

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**DECEMBER 31, 2018**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**DECEMBER 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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, 2018, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Opinion**

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, 2018, 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.

**Other Matters**

*Report on Summarized Comparative Information*

We have previously audited the Foundation's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* on pages 3-5, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to *Management's Discussion and Analysis* 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2019, 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. 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.



March 13, 2019  
Gainesville, Florida

## UFLEF 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 in order 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:

	<b>Net Position</b>	
	<b>2018</b>	<b>2017</b>
Total Assets	\$ 1,751,782	\$ 1,741,956
Total Liabilities	(671,992)	(678,898)
<b>Net Position</b>	<b>\$ 1,079,790</b>	<b>\$ 1,063,058</b>

The Foundation ended the 2018 fiscal year with assets of \$1,751,782 and liabilities of \$671,992, totaling net position of \$1,079,790; a positive change of \$16,732 over 2017.

## **UFLEF MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Continued)*

### **STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The Office of Conferences and Institutes (OCI) realized an increase of \$639,664 in conference revenues in 2018 over 2017. This is primarily due to the fact 2017 was the off year in OCI's two-year cycle and 2018 was a peak year. OCI realized an increase of \$150,000 in administrative expenses in 2018 over 2017. This was due to several factors; two new staff were hired; UF issued a pay raise effective Jan. 1, 2018 increasing payroll by \$18,156 and UF issued an unforeseen merit pay bonus in December 2018 totaling \$20,000. OCI also had two OPS staff convert to TEAMS positions with benefits in fall of 2018, increasing their benefits rate from 5.6% to 48.3%.

Wedgworth Leadership Institute (WLI) revenues were down \$62,000 in 2018 from 2017, as WLI seminar fees were collected in 2017. Expenses were slightly lower in 2018 at \$193,449.

### **STATEMENT OF CASH FLOWS**

OCI had an increase in 2018 conference revenues of \$639,644 over 2017, and a commensurate increase in conference expenses of \$480,885.

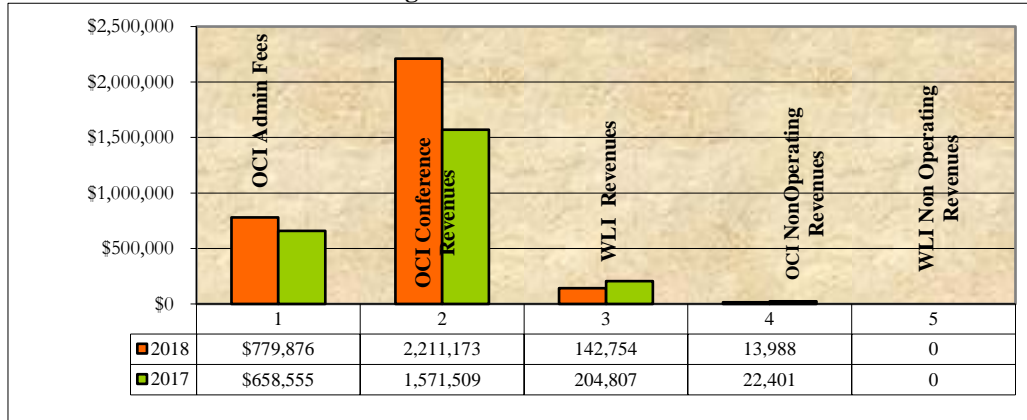
While UFLEF is one entity, when comparing figures from year-to-year, keep in mind OCI is on a two-year cycle, and the Wedgworth Leadership Institute (WLI) is on a three-year cycle when it incurs the bulk of its expenses, including the international trip. In 2018 OCI was on the upside of its two-year cycle and WLI was in year two of its three-year cycle.

Overall, the Foundation realized a net positive balance of \$16,732.

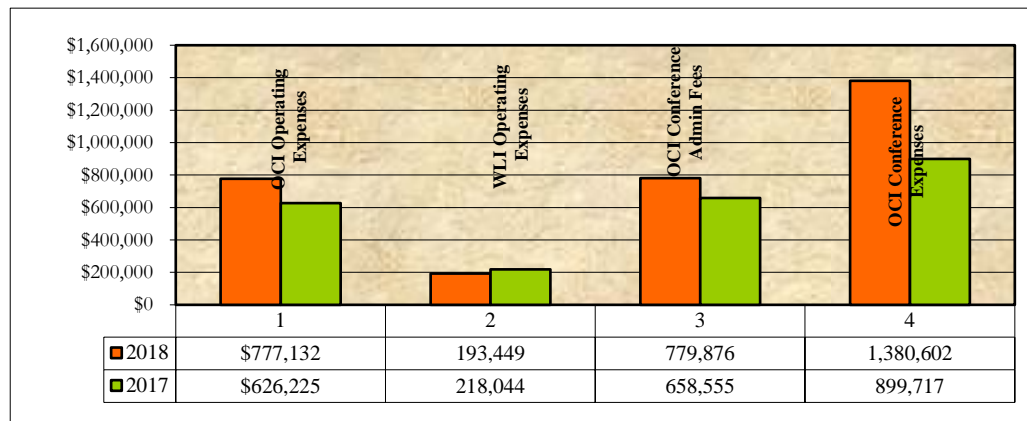
**UFLEF MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Concluded)

