

OLE MISS ATHLETICS FOUNDATION
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
JUNE 30, 2025 AND 2024

**OLE MISS ATHLETICS FOUNDATION
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JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Governors,
Ole Miss Athletics Foundation:

Opinion

We have audited the financial statements of the Ole Miss Athletics Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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 Foundation 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.

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.

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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinions. 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.

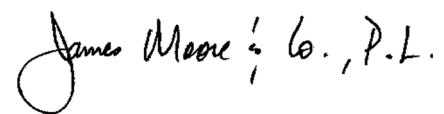
In performing an audit in accordance with GAAS, we:

- 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 Foundation'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 Foundation'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Gainesville, Florida
October 27, 2025

OLE MISS ATHLETICS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents without donor restrictions	\$ 9,914,477	\$ 11,254,538
Cash and cash equivalents with donor restrictions	7,365,583	4,825,981
Investments	706,931	663,585
University of Mississippi Foundation receivable	1,197,370	561,212
Current portion of pledges receivable, net of allowance	13,713,347	15,727,881
Annual fund membership receivables, net	5,563,629	4,281,093
Other receivables	660,431	141,312
Prepaid expenses	848,640	98,689
Total current assets	<u>39,970,408</u>	<u>37,554,291</u>
Non-current assets		
Pledges receivable, less current portion, net of allowance	23,585,935	25,467,619
Charitable trust	1,317,704	1,295,561
Property and equipment, net	61,748,488	61,095,775
Operating right of use assets, net	19,520	572,957
Endowment	131,347	118,200
Cash surrender value of life insurance	47,754	46,782
Total non-current assets	<u>86,850,748</u>	<u>88,596,894</u>
Total Assets	<u><u>\$ 126,821,156</u></u>	<u><u>\$ 126,151,185</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Current portion of long-term debt	\$ 17,101,906	\$ 3,996,225
Accounts payable and accrued expenses	293,035	1,686,478
Payroll and taxes payable	242,523	95,024
Deferred liability, current portion	734,906	734,906
Deferred revenue, current portion	-	20,599
Operating lease liabilities, current	5,572	572,957
Due to University of Mississippi	3,732,949	5,071,859
Total current liabilities	<u>22,110,891</u>	<u>12,178,048</u>
Non-current liabilities		
Long-term debt, less current portion, net of unamortized debt issuance costs	38,789,569	52,669,240
Deferred liability, less current portion	603,819	1,273,184
Operating lease liabilities, less current portion	13,948	-
Total non-current liabilities	<u>39,407,336</u>	<u>53,942,424</u>
Total Liabilities	<u>61,518,227</u>	<u>66,120,472</u>
Net assets		
Net assets without donor restrictions	16,823,926	9,794,215
Net assets with donor restrictions	48,479,003	50,236,498
Total net assets	<u>65,302,929</u>	<u>60,030,713</u>
Total Liabilities and Net Assets	<u><u>\$ 126,821,156</u></u>	<u><u>\$ 126,151,185</u></u>

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

OLE MISS ATHLETICS FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and Support:			
Annual Fund Contributions	\$ 33,400,890	\$ -	\$ 33,400,890
Other Contributions	6,166,915.00	17,756,053	23,922,968
Gifts in Kind	2,158,840	-	2,158,840
Other Revenues	1,764,294	68,724	1,833,018
Net Assets Released from Restrictions	19,582,272	(19,582,272)	-
Total Revenues and Support	63,073,211	(1,757,495)	61,315,716
Expenses:			
Program Expenses			
Athletics Department Administration	39,347,587	-	39,347,587
Team Programs	1,003,632	-	1,003,632
Other Restricted Expenses	12,498,650	-	12,498,650
Fundraising	2,316,823	-	2,316,823
Management and General	876,808	-	876,808
Total Expenses	56,043,500	-	56,043,500
Change in Net Assets	7,029,711	(1,757,495)	5,272,216
Net Assets at Beginning of Year	9,794,215	50,236,498	60,030,713
Net Assets at End of Year	\$ 16,823,926	\$ 48,479,003	\$ 65,302,929

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

OLE MISS ATHLETICS FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and Support:			
Annual Fund Contributions	\$ 25,040,895	\$ -	\$ 25,040,895
Other Contributions	363,350.00	14,568,292	14,931,642
Gifts in Kind	1,226,074	100,371	1,326,445
Other Revenues	2,011,389	149,239	2,160,628
Net Assets Released from Restrictions	15,939,138	(15,939,138)	-
Total Revenues and Support	44,580,846	(1,121,236)	43,459,610
Expenses:			
Program Expenses			
Athletics Department Administration	37,774,441	-	37,774,441
Team Programs	1,027,191	-	1,027,191
Other Restricted Expenses	12,595,779	-	12,595,779
Fundraising	2,347,195	-	2,347,195
Management and General	868,575	-	868,575
Total Expenses	54,613,181	-	54,613,181
Change in Net Assets	(10,032,335)	(1,121,236)	(11,153,571)
Net Assets at Beginning of Year	19,826,550	51,357,734	71,184,284
Net Assets at End of Year	\$ 9,794,215	\$ 50,236,498	\$ 60,030,713

