

FLORIDA GOVERNMENT FINANCE
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

Florida Government Finance Officers Association, Inc.
Financial Statements
June 30, 2012 and 2011

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Independent Auditors' Report

To the Board of Directors of the
Florida Government Finance
Officers Association, Inc.:

We have audited the accompanying statements of financial position of the Florida Government Finance Officers Association, Inc. (a nonprofit organization) as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Government Finance Officers Association, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Shorstein & Shorstein, P.A.

Florida Government Finance Officers Association, Inc.
 *STATEMENTS OF FINANCIAL POSITION
 June 30, 2012 and 2011

ASSETS

	2012	2011
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 568,052	\$ 519,944
Investments	75,613	50,475
Accounts Receivable - Florida League of Cities, Inc.	6,724	10,135
Accounts Receivable - Other	539	29,601
Prepaid Expenses and Other Current Assets	5,100	7,316
Total Current Assets	656,028	617,471
 <u>Equipment</u>		
Computer and Equipment	3,065	9,433
Less: Accumulated Depreciation	(2,726)	(8,746)
Net Equipment	339	687
 <u>Other Assets</u>		
Deposits	3,000	4,000
Total Assets	\$ 659,367	\$ 622,158

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 311,486	\$ 342,816
Deferred Revenues	58,980	11,340
Total Current Liabilities	370,466	354,156
 <u>Unrestricted Net Assets</u>	 288,901	 268,002
Total Liabilities and Unrestricted Net Assets	\$ 659,367	\$ 622,158

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

Florida Government Finance Officers Association, Inc.
 *STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2012 and 2011

	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>
<u>Revenues</u>		
Membership Dues	\$ 96,265	\$ 68,565
Conference Revenue	363,315	374,717
Career Development Seminars	10,120	14,780
School of Governmental Finance	66,536	63,888
Investment Income	871	2,744
CGFO Fees	22,310	18,725
Miscellaneous Income	1,485	358
Total Revenues	560,902	543,777
 <u>Expenses</u>		
Conference Expenses	325,004	330,264
Career Development Seminars	13,002	15,597
School of Governmental Finance	78,499	73,904
Other Programs	55,352	61,290
General and Administrative	68,146	70,641
Total Expenses	540,003	551,696
 <u>Increase (Decrease) in Unrestricted Net Assets</u>	 20,899	 (7,919)
 <u>Unrestricted Net Assets, Beginning of Period</u>	 268,002	 275,921
 <u>Unrestricted Net Assets, End of Period</u>	 \$ 288,901	 \$ 268,002

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

Florida Government Finance Officers Association, Inc.
 *STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2012 and 2011

	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 467,027	\$ 361,592
Receipts from Exhibitors and Hotel Sites	173,131	202,115
Interest and Dividends	857	2,710
Fees Paid to Florida League of Cities, Inc.	(115,818)	(116,654)
Payments to Vendors	(451,951)	(176,590)
Net Cash Provided by Operating Activities	73,246	273,173
 <u>Cash Flows from Investing Activities</u>		
Proceeds from Redemption of Certificates of Deposit	50,633	234,234
Investment in Certificates of Deposit	(75,771)	(52,671)
Net Cash (Used)/Provided by Investing Activities	(25,138)	181,563
<u>Net Increase in Cash and Cash Equivalents</u>	48,108	454,736
<u>Cash and Cash Equivalents, Beginning of Period</u>	519,944	65,208
<u>Cash and Cash Equivalents, End of Period</u>	\$ 568,052	\$ 519,944

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

Florida Government Finance Officers Association, Inc.
 *STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2012 and 2011

	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>
<u>Reconciliation of Increase/(Decrease) in Net Assets to</u>		
<u>Net Cash Provided by Operating Activities</u>		
Increase/(Decrease) in Net Assets	\$ 20,899	\$ (7,919)
Adjustments to Reconcile Increase/(Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	348	348
Decrease in Accounts Receivable	32,473	23,025
Decrease in Prepaid Expenses and Other Current Assets	2,216	1,532
Decrease in Deposits	1,000	2,500
(Decrease)/Increase in Accounts Payable	(31,330)	254,072
Increase/(Decrease) in Deferred Revenue	47,640	(385)
Net Cash Provided by Operating Activities	<u>\$ 73,246</u>	<u>\$ 273,173</u>

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

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011

Note 1- Organization and Significant Accounting Policies

- A. The Florida Government Finance Officers Association, Inc. (Association) is an organization whose purpose is to promote the improvement of government financial administration in Florida.
- B. Revenues and expenses are recorded on the accrual basis.
- C. The Association is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code.
- D. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- E. The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- F. The Association maintains a portion of its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The amount on deposit at June 30, 2012 did not exceed these limits. Additionally, approximately \$320,000 and \$280,000 were invested in a money market account at June 30, 2012 and 2011, respectively, which is not insured. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.
- G. Equipment is recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives.
- H. The Association reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted program revenue.
- I. Management has evaluated subsequent events through November 16, 2012, the date the financial statements were available to be issued.

Florida Government Finance Officers Association, Inc.
 NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011

Note 2 – Investments

The Association held one certificate of deposit as of June 30, 2012 and 2011, bearing interest at the rate of 1.1% and 1.24%, respectively. The certificate held at June 30, 2012 matures September 10, 2012.

Investment Income is summarized as follows:

	2012	2011
Interest Income	\$ 786	\$ 2,705
Dividend Income	85	39
Total	\$ 871	\$ 2,744

Note 3 – Administrative Fees

Pursuant to an agreement effective through June 30, 2012, the Association engages the Florida League of Cities, Inc. (FLC) to provide administrative services for an annual fee plus reimbursement of certain out-of-pocket expenses. Administrative fees of \$82,937 and \$80,522 were incurred during the years ended June 30, 2012 and 2011, respectively.

The administrative services agreement has been renewed through June 30, 2015 with annual fees of \$87,083, \$91,438, and \$96,009, plus reimbursement of certain out-of-pocket expenses. The agreement is cancelable by either party with 120 days written notice.

Accounts payable at June 30, 2012 and 2011 included \$309,132 and \$76,672, respectively, in fees and expense reimbursements due to FLC.

Note 4 – Meeting Management Fees

Under an agreement effective through July 31, 2012, the Association engaged FLC to provide meeting management services for the Association's Annual Conference and School of Governmental Finance (SOGF) for fees based on the number of registrants. The contract also provides for reimbursement to FLC for certain out-of-pocket expenses.

Meeting management fees of \$31,895 and \$33,160 were incurred under the contracts during the years ended June 30, 2012 and 2011, respectively.

The meeting management agreement has been renewed through July 31, 2015, and the rates of \$30 (annual conference) and \$25 (SOGF) per registrant remain the same as in the prior contract. The agreement is cancelable by either party with 120 days written notice.