**Changes in Net Position**

**Revenues**



**Expenses**



2018	
<b>Revenues</b>	
<u>Operating Revenues</u>	
OCI Admin Fees	\$ 779,876
OCI Conference Revenues	2,211,173
WLI Revenues	142,754
<b>Total Operating Revenues</b>	<b>3,133,803</b>
<u>OCI NonOperating Revenues</u>	
OCI Contributions	13,988
<b>Total OCI NonOperating Revenues</b>	<b>13,988</b>
<u>WLI NonOperating Revenues</u>	
	0
<b>Total Revenues</b>	<b>\$ 3,147,791</b>
<b>Expenses</b>	
<u>Operating Expenses</u>	
Office of Conferences	\$ 777,132
Wedgworth Leadership Institute	193,449
OCI Conference Admin Fees	779,876
OCI Conference Expenses	1,380,602
<b>Total Operating Expenses</b>	<b>3,131,059</b>
Operating Income (Loss)	2,744
Changes in Net Position	\$ 16,732

2017	
<b>Revenues</b>	
<u>Operating Revenues</u>	
OCI Admin Fees	\$ 658,555
OCI Conference Revenues	1,571,509
WLI Revenues	204,807
<b>Total Operating Revenues</b>	<b>2,434,871</b>
<u>OCI NonOperating Revenues</u>	
OCI Contributions	22,401
<b>Total OCI NonOperating Revenues</b>	<b>22,401</b>
<u>WLI NonOperating Revenues</u>	
	0
<b>Total Revenues</b>	<b>\$ 2,457,272</b>
<b>Expenses</b>	
<u>Operating Expenses</u>	
Office of Conferences	\$ 626,225
Wedgworth Leadership Institute	218,044
OCI Conference Admin Fees	658,555
OCI Conference Expenses	899,717
<b>Total Operating Expenses</b>	<b>2,402,541</b>
Operating Income (Loss)	32,330
Changes in Net Position	\$ 54,731

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018,**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017**  
**UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**

**ASSETS**

	<b>2018</b>			<b>2017</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
<b>Current Assets</b>				
Cash	\$ 1,639,239	\$ 0	\$ 1,639,239	\$ 1,641,081
Accounts Receivable	33,121	0	33,121	0
Prepaid Expenses	9,109	0	9,109	45,838
Payroll Deposit	70,313	0	70,313	55,037
<b>Total Current Assets</b>	<u>1,751,782</u>	<u>0</u>	<u>1,751,782</u>	<u>1,741,956</u>
<b>Total Assets</b>	<u>1,751,782</u>	<u>0</u>	<u>1,751,782</u>	<u>1,741,956</u>

**LIABILITIES AND NET POSITION**

<b>Current Liabilities</b>				
Accounts Payable	53,432	0	53,432	6,256
Advance Deposits	529,057	0	529,057	516,877
Unearned Revenues	89,503	0	89,503	155,765
<b>Total Current Liabilities</b>	<u>671,992</u>	<u>0</u>	<u>671,992</u>	<u>678,898</u>
<b>Net Position</b>				
Unrestricted	<u>1,079,790</u>	<u>0</u>	<u>1,079,790</u>	<u>1,063,058</u>
<b>Total Net Position</b>	<u>1,079,790</u>	<u>0</u>	<u>1,079,790</u>	<u>1,063,058</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 1,751,782</u>	<u>\$ 0</u>	<u>\$ 1,751,782</u>	<u>\$ 1,741,956</u>

See accompanying notes.



**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018,**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017**  
**UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**

	<b>2018</b>			<b>2017</b>
	<b>Operating Funds</b>		<b>Total</b>	<b>Total</b>
	<b>Unrestricted</b>	<b>Restricted</b>		
<b>Operating Revenues</b>				
Conference Administration Fees	\$ 779,876	\$ 0	\$ 779,876	\$ 658,555
Conference Revenue	0	2,353,927	2,353,927	1,776,316
<b>Total Operating Revenues</b>	<u>779,876</u>	<u>2,353,927</u>	<u>3,133,803</u>	<u>2,434,871</u>
<b>Operating Expenses</b>				
Conference Administration Fees	0	779,876	779,876	658,555
Other Conference-related Expenses	0	1,574,051	1,574,051	1,117,761
Reimbursed Payroll Expense	662,223	0	662,223	545,559
Office Supplies	11,331	0	11,331	11,927
Bank Charges	60,468	0	60,468	30,559
Repairs and Maintenance	298	0	298	350
Telephone	2,365	0	2,365	2,855
Postage and Delivery	22	0	22	119
Professional Fees	11,550	0	11,550	11,000
Travel	453	0	453	1,240
Service Contracts	19,600	0	19,600	11,508
Other Miscellaneous	8,822	0	8,822	11,108
<b>(Total Operating Expenses)</b>	<u>(777,132)</u>	<u>(2,353,927)</u>	<u>(3,131,059)</u>	<u>(2,402,541)</u>
<b>Operating Income (Loss)</b>	<u>2,744</u>	<u>0</u>	<u>2,744</u>	<u>32,330</u>
<b>Contributions</b>				
Contributions	13,988	0	13,988	22,401
<b>Total Contributions</b>	<u>13,988</u>	<u>0</u>	<u>13,988</u>	<u>22,401</u>
<b>Net Change in Net Position</b>	16,732	0	16,732	54,731
<b>Net Position, Beginning of Year</b>	<u>1,063,058</u>	<u>0</u>	<u>1,063,058</u>	<u>1,008,327</u>
<b>Net Position, End of Year</b>	<u>\$ 1,079,790</u>	<u>\$ 0</u>	<u>\$ 1,079,790</u>	<u>\$ 1,063,058</u>

