



Thursday, June 22, 2017
Board of Directors Teleconference Meeting

2:00 p.m. - 4:00 p.m.

Dial-in Number: (800) 250-2600
Passcode: 197 9056

** For those participating by telephone, please mute your line when not speaking.*

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- 1) Introduction
 - a) Welcome/Roll Call
 - b) Additions to Agenda
 - 2) Consent Items 2:05 p.m.
 - a) Approval of minutes from May 25, 2017
 - b) May 2017 financial reports
 - 3) Discussion/Action Items 2:10 p.m.
 - a) 2016 Financial Audit Ingrid Sheipline
 - b) Weekend Training Contract Carrie Corder
 - c) Board Reimbursement for Chapter Meetings Kate Zawadzki
 - d) Davis Farr Contract for Investment Accounting Course Kate Zawadzki
 - e) PFM Asset Management, LLC Contract for Investment Accounting Course Kate Zawadzki
 - f) Neil Kupchin Contract Kate Zawadzki
 - 4) Committee Reports 3:00 p.m.
 - a) Administration Kate Zawadzki
 - b) Career Development Carrie Corder
 - c) Communications Committee Steve Heide
 - d) Conference Site Selection Joan Michaels Aguilar
 - e) Membership Ernie Reyna
 - f) Professional Standards & Recognition Craig Boyer
 - g) Program Ronnie Campbell
 - h) Technology Damien Charlety
 - 5) Chapter Roundtable 3:25 p.m.

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| 6) League Policy Committee Reports | 3:35 p.m. | |
| a) Community Services | | Tracey Hause |
| b) Environmental Quality | | Kathryn Downs |
| c) Governance, Transparency & Labor | | Stuart Schillinger |
| d) Housing, Community & Economic Development | | Don Harrison |
| e) Public Safety | | Robin Bertagna |
| f) Revenue & Taxation | | Marcus Pimentel |
| g) Transportation, Communications & Public Works | | Robin Borre |
| 7) Officer Reports | | |
| a) President | 3:45 p.m. | Drew Corbett |
| b) Past President | 3:50 p.m. | John Adams |
| c) President-Elect | 3:55 p.m. | Margaret Moggia |
| 7) Other Items | | |
| 8) Future Topics | | |
| 9) Next Meeting – Thursday, June 22, 2:00 p.m. – 4:00 p.m., via teleconference | | |
| 10) Adjournment | 4:00 p.m. | |

California Society of Municipal Finance Officers

Board of Directors Meeting Minutes

May 25, 2017

In Attendance

Drew Corbett
Margaret Moggia
John Adams
Jennifer Wakeman
Scott Catlett
Karan Reid
Brent Mason
Steve Heide
Dave Glasser
Grace Castaneda
Carrie Corder
Joan Michaels Aguilar
Ernie Reyna
Stephen Parker
Jesse Takahashi

Tracey Hause
Tim Przybyla
Brad Wilkie
Christy Pinuelas
Melinda Brodsky
Kathryn Downs
Sara Roush
Pamela Arends-King
David Cain
Vanessa Portillo
Jeannine Thrash
Carol Williams
Janet Salvetti
Melissa Dixon

Introduction

The California Society of Municipal Finance Officers (CSMFO) Board of Directors met via teleconference on Thursday, May 25, 2017. President Drew Corbett convened the meeting and confirmed a quorum was in attendance at 2:06 p.m.

Consent Calendar

The Board addressed the consent calendar, which included minutes from the March 23 Board of Directors meeting and financials from April month-end. President-Elect Margaret Moggia moved to approve the consent calendar; Past President John Adams seconded. The motion passed unanimously.

Board Resignation

President Corbett shared with the Board the resignation letter received by Director Chu Thai. Past President Adams moved to accept the resignation, and Director Karan Reid seconded. The motion passed unanimously. Mr. Thai was thanked for his service to CSMFO.

Appointment to Vacancy

President Corbett informed the Board that it is the duty of the president to recommend up to three (3) individuals to fill a vacancy on the Board. President Corbett recommended the Board appoint Steve Heide. Past President Adams moved to approve appointing Steve Heide to the remainder of the vacant term. Director Brent Mason seconded and the motion passed unanimously. With that change, Heide will become the Board Liaison to the Communications Committee; Joan Michaels Aguilar will become Chair of the Communications Committee and Marcus Pimentel will move to Vice Chair; Pamela Arends-King will move to Chair of the Conference Site Selection Committee and Michaels Aguilar will move to Vice Chair.

State Treasurer Steering Committee Appointees

President Corbett reviewed with the Board the letter from the California State Treasurer regarding CSMFO providing two (2) appointees to a Steering Committee to create a certificate program for elected and appointed officials in the area of debt issuance and administration. President Corbett's recommended appointees are Joan Michaels Aguilar and Lakshmi Kommi. Director Mason moved to approve the recommended appointees; President-Elect Margaret Moggia seconded. The motion passed unanimously.

Volunteer of the Year Award

President Corbett presented to the Board a concept of creating a new Volunteer of the Year Award to recognize the outstanding efforts by CSMFO's volunteer leadership. Nominations would be submitted to the Executive Committee, which would choose a winner to award at the Annual Conference each year. Past President Adams moved to approve the new award program, and Director Jennifer Wakeman seconded. The motion passed unanimously.

2017 Annual Conference Final Reporting

President Corbett and Conference Coordinator Janet Salvetti provided the Board with a final reporting on the Annual Conference, noting that there were approximately 1200 attendees, a 78% increase in attendance compared to the previous conference in Sacramento. The conference yielded a net income of nearly \$120,000. Director Wakeman moved to receive and file the report. Director Mason seconded and the motion passed unanimously.

Neil Kupchin Contract

Administration Committee Vice Chair Stephen Parker shared with the Board that the Committee had attempted to finalize a contract for Neil Kupchin, but the standardized contract requires insurance that Kupchin does not currently have and is not interested in obtaining. The Board discussed whether Kupchin could be an exception to the standardized contract, or if the Board would require him to obtain insurance before moving forward. After a lengthy discussion, Past President Adams moved to execute a one-year agreement with Kupchin, with CSMFO to secure the insurance on his behalf; the cost of the course when offered would be \$200 per person; and there would be a twenty-five-person maximum on the attendance. Director Scott Catlett seconded and the motion passed unanimously. Staff will also research having CSMFO obtain insurance for every CSMFO speaker/presenter, so that requirement can be removed from the standardized contract.

Survey Firm Scope of Services

Administration Committee Vice Chair Parker presented to the Board a proposed scope of services for conducting an RFP for a survey consultant. Director Reid moved to approve the scope as recommended; Past President Adams seconded. The motion passed unanimously.

Committee Reports

Administration

Administration Committee Vice Chair Parker shared with the Board that the committee will be working on finalizing the Kupchin contract and conducting the survey consultant RFP.

Career Development

Career Development Committee Chair Carrie Corder noted that nine core courses had been conducted so far this year, with six more on the calendar for the summer. Four webinars had occurred, with one additional scheduled to date.

Communications

Communications Committee Board Liaison Steve Heide shared with the Board that the committee just finalized the May issue, and is working on the July “Hot Topic” issue. A subcommittee is also working on the creation of policies to guide how official CSMFO communications are formatted and distributed.

Conference Site Selection

Conference Site Selection Vice Chair Michaels Aguilar informed the Board that the meeting planner had distributed RFPs to identified cities for the 2021 Annual Conference. The RFP has a June 2 due date.

Membership

Membership Committee Chair Ernie Reyna shared that the committee had conducted a survey of nonrenewed members for 2017, but had received a very small response. The committee revised the survey to reduce the scope and resent. It was also noted that there are eighty-four (84) cities in California without members in CSMFO, and the committee will be discussing ways to utilize chapters for recruitment activities.

Professional Standards & Recognition

Professional Standards & Recognition Committee Vice Chair Sara Roush informed the Board that the Committee had created a “quick hits” PowerPoint and is collaborating with the Technology Committee to determine the best delivery system. She also reported that the final budget review had been completed from one reviewer, and the committee is awaiting the second review. They anticipate having all reviews completed by the end of May, and will open the new award season in Awards Force upon completion.

Technology

Technology Committee Vice Chair Arends-King informed the Board that the committee was researching telemeeting options and working collaboratively with the Professional Standards & Recognition Committee.

President Report

President Corbett informed the Board that the CSMFO reception held at the GFOA Annual Conference was the largest yet, with approximately 200 people in attendance. As a result, the final expenses for the event exceeded \$15,000. A recruitment mailing will be distributed to those that RSVP'd but are not currently members of CSMFO. The new GFOA Executive Director was invited to attend the CSMFO 2018 Annual Conference.

President-Elect Report

President-Elect Moggia informed that the theme for the 2018 Annual Conference is “Mission Possible: Collaborate, Innovate, Achieve.” The logo has been drafted and will go to the Host Committee for review before being released.

The next meeting is scheduled for Thursday, June 22.

President Corbett adjourned the meeting at 4:00 p.m.

Respectfully submitted,

Melissa Dixon
Executive Director

	May 31, 17	May 31, 16	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1005 · Bank of America				
1050 · Chapter Fund Balances				
1050.03 · North Coast	270.00	25.00	245.00	980.0%
1050.04 · Sacramento Valley	1,585.76	1,159.62	426.14	36.75%
1050.05 · East Bay (SF)	919.41	0.00	919.41	100.0%
1050.06 · Central Valley	191.14	15.00	176.14	1,174.27%
1050.07 · Peninsula	1,887.87	0.00	1,887.87	100.0%
1050.08 · Monterey Bay	4,073.87	3,074.47	999.40	32.51%
1050.09 · South San Joaquin	(23.76)	0.00	(23.76)	(100.0%)
1050.10 · Central Coast	10.00	0.00	10.00	100.0%
1050.11 · Channel Counties	5,196.64	1,601.64	3,595.00	224.46%
1050.12 · San Gabriel Valley	(434.08)	(231.35)	(202.73)	(87.63%)
1050.13 · Central Los Angeles	1,146.01	1,265.07	(119.06)	(9.41%)
1050.14 · South Bay (LA)	4,076.29	3,047.51	1,028.78	33.76%
1050.15 · Desert Mountain	110.00	0.00	110.00	100.0%
1050.16 · Orange County	7,064.98	6,516.90	548.08	8.41%
1050.17 · Inland Empire	9,323.23	1,506.14	7,817.09	519.02%
1050.18 · Coachella Valley	1,045.77	0.00	1,045.77	100.0%
1050.19 · San Diego County	2,403.88	3,153.39	(749.51)	(23.77%)
Total 1050 · Chapter Fund Balances	38,847.01	21,133.39	17,713.62	83.82%
1005 · Bank of America - Other	150,291.81	99,527.93	50,763.88	51.01%
Total 1005 · Bank of America	189,138.82	120,661.32	68,477.50	56.75%
1040 · Investments LAIF	886,526.44	880,736.84	5,789.60	0.66%
Total Checking/Savings	1,075,665.26	1,001,398.16	74,267.10	7.42%
Accounts Receivable				
1100 · Accounts receivable	3,651.87	5,126.50	(1,474.63)	(28.77%)
Total Accounts Receivable	3,651.87	5,126.50	(1,474.63)	(28.77%)
Other Current Assets				
1105 · Prepaid Taxes	0.00	615.00	(615.00)	(100.0%)
1120 · A/R - CSMFO Database	9,772.00	4,494.00	5,278.00	117.45%
1250 · Prepaid Expense - General				
1252 · Prepaid Admin Fees	0.00	11,605.50	(11,605.50)	(100.0%)
Total 1250 · Prepaid Expense - General	0.00	11,605.50	(11,605.50)	(100.0%)
1260 · Prepaid Expense Conference				
1262 · Facilities Deposits	9,156.00	5,500.00	3,656.00	66.47%
1264 · Conference Services	701.58	1,406.55	(704.97)	(50.12%)
1260 · Prepaid Expense Conference - Other	0.00	566.30	(566.30)	(100.0%)
Total 1260 · Prepaid Expense Conference	9,857.58	7,472.85	2,384.73	31.91%