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

OLE MISS ATHLETICS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Athletics Department Administration	Team Programs	Other Program Restricted Expenses	Fundraising	Management and General	Total
Academic Services	\$ 3,598	\$ -	\$ -	\$ -	\$ -	\$ 3,598
Accounting and Legal	-	-	-	-	48,740	48,740
Advertising	-	-	-	65,339	-	65,339
Athletics Director	60,332	-	-	-	-	60,332
Auto Stipends and Expenses	196,000	-	-	25,560	-	221,560
Consulting	48,000	-	-	56,450	-	104,450
Credit Card Fees	861,387	-	-	-	-	861,387
Depreciation	3,731,225	-	-	13,104	4,368	3,748,697
Donations and Sponsorships	-	-	-	-	33,330	33,330
Donor Gifts	-	-	-	161,489	-	161,489
Dues, Conferences, and Subscriptions	-	-	-	-	33,635	33,635
Expendable Equipment	730,407	-	-	-	-	730,407
Facility Improvements	242,899	-	3,835,329	-	-	4,078,228
Former Student Athlete Relations	27,368	-	-	-	-	27,368
Gameday RV Parking	104,438	-	-	-	-	104,438
Gifts in Kind Expense and Credits	2,481,452	-	-	-	-	2,481,452
Grove Tent Vendors	64,045	-	-	-	-	64,045
Insurance	218,763	-	-	-	148,577	367,340
Interest Expense	-	-	2,938,717	-	-	2,938,717
Legal	13,530	-	-	-	-	13,530
Marketing	180,387	-	-	-	-	180,387
Media Relations	530	-	-	-	-	530
Off-Campus Property	7,715	-	-	-	-	7,715
Office Administration	13,505	-	-	40,998	95,661	150,164
Other	-	-	-	-	6,778	6,778
Personnel Compensation and Benefits	16,148,719	-	-	1,354,535	451,511	17,954,765
Philanthropic Events, Stewardship and Cultivation	-	-	-	368,861	-	368,861
Postage	-	-	-	34,372	34,372	68,744
Post Season	296,415	-	-	-	-	296,415
Priority Seating and Gameday	2,592,044	-	-	-	-	2,592,044
Provision for Uncollectible Pledges	72,650	-	2,997,389	-	-	3,070,039
Scholarships and Support	12,071,050	-	44,644	-	-	12,115,694
Team Programs	-	1,003,632	-	-	-	1,003,632
Telephone	41,208	-	-	4,959	19,836	66,003
Ticketing and Technology	1,238,795	-	-	-	-	1,238,795
Travel and Entertainment	583,696	-	-	191,156	-	774,852
Net Restricted Expenses Allocated	(2,682,571)	-	2,682,571	-	-	-
	<u>\$ 39,347,587</u>	<u>\$ 1,003,632</u>	<u>\$ 12,498,650</u>	<u>\$ 2,316,823</u>	<u>\$ 876,808</u>	<u>\$ 56,043,500</u>

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

OLE MISS ATHLETICS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Athletics Department Administration	Team Programs	Other Program Restricted Expenses	Fundraising	Management and General	Total
Academic Services	\$ 3,581	\$ -	\$ -	\$ -	\$ -	\$ 3,581
Accounting and Legal	-	-	-	-	57,891	57,891
Advertising	-	-	-	40,865	-	40,865
Annual Report	-	-	-	10,952	-	10,952
Athletics Director	43,709	-	-	-	-	43,709
Auto Stipends and Expenses	198,052	-	-	36,045	-	234,097
Consulting	144,350	-	-	58,055	-	202,405
Credit Card Fees	697,168	-	-	-	-	697,168
Depreciation	3,082,618	-	-	12,398	4,132	3,099,148
Donations and Sponsorships	-	-	-	-	40,484	40,484
Donor Gifts	-	-	-	148,722	-	148,722
Dues, Conferences, and Subscriptions	-	-	-	-	22,661	22,661
Expendable Equipment	503,046	-	-	-	-	503,046
Facility Improvements	238,971	-	4,071,502	-	-	4,310,473
Former Student Athlete Relations	58,229	-	-	-	-	58,229
Gameday RV Parking	78,591	-	-	-	-	78,591
Gifts in Kind Expense and Credits	1,852,595	-	-	-	-	1,852,595
Grove Tent Vendors	20,077	-	-	-	-	20,077
Insurance	245,306	-	-	-	112,382	357,688
Interest Expense	286,689	-	2,679,708	-	-	2,966,397
Marketing	157,778	-	-	-	-	157,778
Media Relations	1,036	-	-	-	-	1,036
Off-Campus Property	5,971	-	-	-	-	5,971
Office Administration	19,681	-	-	30,764	71,784	122,229
Other	-	-	-	-	9,725	9,725
Personnel Compensation and Benefits	18,169,853	-	-	1,548,188	516,062	20,234,103
Philanthropic Events, Stewardship and Cultivation	-	-	-	307,144	-	307,144
Postage	-	-	-	14,233	14,233	28,466
Post Season	149,158	-	-	-	-	149,158
Priority Seating and Gameday	2,325,076	-	-	-	-	2,325,076
Provision for Uncollectible Pledges	-	-	2,686,265	-	-	2,686,265
Scholarships and Support	10,572,441	-	67,064	-	-	10,639,505
Team Programs	-	1,027,191	-	-	-	1,027,191
Telephone	41,946	-	-	4,805	19,221	65,972
Ticketing and Technology	1,039,994	-	-	-	-	1,039,994
Travel and Entertainment	929,765	-	-	135,024	-	1,064,789
Net Restricted Expenses Allocated	(3,091,240)	-	3,091,240	-	-	-
	<u>\$ 37,774,441</u>	<u>\$ 1,027,191</u>	<u>\$ 12,595,779</u>	<u>\$ 2,347,195</u>	<u>\$ 868,575</u>	<u>\$ 54,613,181</u>

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

OLE MISS ATHLETICS FOUNDATION
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 5,272,216	\$ (11,153,571)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,748,697	3,099,148
Amortization of debt issuance costs	30,170	54,092
Bad debt expense	3,070,039	2,686,265
Provision for uncollectible pledges restricted for long-term purposes	(290,165)	(193,152)
Increase in discount on pledges restricted for long-term purposes	757,645	55,203
Contributions restricted for long-term purposes	(17,012,227)	(13,638,937)
Unrealized and realized (gain) loss on sale of investments	(101,936)	(97,820)
Reduction in carrying amount of operating right of use assets	576,023	557,808
Change in cash surrender value of life insurance	(972)	(733)
(Increase) decrease in:		
University of Mississippi Foundation receivable	(636,158)	856,654
Pledges receivable	173,380	210,085
Capital gift agreement pledges receivable	-	53,142
Annual fund membership receivables	(1,282,536)	2,630,078
Other receivables	(519,119)	315,157
Prepaid expenses	(749,951)	205,584
Increase (decrease) in:		
Accounts payable and other current liabilities	(1,245,944)	(4,887,317)
Deferred liabilities	(669,365)	(2,025,229)
Deferred revenues	(20,599)	(20,600)
Operating lease liabilities	(576,023)	(563,229)
Due to University of Mississippi	(1,338,910)	1,484,270
Net cash used in operating activities	<u>(10,815,735)</u>	<u>(20,373,102)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	54,032	9,091,795
Purchases of property and equipment and construction in progress	(854,586)	(5,750,754)
Purchase of investments	(30,732)	(9,055,126)
Net cash used in investing activities	<u>(831,286)</u>	<u>(5,714,085)</u>
Cash flows from financing activities:		
Cash receipts on pledges and contributions restricted for long-term purposes	17,197,546	13,456,991
Proceeds from long-term debt	-	9,319,525
Payments on long-term debt	(4,350,984)	(2,316,168)
Net cash provided by financing activities	<u>12,846,562</u>	<u>20,460,348</u>
Net change in cash and cash equivalents	<u>1,199,541</u>	<u>(5,626,839)</u>
Cash and cash equivalents, beginning of year	<u>16,080,519</u>	<u>21,707,358</u>
Cash and cash equivalents, end of year	<u>\$ 17,280,060</u>	<u>\$ 16,080,519</u>
Cash and cash equivalents, end of year:		
Cash without donor restrictions	\$ 9,914,477	\$ 11,254,538
Cash with donor restrictions	7,365,583	4,825,981
	<u>\$ 17,280,060</u>	<u>\$ 16,080,519</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 3,339,336</u>	<u>\$ 2,400,911</u>
Supplemental disclosures of noncash investing and financing activities:		
Purchase of property and equipment with debt financing	<u>\$ 3,546,824</u>	<u>\$ -</u>

