GEORGIA TECH ATHLETIC ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 2023

GEORGIA TECH ATHLETIC ASSOCIATION
JUNE 30, 2023
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Georgia Tech Athletic Association:

Report on the Financial Statements

Opinion

We have audited the financial statements of the Georgia Tech Athletic Association (the Association), a direct-support organization and component unit of the Georgia Institute of Technology, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of June 30, 2023, and the changes in its 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audits. 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 (12) to the financial statements, beginning net position amounts from the 2022 financial statements have been restated to reflect certain expenses associated with an external sponsorship agreement. According, beginning net position as of July 1, 2022, was restated to reflect the accrual of expenses in the proper fiscal period. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Association's 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.

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.

Auditors' 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 auditors 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 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, 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, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming and opinion on the financial statements that collectively comprise Association’s basic financial statements. The accompanying Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Supplementary Schedules have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

James Moore & Co., P.L.

Gainesville, Florida
October 9, 2023

Introduction

The Georgia Tech Athletic Association ("The Association") is a non-profit corporation organized in 1934 to administer the intercollegiate athletic programs of the Georgia Institute of Technology ("Georgia Tech" or "the Institute").

The primary purpose of the Association is to promote the educational programs of Georgia Tech through student body participation in "healthful exercises, recreations, athletic games and contests." Although the Association is a separate legal entity from Georgia Tech, its role of providing the intercollegiate athletic programs at Georgia Tech is functionally indistinguishable from the role that athletic departments of other major U.S. universities provide for their respective universities.

The Association "develops the young people who will change the world." Its mission is to "inspire and empower student-athletes to be champions in academics, competition, and life" while emphasizing four core values - excellence, innovation, teamwork, and character.

Overview of the Financial Statements and Financial Analysis

The administration of the Association is pleased to offer the readers of its financial statements this overview and analysis of financial performance during the fiscal year ended June 30, 2023. This overview, discussion, and analysis (MD&A) meets the requirements of Governmental Accounting Standards Board, Statement No. 35, Basic Financial Statements - and Management's Discussion and Analysis for Public Colleges and Universities, and has been prepared by management along with the financial statements and related footnote disclosures. The MD&A focuses on current activities, resulting changes, and current known facts from the financial statements included therein.

The Association meets the requirements to be reported as a component unit of Georgia Institute of Technology and is included in Georgia Tech's combined financial statements as a discretely presented component unit.

The statement of net position, statement of revenues, expenses, and changes in net position, and the statement of cash flows are designed to provide information that will assist in understanding the financial condition, health, and performance of the Association by presenting financial information in a form similar to that used by corporations.

The statement of net position includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby the revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The statement of revenues, expenses, and changes in net position present the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. The financial reporting model classifies endowment and quasi-endowment proceeds as non-operating revenues. As a result, the financial statements may show operating losses that are then offset by non-operating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The statement of cash flows presents information on the ability of the Association to meet its financial obligations in the form of cash inflows and outflows summarized by operating, capital and non-capital financing, and investing activities.

Association Highlights

The Association's net position is one indicator of the Association's financial health. Over time, increases or decreases in net position indicate changes in the Association's financial health when considered with non-financial factors such as overall academic and athletic success of its 17 sports programs and general condition of its assets. This is evidenced by the following:

- Ten Georgia Tech teams were represented in the NCAA postseason in 2022-23.
- Leading the way was the Yellow Jackets' golf team, which advanced all the way to the NCAA championship match before finishing as the national runner-up.
- For the third-straight year, Georgia Tech volleyball won a match at the NCAA Tournament.
- Women's tennis also advanced to the second round of the NCAA Tournament.
- The men's tennis doubles team of Andres Martin and Marcus McDaniel advanced all the way to the NCAA semifinals.
- Women's tennis' Carol Lee advanced to the NCAA quarterfinals as an individual.
- After helping lead Tech golf to the national runner-up finish, Christo Lamprecht won the prestigious 2023 British Amateur championship, which earned him a berth in the Open Championship. He went on to lead the Open after one round and won the silver medal as the tournament's low amateur.
- 14 student-athletes earned a total of 15 All-America honors in 2022-23.
- Four student-athletes were named Academic All-America.
- For the second-straight year, Georgia Tech set a new school record with a 91% NCAA Graduation Success Rate.
- Additionally, 14 of Georgia Tech's 15 sports programs had multi-year NCAA Academic Progress Rates that surpassed the national average in their respective sports

Financial Highlights

FY2023 resulted in an operating loss of $15,552,270; however, this was mostly due to incurring a liability for severance payments to several coaches that will be paid over a period of three years. Additionally, the Association has planned and utilized quasi-endowment funds to assist with funding scholarships and debt service.

The Association's long-term financial health depends on reasonable and appropriate growth of conference distributions, ticket sales, philanthropy, and maintaining and growing the endowment base which supports scholarships, the total person program, and facility enhancements.

Condensed Financial Information

The condensed statements of net position are shown below:

Condensed Statements of Net Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets	$ 23,407,383	$ 17,166,079
Noncurrent assets:		
Capital assets, net	176,022,969	172,828,058
Investments	160,509,517	159,363,425
Other	2,928,154	10,048,701
	339,460,640	342,240,184
Total assets	362,868,023	359,406,263
Deferred outflows of resources	8,476,880	10,057,117
Current liabilities	36,280,661	32,715,492
Noncurrent liabilities	263,648,698	261,997,975
Total liabilities	299,929,359	294,713,467
Net position:		
Net investment in capital assets	(76,841,805)	(80,195,203)
Unrestricted	(12,359,449)	(11,391,179)
Restricted for:		
Nonexpendable	71,904,662	69,508,531
Expendable	88,712,136	96,827,764
Total net position	$ 71,415,544	$ 74,749,913

Current Assets

The primary components of current assets are cash and cash equivalents, pledges, and accounts receivable. Cash and cash equivalents consist of cash in the Association's bank accounts and the fair value of highly liquid short-term investments. Pledges receivable relate primarily to pledges received to fund scholarship endowments and expenses associated with facility projects and renovations (e.g., Russ Chandler Stadium and Edge/Rice Building). Accounts receivable include payments due in FY 2023 that were still outstanding as of June 30, 2023. Receivables increased from last fiscal year by approximately $7 million related to the ACC Network distributions and third-party multi-media rights holder revenues

Noncurrent Assets

The primary components of noncurrent assets are capital assets, long-term investments held by the Georgia Tech Foundation ("the Foundation"), and long-term pledges and other investments.

Capital assets include buildings, building improvements, equipment, and construction in progress net of related accumulated depreciation and totaled $176,022,969 and $172,828,058 at June 30, 2023 and 2022, respectively. Facility improvements were made to construct new Track & Field facilities, as well as continued improvements to Bobby Dodd Stadium, Chandler Stadium and McCamish Pavilion. Additionally, initial investments were made in the design of the new student-athlete performance center (SAPC). Construction of the new building is scheduled to begin in spring of 2024 and be completed in the summer of 2026.

Investments held by the Foundation include endowments, quasi-endowments, and other investments and are recorded at fair value. The amount held by the Foundation at June 30, 2023 and 2022, totaled $160,509,517 and $159,363,425, respectively. The increase in FY 2023 is due primarily to an overall increase in investment earnings during the year.

The other component of noncurrent assets is pledge balances that will be received a year or more following year end, as well as other items such as charitable remainder trusts and deposits held by outside sources. These amounts were $2,925,693 and $5,784,395 for year end June 30, 2023 and 2022, respectively.

Liabilities

Current Liabilities

Current liabilities represent the portion of the Association's debt which is payable within the next fiscal year. The primary components of current liabilities are accounts payable, accrued liabilities, deposits received for football and basketball season tickets, deferred revenues, and the current portion of long-term liabilities. Current liabilities also include short-term payments due to related parties and contractual payments due to former coaches whose employment with the Association ended.