	May 31, 17	May 31, 16	\$ Change	% Change
Total Other Current Assets	19,629.58	24,187.35	(4,557.77)	(18.84%)
Total Current Assets	1,098,946.71	1,030,712.01	68,234.70	6.62%
Other Assets				
1500 · CSMFO/SMA Database AR	64,800.00	0.00	64,800.00	100.0%
Total Other Assets	64,800.00	0.00	64,800.00	100.0%
TOTAL ASSETS	1,163,746.71	1,030,712.01	133,034.70	12.91%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts payable	22,519.25	0.00	22,519.25	100.0%
Total Accounts Payable	22,519.25	0.00	22,519.25	100.0%
Other Current Liabilities				
2003 · A/P Other- SMA Conference	24,995.25	20,367.00	4,628.25	22.72%
2005 · Distinguished Service Awards	0.00	500.00	(500.00)	(100.0%)
Total Other Current Liabilities	24,995.25	20,867.00	4,128.25	19.78%
Total Current Liabilities	47,514.50	20,867.00	26,647.50	127.7%
Total Liabilities	47,514.50	20,867.00	26,647.50	127.7%
Equity				
3020 · Retained earnings	779,157.79	786,842.30	(7,684.51)	(0.98%)
3100 · Net Assets-Chapters	38,847.01	21,133.39	17,713.62	83.82%
Net Income	298,227.41	201,869.32	96,358.09	47.73%
Total Equity	1,116,232.21	1,009,845.01	106,387.20	10.54%
TOTAL LIABILITIES & EQUITY	1,163,746.71	1,030,712.01	133,034.70	12.91%

	May 17	Jan-May 17	YTD Budget	\$ Over Budget	% of Budget	Annual Budget	Jan -May17	Jan-May 16	\$ Change	% Change
OPERATING REVENUES										
4100 · Membership Dues	5,270.00	228,582.25	215,447.00	13,135.25	106.1%	223,200.00	228,582.25	210,830.00	17,752.25	8.42%
4200 · Interest Income	0.00	3,197.42	1,500.00	1,697.42	213.16%	3,000.00	3,197.42	1,528.80	1,668.62	109.15%
4302 · Website Magazine Ads	14,000.00	69,902.49	70,802.00	(899.51)	98.73%	151,000.00	69,902.49	70,066.00	(163.51)	-0.23%
4306 · Website Ads	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00%
4490 · Budget/CAFR Fees	150.00	400.00	550.00	(150.00)	72.73%	16,100.00	400.00	650.00	(250.00)	-38.46%
TOTAL OPERATING REVENUES	19,420.00	302,082.16	288,299.00	13,783.16	104.78%	393,300.00	302,082.16	283,074.80	19,007.36	106.71%
OPERATING EXPENSES										
6255 · GFOA Reception	14,138.65	15,438.65	10,000.00	5,438.65	154.39%	10,000.00	15,438.65	0.00	15,438.65	0.00%
6105 · Marketing/Membership	0.00	375.00	0.00	375.00	100.0%	0.00	375.00	0.00	375.00	0.00%
6106 · Storage Expense	0.00	397.28	240.91	156.37	164.91%	589.16	397.28	198.15	199.13	0.00%
6110 · President's Expense	926.08	2,018.85	1,700.00	318.85	118.76%	6,000.00	2,018.85	727.70	1,291.15	0.00%
6115 · Board of Directors	0.00	2,477.21	1,916.65	560.56	129.25%	4,600.00	2,477.21	2,174.45	302.76	0.00%
6120 · Committee/Chapter Support	0.00	195.81	1,041.65	(845.84)	18.8%	2,500.00	195.81	0.00	195.81	0.00%
6125 · Board Planning Session-Retreat	0.00	0.00	0.00	0.00	0.0%	31,700.00	0.00	0.00	0.00	0.00%
6140 · Management Services	12,537.58	86,184.78	82,416.36	3,768.42	104.57%	268,479.00	86,184.78	82,416.36	3,768.42	4.57%
6150 · Office Supplies	0.00	118.28	125.00	(6.72)	94.62%	300.00	118.28	192.21	(73.93)	0.00%
6155 · Merchant Fees/Bank Chgs.	966.99	15,309.42	15,942.45	(633.03)	96.03%	25,000.00	15,309.42	17,053.45	(1,744.03)	-10.23%
6160 · Awards	0.00	481.98	143.15	338.83	336.7%	5,000.00	481.98	143.15	338.83	0.00%
6165 · Printing	14.73	118.96	13,001.04	(12,882.08)	0.92%	13,500.00	118.96	13,001.04	(12,882.08)	0.00%
6170 · Magazine	3,784.00	6,679.78	3,695.48	2,984.30	180.76%	15,000.00	6,679.78	6,632.31	47.47	0.00%
6175 · Postage	908.13	1,062.43	1,419.06	(356.63)	74.87%	2,000.00	1,062.43	1,101.67	(39.24)	0.00%
6185 · Telephone/Bridge Calls	69.06	507.14	1,961.46	(1,454.32)	25.86%	5,100.00	507.14	1,660.71	(1,153.57)	0.00%
6190 · Web and Technology	1,875.00	5,338.95	7,916.65	(2,577.70)	67.44%	19,000.00	5,338.95	8,303.00	(2,964.05)	-35.70%
6200 · Travel/Staff Expenses	0.00	0.00	416.65	(416.65)	0.0%	1,000.00	0.00	0.00	0.00	0.00%
6220 · Audit & Tax Filing	0.00	0.00	0.00	0.00	0.0%	9,500.00	0.00	0.00	0.00	0.00%
6230 · Insurance	0.00	1,160.00	1,450.00	(290.00)	80.0%	2,000.00	1,160.00	1,690.00	(530.00)	0.00%
6246 · Prior Year Taxes	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00%
6240 · Taxes	0.00	8,360.00	6,926.62	1,433.38	120.69%	20,000.00	8,360.00	7,083.00	1,277.00	554.66%
6250 · Miscellaneous	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00%
6999 · Previous Year Adjustments	0.00	0.00	424.85	(424.85)	0.0%	0.00	0.00	424.85	(424.85)	0.00%
TOTAL OPERATING EXPENSES	35,220.22	146,224.52	150,737.98	(4,513.46)	97.01%	441,268.16	146,224.52	142,802.05	3,422.47	102.40%
NET OPERATING REVENUE	(15,800.22)	155,857.64	137,561.02	18,296.62	113.3%	(47,968.16)	155,857.64	140,272.75	15,584.89	111.11%

	May 17	Jan-May 17	YTD Budget	\$ Over Budget	% of Budget	Annual Budget	Jan -May17	Jan-May 16	\$ Change	% Change
PROGRAM REVENUES										
4503 · Contributions and Donations	1,237.80	1,237.80	1,250.00	(12.20)	99.02%	5,000.00	1,237.80	0.00	1,237.80	0.00%
4505 · Webinar	675.00	1,750.00	1,250.00	500.00	140.0%	3,000.00	1,750.00	450.00	1,300.00	288.89%
4520 · Weekend Training	1,725.00	450.00	0.00	450.00	100.0%	20,000.00	450.00	0.00	450.00	0.00%
4570 · Intro to Government	1,800.00	10,200.00	11,345.00	(1,145.00)	89.91%	19,800.00	10,200.00	11,775.00	(1,575.00)	0.00%
4580 · Presentation/Fiscal Policy	300.00	150.00	8,134.00	(7,984.00)	1.84%	12,000.00	150.00	8,400.00	(8,250.00)	0.00%
4590 · Intermediate Government Acct	3,000.00	23,625.00	20,625.00	3,000.00	114.55%	49,500.00	23,625.00	24,750.00	(1,125.00)	-4.55%
4594 · CMTA/CSMFO Course	0.00	1,859.02	3,750.00	(1,890.98)	49.57%	3,750.00	1,859.02	3,420.00	(1,560.98)	-45.64%
4595 · Revenue Fundamentals I	0.00	0.00	0.00	0.00	0.0%	15,000.00	0.00	0.00	0.00	0.00%
4596 · Revenue Fundamentals II	0.00	0.00	0.00	0.00	0.0%	7,000.00	0.00	0.00	0.00	0.00%
TOTAL PROGRAM REVENUES	8,737.80	39,271.82	46,354.00	(7,082.18)	594.89%	135,050.00	39,271.82	48,795.00	(9,523.18)	-19.52%
PROGRAM EXPENSES										
6494 · Webinar Expenses	0.00	0.00	0.00	0.00	0.0%	2,500.00	0.00	0.00	0.00	0.00%
6594 · CMTA/CSMFO Course Exp	0.00	0.00	1,300.00	(1,300.00)	0.0%	1,300.00	0.00	1,300.34	(1,300.34)	0.00%
6420 · Weekend Trainings	0.00	0.00	0.00	0.00	0.0%	25,000.00	0.00	0.00	0.00	0.00%
6430 · Intro to Government	0.00	0.00	1,600.00	(1,600.00)	0.0%	19,200.00	0.00	1,057.62	(1,057.62)	0.00%
6450 · Presentation/Fiscal Policy	0.00	0.00	6,104.04	(6,104.04)	0.0%	16,792.00	0.00	6,428.71	(6,428.71)	0.00%
6480 · Intermediate Governmental Acct.	3,042.24	15,770.79	19,710.03	(3,939.24)	80.01%	41,700.00	15,770.79	19,616.40	(3,845.61)	0.00%
6490 · Government Acctg	0.00	1,800.17	0.00	1,800.17	100.0%	0.00	1,800.17	0.00	1,800.17	0.00%
6595 · Revenue Fundamental I	0.00	0.00	5,276.65	(5,276.65)	0.0%	12,664.00	0.00	0.00	0.00	0.00%
6596 · Revenue Fundamental II	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00%
TOTAL PROGRAM EXPENSES	3,042.24	17,570.96	33,990.72	(16,419.76)	1.80	169,156.00	17,570.96	28,403.07	(10,832.11)	0.00
NET PROGRAM REVENUE	5,695.56	21,700.86	12,363.28	9,337.58	175.53%	(34,106.00)	21,700.86	20,391.93	1,308.93	6.42%
OTHER Revenue										
4999 · Unknown/Unallocated	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	1,630.00	(1,630.00)	-100.00%
TOTAL OTHER Revenue	0.00	0.00	0.00	0.00	0.0%	(34,106.00)	0.00	1,630.00	(1,630.00)	0.00%
OTHER EXPENSES										
6970 · Branding & Style Guide	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	6,750.00	(6,750.00)	-100.00%
6990 · Database Development	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00%
9950 · Prior Period Adjustment	3,300.00	2,246.38	0.00	2,246.38	100.0%	0.00	2,246.38	0.00	2,246.38	0.00%
TOTAL OTHER EXPENSES	3,300.00	2,246.38	0.00	2,246.38	100.0%	0.00	2,246.38	6,750.00	(6,750.00)	0.00%
CHAPTER REVENUE	11,529.00	42,424.00	40,562.00	1,862.00	104.59%	90,000.00	42,424.00	40,807.00	1,617.00	3.96%
CHAPTER EXPENSES	6,108.85	38,885.37	22,793.68	16,091.69	170.6%	80,000.00	38,885.37	21,355.68	17,529.69	82.08%
NET CHAPTER REVENUE	5,420.15	3,538.63	17,768.32	(14,229.69)	0.0%	10,000.00	3,538.63	19,451.32	(15,912.69)	-81.81%

