

FLORIDA GOVERNMENT FINANCE
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Florida Government Finance Officers Association, Inc.
Financial Statements
June 30, 2015 and 2014

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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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 and 2014

ASSETS

	2015	2014
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 453,437	\$ 176,788
Investments	154,537	153,157
Accounts Receivable - Florida League of Cities, Inc.	2,639	375
Accounts Receivable - Other	71,207	582
Prepaid Expenses and Other Current Assets	10,864	8,419
Total Current Assets	692,684	339,321
 <u>Equipment</u>		
Computers and Equipment	5,227	5,227
Less: Accumulated Depreciation	(3,815)	(3,325)
Net Equipment	1,412	1,902
 <u>Other Assets</u>		
Deposits	1,500	1,500
Total Assets	\$ 695,596	\$ 342,723

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 468,360	\$ 84,597
Deferred Revenues	26,950	38,000
Total Current Liabilities	495,310	122,597
<u>Unrestricted Net Assets</u>	200,286	220,126
Total Liabilities and Unrestricted Net Assets	\$ 695,596	\$ 342,723

*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, 2015 and 2014

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
<u>Revenues</u>		
Membership Dues	\$ 99,190	\$ 98,315
Conference Revenue	506,076	406,708
Career Development Seminars	18,900	17,690
School of Governmental Finance	55,888	71,722
Investment Income	1,403	1,309
CGFO Fees	26,510	29,255
Miscellaneous Income	36	990
Total Revenues	708,003	625,989
 <u>Expenses</u>		
Conference Expenses	478,981	398,166
Career Development Seminars	23,732	23,127
School of Governmental Finance	86,099	72,561
Other Programs	67,089	63,703
General and Administrative	71,942	73,340
Total Expenses	727,843	630,897
<u>Decrease in Unrestricted Net Assets</u>	(19,840)	(4,908)
<u>Unrestricted Net Assets, Beginning of Year</u>	220,126	225,034
<u>Unrestricted Net Assets, End of Year</u>	\$ 200,286	\$ 220,126

*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, 2015 and 2014

	Year Ended June 30, 2015	Year Ended June 30, 2014
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 451,751	\$ 437,655
Receipts from Exhibitors and Hotel Sites	170,919	176,075
Interest and Dividends	1,394	1,312
Fees Paid to Florida League of Cities, Inc.	(127,102)	(123,249)
Payments to Vendors	<u>(218,933)</u>	<u>(923,646)</u>
Net Cash Provided/(Used) by Operating Activities	<u>278,029</u>	<u>(431,853)</u>
 <u>Cash Flows from Investing Activities</u>		
Proceeds from Redemption of Certificates of Deposit	153,437	152,181
Investment in Certificates of Deposit	<u>(154,817)</u>	<u>(153,463)</u>
Net Cash Used by Investing Activities	<u>(1,380)</u>	<u>(1,282)</u>
 <u>Net Increase/(Decrease) in Cash and Cash Equivalents</u>	 276,649	 (433,135)
 <u>Cash and Cash Equivalents, Beginning of Year</u>	 <u>176,788</u>	 <u>609,923</u>
 <u>Cash and Cash Equivalents, End of Year</u>	 <u>\$ 453,437</u>	 <u>\$ 176,788</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, 2015 and 2014

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
<u>Reconciliation of Decrease in Net Assets to</u>		
<u>Net Cash Provided/(Used) by Operating Activities</u>		
Decrease in Net Assets	\$ (19,840)	\$ (4,908)
Adjustments to Reconcile Decrease in		
Net Assets to Net Cash Provided/(Used) by		
Operating Activities:		
Depreciation	490	283
(Increase)/Decrease in Accounts Receivable	(72,889)	5,303
Increase in Prepaid Expenses		
and Other Current Assets	(2,445)	(3,087)
Decrease in Deposits	-	1,500
Increase/(Decrease) in Accounts Payable	383,763	(414,694)
Decrease in Deferred Revenues	(11,050)	(16,250)
	<u>(11,050)</u>	<u>(16,250)</u>
 Net Cash Provided/(Used) by Operating		
Activities	<u>\$ 278,029</u>	<u>\$ (431,853)</u>

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

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

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, 2012, June 30, 2013, June 30, 2014 and June 30, 2015 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, 2015 and 2014. Additionally, approximately \$266,000 and \$126,000 were invested in a money market account at June 30, 2015 and 2014, 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 December 17, 2015, the date the financial statements were available to be issued.

Florida Government Finance Officers Association, Inc.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015 and 2014

Note 2 – Investments

The Association held two certificates of deposit as of June 30, 2015 and June 30, 2014. Interest rates for the certificates held at June 30, 2015 were 1.09% and .75%. Interest rates for the certificates held at June 30, 2014 were 1.04% and .6%. The certificates held at June 30, 2015 mature September 4, 2015 and September 10, 2016.

Investment income is summarized as follows:

	2015	2014
Interest Income	\$ 1,389	\$ 1,280
Dividend Income	14	29
Total	\$ 1,403	\$ 1,309

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.

In April 2015, the administrative services agreement was extended through June 30, 2018. The fee arrangement will be based on the annual fee for the year ended June 30, 2015, as adjusted by the Consumer Price Index with an annual minimum increase of 1% and an annual maximum increase of 5%.

Administrative fees of \$96,009 and \$91,438 were incurred during the years ended June 30, 2015 and 2014, respectively.

Accounts payable at June 30, 2015 and 2014 included \$99,470 and \$83,084, 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.

In April 2015, the meeting management services agreement was extended through July 31, 2018. The rates of \$30 per Annual Conference registrant and \$25 per SOGF registrant remain unchanged.

Meeting management fees of \$34,275 and \$33,110 were incurred under the contracts during the years ended June 30, 2015 and 2014, respectively.