UCF ATHLETICS ASSOCIATION, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF CENTRAL FLORIDA)

FINANCIAL STATEMENTS

JUNE 30, 2026

UCF ATHLETICS ASSOCIATION, INC.
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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Directors
UCF Athletics Association, Inc.
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the UCF Athletics Association, Inc. (the "Association"), a direct support organization and component unit of the University of Central Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Association, as of June 30, 2026, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2026, the Association adopted new accounting guidance, GASB Statements No. 103, *Financial Reporting Model Improvements*. There was no impact to net position as of July 1, 2025 as a result of adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 5, 2026 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Oakbrook Terrace, Illinois
November 5, 2026

Overview of the Financial Statements

Management's discussion and analysis (MD&A) provides an objective, fact-based analysis of the financial position and results of UCF Athletics Association, Inc. (the Association) for the fiscal year ended June 30, 2026. Fiscal year 2025 comparative amounts are derived from the audited fiscal year 2025 financial statements. Noncapital subsidies were not presented as a separate category in the fiscal year 2025 audited financial statements. This MD&A should be read together with the basic financial statements and related notes.

The Association is a Florida not-for-profit corporation, a direct-support organization and component unit of the University of Central Florida (the University). The Association operates the University's intercollegiate athletics program and reports as a special-purpose government engaged only in business-type activities.

The basic financial statements consist of the statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows; and notes. The statement of net position presents a fiscal year-end snapshot of resources available to support operations, obligations owed to vendors, employees, lenders, lessors, the University, and other parties, and the components of net position. The statement of revenues, expenses and changes in net position explains the activity that produced the year-over-year change in net position. The statement of cash flows explains the sources and uses of cash by operating, noncapital financing, capital and related financing, and investing activities. The notes provide additional information needed to understand the amounts and accounting policies used in the statements.

The Association's strategic direction continues to reflect its transition to the Big 12 Conference and the objectives previously established through Mission XII. Those objectives emphasize support for student-athletes, championship-caliber services, competitive success, alignment of the athletics operating budget with conference peers, and growth in self-generated revenue through ticket sales, premium seating, philanthropy, corporate sponsorships, licensing, and related opportunities.

The Association's operating environment is influenced by its relationship with the University and related organizations, conference membership, donor and corporate support, facility arrangements, and the evolving economics of intercollegiate athletics. Success in athletics and academics can affect ticket demand, sponsorship value, fundraising, recruiting, and institutional visibility; however, the financial analysis below focuses on recognized transactions and objectively measurable changes in the financial statements.

Financial Summary

During fiscal year 2026, the Association adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. GASB Statement No. 103 primarily affected financial statement presentation and management's discussion and analysis requirements and did not affect recognition or measurement of the Association's assets, liabilities, revenues, expenses, or net position. The adoption of GASB 104 resulted in changes to the presentation of certain capital asset categories in the notes to the financial statements but did not affect the Association's net position or changes in net position.

Amounts in the following condensed statements are presented in dollars and rounded to the nearest whole dollar. Fiscal year 2025 student athletic fees were reclassified from operating revenues to noncapital subsidies to conform to the fiscal year 2026 GASB 103 presentation. This reclassification did not change fiscal year 2025 total revenues or the increase in net position.

Condensed Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the Association as of the end of the fiscal year. The Statement of Net Position is a point-in-time financial statement. Its purpose is to present to the readers of the financial statements a fiscal snapshot of the Association. The Statement of Net Position is prepared using the economic resources measurement focus and the accrual basis of accounting, where revenues are recorded when they are earned and expenses are recognized when they are incurred.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the Association. They can determine how much the Association owes to vendors and lending institutions. Finally, the Statement of Net Position provides information about net position and its availability for expenditure by the Association.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the Association's equity in property, plant, and equipment. The second category is restricted net position, which consists of assets that have constraints placed upon their use either by external donors, grantors, creditors, or through laws, regulations, constitutional provisions, or enabling legislation, reduced by any liabilities to be paid from these assets. The third category is unrestricted net position, which is available to the Association for any purpose.

The following summarizes the Association's total net position for fiscal years ended June 30:

Condensed Statement of Net Position

			Variance	
	2026	**2025**	**Amount**	**Percentage**
Current assets	$ 58,568,383	$ 32,335,825	$ 26,232,558	81.1%
Capital assets, net	28,141,820	30,222,339	(2,080,519)	-6.9%
Lease assets, net	23,696,307	23,796,877	(100,570)	-0.4%
Total assets	110,406,510	86,355,041	24,051,469	27.9%
Current liabilities	21,598,477	20,095,670	1,502,807	7.5%
Noncurrent liabilities	37,816,876	35,482,916	2,333,960	6.6%
Total liabilities	59,415,353	55,578,586	3,836,767	6.9%
Net investment in capital assets	23,142,435	26,442,339	(3,299,904)	-12.5%
Restricted net position	1,042,166	1,120,996	(78,830)	-7.0%
Unrestricted net position	26,806,556	3,213,120	23,593,436	734.3%
Total net position	$ 50,991,157	$ 30,776,455	$ 20,214,702	65.7%

Condensed Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues and expenses incurred during the fiscal year. Revenues and expenses are reported as operating and nonoperating. The GASB requires that state appropriations and other revenues, which are not payments for services, be classified as noncapital subsidies or nonoperating revenues. Likewise, interest on related debt is classified as a nonoperating expense. Because noncapital subsidies are budgeted or designated to support the Association's operations, the Association considers the result after the operating loss and noncapital subsidies to be an important measure for understanding its financial results.

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the Association's operating and nonoperating revenues and expenses, as well as other gains and losses recognized during the fiscal year.