	May 17	Jan-May 17	YTD Budget	\$ Over Budget	% of Budget	Annual Budget	Jan -May17	Jan-May 16	\$ Change	% Change
TOTAL CONFERENCE REVENUE	2,525.00	826,275.49	722,925.00	103,350.49	114.3%	722,925.00	826,275.49	862,465.00	(36,189.51)	-4.20%
TOTAL CONFERENCE EXPENSES	2,865.83	706,898.83	754,795.00	(47,896.17)	93.65%	754,795.00	706,898.83	835,591.68	(128,692.85)	0.00%
NET CONFERENCE REVENUE	(340.83)	119,376.66	(31,870.00)	151,246.66	140.96%	(31,870.00)	119,376.66	26,873.32	92,503.34	344.22%
TOTAL NET REVENUE	(8,325.34)	298,227.41	135,822.62	162,404.79	219.57%	(53,944.16)	298,227.41	201,869.32	96,358.09	47.73%

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.04 · Sacramento Valley	1,370.00
Total 4501 · Chapter Income	<u>1,370.00</u>
Total 4500 · PROGRAM REVENUES	<u>1,370.00</u>
Total Income	<u>1,370.00</u>
Gross Profit	1,370.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.54 · Prior Period Sacramento Valley	70.00
Total 6401 · Chapter Expenses	<u>70.00</u>
Total 6400 · PROGRAM EXPENSES	<u>70.00</u>
Total Expense	<u>70.00</u>
Net Ordinary Income	<u>1,300.00</u>
Net Income	<u><u>1,300.00</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.05 · East Bay (SF)	1,485.00
Total 4501 · Chapter Income	<u>1,485.00</u>
Total 4500 · PROGRAM REVENUES	<u>1,485.00</u>
Total Income	<u>1,485.00</u>
Gross Profit	1,485.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.05 · East Bay (SF)	3,080.55
6401.55 · Prior Period East Bay	60.00
Total 6401 · Chapter Expenses	<u>3,140.55</u>
Total 6400 · PROGRAM EXPENSES	<u>3,140.55</u>
Total Expense	<u>3,140.55</u>
Net Ordinary Income	<u>(1,655.55)</u>
Net Income	<u><u>(1,655.55)</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.06 · Central Valley	1,169.00
Total 4501 · Chapter Income	<u>1,169.00</u>
Total 4500 · PROGRAM REVENUES	<u>1,169.00</u>
Total Income	<u>1,169.00</u>
Gross Profit	1,169.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.06 · Central Valley	678.54
6401.56 · Prior Period Central Valley	20.00
Total 6401 · Chapter Expenses	<u>698.54</u>
Total 6400 · PROGRAM EXPENSES	<u>698.54</u>
Total Expense	<u>698.54</u>
Net Ordinary Income	<u>470.46</u>
Net Income	<u><u>470.46</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.07 · Peninsula	0.00
Total 4501 · Chapter Income	0.00
Total 4500 · PROGRAM REVENUES	0.00
Total Income	0.00
Gross Profit	0.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.07 · Peninsula	530.00
6401.57 · Prior Period Peninsula	120.00
Total 6401 · Chapter Expenses	650.00
Total 6400 · PROGRAM EXPENSES	650.00
Total Expense	650.00
Net Ordinary Income	(650.00)
Net Income	<u>(650.00)</u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.08 · Monterey Bay	3,639.00
Total 4501 · Chapter Income	3,639.00
Total 4500 · PROGRAM REVENUES	3,639.00
Total Income	3,639.00
Gross Profit	3,639.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.08 · Monterey Bay	1,861.67
Total 6401 · Chapter Expenses	1,861.67
Total 6400 · PROGRAM EXPENSES	1,861.67
Total Expense	1,861.67
Net Ordinary Income	1,777.33
Net Income	<u><u>1,777.33</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.09 · South San Joaquin	825.00
Total 4501 · Chapter Income	<u>825.00</u>
Total 4500 · PROGRAM REVENUES	<u>825.00</u>
Total Income	<u>825.00</u>
Gross Profit	825.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.09 · South San Joaquin	689.28
Total 6401 · Chapter Expenses	<u>689.28</u>
Total 6400 · PROGRAM EXPENSES	<u>689.28</u>
Total Expense	<u>689.28</u>
Net Ordinary Income	<u>135.72</u>
Net Income	<u><u>135.72</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.10 · Central Coast	56.00
Total 4501 · Chapter Income	<u>56.00</u>
Total 4500 · PROGRAM REVENUES	<u>56.00</u>
Total Income	<u>56.00</u>
Gross Profit	56.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.60 · Prior Period Central Coast	28.00
Total 6401 · Chapter Expenses	<u>28.00</u>
Total 6400 · PROGRAM EXPENSES	<u>28.00</u>
Total Expense	<u>28.00</u>
Net Ordinary Income	<u>28.00</u>
Net Income	<u><u>28.00</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.11 · Channel Counties	3,385.00
Total 4501 · Chapter Income	<u>3,385.00</u>
Total 4500 · PROGRAM REVENUES	<u>3,385.00</u>
Total Income	<u>3,385.00</u>
Gross Profit	3,385.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.11 · Channel Counties	4,019.87
6401.61 · Prior Period Channel Counties	125.00
Total 6401 · Chapter Expenses	<u>4,144.87</u>
Total 6400 · PROGRAM EXPENSES	<u>4,144.87</u>
Total Expense	<u>4,144.87</u>
Net Ordinary Income	<u>(759.87)</u>
Net Income	<u><u>(759.87)</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.12 · San Gabriel Valley	3,260.00
Total 4501 · Chapter Income	3,260.00
Total 4500 · PROGRAM REVENUES	3,260.00
Total Income	3,260.00
Gross Profit	3,260.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.12 · San Gabriel Valley	3,630.33
Total 6401 · Chapter Expenses	3,630.33
Total 6400 · PROGRAM EXPENSES	3,630.33
Total Expense	3,630.33
Net Ordinary Income	(370.33)
Net Income	<u><u>(370.33)</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.13 · Central Los Angeles	1,880.00
Total 4501 · Chapter Income	1,880.00
Total 4500 · PROGRAM REVENUES	1,880.00
Total Income	1,880.00
Gross Profit	1,880.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.13 · Central Los Angeles	931.13
6401.63 · Prior Period Central LA	60.00
Total 6401 · Chapter Expenses	991.13
Total 6400 · PROGRAM EXPENSES	991.13
Total Expense	991.13
Net Ordinary Income	888.87
Net Income	<u><u>888.87</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.14 · South Bay (LA)	540.00
Total 4501 · Chapter Income	540.00
Total 4500 · PROGRAM REVENUES	540.00
Total Income	540.00
Gross Profit	540.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.14 · South Bay (LA)	2,182.06
Total 6401 · Chapter Expenses	2,182.06
Total 6400 · PROGRAM EXPENSES	2,182.06
Total Expense	2,182.06
Net Ordinary Income	(1,642.06)
Net Income	<u><u>(1,642.06)</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.15 · Desert Mountain	0.00
Total 4501 · Chapter Income	0.00
Total 4500 · PROGRAM REVENUES	0.00
Total Income	0.00
Gross Profit	0.00
Net Ordinary Income	0.00
Net Income	<u>0.00</u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.16 · Orange County	7,720.00
Total 4501 · Chapter Income	7,720.00
Total 4500 · PROGRAM REVENUES	7,720.00
Total Income	7,720.00
Gross Profit	7,720.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.16 · Orange County	7,627.11
Total 6401 · Chapter Expenses	7,627.11
Total 6400 · PROGRAM EXPENSES	7,627.11
Total Expense	7,627.11
Net Ordinary Income	92.89
Net Income	<u>92.89</u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.17 · Inland Empire	14,470.00
Total 4501 · Chapter Income	<u>14,470.00</u>
Total 4500 · PROGRAM REVENUES	<u>14,470.00</u>
Total Income	<u>14,470.00</u>
Gross Profit	14,470.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.17 · Inland Empire	9,908.03
6401.67 · Prior Period Inland Empire	60.00
Total 6401 · Chapter Expenses	<u>9,968.03</u>
Total 6400 · PROGRAM EXPENSES	<u>9,968.03</u>
Total Expense	<u>9,968.03</u>
Net Ordinary Income	<u>4,501.97</u>
Net Income	<u><u>4,501.97</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.18 · Coachella Valley	2,025.00
Total 4501 · Chapter Income	<u>2,025.00</u>
Total 4500 · PROGRAM REVENUES	<u>2,025.00</u>
Total Income	<u>2,025.00</u>
Gross Profit	2,025.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.18 · Coachella Valley	2,151.25
6401.68 · Prior Period Coachella	150.00
Total 6401 · Chapter Expenses	<u>2,301.25</u>
Total 6400 · PROGRAM EXPENSES	<u>2,301.25</u>
Total Expense	<u>2,301.25</u>
Net Ordinary Income	<u>(276.25)</u>
Net Income	<u><u>(276.25)</u></u>

