

2020

University of Florida Leadership and Education
Foundation, Inc.

Financial Statements and Independent Auditor's Report

December 31, 2020

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

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

DECEMBER 31, 2020

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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, 2020, 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, 2020, 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.

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.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Foundation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, 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 1, 2021, 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 1, 2021
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 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	
	2020	2019
Total Assets	\$ 1,308,243	\$ 1,759,220
Total Liabilities	(574,143)	(703,464)
Net Position	<u>\$ 734,100</u>	<u>\$ 1,055,756</u>

The Foundation ended the 2020 fiscal year with assets of \$1,308,243 and liabilities of \$574,143, totaling net position of \$734,100; a negative change of \$321,656 over 2019.

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). 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. Note that 2020 was to have been a peak year for OCI.

Wedgworth Leadership Institute (WLI)

Due to the COVID-19 pandemic, WLI halted its programming for Class XI, Seminar III, and the second seminar fee payment was delayed until 2021. This resulted in realizing \$105,174 less revenue than originally budgeted for 2020. Commensurately, WLI originally estimated \$160,500 in seminar expenses, however, only incurred \$89,785 due to the hiatus. WLI resumed classes in October 2020 and plans to resume its normal class schedule in 2021.

Office of Conferences and Institutes (OCI)

As anticipated and noted in last year's audit, the COVID-19 pandemic significantly impacted OCI's 2020 activities. By year-end, OCI realized a reduction of about \$1.3 million in revenue. Because OCI did not incur associated expenses for cancelled or postponed groups, its 2020 operating loss totaled \$271,735 primarily due to unrealized service fees.

OCI's 2022 calendar is almost full, so while 2021 is still up in the air, the future beyond is looking more favorable. Overall, OCI's financial health will depend on three factors – how quickly the economy rebounds, how quickly government agencies authorize employee travel and how quickly social distancing requirements are eliminated.

STATEMENT OF CASH FLOWS

The overall year-end net position for the Foundation reflects a decrease of \$321,656 in net position. Over the past two decades, OCI worked to build a cash reserve of about a year's operating expenses to ensure cash flow and continued operations in the event of a crisis, and because of that, OCI was able to withstand the negative shortfall of 2020, and can also bear the projected shortfall of \$278,072 (on a cash basis) for 2021.

ECONOMIC OUTLOOK

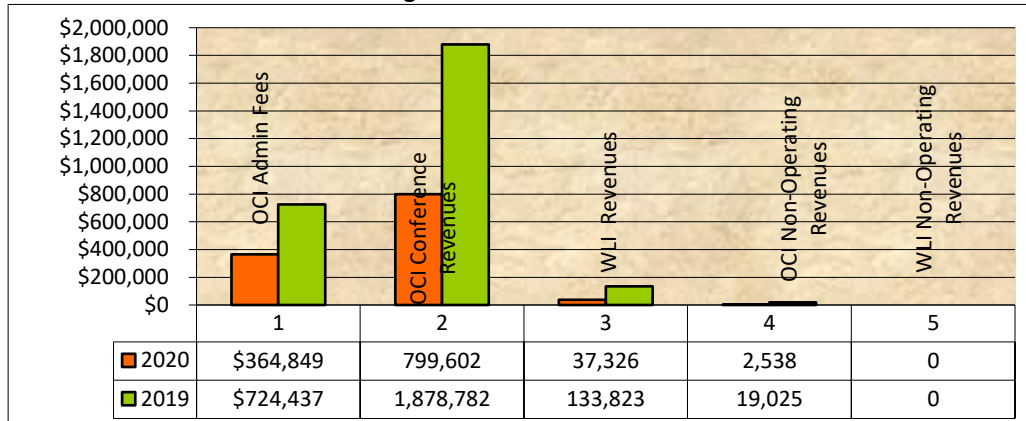
In looking ahead to 2021, the OCI unit within UFLEF anticipates continued negative ramifications because of COVID-19. See Note 6 on page 12 for greater detail.

While 2021 is still up in the air with several large conferences still undecided on when and how to proceed, OCI's 2022 calendar is almost full, so the future beyond is looking more favorable. Overall, OCI's financial health will depend on three factors – how quickly the economy rebounds, how quickly government agencies authorize employee travel and how quickly social distancing requirements are eliminated.