In general, operating revenues are received for providing goods and services to the Association's various customers and constituencies. Operating expenses are those expenses paid to acquire or produce goods and services provided in return for the operating revenues and to carry out the mission of the Association. Noncapital subsidies consist of resources received without the Association providing goods or services of approximately equal value. Other nonoperating revenues include items that are not associated with the Association's principal operating activities.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	2026	Restated 2025	Variance Amount	Variance Percentage
Operating revenues	$ 72,138,522	$ 54,110,940	$ 18,027,582	33.3%
Operating expenses	128,059,524	94,459,411	33,600,113	35.6%
Operating loss	**(55,921,002)**	**(40,348,471)**	**(15,572,531)**	**38.6%**
Noncapital subsidies	83,600,078	51,542,375	32,057,703	62.2%
Operating loss and noncapital subsidies	**27,679,076**	**11,193,904**	**16,485,172**	**147.3%**
Net other nonoperating revenues (expenses)	(7,464,374)	(7,876,512)	412,138	-5.2%
Increase in net position	**20,214,702**	**3,317,392**	**16,897,310**	**509.4%**
Net position, beginning of year	30,776,455	27,459,063	3,317,392	12.1%
Net position, end of year	**$ 50,991,157**	**$ 30,776,455**	**$ 20,214,702**	**65.7%**

Condensed Statement of Cash Flows

The final statement presented is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Association during the year. The statement presents cash flows within four classifications: operating, noncapital financing, capital and related financing, and investing activities. It also includes a reconciliation of operating income or loss to net cash provided by or used in operating activities. The first section deals with operating cash flows and shows the net cash used in the operating activities of the Association. The second section reflects cash flows from noncapital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with cash used for the acquisition and construction of capital and related items. The fourth section deals with cash flows from investing activities. The fifth section reconciles the net cash used in operating activities to the operating income reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Condensed Statement of Cash Flows

	2026	2025	Variance Amount	Variance Percentage
Cash flows from:				
Operating activities, net	$ (13,867,849)	$ (24,751,562)	$ 10,883,713	-44%
Noncapital financing activities, net	21,299,051	37,752,344	(16,453,293)	-44%
Capital and related financing activities, net	(12,037,863)	(11,102,457)	(935,406)	8%
Investing activities, net	370,233	295,293	74,940	25%
Net change in cash and cash equivalents	(4,236,428)	2,193,619	(6,430,047)	-293%
Cash and cash equivalents, beginning of year	27,020,598	24,826,979	2,193,619	9%
Cash and cash equivalents, end of year	**$ 22,784,170**	**$ 27,020,598**	**$ (4,236,428)**	**-16%**

Detailed Analyses

Financial Position

Total assets increased $24.1 million, or 27.9%, from $86.4 million to $110.4 million. Current assets increased by $26.2 million to $58.6 million. Cash and cash equivalents were $22.8 million, compared with $27.0 million in 2025. Amounts due from related parties increased $27.4 million to $27.6 million, principally because the Association recognized the $22.5 million Strategic Investment Fund transfer while the related cash remained within the University's liquidity structure pending release for approved strategic investments. Accounts receivable increased $3.1 million to $6.7 million. These increases were partly offset by the $4.2 million reduction in cash and cash equivalents.

Total liabilities increased $3.8 million, or 6.9%, from $55.6 million to $59.4 million. Current liabilities increased $1.5 million to $21.6 million, principally because of increases in accounts payable and accrued expenses totaling $2.4 million. Unearned revenue primarily represents advance ticket sales and seat premiums for future athletic events. Additionally, the Association entered into an agreement with a supplier during fiscal year 2026 that included a capital investment commitment and a signing bonus. The related amounts are recognized as revenue ratably over the term of the underlying contract. Noncurrent liabilities increased by $2.3 million to $37.8 million due to the addition of the noncurrent portion of the capital investment liability and the unearned signing bonus. This increase was offset by scheduled debt, lease, and athletic conference exit-fee obligations that were paid or moved into current classifications. At June 30, 2026, the principal long-term obligations consisted of lease liabilities, the remaining conference exit-fee obligation, loans and notes payable, compensated absences, and the long-term portion of unearned revenues related to the capital investment obligation.

Total net position increased $20.2 million, or 65.7%, from $30.8 million to $51 million. Net investment in capital assets decreased $3.3 million to $23.1 million, reflecting depreciation and amortization and the relationship between capital and lease assets and the associated financing obligations. Restricted net position decreased $0.1 million to $1 million and consisted of amounts restricted for capital projects and specific sports' activities. Unrestricted net position increased by $23.6 million to $26.8 million, primarily because the Strategic Investment Fund amount was recognized as noncapital subsidy revenue and remained included in due from related parties at year-end. The Strategic Investment Fund is classified as unrestricted in accordance with applicable accounting standards because its use is not subject to externally imposed restrictions; however, its use remains subject to internal oversight and approval requirements.

Results of Operations

On a comparable GASB 103 basis, operating revenues increased $18 million, or 33.3%, from $54.1 million to $72.1 million, primarily reflecting the Association's transition to full membership in the Big 12 Conference in fiscal year 2026. Fiscal year 2025 student athletic fees of $23.7 million were reclassified from operating revenue to noncapital subsidies for comparative presentation. Conference and NCAA distributions were $38.4 million in 2026 and represented the largest operating revenue source. Game ticket revenue was $16.8 million, sponsorships and royalties were $13.3 million, and other operating revenue was $3.7 million. Ticketing, premium seating, sponsorships, licensing, and conference distributions remain important self-generated or athletics-related revenue streams and are affected by scheduling, competitive performance, conference arrangements, and market demand.

Operating expenses increased $33.6 million, or 35.6%, from $94.5 million to $128.1 million. The increase was primarily driven by the implementation of revenue-sharing payments to student-athletes, which are reported within independent contractors, as well as higher salaries and benefits, other general and administrative expenses, and depreciation and amortization. Revenue-sharing payments were a new

expense in fiscal year 2026 resulting from changes to the collegiate athletics regulatory framework. The increases in operating expenses reflect the cost structure associated with operating a major intercollegiate athletics program in the Big 12 environment, including personnel, contracted services, team travel, student-athlete support, and facility use. Operating expenses exceeded operating revenues by $55.9 million, compared with $40.3 million on a comparable 2025 basis. As is typical for intercollegiate athletics programs, the Association relies on related-party support to fund a portion of its operations; therefore, operating income or loss together with noncapital subsidies is a more representative measure of operating results.

Noncapital subsidies were not presented as a separate category in the fiscal year 2025 audited financial statements. For purposes of the comparative analysis in this MD&A, qualifying fiscal year 2025 revenues have been reclassified as noncapital subsidies to conform to the fiscal year 2026 presentation. On this comparable basis, noncapital subsidies increased $32.1 million, or 62.2%, from $51.5 million in fiscal year 2025 to $83.6 million in fiscal year 2026. The increase primarily reflects funding from the Strategic Investment Fund, which is discussed below, as well as increased support from related entities. These resources are budgeted or designated to support athletics activities but are classified outside operating revenues because they are not payments for goods or services of approximately equal value. After the operating loss and noncapital subsidies, the Association reported $27.7 million of income before other nonoperating activity. Other nonoperating expenses, net, were $7.5 million, resulting in a $20.2 million increase in net position.

