u>(35,002,010)</u> | <u>(2,310,879)</u> | <u>(38,261,497)</u> |
| Income (loss) before contributions | <u>(3,902)</u> | <u>113,157</u> | <u>(117,059)</u> | <u>9,583</u> |
| Contributions from donors for permanent endowments | | | | |
| Life Insurance Premium Contributions | 4,004 | - | 4,004 | 6,794 |
| Total contributions from donors for permanent endowments | <u>4,004</u> | <u>-</u> | <u>4,004</u> | <u>6,794</u> |
| Increase in net position | <u>\$ 102</u> | <u>\$ 113,157</u> | <u>\$ (113,055)</u> | <u>\$ 16,377</u> |

See accompanying notes to financial statements

**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**

To the Board of Directors,
Gator Boosters, 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 Gator Boosters, Inc., a direct support organization and component unit (for accounting purposes only) of the University of Florida, which comprise the statement of net position as of June 30, 2017, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 29, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gator Boosters, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gator Boosters, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Gator Boosters, Inc.'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.

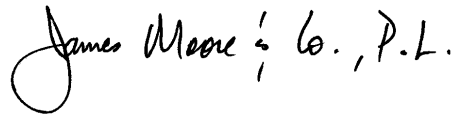
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
September 29, 2017