

**FLORIDA 4-H CLUB FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2020 AND 2019**

**FLORIDA 4-H CLUB FOUNDATION, INC.**  
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**MARCH 31, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Audit and Finance Committee,  
Florida 4-H Club Foundation, Inc.:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Florida 4-H Club Foundation, Inc. (the Foundation), a direct-support organization and component unit of the University of Florida, as of and for the years ended March 31, 2020 and 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***

The Foundation's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 from 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 the auditor's 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 entity'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 entity'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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### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of March 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

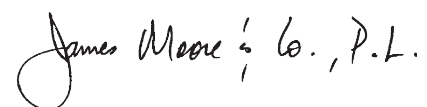
### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the 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 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 the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2020, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

Gainesville, Florida  
June 15, 2020

**FLORIDA 4-H CLUB FOUNDATION, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2020 AND 2019**

The Florida 4-H Club Foundation, Inc.'s (the Foundation) discussion and analysis is designed to assist the reader in focusing on an overview of financial activities, identify changes in the financial position, identify any material deviations from the financial plan, and identify issues and concerns. Since the Management 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.

Incorporated in 1963, the Foundation is a tax-exempt non-profit foundation approved under Section 501(c)(3) of the Internal Revenue Code 170(b) (1). The Foundation is governed by a Board of Directors comprised of volunteer members and appointed University administration. Designated a Direct Support Organization, the Foundation is operated according to State University System rules, pursuant to Florida Statutes § 1004.24. It maintains a separate not-for-profit status and is authorized to receive, hold, invest, and administer property and make expenditures benefiting the University of Florida's 4-H Youth Development Program. The Foundation relies on contributions from the public and serves as fiscal agent for the Florida 4-H program activities. The Foundation manages funds for three residential camps and many state-level educational programs, competitive events, and recognition functions.

The Foundation's Mission: To passionately support Florida 4-H through advocacy, collaboration and funding.

The Foundation's Vision: To be the recognized champion of Florida 4-H.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of a series of financial statements:

- The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the Foundation and present a longer-term view of the Foundation's financial position.
- The Statement of Cash Flows provides information regarding net cash from and used in 4-H programs and activities.

## **FINANCIAL ANALYSIS**

Operating revenues were \$1,329,321 for the fiscal year ending March 31, 2020, \$1,284,894 for the fiscal year ending March 31, 2019, and \$1,252,731 for the fiscal year ending March 31, 2018, generating an operating loss of (\$180,016), (\$273,096), and (\$186,451) respectively. Net cash flows from operations were (\$139,497), (\$244,791), and (\$250,030) respectively.

**FLORIDA 4-H CLUB FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2020 AND 2019**  
(Continued)

The following select information was derived from the Foundation's complete set of financial statements. It is presented to support management's analysis of the financial position and the results of operations that follow this information.

**The Foundation's Net Position**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 3,180,821	\$ 3,372,789	\$ 3,318,311
Total Liabilities	\$ 121,953	\$ 63,230	\$ 52,630
Net position			
Unrestricted	2,681,241	2,912,700	2,860,599
Restricted expendable	377,627	396,859	405,082
Total liabilities and net position	<u>\$ 3,180,821</u>	<u>\$ 3,372,789</u>	<u>\$ 3,318,311</u>