Accounts payable associated with related parties totaled $2,893,673 and $2,383,268 for June 30, 2023 and 2022.

Deposits received for football and basketball tickets represent payments received for future seasons. Deposits received totaled $6,185,253 and $9,274,800 at June 30, 2023 and 2022, respectively. The primary cause of the increase was related to an accounting change with the Tech Fund. All Tech Fund donations, with exception of those associated with a suite lease, are now recognized as revenue upon receipt.

Contract agreement-current portion consists of severance payments owed to two head coaches (football and men's basketball) and two assistant coaches (football and baseball) over the next year.

The total short-term portion of bond payment obligations outstanding at June 30, 2023 and 2022 totaled $2,440,000 and $1,935,000 respectively. Notes payable mainly consist of $1,000,000 in short-term payments related to the purchase of land used for the for the Georgia Tech golf team practice facility, and the ACC Network facility start-up costs, respectively. In addition, a new seven-year debt in the amount of $11,125,000 was issued during the fiscal year 2022 year in order to pay off and close a fully utilized line of credit – part of debt restructuring to due to Covid-19 related operating losses. No new debt activity in fiscal year 2023.

A line of credit was drawn upon in FY 2023 and the outstanding balance at June 30, 2023 and June 30, 2022 totaled $12,000,000 and $11,000,000, respectively. It is anticipated the June 30, 2023 balance will be cleared upon receipt of the accounts receivable from the Atlantic Coast Conference.

Noncurrent Liabilities

Long-term debt and other obligations include expenses resulting from financial transactions for which the principal is due more than one year from the statement of net position date. The primary component of long-term debt is required debt service payments associated with bonds issued by the Association. These bond issuances include the following:

2012 A&B Bond Issuance

This bond issuance refinanced the existing principal on the 2001 bonds and financed the termination of the existing swaption which totaled $94,285,000 and $28,010,000, respectively. This bond issuance also funded construction of the Byers Tennis Complex ($12 million). The resulting thirty-year bond issuance was structured primarily with fixed rate bonds. The portion supporting the swaption termination was funded with taxable bonds. The callable portion of the 2012A bonds were refunded as part of a 2022 bond issuance.

2019 A&B Bond Issuance

This bond issuance restructured existing principal on the 2011 and 2012 bonds totaling $81,155,000 and $58,550,000. The issuance also included new capital funding for the Russ Chandler Stadium Phase II renovation ($10 million) and deferred maintenance projects within Bobby Dodd Stadium ($10 million). The resulting thirty-year bond issuance was structured with taxable and tax-exempt bonds totaling $32,065,000 and $131,575,000 respectively.

2022 Bond Issuance

The primary purpose of this bond issuance was to refund a majority of the tax-exempt portion of the 2012 bond issuance in order to take advantage of lower interest rates. The twenty-year bond issuance was structured as taxable bonds totaling $52,230,000.

PNC Bank Loan – Restructure Line of Credit

This loan was issued to pay off an existing line of credit with Truist Bank. The Truist line was fully drawn as a result of financial challenges during Covid-19 restrictions. This seven-year bank note totaled $11,125,000.

Long-Term debt also consists of the long-term portion of obligations to the former head football coach and former head basketball coach, terminated in November 2022 and April 2023, respectively, with long term contractual agreements. The outstanding obligations for year ending June 30, are $6,694,436. There were no long-term obligations in the previous year.

The resulting total long-term portion of debt obligations outstanding at June 30, 2023 and 2022, totaled $263,648,698 and $261,997,975, respectively.

Net Position

Net position represents the difference between the Association's assets and liabilities.

Total net position at June 30, 2023 and 2022, was $71,415,544 and $74,749,913, respectively. The decrease in net position is explained in detail on page 14, in the section headed "Net Position."

Unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the Association such as donors. This includes funds that have been designated by the governing board for specific purposes as well as amounts that have been contractually committed for goods and services that have not yet been received. In addition, certain funds held by the Georgia Tech Foundation are to be classified as unrestricted based on specific donor agreements.

Restricted nonexpendable net position consists of endowment gifts with specific restrictions on spending the principal given. These assets are made up largely of endowments supporting scholarship expenses.

Restricted expendable net position primarily consists of gifts related to the quasi-endowment established by the gifts received from the Candler Estate as well as the quasi-endowments established to support capital project expenses.

The condensed statements of revenues, expenses, and changes in net position are shown below:

Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2023 and 2022

	2023	2022
Operating revenues		
Ticket sales	$ 8,909,128	$ 12,343,768
Atlantic Coast Conference revenue distributions	47,440,727	37,535,646
Contributions	11,067,084	6,934,000
Event related	28,167,476	14,812,660
Other	16,628,402	13,514,834
Total operating revenues	112,212,817	85,140,908
Operating expenses		
Salaries and benefits	53,231,979	34,548,323
Program and facilities	45,692,068	41,067,941
General and administrative	19,797,624	14,224,222
Depreciation	9,365,539	9,009,197
Total operating expenses	128,087,210	98,849,683
Operating profit (loss)	(15,874,393)	(13,708,775)
Nonoperating revenues (expenses)		
Investment income	-	757,834
Increase in fair value investments	5,171,556	(3,252,826)
Interest on long-term debt	(10,286,010)	(12,779,223)
Total nonoperating revenues (expenses)	(5,114,454)	(15,274,215)
Capital contributions	13,304,228	3,208,944
Permanent endowment contributions	4,350,250	5,079,783
Increase (decrease) in net position	(3,334,369)	(20,694,263)
Net position, beginning of year	74,749,913	95,444,176
Net position, end of year	$ 71,415,544	$ 74,749,913

Operating Revenues

Ticket Sales

Ticket sales are generated from support of the Association's various sports through paid admissions primarily to home events. Ticket sales net of sales taxes, for FY2023 decreased from the previous year, mostly in football due to one fewer home game than FY2022.

	2023	2022
Football	$ 7,015,102	$ 10,188,425
Men's basketball	1,423,441	1,340,970
Women's basketball	61,524	69,915
Baseball	330,897	353,661
Volleyball	54,915	59,779
Outside Events	23,249	331,018
Total	$ 8,909,128	$ 12,343,768

ACC Revenue

The Atlantic Coast Conference ("the ACC") distributions include all revenues collected on behalf of the membership. This includes television rights fees, bowl game distributions, tournament and championship profits, and net NCAA distributions. The revenues are reduced by the conference's operating expenses then distributed evenly among its 15 members. For FY2023, the Association presents the ACC revenue as gross and presents the expenses of the league as an operating expense. The ACC total distribution for FY2023 was $47,440,727 with a corresponding $3.9 million expense booked reflecting operating expenses, and was $37,535,646 in FY2022. The Association received approximately $3 million from revenues generated by the ACC Network.

Contributions

Contributions include unrestricted and restricted donations. Contribution revenue totaled $8,758,401 in FY2023 and $6,934,000 in FY2022. The primary source of this increase was a campaign developed by the Georgia Tech Foundation, the Georgia Tech President and the new Director of Athletics which was called the "Competitive Drive". This campaign generated $5 million of revenue for the Association.

Included in contribution revenue is sport specific donations used to supplement annual operating costs for each program. These funds are used to supplement extraordinary and unbudgeted operational expenses during the year. These contributions totaled $2,308,683 in FY2023 and $2,899,450 in FY2022.

Event Related

In addition to ticket sales, other revenues are generated during hosted Athletic Association events.

The components of event related revenues for the years ended June 30, 2023 and 2022, respectively, are as follows:

	2023	**2022**
Premium lease fees	$ 11,506,656	$ 9,636,135
Multi-media Rights fees	7,920,676	2,500,000
Sponsorships	2,282,432	772,028
Concessions	2,010,895	1,549,197
Licensing fees	205,155	140,870
Guarantees – football	4,050,000	-
Guarantees - other	21,500	114,000
Stinger seatbacks	170,162	89,490
Auxiliary Sales	-	10,940
Total event related	$ 28,167,476	$ 14,812,660

Premium lease fees are contributions tied to seat location in areas with upgraded benefits in Bobby Dodd Stadium and McCamish Pavilion. The significant increases in FY2023 from the previous year was due mostly to a change in deferred revenue reporting.