	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
4500 · PROGRAM REVENUES	
4501 · Chapter Income	
4501.19 · San Diego County	600.00
Total 4501 · Chapter Income	600.00
Total 4500 · PROGRAM REVENUES	600.00
Total Income	600.00
Gross Profit	600.00
Expense	
6400 · PROGRAM EXPENSES	
6401 · Chapter Expenses	
6401.19 · San Diego County	877.55
6401.69 · Prior Period San Diego	25.00
Total 6401 · Chapter Expenses	902.55
Total 6400 · PROGRAM EXPENSES	902.55
Total Expense	902.55
Net Ordinary Income	(302.55)
Net Income	<u><u>(302.55)</u></u>

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

AUDIT PRESENTATION AGENDA

June 22, 2017

Presentation by Richardson & Company, LLP of the Audit, including the following communications required by Generally Accepted Auditing Standards:

Reports issued

- Audited Financial Statements with auditors opinion
- Required communications letter
- Management letter

Independent Auditor's Report

- Amounts reported are the responsibility of management
- Auditor's responsibility
- Financial statements prepared on behalf of CSMFO
- Unmodified (clean) opinion

Discussion of financial statements

- Statements of Financial Position (page 3)
- Statement of Activities (page 4)
- Net asset designations (page 6)
- Commitment disclosure (pages 8 and 9)
- Supplemental schedule—historical data (page 10)

Required Communications letter

- Accounting estimates—income tax accrual
- Audit adjustments – 4 adjustments
- Unadjusted differences--none noted
- No difficulties in performing the audit and no unusual accounting practices

Management letter

- No material weaknesses in internal control
- Other item noted
 - Reconciliation of conference, member dues and workshop revenues from database to the general ledger



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GOVERNANCE LETTER

Board of Directors
California Society of
Municipal Finance Officers
Sacramento, California

We have audited the financial statements of the California Society of Municipal Finance Officers (CSMFO) for the year ended December 31, 2016, and have issued our report thereon dated June 7, 2017. Professional standards require that we provide you with the following information about our responsibility under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 20, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered CSMFO's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no material weaknesses in internal control as a result of our audit.

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated February 20, 2017.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by CSMFO are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by CSMFO during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is the amount of taxes owed on unrelated business income. We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The accrual for unrelated business income tax is based on a preliminary calculation of taxable income for 2016 until the actual tax return is filed.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed four audit adjustment to CSMFO's financial statements, which were corrected by management. The adjustments were to rollforward fund balance, reclassify two conference expense items to prepaid assets, and accrue additional tax expense for unrelated business income not included in the calculation.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 7, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to CSMFO’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as CSMFO’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of CSMFO and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

June 7, 2017



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MANAGEMENT LETTER

Board of Directors
California Society of Municipal Finance Officers
Sacramento, California

In planning and performing our audit of the financial statements of California Society of Municipal Finance Officers (CSMFO) for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered CSMFO's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSMFO's internal control. Accordingly, we do not express an opinion on the effectiveness of CSMFO's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The following suggestion is provided for your consideration:

Membership, Conference and Education Workshop Revenues

During our prior year audit, we recommended CSMFO reconcile the database that tracks member dues, education workshop attendees and conference attendees/sponsors/exhibitors to the general ledger to ensure proper revenue recognition. During our current year audit, we confirmed that a reconciliation was attempted but was not completed, nor was evidence of the reconciliation documented. Documentation of a reconciliation needs to include reports from the database used to perform the reconciliation, as well as any differences that were not explained. We recommend that the reconciliation be documented, reports used in the reconciliation be retained and that any differences are explained in order to ensure proper revenue recognition. We understand that a reconciliation cannot be completed due to limitations in the database used to track membership and conferences, and that this item will be resolved when a new system is put in place in 2019.

* * * * *

Board of Directors
California Society of Municipal Finance Officers
Page 2

This communication is intended solely for the information and use of management, the Board of Directors and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

June 7, 2017

**CALIFORNIA SOCIETY OF
MUNICIPAL FINANCE OFFICERS**

Audited Financial Statements

December 31, 2016 and 2015



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Society of Municipal Finance Officers
Sacramento, California

We have audited the accompanying financial statements of the California Society of Municipal Finance Officers (CSMFO), which comprise the statements of financial position as of December 31, 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 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 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.

To the Board of Directors
California Society of Municipal Finance Officers

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSMFO as of December 31, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Richardson & Company, LLP

June 7, 2017

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and investments	\$ 1,359,032	\$ 1,250,275
Accounts and accrued interest receivable	5,678	2,395
Prepaid expenses	<u>182,681</u>	<u>30,467</u>
TOTAL ASSETS	<u>\$ 1,547,391</u>	<u>\$ 1,283,137</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and other liabilities	\$ 41,130	\$ 33,781
Deferred revenue	<u>688,255</u>	<u>441,380</u>
TOTAL LIABILITIES	<u>729,385</u>	<u>475,161</u>
NET ASSETS		
Unrestricted		
Undesignated	354,711	410,175
Designated - Chapters	38,847	24,322
Designated - Operating reserve	135,410	109,727
Designated - Conference reserve	<u>289,038</u>	<u>263,752</u>
TOTAL NET ASSETS	<u>818,006</u>	<u>807,976</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,547,391</u>	<u>\$ 1,283,137</u>

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

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

STATEMENTS OF ACTIVITIES

December 31, 2016 and 2015

	2016	2015
REVENUE AND SUPPORT		
Annual conference	\$ 864,292	\$ 666,100
Membership dues	220,740	209,300
Publication advertising	144,687	109,760
Education workshops	119,932	119,565
Chapter income	95,847	73,164
Award fee	17,150	16,950
Contributions	1,886	
Interest	4,121	1,601
Miscellaneous income	51	
TOTAL REVENUE AND SUPPORT	1,468,706	1,196,440
EXPENSES		
Program services:		
Annual conference	855,579	578,075
Consultants	96,171	81,481
Education workshops	100,347	101,461
Technology initiatives	17,815	13,009
Total program services	1,069,912	774,026
Supporting services:		
Management services	139,966	121,334
Board and committee meetings	33,461	39,235
Chapter expense	85,724	66,541
Newsletter	22,885	
Printing	13,231	12,594
Audit and tax	9,400	9,250
Bank charges	15,238	14,004
Miscellaneous	18,189	6,235
President expenses	2,521	3,110
GFOA reception	5,453	9,324
Postage and shipping	2,133	1,731
Insurance	2,240	1,660
Bad debt expense		835
Total supporting services	350,441	285,853
TOTAL EXPENSES	1,420,353	1,059,879
INCREASE IN UNRESTRICTED NET ASSETS	48,353	136,561
Provision for income taxes on unrelated business income	38,323	25,190
CHANGE IN NET ASSETS	10,030	111,371
Net assets at beginning of year	807,976	696,605
NET ASSETS AT END OF YEAR	\$ 818,006	\$ 807,976

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

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

STATEMENTS OF CASH FLOWS

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATIONS		
Change in net assets	\$ 10,030	\$ 111,371
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Bad debt expense		835
Changes in assets and liabilities:		
Accounts and accrued interest receivable	(3,283)	620
Prepaid expenses	(152,214)	(23,071)
Accounts payable and other liabilities	7,349	(4,536)
Unrelated business income taxes payable		(6,217)
Deferred revenue	246,875	53,605
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	108,757	132,607
Cash and cash equivalents at beginning of year	<u>1,250,275</u>	<u>1,117,668</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,359,032</u></u>	<u><u>\$ 1,250,275</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for taxes	<u><u>\$ 20,499</u></u>	<u><u>\$ 32,288</u></u>

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

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The California Society of Municipal Finance Officers (CSMFO) was formed as a California nonprofit mutual benefit corporation to promote professional administration of municipal finance and to strive for the attainment of professional status of all those responsible for the conduct of the activities of the field. The programs of CSMFO comprise:

Annual Conference – CSMFO holds one seminar a year for their members to discuss issues affecting city finance officers.

Education Workshops – Education workshops are held during the year to benefit the members of CSMFO.

Scholarship – CSMFO collects contributions from its members for a scholarship award program to give assistance to local government finance officers to attend training seminars.

Technology Initiatives – CSMFO maintains a website which offers government finance professionals sample technical resources, links and references. A group e-mail service is also available to members to exchange information and survey other professionals on financial practices.

Basis of Presentation: The financial statements of CSMFO are prepared in conformity with generally accepted accounting principles. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the CSMFO is required to report 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. CSMFO has no permanently and temporarily restricted net assets.

Cash and Investments: Investments are stated at cost which approximates fair value. CSMFO invests its available cash through the Local Agency Investment Fund. Cash held in the Local Agency Investment Fund as of December 31, 2016 and 2015 was \$883,329 and \$579,208, respectively.

Deferred Revenue: CSMFO recorded deferred revenue relating to membership dues and seminar registration fees received prior to December 31, 2016 and 2015 for the next fiscal year.

Net Assets Designations: CSMFO maintains reserves to enable the organization to continue operating during difficult financial times. The reserve consists of two components, an operating reserve representing 25% of current year budgeted operating and program expenses and a conference reserve representing 50% of prior year actual conference expenses. CSMFO also reports accounts maintained on behalf of the Chapters as a designation of net assets.

Revenue and Support: Revenue is derived primarily from membership dues, seminars, workshops and advertising sales. Revenue derived from membership dues are recognized over the period to which the dues relate. Seminar and workshop revenue is recognized in the period in which the event takes place. Advertising sales revenue is recognized in the period the ad was placed.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: CSMFO is a tax-exempt organization under Section 501(c) (6) of the Internal Revenue Code and Section 23701e of the California Revenue and Taxation Code and, therefore, is subject to federal and state income taxes only on unrelated business income earned. There was \$144,687 and \$109,760 in unrelated business income from advertising during the years ended December 31, 2016 and 2015, respectively. For the year ended December 31, 2016, CSMFO estimated \$24,324 for federal income taxes and \$9,379 for state income taxes on unrelated business income. For the year ended December 31, 2015, CSMFO estimated \$17,363 for federal income taxes and \$7,569 for state income taxes on unrelated business income.

CSMFO's federal returns for the years ended December 31, 2015, 2014, and 2013 could be subject to examination by federal taxing authorities, generally for three years after they are filed. CSMFO's state returns for the years ended December 31, 2015, 2014, 2013, and 2012 could be subject to examination by state taxing authorities, generally for four years after they are filed.