**The Foundation's Operations**

Operating revenue			
Contributions	\$ 125,446	\$ 173,709	\$ 167,037
Other operating income	1,203,875	1,111,185	1,085,694
Total operating revenues	<u>1,329,321</u>	<u>1,284,894</u>	<u>1,252,731</u>
Non-operating revenues (expenses)	<u>(257,095)</u>	<u>118,644</u>	<u>286,966</u>
Total revenues	<u>1,072,226</u>	<u>1,403,538</u>	<u>1,539,697</u>
Operating expenses			
4-H camping	720,753	747,744	679,761
4-H programs	620,362	700,929	633,195
Scholarships	19,900	21,600	8,400
Management and general	144,085	79,719	108,367
Donor stewardship/cultivation	4,237	7,998	9,460
Total operating expenses	<u>1,509,337</u>	<u>1,557,990</u>	<u>1,439,183</u>
Excess (deficiency)	<u>(437,111)</u>	<u>(154,452)</u>	<u>100,515</u>
Net transfers	<u>186,420</u>	<u>198,330</u>	<u>199,813</u>
Net changes	<u>(250,691)</u>	<u>43,878</u>	<u>300,328</u>
Beginning net position	<u>3,309,559</u>	<u>3,265,681</u>	<u>2,965,353</u>
Ending net position	<u>\$ 3,058,868</u>	<u>\$ 3,309,559</u>	<u>\$ 3,265,681</u>

**FLORIDA 4-H CLUB FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2020 AND 2019**  
(Continued)

There are several areas that have changed and are note-worthy from 2019 to 2020. The following will explain these changes:

- Other Operating Income – increased due to utilizing 4-H Membership Fees for 4-H programs, Summer Camp food discounts and Camp Scholarships for underprivileged youth. Also utilized funding from University of Florida for 4-H traveling to state events in FY2020 but not in FY2019. All of which were administered from the Florida 4-H Foundation in FY2020.
- Non-Operating Revenues – decreased due to investments fluctuating from market volatility.
- Operating Expenses –
  - 4-H Programs – decreased due to moving the National 4-H Engagement campaign expenses to Management and General which was a better category for this expense. This area also decreased due to start-up funding in FY2019 for the Life Ready Program.
  - Management and General – increased due to moving the National 4-H Engagement campaign expenses from 4-H Programs which was a lesser suited category for this expense. This area also increased due to more funding for payroll from the University of Florida in FY2019.

There are several areas that have changed and are note-worthy from 2018 to 2019. The following will explain these changes:

- Operating Revenues – increased due to modest raise in registration fees for both camps and other 4-H programs.
- Non-Operating Revenues – decreased due to investments fluctuating from market volatility.
- Operating Expenses – increased due to inflation. Increase of expenses superseded efforts of cost recovery through price increase in registration fees.

#### **HOW THE FOUNDATION IMPACTS THE 4-H PROGRAM**

The Foundation is a Direct Support Organization to the University of Florida, with the sole purpose of supporting the statewide UF/IFAS Extension 4-H Youth Development Program through its fundraising efforts and fiscal agent responsibilities.

The directors of the Foundation serve three key roles in carrying out its mission:

1. Directors have a fiduciary responsibility to carry out the Foundation's mission and provide diligent stewardship of its assets.
2. Directors are responsible for the growth of the Foundation's assets through fundraising efforts and the development of resources to support Florida 4-H.
3. Directors are informed and positive advocates of the 4-H Foundation and the UF/IFAS Extension 4-H Youth Development Program it supports.

#### **CONTACTING THE FOUNDATION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Foundation's Board of Directors, creditors, and the Board of Trustees of the University of Florida with a general overview of the Foundation's finances. If you have questions regarding this report or need additional information, please contact the Foundation's Office at (352) 294-2913.

**FLORIDA 4-H CLUB FOUNDATION, INC.**  
**STATEMENTS OF NET POSITION**  
**MARCH 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 194,642	\$ 661,390
Investments	2,788,169	2,533,096
Funds held with the University of Florida	112,601	111,098
Prepaid expenses	30,526	13,603
Accounts receivable	22,273	29,142
Inventory	32,610	24,460
<b>Total assets</b>	<b>\$ 3,180,821</b>	<b>\$ 3,372,789</b>
<b><u>LIABILITIES AND NET POSITION</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 43,644	\$ 61,225
Due to the University of Florida	73,540	-
Deposits	4,769	2,005
Total current liabilities	121,953	63,230
<b>Net position</b>		
Unrestricted	2,683,018	2,912,700
Restricted - expendable	375,850	396,859
Total net position	3,058,868	3,309,559
<b>Total liabilities and net position</b>	<b>\$ 3,180,821</b>	<b>\$ 3,372,789</b>

The accompanying notes to the financial statements  
are an integral part of these statements.



