

**WASHINGTON FINANCE  
OFFICERS ASSOCIATION**

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**Financial Statements and  
Independent Auditors' Report**

**December 31, 2017 and 2016**

# Washington Finance Officers Association

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Washington Finance Officers Association  
Seattle, Washington

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Washington Finance Officers Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in unrestricted net assets, 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.

### *Auditors' 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 audit 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 auditors' 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 auditors consider 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 Washington Finance Officers Association as of December 31, 2017 and 2016, 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.

Northwest CPA Group PLLC

Tri-Cities, Washington  
June 25, 2018

## Washington Finance Officers Association Statements of Financial Position

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	December 31,	
	2017	2016
<b>ASSETS</b>		
<i>CURRENT ASSETS:</i>		
Cash and cash equivalents	\$ 432,610	\$ 405,230
Prepaid expenses	-	1,013
Deposits, <i>current</i>	18,383	2,100
Total current assets	450,993	408,343
<i>DEPOSITS, NONCURRENT</i>	2,550	7,383
	\$ 453,543	\$ 415,726
 <b>LIABILITIES AND UNRESTRICTED NET ASSETS</b>		
<i>CURRENT LIABILITIES:</i>		
Accounts payable and other accruals	\$ 734	\$ -
<i>UNRESTRICTED NET ASSETS</i>	452,809	415,726
	\$ 453,543	\$ 415,726

**Washington Finance Officers Association  
Statements of Activities and Changes  
in Unrestricted Net Assets**

	Years Ended December 31,	
	2017	2016
<i>REVENUE:</i>		
Conference	\$ 375,945	\$ 367,430
Classes and seminars	134,715	124,500
Membership dues	63,375	61,350
Finance contract fees	6,000	11,500
Interest income	364	357
Other income	1,151	200
	581,550	565,337
<i>PROGRAM EXPENSES:</i>		
Conferences	334,995	332,497
Classes and seminars	67,909	67,569
Member services	24,848	27,593
Communications and newsletter	4,118	5,813
	431,870	433,472
<i>SUPPORT EXPENSE:</i>		
Management and general	112,597	85,489
	544,467	518,961
<i>CHANGES IN UNRESTRICTED NET ASSETS</i>	37,083	46,376
<i>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</i>	415,726	369,350
<i>UNRESTRICTED NET ASSETS, END OF YEAR</i>	\$ 452,809	\$ 415,726

## Washington Finance Officers Association Statements of Cash Flows

	Years Ended December 31,	
	2017	2016
<b><i>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i></b>		
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES:</i></b>		
Cash received from operations	\$ 581,186	\$ 564,980
Cash paid to vendors	(554,170)	(525,966)
Interest received	364	357
	27,380	39,371
<b><i>NET INCREASE IN CASH AND CASH EQUIVALENTS</i></b>		
<b><i>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</i></b>	405,230	365,859
<b><i>CASH AND CASH EQUIVALENTS, END OF YEAR</i></b>	\$ 432,610	\$ 405,230
<b><i>Reconciliation of Changes in Unrestricted Net Assets to Net Cash Provided by Operating Activities:</i></b>		
Changes in unrestricted net assets	\$ 37,083	\$ 46,376
Adjustments to reconcile changes in unrestricted net assets to net cash provided by operating activities:		
Decrease (increase) in assets:		
Prepaid expenses	1,013	1,194
Deposits	(11,450)	(343)
Increase (decrease) in liabilities:		
Accounts payable and other accruals	734	(7,856)
Total adjustments	(9,703)	(7,005)
Net cash provided by operating activities	\$ 27,380	\$ 39,371

# Washington Finance Officers Association

## Notes to Financial Statements

### Years ended December 31, 2017 and 2016

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#### ***NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:***

##### *Organization:*

Washington Finance Officers Association (the Organization), a nonprofit corporation, promotes excellence in governmental finance in the state of Washington through leadership, education, and communication for the public benefit. To accomplish its mission, the Organization conducts an annual conference, numerous seminars and classes, and facilitates cooperation and exchange of information among members.

##### *Summary of Significant Accounting Policies:*

*Financial statement presentation* – The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no temporarily or permanently restricted net assets at December 31, 2017 and 2016.

*Basis of presentation* – Accounting principles generally accepted in the United States of America allow the Organization to treat as unrestricted any restricted revenue where the restrictions are met in the same year. The Organization has elected to follow that reporting method. As a result, restricted revenue received in the same period the restriction is met is recorded as unrestricted.

*Cash and cash equivalents* – For the purpose of the statements of cash flows, the Organization considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank accounts with financial institutions. Cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation at various times during the year; management does not consider this to be a significant risk.

*Financial instruments* – At December 31, 2017 and 2016, the carrying value of the Organization's financial instruments approximated fair value.

*Revenue recognition* – The Organization's revenue is largely derived from membership dues, training classes, and the annual conference. Membership dues are recognized as revenue in the applicable membership period. Training and conference registration fees are recorded when earned. Refunds are recorded as a reduction to revenue in the appropriate period.



# Washington Finance Officers Association

## Notes to Financial Statements

### Years ended December 31, 2017 and 2016

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

*Summary of Significant Accounting Policies (continued):*

*Federal income tax* – The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). The Organization is not a private foundation under the Section 509(a) of the Internal Revenue Code. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to tax examinations for years prior to 2014.

*Allocations of functional expenses* – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in unrestricted net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Use of estimates* – 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

**NOTE 2 – DEPOSITS:**

The following deposits are conference and board meeting expense prepayments:

	At December 31,	
	2017	2016
Deposits for future conferences:		
2017 conference	\$ -	\$ 2,100
2018 conference	15,000	7,383
2018 board meetings	3,383	-
2020 conference	2,550	-
Total deposits for future conferences	\$ 20,933	\$ 9,483

**Washington Finance Officers Association**  
**Notes to Financial Statements**  
**Years ended December 31, 2017 and 2016**

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***NOTE 3 – FINANCE CONTRACT FEES:***

In March 2007, the Organization entered into a master-financing contract with the Washington State Treasurer's Office. The agreement provides financing to support the State's consolidated program of lease and purchase of real and personal property for state and local agencies. Financing contracts and certificates are issued under the agreement. Financing contracts establish rental payments in amounts sufficient to satisfy principal and interest payments due on the certificates, and other responsibilities of the contracting parties. The certificates are payable solely from the payments of the state or local agency and the State of Washington contingent upon their ability to appropriate funds. The title to property is retained by the respective agency subject to a security interest for performance and payment of principal and interest. The Organization receives fees as the nominal lessor when certificates are sold to state agencies.

The Organization entered into various supplemental agreements, which assigned their rights to rental payments and security interest to a fiscal agent (a commercial bank). Ultimate risk of loss lies with the fiscal agent.

The Organization earned finance contract fees related to this agreement totaling \$6,000 and \$11,500, for the years ended December 31, 2017 and 2016, respectively.

***NOTE 4 – SUBSEQUENT EVENTS:***

Subsequent events have been evaluated by management through June 25, 2018, which is the date the financial statements were available to be issued.