

2021

University of Florida Leadership and
Education Foundation, Inc.

Financial Statements and
Independent Auditor's Report

December 31, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**UNIVERSITY OF FLORIDA LEADERSHIP AND
EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA**

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
University of Florida Leadership and
Education Foundation, Inc.
Gainesville, Florida

Opinion

We have audited the accompanying financial statements of the University of Florida Leadership and Education Foundation, Inc. (the Foundation), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Board of Directors
University of Florida Leadership and
Education Foundation, Inc.
Gainesville, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

COVID-19

We draw attention to Note 6 to the financial statements, which describes the uncertainty related to the COVID-19 pandemic and the impact on the Foundation's operations.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 1, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
University of Florida Leadership and
Education Foundation, Inc.
Gainesville, Florida

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-7, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the endowment fund investments held by the University of Florida Foundation but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



April 28, 2022
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The University of Florida Leadership and Education Foundation, Inc.'s (the Foundation) discussion and analysis is designed to assist the reader in focusing on significant issues, provide an overview of the financial activities, identify changes in financial position, identify any material deviations from the financial plan, and identify issues and concerns. Since the Management's Discussion and Analysis is intended to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the financial statements attached.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements include the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, which provide information about the activities of the Foundation and present a long-range view of the Foundation's financial position. The Statement of Cash Flows provides information regarding cash used in activities of the Foundation.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Since these notes are an integral part of the financial statements, they should be read in conjunction with the financial statements for the reader to have a clear understanding of the Foundation's activities and performance.

THE STATEMENT OF NET POSITION

The Statement of Net Position reflects the assets and liabilities of the Foundation, using the accrual basis of accounting, and presents the financial position of the Foundation at a specified time. Net position, the difference between total assets and total liabilities, is one indicator of the Foundation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Foundation's financial condition. The following summarizes the Foundation's assets, liabilities, and net position at December 31:

	<u>Net Position</u>	
	<u>2021</u>	<u>2020</u>
Total Assets	\$ 1,539,662	\$ 1,308,243
Total Liabilities	<u>(761,120)</u>	<u>(574,143)</u>
Net Position	<u>\$ 778,542</u>	<u>\$ 734,100</u>

The Foundation ended the 2021 fiscal year with assets of \$1,539,662 and liabilities of \$761,120, totaling net position of \$778,542; a positive change of \$44,442 over 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

While the Foundation is one entity, when comparing figures from year-to-year, there are two entities housed within the foundation - the Wedgworth Leadership Institute (WLI) and the Office of Conferences and Institutes (OCI). Normally, WLI is on a three-year cycle and OCI tends to fall on a two-year cycle, with every other year being an off year with a fewer number of groups. Because of COVID and 2020 cancellations, the usual cycle of programs was disrupted for one to two years. Looking ahead, 2023 will now be an off year for both OCI and WLI, and it will most likely be 2024 before a normal level of activity resumes.

Wedgworth Leadership Institute (WLI)

In 2021, WLI resumed normal operations. WLI received \$26,290 in revenue from participant tuition payments. This is less than our \$82,500 tuition expectation for 2021 as our budget was submitted in November 2020 and additional tuition payments were received in December 2020 resulting in less tuition income in 2021. Regarding expenses, we estimated \$170,200 in expenses and came in slightly under budget at \$165,938. This is due to having less expenses than expected as part of our national study trip to Washington, DC, Gettysburg and Kentucky.

Office of Conferences and Institutes (OCI)

As reported last year, COVID caused the cancellation of nearly every 2020 scheduled program. With a few exceptions, most groups that cancelled, rescheduled as virtual events in 2021, so instead of incurring a loss of \$278,072 as originally forecasted, OCI successfully generated enough revenue to cover 2021 operating expenses, and ended 2021 with a positive balance of \$44,442. Moving forward, we will continue to offer a combination of in-person, hybrid, and virtual programs to maximize revenues and conference attendance as much as possible.

