

FLORIDA GOVERNMENT FINANCE  
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Florida Government Finance Officers Association, Inc.  
Financial Statements  
June 30, 2021 and 2020

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February 23, 2022

Independent Auditor's Report

To the Board of Directors of the  
Florida Government Finance  
Officers Association, Inc.:

We have audited the accompanying financial statements of the Florida Government Finance Officers Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Government Finance Officers Association, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Shorstein & Shorstein, P.A.*

Florida Government Finance Officers Association, Inc.  
 \*STATEMENTS OF FINANCIAL POSITION  
June 30, 2021 and 2020

ASSETS

	2021	2020
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 478,963	\$ 238,199
Investments	195,022	193,123
Accounts Receivable - Florida League of Cities, Inc.	-	25,165
Accounts Receivable - Other	552	1,284
Deposits	37,358	2,000
Prepaid Expenses and Other Current Assets	5,819	5,723
Total Current Assets	717,714	465,494
 <u>Equipment</u>		
Computers and Equipment	2,162	2,162
Less: Accumulated Depreciation	(1,971)	(1,843)
Net Equipment	191	319
 <u>Other Assets</u>		
Deposits	2,500	16,138
Total Assets	\$ 720,405	\$ 481,951

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 78,053	\$ 75,856
Deferred Revenues	550	300
Total Current Liabilities	78,603	76,156
<u>Net Assets Without Donor Restrictions</u>	641,802	405,795
Total Liabilities and Net Assets	\$ 720,405	\$ 481,951

\*The accompanying notes are an integral part of these financial statements.

Florida Government Finance Officers Association, Inc.  
 \*STATEMENTS OF ACTIVITIES  
For the Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2021	Year Ended June 30, 2020
<u>Revenues</u>		
Membership Dues	\$ 141,050	\$ 145,870
Conference Revenue	218,690	88,640
School of Governmental Finance	50,100	98,645
Investment Income	1,502	4,388
Other Programs (CGFO, Boot Camps, Divergent)	49,890	73,150
Miscellaneous Income	-	4,154
Total Revenues	461,232	414,847
 <u>Expenses</u>		
Conference Expenses	50,160	43,567
School of Governmental Finance	16,484	70,690
Leadership FGFOA	-	1,390
Other Programs (CGFO, Boot Camps, Divergent)	69,115	143,500
Management and General	89,466	92,663
Total Expenses	225,225	351,810
<u>Increase in Net Assets Without Donor Restrictions</u>	236,007	63,037
<u>Net Assets Without Donor Restrictions, Beginning of Year</u>	405,795	342,758
<u>Net Assets Without Donor Restrictions, End of Year</u>	\$ 641,802	\$ 405,795

\*The accompanying notes are an integral part of these financial statements.

Florida Government Finance Officers Association, Inc.  
 \*STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2021 and 2020

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 460,310	\$ 390,070
Receipts from Exhibitors and Hotel Sites	25,165	58,242
Interest and Dividends	1,904	4,735
Fees Paid to Florida League of Cities, Inc.	(132,965)	(156,830)
Payments to Vendors	<u>(111,752)</u>	<u>(772,521)</u>
Net Cash Provided (Used) by Operating Activities	<u>242,662</u>	<u>(476,304)</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from Redemption of Certificates of Deposit	194,990	191,644
Investment in Certificates of Deposit	<u>(196,888)</u>	<u>(196,149)</u>
Net Cash Used by Investing Activities	<u>(1,898)</u>	<u>(4,505)</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	240,764	(480,809)
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>238,199</u>	<u>719,008</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 478,963</u>	<u>\$ 238,199</u>

\*The accompanying notes are an integral part of these financial statements.

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

Note 1- Organization and Significant Accounting Policies

- A. The Florida Government Finance Officers Association, Inc. (Association) is an organization whose purpose is to promote the improvement of government financial administration in Florida.
- B. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- C. Revenues and expenses are recorded on the accrual basis.
- D. The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- E. The Association reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted program revenue.
- F. The Association is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code except on net income derived from unrelated business activities.
- G. The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- H. The Association maintains a portion of its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The amount on deposit at June 30, 2021 was approximately \$212,000 in excess of federally insured limits. However; there were no amounts in excess of federally insured limits at June 30, 2020. Additionally, approximately \$16,700 was invested in a money-market account at June 30, 2021 and at June 30, 2020, which is not insured. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.
- I. Equipment is recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives.
- J. Association policy established by the Board of Directors requires that net assets be maintained at a minimum level equal to twice the average monthly operating expenses for the prior three-year period.
- K. Management has evaluated subsequent events through February 23, 2022, the date the financial statements were available to be issued.