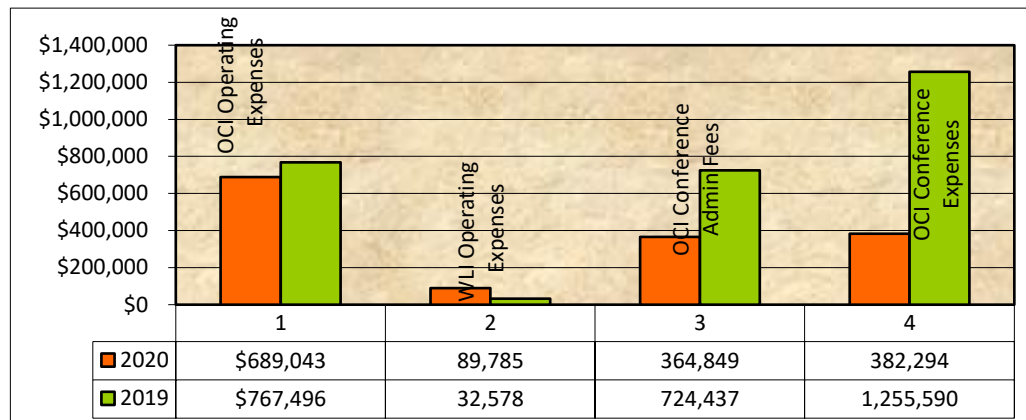
MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

Revenues



Expenses



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

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 Non-Operating Revenues</u>	
OCI Contributions	19,025
Total OCI NonOperating Revenues	19,025
<u>WLI Non-Operating 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	\$ (24,034)

STATEMENT OF NET POSITION
DECEMBER 31, 2020,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

ASSETS

	2020			2019
	Unrestricted	Restricted	Total	Total
Current Assets				
Cash	\$ 1,241,932	\$ -	\$ 1,241,932	\$ 1,535,952
Accounts Receivable	-	-	-	4,418
Prepaid Expenses	20,895	-	20,895	13,621
Payroll Deposit	45,416	-	45,416	205,229
Total Current Assets	<u>1,308,243</u>	<u>-</u>	<u>1,308,243</u>	<u>1,759,220</u>
Total Assets	<u>1,308,243</u>	<u>-</u>	<u>1,308,243</u>	<u>1,759,220</u>

LIABILITIES AND NET POSITION

Current Liabilities				
Accounts Payable	14,233	-	14,233	4,038
Advance Deposits	405,437	-	405,437	496,565
Unearned Revenues	154,473	-	154,473	202,861
Total Current Liabilities	<u>574,143</u>	<u>-</u>	<u>574,143</u>	<u>703,464</u>
Net Position				
Unrestricted	734,100	-	734,100	1,055,756
Total Net Position	<u>734,100</u>	<u>-</u>	<u>734,100</u>	<u>1,055,756</u>
Total Liabilities and Net Position	<u>\$ 1,308,243</u>	<u>\$ -</u>	<u>\$ 1,308,243</u>	<u>\$ 1,759,220</u>

See accompanying notes.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

	2020			2019
	Operating Funds		Total	Total
	Unrestricted	Restricted		
Operating Revenues				
Conference Administration Fees	\$ 364,849	\$ -	\$ 364,849	\$ 724,437
Conference Revenue	-	836,928	836,928	2,012,605
Total Operating Revenues	<u>364,849</u>	<u>836,928</u>	<u>1,201,777</u>	<u>2,737,042</u>
Operating Expenses				
Conference Administration Fees	-	364,849	364,849	724,437
Other Conference-Related Expenses	-	472,079	472,079	1,288,168
Reimbursed Payroll Expense	619,813	-	619,813	673,334
Office Supplies	8,452	-	8,452	10,338
Bank Charges	21,063	-	21,063	41,875
Telephone	2,496	-	2,496	2,201
Postage and Delivery	21	-	21	27
Professional Fees	11,650	-	11,650	11,250
Travel	50	-	50	170
Service Contracts	20,604	-	20,604	20,604
Other Miscellaneous	4,894	-	4,894	7,697
(Total Operating Expenses)	<u>(689,043)</u>	<u>(836,928)</u>	<u>(1,525,971)</u>	<u>(2,780,101)</u>
Operating Income (Loss)	<u>(324,194)</u>	<u>-</u>	<u>(324,194)</u>	<u>(43,059)</u>
Contributions				
Contributions	2,538	-	2,538	19,025
Total Contributions	<u>2,538</u>	<u>-</u>	<u>2,538</u>	<u>19,025</u>
Net Change in Net Position	(321,656)	-	(321,656)	(24,034)
Net Position, Beginning of Year	<u>1,055,756</u>	<u>-</u>	<u>1,055,756</u>	<u>1,079,790</u>
Net Position, End of Year	<u>\$ 734,100</u>	<u>\$ -</u>	<u>\$ 734,100</u>	<u>\$ 1,055,756</u>

See accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020,
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019
UNIVERSITY OF FLORIDA LEADERSHIP AND EDUCATION FOUNDATION, INC.
GAINESVILLE, FLORIDA

