

FLORIDA GOVERNMENT FINANCE
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Florida Government Finance Officers Association, Inc.
Financial Statements
June 30, 2018 and 2017

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January 7, 2019

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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 and 2017

ASSETS

	2018	2017
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 671,174	\$ 590,085
Investments	185,164	182,679
Accounts Receivable - Florida League of Cities, Inc.	1,963	920
Accounts Receivable - Other	1,402	90,720
Deposits	6,881	-
Prepaid Expenses and Other Current Assets	5,868	6,354
Total Current Assets	872,452	870,758
 <u>Equipment</u>		
Computers and Equipment	3,569	5,227
Less: Accumulated Depreciation	(2,996)	(4,526)
Net Equipment	573	701
 <u>Other Assets</u>		
Deposits	2,000	4,500
Total Assets	\$ 875,025	\$ 875,959

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 530,943	\$ 603,590
Deferred Revenues	-	140
Total Current Liabilities	530,943	603,730
 <u>Unrestricted Net Assets</u>	344,082	272,229
Total Liabilities and Unrestricted Net Assets	\$ 875,025	\$ 875,959

*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, 2018 and 2017

	Year Ended June 30, 2018	Year Ended June 30, 2017
<u>Revenues</u>		
Membership Dues	\$ 103,635	\$ 101,535
Conference Revenue	600,583	576,315
Career Development Seminars	25,635	24,425
School of Governmental Finance	78,802	64,300
Leadership FGFOA	54,000	50,000
Investment Income	3,160	1,772
Other Programs (CGFO, Boot Camps, Divergent)	82,210	83,805
Miscellaneous Income	543	92
Total Revenues	948,568	902,244
 <u>Expenses</u>		
Conference Expenses	546,842	523,177
Career Development Seminars	25,580	23,596
School of Governmental Finance	67,008	73,614
Leadership FGFOA	63,626	58,694
Other Programs (CGFO, Boot Camps, Divergent)	96,675	116,188
General and Administrative	76,984	78,559
Total Expenses	876,715	873,828
<u>Increase in Unrestricted Net Assets</u>	71,853	28,416
<u>Unrestricted Net Assets, Beginning of Year</u>	272,229	243,813
<u>Unrestricted Net Assets, End of Year</u>	\$ 344,082	\$ 272,229

*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, 2018 and 2017

	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 683,763	\$ 616,960
Receipts from Exhibitors and Hotel Sites	350,254	197,078
Interest and Dividends	2,685	1,713
Fees Paid to Florida League of Cities, Inc.	(136,997)	(135,537)
Payments to Vendors	<u>(816,131)</u>	<u>(596,689)</u>
 Net Cash Provided by Operating Activities	 <u>83,574</u>	 <u>83,525</u>
 <u>Cash Flows from Investing Activities</u>		
Proceeds from Redemption of Certificates of Deposit	184,335	181,410
Investment in Certificates of Deposit	<u>(186,820)</u>	<u>(208,028)</u>
 Net Cash Used by Investing Activities	 <u>(2,485)</u>	 <u>(26,618)</u>
 <u>Net Increase in Cash and Cash Equivalents</u>	 81,089	 56,907
 <u>Cash and Cash Equivalents, Beginning of Year</u>	 <u>590,085</u>	 <u>533,178</u>
 <u>Cash and Cash Equivalents, End of Year</u>	 <u>\$ 671,174</u>	 <u>\$ 590,085</u>

*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, 2018 and 2017

	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>
<u>Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities</u>		
Increase in Net Assets	\$ 71,853	\$ 28,416
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	128	265
Decrease/(Increase) in Accounts Receivable	88,275	(86,633)
Decrease in Prepaid Expenses and Other Current Assets	486	4,070
(Increase) in Deposits	(4,381)	(4,500)
(Decrease)/Increase in Accounts Payable	(72,647)	141,767
(Decrease)/Increase in Deferred Revenues	<u>(140)</u>	<u>140</u>
Net Cash Provided by Operating Activities	<u>\$ 83,574</u>	<u>\$ 83,525</u>

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

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

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 in excess of federally insured limits was approximately \$405,000 and \$323,000 at June 30, 2018 and 2017, respectively. Additionally, approximately \$16,000 was invested in a money market account at June 30, 2018 and 2017, 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 January 7, 2019, the date the financial statements were available to be issued.

Florida Government Finance Officers Association, Inc.
 NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

Note 2 – Investments

The Association held two certificates of deposit as of June 30, 2018 and June 30, 2017. Interest rates for the certificates held at June 30, 2018 were 1.39% and 1.60%. Interest rates for the certificates held at June 30, 2017 were 1.25% and 1.24%. The certificates held at June 30, 2018 mature September 4, 2018 and March 14, 2019.

Investment income is summarized as follows:

	2018	2017
Interest Income	\$ 2,960	\$ 1,677
Dividend Income	200	95
Total	\$ 3,160	\$ 1,772

Note 3 – 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 April 2015, the administrative services agreement was extended through June 30, 2018. The fee arrangement is based on the annual fee for the year ended June 30, 2015, as adjusted by the Consumer Price Index, with an annual minimum increase of 1% and an annual maximum increase of 5%.

In May 2018, the administrative services agreement was extended through June 30, 2021. The fee for the year ended June 30, 2019 will be \$115,000. Fees for the next two years will increase annually by 2%.

Administrative fees of \$99,898 and \$97,939 were incurred during the years ended June 30, 2018 and 2017, respectively.

Accounts payable at June 30, 2018 and 2017 included \$217,692 and \$137,998, respectively, in fees and expense reimbursements due to FLC.

Note 4 – 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 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. The current agreement is effective through July 31, 2018 and is cancelable by either party with 120 days' written notice.

The rates of \$30 per Annual Conference registrant and \$25 per SOGF registrant remain unchanged. A flat fee of \$2,000 for Leadership FGFOA was accrued in 2018.

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

Note 4 – Meeting Management Fees (Continued)

In June 2018, the meeting management services agreement was extended through June 30, 2021. The rates of \$30 per Annual Conference registrant and \$25 per SOGF registrant will remain unchanged.

Meeting management fees of \$38,130 and \$38,590 were incurred during the years ended June 30, 2018 and 2017, respectively.