

FLORIDA GOVERNMENT FINANCE
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

DRAFT

Florida Government Finance Officers Association, Inc.
Financial Statements
June 30, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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.

Florida Government Finance Officers Association, Inc.
 *STATEMENTS OF FINANCIAL POSITION
 June 30, 2020 and 2019

ASSETS

	2020	2019
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 238,199	\$ 719,008
Investments	193,123	188,618
Accounts Receivable - Florida League of Cities, Inc.	25,165	877
Accounts Receivable - Other	1,284	67,874
Deposits	2,000	1,500
Prepaid Expenses and Other Current Assets	5,723	7,377
Total Current Assets	465,494	985,254
<u>Equipment</u>		
Computers and Equipment	2,162	3,569
Less: Accumulated Depreciation	(1,843)	(3,123)
Net Equipment	319	446
<u>Other Assets</u>		
Prepaid Expenses	-	26
Deposits	16,138	3,000
Total Other Assets	16,138	3,026
Total Assets	\$ 481,951	\$ 988,726

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 75,856	\$ 641,568
Deferred Revenues	300	4,400
Total Current Liabilities	76,156	645,968
<u>Net Assets Without Donor Restrictions</u>	405,795	342,758
Total Liabilities and Net Assets	\$ 481,951	\$ 988,726

*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, 2020 and 2019

	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
<u>Revenues</u>		
Membership Dues	\$ 145,870	\$ 111,755
Conference Revenue	88,640	697,129
Career Development Seminars	-	27,470
School of Governmental Finance	98,645	114,147
Leadership FGFOA	-	19,900
Investment Income	4,388	4,118
Other Programs (CGFO, Boot Camps, Divergent)	73,150	88,815
Miscellaneous Income	4,154	187
Total Revenues	<u>414,847</u>	<u>1,063,521</u>
<u>Expenses</u>		
Conference Expenses	43,567	673,779
Career Development Seminars	-	35,283
School of Governmental Finance	70,690	89,936
Leadership FGFOA	1,390	54,271
Other Programs (CGFO, Boot Camps, Divergent)	143,500	118,961
Management and General	92,663	92,615
Total Expenses	<u>351,810</u>	<u>1,064,845</u>
<u>Increase (Decrease) in Net Assets Without Donor Restrictions</u>	63,037	(1,324)
<u>Net Assets Without Donor Restrictions, Beginning of Year</u>	<u>342,758</u>	<u>344,082</u>
<u>Net Assets Without Donor Restrictions, End of Year</u>	<u>\$ 405,795</u>	<u>\$ 342,758</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, 2020 and 2019

	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 390,070	\$ 744,285
Receipts from Exhibitors and Hotel Sites	58,242	254,442
Interest and Dividends	4,735	3,810
Fees Paid to Florida League of Cities, Inc.	(156,830)	(151,555)
Payments to Vendors	<u>(772,521)</u>	<u>(799,695)</u>
Net Cash (Used) Provided by Operating Activities	<u>(476,304)</u>	<u>51,287</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from Redemption of Certificates of Deposit	191,644	187,148
Investment in Certificates of Deposit	<u>(196,149)</u>	<u>(190,601)</u>
Net Cash Used by Investing Activities	<u>(4,505)</u>	<u>(3,453)</u>
<u>Net (Decrease) Increase in Cash and Cash Equivalents</u>	(480,809)	47,834
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>719,008</u>	<u>671,174</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 238,199</u>	<u>\$ 719,008</u>

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

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

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, 2020 was not in excess of federally insured limits. However, approximately \$458,000 was in excess of federally insured limits at June 30, 2019. Additionally, approximately \$16,700 was invested in a money market account at June 30, 2020 and \$16,500 at June 30, 2019, 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 _____, the date the financial statements were available to be issued.

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Note 2 – Investments

The Association held two certificates of deposit as of June 30, 2020 and June 30, 2019. Interest rates for the certificates held at June 30, 2020 were 2.37% and 1.25%. Interest rates for the certificates held at June 30, 2019 were 2.42% and 2.36%. The certificates held at June 30, 2020 mature September 4, 2020 and March 14, 2021.