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

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

(a) **Organization**—The Ole Miss Athletics Foundation (the Foundation) is a Mississippi nonprofit corporation whose mission is to provide resources for the Department of Intercollegiate Athletics (the Athletics Department) at the University of Mississippi (the University). Formerly known as the Ole Miss Loyalty Foundation and the UMAA Foundation, the Foundation adopted amended and restated articles of incorporation and bylaws effective March 1, 2013, and the name was formally changed. The currently effective bylaws were amended and restated March 26, 2021. The Foundation has an affiliation agreement with the University that defines arrangements between the two organizations concerning services, facilities, premises, activities, and other miscellaneous provisions. The agreement currently in effect commenced on January 1, 2025 and is set to expire on December 31, 2029. Among other terms, the affiliation agreement calls for the Foundation and the Athletics Department to agree on an amount of financial support for scholarships, facilities, compensation, and other support provided by the Foundation each year.

(b) **Basis of accounting**—The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification.

(c) **Net assets**—The Foundation's net assets are classified as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions. Contributions gifted for recurring programs are generally not considered “restricted” under accounting principles generally accepted in the United States of America (GAAP). Net assets restricted solely through the actions of the Board, if any, are reported as net assets without donor restrictions, board designated.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that are more restrictive than the Foundation’s general purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the Statements of Activities.

(d) **Accounting 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

(e) **Cash and cash equivalents**—For the purpose of the Statements of Cash Flows, the Foundation considers all highly-liquid investments available for current use with maturities of three months or less to be cash equivalents.

(f) **Annual membership receivables**—Annual membership receivables are stated at management's estimate of the net realizable value, which represents approximately 80% of the gross receivable balance for the years ended June 30, 2025 and 2024. This estimate considers historical collection experience, anticipated adjustments related to seating assignments, current relationships, economic conditions, and reasonable forecasts. No separate allowance for doubtful accounts is maintained, as such adjustments are included in the recorded balance.

(g) **Investments**—Investments are measured at fair value on the Statements of Financial Position. The fair value of all investments and trusts are based on quoted market prices and other observable inputs such as quoted prices for similar assets, quoted prices in inactive markets, or inputs corroborated by observable market data. Real estate and other properties donated to the Foundation and held by the University of Mississippi Foundation (the UM Foundation) are also carried at fair value based on appraisal values at the date of receipt and as subsequently updated. Gains and losses are determined using the specific identification method.

The Foundation's investments include commodities, a charitable trust, equity securities, fixed income and pooled accounts. These investments are exposed to several risks, such as interest rate, market, and credit risks. Due to the level or risk associated with certain investments, it is reasonably possible that changes in the fair market value of these investments will occur in the near term and such changes could materially affect the amounts reported in the Foundation's financial statements.

(h) **Revenue recognition**—Revenue from contracts with customers primarily comprises event-related revenues (e.g. gameday RV parking, tent vendors) and advance payment of priority points seating contributions (disclosed in Note 14, Deferred Revenue). The Foundation accounts for these exchange transactions in accordance with ASC Topic 606, Revenue from Contracts with Customers. Under a five-step model, exchange revenues are recognized when the Foundation satisfies its performance obligation (e.g., service is rendered or when access to purchase priority seating is granted). Payment is typically due at or near the time of service, and no significant financing component exists. For the years presented, all of the Foundation's contract liabilities (deferred revenue) related to advance purchases at June 30, 2024, all of which was recognized during the year ended June 30, 2025. Revenue from contracts with customers totaled \$1,214,129 and \$1,009,971 for the years ended June 30, 2025 and 2024, respectively, disaggregated as follows for the years ended June 30, 2025 and 2024: advance purchases of priority seating \$20,599 and \$20,600, respectively, and event-related revenues of \$1,193,530 and \$989,371, respectively.

The contribution component of the annual seating donation, as well as other unconditional contributions not tied to seating revenue, are recognized as contribution revenue in the period pledged. Other unpledged contributions are recognized when received.

Unconditional promises to give that are expected to be collected in future years are reported at the present value of their future cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are scheduled to be received. Accretion of the discounts is included in contribution revenues. The Foundation uses the allowance method to determine uncollectible pledges receivable. The allowance is based on management's judgment, including such factors as prior collection history, the nature of the fund-raising activity, and the type of contributions made.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

(i) **In-kind donations**—Donations of real property received are recorded as gift-in-kind contributions at their estimated fair values at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. All real property donations to the Foundation are held by the UM Foundation until such properties are sold. Proceeds are subsequently transferred to the Foundation.

Donations of personal property received, such as automobiles, equipment and apparel, are recorded as gift-in-kind contributions at estimated fair value at the date of donation. If an asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be sold at its fair market value.

Donated services received are recognized as contributions if the services either (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people or entities with those skills, and would otherwise be purchased by the Foundation. See Note 20, Gifts in Kind, for additional information regarding in-kind donations.

