

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.

ST. PETERSBURG, FLORIDA
(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

June 30, 2023



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Florida Association of Student Financial Aid Administrators, Inc.
Saint Petersburg, Florida

Opinion

We have audited the accompanying financial statements of Florida Association of Student Financial Aid Administrators, Inc. (FASFAA), a non-for-profit Association which comprise the statement of financial position as of June 30, 2023, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Association of Student Financial Aid Administrators, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Our Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FASFAA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FASFAA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Florida Association of Student Financial Aid Administrators, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida Association of Student Financial Aid Administrators, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Hursey & Associates, P.A.

HURSEY & ASSOCIATES, P.A.
Tallahassee, Florida
June 14, 2024

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
St. Petersburg, Florida
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

ASSETS

Cash and Cash Equivalents	\$ 122,860
Investments	444,364
Prepaid Expenses	<u>713</u>
<u>TOTAL ASSETS</u>	<u>\$ 567,937</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 2,914
Deferred Revenue - Memberships	<u>11,185</u>
<u>TOTAL LIABILITIES</u>	<u>14,099</u>

NET ASSETS

Without Donor Restrictions	304,265
With Donor Restrictions	<u>249,573</u>
<u>TOTAL NET ASSETS</u>	<u>553,838</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 567,937</u>

See accompanying notes to financial statements.

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
St. Petersburg, Florida
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES, GAINS, AND OTHER SUPPORT</u>			
Membership Dues	\$ 26,760	\$ -	\$ 26,760
Conferences	64,435	-	64,435
Training and Education Fees	27,548	-	27,548
Contributions	69,402	1,895	71,297
Donated Facility Space	3,028	-	3,028
Dividends and Interest, Net of Investment Expenses	2,161	7,188	9,349
Total Revenues, Gains, and Reclassifications	193,334	9,083	202,417
Net Assets Released from Restrictions	26,221	(26,221)	-
<u>TOTAL REVENUES, GAINS AND OTHER SUPPORT</u>	<u>219,555</u>	<u>(17,138)</u>	<u>202,417</u>
<u>EXPENSES</u>			
Program Services	151,903	-	151,903
Management and General	22,987	-	22,987
Fundraising and Development	1,150	-	1,150
Total Expenses	176,040	-	176,040
Excess (Deficiency) from Operations	43,515	(17,138)	26,377
<u>OTHER CHANGES IN NET ASSETS</u>			
Net Realized and Unrealized Gains In Value of Investments	(6,137)	6,316	179
Total Other Changes In Net Assets	(6,137)	6,316	179
<u>CHANGE IN NET ASSETS</u>	<u>37,378</u>	<u>(10,822)</u>	<u>26,556</u>
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>266,887</u>	<u>260,395</u>	<u>527,282</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$ 304,265</u>	<u>\$ 249,573</u>	<u>\$ 553,838</u>

See accompanying notes to financial statements.

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
St. Petersburg, Florida
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Change in net assets	\$ 26,556
Adjustments to reconcile change in net assets to to net cash provided by operating activities:	
Net realized and unrealized gains in value of investments	179
(Increase) Decrease in:	
Accounts Receivable	1,364
Prepaid Expenses	9,287
Increase (Decrease) in:	
Accounts Payable	(16,544)
Deferred Revenue	<u>(815)</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>20,027</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Proceeds from sale of investments	69,219
Purchases of investments	(54,627)
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	<u>14,592</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>34,619</u>
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>88,241</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 122,860</u>

See accompanying notes to financial statements.

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.

St. Petersburg, Florida

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	Management & General	Fundraising & Development	Total
Accounting	\$ 9,600	\$ 1,800	\$ 600	\$ 12,000
Banking/Merchant Fees	1,339	5,356	-	6,695
Board Meetings	1,273	5,091	-	6,364
Conferences	85,983	-	-	85,983
Contributions To Organizations	2,500	-	-	2,500
Donated Facility Space	606	2,422	-	3,028
Insurance	216	866	-	1,082
Meetings	234	936	-	1,170
Office Supplies and Expenses	474	1,514	-	1,988
Postage	372	70	23	465
Professional and Consulting Fees	410	1,641	-	2,051
Scholarships	12,855	-	-	12,855
Technology	8,434	1,581	527	10,542
Trainings and Education	20,765	-	-	20,765
Travel	6,842	1,710	-	8,552
Total	<u>\$ 151,903</u>	<u>\$ 22,987</u>	<u>\$ 1,150</u>	<u>\$ 176,040</u>

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – Nature of the Association and Summary of Significant Accounting Policies

Founded in 1983, Florida Association of Student Financial Aid Administrators, Inc. (FASFAA) was organized to serve primarily Florida institutions and professionals by developing and maintaining professional standards of financial aid administration, promoting cooperation and communication among its members, and promoting and endorsing student financial aid programs that are consistent with good professional practice. The Association's long tradition of addressing the needs of financial aid administrators, high school guidance counselors, and others is made possible through the commitment of members, donors, and community partners. The Association delivers professional education through regular publications, workshops, conferences, research and training materials.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 *Not-for-Profit Entities – Presentation of Financial Statements*.

Under the provisions of ASC 958-205, net assets and revenue, gains, expenses and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

1. Net assets without donor restrictions represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
2. Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Association may spend the funds.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair value. All gains, losses, and investment income are without donor restrictions.

The Association's investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, without exposure to undue risk. Funds are invested in a well-diversified asset mix, which includes primarily equity and fixed income securities. Investment risk is measured in terms of the total investment portfolio; investment assets and allocation between asset classes are strategies are managed by the Fiscal Concerns Committee to avoid exposing the fund to unacceptable levels of risk.

