

**MARYLAND GOVERNMENT FINANCE  
OFFICERS ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2018 AND 2017**

**MARYLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.**  
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CliftonLarsonAllen LLP  
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## ACCOUNTANTS' COMPILATION REPORT

The Executive Committee  
Maryland Government Finance Officers Association, Inc.  
Annapolis, Maryland

Management is responsible for the accompanying financial statements of the Maryland Government Finance Officers Association, Inc. (the Association), 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 in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We are not independent with respect to the Association.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
January 24, 2019

**MARYLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 125,049	\$ 106,860
Investments	47,178	47,552
Receivables	17,950	9,788
Total Assets	\$ 190,177	\$ 164,200
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 62,752	\$ 60,487
Deferred Revenue	9,790	11,110
Total Liabilities	72,542	71,597
<b>NET ASSETS</b>		
Temporarily Restricted	3,156	3,764
Unrestricted	114,479	88,839
Total Net Assets	117,635	92,603
Total Liabilities and Net Assets	\$ 190,177	\$ 164,200

See accountant's compilation report and accompanying notes.

**MARYLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>						
Conferences, Meetings, and Seminars	\$ 206,208	\$ -	\$ 206,208	\$ 213,946	\$ -	\$ 213,946
Membership Dues	26,705	-	26,705	26,159	-	26,159
Dividend Income	1,016	-	1,016	890	-	890
Realized and Unrealized Loss on Investments	(1,390)	-	(1,390)	(1,545)	-	(1,545)
In-Kind Services	24,758	-	24,758	25,627	-	25,627
Sponsorships	81,395	-	81,395	64,808	-	64,808
Release of Restrictions	608	(608)	-	200	(200)	-
Total Revenues and Other Support	<u>339,300</u>	<u>(608)</u>	<u>338,692</u>	<u>330,085</u>	<u>(200)</u>	<u>329,885</u>
<b>EXPENSES</b>						
Program Services:						
Conferences, Meetings, and Seminars	218,663	-	218,663	213,430	-	213,430
Executive Committee	7,785	-	7,785	14,362	-	14,362
Scholarships	608	-	608	200	-	200
Total Program Services	<u>227,056</u>	<u>-</u>	<u>227,056</u>	<u>227,992</u>	<u>-</u>	<u>227,992</u>
General and Administrative:						
Administrative Fee	47,814	-	47,814	47,062	-	47,062
Miscellaneous Administrative Expenses	38,790	-	38,790	8,687	-	8,687
Total General and Administrative	<u>86,604</u>	<u>-</u>	<u>86,604</u>	<u>55,749</u>	<u>-</u>	<u>55,749</u>
Total Expenses	<u>313,660</u>	<u>-</u>	<u>313,660</u>	<u>283,741</u>	<u>-</u>	<u>283,741</u>
<b>CHANGE IN NET ASSETS</b>	25,640	(608)	25,032	46,344	(200)	46,144
Net Assets - Beginning of Year	<u>88,839</u>	<u>3,764</u>	<u>92,603</u>	<u>42,495</u>	<u>3,964</u>	<u>46,459</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 114,479</u>	<u>\$ 3,156</u>	<u>\$ 117,635</u>	<u>\$ 88,839</u>	<u>\$ 3,764</u>	<u>\$ 92,603</u>

See accountant's compilation report and accompanying notes.

**MARYLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Conferences, Meetings, and Seminars	\$ 198,046	\$ 219,055
Cash Paid to Vendors and Suppliers	(286,637)	(260,017)
Cash Received from Members and Sponsors	106,780	85,497
Dividends Received	1,016	890
Net Cash Provided by Operating Activities	19,205	45,425
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (Purchases) Sales of Investments	(1,016)	15,834
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	18,189	61,259
Cash and Cash Equivalents - Beginning of Year	106,860	45,601
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 125,049	\$ 106,860
<b>RECONCILIATION OF NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 25,032	\$ 46,144
Realized and Unrealized Loss on Investments	1,390	1,545
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(8,162)	5,109
Accounts Payable	2,265	(1,903)
Deferred Revenue	(1,320)	(5,470)
Net Cash Provided by Operating Activities	\$ 19,205	\$ 45,425

See accountant's compilation report and accompanying notes.

**MARYLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Maryland Government Finance Officers Association, Inc. (the Association) is a nonprofit Association of finance persons in a public jurisdiction of the state of Maryland or any other persons interested in the principles and practices of governmental finance. The purpose of this Association is to promote the professional practice of government financial management, including: accounting, auditing, budgeting, debt management, education, financial reporting, recruitment, training, treasury management, and other matters of mutual interest to the members.

