

FLORIDA GOVERNMENT FINANCE  
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Florida Government Finance Officers Association, Inc.  
Financial Statements  
June 30, 2016 and 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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, 2016 and 2015

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ASSETS

	2016	2015
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 533,178	\$ 453,437
Investments	156,061	154,537
Accounts Receivable - Florida League of Cities, Inc.	2,573	2,639
Accounts Receivable - Other	2,434	71,207
Prepaid Expenses and Other Current Assets	10,424	10,864
Total Current Assets	704,670	692,684
 <u>Equipment</u>		
Computers and Equipment	5,227	5,227
Less: Accumulated Depreciation	(4,261)	(3,815)
Net Equipment	966	1,412
 <u>Other Assets</u>		
Deposits	-	1,500
Total Assets	\$ 705,636	\$ 695,596

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 461,823	\$ 468,360
Deferred Revenues	-	26,950
Total Current Liabilities	461,823	495,310
<u>Unrestricted Net Assets</u>	243,813	200,286
Total Liabilities and Unrestricted Net Assets	\$ 705,636	\$ 695,596

\*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, 2016 and 2015

	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
<u>Revenues</u>		
Membership Dues	\$ 100,555	\$ 99,190
Conference Revenue	512,358	506,076
Career Development Seminars	20,275	18,900
School of Governmental Finance	92,324	55,888
Leadership FGFOA	50,100	-
Investment Income	1,632	1,403
CGFO Fees	57,060	26,510
Miscellaneous Income	1,168	36
Total Revenues	835,472	708,003
 <u>Expenses</u>		
Conference Expenses	457,236	478,981
Career Development Seminars	19,542	23,732
School of Governmental Finance	109,577	86,099
Leadership FGFOA	59,630	-
Other Programs	66,035	67,089
General and Administrative	79,925	71,942
Total Expenses	791,945	727,843
<u>Increase/(Decrease) in Unrestricted Net Assets</u>	43,527	(19,840)
<u>Unrestricted Net Assets, Beginning of Year</u>	200,286	220,126
<u>Unrestricted Net Assets, End of Year</u>	\$ 243,813	\$ 200,286

\*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, 2016 and 2015

	Year Ended June 30, 2016	Year Ended June 30, 2015
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 566,027	\$ 451,751
Receipts from Exhibitors and Hotel Sites	309,705	170,919
Interest and Dividends	1,629	1,394
Fees Paid to Florida League of Cities, Inc.	(131,629)	(127,102)
Payments to Vendors	(664,467)	(218,933)
Net Cash Provided by Operating Activities	81,265	278,029
 <u>Cash Flows from Investing Activities</u>		
Proceeds from Redemption of Certificates of Deposit	77,426	153,437
Investment in Certificates of Deposit	(78,950)	(154,817)
Net Cash Used by Investing Activities	(1,524)	(1,380)
 <u>Net Increase in Cash and Cash Equivalents</u>	 79,741	 276,649
 <u>Cash and Cash Equivalents, Beginning of Year</u>	 453,437	 176,788
 <u>Cash and Cash Equivalents, End of Year</u>	 \$ 533,178	 \$ 453,437

\*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, 2016 and 2015

	Year Ended June 30, 2016	Year Ended June 30, 2015
<u>Reconciliation of Increase/(Decrease) in Net Assets to</u>		
<u>Net Cash Provided by Operating Activities</u>		
Increase/(Decrease) in Net Assets	\$ 43,527	\$ (19,840)
Adjustments to Reconcile Increase/(Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	446	490
Decrease/(Increase) in Accounts Receivable	68,839	(72,889)
Increase in Prepaid Expenses and Other Current Assets	(60)	(2,445)
Decrease in Deposits	2,000	-
(Decrease)/Increase in Accounts Payable	(6,537)	383,763
Decrease in Deferred Revenues	(26,950)	(11,050)
	\$ 81,265	\$ 278,029
Net Cash Provided by Operating Activities	\$ 81,265	\$ 278,029

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

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016 and 2015

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. The Forms 990, *Return of Organization Exempt from Income Tax*, of the Association for years ending June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016 are generally subject to examination by the IRS for three years after they were filed.
- 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 \$243,000 at June 30, 2016. Additionally, approximately \$41,000 and \$266,000 were invested in a money market account at June 30, 2016 and 2015, respectively, 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 November 30, 2016, the date the financial statements were available to be issued.



Florida Government Finance Officers Association, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
June 30, 2016 and 2015

Note 2 – Investments

The Association held two certificates of deposit as of June 30, 2016 and June 30, 2015. Interest rates for the certificates held at June 30, 2016 were .75% and 1.24%. Interest rates for the certificates held at June 30, 2015 were 1.09% and .75%. The certificates held at June 30, 2016 mature September 4, 2016 and September 10, 2016.

Investment income is summarized as follows:

	2016	2015
Interest Income	\$ 1,527	\$ 1,389
Dividend Income	105	14
Total	\$ 1,632	\$ 1,403

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%.

Administrative fees of \$96,969 and \$96,009 were incurred during the years ended June 30, 2016 and 2015, respectively.

Accounts payable at June 30, 2016 and 2015 included \$196,813 and \$99,470, 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 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 incurred in 2016.

Meeting management fees of \$37,665 and \$34,275 were incurred during the years ended June 30, 2016 and 2015, respectively.