In April 2026, the University Board of Trustees approved creation of the UCF Athletics Strategic Investment Fund and authorized the transfer of up to $22.5 million of nonrecurring auxiliary resources from the University's Central Auxiliary Strategic Fund. The Fund was established as a structured, transparent, and performance-oriented mechanism for strategic investments intended to strengthen revenue generation, competitive positioning, and long-term financial sustainability.

The Association recognized $22.5 million as a noncapital subsidy and a related amount due from the University during fiscal year 2026. Although the revenue was recognized for accounting purposes, associated cash of $19.4 million remained within the University's accounts and overall liquidity structure at June 30, 2026. Accordingly, the full amount of the subsidy did not increase the Association's reported cash and cash equivalents and the portion which has not yet been transferred is treated as non-cash activity in the Association's statement of cash flows. The recognition of revenue related to the fund was the principal reason amounts due from related parties and unrestricted net position increased during the year.

Cash Flows and Liquidity

Cash and cash equivalents decreased $4.2 million, or 15.7%, from $27.0 million at June 30, 2025, to $22.8 million at June 30, 2026. Net cash used in operating activities was $13.9 million in fiscal year 2026, compared with $24.8 million in fiscal year 2025. The decrease in cash used for operating activities reflects higher operating receipts associated with the Association's full membership in the Big 12 Conference, partially offset by revenue-sharing payments to student-athletes and other increases in operating costs. Net cash provided by noncapital financing activities was $21.3 million in fiscal year 2026, compared with $37.8 million in fiscal year 2025. Although noncapital subsidies increased significantly in fiscal year 2026, a portion of the University support was non-cash to the Association because the related funds remained in University accounts or were used by the University to satisfy expenses on the Association's behalf. Accordingly, the non-cash support was not presented as cash received by the Association, and the related expenses paid directly by the University were not included in the Association's cash payments. Certain fiscal year 2025 cash-flow amounts were reclassified to conform to the fiscal year 2026 presentation. These reclassifications affected the classification of certain cash flows but did not change the previously reported total change in cash and cash equivalents. Capital and related financing activities used $12 million in fiscal

year 2026, primarily for distributions to UCF Stadium Corporation and payments on debt and lease obligations, while investing activities provided $0.4 million.

Capital Assets and Long-Term Financing

Capital assets, net of accumulated depreciation, decreased $2.1 million, or 6.9%, from $30.2 million to $28.1 million. Lease assets, net, decreased $0.1 million from $23.8 million to $23.7 million. The Association's capital and leased asset base includes athletics facilities and related improvements used in its programs, including practice, training, competition, administrative, and support facilities. Depreciation and amortization totaled $8.1 million in fiscal year 2026. During the year ended June 30, 2026, the Association acquired certain capital assets totaling $2.2 million through capital investments from suppliers. These additions have been presented as non-cash capital financing activities in the accompanying statement of cash flows.

Noncurrent liabilities increased $2.3 million, or 6.6%, from $35.5 million to $37.8 million. Loans and notes payable totaled $3.4 million, the remaining athletic conference exit-fee obligation totaled $6.7 million, lease liabilities totaled $25.3 million, and compensated absences totaled $1.0 million, including current portions. The conference exit fee is payable in annual installments of approximately $0.7 million. During the fiscal year ended June 30, 2026, the Association paid off its $2,543,437 note payable to the University in full. Additional information concerning debt, leases, maturities, and security is presented in the notes to the financial statements.

Currently Known Facts, Decisions, or Conditions

The University established the UCF Athletics Strategic Investment Fund during fiscal year 2026 under a disciplined governance framework. The Fund is intended to support high-impact, nonrecurring investments that enhance revenue generation, competitive position, and long-term financial sustainability.

The Association is also operating in an evolving collegiate athletics environment that includes direct student-athlete revenue sharing, expanded scholarship opportunities, name, image and likeness oversight, and changes in conference and NCAA economics.

Construction and development of athletics facilities also continue to influence future capital, operating, and revenue considerations. The Roth Tower at Acrisure Bounce House and the Hagle Football Gateway are significant projects intended to enhance the game-day experience, generate year-round revenue, support recruiting, and contribute to tourism.

The Association's future financial condition will continue to depend on conference and NCAA distributions, ticket and premium-seating demand, sponsorships and licensing, philanthropic support, University and related-organization support, management of personnel and contracted-services costs, and the timing of facility and financing commitments.

UCF ATHLETICS ASSOCIATION, INC.
STATEMENT OF NET POSITION
JUNE 30, 2026

Assets	
Current assets	
Cash and cash equivalents	$ 22,784,170
Accounts receivable, net	6,705,272
Due from related parties	27,648,308
Prepaid expenses and other current assets	1,430,633
Total current assets	58,568,383
Non-current assets	
Depreciable capital assets, net	27,441,548
Nondepreciable capital assets	700,272
Lease assets, net	23,696,307
Total noncurrent assets	51,838,127
Total assets	110,406,510
Liabilities	
Current liabilities	
Current portion of loans and notes payable	370,000
Current portion of athletic conference exit fee payable	666,667
Current portion of lease liability - related party	1,782,077
Current portion of lease liability	804,725
Current portion of compensated absences	146,811
Accounts payable and accrued expenses	4,883,560
Due to related parties	1,394,080
Current portion of unearned revenue	11,550,557
Total current liabilities	21,598,477
Non-current liabilities	
Loans and notes payable, less current portion	3,050,000
Athletic conference exit fee payable	5,999,999
Lease liability, less current portion - related party	17,358,287
Lease liability, less current portion	5,330,603
Compensated absences, less current portion	877,987
Unearned revenue, less current portion	5,200,000
Total noncurrent liabilities	37,816,876
Total liabilities	59,415,353
Net position	
Net investment in capital assets	23,142,435
Restricted for:	
Capital projects	264,678
Specific sports' activities	777,488
Unrestricted	26,806,556
Total net position	$ 50,991,157

The accompanying notes to the financial statements are an integral part of this statement.