We are cautiously optimistic about the 2022 outlook for OCI. We have several large science conferences on the books, and it appears we will generate sufficient revenues to cover operating expenses. However, we book national and international groups, so OCI continues to be impacted by what is happening outside Florida and around the world. Three of our larger meetings are international, and attendees are experiencing difficulties getting visas in a timely fashion, which is causing reduced registrations and lower levels of participation. Also, because many potential attendees are scientists, they have expressed ongoing concerns about COVID and are still hesitant about attending conferences. So, while we have quite a few groups on the books in 2022, it remains to be seen how well they will be attended.

STATEMENT OF CASH FLOWS

The Foundation ended the 2021 fiscal year with assets of \$1,539,662 and liabilities of \$761,120, totaling net position of \$778,542; a positive change of \$44,442 over 2020. Over the previous two decades, OCI built a cash reserve of about one year's operating expenses to ensure cash flow and continued operations in the event of a crisis. Because of that, OCI was able to withstand the COVID crisis of 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

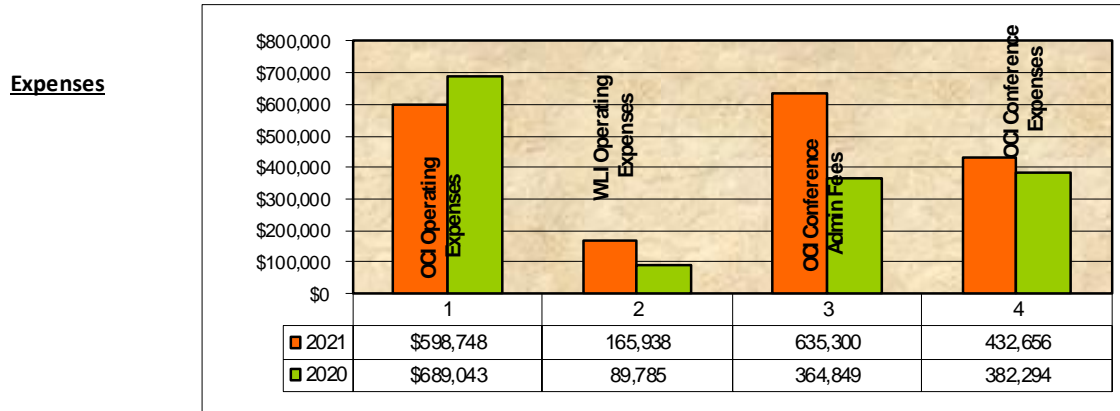
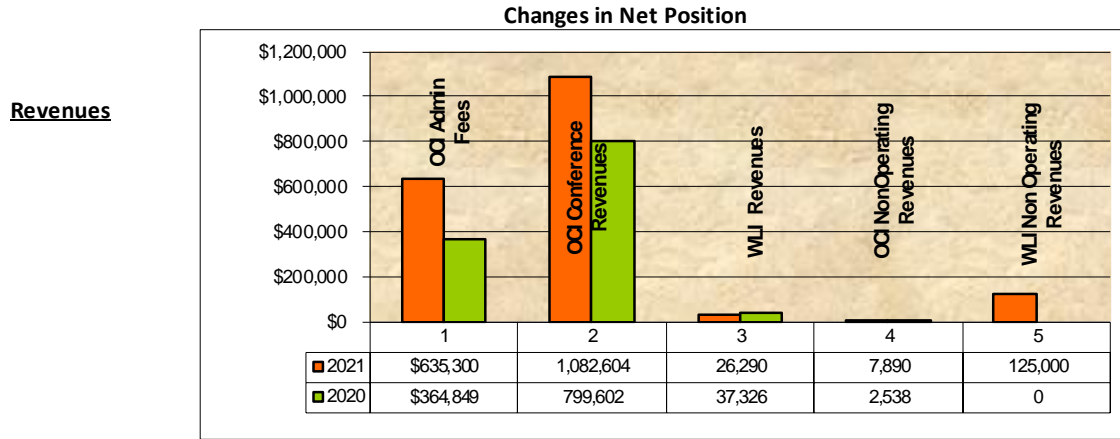
ECONOMIC OUTLOOK

WLI - In 2022, we expect to have revenues of approximately \$46,000 in tuition payments and expenses of \$221,800 noting that an additional \$178,000 will be transferred into UFLEF from the WLI's UFF Endowment. Our expenses are anticipated higher than average in 2022 due to WLI Class XI's international seminar and graduation expenses.