(j) **Charitable trust**—The Foundation is the beneficiary under an irrevocable charitable remainder unitrust with a local bank as trustee. Under the terms of the trust agreement, the Foundation receives distributions from the trust based on a formula using the lesser of the net income of the trust or 7% of the fair market value of the trust assets at the beginning of the trust taxable year. The trustee performs this calculation and makes the distribution. Expenses of the trust, such as taxes and administrative fees, are paid from the trust assets. The remaining principal of the trust is reported as a net asset with donor restrictions, perpetual in nature, per the terms of the trust agreement. Assets of the trust are reported at fair market value in the statements of financial position at \$1,317,704 and \$1,295,561, as of June 30, 2025 and 2024, respectively.

(k) **Property and equipment**—The Foundation records equipment, furniture and fixtures, buildings, improvements, and land at cost if purchased or at fair market value if donated. The Foundation capitalizes all fixed asset acquisitions over \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years.

(l) **Advertising**—Advertising costs are expensed as incurred and include annual priority seating information, promotional items for members, listings in gameday programs, and other marketing material related to Foundation memberships and donations. Advertising expenses for 2025 and 2024, were \$65,339 and \$40,865, respectively.

(m) **Leases**—The Foundation is a lessee in several noncancellable operating leases, for office space, sports equipment, and office equipment. The Foundation determines if an arrangement is a lease, or contains a lease, at inception of a contract when the terms of an existing contract are changed. The Foundation recognizes a lease liability and right of use (ROU) asset at the commencement date of the lease.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of its future lease payments over the lease term. As most of the Foundation's leases do not provide an implicit rate, the Foundation uses the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

The Foundation made an accounting policy election for all classes of leases to not record leases with an initial term of 12 months or less on the statements of financial position unless the Foundation extended the lease beyond 12 months from the initial lease term. The short-term lease cost recognized for these leases is disclosed in Note 12, Leases. The Foundation made an accounting election to use the practical expedient of using the risk-free discount rate expedient for all leases. The risk-free rate is determined by using the Treasury bill rates using comparable terms. The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(n) **Debt issuance costs**—The Foundation incurred debt issuance costs of \$199,536 pursuant to financial agreements in 2019 and 2023, which are presented as a reduction of the carrying amount of the related debt, rather than as an asset. Amortization of debt issuance costs is based on the straight-line method and is reported as interest expense in the Statements of Activities. Amortization expense included in interest expense for the years ended June 30, 2025 and 2024, was \$30,170 and \$54,092, respectively.

(o) **Tax-exempt status**—The Foundation is exempt from federal and state income taxes under Section 501 (a) of the Internal Revenue Code and is classified under Section 501(c)(3) as a public charity. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. The Foundation had no unrelated business income for the years ended June 30, 2025 and 2024. In addition, the Foundation, at June 30, 2025 and 2024, had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. As of June 30, 2025, periods for tax years 2024, 2023, and 2022 remain open to examination by the federal and state taxing jurisdictions to which the Foundation is subject.

(p) **Functional allocation of expenses**—The financial statements present the costs of providing various programs and activities have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Each functional classification displays all expenses related to the underlying operations by natural classification. Accordingly, certain costs have been allocated among the program, fundraising and management and general services.

(q) **New accounting pronouncements**—The Financial Accounting Standards Board (FASB) periodically issues new or modifications to, or interpretations of, existing accounting guidance. The Foundation has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Foundation's reported financial position or operations in the near term.

(r) **Subsequent events**—The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 27, 2025, the date the financial statements were available to be issued. No subsequent events have been identified or disclosed.

(s) **Reclassifications**—Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation. These reclassifications had no effect on the 2024 change in net assets in aggregate.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(2) Availability and Liquidity:

Financial assets available for general expenditures, that is without donor or other restrictions limiting their use within one year of the Statement of Financial Position date, are comprised of the following at June 30:

	<u>2025</u>	<u>2024</u>
Cash without donor restrictions	\$ 9,914,477	\$ 11,254,538
Investments	706,931	663,585
UM/UMF receivable, cash portion	695,689	56,342
Annual fund membership receivables, net	5,563,629	4,281,093
Other receivables	383,091	141,312
	<u>17,263,817</u>	<u>16,396,870</u>
Less those unavailable for general expenditures within one year, due to:		
Investments – board designated restrictions	(1,102,164)	(1,002,436)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,161,653</u>	<u>\$ 15,394,434</u>

In addition to the assets shown above, at June 30, 2025 and 2024, the Foundation had \$7,365,583 and \$4,825,981 of cash and \$13,668,675 and \$15,681,529 of pledges receivable within one year with restrictions as to their use, each respectively at June 30, 2025 and 2024. These funds may not be used to cover general expenditures of the Foundation. The Foundation also had \$1,102,164 and \$1,002,436 of short-term investments at June 30, 2025 and 2024, respectively, that have been designated by the board of governors to be held in reserve for contractual purposes. These funds could be drawn upon for immediate liquidity following approval by the board.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Foundation's cash flows vary throughout the year due to the timing of receipt of pledge receivables and contributions from donors. To assist in managing liquidity, the Foundation has a line of credit with a commercial bank with borrowing limits of \$12.5 million in the aggregate that can be drawn upon as needed to manage cash flow.

(3) Concentrations of Credit Risk:

The total cash held by the Foundation at June 30, 2025 and 2024 included \$16,298,789 and \$15,536,625, respectively, in monies that were not covered by insurance provided by the Federal Deposit Insurance Corporation. The risk is minimized by the fact that cash is held in high quality financial institutions.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(4) UMF Receivable:

Cash contributions are received directly by the Foundation with the University of Mississippi Foundation (UMF) maintaining donor records for tax receipt purposes. Contributions to the Foundation in the form of securities are received directly by the UMF. Funds associated with contributions in the form of securities are transferred to the Foundation immediately after being processed and recorded. Receivable balances from the UMF of \$695,689 and \$56,342 at June 30, 2025 and 2024, respectively, represent amounts to be received in the beginning of fiscal years 2025 and 2024, respectively.

The remaining receivable balance of \$501,681 at June 30, 2025, and \$504,870 at June 30, 2024, from the UMF, represents land and other interests contributed to the Foundation to be sold.

(5) Pledges Receivable:

The Foundation obtains pledges through fundraising programs in support of various activities. At June 30, 2025, pledges for the Vaught Society are scheduled to mature at various dates through 2033. The Capital Gift Agreements are due primarily in the next year.