UCF ATHLETICS ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2026

Operating revenues	
Conference and NCAA distributions	$ 38,417,820
Game tickets	16,752,581
Sponsorships and royalties	13,252,883
Other	3,715,238
Total operating revenues	72,138,522
Operating expenses	
Salaries and benefits	34,058,418
Independent contractors	38,846,839
Athletic supplies and subsistence	7,726,228
Game guarantees	2,634,050
Travel	9,538,590
Other general and administrative	14,043,906
Utilities	1,911,611
Scholarships	11,229,206
Depreciation and amortization	8,070,676
Total operating expenses	128,059,524
Operating income (loss)	(55,921,002)
Noncapital subsidies	
University of Central Florida - Subsidy Support (Refer to Note 7)	58,688,738
UCF Stadium Corporation - Release of Unrestricted Excess Revenue	11,203,880
UCF Foundation - Gift Support (Refer to Note 7)	13,707,460
Total noncapital subsidies	83,600,078
Total operating income (loss) and noncapital subsidies	27,679,076
Other nonoperating revenues (expenses)	
UCF Stadium Corporation - Pledged Revenue Transfer	(5,552,623)
Transfers to the University of Central Florida	(1,445,021)
Investment earnings	370,233
Interest expense	(836,963)
Total nonoperating revenues (expenses)	(7,464,374)
Increase in net position	20,214,702
Net position, beginning of year	30,776,455
Net position, end of year	$ 50,991,157

The accompanying notes to the financial statements are an integral part of this statement.

UCF ATHLETICS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

Cash flows from operating activities		
Receipts from conference and NCAA distributions	$	38,417,820
Receipts from ticket sales		15,153,512
Receipts from sponsorships		12,958,234
Other receipts		3,934,250
Payments to employees		(33,143,508)
Payments to suppliers and others		(50,723,986)
Payments for scholarships		(464,171)
Net cash used in operating activities		(13,867,849)
Cash flows from noncapital financing activities		
Contributions from University of Central Florida (See Note 7)		3,210,184
Exit fee payments to athletic conference		(666,667)
Contributions from UCF Foundation		8,996,675
Noncapital subsidy received from UCF Stadium Corporation		11,203,880
Distributions to University of Central Florida		(1,445,021)
Net cash provided by noncapital financing activities		21,299,051
Cash flows from capital and related financing activities		
Distributions to UCF Stadium Corporation		(4,788,291)
Principal and interest payments on debt obligations		(3,159,798)
Payments for leased assets - related party		(2,256,264)
Payments for leased assets		(1,347,410)
Purchases of capital assets		(486,100)
Net cash used in capital and related financing activities		(12,037,863)
Cash flows from investing activities		
Interest income received		370,233
Net cash provided by investing activities		370,233
Net increase (decrease) in cash and cash equivalents		(4,236,428)
Cash and cash equivalents, beginning of year		27,020,598
Cash and cash equivalents, end of year	$	22,784,170
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)		(55,921,002)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization		8,070,676
Non-cash revenue, net, related to capital investments		(32,368)
Non-cash revenue related to University subsidy support		36,188,738
Changes in assets and liabilities:		
Accounts receivable, net		(341,665)
Prepaid expenses and other current assets		(10,207)
Accounts payable and accrued expenses		2,415,679
Unearned revenue		(683,009)
Compensated absences		(23,629)
Due from/ to University of Central Florida		(3,512,664)
Due from/ to UCF Stadium Corporation		(16,060)
Due from/ to UCF Convocation Corporation		(2,338)
Net cash provided by (used in) operating activities	$	(13,867,849)
Supplemental disclosure of non-cash investing and capital financing activities:		
Non-cash subsidy support from the University	$	55,478,554
Capital assets acquired directly through capital investments from suppliers		2,244,274
Operating expenses satisfied directly through investments from suppliers		1,215,369

The accompanying notes to the financial statements are an integral part of this statement.

(1) Summary of Significant Accounting Policies:

The following is a summary of the significant accounting policies and practices of UCF Athletics Association, Inc. (the Association), which affect significant elements of the accompanying financial statements:

(a) Reporting entity—The Association is a not-for-profit entity incorporated on July 1, 2003. The Association was created by the University of Central Florida (the University) as a direct support organization whose purpose is to operate and promote intercollegiate athletic programs to benefit the University and surrounding communities. The Association is presented as a discrete component unit on the University's financial statements.

(b) Financial statement presentation—The Association's financial statements are presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended, and other applicable GASB pronouncements. The Association presents the following:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements

(c) Basis of accounting—Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Association's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The Association follows GASB standards of accounting and financial reporting.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities.

The statement of revenues, expenses and changes in net position is presented in a format that distinguishes operating revenues and expenses, noncapital subsidies, and other nonoperating activities. The Association distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses are those revenues and expenses that are not classified as nonoperating under the categories established by GASB Statement No. 103.

The Association's principal ongoing activities include operating the University's intercollegiate athletics program and generating revenues from conference and NCAA distributions, ticket sales, sponsorship and royalty arrangements, and other athletics-related activities. Accordingly, operating revenues include revenues earned from these principal ongoing activities, and operating expenses include the costs of administering and carrying out the Association's intercollegiate athletics program.

Nonoperating revenues and expenses consist of capital subsidies received or provided, revenues and expenses related to financing, resources arising from the disposal of capital assets or inventory, and investment income and expenses. Financing-related activity includes interest expense and other revenues and expenses associated with the Association's financing arrangements.

Resources received from or provided to another party without an exchange of goods or services are evaluated under the subsidy provisions based on the substance of the underlying arrangement. Noncapital subsidies are presented separately following operating income or loss, while subsidies for the acquisition of capital assets are reported as other nonoperating revenues or expenses. The Association classifies transfers and other amounts received from or provided to the University or other related organizations based on the substance and purpose of the underlying arrangement rather than the caption assigned to the transaction.

Investment income, including interest earnings on cash and investments, is reported as nonoperating revenue. Interest expense and interest revenue arising from financing arrangements are reported as nonoperating activity.

The statement of cash flows is presented using the direct method in compliance with GASB standards of accounting and financial reporting.

(d) Cash and cash equivalents—Cash and cash equivalents consist of cash on hand and cash in demand accounts, and amounts invested in money market funds that are readily convertible to known amounts of cash and are used as part of the Association's cash management activities. Cash and cash equivalents that are externally restricted to make debt service payments, or to purchase or construct capital or other restricted assets, are classified as restricted.