OCI - In looking ahead to 2023 and beyond, the OCI unit within UFLEF anticipates continued negative ramifications because of COVID-19. Unlike our normal trends of groups booking 18-24 months out, OCI is not receiving inquiries for group bookings well into the future. We believe people are waiting to confirm COVID is no longer prevalent before deciding to book new conferences. Also, we expect to see adverse economic impacts due to inflation and government spending cuts, which may result in reduced sponsor contributions and decreased funding of registrant participation and attendance at conferences.

OCI's financial health will continue to depend on several factors beyond its control - including how quickly the economy rebounds, pricing and inflation, when US and international governments authorize employee travel and how quickly people wish to resume travel and in-person meetings.

MANAGEMENT'S DISCUSSION AND ANALYSIS



2021	
Revenues	
Operating Revenues	
OCI Admin Fees	\$ 635,300
OCI Conference Revenues	1,082,604
WLI Revenues	26,290
Total Operating Revenues	1,744,194
OCI Non-Operating Revenues	
OCI Contributions	7,890
Total OCI Non-Operating Revenues	7,890
WLI Non-Operating Revenues	
	125,000
Total Revenues	\$ 1,877,084
Expenses	
Operating Expenses	
Office of Conferences	\$ 598,748
Wedgworth Leadership Institute	165,938
OCI Conference Admin Fees	635,300
OCI Conference Expenses	432,656
Total Operating Expenses	1,832,642
Operating Income (Loss)	(88,448)
Changes in Net Position	\$ 44,442

2020	
Revenues	
Operating Revenues	
OCI Admin Fees	\$ 364,849
OCI Conference Revenues	799,602
WLI Revenues	37,326
Total Operating Revenues	1,201,777
OCI Non-Operating Revenues	
OCI Contributions	2,538
Total OCI Non-Operating Revenues	2,538
WLI Non-Operating Revenues	
	0
Total Revenues	\$ 1,204,315
Expenses	
Operating Expenses	
Office of Conferences	\$ 689,043
Wedgworth Leadership Institute	89,785
OCI Conference Admin Fees	364,849
OCI Conference Expenses	382,294
Total Operating Expenses	1,525,971
Operating Income (Loss)	(324,194)
Changes in Net Position	\$ (321,656)

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
DECEMBER 31, 2021,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

ASSETS

	2021			2020
	Unrestricted	Restricted	Total	Total
Current Assets				
Cash	\$ 1,373,740	\$ -	\$ 1,373,740	\$ 1,241,932
Accounts Receivable	53,521	-	53,521	-
Prepaid Expenses	61,261	-	61,261	20,895
Payroll Deposit	51,140	-	51,140	45,416
Total Current Assets	<u>1,539,662</u>	<u>-</u>	<u>1,539,662</u>	<u>1,308,243</u>
Total Assets	<u>1,539,662</u>	<u>-</u>	<u>1,539,662</u>	<u>1,308,243</u>

LIABILITIES AND NET POSITION

Current Liabilities				
Accounts Payable	20,326	-	20,326	14,233
Advance Deposits	574,556	-	574,556	405,437
Unearned Revenues	166,238	-	166,238	154,473
Total Current Liabilities	<u>761,120</u>	<u>-</u>	<u>761,120</u>	<u>574,143</u>
Net Position				
Unrestricted	778,542	-	778,542	734,100
Total Net Position	<u>778,542</u>	<u>-</u>	<u>778,542</u>	<u>734,100</u>
Total Liabilities and Net Position	<u>\$ 1,539,662</u>	<u>\$ -</u>	<u>\$ 1,539,662</u>	<u>\$ 1,308,243</u>