Multi-media rights fees and sponsorships include revenues generated by the Association's advertising efforts in all forms to include facility signage, print, radio and apparel-related licensing. FY2023 was the second year of a ten-year agreement with Legends, Inc. to serve as GTAA's third-party multi-media rights partner which will generate corporate partnerships, sponsorships and will work with GTAA on generating higher revenues from ticket sales and ticket-based contributions.

Concessions include revenue managed by a third-party contractor that operates all concessions at Association venues. In FY2020, the third-party contractual relationship transitioned from a commission-based arrangement to a management fee partnership in which the Association now retains all concessions revenues and expenses.

Guarantees typically include a contracted fee or portion of revenues collected at away games in which Georgia Tech participates and are intended to offset the costs associated with traveling to the away game site. The increase in FY2023 is directly related to a football scheduling agreement to play a game in Mercedes Benz Stadium over a four-year period.

Other Revenue

Other revenues totaled $16,628,402 and $13,514,834 for the years ended June 30, 2023 and 2022, respectively, and was comprised of the following:

	2023	2022
Student athletic fees	$ 6,288,856	$ 6,024,950
Institutional support	6,833,720	5,840,726
Miscellaneous	3,505,826	1,649,158
Total other revenue	$ 16,628,402	$ 13,514,834

In FY2023, student athletic fees increased due to a higher enrollment than the previous year. The per-student fee paid remained the same year over year.

Institutional support revenues represent the amount of out-of-state tuition that Georgia Tech does not charge the Association in an effort to assist the operations ("tuition waivers") as well as provide administrative salary and other support**.**

Miscellaneous revenue includes facility rental fees, football and men's basketball parking revenue, handling fees as well as other miscellaneous revenues. The increase in FY2023 was related to increase event rentals which included the hosting of an international "friendly" soccer match.

Operating Expenses

Salaries and Benefits

Salaries and benefits represent salary expenses and the associated costs of benefits. For FY2023, Contracted payments associated with the departure of the head football and men's head basketball coaches and one assistant coach from both football and baseball, along with COLA increases implemented by the state of Georgia, saw a significant increase in salaries & benefits for FY23.

	2023	2022
Salaries	$ 44,621,579	$ 28,667,324
Benefits & Fringes	8,610,400	5,880,999
Total salaries and benefits	$ 53,231,979	$ 34,548,323

Programs and facilities

Programs and facilities expenses include sport programs, direct support of those programs by other departments, and the maintenance of the facilities in which these programs perform.

	2023	2022
Scholarships	$ 10,386,536	$ 13,505,927
Guarantees	1,200,054	3,050,064
Travel	7,923,228	5,673,763
Events and other services	11,235,993	6,825,516
Recruiting	2,814,174	1,944,038
Utilities	2,569,035	2,111,097
Operation, maintenance, and plant	4,140,520	4,243,076
Fund-Raising Expenses	3,831,868	2,586,107
Uniforms and equipment	1,590,660	1,128,353
Total program and facilities	$ 45,692,068	$ 41,067,941

Scholarship expenses include charges associated with the cost of attendance at Georgia Tech for student athletes receiving financial aid from the Association. For FY2023, approximately $4.3 million of scholarship costs were paid by the Georgia Tech Foundation and, therefore, not presented as an expense by the Association.

Guarantee expenses include the costs associated with providing contractually established fees or percentage of revenues collected at a home event to the opponent to offset the opponent's travel costs.

Travel expenses include the costs of staff and student athletes traveling to competition events. Travel costs fluctuate annually depending on the location of road opponents and post season events. In FY2023, expenses increased over $2 million from the prior year largely due to rising hotel and banquet costs as well as increases in ground and air transportation.

Events and other services expenses include costs associated with managing home events as well as expenses for premium seating areas and sponsorships. These expenses increased in FY2023 due to operating expenses associated with the football game in Mercedes-Benz Stadium.

Recruiting expenses include the costs of staff traveling for recruiting purposes and hosting recruits for official visits to Georgia Tech's campus. Costs include all reasonable modes of transportation, meals, and accommodations. These costs are driven by the number of scholarships available in each respective sport. The expenses for FY2023 had a significant increase due to the lifting of NCAA recruiting restrictions and the increased cost associated with football recruiting.

Operations, maintenance and plant expenses include costs associated with the repair and upkeep of the Association's $176 million in net capital assets. Maintenance and repairs on the Association's facilities will continue to be a growing expense in the future.

Fundraising expenses represent extraordinary and unbudgeted operating expenses funded by sport-specific contributions. Examples included facility enhancements, equipment, foreign tours, and other extraordinary operating expenses.

Uniforms and equipment expenses include the costs associated with supplying the teams with clothing and protective gear used on the field of play. These costs may rise and fall due to rotation of replacement uniforms, roster sizes, and changes to apparel providers.

General and Administrative

General and administrative expenses include costs incurred to manage and administer all 17 sports programs and development costs to raise funds. General and administrative expenses totaled $19,797,624 in FY 2023 and 11,801,927 in FY 2022. The reason for the large year-over-year increase was due mostly to an accounting change of showing the ACC distribution as gross revenue with the league's expenses, reducing the overall distribution to GTAA, being accounted for as an expense. This represented roughly fifty percent of the increase. Other expense increases were associated with a new agreement with Legends and the transition costs related to staffing changes with football and men's basketball.

Depreciation

Depreciation expense includes the depreciation of the Association's capital assets, including building improvements, furniture and fixtures, scoreboards and vehicles, and the amortization of certain bond-related items.

Nonoperating Revenues (Expenses)

Nonoperating revenues (expenses) include income earned on investments, permanent endowment and restricted contributions, interest expense, changes in the net present value of charitable remainder trusts, changes in the fair market value of the Association's investment portfolio and additional non-operating expenses. With lower interest expense on long-term debt and an $8 million improvement on the fair value of investments, GTAA's performance in this section improved by approximately $10 million.

Capital Contributions

Capital Contributions consist of contributions restricted by donors for construction of new facilities or improvements to existing facilities. GTAA recorded capital contributions of $13,304,228 in FY 2023.

Net Position

In FY2023, the year-end net position is $71,737,667, a decrease of $3 million from the previous year. As the expenses needed to maintain athletic competitiveness continue to rise, so too has the need to grow revenues. The Association will continue to emphasize securing funds to enhance facilities, support scholarships, and grow unrestricted operational revenues.

The condensed statements of cash flows are shown below:

Condensed Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities	$ (1,976,047)	$ (18,212,325)
Cash flows from noncapital financing activity	4,350,250	5,079,783
Cash flows from capital and related financing activities	(9,205,420)	317,611
Cash flows from investing activities	4,012,286	7,300,089
Net change in cash and cash equivalents	(2,818,931)	(5,514,842)
Cash and cash equivalents, beginning of year	5,604,791	11,119,633
Cash and cash equivalents, end of year	$ 2,785,860	$ 5,604,791

Cash flows from operations include receipts from customers, student fees, advertisers, donors, and conference distributions. The major uses of funds were payments to Georgia Tech for scholarship-related costs, as well as utilities and facility maintenance, employee payroll, operations, and other suppliers of operating needs.

Cash flows from noncapital financing represent cash received for permanent endowment purposes.

Cash flows from capital and related financing activities are comprised of proceeds from debt issuance, construction costs of facilities improvements, and principal and interest payments on debt.

Cash flows from investing activities are comprised primarily of proceeds from sales and maturities of investments, purchases of investments, and income earned on investments.

During the fiscal year ended June 30, 2023, these activities created a decrease of $2,818,931 in cash and cash equivalents.