**Basis of Accounting**

The financial statements of the Association have been prepared on the accrual basis of accounting and in accordance with Accounting Codification Section FASB ASC 958.

**Estimates, Risks and Uncertainties**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents for purposes of the statements of cash flows consists of deposits with financial institutions, a money market mutual fund and investment securities with a maturity of three months or less at the time of purchase.

**Investments**

Investments are reported at fair value, and any realized and unrealized gains, losses, and investment income are reflected in the statement of activities as a change in unrestricted net assets, unless their use is restricted by explicit donor-imposed stipulations or by law.

**Accounts Receivable**

Accounts receivable are carried at unpaid balances, less an allowance for doubtful accounts. Management reviews receivables to determine if any receivables are potentially uncollectible. Receivable balances that are determined to be uncollectible are included in the allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. No allowance was considered necessary at June 30, 2018 and 2017.

**Revenue Recognition**

Membership fees are recognized ratably over the terms of the membership. Sponsorship revenues are recognized ratably over the sponsorship period. Unearned membership dues and registration fees are recorded as deferred revenue.

**MARYLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Asset**

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

***Unrestricted***

This category consists of net assets that are not subject to donor-imposed stipulations.

***Temporarily Restricted***

This category consists of net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Any temporarily restricted resource that is received and used during the same year is considered an unrestricted resource and is reported as unrestricted support. Temporarily restricted net assets of the Association consist of the Lloyd W. Jones Memorial Scholarship Fund. The fund was established on May 2, 1997 for the purpose of providing funds for an annual scholarship grant for an eligible government employee to be used toward attendance at the annual Summer Conference.

***Permanently Restricted***

Net assets subject to donor-imposed stipulations are required to be maintained permanently by the Association. Generally, income earned for the investments underlying these net assets may be used by the Association for purposes specified by the donor. The Association has no permanently restricted net assets at either June 30, 2018 or 2017.

**NOTE 2 CASH EQUIVALENTS**

Included in cash and cash equivalents at June 30, 2018 and 2017, are 6,331 and 6,292 shares (\$1 value/share), respectively of the T. Rowe Price Prime Reserve Fund, a money market fund seeking preservation of capital, liquidity and, consistent with these objectives, the highest possible current income.

**NOTE 3 FAIR VALUE MEASUREMENTS**

ASC 820-10-35-37 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ACS 820 are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.



**MARYLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

*Level 2* – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liabilities;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018 and 2017.

*Money Market Funds:* Valued and transacted at a stable \$1.00 net asset value, which approximates fair value. The money market fund the Association invests in is actively traded on the market and is therefore classified as a Level 1 investment.

*Fixed Income Mutual Funds:* The market value is based on the net asset value, as quoted in an active market, which is determined by the amount of shares held by the Association at year-end. Such securities are classified as a Level 1 investment.

The following table sets forth by level, within the fair value hierarchy, the Association’s assets at fair value as of June 30:

	2018			Total
	Fair Value Measurements Using			
	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	
Fixed Income Mutual Funds	\$ 47,178	\$ -	\$ -	\$ 47,178

**MARYLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

	2017			Total
	Fair Value Measurements Using			
	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	
Fixed Income Mutual Fund	\$ 47,552	\$ -	\$ -	\$ 47,552

**NOTE 4 TAX STATUS OF THE ASSOCIATION**

On February 3, 1977, the Internal Revenue Service granted the Association a certificate of exemption from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. During 2008, the tax-exempt status of the Association was changed to 501(c)(3). Therefore, the accompanying financial statements do not reflect any provision or liability for federal or state income taxes.

**NOTE 5 UNCERTAINTY IN INCOME TAXES**

The Association follows the FASB requirements for accounting for uncertain tax positions. The Association has determined that they are not required to record a liability related to uncertain tax positions.

**NOTE 6 CONTRIBUTIONS IN-KIND**

The Association receives professional services and sponsored events at the Association's conferences donated by companies that support the Association's mission. These in-kind contributions include accounting services as well as sponsored networking events during the Association's summer conference. The value of these donated services and sponsored events that are included in the financial statements and the corresponding expenses for the years ended June 30, 2018 and 2017 are \$24,758 and \$25,627, respectively.

**NOTE 7 SUBSEQUENT EVENT**

Management evaluated subsequent events through January 24, 2019, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2018, but prior to January 24, 2019 that provided additional evidence about conditions that existed at June 30, 2018, have been recognized in the financial statements for the year ended June 30, 2018. Events or transactions that provided evidence about conditions that did not exist at June 30, 2018 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2018.