A summary of pledges receivable as of June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 13,713,347	\$ 15,727,881
Receivable in two to five years	27,655,663	27,420,200
Receivable in more than five years	2,001,750	3,651,417
	<u>\$ 43,370,760</u>	<u>\$ 46,799,498</u>
 Pledges receivable without donor restrictions	 \$ 1,101,000	 \$ 845,350
Pledges receivable with donor restrictions	42,269,760	45,954,148
	43,370,760	46,799,498
Less: allowance for uncollectible pledges	3,466,087	3,756,252
	<u>39,904,673</u>	<u>43,043,246</u>
 Less: unamortized discount on pledges	 2,605,391	 1,847,746
Net pledges receivable	<u>\$ 37,299,282</u>	<u>\$ 41,195,500</u>
	 <u>2025</u>	 <u>2024</u>
Pledges receivable, current portion	\$ 13,713,347	\$ 15,727,881
Pledges receivable, less current portion, net of allowance	23,585,935	25,467,619
	<u>\$ 37,299,282</u>	<u>\$ 41,195,500</u>

Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4.07% and 4.66% for the years ended June 30, 2025 and 2024, respectively.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(6) Investments and Charitable Trust:

Investment income (loss), net of fees, consists of the following for the years ended June 30:

	Without Donor Restrictions	With Donor Restrictions
June 30, 2025		
Interest and dividends	\$ 553,150	\$ 47,584
Investment expenses	-	(104,091)
Net realized and unrealized gains	17,614	75,587
Total investment income, net	<u>\$ 570,764</u>	<u>\$ 19,080</u>
 June 30, 2024		
Interest and dividends	\$ 1,007,346	\$ 58,112
Investment expenses	-	(75,399)
Net realized and unrealized gains	14,672	90,672
Total investment income, net	<u>\$ 1,022,018</u>	<u>\$ 73,385</u>

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access as of the measurement date.

Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs are those that reflect the Foundation’s own assumptions about the assumptions that market participants would use in pricing the asset developed based on the best information available.

The asset’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(6) Investments and Charitable Trust: (Continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	Level 1	Level 2	Level 3	Total
June 30, 2025				
Equities	\$ 111,813	\$ -	\$ -	\$ 111,813
Fixed income	501,867	-	-	501,867
Other investments	93,251	-	-	93,251
	<u>706,931</u>	<u>-</u>	<u>-</u>	<u>706,931</u>
Pooled investments - endowment	131,347	-	-	131,347
Charitable trust	-	-	1,317,704	1,317,704
	<u>\$ 838,278</u>	<u>\$ -</u>	<u>\$ 1,317,704</u>	<u>\$ 2,155,982</u>
	Level 1	Level 2	Level 3	Total
June 30, 2024				
Equities	\$ 97,834	\$ -	\$ -	\$ 97,834
Fixed income	467,094	-	-	467,094
Other investments	98,657	-	-	98,657
	<u>663,585</u>	<u>-</u>	<u>-</u>	<u>663,585</u>
Pooled investments - endowment	118,200	-	-	118,200
Charitable trust	-	-	1,295,561	1,295,561
	<u>\$ 781,785</u>	<u>\$ -</u>	<u>\$ 1,295,561</u>	<u>\$ 2,077,346</u>

The Foundation recognizes transfers between levels of the fair value hierarchy, if any, at the end of the reporting periods. There were no transfers between Levels 1 and 2 fair value measurements, and no purchases, sales, issuances, settlements, or transfers in or out of Level 3 fair value measurements for the years ended June 30, 2025 and 2024.

(7) Property and Equipment:

A summary of property and equipment at June 30, 2025 and 2024 is as follows:

	2025	2024
Office equipment and furniture	\$ 656,075	\$ 642,181
Automobiles	332,493	320,155
Manning Center	75,671,319	75,671,319
Video board and audio	12,095,619	10,925,403
Venue network equipment	2,848,811	-
Construction in process	356,150	-
Condominium	<u>160,881</u>	<u>160,881</u>
Total property and equipment	92,121,348	87,719,939
Less: Accumulated depreciation	<u>30,372,860</u>	<u>26,624,164</u>
Total property and equipment, net	<u>\$ 61,748,488</u>	<u>\$ 61,095,775</u>

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(7) **Property and Equipment:** (Continued)

Depreciation expense for the years ended June 30, 2025 and 2024, was \$3,748,697 and \$3,099,148, respectively. The Manning Center, video boards, and audio systems are currently pledged as collateral on indebtedness.

(8) **Cash Surrender Value of Life Insurance Policies:**

The Foundation has been gifted life insurance policies for which it has been named owner and beneficiary. The face amounts of life insurance policies in excess of cash surrender values held by the Foundation are recognized as revenue only when collected. The Foundation did not receive any payouts from these policies for the fiscal years ended June 30, 2025 and 2024. The cash surrender values of the remaining policies at June 30, 2025 and 2024 were \$47,754 and \$46,782 respectively.

(9) **Endowments:**

The UMF holds certain funds that are considered permanent endowments and scholarship funds. These endowments are created for the benefit of the Athletics Department, and any contributions to the Foundation that are designated for these funds are transferred to the UMF. Funds that amounted to \$6,171,442 and \$5,831,960 at June 30, 2025 and 2024, respectively, are managed by the UMF and are not included in these financial statements. Funds that amounted to \$131,347 and \$118,200 at June 30, 2025 and 2024, respectively, are managed by the UMF and are included in investments. These endowments were created for the benefit of the Foundation.

(10) **Due to University of Mississippi:**

In addition to support throughout the year for Athletics Department activities and team programs, the Foundation is committed to providing a year-end supplement to meet the needs of the Athletics Department. For the fiscal years ended June 30, 2025 and 2024, the year-end support amount payable was \$1,379,554 and \$3,594,943, respectively, to provide a supplement for operating needs of the Athletics Department.

As a supplement for facilities improvements, the Foundation had an additional payable of \$2,327,997 and \$1,447,324 to the University for major renovations to existing facilities at June 30, 2025 and 2024, respectively.

