2022

University of Florida Leadership and Education Foundation, Inc.

Financial Statements and Independent Auditor's Report

December 31, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

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

DECEMBER 31, 2022

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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, 2022, 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, 2022, 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.

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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, 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 March 30, 2023, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, 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.

Purvis Gray

March 30, 2023
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:

	Net Position	
	2022	2021
Total Assets	$ 1,425,145	$ 1,539,662
Total Liabilities	(637,019)	(761,120)
Net Position	$ 788,126	$ 778,542

The Foundation ended the 2022 fiscal year with assets of $1,425,145 and liabilities of $637,019, totaling net position of $788,126; a positive change of $9,584 over 2021.

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 conference cancellations and postponements, the usual cycle of programs was disrupted, and booking of future conferences slowed. Subsequently, 2023 will now be an off year for OCI and WLI only has one seminar. We anticipate the normal three-year cycle will resume beginning in 2024, with 2024 being an up year.

Wedgworth Leadership Institute (WLI)

In 2022, WLI received $46,398 in revenue from participant registration fees. This was an increase in $398 from our projected $46,000 participant registration fee in our 2022 operating budget. Additionally, $223,000 was transferred into the Foundation from the WLI endowment at the University of Florida Foundation. Our original projection for transfers was $178,000. The additional $45,000 was needed for cash flow as the program traveled internationally this year and hosted graduation. Travel costs and food costs rose significantly in 2022 causing additional transfer funds to be needed. Regarding expenses, we estimated $221,800 in expenses and came in slightly under budget at $209,214.

Office of Conferences and Institutes (OCI)

Despite the return to in-person conferences in 2022, there was still some hesitancy to travel and participate. Attendance for our large December 2022 conference was significantly less than anticipated, because of lingering COVID concerns, and the falloff of international participants because of delays getting visas as well as sky-high airline prices. Still, OCI successfully generated enough revenue to cover 2022 operating expenses and ended 2022 with a positive balance of a little over $15,000.

STATEMENT OF CASH FLOWS

The Foundation ended the 2022 fiscal year with assets of $1,425,145 and liabilities of $637,019, totaling net position of $788,126; a positive change of $9,584 over 2021. Over two previous 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 losses due to the COVID crisis and subsequent impacts, but cash reserves were reduced. We will work to rebuild cash reserves and be prepared in the event of another crisis.

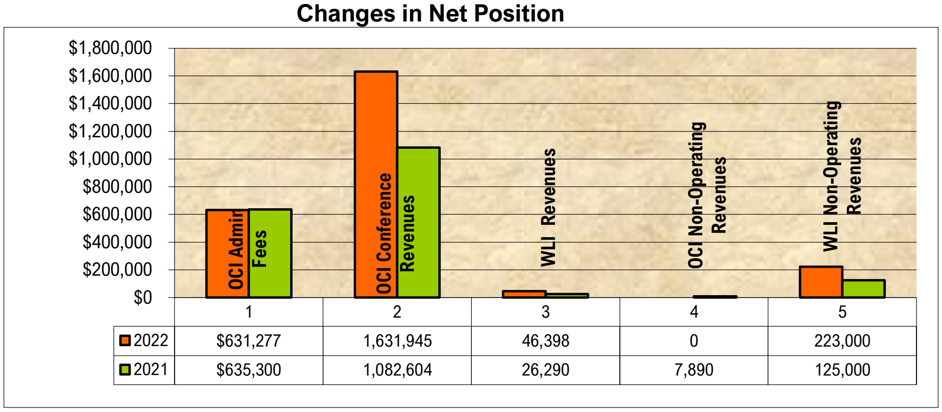
ECONOMIC OUTLOOK

WLI - In 2023, we expect to have revenues of approximately $104,000 that will be comprised of Class XII tuition payments and registrations for two alumni seminars. An additional $140,000 will be transferred into UFLEF from the WLI's University of Florida Foundation Endowment. Our expenses are anticipated lower than average in 2023 at $60,300, due to Class XII only having one seminar in calendar year 2023.