See accompanying notes.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

	2021			2020
	Operating Funds			Total
	Unrestricted	Restricted	Total	
Operating Revenues				
Conference Administration Fees	\$ 635,300	\$ -	\$ 635,300	\$ 364,849
Conference Revenue	-	1,108,894	1,108,894	836,928
Total Operating Revenues	<u>635,300</u>	<u>1,108,894</u>	<u>1,744,194</u>	<u>1,201,777</u>
Operating Expenses				
Conference Administration Fees	-	635,300	635,300	364,849
Other Conference-Related Expenses	-	598,594	598,594	472,079
Reimbursed Payroll Expense	530,676	-	530,676	619,813
Office Supplies	5,836	-	5,836	8,452
Bank Charges	28,509	-	28,509	21,063
Telephone	1,273	-	1,273	2,496
Postage and Delivery	-	-	-	21
Professional Fees	12,440	-	12,440	11,650
Travel	20	-	20	50
Service Contracts	14,580	-	14,580	20,604
Other Miscellaneous	5,414	-	5,414	4,894
(Total Operating Expenses)	<u>(598,748)</u>	<u>(1,233,894)</u>	<u>(1,832,642)</u>	<u>(1,525,971)</u>
Operating Income (Loss)	<u>36,552</u>	<u>(125,000)</u>	<u>(88,448)</u>	<u>(324,194)</u>
Contributions, Transfers				
Contributions	7,890	-	7,890	2,538
Transfer from University of Florida Foundation	-	125,000	125,000	-
Total Contributions	<u>7,890</u>	<u>125,000</u>	<u>132,890</u>	<u>2,538</u>
Net Change in Net Position	44,442	-	44,442	(321,656)
Net Position, Beginning of Year	<u>734,100</u>	<u>-</u>	<u>734,100</u>	<u>1,055,756</u>
Net Position, End of Year	<u>\$ 778,542</u>	<u>\$ -</u>	<u>\$ 778,542</u>	<u>\$ 734,100</u>

See accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Conference Administration Fees	\$ 635,300	\$ 364,849
Conference Revenue	1,236,257	701,830
Payments for Salaries and Benefits	(530,676)	(619,813)
Payments to Vendors	<u>(1,341,963)</u>	<u>(743,424)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(1,082)</u>	<u>(296,558)</u>
Cash Flows from Non-Capital Financing Activities		
Contributions/Gifts	7,890	2,538
Transfer from University of Florida Foundation	<u>125,000</u>	<u>-</u>
Net Cash Flows Provided by Non-Capital Financing Activities	<u>132,890</u>	<u>2,538</u>
Net Change in Cash	131,808	(294,020)
Cash, Beginning of Year	<u>1,241,932</u>	<u>1,535,952</u>
Cash, End of Year	<u>\$ 1,373,740</u>	<u>\$ 1,241,932</u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by (Used in) Operating Activities</u>		
Operating Income (Loss)	\$ (88,448)	\$ (324,194)
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(53,521)	4,418
Decrease (Increase) in Payroll Deposit	(5,724)	159,813
Decrease (Increase) in Prepaid Expenses	(40,366)	(7,274)
Increase (Decrease) in Accounts Payable	6,093	10,195
Increase (Decrease) in Unearned Revenues	11,765	(48,388)
Increase (Decrease) in Advance Deposits	<u>169,119</u>	<u>(91,128)</u>
Net Change from Operating Activities	<u>\$ (1,082)</u>	<u>\$ (296,558)</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The University of Florida Leadership and Education Foundation, Inc. (the Foundation) is a direct support organization as provided for in Section 1004.28, Florida Statutes, and is considered a component unit of the University of Florida. The Foundation was formed as a not-for-profit organization in the State of Florida to further agriculture and natural resource education and related activities, promote agriculture and natural resources leadership, and to make contributions to and confer benefits upon the University of Florida.