The remaining balance due to the University of Mississippi Payable, totaling \$25,398 as of June 30, 2025 relates to payables due to University departments other than the Athletics Department.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(11) Long-Term Debt:

The Foundation's obligations under long-term debt consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
On February 1, 2021, the terms were changed on a loan for capital facilities in the amount of \$15,907,655. The original loan amount was \$30,000,000 and was obtained on October 30, 2012, with interest amortized over thirteen years and a maturity date of March 30, 2019. The revised loan terms include an interest rate of 3.90% and quarterly installments due of \$308,643 of principal and interest. Interest is amortized over a period of eighteen years, and the loan has a maturity date of March 25, 2026. The loan is collateralized by a deed of trust on the Manning Center.	\$ 9,995,517	\$ 10,814,461
On November 15, 2015, the Foundation obtained a loan to finance improvements to various athletics facilities including Vaught-Hemingway Stadium in the amount of \$11,500,000. The first twelve months of the loan term were a non-revolving line of credit phase. The line of credit became a permanent term loan on November 5, 2016, with a maturity date of November 5, 2025. The loan was amended on July 5, 2022, to include an interest rate of SOFR plus 100 basis points floating. The interest rate was 5.32% at June 30, 2025. Collateral for the loan includes all equipment and property purchased with loan proceeds and a pledge of revenues.	932,675	2,182,208
On August 5, 2019, the Foundation entered into a loan agreement for a revolving line of credit not to exceed \$5,000,000 with a variable interest rate equal to SOFR plus 174 basis points floating and a maturity of December 31, 2025. The interest rate was 6.06% at June 30, 2025. The purpose of the line of credit is to assist with operating needs. The loan agreement was amended on September 18, 2020, to increase the credit amount to \$12,500,000.	4,000,000	4,000,000
On December 10, 2021, the Foundation entered into a loan agreement to finance improvements to athletic facilities in the amount of \$20,077,040. The first twenty-four months of the loan term were a non-revolving line of credit phase. The line of credit became a permanent term loan on March 30, 2024, with an interest rate of 3.49% with quarterly installments due of \$351,296 of principal and interest. The loan has a maturity date of December 29, 2028. The loan is collateralized by a deed of trust on the Manning Center.	19,014,650	19,902,863

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(11) **Long-Term Debt:** (Continued)

	<u>2025</u>	<u>2024</u>
On November 15, 2022, the Foundation entered into a loan agreement to finance improvements to athletic facilities in the amount of \$20,077,316. The first twenty-four months of the loan term were a non-revolving line of credit phase. The line of credit became a permanent term loan on March 30, 2024, with an interest rate of 6.88% with quarterly installments due of \$542,282 of principal and interest. The loan has a maturity date of December 31, 2028. The loan is collateralized by a deed of trust on the Manning Center.	\$ 18,869,653	\$ 19,883,947
On June 25, 2024, the Foundation entered into an agreement for the purchase, installation, and maintenance of equipment in athletic facilities in the amount of \$3,546,826. The agreement is non-interest bearing with remaining annual payments of \$527,804 due July 1 of each year. The final payment is due July 1, 2030.		
	3,166,824	-
Total long-term debt	55,979,319	56,783,479
Unamortized debt issuance costs	(87,844)	(118,014)
	55,891,475	56,665,465
Current portion of long-term debt	(17,101,906)	(3,996,225)
Long-term debt, less current portion, net of unamortized debt issuance costs	<u>\$ 38,789,569</u>	<u>\$ 52,669,240</u>

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 17,101,906
2027	2,263,387
2028	2,346,127
2029	33,212,291
2030	527,804
Thereafter	527,804
Total	<u>\$ 55,979,319</u>

(12) **Leases:**

The Foundation has an operating lease for a copier, which has a remaining lease term expiring in October 2028. This agreement provided for a stated cost per copy over the life of the lease with an established monthly minimum payment.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(12) **Leases:** (Continued)

The components of lease expense, which are included in Office Administration, Expendable Equipment, and Facilities Support on the Statement of Functional Expenses, were as follows for the year ended June 30, 2025:

Operating lease cost	\$ 579,592
Short-term lease cost	215,000
Variable lease cost	51,895
	<u>\$ 846,487</u>

The weighted-average remaining lease term in years for this lease is 3.33 and the weighted-average discount rate is 4.20% for the year ended June 30, 2025.

Future minimum lease payments under non-cancellable leases as of June 30, 2025 were as follows:

<u>Maturity Analysis</u>	<u>Amount</u>
2026	\$ 6,264
2027	6,264
2028	6,264
2029	2,088
Total undiscounted cash flows	20,880
Less: present value discount	(1,360)
Total operating lease liabilities	<u>\$ 19,520</u>

Short-term lease cost represents lease expense for agreements with initial terms of 12 months or less, primarily consisting of temporary rentals of athletic equipment. The Foundation has elected the short-term lease exemption under ASC 842 and therefore does not recognize related right-of-use assets or lease liabilities for these leases. The short-term lease cost recognized and disclosed for these leases totaled \$215,000 and \$125,202 in 2025 and 2024, respectively.

In May 2022, the Foundation entered into a dry lease agreement for private airplane usage. The initial term is for five years, and thereafter on a year-to-year basis. Lease payments are based on hourly usage, and there is no minimum requirement.

In September 2024, the Foundation entered into a dry lease agreement for private airplane usage. The initial term is for five years, and thereafter on a year-to-year basis. Lease payments are based on hourly usage, and there is no minimum requirement.

Because all lease payments under these agreements are variable and dependent on usage, no right-of-use assets or lease liabilities are recognized for these leases in accordance with ASC 842. Expenses recognized under these leases totaled \$652,500 in fiscal year 2025 and \$549,150 in fiscal year 2024, which are included in Travel and Entertainment and Personnel Compensation and Benefits in the Statement of Functional Expenses. There are no future minimum lease payments under these operating leases as they are variable in nature.

The Foundation leases office space from the University at no cost, in accordance with the affiliation agreement. The Foundation leases from the University the land upon which the Manning Center is located, and the Foundation subleases the Manning Center back to the University for operations at a net cost of zero.

**OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

(13) Deferred Liability:

A severance agreement with a former coach was entered into by the Foundation in March 2023. The agreement states that a total of \$3,919,500 will be paid through October 1, 2026, at varying amounts. A discount rate of 4.45% was used to determine the present value of future payments.

