

FLORIDA GOVERNMENT FINANCE
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

Florida Government Finance Officers Association, Inc.
Financial Statements
June 30, 2014 and 2013

TABLE OF CONTENTS

<u>Title</u>	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4 - 5
NOTES TO FINANCIAL STATEMENTS	6 - 8

SHORSTEIN & SHORSTEIN, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

8265 BAYBERRY ROAD

JACKSONVILLE, FLORIDA 32256

JACK F. SHORSTEIN, C.P.A., J.D.
SAMUEL R. SHORSTEIN, C.P.A.
MARK J. SHORSTEIN, C.P.A.
MICHAEL K. PARRISH, C.P.A.
BARBARA J. HOUSTON, C.P.A.
O.J. YOUNG
MARGARET R. CONOVER, C.P.A.
JOAN B. MOELL, C.P.A.
WALTER L. HUNTER, C.P.A.
H. DAN HOOPER

TELEPHONE
(904) 739-1311
FACSIMILE
(904) 739-2069

WEBSITE
WWW.SHORSTEINCPA.COM

October 23, 2014

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, 2014 and 2013, 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, 2014 and 2013, 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.

Florida Government Finance Officers Association, Inc.
 *STATEMENTS OF FINANCIAL POSITION
 June 30, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 176,788	\$ 609,923
Investments	153,157	151,875
Accounts Receivable - Florida League of Cities, Inc.	375	2,496
Accounts Receivable - Other	582	3,764
Prepaid Expenses and Other Current Assets	8,419	5,332
Total Current Assets	<u>339,321</u>	<u>773,390</u>
 <u>Equipment</u>		
Computers and Equipment	5,227	5,227
Less: Accumulated Depreciation	<u>(3,325)</u>	<u>(3,042)</u>
Net Equipment	<u>1,902</u>	<u>2,185</u>
 <u>Other Assets</u>		
Deposits	<u>1,500</u>	<u>3,000</u>
Total Assets	<u>\$ 342,723</u>	<u>\$ 778,575</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 84,597	\$ 499,291
Deferred Revenues	<u>38,000</u>	<u>54,250</u>
Total Current Liabilities	122,597	553,541
 <u>Unrestricted Net Assets</u>		
	<u>220,126</u>	<u>225,034</u>
Total Liabilities and Unrestricted Net Assets	<u>\$ 342,723</u>	<u>\$ 778,575</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, 2014 and 2013

	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>
<u>Revenues</u>		
Membership Dues	\$ 98,315	\$ 99,120
Conference Revenue	406,708	411,656
Career Development Seminars	17,690	12,630
School of Governmental Finance	71,722	71,863
Investment Income	1,309	1,318
CGFO Fees	29,255	27,945
Miscellaneous Income	990	1,060
Total Revenues	625,989	625,592
 <u>Expenses</u>		
Conference Expenses	398,166	461,730
Career Development Seminars	23,127	15,931
School of Governmental Finance	72,561	67,754
Other Programs	63,703	74,145
General and Administrative	73,340	69,899
Total Expenses	630,897	689,459
 <u>Decrease in Unrestricted Net Assets</u>	 (4,908)	 (63,867)
 <u>Unrestricted Net Assets, Beginning of Year</u>	 <u>225,034</u>	 <u>288,901</u>
 <u>Unrestricted Net Assets, End of Year</u>	 <u>\$ 220,126</u>	 <u>\$ 225,034</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, 2014 and 2013

	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 437,655	\$ 446,105
Receipts from Exhibitors and Hotel Sites	176,075	174,444
Interest and Dividends	1,312	1,316
Fees Paid to Florida League of Cities, Inc.	(123,249)	(117,517)
Payments to Vendors	<u>(923,646)</u>	<u>(384,053)</u>
Net Cash (Used)/Provided by Operating Activities	<u>(431,853)</u>	<u>120,295</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from Redemption of Certificates of Deposit	152,181	75,822
Investment in Certificates of Deposit	(153,463)	(152,084)
Purchase of Equipment	<u>-</u>	<u>(2,162)</u>
Net Cash Used by Investing Activities	<u>(1,282)</u>	<u>(78,424)</u>
<u>Net (Decrease)/Increase in Cash and Cash Equivalents</u>	(433,135)	41,871
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>609,923</u>	<u>568,052</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 176,788</u>	<u>\$ 609,923</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, 2014 and 2013

	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>
<u>Reconciliation of Decrease in Net Assets to Net Cash (Used)/Provided by Operating Activities</u>		
Decrease in Net Assets	\$ (4,908)	\$ (63,867)
Adjustments to Reconcile Decrease in Net Assets to Net Cash (Used)/Provided by Operating Activities:		
Depreciation	283	316
Decrease in Accounts Receivable	5,303	1,003
Increase in Prepaid Expenses and Other Current Assets	(3,087)	(232)
Decrease in Deposits	1,500	-
(Decrease)/Increase in Accounts Payable	(414,694)	187,805
Decrease in Deferred Revenues	(16,250)	(4,730)
	<u>(16,250)</u>	<u>(4,730)</u>
Net Cash (Used)/Provided by Operating Activities	<u>\$ (431,853)</u>	<u>\$ 120,295</u>

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

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

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, 2011, June 30, 2012, June 30, 2013 and June 30, 2014 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. There were no deposits in excess of federally insured limits at June 30, 2014. The amount on deposit in excess of federally insured limits was approximately \$51,000 at June 30, 2013. Additionally, approximately \$126,000 and \$301,000 were invested in a money market account at June 30, 2014 and 2013, 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 October 23, 2014, the date the financial statements were available to be issued.

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

Note 2 – Investments

The Association held two certificates of deposit as of June 30, 2014 and June 30, 2013. Interest rates for the certificates held at June 30, 2014 were 1.04% and .6%. Interest rates for the certificates held at June 30, 2013 were 1.05% and .75%. The certificates held at June 30, 2014 mature September 4, 2014 and September 10, 2014.

Investment Income is summarized as follows:

	<u>2014</u>	<u>2013</u>
Interest Income	\$ 1,280	\$ 1,263
Dividend Income	<u>29</u>	<u>55</u>
Total	<u>\$ 1,309</u>	<u>\$ 1,318</u>

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 \$91,438 and \$87,083 were incurred during the years ended June 30, 2014 and 2013, respectively.

Accounts payable at June 30, 2014 and 2013 included \$83,084 and \$97,441, 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 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 \$33,110 and \$32,700 were incurred under the contracts during the years ended June 30, 2014 and 2013, respectively.

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

Note 5 – Decrease in Cash and Cash Equivalents and Accounts Payable

The Association showed a decrease in cash and cash equivalents and accounts payable from June 30, 2013 to June 30, 2014. Cash and cash equivalents decreased from \$609,923 at June 30, 2013 to \$176,788 at June 30, 2014. Accounts payable decreased from \$499,291 at June 30, 2013 to \$84,597 at June 30, 2014. A significant portion of the decreases were due to the timing of payments for the Annual Conferences in those respective years.

The 2013 Annual Conference was held June 22-26, 2013. At June 30, 2013, payment for the hotel expenses of \$377,185 for the 2013 Annual Conference remained outstanding and was included in the accounts payable balance in the financial statements. Unpaid funds in the amount of \$377,185 were retained in cash and cash equivalents. Payment for the conference hotel was made on July 26, 2013.

The 2014 Annual Conference was held from May 31 – June 4, 2014, and payment for the conference hotel was made during the month of June 2014.