Outlook for the Future

The Association continues to be committed to maintaining the health, safety, and wellbeing of its student-athletes, protecting the employment of its coaches and staff, investing in revenue generating opportunities, and positioning itself to capitalize on its prior momentum and thrive following the pandemic. It is also committed to working in partnership with the Institute to develop solutions to maintain the short and long-term financial health of the Association.

The Association anticipates television and media revenue growth due to continued increases in distributions from the ACC Network, increased premium ticket sales, and contributions from donors. The Association continues to book opportunities for external events

Contacting Management

This financial narrative is designed to provide the reader with a general overview of the Georgia Tech Athletic Association's finances and show the Association's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Association's Business Office at Bobby Dodd Stadium, Atlanta, Georgia:

Georgia Tech Athletic Association
Attn: Chief Financial Officer
150 Bobby Dodd Way
Atlanta, GA 30332-0455
(470) 927-9318

GEORGIA TECH ATHLETIC ASSOCIATION
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 2,783,399
Pledges receivable - current portion, net	2,707,503
Accounts receivable, net	17,319,850
Prepaid expenses and other assets	596,631
Total current assets	23,407,383
Noncurrent assets	
Restricted cash	2,461
Pledges receivable - long-term, net	2,306,291
Investments held by Georgia Tech Foundation	160,509,517
Other noncurrent assets	619,402
Capital assets not being depreciated	15,911,401
Capital assets being depreciated, net	160,111,568
Total noncurrent assets	339,460,640
Total Assets	$ 362,868,023
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding of debt, net	$ 8,476,880
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	$ 2,312,096
Due to Georgia Institute of Technology	2,893,673
Accrued interest payable	2,151,394
Deposits received for football and basketball tickets	6,185,253
Deferred sponsorship agreements	1,186,690
Leases payable - current portion	219,158
Contract agreements - current portion	4,861,702
Notes payable - current portion	2,030,695
Line of credit	12,000,000
Bonds payable - current portion	2,440,000
Total current liabilities	36,280,661
Long-term liabilities	
Leases payable	246,164
Contract agreements	6,994,436
Notes payable	6,192,670
Bonds payable	250,215,428
Total long-term liabilities	263,648,698
Total Liabilities	$ 299,929,359
NET POSITION	
Net investment in capital assets	$ (76,841,805)
Unrestricted	(12,359,449)
Restricted	
Nonexpendable	71,904,662
Expendable	88,712,136
Total Net Position	$ 71,415,544

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

GEORGIA TECH ATHLETIC ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Operating revenues	
Ticket sales	$ 8,909,128
Atlantic Coast Conference revenue distributions	47,440,727
Contributions	8,758,401
Fundraising	2,308,683
Student athletic fees	6,288,856
Premium lease fees	11,506,656
Advertising and sponsorships	12,589,320
Guarantees	4,071,500
Institutional support	6,833,720
Other	3,505,826
Total operating revenues	112,212,817
Operating expenses	
Salaries and benefits	53,231,979
Scholarships	10,386,536
General and administrative	19,797,624
Depreciation	9,365,539
Guarantees	1,200,054
Travel	7,923,228
Recruiting	2,814,174
Events and other services	11,235,993
Fundraising	3,831,868
Utilities	2,569,035
Operation, maintenance, and plant	4,140,520
Uniforms and equipment	1,590,660
Total operating expenses	128,087,210
Operating loss	(15,874,393)
Nonoperating revenues (expenses)	
Increase in fair value of investments	5,171,556
Interest on long-term debt	(10,286,010)
Total nonoperating revenues (expenses)	(5,114,454)
Loss before capital and endowment contributions	(20,988,847)
Capital contributions	13,304,228
Permanent endowment contributions	4,350,250
Change in net position	(3,334,369)
Net position, beginning of year, as restated (see Note 12)	74,749,913
Net position, end of year	$ 71,415,544

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

GEORGIA TECH ATHLETIC ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Cash flows from operating activities	
Receipts from customers	$ 790,421
Receipts from student fees	6,288,856
Receipts from Atlantic Coast Conference	45,226,297
Receipts from NCAA institutions	4,071,500
Receipts from donors for contributions	2,308,683
Receipts from advertisers and sponsors	13,057,603
Receipts from premium lease fees	11,506,656
Payments to suppliers	(55,047,217)
Payments to employees	(29,087,938)
Payments to Georgia Institute of Technology	(4,596,734)
Other receipts, net	3,505,826
Net cash used in operating activities	(1,976,047)
Cash flows from noncapital financing activities	
Receipts from permanent endowment contributions	4,350,250
Net cash provided by noncapital financing activities	4,350,250
Cash flows from capital and related financing activities	
Proceeds from line of credit	1,000,000
Receipts from donors for capital contributions	16,332,923
Purchases of capital assets	(12,567,450)
Principal paid on debt and line of credit	(4,109,332)
Payments on lease liability	(491,151)
Interest paid	(9,370,410)
Net cash used in capital and related financing activities	(9,205,420)
Cash flows from investing activities	
Proceeds from sales and maturities of investments	23,175,620
Purchases of investments	(19,163,334)
Net cash provided by investing activities	4,012,286
Net decrease in cash and cash equivalents	(2,818,931)
Cash and cash equivalents, beginning of year	5,604,791
Cash and cash equivalents, end of year	$ 2,785,860
Classified on the Statement of Net Position as:	
Cash and cash equivalents	$ 2,783,399
Restricted cash and cash equivalents, noncurrent	2,461
Total cash and cash equivalents	$ 2,785,860

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

GEORGIA TECH ATHLETIC ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(Continued)

Reconciliation of operating loss to net cash used in operating activities		
Operating Loss	$	(15,874,393)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization		9,365,539
Changes in assets and liabilities:		
Accounts receivable, net		(5,029,160)
Loss on disposal of fixed assets		7,000
Prepaid expenses and other assets		73,955
Accounts payable and accrued expenses		(139,367)
Due to Georgia Institute of Technology		510,505
Contract agreements		11,731,138
Deposits received for football and basketball tickets		(3,089,547)
Deferred sponsorship agreements		468,283
Net cash used in operating activities	$	(1,976,047)
Supplemental disclosure of non-cash investing, capital, and financing activities		
Changes in fair value of investments held by Georgia Tech Foundation	$	5,171,556

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 more significant accounting policies of the Georgia Tech Athletic Association (the Association), which affect significant elements of the accompanying basic financial statements.

(a) **Reporting entity**—The Association operates sports, athletic facilities, and programs for the benefit of the Georgia Institute of Technology (Georgia Tech or the Institute).

The Association qualifies for treatment as a component unit of Georgia Tech; therefore, the Association's financial statements are included in Georgia Tech's combined financial statements as a discretely presented component unit.

(b) **Basis of presentation**—The Association's financial statements have been prepared in accordance with the accounting principles generally accepted in the United States as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statement presentation provides a comprehensive, entity-wide perspective of the Association's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows. In addition, the Association presents a Management's Discussion and Analysis (MD&A). The MD&A is considered to be required supplemental information and precedes the financial statements.

(c) **Basis of accounting—**For financial reporting purposes, the Association is considered a special-purpose government engaged only in business-type activities. Accordingly, the Association's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

The Association distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses for the Association are those that result from the operation of Georgia Tech's intercollegiate athletic programs. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Capital contributions and endowment contributions are not considered operating revenues or expenses and are reported after nonoperating revenues and expenses in the accompanying statement of revenue, expenses, and changes in net position.

(d) **Cash and cash equivalents—**The Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(e) **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 having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end should be immaterial. However, the Association recorded an allowance for doubtful accounts at June 30, 2023 of $114,872 as a conservative estimate. The Association has no policy requiring collateral or other security to support its accounts receivable.

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

(f) **Pledges receivable—**The Association receives pledges of financial support from corporations, foundations, and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, endowment pledges are not recorded as assets until the related gift is received. The Association reduces pledges receivable to estimated net realizable value by recording an allowance to uncollectible pledges. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts and includes such factors as prior collection history, type of gift, and nature of fundraising.