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
NOTES TO THE FINANCIAL STATEMENTS (Continued)
June 30, 2023

NOTE 1 – Nature of the Association and Summary of Significant Accounting Policies (Continued)

Concentrations of Risk

The Association has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At various times of the year, the Association may have cash balances that exceed the insured limits, but management believes that this concentration of cash involves a reasonable level of risk.

Investment securities and limited amounts of cash are held in brokerage accounts that are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account with a limit of \$250,000 for claims on uninvested cash balances. The insurance does not protect against market losses on investments.

Revenue Recognition from Members

Membership Dues Revenue - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing membership to its members. Payment of annual dues entitles members to access a group of member benefits, which are available on an as-desired voluntary basis at any time during the membership period. Thus, membership benefits are treated as a single performance obligation and recognized ratably over the membership term. Membership dues are nonrefundable. Generally, the Association bills members annually on July 1.

Educational Activities Revenue – Educational activities revenue is not recognized as revenue until the revenue is earned, which is when the activities or services are provided, and the Association believes it is no longer required to provide additional activities or services.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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 could differ from those estimates.

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
NOTES TO THE FINANCIAL STATEMENTS (Continued)
June 30, 2023

NOTE 1 – Nature of the Association and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (5 to 10 years). Expenditures for new assets costing over \$1,000 are capitalized. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Donated Facilities and Services

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet the criteria for recognition.

The Association was provided with office space at no cost. Based on current market rates for commercial rental space the Association would have paid \$3,028 for the year ended June 30, 2023.

Functional Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Costs that can be identified with a specific program or supporting service are charged directly to that program or supporting service. Information technology and other expenses are allocated based on the percentage of time expended by FASFAA governance in the areas of program services, fundraising, and management and general. The Association reviews and updates these annually to ensure accurate and current allocations.

Income Taxes

Florida Association of Student Financial Aid Administrators, Inc. is registered with the Internal Revenue Service as a non-profit Association under Internal Revenue Code section 501(c)(3) and, accordingly, is exempt from income taxes, except for any taxes which may arise from unrelated business income. The Association has implemented the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2023, the Association has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
NOTES TO THE FINANCIAL STATEMENTS (Continued)
June 30, 2023

NOTE 2 – Liquidity and Availability

The Association's liquid financial assets as of the beginning and ending financial position date consist of cash and cash equivalents of \$88,242 and \$122,860, respectively.

As part of the Association's liquidity management, the Association prepares a budget each year and makes any necessary adjustments to ensure that revenue is adequate to cover expenses. Most of the Association's expenses are related to conferences and training activities. The Association has leeway to curtail those related expenses to meet their budgeted expenses and ensure they have enough financial liquidity to meet financial obligations.

NOTE 3 – Investments

The fair value of investments is as follows at June 30, 2023:

	<u>2,023</u>
Short term reserves and cash	\$ 44,117
Fixed income funds	231,909
Equity funds	82,191
Non-traditional mutual funds	32,526
Commodity funds	<u>53,621</u>
Total	<u>\$ 444,364</u>

The fair value of investments at the beginning of the year was \$459,136. Investment fees incurred totaled \$1,958 for the year ended June 30, 2023, which were netted with dividends and interest income.

NOTE 4 – Fair Value Measurements

Accounting Standards Codification (ASC) 820-10, Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles require disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy for which these assets and liabilities must be grouped based on significant levels of inputs as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or
- Level 3: Unobservable inputs, such as discounted cash flow models or valuations.

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
NOTES TO THE FINANCIAL STATEMENTS (Continued)
June 30, 2023

NOTE 4 – Fair Value Measurements (continued)

The table below summarizes assets, by level, for items measured at fair value on a recurring basis as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Short term reserves and cash	\$ 44,117	\$ -	\$ -	\$ 44,117
Fixed income funds	231,909	-	-	231,909
Equity funds	82,191	-	-	82,191
Non-traditional mutual funds	32,526	-	-	32,526
Commodity funds	53,621	-	-	53,621
Total	<u>\$ 444,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,364</u>

NOTE 5 – Prepaid Expenses

Prepaid expenses consist of conference hotel reservations paid in advance. Prepaid expenses at the beginning and ending of the year were \$10,000 and \$714, respectively.

NOTE 6 – Property and Equipment

Property and Equipment consists of office furniture and equipment owned by the Association, which totaled \$5,522 for the beginning of the year and the year ended June 30, 2023. Property and equipment are fully depreciated.

NOTE 7 – Accounts Payable

Accounts Payable at the beginning and ending of the year were \$19,458 and \$2,914, respectively, and consist of normal trade account payables.

NOTE 8 – Deferred Revenue

The Association charges a \$30 annual membership fee. Some revenues are collected in advance of the membership year. At June 30 (the fiscal year end), the membership year is over, thus the Association has unearned revenue representing its obligation to provide membership benefits for the remainder of the calendar year. All unearned revenue at June 30 is recognized in the following fiscal year beginning July 1. As of June 30, 2023, the deferred revenue for memberships was \$11,185. Deferred revenue at the beginning of the year was \$12,000.

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.
NOTES TO THE FINANCIAL STATEMENTS (Continued)
June 30, 2023

NOTE 9 – Net Assets With Donor Restrictions

FASFAA established the Bonnie L Pirkle Memorial scholarship program as a commitment to help deserving students benefit from higher education. Contributions received for the fund are donor restricted net assets. The scholarships are traditionally awarded during the Association's annual conference. Net assets with donor restrictions for the beginning and ending of the year were \$325,043 and \$249,573, respectively.

NOTE 10 – Subsequent Events

The Association evaluated its June 30, 2023 financial statements for the subsequent period through June 14, 2024, the date the financial statements were available to be issued. The Association is not aware of any subsequent events that would require recognition or disclosure in the financial statements.