Cash and Cash Equivalents: For purposes of presentation in the Statement of Cash Flows, CSMFO considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: CSMFO evaluated all events or transactions that occurred after December 31, 2016 and up to June 7, 2017, the date the financial statements were issued. During this time, CSMFO did not have any recognizable or unrecognizable subsequent events.

New Pronouncements: In August 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-14 that will simplify and improve how not-for-profit entities classify net assets as well as the information presented in financial statements and notes about liquidity, financial performance and cash flows. This statement will be effective for the year ended December 31, 2019.

NOTE B – CONCENTRATIONS

A substantial portion of CSMFO's revenues are obtained from its members, which consist of municipal finance officers and persons whose livelihood is derived from activities related to municipal finance in the State of California. Dues revenue received from these members comprised 15% and 17% of CSMFO's total revenues for 2016 and 2015, respectively. A majority of the Annual Conference revenue, which comprises 59% and 56% of CSMFO's total revenues for 2016 and 2015, respectively, is also obtained from its members.

At December 31, 2016 and 2015, the carrying amounts of CSMFO's deposits were \$475,703 and \$671,067 and the balances in a financial institution were \$450,749 and \$686,472, respectively. The balances maintained in the financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2016 and 2015, CSMFO's uninsured cash balance totaled \$200,749 and \$436,472, respectively.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE C – COMMITMENTS

In 2017, CSMFO entered into an amended agreement with SMA whereby SMA agrees to provide management services and meeting planning services on behalf of CSMFO and will receive compensation of \$193,300, annually, through 2021. SMA will assist CSMFO's Career Development Committee in the development of education courses and will receive additional compensation up to \$7,000, annually, through 2018. Furthermore, CSMFO will reimburse SMA for direct subcontractor costs associated with the creation of a new association management system, up to \$150,000. SMA will also receive reimbursement for expenses incurred under this agreement.

In 2015, CSMFO entered into a three-year agreement with Don Maruska and Company (DMC) beginning on January 1, 2016, whereby DMC agrees to facilitate CSMFO's coaching program. DMC will receive compensation of \$74,128 and \$74,128 in 2017 and 2018, respectively. Additionally, DMC will receive reimbursement for expenses incurred under this agreement.

In 2015, CSMFO entered into a three-year agreement with Coleman Advisory Services (CAS) beginning on January 1, 2016, whereby CAS agrees to provide training and consulting services. CAS will receive compensation of \$12,800 and \$13,000 in 2017 and 2018, respectively. Additionally, CAS will receive reimbursement for expenses incurred under this agreement.

In 2016, CSMFO entered into a three-year agreement with Susan Mayer beginning on January 1, 2016, whereby Susan agrees to instruct courses on Intermediate Government Accounting as scheduled by CSMFO. Susan will receive compensation of \$2,000 per course instruction, plus reimbursement for reasonable travel and lodging expenses.

In 2015, CSMFO entered into an agreement with Marriott Riverside (Marriott) for guest rooms for the February 2018 Annual Conference. The agreement with the Marriott for facilities and rooms includes a cancellation policy that obligates CSMFO to pay a minimum of \$15,444 for cancelling by August 22, 2017, and up to \$41,184 for failing to cancel less than 60 days prior to the event.

In 2015, CSMFO entered into an agreement with Riverside Convention Center (the Center) to rent the Riverside Convention Center for the 2018 Annual Conference. The agreement with the Center for exhibit halls, rooms, and food and beverages includes a cancellation policy that obligates CSMFO to pay a minimum of \$17,725 for cancelling by October 24, 2017, and up to \$70,901 for failing to cancel less than 90 days prior to the event.

In 2016, CSMFO entered into an agreement with The Mission Inn Hotel & Spa (Mission Inn) for guest rooms for the February 2018 Annual Conference. The agreement with Mission Inn for facilities and rooms includes a cancellation policy that obligates CSMFO to pay a minimum of \$22,054 for cancelling by November 13, 2017, and up to \$88,215 for failing to cancel less than 29 days prior to the event.

In 2017, CSMFO entered into an agreement with Hyatt Place for guest rooms for the February 2018 Annual Conference. The agreement with Hyatt Place for rooms includes a cancellation policy that obligates CSMFO to pay a minimum of \$15,200 for cancelling by October 21, 2017, and up to \$30,401 for failing to cancel less than 60 days prior to the event.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE C – COMMITMENTS (Continued)

In 2016, CSMFO entered into an agreement with Renaissance Hotels (Renaissance) for the January 2019 Annual Conference. The agreement with Renaissance for facilities and rooms includes a cancellation policy that obligates CSMFO to pay a minimum of \$65,645 for cancelling by July 11, 2018, and up to \$210,065 for failing to cancel less than 30 days prior to the event.

In 2017, CSMFO entered into an agreement with Disney Destinations, LLC (Disney) for the January 2020 Annual Conference. The agreement with Disney for facilities and rooms includes a cancellation policy that obligates CSMFO to pay a minimum of \$321,125 for cancelling by January 27, 2019, and up to \$574,825 for failing to cancel less than 90 days prior to the event.

NOTE D – NET ASSET DESIGNATIONS - CHAPTERS

CSMFO maintains control of the individual chapter finances, and designates the net assets of each individual chapter for future use by the chapters. The following table shows the breakdown of the designated net assets by chapter:

	2016	2015
North Coast	\$ 270	\$ 25
Sacramento Valley	1,586	1,160
East Bay (SF)	919	
Central Valley	191	15
Peninsula	1,888	
Monterey Bay	4,074	3,549
South San Joaquin	(24)	
Central Coast	10	
Channel Counties	5,197	1,602
San Gabriel Valley	(434)	(191)
Central Los Angeles	1,146	1,265
South Bay (LA)	4,076	3,048
Desert Mountain	110	
Orange County	7,065	9,110
Inland Empire	9,323	1,566
Coachella Valley	1,046	
San Diego County	2,404	3,173
	<u>\$ 38,847</u>	<u>\$ 24,322</u>

SUPPLEMENTAL SCHEDULE

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

SUPPLEMENTAL SCHEDULE OF ACTIVITIES

December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010 and 2009

	2016	2015	2014	2013	2012	2011	2010	2009
REVENUE AND SUPPORT								
Annual conference	\$ 864,292	\$ 666,100	\$ 630,390	\$ 557,240	\$ 586,881	\$ 472,370	\$ 532,710	\$ 511,595
Membership dues	220,740	209,300	197,120	199,930	181,335	177,225	181,315	190,540
Publication advertising	144,687	109,760	109,955	97,471	79,262	59,490	51,330	54,492
Education workshops	119,932	119,565	87,765	95,016	38,821	35,445	27,250	48,050
Chapter income	95,847	73,164	33,578					
Award fee	17,150	16,950	15,250	15,600	16,205	19,900	15,600	14,658
Scholarship contributions	1,886		10,000	10,000	10,000			
Interest	4,121	1,601	479	718	974	1,197	1,421	3,718
Legislative seminar						8,029	6,465	7,615
Miscellaneous	51					108	1,962	3,763
TOTAL REVENUE AND SUPPORT	1,468,706	1,196,440	1,084,537	975,975	913,478	773,764	818,053	834,431
EXPENSES								
Program services:								
Annual conference	855,579	578,075	527,504	436,180	487,339	389,088	422,714	593,044
Consultants	96,171	81,481	82,582	62,200	55,191	55,234	53,577	35,900
Education workshops	100,347	101,461	79,531	80,741	28,838	29,494	29,922	50,010
Technology initiatives	17,815	13,009	12,299	13,383	11,455	12,147	43,611	21,336
Total program services	1,069,912	774,026	701,916	592,504	582,823	485,963	549,824	700,290
Supporting services:								
Management services	139,966	121,334	111,247	127,903	124,625	122,534	121,506	121,753
Board and committee meetings	33,461	39,235	34,339	29,940	26,907	28,293	27,895	39,371
Chapter expense	85,724	66,541	18,991					
Newsletter	22,885							
Marketing			11,586					
Printing	13,231	12,594	10,001	11,453	9,905	9,814	11,242	12,058
Audit and tax	9,400	9,250	9,075	8,932	9,470	8,496	9,572	11,975
Bank charges	15,238	14,004	8,997	19,665	14,809	13,671	13,740	26,815
Miscellaneous	18,189	6,235	4,427	9,285	9,304	9,281	8,798	10,431
President expenses	2,521	3,110	3,520	3,635	4,351	2,997	3,252	3,450
GFOA reception	5,453	9,324	3,490	6,254				
Postage and shipping	2,133	1,731	2,953	3,265	4,576	6,918	5,653	5,306
Insurance	2,240	1,660	1,576	2,094	2,260	2,400	2,430	1,808
Bad debt expense		835		810	200		21,248	
Donations						63	50,000	
Total supporting services	350,441	285,853	220,202	223,236	206,407	204,467	275,336	232,967
TOTAL EXPENSES	1,420,353	1,059,879	922,118	815,740	789,230	690,430	825,160	933,257
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS								
	48,353	136,561	162,419	160,235	124,248	83,334	(7,107)	(98,826)
Provision for income taxes on unrelated business income	38,323	25,190	28,051	18,249	12,646	3,936	(2,797)	14,303
CHANGE IN NET ASSETS	10,030	111,371	134,368	141,986	111,602	79,398	(4,310)	(113,129)
Net assets at beginning of year	807,976	696,605	562,237	420,251	308,649	229,251	233,561	346,690
NET ASSETS AT END OF YEAR	\$ 818,006	\$ 807,976	\$ 696,605	\$ 562,237	\$ 420,251	\$ 308,649	\$ 229,251	\$ 233,561

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



AYRES SUITES

ONTARIO AT THE MILLS MALL

4370 Mills Circle, Ontario, CA 91764

(909) 481-0703 Fax: (909) 484-2601 Toll Free Reservations (800) 706-4892

GROUP ROOMS BLOCK

TODAY'S DATE 06/13/17 FUNCTION DATE NOVEMBER 2017

GROUP NAME California Society of Municipal Finance Officers Association

CONTACT Carmen Berry

ADDRESS 700 R Street, Suite 200 Sacramento, CA 95811

PHONE 877.282.9183

HOTEL REPRESENTATIVE Monica V. Silva

Please review and sign one copy of this booking agreement as confirmation. Make any necessary changes on the signed copy and return it to the hotel. Please contact your hotel representative if you have any questions. Room rate is plus tax, currently 13.95%.