(e) Accounts receivable—Accounts receivable are stated at the amount management expects to collect from balances at year-end. Allowances for doubtful accounts are reported based on management's best estimate as of fiscal year-end, considering the type, age, collection history, and other factors considered appropriate. Accounts receivable are reported net of any applicable allowance for doubtful accounts. The Association has no policy requiring collateral or other security to support its accounts receivable.

(f) Capital assets—The Association's capital assets consist of land, construction in progress, buildings, furniture and equipment, leasehold improvements, computer software, and other capital assets. Assets are capitalized and recorded at cost at the date of acquisition. Donated capital assets are recorded at acquisition value at the date of donation. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Construction in progress is depreciated beginning on the date the assets are placed in service. Other costs incurred for repairs and maintenance are expensed as incurred. The Association has a capitalization threshold of $10,000 and a useful life of more than one year. New buildings and building improvements have a $100,000 capitalization threshold. Depreciation is computed on the straight-line basis over estimated useful lives ranging from 3 to 39 years.

(g) Leases—The Association determines whether an arrangement is a lease at inception. Lessee arrangements are included in lease assets and lease liabilities in the statement of net position. Lease assets represent the Association's control of the right to use an underlying asset for the lease term, as specified in the contract. In exchange or exchange-like transactions, lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus payments made to the lessor at or before commencement of the lease term and certain direct costs. Lease assets are amortized systematically and rationally over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Association's obligation to make lease payments arising from lease arrangements. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less applicable lease incentives. Interest expense is recognized over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Association will exercise the option.

The Association has established a materiality threshold of $5,000 for equipment and $100,000 for space based on the initial calculated net present value. Leases with a maximum possible term of 12 months or less, or under the applicable capitalization threshold, are not included as lease liabilities or right-to-use lease assets in the statement of net position. Instead, the Association recognizes the related payments as outflows of resources in the applicable period.

(h) Compensated absences—State employees who work for the Association earn the right to be compensated during absences for annual leave and sick leave pursuant to applicable Florida administrative rules and collective bargaining agreements. Employees hired by the Association earn the right to be compensated during absences for annual and sick leave pursuant to the Association's policies and procedures, except where specific employee classifications are excluded. Leave earned is accrued to the credit of the employee, and records are maintained for each employee's unused leave balance. In accordance with GASB Statement No. 101, *Compensated Absences*, the Association recognizes a liability for leave when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The liability is measured using the pay rates in effect at year-end and includes salary-related payments that are directly and incrementally associated with the payment of these benefits.

(i) Unearned revenue—Unearned revenue consists of advance sales of athletic event tickets, as well as the unamortized portion of capital investments and a signing bonus received under an agreement with a supplier. Revenue for advance ticket sales is recognized in the period in which the related athletic event occurs. Revenue associated with the capital investment obligation and the signing bonus is recognized ratably over the term of the underlying contract.

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

- Net investment in capital assets – This represents the net amount invested in capital and lease assets, net of accumulated depreciation and amortization, reduced by outstanding principal of debt and lease liabilities attributable to the acquisition, construction, or improvement of those assets, adjusted for related deferred outflows and inflows of resources, when applicable.

- Restricted – This represents the Association's resources that have constraints placed upon their use by external donors, grantors, creditors, laws, regulations, constitutional provisions, or enabling legislation, reduced by liabilities and deferred inflows of resources related to those assets.

- Unrestricted – This represents the Association's resources that do not meet the definition of net investment in capital assets or restricted net position.

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

(k) Revenue recognition—The Association recognizes revenue when applicable eligibility requirements have been satisfied, the related goods or services have been provided, or the period to which the revenue

relates has occurred, as applicable. Amounts received in advance of satisfying the applicable recognition criteria are reported as unearned revenue.

Operating revenues primarily include conference and NCAA distributions, game ticket revenue, sponsorships and royalties, and other revenues associated with the Association's principal ongoing activities.

Conference and NCAA distributions consist primarily of amounts received or receivable under applicable conference and NCAA revenue-sharing arrangements. Revenue is recognized when the Association has satisfied the applicable eligibility requirements and the amount is measurable.

Game ticket revenue consists of amounts earned from the sale of season and individual-game tickets to athletic events. Revenue is recognized when the related athletic events occur. Amounts collected before the related events occur are reported as unearned revenue.

Sponsorship and royalty revenue consists primarily of amounts earned under contractual arrangements for sponsorship, advertising, licensing, and related rights associated with the Association's athletics program. Revenue is recognized over the applicable contractual period or as the related contractual obligations are satisfied, as appropriate.

Noncapital subsidies primarily include student athletic fees and support received from the University and related organizations for which the Association does not provide goods or services in return. These resources support the Association's athletics activities and directly or indirectly reduce the amount that otherwise would need to be generated through the Association's fees and charges.

The University assesses an athletic fee to students each semester based on enrolled credit hours to support intercollegiate athletics. Athletic fees for semesters that cross fiscal years are recognized during the fiscal year in which the semester is predominantly conducted. The Association reports student athletic fees as noncapital subsidies because the fees are assessed and administered by the University to support the Association's athletics activities, the Association does not provide goods or services to the University in return, and the resources directly or indirectly reduce the amount that otherwise would need to be generated through the Association's other fees and charges. Student athletic fees were reported as operating revenues in the fiscal year 2025 audited financial statements and have been reclassified in the comparative MD&A information to conform to the fiscal year 2026 presentation.

Distributions and other support received from the University and related organizations are recognized when applicable eligibility requirements have been satisfied and the amounts are measurable. Such amounts are reported as noncapital subsidies when the provider does not receive goods or services in return, the resources directly or indirectly reduce the Association's current or future fees and charges, and the resources are not restricted for capital purposes.

(l) Income taxes—The Association 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. The Association files tax returns in the U.S. federal jurisdiction and in the state of Florida. The Association's tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

The Association reviews and evaluates the technical merits of its tax positions in accordance with applicable accounting guidance for uncertainty in income taxes and records a liability when a tax position does not

meet the more-likely-than-not recognition threshold. Management has determined that there are no uncertain tax positions that would have a material effect on the fiscal year 2026 financial statements.

(m) Sales taxes retained—In accordance with Section 1006.71, Florida Statutes, the Association retains an amount equal to sales taxes collected from ticket sales to athletic events for use in the support of women's athletic programs.

