

2019

University of Florida Leadership and
Education Foundation, Inc.

Financial Statements
and Independent Auditor's Report

December 31, 2019

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

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

DECEMBER 31, 2019

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-5
Statement of Net Position	6
Statement of Revenues, Expenses, and Changes in Net Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9-13
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 <i>Government Auditing Standards</i>	14-15

INDEPENDENT AUDITOR'S 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, 2019, 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.

Auditor's 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.

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

INDEPENDENT AUDITOR'S REPORT

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, 2019, 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

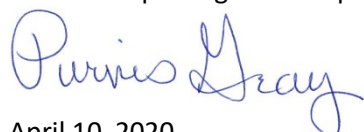
We have previously audited the Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 13, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, 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 April 10, 2020, 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.



April 10, 2020
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:

	Net Position	
	2019	2018
Total Assets	\$ 1,759,220	\$ 1,751,782
Total Liabilities	(703,464)	(671,992)
Net Position	\$ 1,055,756	\$ 1,079,790

The Foundation ended the 2019 fiscal year with assets of \$1,759,220 and liabilities of \$703,464, totaling net position of \$1,055,756; a negative change of \$24,034 over 2018.

UFLEF MANAGEMENT'S DISCUSSION AND ANALYSIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

While UFLEF is one entity, when comparing figures from year-to-year, there are two entities housed within the foundation – the Office of Conferences and Institutes (OCI) and the Wedgworth Leadership Institute (WLI). OCI is on a two-year cycle of activity, and WLI is on a three-year cycle.

In 2019, OCI was in the slower year of its two-year cycle and WLI was in the slowest year of its three-year cycle. WLI revenues held steady in 2019, with a nominal dip of a little over \$8,000. Its operating expenses were \$161,000 less than in 2018, when WLI conducted its international trip generating the highest costs incurred by the program. In 2019, OCI realized a decrease in conference revenues of \$332,391 over 2018.

STATEMENT OF CASH FLOWS

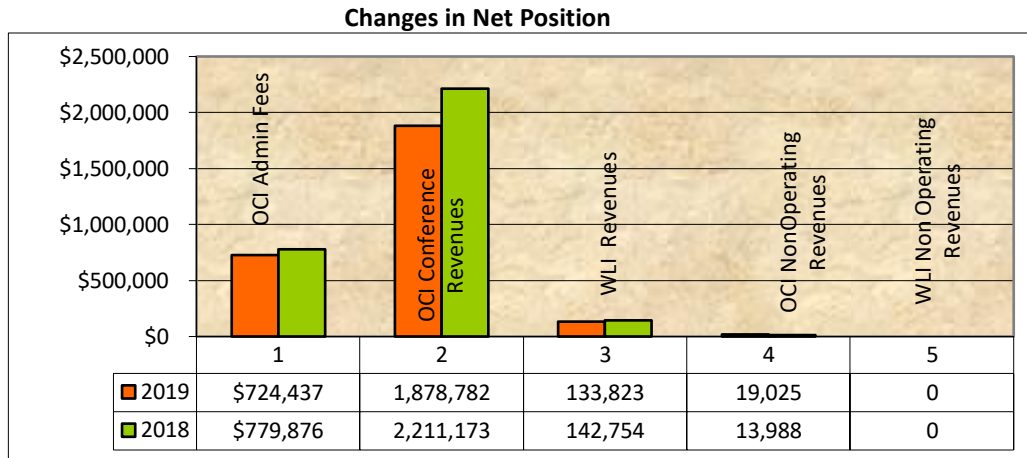
The 2020 first quarter advance payroll payment for the OCI division of UFLEF was inadvertently deposited by the University of Florida on December 30, 2019 instead of January 5, 2020 as was directed on the payment voucher.

The overall year-end net position for UFLEF reflects a decrease of \$24,034 in net position.

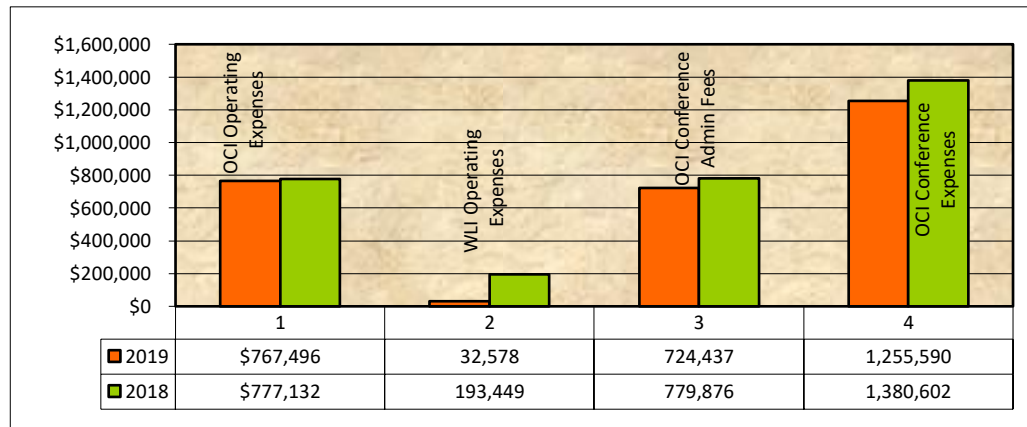
In looking ahead, UFLEF anticipates experiencing potential negative ramifications in 2021 because of COVID-19. See page 13 for greater detail as of the writing of this report.

