

FLORIDA GOVERNMENT FINANCE
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Florida Government Finance Officers Association, Inc.
Financial Statements
June 30, 2013 and 2012

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Florida Government Finance Officers Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, 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 audits 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.

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, 2013 and 2012, 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.

1 *Shorstein + Shorstein, P.A.*

Florida Government Finance Officers Association, Inc.
 *STATEMENTS OF FINANCIAL POSITION
 June 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 609,923	\$ 568,052
Investments	151,875	75,613
Accounts Receivable - Florida League of Cities, Inc.	2,496	6,724
Accounts Receivable - Other	3,764	539
Prepaid Expenses and Other Current Assets	<u>5,332</u>	<u>5,100</u>
Total Current Assets	<u>773,390</u>	<u>656,028</u>
 <u>Equipment</u>		
Computers and Equipment	5,227	3,065
Less: Accumulated Depreciation	<u>(3,042)</u>	<u>(2,726)</u>
Net Equipment	<u>2,185</u>	<u>339</u>
 <u>Other Assets</u>		
Deposits	<u>3,000</u>	<u>3,000</u>
 Total Assets	 <u>\$ 778,575</u>	 <u>\$ 659,367</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 499,291	\$ 311,486
Deferred Revenues	<u>54,250</u>	<u>58,980</u>
Total Current Liabilities	553,541	370,466
 <u>Unrestricted Net Assets</u>	 <u>225,034</u>	 <u>288,901</u>
 Total Liabilities and Unrestricted Net Assets	 <u>\$ 778,575</u>	 <u>\$ 659,367</u>

*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, 2013 and 2012

	Year Ended June 30, 2013	Year Ended June 30, 2012
<u>Revenues</u>		
Membership Dues	\$ 99,120	\$ 96,265
Conference Revenue	411,656	363,315
Career Development Seminars	12,630	10,120
School of Governmental Finance	71,863	66,536
Investment Income	1,318	871
CGFO Fees	27,945	22,310
Miscellaneous Income	1,060	1,485
Total Revenues	625,592	560,902
 <u>Expenses</u>		
Conference Expenses	461,730	325,004
Career Development Seminars	15,931	13,002
School of Governmental Finance	67,754	78,499
Other Programs	74,145	55,352
General and Administrative	69,899	68,146
Total Expenses	689,459	540,003
<u>(Decrease) Increase in Unrestricted Net Assets</u>	(63,867)	20,899
<u>Unrestricted Net Assets, Beginning of Year</u>	288,901	268,002
<u>Unrestricted Net Assets, End of Year</u>	\$ 225,034	\$ 288,901

*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, 2013 and 2012

	<u>Year Ended June 30, 2013</u>	<u>Year Ended June 30, 2012</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 446,105	\$ 467,027
Receipts from Exhibitors and Hotel Sites	174,444	173,131
Interest and Dividends	1,316	857
Fees Paid to Florida League of Cities, Inc.	(117,517)	(115,818)
Payments to Vendors	<u>(384,053)</u>	<u>(451,951)</u>
 Net Cash Provided by Operating Activities	 <u>120,295</u>	 <u>73,246</u>
 <u>Cash Flows from Investing Activities</u>		
Proceeds from Redemption of Certificates of Deposit	75,822	50,633
Investment in Certificates of Deposit	(152,084)	(75,771)
Purchase of Equipment	<u>(2,162)</u>	<u>-</u>
 Net Cash Used by Investing Activities	 <u>(78,424)</u>	 <u>(25,138)</u>
 <u>Net Increase in Cash and Cash Equivalents</u>	 41,871	 48,108
 <u>Cash and Cash Equivalents, Beginning of Year</u>	 <u>568,052</u>	 <u>519,944</u>
 <u>Cash and Cash Equivalents, End of Year</u>	 <u>\$ 609,923</u>	 <u>\$ 568,052</u>

*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, 2013 and 2012

	<u>Year Ended June 30, 2013</u>	<u>Year Ended June 30, 2012</u>
<u>Reconciliation of (Decrease)/Increase in Net Assets to</u>		
<u>Net Cash Provided by Operating Activities</u>		
(Decrease)/Increase in Net Assets	\$ (63,867)	\$ 20,899
Adjustments to Reconcile (Decrease)/Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	316	348
Decrease in Accounts Receivable	1,003	32,473
(Increase)/Decrease in Prepaid Expenses and Other Current Assets	(232)	2,216
Decrease in Deposits	-	1,000
Increase/(Decrease) in Accounts Payable	187,805	(31,330)
(Decrease)/Increase in Deferred Revenues	<u>(4,730)</u>	<u>47,640</u>
Net Cash Provided by Operating Activities	<u>\$ 120,295</u>	<u>\$ 73,246</u>

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

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

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. 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.
- C. Revenues and expenses are recorded on the accrual basis.
- D. The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- E. The Association reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted program revenue.
- F. The Association is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code except on net income derived from unrelated business activities. The Forms 990, *Return of Organization Exempt from Income Tax*, of the Association for years ending June 30, 2010, June 30, 2011, June 30, 2012 and June 30, 2013 are generally subject to examination by the IRS for three years after they were filed.
- G. The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- H. 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 in excess of federally insured limits was approximately \$51,000 at June 30, 2013. Additionally, approximately \$301,000 and \$320,000 were invested in a money market account at June 30, 2013 and 2012, 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.
- I. Equipment is recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives.
- J. Association policy established by the Board of Directors requires that net assets be maintained at a minimum level equal to twice the average monthly operating expenses for the prior three-year period.
- K. Management has evaluated subsequent events through November 13, 2013, the date the financial statements were available to be issued.

Florida Government Finance Officers Association, Inc.
 NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

Note 2 – Investments

The Association held two certificates of deposit as of June 30, 2013 and one certificate of deposit as of June 30, 2012. Interest rates for the certificates held at June 30, 2013 were 1.05% and .75%. The rate for the certificate held at June 30, 2012 was 1.1%. The certificates held at June 30, 2013 mature September 4, 2013 and September 10, 2013.

Investment Income is summarized as follows:

	2013	2012
Interest Income	\$ 1,263	\$ 786
Dividend Income	55	85
Total	\$ 1,318	\$ 871

Note 3 – Administrative Fees

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. The current agreement is effective through June 30, 2015 and is cancelable by either party with 120 days written notice.

Administrative fees of \$87,083 and \$82,937 were incurred during the years ended June 30, 2013 and 2012, respectively.

Accounts payable at June 30, 2013 and 2012 included \$97,441 and \$309,132, respectively, in fees and expense reimbursements due to FLC.

Note 4 – Meeting Management Fees

The Association engages 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. The current agreement is effective through July 31, 2015 and is cancelable by either party with 120 days written notice.

Meeting management fees of \$32,700 and \$31,895 were incurred under the contracts during the years ended June 30, 2013 and 2012, respectively.