(g) **Investments—**The Association measures investments at their fair value based on quoted market prices when available. Investments received as gifts are recorded at their fair market or appraised value as of the date of the gift.

(h) **Capital assets—**Capital assets are recorded at cost must exceed $10,000 or more before the assets are capitalized. Depreciation is recorded on a straight-line basis over estimated useful lives of the respective assets as follows:

Furniture and equipment	5 years
Scoreboards	15 years
Athletic Facilities / Buildings	30 – 40 years Property/improvements 30 years or length of debt service

(i) **Deferred outflows of resources—**In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The Association only had one item that qualifies for reporting in this category at June 30, 2023, which is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. This amortization is included in interest expense on the statement of revenues, expenses, and changes in net position.

(j) **Net position—**The Association's net position is classified as follows:

- *Restricted – Nonexpendable*: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

- *Restricted – Expendable*: Restricted expendable net position includes resources for which the Association is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

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

- *Net investment in capital assets:* Net position invested in capital assets, consists of capital assets, including leased assets, net of accumulated depreciation, plus deferred charge on refunding of debt, and is reduced by the outstanding balances of any debt and lease liabilities that is attributable to those assets.

- *Unrestricted*: This represents Association resources which do 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 the Association's policy to use restricted resources first, then unrestricted resources as they are needed.

(k) **Contributions—**The Association recognizes receivables and revenues from private donations that are voluntary nonexchange transactions when all applicable eligibility requirements are met. All contributions are available for unrestricted use unless specifically restricted by the donor.

(l) **Postretirement benefits**—All employees who provide services to the Association are employees of the Institute. Employees are eligible, upon retirement, for certain healthcare and life insurance benefits. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Association or complete 20 years of service. Eleven employees were eligible for postretirement coverage at June 30, 2023.

The postretirement health care benefits allow the retiree to continue the health care coverage that was provided as an active employee. The Association is not responsible for payments for health benefits, but does continue to offer dental and life insurance benefits to retired employees should they elect coverage. The Association made no payments for retiree insurance premiums for the year ended June 30, 2023. In order for an employee to be eligible for postretirement health care benefits, the employee must have been employed 10 consecutive years, be at least 60 years of age and continue the benefits immediately upon retirement by paying the employee portion of the premium cost.

The postretirement life insurance benefits allow the retiree to continue the life insurance policy that he or she was eligible for as an active employee by continuing to pay the insurance premiums. A portion of the postretirement life insurance benefits are paid by the retiree.

The Other Postemployment Benefits (OPEB) liability and expense for the Institute has been reported in the Institute's consolidated financial statements. Since all employees who provide services to the Association are Institute employees, no OPEB liability or expense has been reflected in the accompanying financial statements of the Association.

Georgia Tech participates in various retirement plans administered by the State of Georgia under two major retirement systems: Teachers Retirement System of Georgia (TRS) and Employees' Retirement System of Georgia (ERS). These two systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices. The Institute also provides one other retirement plan - the Regents Retirement Plan. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by State law.

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

All teachers of the Institute as defined in the O.C.G.A. § 47-3-60 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2023.

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at ers.ga.gov/financials.

Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Institute's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2023 was 24.63% of annual covered payroll for old plan members, 24.63% for new plan members and 21.57% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

(m) **Income taxes—**The Association is generally exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Management of the Association considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Association's status as a not-for-profit entity. Management believes the Association met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements. The Association's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

(n) **Use of estimates—**The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and 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.

(2) Deposit and Investment Risk:

Custodial credit risk is the risk related to deposits and investment securities that in the event of a bank or institutional failure, the Association's deposits or funds invested may not be returned to it. The Association does not have a policy that addresses custodial credit risk. As of June 30, 2023, $3,114,796 of the Association's bank balance of $3,364,796 was exposed to custodial credit risk.

Additionally, as of June 30, 2023, the Association had $2,461 in restricted cash, all of which are invested in U.S. Government obligations. Since the Association's restricted cash and investments held with the Georgia Tech Foundation represent investments in external investment pools and U.S. Government obligations, they are not considered to be exposed to custodial credit risk, and therefore, no custodial credit risk disclosure is required.

Funds belonging to the State of Georgia cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated Section 50-17-59:

1) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia.

2) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.

3) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.

4) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.

5) Bonds, bills, certificates of indebtedness, notes or other direct obligations of a subsidiary Authority of the United States government, which are fully guaranteed by the United States government, both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

6) Insurance of accounts provided by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation.

(3) **Pledges Receivable:**

The Association records pledges receivable from various fundraising campaigns. Pledges receivable at June 30, 2023 primarily relate to funds received to fund construction projects as well as to provide funds for athletic program support and to improve other athletic facilities of the Association. The Association has recorded pledges receivable at the present value of the future expected payments at June 30, 2023, as follows:

Pledges receivable	$ 12,670,354
Less allowance for uncollectible pledges	(6,734,890)
Less discount on pledges (discount rates ranging from 1.03% to 5.14%)	(921,670)
	$ 5,013,794

Receivable in less than one year	$ 2,707,503
Receivable in one to five years	1,430,210
Receivable in more than five years	876,081
Total	$ 5,013,794

(4) **Funds Managed by the Georgia Tech Foundation:**

The Association has transferred assets to the Georgia Tech Foundation (the Foundation) to be managed on its behalf. Assets managed by the Foundation on behalf of the Association totaled $160,509,517 at June 30, 2023. The Foundation manages these assets by investing in pooled investment funds. Interest, dividend income, and gains and losses earned on pooled funds are allocated equitably based on the fair value of the assets of each entity that participates in the pooled investment funds. The Association is entitled to all earnings on these assets; however, distributions are made by the Foundation to the Association only when requested. The pooled funds held at the Foundation are valued on a quarterly basis and all earnings are allocated to the participants at that time. All purchases and redemptions are calculated as of the last business day of the calendar quarter in which the additions or withdrawals are made. Withdrawals from the pooled investments are charged at the exit price, which is based on the most recent quarterly valuation. Additionally, the Foundation and Alexander-Tharpe Fund, Inc. have agreed to a six-month advance notice prior to full redemption of funds from the pooled investments. Interest, dividend income, gains and losses from these funds, net of fees, totaled to a gain of $5,171,556 for the year ended June 30, 2023, and is included in the increase in fair value of investments in the statement of revenues, expenses, and changes in net position.

In addition, based on donor designations, the Association is allocated earnings from certain endowments of the Foundation not reported on the financial statements, which had an aggregate fair value of $26,098,586 at June 30, 2023. The Foundation did not distribute any funds to the Association from these endowments for 2023.

(4) **Funds Managed by the Georgia Tech Foundation:** (Continued)

The Foundation prepares separate annual financial statements which are audited in accordance with auditing standards generally accepted in the United States of America. Information regarding investments held by the Foundation on behalf of the Association can be obtained from the Foundation.

As quantified in the previous paragraphs, draws are made annually from funds invested by the Georgia Tech Foundation on behalf of the Georgia Tech Athletic Association. All of the investments contain either permanent or temporary restrictions regarding how the funds and certain related earnings can be used. In general, as a result of these restrictions, funds drawn from these investments can only be used to fund sports related scholarships or expenses incurred by specific sports or sport related activities. The draws from these investments fund many of the transactions recorded as operating expenses on the Statement of Revenues, Expenses and Changes in Net position. The amount withdrawn from these investments is included in the "Proceeds from sales and maturities of investments" recorded on the Statement of Cash Flows. The breakdown of withdrawals from Foundation investments for 2023 is as follows:

Restricted – expendable	$ 14,345,620
Unrestricted	8,830,000
Total withdrawals from Foundation investments	$ 23,715,620

Restrictions on the assets included in the investment base from which these draws are made are as follows:

- 41% are classified as restricted, non-expendable. The earnings from these non-expendable assets are available to support scholarship expenses.
- 7% are restricted expendable assets for student-athlete support expenses. However, funds can also be drawn from these investments to cover approved capital projects and special project expenses.
- 26% are classified as restricted expendable assets. Draws can be made from these investments to fund facility enhancements and special projects expenses.
- The remaining 26% are classified as unrestricted expendable

(5) **Fair Value Measurements:**

The Association categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuations when available.