Basis of Accounting

The Foundation's financial statements are prepared on the accrual basis of accounting in which transactions are recognized when they occur, regardless of related cash flows. These financial statements are entirely those of the Foundation alone and, accordingly, are not intended to present the financial position or the results of operations of the University of Florida. The Foundation was determined to be "governmental" under guidance provided by Governmental Accounting Standards Board (GASB). For financial reporting purposes, the Foundation is considered a special purpose government engaged only in business-type activities.

Fund Accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds established for various purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group, i.e., unrestricted funds and restricted funds.

Net position restricted by outside sources is so indicated and is distinguished from unrestricted funds. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds. In contrast, the Governing Board retains full control to use unrestricted funds (including those designated for specific purposes by that Governing Board) to achieve the purposes of the Foundation.

All gains and losses arising from the sale, collection, or other disposition of investments and other non-cash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables, and the like, is accounted for in the fund owning such assets.

Classification of Revenues

The Foundation classifies its revenues as operating or non-operating according to the following criteria:

- Operating revenues include activities that have characteristics of exchange transactions, such as conference registration fees and conference administration fees.
- Non-operating revenues include activities that have characteristics of non-exchange transactions, such as interest income and contributions.

NOTES TO FINANCIAL STATEMENTS
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

Net Position

The Foundation's net position is classified as follows:

■ **Unrestricted Net Position**

Unrestricted net position represents resources derived from unrestricted contributions, conference registration fees, and conference administration fees. These resources are used for transactions relating to the general operation of the Foundation, and may be used at the discretion of the Governing Board to meet current expenses for any purpose.

■ **Restricted Net Position**

Restricted net position includes resources in which the Foundation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Donated Services

The Foundation occupies office space at the University of Florida and is assisted by employees of the University of Florida. Since there is no clearly measurable basis to value these contributed services and facilities, no value for such services and facilities is recorded in the accompanying financial statements.

Cash

Cash represents deposits held with financial institutions and petty cash.

Accounts Receivable

The Foundation has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Capital Assets

All capital assets are owned by the University of Florida and recorded by the University of Florida Plant Fund. The Foundation does not include capital assets on their statement of net position and the costs of additions incurred by the Foundation are expensed as incurred.

Income Taxes

The Foundation is currently exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision has been made for income tax liabilities or expenses. The Foundation is subject to U.S. federal or state income tax examinations for the previous three years.

It is the policy of management to evaluate its tax positions on an ongoing basis and to disclose any such positions it believes would have a material impact on the financial statements and related notes. Management also believes that no such required disclosures currently exist.

Prior Year Total Columns

The financial statements include certain prior year summarized comparative information in total. Such information does not contain sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTES TO FINANCIAL STATEMENTS
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

The carrying amount of cash on hand and on deposit with banks including interest-bearing deposits was \$1,373,740, and the related bank balance was \$1,381,274 for the year ended December 31, 2021. Deposits are held in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes, the *Florida Security for Public Deposits Act*. Qualified public depositories are required by this law to pledge collateral with a market value equal to a percentage of the average daily balance of all public deposits in excess of any federal deposit insurance. In the event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of the federal deposit insurance, pledged collateral of the public depository in default, and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

Note 3 - Unearned Revenues

Unearned revenues consist of funds received for specific in-process and ongoing seminars which will be delivered over an extended period of time, and for which the expenses have not yet been incurred. These amounts are generally contributions and registration fees.

The accounts comprising unearned revenues as of December 31, 2021, were as follows:

WLI	\$ 24,896
FNRLI XXI	141,042
Future of Food Forum	<u>300</u>
Total Unearned Revenues	<u><u>\$ 166,238</u></u>

Note 4 - Advance Deposits

Advance deposits consist of funds received for specific conferences and seminars which have not yet begun. These amounts are generally registration fees. The accounts comprising advance deposits are as follows:

NOTES TO FINANCIAL STATEMENTS
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

December 31, 2021	
Cucurbitaceae	\$ 18
Water Inst Symposium	107,525
GGAA	109,170
Master Gardener	2,250
Lake Worth Lagoon	4,900
Termite Course Professionals	1,580
FMNP Core	45,096
Ecosystem Restoration	191,622
FMNP Special Topics	10,309
EFNEP	20,882
AIAEE	4,362
Intl. Termite Course-Academics	600
CALS Career Expo	4,320
Fumigation	27,950
GEER	11,835
Biogeochemistry of Wetlands	9,521
EFNEP	20,882
NCER	1,734
Total Advanced Deposits as of December 31, 2021	<u><u>\$ 574,556</u></u>

Note 5 - Risk Management

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and personal injury. Although the Foundation is not currently aware of any impending losses, insurance against such losses is provided through the University of Florida.