(n) 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 along with disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) New Accounting Pronouncements—During fiscal year 2026, the Association adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. GASB 103 revises the required content of Management's Discussion and Analysis, redefines operating and nonoperating revenues and expenses, replaces the extraordinary and special items classification with unusual or infrequent items, and modifies the presentation of the statement of revenues, expenses and changes in net position. Implementation resulted in the reclassification of student athletic fees from operating revenues to noncapital subsidies and distributions and other qualifying support from related entities from nonoperating revenues to noncapital subsidies. These reclassifications did not affect total revenues, expenses, beginning or ending net position, or the change in net position. The adoption of GASB 103 did not change total revenues, expenses, changes in net position, or beginning net position. GASB 104 requires separate note disclosure of certain capital asset categories, including intangible right-to-use assets and assets held for sale. The adoption of GASB 104 did not affect the Association's financial statements because the Association previously reported its capital assets in the manner required by the Statement.

(2) Cash and Cash Equivalents:

As of June 30, 2026, the University held $19,395,366 on behalf of the Association. This is classified as Due From the University of Central Florida on the accompanying statement of net position. Interest earnings shown on the statement of revenues, expenses and changes in net position include interest earned on the cash held by a financial institution, as well as realized gains and losses allocated from the University on funds held and invested on behalf of the Association.

Section 1011.42(5), *Florida Statutes*, authorizes universities and their component units to invest funds with the State Treasury and State Board of Administration, and requires that these entities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities and their component units are subject to the requirements of Chapter 218, Part IV, *Florida Statutes*. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University's investment manual. Pursuant to Section 218.415(16), *Florida Statutes*, the Association is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, *Florida Statutes*; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management-type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law.

Cash and cash equivalents as of June 30, 2026 were as follows:

Cash in bank	$ 17,493,263
Money market funds	5,290,907
Total Cash and cash equivalents	**$22,784,170**

Money market funds are uninsured and collateralized by securities held by the institution, not in the Association's name. The money market funds invest in diversified portfolios of high-quality, dollar-denominated short-term debt securities. Cash on hand is held at a financial institution that is not listed as a qualified public depository as defined by Florida Statutes Chapter 280. These funds are collateralized with securities held by the pledging financial institution, but not in the depositor's name.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), *Florida Statutes,* the Association's investments in securities must provide sufficient liquidity to pay obligations as they come due.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market funds are uninsured and collateralized by securities held by the institution, not in the Association's name. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's investment policy and manual provide information on asset classes, target allocations, and ranges of acceptable investment categories. The Association has no policy requiring collateral or other security to support receivables from related parties. Related party receivables consist of amounts due from the University, UCF Foundation, UCF Stadium Corporation, and UCF Convocation Corporation and are reflected in the accompanying statement of net position.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the Association will not be able to recover deposits. The Association does not have a deposit policy for custodial credit risk, although demand deposits with banks are federally insured up to applicable Federal Deposit Insurance Corporation (FDIC) limits. At June 30, 2026, $15,313,646 in cash deposits were not insured by the FDIC and were not collateralized.

(3) Accounts Receivable:

Accounts receivable, net, totaled $6,705,272 at June 30, 2026 and consisted principally of amounts related to student athletic fees, capital investment, accrued conference distributions, and other billable amounts.

Student athletic fees	$ 1,663,970
Capital investment	2,738,094
Accrued conference distributions	2,050,000
Other	253,689
Allowance for doubtful accounts	(481)
Total accounts receivable, net	**$ 6,705,272**

Bad debt expense for the year ended June 30, 2026 was $125,622.

(4) Capital Assets:

Changes in capital assets for the year ended June 30, 2026 were as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Land	$ 700,272	$ -	$ -	$ 700,272
Total capital assets not being depreciated	700,272	-	-	700,272
Capital assets being depreciated:				
Furniture and equipment	7,159,260	2,700,621	-	9,859,881
Facilities improvements	28,499,162	14,976	-	28,514,138
Leasehold improvements	13,240,607	-	-	13,240,607
Total depreciable capital assets	48,899,029	2,715,597	-	51,614,626
Lease assets				
Buildings	31,044,486	-	-	31,044,486
Equipment	1,421,170	1,718,297	-	3,139,467
Technology	560,197	1,494,610	-	2,054,807
Total lease assets	33,025,853	3,212,907	-	36,238,760
Accumulated depreciation				
Furniture and equipment	(5,557,830)	(824,377)	-	(6,382,207)
Facilities improvements	(8,834,748)	(739,435)	-	(9,574,183)
Leasehold improvements	(4,984,385)	(3,232,303)	-	(8,216,688)
Total accumulated depreciation, capital assets	(19,376,963)	(4,796,115)	-	(24,173,078)
Total depreciable capital assets, net	29,522,066	(2,080,518)	-	27,441,548
Accumulated amortization				
Buildings	(7,742,397)	(1,937,767)	-	(9,680,164)
Equipment	(1,113,114)	(815,325)	-	(1,928,439)
Technology	(373,465)	(560,385)	-	(933,850)
Total accumulated amortization, lease assets	(9,228,976)	(3,313,477)	-	(12,542,453)
Total lease assets, net	23,796,877	(100,570)	-	23,696,307
Capital and lease assets, net	**$ 54,019,215**	**$ (2,181,088)**	**$ -**	**$ 51,838,127**

During the year ended June 30, 2026, the Association acquired capital assets totaling $2,244,274 through non-cash consideration provided under supplier agreements. The acquisition of these assets has been disclosed as non-cash capital financing activity in the accompanying statement of cash flows.

(5) Long-Term Obligations:

During the year ended June 30, 2026, the Association satisfied its note payable to the University in full. Interest on the note payable accrued at a floating rate per annum equal to the SPIA rate of return as of the prior fiscal year, which was 3.8% for the year ended June 30, 2026.

The Association previously had a line of credit with a local bank to fund certain capital projects. During 2015, the line of credit was modified to disallow additional borrowings and repay the outstanding balance as a line of credit promissory note by June 2033 under a specified repayment schedule. As of June 30, 2026, the amount outstanding on the note was $3,420,000. In July 2026, the Association entered into a modification agreement establishing a fixed interest rate of 3.75% and requiring repayment of the remaining balance through five annual principal installments due each July 15 from 2027 through 2031. The modification eliminates annual renewal requirements, shortens the maturity date, and removes the

Association's remaining exposure to variable interest rates. The note is secured by all student athletic fee revenue. In the event of default, the Lender may declare the loan and all obligations to be fully due and payable in their aggregate amount, together with accrued interest and all prepayment premiums, fees, and charges. The note is subject to acceleration if the lender reasonably deems itself insecure for any reason.