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

Note 2 – Investments

The Association held two certificates of deposit as of June 30, 2021 and June 30, 2020. Interest rates for the certificates held at June 30, 2021 were .05% and .45%. Interest rates for the certificates held at June 30, 2020 were 2.37% and 1.25%. The certificates held at June 30, 2021 mature September 4, 2021 and March 14, 2022. The certificates held at June 30, 2020 mature September 4, 2020 and March 14, 2021.

These certificates of deposit are not *securities* as defined by current financial accounting standards; therefore, the disclosures about fair-value measurements are not applicable. They are valued at cost plus accrued interest, which approximates fair value due to their relatively short terms.

Investment income is summarized as follows:

	2021	2020
Interest Income	\$ 1,496	\$ 4,158
Dividend Income	6	230
Total	\$ 1,502	\$ 4,388

Note 3 – Revenue Recognition and Adoption of New Accounting Standards

Payment of fees for the Association’s conference and educational/developmental programs is generally required at the time of registration although in some cases the fees are billed when due, resulting in accounts receivable. The Association recognizes revenue when the events have been completed. Payment of membership dues is required at the beginning of the membership period, which is the fiscal year, and dues revenue is recognized ratably over the same period, since the benefits to Association members are consistent throughout the year. Amounts received in advance are deferred to the applicable periods, resulting in contract liabilities. Beginning and ending balances from these transactions with members are presented on the statements of financial position as accounts receivable and deferred revenues.

Substantially all revenue relates to activities of Association members who are financial professionals serving Florida municipalities, providing stability with respect to the nature, amount and timing of revenue and cash flows.

As of July 1, 2020, the Association adopted the Financial Accounting Standards Board’s (FASB) Accounting Standards Codification Topic 606 (ASC 606) entitled *Revenue from Contracts with Customers*. ASC 606 introduces a comprehensive, principles-based framework for recognizing revenue and supersedes most of the existing FASB revenue recognition standards. The adoption of ASC 606 did not have an impact on the Association’s statements of financial position or statements of activities.



Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
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Note 4 – Administrative Fees

The Association engages the Florida League of Cities, Inc. (FLC) to provide administrative services for an annual fee plus reimbursement of certain out-of-pocket expenses. In September 2020, the administrative services agreement was extended through June 30, 2023. The fee arrangement is based on a fee of \$125,000 for the year ended June 30, 2021, with an annual increase of 3% for the next two years.

Administrative fees of \$125,000 and \$117,300 were incurred during the years ended June 30, 2021 and 2020, respectively.

Accounts payable at June 30, 2021 and 2020 included \$78,053 and \$58,992, respectively, in fees and expense reimbursements due to FLC.

Note 5 – Meeting Management Fees

The Association engages FLC to provide meeting management services for the Association's Annual Conference and School of Governmental Finance (SOGF) for fees based on the number of registrants. The Association also engages the FLC to provide meeting management services for the Association's Leadership FGFOA Conference. The contract also provides for reimbursement to FLC for certain out-of-pocket expenses. In September 2020, the current agreement was extended through June 30, 2023 and is cancelable by either party with 120 days written notice. There was no Leadership Conference held during the current year.

The rates of \$30 per Annual Conference registrant and \$25 per SOGF registrant remain unchanged. However, should either event offer a virtual registration option, the fee will be \$10 per paid virtual registrant.

Meeting management fees of \$12,790 and \$12,385 were incurred during the years ended June 30, 2021 and 2020, respectively. Both the Annual Conference and the SOGF were held virtually.

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
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Note 6 – Liquidity and Availability of Financial Assets

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Association invests cash in excess of immediate requirements in a money-market account.

The Association's governing board has designated, from net assets without donor restrictions of approximately \$641,800, a minimum liquidity reserve of \$91,215 as of June 30, 2021.