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Conference Administration Fees	\$ 364,849	\$ 724,437
Conference Revenue	701,830	2,122,174
Payments for Salaries and Benefits	(619,813)	(673,334)
Payments to Vendors	(743,424)	(2,295,589)
Net Cash Provided by (Used in) Operating Activities	<u>(296,558)</u>	<u>(122,312)</u>
 Cash Flows from Non-Capital Financing Activities		
Contributions/Gifts	<u>2,538</u>	<u>19,025</u>
Net Cash Flows Provided by Non-Capital Financing Activities	<u>2,538</u>	<u>19,025</u>
 Net Change in Cash	(294,020)	(103,287)
 Cash, Beginning of Year	<u>1,535,952</u>	<u>1,639,239</u>
 Cash, End of Year	<u>\$ 1,241,932</u>	<u>\$ 1,535,952</u>
 <u>Reconciliation of Operating Income to Net Cash</u> <u>Provided by (Used in) Operating Activities</u>		
Operating Income (Loss)	\$ (324,194)	\$ (43,059)
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	4,418	28,703
Decrease (Increase) in Payroll Deposit	159,813	(134,916)
Decrease (Increase) in Prepaid Expenses	(7,274)	(4,512)
Increase (Decrease) in Accounts Payable	10,195	(49,394)
Increase (Decrease) in Unearned Revenues	(48,388)	113,358
Increase (Decrease) in Advance Deposits	(91,128)	(32,492)
Net Change from Operating Activities	<u>\$ (296,558)</u>	<u>\$ (122,312)</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, 2019, 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 \$1,241,932, and the related bank balance was \$1,243,453 for the year ended December 31, 2020. 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 \$3,774,300 as of December 31, 2020. 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, 2020, is as follows:

	Principal Balance	Temporarily Restricted	Unrestricted	Total
Beginning Balance January 1, 2019	\$ 2,297,696	\$ 962,131	\$ 87,289	\$ 3,347,116
Endowment Gifts	9,500	-	-	9,500
Investment Earnings/Losses	-	475,507	-	475,507
Administrative Expenses	-	(37,348)	(475)	(37,823)
Transfer to Unrestricted	-	(110,660)	110,660	-
Transfer to University of Florida	-	-	(20,000)	(20,000)
Transfer to Foundation	-	-	-	-
Ending Balance December 31, 2020	\$ 2,307,196	\$ 1,289,630	\$ 177,474	\$ 3,774,300

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, 2020, were as follows:

WLI	\$	39,544
FNRLI XIX		114,929
Total Unearned Revenues		\$ 154,473

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, 2020		
Biogeochemistry	\$	65,573
NCER		27,224
ACES		4,350
Planting Roots		3,600
Metabolomics Workshop		3,000
FMNP		37,544
Ecosystem Restoration		191,621
FMNP Special Topics		18,926
EFNEP		22,470
Master Gardener		2,250
Aquatic Weed		2,500
GEER		15,261
Applied Statistics		11,100
Cucurbitaceae		18
Total Advanced Deposits as of December 31, 2020		\$ 405,437

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

As predicted, the COVID-19 pandemic caused significant impact to the Offices of Conferences and Institutes' (OCI) budgeted activities in 2020. We realized reduced revenues and reduced service fees as follows:

GROSS UNREALIZED REVENUES—(~\$929k) due to groups that did not materialize or were in the earliest stages of planning and were postponed, including Citrus (ICBC), NCER, Fumigation, ACES and FMNP.

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

GROSS REDUCED REVENUES—(~\$92k) from groups that were held despite COVID but had lower attendance or were postponed (Aquatic Weed, Planting Roots, Biogeochemistry, Metabolomics, and Artificial Reef).

REFUNDED REGISTRATIONS—(~\$201k) for registration fee payments refunded to individuals registered for groups that cancelled, or individuals who requested refunds for groups that were still held virtually or in a hybrid format.

LOST OR REDUCED REVENUES FROM 2021 GROUPS—(~\$117k) that would have been collected in 2020 but were not due to the fact the Lake Worth Lagoon Conference was rescheduled from 2021 to 2022, and GEER registration did not open until 2021.

Because expenses for cancelled groups were also not incurred, the above figures do not represent the net loss.

OCI's 2020 net loss (on a cash basis) because of COVID-19 totaled \$332,351 due to lost service fees for groups that did not materialize or were postponed. OCI was compensated for services provided to groups that canceled or pivoted to virtual/hybrid, except for those postponed to 2021. Of those that postponed, a handful are still in a holding pattern, waiting for social distancing and travel restrictions to ease. As of the writing of this report, these same groups are still undecided about reconvening in 2021 most notably, ACES, Citrus and NCER, and the Water Institute in 2022. OCI's total loss in 2021 is estimated to be \$278,072.

**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, 2020 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 1, 2021.

Internal Control Over Financial Reporting

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

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

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

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
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 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 1, 2021
Gainesville, Florida

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