

FLORIDA GOVERNMENT FINANCE
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

MARCH 31, 2005 and 2004

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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 March 31, 2005 and 2004 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 March 31, 2005 and 2004, 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.
Financial Statements
March 31, 2005 and 2004

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Florida Government Finance Officers Association, Inc.
 STATEMENTS OF FINANCIAL POSITION
March 31, 2005 and 2004

ASSETS

	<u>2005</u>	<u>2004</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 289,383	\$ 267,015
Certificates of Deposit	210,000	-0-
Investments - Other	-0-	209,908
Accounts Receivable	2,089	200
Prepaid Expenses	<u>31,880</u>	<u>34,311</u>
Total Current Assets	533,352	511,434
 <u>Equipment</u>		
Computer and Equipment	6,368	5,954
Less: Accumulated Depreciation	<u>(4,593)</u>	<u>(3,351)</u>
Net Equipment	<u>1,775</u>	<u>2,603</u>
Total Assets	<u>\$ 535,127</u>	<u>\$ 514,037</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 34,651	\$ 31,545
Deferred Revenues	50,200	56,580
Deferred Conference Registrations	<u>191,520</u>	<u>207,205</u>
Total Current Liabilities	276,371	295,330
 <u>Unrestricted Net Assets</u>	<u>258,756</u>	<u>218,707</u>
Total Liabilities and Unrestricted Net Assets	<u>\$ 535,127</u>	<u>\$ 514,037</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 March 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<u>Revenues</u>		
Membership Dues	\$ 54,740	\$ 51,460
Conference Revenue	314,206	313,725
Career Development Seminars	80,850	103,115
School of Governmental Finance	80,794	83,493
Investment Income	5,523	10,489
CGFO Fees	12,475	12,870
Miscellaneous Income	<u>2,490</u>	<u>226</u>
Total Revenues	<u>551,078</u>	<u>575,378</u>
<u>Expenses</u>		
Conference Expenses	269,907	422,132
Career Development Seminars	53,576	73,712
School of Governmental Finance	58,892	66,067
Other Programs	28,487	44,239
General and Administrative	<u>100,167</u>	<u>108,186</u>
Total Expenses	<u>511,029</u>	<u>714,336</u>
<u>Increase/(Decrease) in Unrestricted</u>		
<u>Net Assets</u>	40,049	(138,958)
<u>Unrestricted Net Assets, Beginning of Year</u>		
	<u>218,707</u>	<u>357,665</u>
<u>Unrestricted Net Assets, End of Year</u>		
	<u>\$ 258,756</u>	<u>\$ 218,707</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 March 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Members	\$ 373,478	\$ 483,816
Receipts from Sponsors, Exhibitors and Hotel Sites	150,212	195,661
Interest and Dividends	6,186	9,495
Fees Paid to Florida League of Cities, Inc.	(84,815)	(76,775)
Payments to Vendors	<u>(419,906)</u>	<u>(635,232)</u>
Net Cash Provided/(Used) by Operating Activities	<u>25,155</u>	<u>(23,035)</u>
 <u>Cash Flows from Capital and Related Financing Activities</u>		
Purchase of Property and Equipment	<u>(414)</u>	<u>-0-</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(414)</u>	<u>-0-</u>
 <u>Cash Flows from Investing Activities</u>		
Purchase of Investments	(214,075)	(8,451)
Proceeds from Sale of Investments	<u>211,702</u>	<u>-0-</u>
Net Cash (Used) by Investing Activities	<u>(2,373)</u>	<u>(8,451)</u>
 <u>Net Increase/(Decrease) in Cash and Cash Equivalents</u>	22,368	(31,486)
 <u>Cash and Cash Equivalents, Beginning of Year</u>	<u>267,015</u>	<u>298,501</u>
 <u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 289,383</u>	<u>\$ 267,015</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 March 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<u>Reconciliation of Increase/(Decrease) in Net Assets to Net Cash Provided/(Used) by Operating Activities</u>		
Increase/(Decrease) in Net Assets	\$ 40,049	\$(138,958)
Adjustments to Reconcile Increase/ (Decrease) in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,242	1,191
(Increase) in Accounts Receivable	(1,889)	(73)
Decrease/(Increase) in Prepaid Expenses	2,431	(5,650)
Increase in Accounts Payable	3,106	6,789
(Decrease)/Increase in Deferred Revenue	(6,380)	3,410
(Decrease)/Increase in Deferred Conference Registrations	(15,685)	111,250
Net Realized and Unrealized Gains and Losses on Investments	<u>2,281</u>	<u>(994)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 25,155</u>	<u>\$ (23,035)</u>