Note 6 - COVID-19

In 2021, WLI resumed normal operations. WLI received \$26,290 in revenue from participant tuition payments. This is less than our \$82,500 tuition expectation for 2021 as our budget was submitted in November 2020 and additional tuition payments were received in December 2020 resulting in less tuition income in 2021. Regarding expenses, we estimated \$170,200 in expenses and came in slightly under budget at \$165,938. This is due to having less expenses than expected as part of our national study trip to Washington, DC, Gettysburg and Kentucky.

As reported last year, COVID caused the cancellation of nearly every 2020 scheduled program. With a few exceptions, most groups that cancelled, rescheduled as virtual events in 2021, so instead of incurring a loss of \$278,072 as originally forecasted, OCI successfully generated enough revenue to cover 2021 operating expenses, and ended 2021 with a positive balance of \$44,442. Moving forward, we will continue to offer a combination of in-person, hybrid, and virtual programs to maximize revenues and conference attendance as much as possible.

NOTES TO FINANCIAL STATEMENTS
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

We are cautiously optimistic about the 2022 outlook for OCI. We have several large science conferences on the books, and it appears we will generate sufficient revenues to cover operating expenses. However, we book national and international groups, so OCI continues to be impacted by what is happening outside Florida and around the world. Three of our larger meetings are international, and attendees are experiencing difficulties getting visas in a timely fashion, which is causing reduced registrations and lower levels of participation. Also, because many potential attendees are scientists, they have expressed ongoing concerns about COVID and are still hesitant about attending conferences. So, while we have quite a few groups on the books in 2022, it remains to be seen how well they will be attended.

ADDITIONAL INFORMATION

**ENDOWMENT FUND INVESTMENTS HELD BY THE
UNIVERSITY OF FLORIDA FOUNDATION (UNAUDITED)**

In 1993, the Foundation transferred management of its endowment fund investments to the University of Florida Foundation, Inc. The total amount of endowment assets held by the University of Florida Foundation, Inc. on behalf of the Foundation that have not been included in the accompanying financial statements was \$4,302,378 as of December 31, 2021. The earnings on these endowments are used to supplement the income for the Wedgworth Leadership Institute Program.

The composition of these funds at December 31, 2021, is as follows:

	Principal Balance	Temporarily Restricted	Unrestricted	Total
Beginning Balance January 1, 2021	\$ 2,307,196	\$ 1,289,630	\$ 177,474	\$ 3,774,300
Endowment Gifts	5,000	-	-	5,000
Investment Earnings/Losses	-	711,538	-	711,538
Administrative Expenses	-	(43,210)	(250)	(43,460)
Transfer to Unrestricted	-	(128,029)	128,029	-
Transfer to University of Florida	-	-	(20,000)	(20,000)
Transfer to Foundation	-	-	(125,000)	(125,000)
Ending Balance December 31, 2021	<u>\$ 2,312,196</u>	<u>\$ 1,829,929</u>	<u>\$ 160,253</u>	<u>\$ 4,302,378</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
University of Florida Leadership and
Education Foundation, Inc.
Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the University of Florida Leadership and Education Foundation, Inc. (the Foundation), which comprise the statement of net position as of December 31, 2021 and the related statements of revenues, expenses, and changes in net position and cash flows for the year ended and the related notes to the financial statements, and have issued our report thereon dated April 28, 2022.

Internal Control Over Financial Reporting

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

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

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

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
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Compliance and Other Matters

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

Purpose of this Report

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



April 28, 2022
Gainesville, Florida