UFLEF MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues



Expenses



2019	
Revenues	
<u>Operating Revenues</u>	
OCI Admin Fees	\$ 724,437
OCI Conference Revenues	1,878,782
WLI Revenues	133,823
Total Operating Revenues	2,737,042
<u>OCI NonOperating Revenues</u>	
OCI Contributions	19,025
Total OCI NonOperating Revenues	19,025
<u>WLI NonOperating Revenues</u>	0
Total Revenues	\$ 2,756,067
Expenses	
<u>Operating Expenses</u>	
Office of Conferences	\$ 767,496
Wedgworth Leadership Institute	32,578
OCI Conference Admin Fees	724,437
OCI Conference Expenses	1,255,590
Total Operating Expenses	2,780,101
Operating Income (Loss)	(43,059)
Changes in Net Position	<u>\$ (24,034)</u>

2018	
Revenues	
<u>Operating Revenues</u>	
OCI Admin Fees	\$ 779,876
OCI Conference Revenues	2,211,173
WLI Revenues	142,754
Total Operating Revenues	3,133,803
<u>OCI NonOperating Revenues</u>	
OCI Contributions	13,988
Total OCI NonOperating Revenues	13,988
<u>WLI NonOperating Revenues</u>	0
Total Revenues	\$ 3,147,791
Expenses	
<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
Total Operating Expenses	3,131,059
Operating Income (Loss)	2,744
Changes in Net Position	<u>\$ 16,732</u>

STATEMENT OF NET POSITION
DECEMBER 31, 2019,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

ASSETS

	2019			2018
	Unrestricted	Restricted	Total	Total
Current Assets				
Cash	\$ 1,535,952	\$ -	\$ 1,535,952	\$ 1,639,239
Accounts Receivable	4,418	-	4,418	33,121
Prepaid Expenses	13,621	-	13,621	9,109
Payroll Deposit	205,229	-	205,229	70,313
Total Current Assets	<u>1,759,220</u>	<u>-</u>	<u>1,759,220</u>	<u>1,751,782</u>
Total Assets	<u>1,759,220</u>	<u>-</u>	<u>1,759,220</u>	<u>1,751,782</u>

LIABILITIES AND NET POSITION

Current Liabilities				
Accounts Payable	4,038	-	4,038	53,432
Advance Deposits	496,565	-	496,565	529,057
Unearned Revenues	202,861	-	202,861	89,503
Total Current Liabilities	<u>703,464</u>	<u>-</u>	<u>703,464</u>	<u>671,992</u>
Net Position				
Unrestricted	1,055,756	-	1,055,756	1,079,790
Total Net Position	<u>1,055,756</u>	<u>-</u>	<u>1,055,756</u>	<u>1,079,790</u>
Total Liabilities and Net Position	<u>\$ 1,759,220</u>	<u>\$ -</u>	<u>\$ 1,759,220</u>	<u>\$ 1,751,782</u>

See accompanying notes.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

	2019			2018
	Operating Funds		Total	Total
	Unrestricted	Restricted		
Operating Revenues				
Conference Administration Fees	\$ 724,437	\$ -	\$ 724,437	\$ 779,876
Conference Revenue	-	2,012,605	2,012,605	2,353,927
Total Operating Revenues	<u>724,437</u>	<u>2,012,605</u>	<u>2,737,042</u>	<u>3,133,803</u>
Operating Expenses				
Conference Administration Fees	-	724,437	724,437	779,876
Other Conference-Related Expenses	-	1,288,168	1,288,168	1,574,051
Reimbursed Payroll Expense	673,334	-	673,334	662,223
Office Supplies	10,338	-	10,338	11,331
Bank Charges	41,875	-	41,875	60,468
Repairs and Maintenance	-	-	-	298
Telephone	2,201	-	2,201	2,365
Postage and Delivery	27	-	27	22
Professional Fees	11,250	-	11,250	11,550
Travel	170	-	170	453
Service Contracts	20,604	-	20,604	19,600
Other Miscellaneous	7,697	-	7,697	8,822
(Total Operating Expenses)	<u>(767,496)</u>	<u>(2,012,605)</u>	<u>(2,780,101)</u>	<u>(3,131,059)</u>
Operating Income (Loss)	<u>(43,059)</u>	<u>-</u>	<u>(43,059)</u>	<u>2,744</u>
Contributions				
Contributions	19,025	-	19,025	13,988
Total Contributions	<u>19,025</u>	<u>-</u>	<u>19,025</u>	<u>13,988</u>
Net Change in Net Position	(24,034)	-	(24,034)	16,732
Net Position, Beginning of Year	<u>1,079,790</u>	<u>-</u>	<u>1,079,790</u>	<u>1,063,058</u>
Net Position, End of Year	<u>\$ 1,055,756</u>	<u>\$ -</u>	<u>\$ 1,055,756</u>	<u>\$ 1,079,790</u>

See accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Conference Administration Fees	\$ 724,437	\$ 779,876
Conference Revenue	2,122,174	2,266,724
Payments for Salaries and Benefits	(673,334)	(662,223)
Payments to Vendors	(2,295,589)	(2,400,207)
Net Cash Provided by (Used in) Operating Activities	<u>(122,312)</u>	<u>(15,830)</u>
 Cash Flows from Non-Capital Financing Activities		
Contributions/Gifts	19,025	13,988
Net Cash Flows Provided by Non-Capital Financing Activities	<u>19,025</u>	<u>13,988</u>
 Net Change in Cash	(103,287)	(1,842)
 Cash, Beginning of Year	<u>1,639,239</u>	<u>1,641,081</u>
 Cash, End of Year	<u>\$ 1,535,952</u>	<u>\$ 1,639,239</u>
 <u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by (Used in) Operating Activities</u>		
Operating Income (Loss)	\$ (43,059)	\$ 2,744
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	28,703	(33,121)
Decrease (Increase) in Payroll Deposit	(134,916)	(15,276)
Decrease (Increase) in Prepaid Expenses	(4,512)	36,729
Increase (Decrease) in Accounts Payable	(49,394)	47,176
Increase (Decrease) in Unearned Revenues	113,358	(66,262)
Increase (Decrease) in Advance Deposits	(32,492)	12,180
Net Change from Operating Activities	<u>\$ (122,312)</u>	<u>\$ (15,830)</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, 2018, 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 \$1,535,952, and the related bank balance was \$1,570,153 for the year ended December 31, 2019. 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 \$3,347,116 as of December 31, 2019. 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, 2019, is as follows:

	<u>Principal Balance</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Beginning Balance January 1, 2019	\$ 2,296,596	\$ 825,102	\$ 55,127	\$ 3,176,825
Endowed Gifts	1,100	-	-	1,100
Investment Earnings/(Losses)	-	280,472	-	280,472
Administrative Expenses	-	(36,196)	(85)	(36,281)
Transfer to Unrestricted	-	(107,247)	107,247	-
Transfer to University of Florida	-	-	(75,000)	(75,000)
Transfer to Foundation	-	-	-	-
Ending Balance December 31, 2019	<u>\$ 2,297,696</u>	<u>\$ 962,131</u>	<u>\$ 87,289</u>	<u>\$ 3,347,116</u>

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.

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

The accounts comprising unearned revenues as of December 31, 2019, were as follows:

Master Gardener	\$	1,967
WLI		92,004
FNRLI XIX		91,410
FMNP		14,470
FMNP Special Topics		3,010
Total Unearned Revenues	\$	<u>202,861</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:

December 31, 2019		
FL Keys	\$	1,425
FMNP		27,488
Ecosystem Restoration		191,622
FMNP Special Topics		13,322
Future of Food Forum		6,025
EFNEP		27,332
Artificial Reef		3,125
CALS Career Expo		5,677
AIAEE		10,400
Soil Microbiology		1,500
Fumigation		19,675
Aquatic Weed		10,453
Water Inst Symposium		89,500
Biogeochemistry		53,961
NCER		12,524
State of the Coast		15,000
Applied Statistics		4,275
GEER		3,261
Total Advanced Deposits as of December 31, 2019	\$	<u>496,565</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 - Subsequent Events

The COVID-19 pandemic has created economic disruptions throughout the country as of the date of this report causing significant declines in financial markets and economic activity overall. The Foundation expects to experience losses of conference revenues as a direct result.

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

OCI anticipates a loss of roughly \$250,000 in service fees charged to coordinate two large groups that cancelled due to the pandemic – NCER and Citrus Processing. This will also result in a reduction in overall conference revenues of roughly \$600,000, and a commensurate reduction in conference expenses. There are also a few groups that are rescheduling to later in the year for which we expect lower attendance, thus we are projecting another \$50,000 in lost coordination fees, and an estimated decrease of roughly \$85-\$100,000 in conference revenues and expenses. Fortunately, OCI maintains a holding account with \$190,000 in funds set aside to cover potential losses in the event of circumstances beyond our control.

In addition to our current situation, we may experience continued cancellations and potential long-term financial effects due to COVID-19, if there are future cuts in local, state and federal travel budgets. The outlook for our financial activity is going to be dependent on how quickly the economy rebounds.

The Foundation has evaluated subsequent events through April 10, 2020, the date which the financial statements were available to be issued.

**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, 2019 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 10, 2020.

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.

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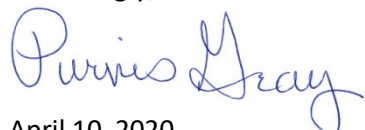
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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 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 non-compliance 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.



April 10, 2020
Gainesville, Florida

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