The undiscounted payments due in future years related to the agreement are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 734,906
2027	734,906
Total future payments	1,469,812
Less: present value discount	131,087
Total deferred liability	<u>\$ 1,338,725</u>

(14) Deferred Revenue:

The passage of the Tax Cuts and Jobs Acts eliminated the charitable deduction for contributions made for priority seating beginning January 1, 2018. The Foundation allowed members to make donations for priority seating for future years before January 1, 2018. Any donations received for priority seating in future years were deferred and recognized as revenue in the year the priority seating became available. The remaining advanced donations, presented as deferred revenue at June 30, 2024, were recognized in full as revenue in fiscal year 2025.

(15) Commitments:

Pursuant to its affiliation agreement with the University, the Foundation and the Athletics Department agree on an amount of support provided by the Foundation each year. In the absence of an agreed upon amount in any given year, the Foundation will provide a minimum of \$8 million, per the terms of the affiliation agreement.

As part of annual support, the Foundation has agreed to supplement the compensation paid to several employees of the University's Athletics Department under their state employment contracts with the University. The University and Board of Trustees of Mississippi Institutions of Higher Learning have no obligations under the terms of these supplemental compensation agreements. The amounts paid for these supplemental compensation and incentive packages for the years ending June 30, 2025 and 2024, were \$14,579,062 and \$14,486,216, respectively. The following is a summary of commitments in future years under these supplemental compensation arrangements:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 14,052,999
2027	14,152,999
2028	14,252,999
2029	13,050,499
2030	12,925,000
Thereafter	11,917,500
Total	<u>\$ 80,351,996</u>

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(15) **Commitments:** (Continued)

In addition to the commitments summarized above, the supplemental compensation contracts include various incentive clauses, which are paid by the Foundation.

The Foundation has also agreed to support severance and separation agreements with former Athletics Department personnel. Payments under these agreements totaled \$734,906 in each of the fiscal years ended June 30, 2025 and 2024. The future payment obligations under these agreements are disclosed in Note 14, Deferred Liability.

For the fiscal year ended June 30, 2025, the Foundation has committed to provide support for scholarships and other operating needs of the Athletics Department. The Foundation has also committed to provide financial support for specific projects undertaken for constructing and improving Athletics' facilities.

(16) **Restricted Expenses Allocated:**

Administration and fundraising costs for the capital campaign are paid from Foundation operating funds. The Foundation separately allocated \$2,682,571 and \$3,091,240 for the fiscal years ended June 30, 2025 and 2024, respectively.

(17) **Net Assets Released from Restrictions:**

For the years ended June 30, 2025 and 2024, net assets with donor restrictions were released from restrictions for the following purposes:

	2025	2024
Support for team programs and other	\$ 1,050,916	\$ 1,094,255
Facility improvement expenses	3,835,329	4,071,502
Athletics facility capital expenditures	1,526,366	-
Interest expense	2,938,717	2,679,708
Net restricted expenses allocated	2,682,571	3,091,240
Provision for uncollectible pledges	2,997,389	2,686,265
Principal payments on capital debt	4,350,984	2,316,168
Donor reallocation of pledge	200,000	-
Total net assets released from restrictions	<u>\$ 19,582,272</u>	<u>\$ 15,939,138</u>

(18) **Net Assets Without Donor Restrictions:**

Net assets without donor restrictions as of June 30, 2025 and 2024, are detailed as shown:

	2025	2024
Net assets designated by Board as a reserve	\$ 1,102,164	\$ 1,002,436
Net assets without board designation	15,721,762	8,791,779
Total net assets without donor restrictions	<u>\$ 16,823,926</u>	<u>\$ 9,794,215</u>

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(19) Gifts in Kind:

The Foundation did not receive donated real property during the years ended June 30, 2025 and 2024.

Personal property received, utilized, and recognized as contributions from donated personal property in each respective year are as follows:

<u>2025</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Event supplies	\$ 57,331	\$ -	\$ 57,331
Apparel	674,741	-	674,741
Equipment	137,338	-	137,338
Storage	7,034	-	7,034
Right of use	127,850	-	127,850
Donor event	70,190	-	70,190
Total donated personal property	<u>\$ 1,074,484</u>	<u>\$ -</u>	<u>\$ 1,074,484</u>

<u>2024</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Event supplies	\$ 20,144	\$ -	\$ 20,144
Team supplies	-	12,000	12,000
Apparel	249,150	-	249,150
Equipment	47,415	18,986	66,401
Employee housing	2,400	-	2,400
Total donated personal property	<u>\$ 319,109</u>	<u>\$ 30,986</u>	<u>\$ 350,095</u>

The equipment was donated to the Foundation for general use by the Athletics department. The fair value was determined by current market price at the time of donation.

Personal property received by the Foundation for the years ended June 30, 2025 and 2024 was considered without donor restrictions and was able to be used by the Foundation as determined by the board of directors and management, unless the donor restricted the donated property for a specific purpose.

OLE MISS ATHLETICS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(19) **Gifts in Kind:** (Continued)

Donated services received, utilized, and recognized as contributions from donated services in each respective year are as follows:

2025	Unrestricted	Restricted	Total
Airplane services	\$ 786,885	\$ -	\$ 786,885
Bus services	43,070	-	43,070
Apparel	5,001	-	5,001
Catering	23,900	-	23,900
Contracting services	65,500	-	65,500
Communication services	160,000	-	160,000
Total donated services	<u>\$ 1,084,356</u>	<u>\$ -</u>	<u>\$ 1,084,356</u>

2024	Unrestricted	Restricted	Total
Airplane services	\$ 746,964	\$ -	\$ 746,964
Bus services	-	69,386	69,386
Communication services	160,000	-	160,000
Total donated services	<u>\$ 906,964</u>	<u>\$ 69,386</u>	<u>\$ 976,350</u>

Use of donor airplanes were gifted to the Foundation on an as-needed basis for use on recruiting, fundraising, and private travel as part of some employee contracts.

The bus services were donated with no restrictions for the fiscal year ending June 30, 2025, and were donated with donor restrictions only allowing use for Athletics team travel during the fiscal year ending June 30, 2024.

Communication services were provided to the Foundation in exchange for tickets and priority seating at athletic events.

The value of these services are based on market price at time of donation.

(20) **Retirement Plans:**

The Foundation sponsors a SEP IRA plan for all employees. The Foundation makes a contribution to the Plan each year equal to 17.9% of each employee's compensation up to the maximum prescribed by the Internal Revenue Service. The expenses incurred by the Foundation for the years ended June 30, 2025 and 2024 were \$125,681 and \$378,858, respectively.