**FLORIDA 4-H CLUB FOUNDATION, INC.**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Operating revenue</b>		
Contributions	\$ 125,446	\$ 173,709
Registration fees	1,132,229	1,058,106
Canteen	5,455	23,963
Other operating revenue	66,191	29,116
Total operating revenue	<u>1,329,321</u>	<u>1,284,894</u>
<b>Operating expenses</b>		
Program expenses:		
Food and beverage	165,886	196,994
Salary and related expenses	437,164	416,747
Insurance	18,076	14,727
General program expenses	340,962	448,441
Canteen	16,234	10,481
General and administrative	30,842	39,732
Repairs and maintenance	100,466	64,554
Office supplies	6,308	7,785
Awards	66,801	58,979
Scholarships	19,900	21,600
Consulting/Judging	25,789	16,700
Travel	74,072	106,324
Donations	58,517	67,209
Management and general:		
Salary and related expenses	74,705	-
Insurance	160	160
Meetings and seminar expenses	8,764	32,767
General and administrative	33,654	11,679
Office supplies	1,573	4,099
Fundraising	3,447	8,260
Donor stewardship	4,237	7,998
Auditing and accounting	17,500	18,650
Repairs and maintenance	1,109	351
Travel	3,171	3,753
Total operating expenses	<u>1,509,337</u>	<u>1,557,990</u>
<b>Operating loss</b>	<u>(180,016)</u>	<u>(273,096)</u>

The accompanying notes to the financial statements  
are an integral part of these statements.

**FLORIDA 4-H CLUB FOUNDATION, INC.**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

(Continued)

	<b>2020</b>	<b>2019</b>
<b>Nonoperating revenue</b>		
Investment income (loss)	\$ (257,095)	\$ 118,644
Transfers from University of Florida Foundation	186,420	198,330
Total nonoperating revenue	(70,675)	316,974
<b>Change in net position</b>	(250,691)	43,878
<b>Net position, beginning of year</b>	3,309,559	3,265,681
<b>Net position, end of year</b>	\$ 3,058,868	\$ 3,309,559

The accompanying notes to the financial statements  
are an integral part of these statements.

**FLORIDA 4-H CLUB FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Contributions received	\$ 125,446	\$ 173,709
Cash received from registration fees	1,141,862	1,079,875
Cash received from canteen	5,455	23,963
Payments to vendors	(936,934)	(1,149,138)
Payments for salaries and benefits	(541,517)	(402,316)
Other revenue	66,191	29,116
Net cash used in operating activities	(139,497)	(244,791)
<b>Cash flows from investing activities</b>		
Transfers from University of Florida Foundation	186,420	259,924
Transfers to University of Florida Foundation	-	(61,594)
Interest and dividend income received	125,858	201,616
Investment fees paid	(23,273)	(21,877)
Purchases of securities	(1,992,370)	(492,826)
Proceeds from sale of securities	1,376,114	847,064
Net cash provided by investing activities	(327,251)	732,307
<b>Net increase (decrease) in cash and cash equivalents</b>	(466,748)	487,516
<b>Cash and cash equivalents, beginning of year</b>	661,390	173,874
<b>Cash and cash equivalents, end of year</b>	\$ 194,642	\$ 661,390
<b>Reconciliation of operating loss to net cash used in operating activities</b>		
Operating loss	\$ (180,016)	\$ (273,096)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Accounts receivable	6,869	20,649
Prepaid expenses	(16,923)	2,564
Inventory	(8,150)	(5,508)
Accounts payable	(17,581)	9,480
Due to University of Florida	73,540	-
Camp deposits	2,764	1,120
Other	-	-
<b>Net cash used in operating activities</b>	\$ (139,497)	\$ (244,791)

The accompanying notes to the financial statements  
are an integral part of these statements.