The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest level, Level 1, is given to unadjusted quoted prices in active markets and the lowest level, Level 3, to unobservable inputs that reflect the Foundation's significant market assumptions. The three levels of the fair value hierarchy are as follows:

(5) **Fair Value Measurements:** (Continued)

Level 1 – Valuations based on unadjusted quoted market prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Valuations based on pricing inputs that are other than quoted prices in active markets, which are either directly or indirectly observable. Examples include commingled funds which hold actively traded public securities, but whose valuations are determined only periodically, (typically monthly). Other examples include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, credit risks, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 – Valuations are derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and require significant professional judgment in determining the fair value assigned to such assets and liabilities. Level 3 investments primarily comprise alternative investments that do not have a liquid market at the balance sheet date. Inputs used for Level 3 may include the original transaction price, recent transactions in the same or similar market, completed or pending third party transactions in the underlying investment or comparable issuers, and subsequent rounds of financing. When observable prices are not available, these investments are valued using one or more valuation techniques described below:

Market Approach: This approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income Approach: This approach determines a valuation by discounting cash flows.

Cost Approach: This approach is based on the principle of substitution and the concept that a market participant would not pay more than the amount that would currently be required to replace the asset.

The fair value hierarchy requires the use of observable market data when available. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The classification of assets and liabilities in the fair value hierarchy is not necessarily an indication of the risks or liquidity but is based on the observability of the valuation inputs.

The fair value of the Association's restricted investments is entirely made up of U.S. Government obligations, which are traded in active markets (Level 1).

The fair value of the Association's investments held by the Foundation is measured on a recurring basis, which is valued based on the Association's share of the Foundation's investment pool, using significant unobservable inputs (Level 3).

(5) **Fair Value Measurements:** (Continued)

The fair value of assets classified as Level 3 in the fair value hierarchy changed as follows:

	Investments held by Georgia Tech Foundation
Balance at June 30, 2022	159,363,425
Net investment gain	5,158,378
Additions during the year	19,163,334
Withdrawals during the year	(23,175,620)
Balance at June 30, 2023	$ 160,509,517

(6) **Capital Assets:**

Capital assets at June 30, 2023, consist of the following:

	Beginning Balance	Additions	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 9,218,600	$ -	$ (7,000)	$ 9,211,600
Construction in progress	2,673,418	5,726,356	(1,699,973)	6,699,801
Total capital assets, not being depreciated	11,892,018	5,726,356	(1,706,973)	15,911,401
Buildings and improvements	272,352,998	5,197,883	-	277,550,881
Equipment	5,995,853	3,343,184	-	9,339,037
Vehicles	210,390	-	-	210,390
Right to use asset	1,627,130	-	-	1,627,130
Total capital assets, being depreciated	280,186,371	8,541,067	-	288,727,438
Less accumulated depreciation	(119,250,331)	(9,365,539)	-	(128,615,870)
Total capital assets, being depreciated, net	160,936,040	(824,472)	-	160,111,568
Total net capital assets	$ 172,828,058	$ 4,901,884	$ (1,706,973)	$ 176,022,969

Depreciation and amortization expense for the year ended June 30, 2023 was $9,365,539. Additions and improvements to the athletic facilities used by the Association become the property of the State of Georgia upon installation or acquisition. Under a lease agreement with the Board or Regents of the University System of Georgia, the Association has the use of this property for up to 40 years.

Included in capital assets as of June 30, 2023 is equipment leased. The gross cost amount of these assets was $2,325,930, with related accumulated depreciation of $837,761. Gross costs include assets shown above as right to use assets with $1,393,941, $975,759 net of depreciation, reported under buildings and improvements as it relates to the Bobby Dodd video board upgrades. Equipment under leases is amortized over the shorter of the lease term or the estimated useful lives of the assets. Obligations under leases were $465,322 as of June 30, 2023.

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes and bonds payable	265,641,985	$ -	$ (4,763,192)	$ 260,878,793	$ 4,470,695
Line of credit	11,000,000	1,000,000	-	12,000,000	12,000,000
Leases	956,473	-	(491,151)	465,322	219,158
Contract agreements	125,000	11,856,138	(125,000)	11,856,138	4,861,702
Total	$ 277,723,458	$ 12,856,138	$ (5,379,343)	$ 285,200,253	$ 21,551,555

(8) **Leases:**

The Association has entered into multiple lease agreement as a lessee for equipment. These lease agreements have been recorded at the present value of the future minimum lease payments as of the inception dates.

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30,	Principal	Interest	Total Principal and Interest
2024	$ 219,158	$ 14,890	$ 234,048
2025	200,357	7,877	208,234
2026	35,689	1,466	37,155
2027	10,118	324	10,442
Total	$ 465,322	$ 24,557	$ 489,879

The interest rate on this capitalized lease is 0.99%. Interest rates are imputed based on the lower of the Association's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

Amortization of leased buildings and improvements and equipment, furniture, fixtures and vehicles under leases is included with depreciation expense.

(9) **Line of Credit:**

The Association has an unsecured revolving line of credit in the amount of $12,000,000 with a regional bank. The line of credit is due on demand, but if no demand for payment is made, the line matures on January 31, 2025. Accrued interest is due on the 1st day of each month. The interest rate on the line of credit is equal to the sum of the daily BSBY rate plus 45 basis points, or 5.62% for 2023. There was a $12,000,000 balance outstanding on the line of credit at June 30, 2023.

(10) **Notes and Bonds Payable:**

Notes and bonds payable at June 30, 2023 consist of the following:

	Ending Balance
Note Payable, unsecured note payable with interest payable quarterly at a fixed rate of 1.55% with annual principal payments ranging from $2,050,000 to $680,000 beginning June 2022 thru June 2029.	$ 7,955,000
Series 2012 Bonds Payable, variable rate bonds (interest rates ranging from 1.32% to 5.31% at June 30, 2023) that was partially refunded with Series 2019 and Series 2022 Bonds Payable, with annual principal payments ranging from $325,000 to $3,170,000 beginning October 2012 thru October 2035.	25,360,000
Note Payable with equipment as collateral. Monthly payments of $10,891 with interest at a fixed rate of 1.98% beginning September 2020 to September 2025.	268,365
Series 2019 Bonds Payable, variable rate bonds (interest rates at 5% for 2019A and ranging from 1.97% to 3.24% for 2019B at June 30, 2023) with annual principal payments ranging from $1,930,000 to $10,620,000 beginning October 2024 thru October 2050.	163,640,000
Series 2022 Bonds Payable, variable rate bonds (interest rates ranging from 1.15% to 3.47%) with principal payments ranging from $160,000 to $14,780,000 beginning October 2022 thru October 2042.	52,070,000
	249,293,365
Unamortized discount and premium	11,585,428
	$ 260,878,793

(10) **Notes and Bonds Payable:** (Continued)

A description of the bonds payable at June 30, 2023 are as follows:

In February of 2012, the Development Authority of Fulton County issued Georgia Tech Athletic Association Revenue Bonds, Series 2012A with a par value of $97,925,000. This bond issuance re-financed the remaining $94,285,000 principal outstanding on the Series 2001 bonds. This bond issuance also financed the construction of the Ken Byers Tennis Complex. This is a variable rate, tax exempt bond issuance. Also in February of 2012, the Development Authority of Fulton County issued Georgia Tech Athletic Association Revenue Bonds, Series 2012B with a par value of $26,615,000. This bond issuance funded the termination of the swaption that the Association entered into in 2003. This is a variable rate, taxable bond issuance. The bonds were marketed at an All-In Total Interest Cost of 4.144%.