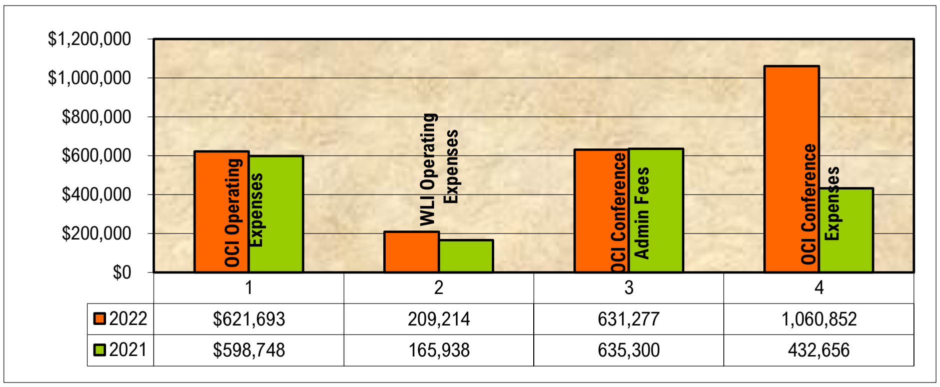
OCI - As noted in last year's financials, unlike the typical trend of groups booking 18-24 months out, OCI did not receive inquiries for 2023 group bookings during 2021 and 2022, which we believe was a result of people waiting to confirm COVID was no longer prevalent before deciding to book new conferences. The 2024 calendar and beyond is starting to pick up, so we are optimistic about the status of future bookings. We are also starting to see a comeback in overall conference and sponsorship participation in national conferences. However, conference attendance and revenues hinge on people feeling comfortable to travel. While federal response to COVID is fading, case infection reports say otherwise, and the pandemic still has a threat of unexpected spikes and potentially deadly variants, according to a University of Florida epidemiologist. OCI's financial health will continue to depend on several factors beyond its control, including the prevalence of COVID, rising labor costs and inflation, and how quickly people resume travel to in-person meetings. For now, we remain cautiously optimistic that conference bookings and attendance will return to normal levels.

Changes in Net Position

Revenues



Expenses



2022		
Revenues		
Operating Revenues		
OCI Admin Fees	$	631,277
OCI Conference Revenues		1,631,945
WLI Revenues		46,398
Total Operating Revenues		**2,309,620**
OCI Non-Operating Revenues		
OCI Contributions		0
Total OCI Non-Operating Revenues		0
WLI Non-Operating Revenues		223,000
Total Revenues	**$**	**2,532,620**
Expenses		
Operating Expenses		
Office of Conferences	$	621,693
Wedgworth Leadership Institute		209,214
OCI Conference Admin Fees		631,277
OCI Conference Expenses		1,060,852
Total Operating Expenses		**2,523,036**
Operating Income (Loss)		(213,416)
Changes in Net Position	$	9,584

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

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
DECEMBER 31, 2022,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

ASSETS

	2022			2021
	Unrestricted	Restricted	Total	Total
Current Assets				
Cash	$ 1,375,258	$ -	$ 1,375,258	$ 1,373,740
Accounts Receivable	695	-	695	53,521
Prepaid Expenses	3,476	-	3,476	61,261
Payroll Deposit	45,716	-	45,716	51,140
Total Current Assets	1,425,145	-	1,425,145	1,539,662
Total Assets	1,425,145	-	1,425,145	1,539,662

LIABILITIES AND NET POSITION

	2022			2021
	Unrestricted	Restricted	Total	Total
Current Liabilities				
Accounts Payable	12,281	-	12,281	20,326
Advance Deposits	434,900	-	434,900	574,556
Unearned Revenues	189,838	-	189,838	166,238
Total Current Liabilities	637,019	-	637,019	761,120
Net Position				
Unrestricted	788,126	-	788,126	778,542
Total Net Position	788,126	-	788,126	778,542
Total Liabilities and Net Position	$ 1,425,145	$ -	$ 1,425,145	$ 1,539,662

See accompanying notes.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

	2022			2021
	Operating Funds			
	Unrestricted	Restricted	Total	Total
Operating Revenues				
Conference Administration Fees	$ 631,277	$ -	$ 631,277	$ 635,300
Conference Revenue	-	1,678,343	1,678,343	1,108,894
Total Operating Revenues	631,277	1,678,343	2,309,620	1,744,194
Operating Expenses				
Conference Administration Fees	-	631,277	631,277	635,300
Other Conference-Related Expenses	-	1,270,066	1,270,066	598,594
Reimbursed Payroll Expense	536,024	-	536,024	530,676
Office Supplies	10,104	-	10,104	5,836
Bank Charges	41,217	-	41,217	28,509
Telephone	1,420	-	1,420	1,273
Postage and Delivery	39	-	39	-
Professional Fees	12,400	-	12,400	12,440
Travel	50	-	50	20
Service Contracts	14,580	-	14,580	14,580
Other Miscellaneous	5,859	-	5,859	5,414
(Total Operating Expenses)	(621,693)	(1,901,343)	(2,523,036)	(1,832,642)
Operating Income (Loss)	9,584	(223,000)	(213,416)	(88,448)
Contributions and Transfers				
Contributions	-	-	-	7,890
Transfer from University of Florida Foundation	-	223,000	223,000	125,000
Total Contributions	-	223,000	223,000	132,890
Net Change in Net Position	9,584	-	9,584	44,442
Net Position, Beginning of Year	778,542	-	778,542	734,100
Net Position, End of Year	$ 788,126	$ -	$ 788,126	$ 778,542

See accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

	2022	2021
Cash Flows from Operating Activities		
Conference Administration Fees	$ 631,277	$ 635,300
Conference Revenue	1,615,113	1,236,257
Payments for Salaries and Benefits	(536,024)	(530,676)
Payments to Vendors	(1,931,848)	(1,341,963)
Net Cash Provided by (Used in) Operating Activities	(221,482)	(1,082)
Cash Flows from Non-Capital Financing Activities		
Contributions/Gifts	-	7,890
Transfer from University of Florida Foundation	223,000	125,000
Net Cash Flows Provided by Non-Capital Financing Activities	223,000	132,890
Net Change in Cash	1,518	131,808
Cash, Beginning of Year	1,373,740	1,241,932
Cash, End of Year	$ 1,375,258	$ 1,373,740

Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities

	2022	2021
Operating Income (Loss)	$ (213,416)	$ (88,448)
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	52,826	(53,521)
Decrease (Increase) in Payroll Deposit	5,424	(5,724)
Decrease (Increase) in Prepaid Expenses	57,785	(40,366)
Increase (Decrease) in Accounts Payable	(8,045)	6,093
Increase (Decrease) in Unearned Revenues	23,600	11,765
Increase (Decrease) in Advance Deposits	(139,656)	169,119
Net Change from Operating Activities	$ (221,482)	$ (1,082)

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.

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, 2021, from which the summarized information was derived.

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 $1,375,258, and the related bank balance was $1,409,727 for the year ended December 31, 2022. 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, 2022, were as follows:

Cucurbitaceae	$	13,217
ACES 2022		28,107
Lake Worth Lagoon		763
WLI		25,626
FNRLI 22		122,125
Total Unearned Revenues	$	189,838

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:

December 31, 2022		
GEER	$	27,085
Biogeochemistry of Wetlands		9,521
CALS Career Expo		4,105
FMNP Core		63,394
Ecosystem Restoration		191,622
FMNP Special Topics		15,461
EFNEP		75,008
Termite Course Professionals		8,295
Fumigation		21,950
NCER		1,734
EFNEP		16,725
Total Advanced Deposits as of December 31, 2022	$	434,900

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 2023, the Office of Conferences & Institutes (OCI) will continue to see a degree of negative impact remaining from COVID-19. This is because groups that cancelled in 2020 moved into 2021 and 2022, on top of the existing 2021 and 2022 schedules. In addition, two staff positions were left vacant due to COVID-19 financial losses. This left the Foundation unable to take on 2023 groups, while handling the increased buildup of workload from the prior two years. Thus, the loss that OCI is projecting for 2023 is a residual side effect of COVID-19, but for 2024 and beyond, operations should hopefully begin to normalize to pre-COVID-19 levels.

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 $3,597,339 as of December 31, 2022. 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, 2022, is as follows:

	Principal Balance	Temporarily Restricted	Unrestricted	Total
Beginning Balance January 1, 2022	$ 2,312,196	$ 1,829,929	$ 160,254	$ 4,302,379
Endowment Gifts	20	-	-	20
Investment Earnings/Losses	-	(433,576)	-	(433,576)
Administrative Expenses	-	(44,832)	(2)	(44,834)
Transfer to Unrestricted	-	(66,396)	66,396	-
Transfer to University of Florida	-	-	(3,650)	(3,650)
Transfer to Foundation	-	-	(223,000)	(223,000)
Ending Balance December 31, 2022	$ 2,312,216	$ 1,285,125	$ (2)	$ 3,597,339

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, 2022 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 March 30, 2023.

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.

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

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*

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.

Purvis Gray

March 30, 2023
Gainesville, Florida

PURVIS GRAY

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