RESERVATIONS

DAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
DATE	11/19/17				11/16/17	11/17/17	11/18/17
NO. & TYPE OF ROOMS	CHECK OUT				10 NK	20 NK 5 NQQ	20 NK 5 NQQ

RATES: Single \$109.00 Double \$119.00 \$10.00 each additional

Other 10% Commission to Smith Moore & Associates

RESERVATIONS: Individual Call In X Rooming List

X Guaranteed Must Guarantee

X Group To Pay Room & Tax

Direct Bill all charges

Direct Bill room & tax. Credit Approved Credit Approval Pending

BLOCK CODE: CSMFO This code must be used by individuals making their own reservations.

RELEASE DATE: 11/01/17 Any blocked rooms not reserved by this date will be released for general resale.

CANCELLATION *Individuals must cancel reservations no later than 24 hours prior to arrival date.*

AND GUARANTEE *Guaranteed reservations which do not cancel will be billed to individuals credit card*

POLICY: *Entire group cancellation notice must be received in writing 21 days prior to group arrival date.*

Accepted By**: _____ Authorized By: _____

Name Date

Monica V. Silva 06/13/17

Name Date

Organization: _____

**Signed Copy Due By: June 30, 2017

Director of Sales

Title



AYRES SUITES

ONTARIO AT THE MILLS MALL

4370 Mills Circle, Ontario, CA 91764

(909) 481-0703 Fax: (909) 484-2804 Toll Free Reservations (800) 706-4892

MEETING EVENT ORDER

Day / Date: Friday, November 17th, 2017 Time: 7:30AM-6:15PM

Room: Devonshire Charge: *See Below Made By: Carmen Barry

Company Name: CSMFO Meeting Name: Training

Address: 700 R Street, Suite 200 City: Sacramento State: Ca Zip: 95811

Telephone: 877.282.9183 Fax: 916.231.2141 E-Mail: Carmen.berry@staff.csmfo.org

Day of Event Contact: Lorena Quijano In House Contact: Monica Silva

Payment Arrangements:

Payment Procedure: Cash Check X Credit Card Direct Bill

BREAKS/ MEAL ARRANGEMENTS

7:00AM Water Service

8:45am – 2 Thermos of Coffee \$17.00/Thermos

11:15am - Replenish Coffee \$17.00/Thermos

3:15pm – Replenish Coffee \$17.00/Thermos

SET UP: AM 6:30 PM

Would like to Set-up Evening of 11/16/17

of people: 40

Set Up Style: Classroom

Registration Table inside of Room

Skirted Head Table

Pinning Items to the wall is not allowed

You May Use Masking Tape If Needed

AUDIO VISUAL

Screen, AV Cart, Extension Cord

Bringing Own Projector

SPECIAL INSTRUCTIONS

*0-8 Guest Rooms per Night - \$250/Day

9-14 Guest Rooms per Night - \$150/Day

15-19 Guest Rooms per Night - \$75/Day

20+ Guest Rooms per Night - Complimentary

****All audio visual and food items are subject
to an 18% Service Charge & 8.00 % Sales Tax****

- Return a signed copy of this form by 06/30/17 to secure this space
- All final counts and arrangements must be made by 11/14/17 otherwise you will be charged for the original counts given at the time of booking.
- Absolutely no menu changes or count changes will be made after 11/10/17
- Form of Guarantee Cash Check X Credit Card Direct Bill *** Please Note**
- A deposit of is due by
- Final payment is due by 11/17/17
- Any Cancellation of a meeting made after 06/30/17 is subject to a charge of \$200.00
- Other / Miscellaneous

Accepted By:

Authorized By:

Name: Date: Name: Monica Silva Date: 06/13/17

Organization: CA Society of Municipal Finance Title: Director of Sales



AYRES SUITES

ONTARIO AT THE MILLS MALL

4370 Mills Circle, Ontario, CA 91764

(909) 481-0703 Fax: (909) 484-2804 Toll Free Reservations (800) 706-4892

MEETING EVENT ORDER

Day / Date: Saturday, November 18th, 2017 Time: 8:00AM-6:15PM

Room: Devonshire Charge: *See Below Made By: Carmen Barry

Company Name: CSMFO Meeting Name: Training

Address: 700 R Street, Suite 200 City: Sacramento State: Ca Zip: 95811

Telephone: 877.282.9183 Fax: 916.231.2141 E-Mail: Carmen.berry@staff.csmfo.org

Day of Event Contact: Lorena Quijano In House Contact: Monica Silva

Payment Arrangements:

Payment Procedure: Cash Check X Credit Card Direct Bill

BREAKS/ MEAL ARRANGEMENTS

7:30AM Water Service

2 Thermos Coffee \$17.00/Thermos

10:00am – Replenish Coffee

\$17.00/Thermos

3:15pm – Replenish Coffee

\$17.00/Thermos

SET UP: 6:30 AM PM

of people: 40

Set Up Style: Classroom

Registration Table inside of Room

Skirted Head Table

Pinning Items to the wall is not allowed

You May Use Masking Tape If Needed

AUDIO VISUAL

Screen, AV Cart, Extension Cord

Bringing Own Projector

SPECIAL INSTRUCTIONS

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15-19 Guest Rooms per Night - \$75/Day

20+ Guest Rooms per Night - Complimentary

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- A deposit of is due by
- Final payment is due by 11/17/17
- Any Cancellation of a meeting made after 06/30/17 is subject to a charge of \$200.00
- Other / Miscellaneous

Accepted By:

Authorized By:

Name: Date: Name: Monica Silva Date: 06/13/17

Organization: CA Society of Municipal Finance Title: Director of Sales



AYRES SUITES

ONTARIO AT THE MILLS MALL

4370 Mills Circle, Ontario, CA 91764

(909) 481-0703 Fax: (909) 484-2804 Toll Free Reservations (800) 706-4892

MEETING EVENT ORDER

Day / Date: Sunday, November 18th, 2017 Time: 8:00AM-12:30PM

Room: Devonshire Charge: *See Below Made By: Carmen Barry

Company Name: CSMFO Meeting Name: Training

Address: 700 R Street, Suite 200 City: Sacramento State: Ca Zip: 95811

Telephone: 877.282.9183 Fax: 916.231.2141 E-Mail: Carmen.berry@staff.csmfo.org

Day of Event Contact: Lorena Quijano In House Contact: Monica Silva

Payment Arrangements:

Payment Procedure: Cash Check X Credit Card Direct Bill

BREAKS/ MEAL ARRANGEMENTS

7:30AM Water Service

2 Thermos Coffee \$17.00/Thermos

10:00am – Replenish Coffee

\$17.00/Thermos

SET UP: 6:30 AM PM

of people: 40

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SPECIAL INSTRUCTIONS

*0-8 Guest Rooms per Night - \$250/Day

9-14 Guest Rooms per Night - \$150/Day

15-19 Guest Rooms per Night - \$75/Day

20+ Guest Rooms per Night - Complimentary

****All audio visual and food items are subject
to an 18% Service Charge & 8.00 % Sales Tax****

- Return a signed copy of this form by 06/30/17 to secure this space
- All final counts and arrangements must be made by 11/14/17 otherwise you will be charged for the original counts given at the time of booking.
- Absolutely no menu changes or count changes will be made after 11/10/17
- Form of Guarantee Cash Check X Credit Card Direct Bill *** Please Note**
- A deposit of is due by
- Final payment is due by 11/17/17
- Any Cancellation of a meeting made after 06/30/17 is subject to a charge of \$200.00
- Other / Miscellaneous

Accepted By:

Authorized By:

Name: Date: Name: Monica Silva Date: 06/13/17

Organization: CA Society of Municipal Finance Title: Director of Sales



CSMFO BOARD REPORT

Date: June 22, 2017

FROM: Kate Zawadzki, Administration Committee

SUBJECT: Board Reimbursement for Chapter Meetings

DISCUSSION

Paragraph 1, section VI of the Policy and Procedures Manual states that CSMFO currently reimburses members of the Board of Directors for airfare or equivalent travel, airport parking, transportation to and from the airport, and overnight lodging.

Reimbursement for registration and travel to and from Chapter meetings is currently not expressly allowed in the CSMFO Policy and Procedures manual. Allowing reimbursement for expenses associated with attendance of Chapter meetings would improve the Board members' ability to actively represent the CSMFO while attending Chapter meetings, and reimbursing members for travel to Chapter meetings, other than those hosted by their respective home chapters, would provide the chapter membership greater access to Board members.

RECOMMENDATION

It is recommended that the Board of Directors approve the amendment of section VI of the Policy and Procedures Manual, adding subsection (A)(6), Travel to Chapter Meetings (see Attachment A).

Attachment A

Section VI, A, 6. Travel for Chapter Meetings

It is the policy of CSMFO to encourage the involvement of its Board of Directors in Chapter meetings so that Chapter members may interact with Board members with whom they might not otherwise have access. Accordingly, subject to the annual CSMFO budget process, CSMFO will reimburse eligible registration and travel expenses for Board members who attend Chapter meetings outside of their home Chapter. *Travel to meetings in a member's home Chapter will not be reimbursed.* Reimbursement will be allowed for travel expenses, as defined in paragraph 1 of this section; reimbursement for mileage expenses at the current federal rate will also be allowed. The Board of Directors shall determine the maximum reimbursement amount per Board member for that fiscal year.



CSMFO BOARD REPORT

Date: June 22, 2017

FROM: Kate Zawadzki, Administration Committee Chair

SUBJECT: Davis Farr Contract for Investment Accounting Course Instruction

DISCUSSION

The Career Development Committee offers Investment Accounting courses to CSMFO members. Jennifer Farr of Davis Farr, LLC will be assigned as the instructor of these courses.

This contract being presented for the Board is for Davis Farr will be for a three year term beginning on April 1, 2017 and continue through December 31, 2019. There is no compensation for the services related to the Investment Accounting course instruction.

RECOMMENDATION

It is recommended that the Board of Directors review, discuss and approve the proposed three year contract for Davis Farr.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS
PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and effective as of April 1, 2017 between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and Davis Farr ("Consultant"), a limited liability corporation, located in Irvine, California. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement is for professional services provided during the period beginning April 1, 2017 and ending December 31, 2019.

2. SCOPE OF WORK TO BE PERFORMED

Consultant shall perform all tasks and successfully complete all duties described and set forth in Exhibit A, attached hereto and incorporated herein.

3. DUE DILIGENCE

Consultant shall at all times faithfully, competently and to the best of his or her ability, experience, and talent; perform all tasks described herein. In providing professional services, Consultant agrees to work in a manner consistent with the best interests of CSMFO as is required of Consultant in meeting the obligations of this Agreement.

4. CSMFO MANAGEMENT

CSMFO's Executive Director shall represent CSMFO in all matters pertaining to the administration of this Agreement including review and approval of all professional services performed by Consultant, but not including the power to enlarge the scope of work to be performed or change the compensation due to Consultant.