On September 10, 2021, the UCF Board of Trustees voted to accept an invitation to join the Big 12 Conference and withdraw from the American Athletic Conference by July 1, 2024. On June 9, 2023, the Association and American Athletic Conference executed a separation agreement allowing for UCF's exit effective June 30, 2023. In accordance with the separation agreement, the Association agreed to pay an exit fee of $18,000,000. The amount outstanding at the end of the year was $6,666,666 with installments of $666,667 due in fiscal year ending June 30, 2027, and annually thereafter through 2036.

Changes in long-term obligations for the year ended June 30, 2026 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable (direct borrowings):					
Notes payable to the University	$ 2,543,437	$ -	$ (2,543,437)	$ -	$ -
Line of credit – promissory note	3,780,000	-	(360,000)	3,420,000	370,000
Total notes payable (direct borrowings)	6,323,437	-	(2,903,437)	3,420,000	370,000
Athletic conference exit fee payable	7,333,333	-	(666,667)	6,666,666	666,667
Compensated absences	1,048,427	-	(23,629)	1,024,798	146,811
Totals	**$14,705,197**	**$ -**	**$ (3,593,733)**	**$11,111,464**	**$ 1,183,478**

Interest expense related to long-term obligations was $256,361 for the year ended June 30, 2026.

Future principal and interest payments for the amounts outstanding as of June 30, 2026 were as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 1,036,667	$ 145,254	$ 1,181,921
2028	1,276,667	129,540	1,406,207
2029	1,276,667	113,188	1,389,855
2030	1,276,667	96,199	1,372,866
2031	1,276,667	78,361	1,355,028
2032-2036	3,943,331	121,470	4,064,801
Total	**$10,086,666**	**$ 684,012**	**$10,770,678**

(6) Leases:

The Association applies GASB Statements No. 87, *Leases,* and No. 96, *Subscription-Based Information Technology Arrangements*. These standards require the Association to recognize certain right-to-use assets and related liabilities for qualifying lease and subscription-based information technology arrangements. Under these statements, a lessee is required to recognize a lease liability and intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about the Association's leasing activities.

Space, equipment, and software are leased from external parties and UCF Stadium Corporation for various terms under long-term, noncancelable agreements. The leases expire on various dates and provide renewal options ranging from 3 to 60 years. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the Association's incremental borrowing rate. The Association does not have any leases subject to a residual value guarantee.

Changes in lease liabilities for the year ended June 30, 2026 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liabilities	$ 25,085,857	$ 3,224,200	$ (3,034,365)	$ 25,275,692	$ 2,586,802
Totals	**$ 25,085,857**	**$ 3,224,200**	**$ (3,034,365)**	**$ 25,275,692**	**$ 2,586,802**

Interest expense for the year ended June 30, 2026 related to these leases was $580,602.

Future commitments for remaining leases payable as of June 30, 2026 were as follows:

		External Parties		Related Parties	
Year Ending June 30,	Total	Principal	Interest	Principal	Interest
2027	$ 3,122,597	$ 804,725	$ 154,884	$ 1,782,077	$ 380,911
2028	3,296,517	1,005,720	130,604	1,814,912	345,281
2029	2,872,183	643,006	108,177	1,811,531	309,469
2030	2,212,776	(3,277)	95,053	1,847,599	273,401
2031	2,212,426	(3,762)	95,188	1,884,385	236,615
2032 - 2036	11,090,298	8,829	476,469	9,999,860	605,140
2037 - 2041	535,807	63,163	472,644	-	-
2042 - 2046	591,574	130,417	461,157	-	-
2047 - 2051	653,145	212,923	440,222	-	-
2052 - 2056	721,124	313,390	407,734	-	-
2057 - 2061	796,179	434,964	361,215	-	-
2062 - 2066	879,046	581,289	297,757	-	-
2067 - 2071	970,537	756,586	213,951	-	-
2072 - 2076	1,071,551	965,741	105,810	-	-
2077 - 2081	227,338	221,614	5,724	-	-
Total	**$ 31,253,098**	**$ 6,135,328**	**$ 3,826,589**	**$ 19,140,364**	**$ 2,150,817**

(7) Related Party Transactions:

The Association considers the University and the University's direct support organizations to be related parties for purposes of the financial statements. The DSOs include UCF Stadium Corporation, UCF Convocation Corporation, and UCF Foundation.

University of Central Florida

In April 2026, the University Board of Trustees approved the transfer of $22.5 million to the UCF Athletics Strategic Investment Fund to provide a structured, transparent, and performance-oriented mechanism intended to support high-impact, nonrecurring investments, enhance revenue generation and competitive positioning, and support the Association's long-term financial sustainability. Use of these funds requires approval by the University President and the Association's Governing Board and is subject to financial, legal, performance-measurement, and annual reporting requirements.

Subsidy support from the University for the year ended June 30, 2026 was comprised of the following:

Student Athletic Fees (non-cash)	$ 24,485,164
Scholarship Support (non-cash)	10,765,035
Gender Equity Support (non-cash)	938,539
Strategic Investment Fund	22,500,000
University of Central Florida - Subsidy Support	**$ 58,688,738**

The Association received cash totaling $3,210,184 from the Strategic Investment Fund for board-approved uses. As of June 30, 2026, the University held $19,395,366 within its accounts and overall liquidity structure, including $105,470 of accumulated interest and earnings. Accordingly, this amount is excluded from cash receipts in the statement of cash flows and is reflected in amounts due from related parties. All other support provided by the University is administered through the University bank account and therefore excluded from changes in cash.

The University assesses student athletic fees based on enrolled credit hours to support intercollegiate athletics. These fees are administered by the University and provided to the Association as noncapital subsidy support.

The University also routinely provides scholarship support for student-athletes and allocates state gender-equity funding to support coaching salaries for women's sports. These amounts are reported as noncapital subsidies because the University does not receive goods or services in return and the resources support the Association's athletics operations.

Sponsorship revenue includes $1,095,000 allocated from the University's exclusive beverage provider contract and $1,177,307 of licensing commissions for the sale of licensed athletic apparel and other merchandise allocated from the University's contract with a third party.