The Foundation also sponsors a 403(b) Plan for employee deferrals only.

OLE MISS ATHLETICS FOUNDATION
SCHEDULES OF REVENUES
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Donor Contributions Without Restrictions:		
Baseball Annual Fund	\$ 3,870,137	\$ 4,237,971
Basketball Annual Fund	3,108,190	1,606,554
Football Annual Fund	26,163,743	18,966,074
General Annual Fund	258,820	230,296
Contributions - Vaught Society	6,166,915	363,350
Total Donor Contributions Without Restrictions	<u>39,567,805</u>	<u>25,404,245</u>
Contributions Restricted by Donor:		
Baseball	182,447	198,614
Capital Gift Agreements	1,820	143,086
Facility and Capital Improvements - Other	325,000	97,150
Football	1,500	95,344
Capital Campaign - Other	41,744	58,572
Capital Campaign - Vaught Society	15,890,814	13,205,702
Men's Basketball	477,265	230,350
Men's Golf	44,010	19,350
Men's and Women's Tennis	53,442	59,150
Men's and Women's Track	107,695	15,033
Other Restricted Contributions	393,651	306,575
Student-Athlete Development	20,350	25,000
Women's Athletics	6,000	5,000
Women's Basketball	121,396	66,745
Women's Golf	180	150
Women's Rifle	17,237	7,421
Women's Soccer	16,680	2,250
Women's Softball	18,650	15,200
Women's Volleyball	36,172	17,600
Total Contributions Restricted by Donor	<u>17,756,053</u>	<u>14,568,292</u>
Gifts in Kind:		
Without Donor Restrictions	2,158,840	1,226,074
With Donor Restrictions	-	100,371
Total Gifts in Kind	<u>2,158,840</u>	<u>1,326,445</u>
Other Revenue Without Donor Restrictions:		
Investment Income, Net of Investment Expenses	553,150	1,007,346
Gameday RV Parking	201,800	147,341
Grove Tent Vendors	174,015	128,825
Realized/Unrealized Gains (Losses)	17,614	14,672
Other Income	817,715	713,205
Total Other Revenue Without Donor Restrictions	<u>1,764,294</u>	<u>2,011,389</u>
Other Revenue with Donor Restrictions:		
Investment Loss, Net of Investment Expenses	(56,507)	(17,287)
Endowment Gifts	5,000	8,250
Potts Trust	44,644	67,604
Realized/Unrealized Gains (Losses)	75,587	90,672
Total Other Revenue With Donor Restrictions	<u>68,724</u>	<u>149,239</u>
Total Revenue	<u><u>\$ 61,315,716</u></u>	<u><u>\$ 43,459,610</u></u>

**OLE MISS ATHLETICS FOUNDATION
SCHEDULES OF EXPENSES
YEARS ENDED JUNE 30, 2025 AND 2024**

Schedule II

	2025	2024
General and Administrative Expenses:		
Accounting and Legal	\$ 48,740	\$ 57,891
Advertising	65,339	40,865
Annual Report	-	10,952
Auto Stipends and Maintenance	25,560	36,045
Consulting	56,450	58,055
Depreciation	17,472	16,530
Donations and Sponsorships	33,330	40,484
Donor Gifts	161,489	148,722
Dues, Conferences, and Subscriptions	33,635	22,661
Insurance	148,577	112,382
Office Administration	136,659	102,548
Other	6,778	9,725
Personnel Benefits	238,077	450,075
Personnel Compensation and Tax	1,567,969	1,614,175
Philanthropic Events, Stewardship and Cultivation	368,861	307,144
Postage	68,744	28,466
Telephone	24,795	24,026
Travel	191,156	135,024
Total Fundraising, General, and Administrative Expenses	3,193,631	3,215,770
Support for Athletics Department Administration:		
Academic Services	3,598	3,581
Athletics Director	60,332	43,709
Auto Stipends and Leases	196,000	198,052
Consulting	48,000	144,350
Credit Card Fees	861,387	697,168
Depreciation	3,731,225	3,082,618
Expendable Equipment	730,407	503,046
Former Student Athlete Relations	27,368	58,229
Facilities Support	242,899	238,971
Gameday RV Parking	104,438	78,591
Gifts in Kind Expense and Credits	2,481,452	1,852,595
Grove Tent Vendors	64,045	20,077
Insurance	218,763	245,306
Interest	-	286,689
Legal	13,530	-
Marketing	180,387	157,778
Media Relations	530	1,036
Off-Campus Property	7,715	5,971
Office Administration	13,505	19,681
Personnel Compensation and Tax	16,148,719	18,169,853
Post Season	296,415	149,158
Priority Seating and Gameday	2,592,044	2,325,076
Provision for Uncollectible Pledges	72,650	-
Scholarships and Support	12,071,050	10,572,441
Telephone	41,208	41,946
Ticketing and Technology	1,238,795	1,039,994
Travel and Entertainment	583,696	929,765
Net Restricted Expenses Allocated	(2,682,571)	(3,091,240)
Total Support for Athletics Department Administration	39,347,587	37,774,441
Support for Team Programs:		
Baseball	218,589	257,641
Football	53,856	32,304
Men's Basketball	269,764	57,218
Men's Golf	20,772	44,588
Men's and Women's Tennis	24,778	36,986
Men's and Women's Track	4,477	12,094
Other Restricted Expenses	18,587	146,566
Spirit Groups	219,199	210,891
Student-Athlete Development	26,561	27,583
Women's Athletics	8,539	26,150
Women's Basketball	83,558	155,393
Women's Golf	28	2,929
Women's Rifle	10,921	855
Women's Soccer	5,179	217
Women's Softball	10,600	3,094
Women's Volleyball	28,224	12,682
Total Support for Team Programs	1,003,632	1,027,191
Other Restricted Expenses:		
Facility Improvements	3,835,329	4,071,502
Interest Expense	2,938,717	2,679,708
Net Restricted Expenses Allocated	2,682,571	3,091,240
Scholarships	44,644	67,064
Provision for Uncollectible Pledges	2,997,389	2,686,265
Total Other Restricted Expenses	12,498,650	12,595,779
Net Assets Released from Restrictions for Expenses	13,502,282	13,622,970
Total Expenses	\$ 56,043,500	\$ 54,613,181