Investment income is summarized as follows:

	2020	2019
Interest Income	\$ 4,158	\$ 3,763
Dividend Income	230	355
Total	\$ 4,388	\$ 4,118

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 May 2018, the administrative services agreement was extended through June 30, 2021. The fee arrangement is based on a fee of \$117,300 for the year ended June 30, 2020, with an annual increase of 2% next year.

Administrative fees of \$117,300 and \$115,000 were incurred during the years ended June 30, 2020 and 2019, respectively.

Accounts payable at June 30, 2020 and 2019 included \$58,992 and \$318,505, 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 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 June 30, 2021 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. However, due to the Covid-19 pandemic, the 2020 Annual Conference was changed to a virtual conference. The Board agreed to a rate of \$10 per registrant.

Meeting management fees of \$12,385 and \$42,280 were incurred during the years ended June 30, 2020 and 2019, respectively. Due to the Covid-19 pandemic, the fee charged of \$10 per registrant resulted in a meeting fee of \$6,710 for FY 20.

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Note 5 – 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 \$405,795, a minimum liquidity reserve of approximately \$127,400 as of June 30, 2020.

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	\$ 431,322
Accounts receivable	<u>26,449</u>
Financial assets at year-end	457,771
Board-designated liquidity reserve	<u>(127,400)</u>
Financial assets available for general expenditures within one year	<u>\$ 330,371</u>

Florida Government Finance Officers Association, Inc.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

Note 6 – Allocation of Expenses

The tables below present expenses by both their nature and their function for June 30, 2020 and 2019:

	Program Activities										Total Expenses
	June 30, 2020					June 30, 2019					
	Annual Conference	SOGF	Seminars	Leadership Programs	Other Programs	Program Subtotal	Mgmt and General	Supporting Subtotal	Supporting Subtotal	Total Expenses	
Administration Fees	\$ -	\$ -	\$ -	\$ -	\$ 58,650	\$ 58,650	\$ 58,650	\$ 58,650	\$ 58,650	\$ 117,300	
Bank Fees	8,131	8,131	-	-	-	16,262	8,132	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	10,638	27,462	
Office and Administrative Expenses	-	-	-	-	3,801	3,801	10,259	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	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	127	
Travel	-	-	-	-	-	-	1,602	1,602	1,602	1,602	
Total Expenses	\$ 43,567	\$ 70,690	\$ -	\$ 1,390	\$ 143,500	\$ 259,147	\$ 92,663	\$ 92,663	\$ 92,663	\$ 351,810	

Florida Government Finance Officers Association, Inc.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

Note 6 – Allocation of Expenses (Continued)

	Program Activities						Supporting Activities			Total Expenses
	Annual Conference	SOGF	Seminars	Leadership	Other Programs	Program Subtotal	Mgmt and General	Supporting Subtotal	Total Expenses	
June 30, 2019										
Administration Fees	\$ -	\$ -	\$ -	\$ -	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 115,000	
Pre-Conference Expenses	-	-	35,283	-	-	35,283	-	-	35,283	
Bank Fees	10,137	10,137	-	-	-	20,274	10,138	10,138	30,412	
CGFO Program	-	-	-	-	9,297	9,297	-	-	9,297	
GFOA Conference	-	-	-	-	10,561	10,561	-	-	10,561	
Meeting Expenses	5,912	5,912	-	-	6,340	18,164	9,883	9,883	28,047	
Office and Administrative Expenses	-	-	-	-	2,916	2,916	9,985	9,985	12,901	
School of Governmental Finance	-	70,772	-	-	-	70,772	-	-	70,772	
Annual Conference	654,615	-	-	-	-	654,615	-	-	654,615	
Auditor Fee	3,115	3,115	-	-	-	6,230	3,115	3,115	9,345	
Leadership Conference	-	-	-	54,271	-	54,271	-	-	54,271	
Boot Camp Conference	-	-	-	-	32,347	32,347	-	-	32,347	
Depreciation	-	-	-	-	-	-	127	127	127	
Travel	-	-	-	-	-	-	1,867	1,867	1,867	
Total Expenses	\$ 673,779	\$ 89,936	\$ 35,283	\$ 54,271	\$ 118,961	\$ 972,230	\$ 92,615	\$ 92,615	\$ 1,064,845	

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
June 30, 2020 and 2019

Note 7 – 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.

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