CSMFO's Executive Director shall be authorized to act on CSMFO's behalf, and to execute all necessary documents related to the administration of this Agreement.

5. COMPENSATION

- (a) There will be no compensation for instructor services nor any reimbursement for travel expenses to the Consultant.

The Career Development Committee is responsible for scheduling Investment Accounting courses, and may do so up to 2 occurrences annually during the course of this contract. Should the Career Development Committee wish to schedule more than two of these courses in any one year during the course of this contract, it may do so with prior approval from the Executive Committee.

- (b) Payments: There will be no payments related to this contract.

- (c) Additional Services: Consultant shall not be compensated for services rendered in connection with performance of this Agreement that are in addition to those set forth in Exhibit A, unless such additional services are authorized in advance (via email) by the Executive Director, with approval from the Executive Committee. Additional services will be billed separately, at month-end, net 30 days.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- (a) CSMFO may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If CSMFO suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- (b) In the event this Agreement is terminated pursuant to this Section, CSMFO shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CSMFO.

7. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, CSMFO shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.

(b) If the CSMFO President or designee, after consultation with the Executive Committee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the CSMFO President or designee shall cause to be served upon Consultant a written notice of the default. The Consultant shall have ten (10) days after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, CSMFO shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

CSMFO agrees that all documents and curriculum are the property of Consultant. Should CSMFO be interested in using the documents after the termination date of this contract, a separate contract or contract addendum would need to be negotiated.

9. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, its directors, officers, employees, agents and volunteers, from and against all claims and actions and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons or other harmful acts caused or contributed to by the other party or anyone acting under its direction, control, or behalf. This indemnity and hold harmless agreement will not be applicable to any liability based upon the sole negligence of any single party.

10. INSURANCE REQUIREMENTS

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B, attached to and part of this Agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to CSMFO a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither CSMFO nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CSMFO. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against CSMFO, or bind CSMFO in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, CSMFO shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CSMFO. CSMFO shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. CSMFO, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of CSMFO in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CSMFO will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CSMFO to any and all remedies at law or in equity.

14. ASSIGNMENT

CSMFO and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to CSMFO for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without the prior written consent of CSMFO.

15. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

16. GOVERNING LAW

CSMFO and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement.

17. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given by personal service, delivery by a reputable document delivery service (with receipt showing date and time of delivery), or by U.S. Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CSMFO: California Society of Municipal Finance Officers
700 R Street, Suite 2000
Sacramento, CA 95811
Attention: Executive Director

To Consultant: Davis Farr, LLP
2301 Dupont Dr #200
Irvine, CA 92612
Attention: Jennifer Farr

18. ACCEPTANCE AND APPROVAL OF AGREEMENT

The parties hereto have caused this Agreement to be executed and effective as of the commencement date stated herein.

Signature

Date

Melissa Dixon
CSMFO Executive Director



Signature

3/15/17
Date

Jennifer Farr
Consultant

EXHIBIT A

SCOPE OF WORK TO BE PERFORMED

Consultant Agrees to Perform the Following Services for CSMFO:

- Conduct courses as scheduled by CSMFO on Investment Accounting
- Prepare presentation and handout materials for all such courses scheduled
- Conduct any follow-up services necessary to complete each course

EXHIBIT B
INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of this Agreement, Consultant will maintain insurance in conformance with the requirements set forth below.

1. Commercial General Liability Insurance: \$1,000,000 per occurrence.
2. Business Auto Coverage (if applicable): \$1,000,000 per accident.

Business Auto Coverage is required only if business autos are to be used in conjunction with performing duties under this Agreement. If Consultant or Consultant's employees will use personal autos in any way while performing duties under this Agreement, Consultant shall provide evidence of personal auto liability coverage for each such person.

3. Workers' Compensation Coverage (if Consultant has employees) providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident.

Insurance procured pursuant to these requirements shall be underwritten by insurers that are admitted carriers in the state of California with an A.M. Best rating of A- or better and a minimum financial size VII.



CSMFO BOARD REPORT

Date: June 22, 2017

FROM: Kate Zawadzki, Administration Committee Chair

SUBJECT: PFM Asset Management, LLC Agreement for Investment Accounting Course Instruction

DISCUSSION

The Career Development Committee offers Investment Accounting courses to CSMFO members. Debra Goodnight of PFM Asset Management will be assigned as the instructor of these courses.

PFM has requested the following minor modifications to the CSMFO Agreement template:

1. Section 5.(a): PFM added that in addition to Executive Committee approval for additional courses, the consultant would also have to consent.
2. Section 6.(b): PFM requested removal of this section as there is no compensation related to this Agreement.
3. Section 9: PFM added "The foregoing notwithstanding, Consultant will not be liable for any error in judgment or any acts or omissions to act except those resulting from the Consultant's gross negligence, willful misconduct, or reckless disregard of its duties and obligations under this Agreement."

The Agreement being presented for the Board is for PFM Asset Management will be for a three year term beginning on April 1, 2017 and continue through December 31, 2019. There is no compensation for the services related to the Investment Accounting course instruction.

RECOMMENDATION

It is recommended that the Board of Directors review, discuss and approve the proposed three year Agreement for PFM Asset Management.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS
PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and effective as of April 1, 2017 between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and PFM Asset Management LLC ("Consultant"), a Delaware limited liability company, with its principal place of business located in Harrisburg, Pennsylvania. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement is for professional services provided during the period beginning April 1, 2017 and ending December 31, 2019.

2. SCOPE OF WORK TO BE PERFORMED

Consultant shall perform all tasks and successfully complete all duties described and set forth in Exhibit A, attached hereto and incorporated herein.

3. DUE DILIGENCE

Consultant shall at all times faithfully, competently and to the best of his or her ability, experience, and talent; perform all tasks described herein. In providing professional services, Consultant agrees to work in a manner consistent with the best interests of CSMFO as is required of Consultant in meeting the obligations of this Agreement.

4. CSMFO MANAGEMENT

CSMFO's Executive Director shall represent CSMFO in all matters pertaining to the administration of this Agreement including review and approval of all professional services performed by Consultant, but not including the power to enlarge the scope of work to be performed or change the compensation due to Consultant.

CSMFO's Executive Director shall be authorized to act on CSMFO's behalf, and to execute all necessary documents related to the administration of this Agreement.

5. COMPENSATION

- (a) There will be no compensation for instructor services nor any reimbursement for travel expenses to the Consultant.

The Career Development Committee is responsible for scheduling Investment Accounting courses, and may do so up to 2 occurrences annually during the course of this Agreement. Should the Career Development Committee wish to schedule more than two of these courses in any one year during the course of this contract, it may do so with prior approval from the Executive Committee, and with the consent of the Consultant.

- (b) Payments: There will be no payments related to this Agreement.

- (c) Additional Services: Consultant shall not be compensated for services rendered in connection with performance of this Agreement that are in addition to those set forth in Exhibit A, unless such additional services are authorized in advance (via email) by the Executive Director, with approval from the Executive Committee. Additional services will be billed separately, at month-end, net 30 days.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- (a) CSMFO may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If CSMFO suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

- (b) In the event this Agreement is terminated pursuant to this Section, CSMFO shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CSMFO.

Commented [RM1]: Seems kind of silly to include this language, since we aren't getting paid.

7. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, CSMFO shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.

(b) If the CSMFO President or designee, after consultation with the Executive Committee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the CSMFO President or designee shall cause to be served upon Consultant a written notice of the default. The Consultant shall have ten (10) days after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, CSMFO shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

CSMFO agrees that all documents and curriculum are the property of Consultant. Should CSMFO be interested in using the documents after the termination date of this contract, a separate contract or contract addendum would need to be negotiated.

9. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, its directors, officers, employees, agents and volunteers, from and against all claims and actions and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons or other harmful acts caused or contributed to by the other party or anyone acting under its direction, control, or behalf. This indemnity and hold harmless agreement will not be applicable to any liability based upon the sole negligence of any single party. The foregoing notwithstanding, Consultant will not be liable for any error in judgment or any acts or omissions to act except those resulting from the Consultant's gross negligence, willful misconduct or reckless disregard of its duties and obligations under this Agreement.

10. INSURANCE REQUIREMENTS

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B, attached to and part of this Agreement.

Commented [RM2]: Since we are not being paid under this contract, I want our indemnification obligation to be extremely limited, so that's why I added the gross negligence/willful misconduct/reckless disregard language – in other words we have to really screw up before the obligation kicks in.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to CSMFO a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither CSMFO nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CSMFO. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against CSMFO, or bind CSMFO in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, CSMFO shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CSMFO. CSMFO shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. CSMFO, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of CSMFO in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CSMFO will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CSMFO to any and all remedies at law or in equity.

14. ASSIGNMENT

CSMFO and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to CSMFO for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without the prior written consent of CSMFO.

15. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

16. GOVERNING LAW

CSMFO and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement.

17. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given by personal service, delivery by a reputable document delivery service (with receipt showing date and time of delivery), or by U.S. Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CSMFO: California Society of Municipal Finance Officers
700 R Street, Suite 2000
Sacramento, CA 95811
Attention: Executive Director

To Consultant: PFM Asset Management LLC
One Keystone Plaza, Suite 300
N. Front and Market Streets
Harrisburg, PA 17101
Attention: Deborah Goodnight

18. ACCEPTANCE AND APPROVAL OF AGREEMENT

The parties hereto have caused this Agreement to be executed and effective as of the commencement date stated herein.

Signature

Melissa Dixon
CSMFO Executive Director

Date

Signature

PFM Asset Management LLC

EXHIBIT A

SCOPE OF WORK TO BE PERFORMED

Consultant Agrees to Perform the Following Services for CSMFO:

- Conduct courses as scheduled by CSMFO on Investment Accounting
- Prepare presentation and handout materials for all such courses scheduled
- Conduct any follow-up services necessary to complete each course

EXHIBIT B

INSURANCE REQUIREMENTS

Commented [RM3]: Jenn Howell should take a quick peek at these provisions, to make sure we comply. Nothing jumped out at me, but she is more versed in our insurance coverages.

Prior to the beginning of and throughout the duration of this Agreement, Consultant will maintain insurance in conformance with the requirements set forth below.

1. Commercial General Liability Insurance: \$1,000,000 per occurrence.
2. Business Auto Coverage (if applicable): \$1,000,000 per accident.

Business Auto Coverage is required only if business autos are to be used in conjunction with performing duties under this Agreement. If Consultant or Consultant's employees will use personal autos in any way while performing duties under this Agreement, Consultant shall provide evidence of personal auto liability coverage for each such person.

3. Workers' Compensation Coverage (if Consultant has employees) providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident.