In August of 2019, the Development Authority of Fulton County issued Georgia Tech Athletic Association Revenue Bonds, Series 2019A with a par value of $32,065,000. Proceeds from this bond issuance were used to pay the 2012 Bonds Payable of $30,300,000. This is a fixed rate, tax exempt bond issuance. Also in August of 2019, the Development Authority of Fulton County issued Georgia Tech Athletic Association Revenue Bonds, Series 2019B with a par value of $131,575,000. Proceeds from this bond issuance refunded a portion of the Series 2011 Bonds and a portion of the Series 2012A Bonds. This is a variable rate, taxable bond issuance. The bonds were marketed at an All-In Total Interest Cost of 5.939%.

In February of 2022, the Development Authority of Fulton County issued Georgia Tech Athletic Association Revenue Bonds, Series 2022 with a par value of $52,230,000. Proceeds from this bond issuance refunded a portion of the Series 2012A Bonds for a defeased principal of $37,965,000. This is a variable rate, taxable bond issuance. The bonds were marketed at an All-In Total Interest Cost of 3.526%.

Maturities of notes and bonds payable during the fiscal years subsequent to June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Principal and Interest
2024	$ 4,470,695	$ 8,844,548	$ 13,315,243
2025	4,802,670	8,744,910	13,547,580
2026	5,090,000	8,594,597	13,684,597
2027	5,750,000	8,384,175	14,134,175
2028	6,045,000	8,153,606	14,198,606
2029–2033	36,930,000	35,944,489	72,874,489
2034–2038	52,005,000	26,972,552	78,977,552
2039–2043	67,635,000	16,635,575	84,270,575
2044–2048	45,715,000	7,182,751	52,897,751
2049–2050	20,850,000	680,803	21,530,803
	249,293,365	130,138,006	379,431,371
Unamortized discount and premium	11,585,428	-	11,585,428
Total	$ 260,878,793	$ 130,138,006	$ 391,016,799

(11) **Employee Benefits:**

As disclosed in Note (1) above, all employees who provide services to the Association are employees of the Institute. As such, all employees are eligible to participate either in the State of Georgia's Teacher's Retirement Plan or its Optional Retirement Plan which varies in match percentage between 9.24% and 21.14%. The expense related to this benefit is included in a straight benefit assessment percentage based on total salary expense of 31.7%. This benefit expense includes insurance coverage, payroll tax expense and pension expense. For the purpose of this footnote, the percent attributed to pension is one-third of the total Benefit/Fringe amount.

Total retirement plan expenses totaled approximately $2,191,218 for the year ended June 30, 2023.

(12) **Net Position:**

Investment income, including unrealized appreciation and depreciation, is allocated to the restricted expendable account on a pro rata basis based on the nonexpendable balance. Absent any donor restrictions, these funds are then available for expenditure.

Restricted expendable net position consists of gifts related to the quasi-endowment established by the gifts received from the Candler Estate. Also included in restricted expendable net position is the Association's Long-Term Support Fund.

Restricted nonexpendable net position includes endowments established to support specific expenses. This total includes endowments that fund scholarship and operating expenses for specified sports teams.

Net position as of July 1, 2022, has been decreased by $2,777,189, to reflect certain expenses associated with the Association's Multi-Media and Sponsorship/Marketing Rights agreement with Legends Sports and Entertainment (Legends) that are associated with the fiscal year ended June 30, 2022, and thus were due to Legends at the prior fiscal year end of June 30, 2022. The net effect of this understatement of expenditures had the effects on beginning net position as follows:

Net position, 6/30/22, as originally reported	$	77,527,102
Expense adjustment		(2,777,189)
Net position, 7/1/22, as restated	$	74,749,913

(13) **Candler Fund:**

The Association was named beneficiary in Lee Candler's estate and a charitable remainder trust established by her prior to her death. Upon the death of Lee Candler, the trust was terminated, and all funds therein where distributed to the Association. Total assets received by the Association from the charitable remainder trust and Lee Candler's estate were $54,566,495. These assets were transferred to the Foundation to be managed on the Association's behalf and were combined to form the Candler Fund.

The Candler Fund is being managed by the Association as a quasi-endowment. A substantial portion of the income from Candler Fund is to be used to support the operations of the Total Person Program, the Howard Candler, Jr. Football Conference Center, and the Homer C. Rice Center for Sports Performance. The Association's endowment spending policy for the Candler Fund for the year ended June 30, 2023 was a minimum of 5% of the fair value of the assets, as measured on December 31, of the respective year, for support of the specified programs.

(14) **Commitments and Contingencies:**

The Association has entered into employment contracts with certain employees expiring in years through 2028 that provide for a minimum annual salary. At June 30, 2023, the total commitment for all contracts for each of the next five years and in the aggregate is as follows:

Year Ending June 30,	Amount
2024	$ 14,099,236
2025	8,724,236
2026	7,530,000
2027	6,840,000
2028	-
Total	$ 37,193,472

The Association is a party in a number of legal actions. While the final outcome cannot be determined at this time, management is of the opinion that the liability, if any, for these legal actions will not have a material adverse effect on the Association's financial position.

The Association has an accounts receivable balance due from an outside organization that manages their multi-media rights of approximately $2.4 million as of June 30, 2023. The Association and this outside organization are currently in a dispute over the amount due to the Association and certain elements of the underlying contract between the parties. The amount recorded as due under this agreement is the Association's best estimate of the amount owed under the terms of the agreement. The Association believes that this estimate is reasonable, but there is a risk that the actual amount collected could be higher or lower than the estimated amount.

(15) **Related Party Transactions:**

The Association had significant transactions with related parties during the years ending June 30, 2023, which primarily consisted of purchases made on behalf of Association by the Institute, and amounts paid to the Institute for such transactions. All payroll, scholarship and payable transactions are processed through the Institute. Amounts paid to vendors on behalf of the Association during the year ended June 30, 2023 totaled $33,684,672. Of that amount, $29,087,938 was paid during the year ended June 30, 2023 by the Association to the Institute in support of employee wages. Amounts due to the Institute at June 30, 2023 was $2,893,673.

(16) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years:

a. GASB Issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB 87, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022. The Association implemented this statement for the year ended June 30, 2023 and determined there was no material impact to the financial statements.

b. GASB issued Statement No. 101, *Compensated Absences*, in June 2022. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions in GASB 101 are effective for periods beginning after December 15, 2023. Management has not currently determined what, if any, impact implementation of this statement will have on the Association's financial statements.

SUPPLEMENTARY SCHEDULES

GEORGIA TECH ATHLETIC ASSOCIATION
SUPPLEMENTARY SCHEDULE: CASH BASIS FINANCIALS
JUNE 30, 2023 AND 2022

On a quarterly basis, the Georgia Tech Athletic Association prepares cash based financial statements for review by the Association's Board of Trustees. This presentation provides an accounting of real funds received and expended during the fiscal year. Highlighted below is the fiscal year 2023 Cash-Based Income Statement. Explanations for the variance between the Governmental Accounting Standards Board (GASB) Statement No. 35 based financials and the Cash-Based Financials are provided in the notes below.