The Association's financial assets available for general expenditures within one year of the statement of financial position date are as follows:

Cash and cash equivalents and investments	\$ 673,985
Accounts receivable	<u>552</u>
Financial assets at year-end	674,537
Board-designated liquidity reserve	<u>(91,215)</u>
Financial assets available for general expenditures within one year	<u><u>\$ 583,322</u></u>

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

Note 7 – Allocation of Expenses

The tables below present expenses by both their nature and their function for June 30, 2021 and 2020:

June 30, 2021

	<u>Program Activities</u>					<u>Supporting Activities</u>		<u>Total Expenses</u>	
	<u>Annual Conference</u>	<u>SOGF</u>	<u>Seminars</u>	<u>Leadership</u>	<u>Other Programs</u>	<u>Program Subtotal</u>	<u>Mgmt and General</u>		<u>Supporting Subtotal</u>
Administration Fees	\$ -	\$ -	\$ -	\$ -	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 125,000
Bank Fees	5,350	5,350	-	-	-	10,700	5,350	5,350	16,050
GFOA Conference	-	-	-	-	533	533	-	-	533
Meeting Expenses	4,025	4,025	-	-	-	8,050	10,947	10,947	18,997
Office and Administrative Expenses	-	-	-	-	6,082	6,082	5,426	5,426	11,508
School of Governmental Finance	-	3,692	-	-	-	3,692	-	-	3,692
Annual Conference	37,368	-	-	-	-	37,368	-	-	37,368
Auditor Fee	3,417	3,417	-	-	-	6,834	3,416	3,416	10,250
Depreciation	-	-	-	-	-	-	127	127	127
Travel	-	-	-	-	-	-	1,700	1,700	1,700
<b>Total Expenses</b>	<b><u>\$ 50,160</u></b>	<b><u>\$ 16,484</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 69,115</u></b>	<b><u>\$135,759</u></b>	<b><u>\$ 89,466</u></b>	<b><u>\$ 89,466</u></b>	<b><u>\$ 225,225</u></b>

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
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Note 7 – Allocation of Expenses (Continued)

June 30, 2020

	Program Activities					Supporting Activities		Total Expenses	
	Annual Conference	SOGF	Seminars	Leadership	Other Programs	Program Subtotal	Mgmt and General		Supporting Subtotal
Administration Fees	\$ -	\$ -	\$ -	\$ -	\$ 58,650	\$ 58,650	\$ 58,650	\$ 58,650	\$ 117,300
Bank Fees	8,131	8,131	-	-	-	16,262	8,132	8,132	24,394
CGFO Program	-	-	-	-	1,819	1,819	-	-	1,819
GFOA Conference	-	-	-	-	55,273	55,273	-	-	55,273
Meeting Expenses	7,956	7,956	-	-	912	16,824	10,638	10,638	27,462
Office and Administrative Expenses	-	-	-	-	3,801	3,801	10,259	10,259	14,060
School of Governmental Finance	-	51,348	-	-	-	51,348	-	-	51,348
Annual Conference	24,225	-	-	-	-	24,225	-	-	24,225
Auditor Fee	3,255	3,255	-	-	-	6,510	3,255	3,255	9,765
Leadership Conference	-	-	-	1,390	-	1,390	-	-	1,390
Boot Camp Conference	-	-	-	-	23,045	23,045	-	-	23,045
Depreciation	-	-	-	-	-	-	127	127	127
Travel	-	-	-	-	-	-	1,602	1,602	1,602
<b>Total Expenses</b>	<b>\$ 43,567</b>	<b>\$ 70,690</b>	<b>\$ -</b>	<b>\$ 1,390</b>	<b>\$143,500</b>	<b>\$259,147</b>	<b>\$ 92,663</b>	<b>\$ 92,663</b>	<b>\$ 351,810</b>

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include bank fees, administration fees, meeting expenses, office and administrative expenses and auditor fees. The allocation is based on the estimated percentage of each shared expense utilized for the respective functional category.

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
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Note 8 – Risks and Uncertainties

The current worldwide pandemic, caused by the novel coronavirus known as COVID-19, has created widespread economic uncertainty. Management cannot estimate the economic impact, if any, of this uncertainty on the condition of the Association. However, management does not believe there will be a material adverse effect on the financial condition of the Association as reflected in these financial statements.