See accompanying notes.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018,**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017**  
**UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
Conference Administration Fees	\$ 779,876	\$ 658,555
Conference Revenue	2,266,724	1,877,596
Payments for Salaries and Benefits	(662,223)	(545,559)
Payments to Vendors	(2,400,207)	(2,107,647)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(15,830)</u>	<u>(117,055)</u>
 <b>Cash Flows from Noncapital Financing Activities</b>		
Contributions/Gifts	13,988	22,401
<b>Net Cash Flows Provided by Noncapital Financing Activities</b>	<u>13,988</u>	<u>22,401</u>
 <b>Net Change in Cash</b>	(1,842)	(94,654)
 <b>Cash, Beginning of Year</b>	<u>1,641,081</u>	<u>1,735,735</u>
 <b>Cash, End of Year</b>	<u>\$ 1,639,239</u>	<u>\$ 1,641,081</u>
 <b><u>Reconciliation of Operating Income to Net Cash</u></b>		
<b><u>Provided by (Used in) Operating Activities</u></b>		
Operating Income (Loss)	\$ 2,744	\$ 32,330
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(33,121)	31,184
Decrease (Increase) in Payroll Deposit	(15,276)	(41,277)
Decrease (Increase) in Prepaid Expenses	36,729	(43,666)
Increase (Decrease) in Accounts Payable	47,176	(165,722)
Increase (Decrease) in Unearned Revenues	(66,262)	91,732
Increase (Decrease) in Advance Deposits	12,180	(21,636)
<b>Net Change from Operating Activities</b>	<u>\$ (15,830)</u>	<u>\$ (117,055)</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 noncash 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 nonoperating according to the following criteria:

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

**NOTES TO FINANCIAL STATEMENTS**  
**UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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.

**NOTES TO FINANCIAL STATEMENTS**  
**UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**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, 2017, 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 \$1,639,239, and the related bank balance was \$1,677,477 for the year ended December 31, 2018. 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.

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 \$3,176,825 as of December 31, 2018. 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, 2018, is as follows:

	<u>Principal Balance</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
<b>Beginning Balance January 1, 2018</b>	\$ 2,296,596	\$ 815,747	\$ 62,631	\$ 3,174,974
Endowed Gifts	0	0	0	0
Investment Earnings/(Losses)	0	142,761	0	142,761
Administrative Expenses	0	(26,910)	0	(26,910)
Transfer to Unrestricted	0	(106,496)	106,496	0
Transfer to University of Florida	0	0	(114,000)	(114,000)
Transfer to Foundation	0	0	0	0
<b>Ending Balance December 31, 2018</b>	<u>\$ 2,296,596</u>	<u>\$ 825,102</u>	<u>\$ 55,127</u>	<u>\$ 3,176,825</u>

**NOTES TO FINANCIAL STATEMENTS**  
**UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
*(Concluded)*

**Note 3 - Unearned Revenues**

Unearned revenues consist of funds received for specific in-process conferences and seminars for which the related expense has not yet been incurred. These amounts are generally contributions and registration fees.

The accounts comprising unearned revenues as of December 31, 2018, were as follows:

Marine Mammal	\$	161
FNRLI		73,058
FMNP		14,470
FMNP Special Topics		1,814
<b>Total Unearned Revenues</b>	<b>\$</b>	<b><u>89,503</u></b>

**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, 2018:**

GEER	\$	49,248
IFTBC		96,295
Aquatic Weed		11,650
Master Gardener		1,745
Mini Land Grant		13,125
FL Kyes		1,425
Ecosystem Restoration		191,622
Sustainability Summit		3,380
FMNP		43,746
EFNEP		25,925
FMNP Special Topics		6,905
Middle Manager		28,395
IFAS Ext Symposium		3,555
CALS Career Expo		4,580
AIAEE		6,450
Fumigation		25,800
Biogeochemistry		4,796
NCER		10,415
<b>Total Advanced Deposits as of December 31, 2018</b>	<b>\$</b>	<b><u>529,057</u></b>

**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.

**INDEPENDENT AUDITORS' 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, 2018, 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 13, 2019.

**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) to determine the 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.

**Certified Public Accountants**

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
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(Concluded)**

**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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under the *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 and Company, LLP*

March 13, 2019  
Gainesville, Florida