Effective July 2024, the Association entered into a service level agreement with the University to provide maintenance, repair and support services for all of the Association's managed facilities in exchange for a fixed amount. The agreement is reviewed and updated annually. For the year ended June 30, 2026, other general and administrative expenses included $801,524 related to this agreement.

The Association is assessed an annual overhead charge by the University of $100,000 for utilization of facilities and equipment. The fair market value of renting the facilities and equipment is not subject to objective measurement or valuation and is not included in these financial statements. The Association also engages in various exchange transactions with the University in the ordinary course of operations, which are generally recognized as operating revenues or operating expenses, as applicable.

At June 30, 2026, the Association reported amounts due from and due to the University of $22,919,875 and $221, respectively.

UCF Stadium Corporation

The Association has a Management and Use Agreement with UCF Stadium Corporation to operate, manage and maintain the football stadium as part of the University's football program, which is administered by the Association. Rent payments to UCF Stadium Corporation totaling $2,121,000 were classified as other general and administrative expense in the statement of revenues, expenses and changes in net position.

As part of the repayment of the trust indenture for the on-campus football stadium, the Association has pledged the following revenues to UCF Stadium Corporation (the Corporation that is obligated under the

trust indentures) until the debt has been fully paid: football ticket sales, guaranteed royalties, conference distributions, and non-conference game guarantees. The amount of this pledge is approximately $82.9 million at June 30, 2026, which is equal to the remaining principal and interest payments on these trust indentures. This pledge is in effect until the trust indentures are paid off, which is expected to be March 1, 2036 (the maturity date of the trust indentures). Pledged revenue distributions to UCF Stadium Corporation totaling $5,552,623 were recognized as other nonoperating expense in the statement of revenues, expenses and changes in net position. Cash payments related to these distributions totaled $4,788,291 during the year, with the remaining unpaid amount included in amounts due to UCF Stadium Corporation at June 30, 2026. Non-conference away game guarantees and conference distributions are pledged but were not required to be transferred from the Association because they were not needed to meet the annual debt service obligations.

The University Board of Trustees approved the distribution of excess unrestricted funds from UCF Stadium Corporation to the Association after all debt service payments are funded and covenants attached to the revenue bonds are met. For the year ended June 30, 2026, distributions totaling $11,203,880 were classified as a noncapital subsidy in the statement of revenues, expenses and changes in net position.

During fiscal year 2020, the Association entered into an agreement with UCF Stadium Corporation for sponsorship and advertising rights within the Stadium footprint in exchange for annual guaranteed royalty payments through fiscal 2036 to coincide with the term of the 2015 debt. The agreement is anticipated to yield $29.6 million over 14 years. For the year ended June 30, 2026, other general and administrative expenses included $2,025,000 related to this agreement.

At June 30, 2026, the Association reported amounts due from and due to UCF Stadium Corporation of $16,060 and $872,445, respectively.

UCF Convocation Corporation

On July 1, 2022, the Association entered into a licensing agreement with UCF Convocation Corporation that provides the Association the right to sell all premium seating and naming rights related to the arena in exchange for annual guaranteed royalty payments through June 2036. For the year ended June 30, 2026, other general and administrative expenses included $1,071,513 related to this agreement.

The Association has a rental agreement with UCF Convocation Corporation for the use of retail space surrounding the arena. For the year ended June 30, 2026, other general and administrative expenses included $41,165 related to this agreement.

At June 30, 2026, the Association reported amounts due from and due to UCF Convocation Corporation of $1,500 and $3,594, respectively.

UCF Foundation

UCF Foundation is the primary fundraiser for the University and its direct support organizations. Donated gift funds are held by UCF Foundation and recognized as noncapital subsidy support when expended by the Association in accordance with donor stipulations. The amount due from UCF Foundation consists of amounts owed for salary and program support reimbursements. The amount due to UCF Foundation represents donations collected directly by the Association through ticket sales and transferred to the UCF Foundation in the following month. Subsidy support from UCF Foundation for the year ended June 30, 2026 was as follows:

Gift Support	$ 13,206,546
Gift Scholarship Support (non-cash)	500,914
UCF Foundation - Gift Support	**$13,707,460**

At June 30, 2026, the Association reported amounts due from and due to UCF Foundation of $4,710,873 and $517,820, respectively.

(8) Retirement Plan:

The Association sponsors the UCF Athletics Association, Inc. Employees' 403(b) plan, a defined contribution plan covering substantially all full-time employees. Contributions are made by the Association to the plan based on eligible employees' earnings. The Association contributes 5% of eligible employee earnings to the plan. Participants are vested immediately in their own contributions plus actual earnings thereon. Participants become fully vested in the Association's contributions after two years of credited service. Participants become immediately 100% vested in the Association's contribution portion of their accounts upon death, disability, or the attainment of normal retirement age, as defined in the Plan. Forfeited non-vested accounts with balances totaling $65,111 were used to reduce employer contributions during the year ended June 30, 2026. Total contributions to the retirement plan for the year ended June 30, 2026, were $1,129,235.

(9) Commitments and Contingencies:

The Association has entered into employment contracts with various coaches and administrators. The agreements call for a minimum amount due for salaries and other benefits with clauses for bonuses and incentives as defined by the contracts. Contracts expire from 2027 to 2031. At June 30, 2026, the total minimum commitment for all contracts for each of the next five years and in the aggregate was as follows:

Year Ending June 30,	Total
2027	$ 16,382,879
2028	13,176,308
2029	11,449,716
2030	4,437,395
2031	652,283
Total	**$46,098,581**

The Association has pledged certain revenues in connection with UCF Stadium Corporation's trust indentures, as further described in Note 7.

The Association is subject to claims and lawsuits, which arise primarily in the ordinary course of business. It is the opinion of management that the ultimate resolution of such claims and lawsuits will not have a material adverse effect on the Association's financial position.

(10) Subsequent Events:

Management has evaluated subsequent events through November 5, 2026, the date the financial statements were available to be issued. Except for the July 2026 modification of the line of credit promissory note described in Note 5, no subsequent events requiring adjustment to or disclosure in the financial statements were identified.

INDEPENDENT AUDITOR'S 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*

Board of Directors
UCF Athletics Association, Inc.
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the UCF Athletics Association, Inc. (the "Association"), a direct support organization and component unit of the University of Central Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated November 5, 2026.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Oakbrook Terrace, Illinois
November 5, 2026