Insurance procured pursuant to these requirements shall be underwritten by insurers that are admitted carriers in the state of California with an A.M. Best rating of A- or better and a minimum financial size VII.



CSMFO BOARD REPORT

Date: June 22, 2017

FROM: Kate Zawadzki, Administration Committee Chair

SUBJECT: Neil Kupchin Contacts

DISCUSSION

At the January 12, 2017 Board meeting, the board authorized the Career Development Committee to add two new core courses to the CSMFO curriculum. Neil Kupchin will provide the instruction for both Successful Leadership Skills for Finance Directors and Developing Successful Supervisory Skills.

After reviewing the proposed standard contracts, Mr. Kupchin requested a revision to remove all insurance requirements. At the May 25, 2017 Board meeting the Administration Committee was directed to develop an insurance alternative. The insurance broker for CSMFO, Craig Chester, advised that "Whenever CSMFO enters into a contractual agreement with a third party, that party becomes automatically covered under CSMFO's General Liability." The third party is only covered by the CSMFO policy "while performing their duties for and/or on behalf of CSMFO." The insurance requirements in section 10 have been modified to reflect this coverage and Exhibit B has been removed.

A contract for each of the two courses are attached for Board approval, with the only difference between the two being the course title. Both contracts allow for \$4,800 per course for compensation for instructor services and an additional \$1,000 reimbursement for reasonable travel expenses.

RECOMMENDATION

It is recommended that the Board of Directors review and approve the two instructor contracts with Neil Kupchin. The contracts will include a \$4,800 per course fee and \$1,000 for the associated reimbursable travel expenses.

Provide direction to the Administration Committee on the insurance requirements for future contracts.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS
PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and effective as of July 1, 2017 between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and Neil Kupchin ("Consultant"), an individual, located in Long Beach, California. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement is for professional services provided during the period beginning July 1, 2017 and ending June 30, 2018.

2. SCOPE OF WORK TO BE PERFORMED

Consultant shall perform all tasks and successfully complete all duties described and set forth in Exhibit A, attached hereto and incorporated herein.

3. DUE DILIGENCE

Consultant shall at all times faithfully, competently and to the best of his or her ability, experience, and talent; perform all tasks described herein. In providing professional services, Consultant agrees to work in a manner consistent with the best interests of CSMFO as is required of Consultant in meeting the obligations of this Agreement.

4. CSMFO MANAGEMENT

CSMFO's Executive Director shall represent CSMFO in all matters pertaining to the administration of this Agreement including review and approval of all professional services performed by Consultant, but not including the power to enlarge the scope of work to be performed or change the compensation due to Consultant.

CSMFO's Executive Director shall be authorized to act on CSMFO's behalf, and to execute all necessary documents related to the administration of this Agreement.

5. COMPENSATION

- (a) CSMFO agrees to pay Consultant the following fee for professional services which are specified and detailed in Exhibit A:

- \$4,800 per each Leadership Skills for Finance Directors course instruction
- Up to \$1,000 reimbursement for reasonable travel expenses

The Career Development Committee is responsible for scheduling Leadership Skills for Finance Directors, and may do so up to 2 occurrences annually during the course of this contract. Should the Career Development Committee wish to schedule more than two of these courses in any one year during the course of this contract, it may do so with prior approval from the Executive Committee.

- (b) Payments: Payment for services rendered will be made upon receipt of invoice and/or reimbursement request from Consultant.

- (c) Additional Services: Consultant shall not be compensated for services rendered in connection with performance of this Agreement that are in addition to those set forth in Exhibit A, unless such additional services are authorized in advance (via email) by the Executive Director, with approval from the Executive Committee. Additional services will be billed separately, at month-end, net 30 days.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- (a) CSMFO may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If CSMFO suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- (b) In the event this Agreement is terminated pursuant to this Section, CSMFO shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CSMFO.

7. DEFAULT OF CONSULTANT

- (a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, CSMFO shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.
- (b) If the CSMFO President or designee, after consultation with the Executive Committee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the CSMFO President or designee shall cause to be served upon Consultant a written notice of the default. The Consultant shall have ten (10) days after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, CSMFO shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

CSMFO agrees that all documents and curriculum are the property of Consultant. Should CSMFO be interested in using the documents after the termination date of this contract, a separate contract or contract addendum would need to be negotiated.

9. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, its directors, officers, employees, agents and volunteers, from and against all claims and actions and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons or other harmful acts caused or contributed to by the other party or anyone acting under its direction, control, or behalf. This indemnity and hold harmless agreement will not be applicable to any liability based upon the sole negligence of any single party.

10. INSURANCE REQUIREMENTS

The Consultant will be covered under CSMFO's insurance policy while performing the on-site portion of the scope of work covered in Exhibit A

11. .INDEPENDENT CONSULTANT

- (a) Consultant is and shall at all times remain as to CSMFO a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither CSMFO nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CSMFO. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against CSMFO, or bind CSMFO in any manner.
- (b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, CSMFO shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CSMFO. CSMFO shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. CSMFO, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of CSMFO in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CSMFO will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CSMFO to any and all remedies at law or in equity.

14. ASSIGNMENT

CSMFO and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to CSMFO for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without the prior written consent of CSMFO.

15. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

16. GOVERNING LAW

CSMFO and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement.

17. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given by personal service, delivery by a reputable document delivery service (with receipt showing date and time of delivery), or by U.S. Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CSMFO: California Society of Municipal Finance Officers
700 R Street, Suite 2000
Sacramento, CA 95811
Attention: Executive Director

To Consultant: Neil Kupchin
P.O.Box 14611 Long
Beach, CA 90853

18. ACCEPTANCE AND APPROVAL OF AGREEMENT

The parties hereto have caused this Agreement to be executed and effective as of the commencement date stated herein.

Signature

Melissa Dixon
CSMFO Executive Director

Date

Signature

Neil Kupchin
Consultant

Date

EXHIBIT A

SCOPE OF WORK TO BE PERFORMED

Consultant Agrees to Perform the Following Services for CSMFO:

- Conduct courses as scheduled by CSMFO on Successful Leadership Skills for Finance Directors
- Prepare presentation and handout materials for all such courses scheduled
- Conduct any follow-up services necessary to complete each course

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS
PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and effective as of July 1, 2017 between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and Neil Kupchin ("Consultant"), an individual, located in Long Beach, California. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement is for professional services provided during the period beginning July 1, 2017 and ending June 30, 2018.

2. SCOPE OF WORK TO BE PERFORMED

Consultant shall perform all tasks and successfully complete all duties described and set forth in Exhibit A, attached hereto and incorporated herein.

3. DUE DILIGENCE

Consultant shall at all times faithfully, competently and to the best of his or her ability, experience, and talent; perform all tasks described herein. In providing professional services, Consultant agrees to work in a manner consistent with the best interests of CSMFO as is required of Consultant in meeting the obligations of this Agreement.

4. CSMFO MANAGEMENT

CSMFO's Executive Director shall represent CSMFO in all matters pertaining to the administration of this Agreement including review and approval of all professional services performed by Consultant, but not including the power to enlarge the scope of work to be performed or change the compensation due to Consultant.

CSMFO's Executive Director shall be authorized to act on CSMFO's behalf, and to execute all necessary documents related to the administration of this Agreement.

5. COMPENSATION

- (a) CSMFO agrees to pay Consultant the following fee for professional services which are specified and detailed in Exhibit A:

- \$4,800 per each Developing Successful Supervisory Skills course instruction
- Up to \$1,000 reimbursement for reasonable travel expenses

The Career Development Committee is responsible for scheduling Developing Successful Supervisory Skills, and may do so up to 2 occurrences annually during the course of this contract. Should the Career Development Committee wish to schedule more than two of these courses in any one year during the course of this contract, it may do so with prior approval from the Executive Committee.

- (b) Payments: Payment for services rendered will be made upon receipt of invoice and/or reimbursement request from Consultant.
- (c) Additional Services: Consultant shall not be compensated for services rendered in connection with performance of this Agreement that are in addition to those set forth in Exhibit A, unless such additional services are authorized in advance (via email) by the Executive Director, with approval from the Executive Committee. Additional services will be billed separately, at month-end, net 30 days.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- (a) CSMFO may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If CSMFO suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- (b) In the event this Agreement is terminated pursuant to this Section, CSMFO shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CSMFO.

7. DEFAULT OF CONSULTANT

- (a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, CSMFO shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.
- (b) If the CSMFO President or designee, after consultation with the Executive Committee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the CSMFO President or designee shall cause to be served upon Consultant a written notice of the default. The Consultant shall have ten (10) days after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, CSMFO shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

CSMFO agrees that all documents and curriculum are the property of Consultant. Should CSMFO be interested in using the documents after the termination date of this contract, a separate contract or contract addendum would need to be negotiated.

9. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, its directors, officers, employees, agents and volunteers, from and against all claims and actions and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons or other harmful acts caused or contributed to by the other party or anyone acting under its direction, control, or behalf. This indemnity and hold harmless agreement will not be applicable to any liability based upon the sole negligence of any single party.

10. INSURANCE REQUIREMENTS

The Consultant will be covered under CSMFO's insurance policy while performing the on-site portion of the scope of work covered in Exhibit A.

11. INDEPENDENT CONSULTANT

- (a) Consultant is and shall at all times remain as to CSMFO a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither CSMFO nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CSMFO. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against CSMFO, or bind CSMFO in any manner.
- (b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, CSMFO shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CSMFO. CSMFO shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. CSMFO, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of CSMFO in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CSMFO will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CSMFO to any and all remedies at law or in equity.

14. ASSIGNMENT

CSMFO and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to CSMFO for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without the prior written consent of CSMFO.

15. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

16. GOVERNING LAW

CSMFO and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement.

17. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given by personal service, delivery by a reputable document delivery service (with receipt showing date and time of delivery), or by U.S. Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CSMFO: California Society of Municipal Finance Officers
700 R Street, Suite 2000
Sacramento, CA 95811
Attention: Executive Director

To Consultant: Neil Kupchin
PO Box 14611
Long Beach, CA 90853

18. ACCEPTANCE AND APPROVAL OF AGREEMENT

The parties hereto have caused this Agreement to be executed and effective as of the commencement date stated herein.

Signature

Melissa Dixon
CSMFO Executive Director

Date

Signature

Neil Kupchin
Consultant

Date

EXHIBIT A

SCOPE OF WORK TO BE PERFORMED

Consultant Agrees to Perform the Following Services for CSMFO:

- Conduct courses as scheduled by CSMFO on Developing Successful Supervisory Skills
- Prepare presentation and handout materials for all such courses scheduled
- Conduct any follow-up services necessary to complete each course