	FY2022 CASH BASED FINANCIALS	FY23 FINAL FINANCIALS	FY23 CASH BASED FINANCIALS	VARIANCE CASH vs. AUDITED	
REVENUES					
ACC Distribution	$ 37,535,646	$ 47,440,727	$ 47,440,727	-	
Ticket Sales	12,343,767	8,909,128	8,909,128	-	
Guarantees Received	114,000	4,071,500	4,071,500	-	
Premium Lease Fees	9,636,135	11,506,656	11,506,656	-	
Sponsorships/Concessions	5,062,525	12,589,320	12,589,320	-	
Student Fees	6,024,950	6,288,856	6,288,856	-	
Contributions	22,583,756	11,067,084	29,776,188	18,709,104	*A*
Institutional Support	5,840,726	6,833,720	6,833,720	-	
Other	1,649,158	3,505,826	3,505,826	-	
TOTAL REVENUES	**100,790,664**	**112,212,817**	**130,921,921**	**18,709,104**	
EXPENSES					
Personnel	$ 34,798,323	$ 53,231,979	$ 41,500,840	(11,731,139)	*B*
Scholarships	13,505,928	10,386,536	14,701,974	-	
Travel & Post Season	5,661,350	7,923,228	7,923,228	-	
Recruiting	1,940,120	2,814,174	2,814,174	-	
Depreciation	-	9,365,539	-	(9,365,539)	*C*
Event & Other Services	6,486,509	11,235,993	11,235,993	-	
General and Administrative	11,801,927	19,797,624	19,797,624	-	
Guarantees	3,050,064	1,200,054	1,200,054	-	
Operations, Maintenance & Plant	5,861,078	4,140,520	9,476,685	5,336,165	*D*
Utilities	2,111,097	2,569,035	2,569,035	-	
Uniforms and Equipment	1,128,353	1,590,660	1,590,660	-	
Fund-Raising Expenses	2,586,107	3,831,868	3,831,868		
Debt Service	12,938,725	-	12,781,682	12,781,682	*E*
TOTAL EXPENSES	**101,869,581**	**128,087,210**	**129,423,817**	**(2,978,831)**	
NET INCOME	**$ (1,078,917)**	**$ (15,874,393)**	**$ 1,498,104**	**$ 21,687,935**	

GEORGIA TECH ATHLETIC ASSOCIATION
NOTES TO SUPPLEMENTARY SCHEDULE
JUNE 30, 2023

A. Contributions

GASB Statement No. 35 based revenues total all contributions received during the fiscal year, to include donations that ultimately are deposited in one or more of the AT Fund's restricted endowment accounts and invested by the Georgia Tech Foundation. Since these funds are not expended by the Association when they are received, the donation amount is not recorded on the Cash Based Income Statement.

For most endowments, the Association draws a portion of the interest earned annually. The dollars drawn are used to fund Association expenses (typically scholarship expenses) as permitted by the original endowment agreement. For any given fiscal year, on the Cash Based Income Statement, these draws are recorded as revenue because they are used to fund expenses incurred during that fiscal year. Under GASB Statement No. 35, a portion of the revenue drawn has already been recorded as contribution revenue during the fiscal year in which it was received. In addition, the interest earned on the original investment is added to the assets on the audited financial statements Balance Sheet. Because this draw has been reflected elsewhere, these funds are not recorded as contribution revenue on the audited Statement of Revenues, Expenses, and Changes in Net Position.

GASB Statement No. 35 based accounting records pledges received as contribution revenue during the year in which the contribution is received. When pledges are determined to be uncollectible, they are written off. The amount written off is deducted from contribution revenue during the year in which the write off occurred. Because pledges are not actually received in cash form, the amount pledged (or amount written off) is not recorded on the cash-based income statement.

As a result of these factors, contribution revenues for the two different methods of accounting are derived from the following sources:

GASB Statement No. 35 Accounting

Funds contributed to Athletic Directors Initiative Fund during FY 2023	$	250,097
Annual unrestricted cash contributions		7,737,637
Sport Specific Fund-Raising		2,308,683
Unrestricted Pledge Balances		770,667
	$	11,067,084

Cash Based Accounting

Annual draw from restricted endowment base	$	2,707,000
Annual draws from Candler Fund endowments		4,049,074
Annual draw from Athletic Directors Initiative Fund		600,000
Annual draw from Long Term Growth Fund		5,071,000
Draw for Capital Projects		2,737,260
Draw from Athletic Fund Balance account		0
Sport-Specific Fund Raising		2,308,683
Annual Restricted Contribution		4,315,438
Annual unrestricted cash contributions		7,987,733
	$	29,776,188

B. Personnel

Following GASB Statement No. 35 guidelines, For FY2023 the net present value of the entire balance of amounts owed to the former coaches in football, men's basketball and baseball after employment ended during FY2023 were recorded on the FY2023 Statement of Net Position and as a result this, compensation was added as a personnel expense for FY2023. Therefore, the net result of these transactions are recorded as a reduction to the cash basis expense due to the amounts for FY2023 recorded as a long-term liability.

C. Depreciation

As outlined in footnote 1(h) to the audited financial statements, under GASB Statement No. 35 based accounting, capital assets are recorded at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of these assets, resulting in the depreciation expense noted on the audited financials. Since no actual cash outlay is associated with this activity, depreciation expense is not recorded on the cash based financial statements.

D. Operations, Maintenance & Plant

Under GASB Statement No. 35 accounting guidelines, expenses associated with physical plant additions are capitalized and reflected in the Capital Assets total on the Statement of Net Position and not on the Statement of Revenues, Expenses, and Changes in Net Position. These expenses, totaling $5,123,803 in FY 2023 were primarily due to initial investments in design of a new student-athlete performance center, renovations to the Wardlaw Building, which will be the new home of Georgia Tech Athletics beginning in August 2023, and improvements to, Bobby Dodd Stadium, locker room and team areas for the track teams (Michael K. Anderson Building), McCamish Pavilion, Chandler Baseball Stadium and Video/Scoreboard upgrades.

As outlined in footnote 6 to the audited financial statements, under GASB Statement No. 35 based accounting, included in capital assets on the Statement of Net Position is equipment leased under capital leases. Equipment under capital leases is amortized over the shorter of the lease term or the estimated useful lives of the assets. As a result, lease payments for equipment are not recorded as operating expenses on the GASB Statement No. 35 based Statement of Revenues, Expenses, and Changes in Net Position, but are instead amortized under capital assets on the Statement of Net Position. The largest examples of equipment leases charged to Operations, Maintenance & Plant accounts include costs associated with the ground maintenance equipment provider. Lease payments generated $212,362 in expenses that were shown on the cash-based income statement in FY2023, but not included in the audited financial statements' Statement of Revenues, Expenses, and Changes in Net Position.

E. Debt Service

Under GASB Statement No. 35 accounting guidelines, debt payments associated with the 2011 Series Revenue Bonds, 2012 Series Revenue Bonds, the 2019 Series Revenue Bonds, and the two Truist Bank Loans are broken into interest payments and payments against the principal. Interest payments are not recorded as operating expenses on the GASB Statement No. 35 based Statement of Revenues, Expenses, and Changes in Net Position, but are instead shown below the Operating Profit (Loss) line as “non-operating expenses.” Principal payments are deducted from the “Bonds Payable- Long Term” total on the Statement of Net Position. Because GTAA dollars were used to fund all debt payments made during the fiscal year, this expense is included on the Cash Based Income Statement.

GEORGIA TECH ATHLETIC ASSOCIATION
SUPPLEMENTARY SCHEDULE II: ATTENDANCE AND ASSOCIATED REVENUE
JUNE 30, 2023

The intercollegiate football and men's basketball programs at Georgia Tech generate the vast majority of fan attendance and revenue (primarily through ticket sales and television contract revenue) for GTAA. The following table lists the top five intercollegiate sports at Georgia Tech in terms of fan attendance and associated revenue.

Sport	2023-2022 Total Attendance	2023-2022 Average Attendance per Game	Associated Revenue (1)
Football	169,767	33,953	55,222,497
Men's Basketball	83,591	4,917	9,766,522
Baseball	42,626	1,292	1,600,022
Women's Basketball	22,440	1,603	1,491,386
Softball	9,516	352	426,118
Volleyball	18,617	1,330	1,212,097
Total	**346,557**	**43,447**	**69,718,641**

(1) Associated Revenue is event related sales (*i.e.*, tickets, suite and club seat sales, TECH fund donations, concessions, parking and guarantees) and associated television revenues received through ACC conference distributions.