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

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2005 and 2004

Note 1 - Organization and Significant Accounting Policies

- A. The Florida Government Finance Officers Association, Inc. (FGFOA) is an association whose purpose is to promote the improvement of government financial administration in Florida.
- B. Revenues and expenses are recorded on the accrual basis.
- C. FGFOA 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. There were no cash equivalents at the end of the year.
- F. Investments in marketable securities with readily determinable fair values are valued at their fair value in the statement of financial position. Realized and unrealized gains and losses are included in the statement of activities.
- G. The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.
- H. Equipment is recorded at cost. Depreciation is provided on the straight-line method over its estimated useful life.
- I. The Association reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted program revenue.

Florida Government Finance Officers Association, Inc.
 NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005 AND 2004

Note 2 - The Florida Government Finance Officers Educational Foundation, Inc.

The Florida Government Finance Officers Educational Foundation, Inc. (Foundation) is a separate corporation organized for the advancement of education in the area of governmental accounting and finance and for other charitable purposes. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is managed by a Board of Directors which includes members from the Board of Directors of FGFOA. The Foundation's financial position and results of operations have not been included in FGFOA's financial statements since neither an economic interest (as defined in SOP 94-3) nor a majority voting interest existed during the years ended March 31, 2005 and 2004.

Note 3 - Investments

Investments are stated at fair value as follows:

<u>Year Ended March 31, 2004</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Vanguard Short-Term Federal Fund	\$ 48,475	\$ 50,791	\$ 2,316
Vanguard Total Bond Market Index Fund	<u>151,366</u>	<u>159,117</u>	<u>7,751</u>
	<u>\$199,841</u>	<u>\$209,908</u>	<u>\$ 10,067</u>

Florida Government Finance Officers Association, Inc.
 NOTES TO FINANCIAL STATEMENTS
March 31, 2005 and 2004

Note 3 - Investments (Continued)

Year Ended March 31, 2005 The Vanguard investment funds were sold during the year ended March 31, 2005. Results were as follows:

	<u>Cumulative Cost</u>	<u>Prior Year Value Plus Current Year Cost</u>	<u>Sales Proceeds</u>	<u>Gains/(Losses)</u>	
				<u>Cumulative</u>	<u>Current Year</u>
Vanguard Short- Term Federal Fund	\$ 49,167	\$ 51,483	\$ 50,818	\$ 1,651	\$ (665)
Vanguard Total Bond Market Index Fund	<u>154,749</u>	<u>162,500</u>	<u>160,884</u>	<u>6,135</u>	<u>(1,616)</u>
Total	<u>\$203,916</u>	<u>\$213,983</u>	<u>\$211,702</u>	<u>\$ 7,786</u>	<u>\$ (2,281)</u>

As of March 31, 2005 the Association holds three certificates of deposit bearing interest at rates of 1.74% to 2.23% and maturing May 12, 2005 through August 12, 2005.

Investment income is summarized as follows:

	<u>2005</u>	<u>2004</u>
Interest income	\$ 2,866	\$ 1,044
Dividend income	4,938	8,451
Net realized and unrealized gains and losses	<u>(2,281)</u>	<u>994</u>
Total	<u>\$ 5,523</u>	<u>\$ 10,489</u>

Florida Government Finance Officers Association, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2005 and 2004

Note 4 - Administrative Fees

Under an agreement effective July 1, 2003 through June 30, 2006, the FGFOA engaged the Florida League of Cities, Inc. (FLC) to provide administrative services for an annual fee payable in four quarterly installments plus reimbursement of certain out of pocket expenses. The agreement provides for annual fees of \$50,000 through June 30, 2004 with 10% annual increases through June 30, 2006. The agreement is cancelable by either party with 120 days written notice.

Service fees of \$53,750 and \$47,375 were incurred under the agreement during the years ended March 31, 2005 and 2004, respectively. Accounts payable at March 31, 2005 and 2004 included \$28,149 and \$23,950, respectively, in fees and expense reimbursements due to FLC.

Note 5 - Meeting Management Fees

Under an agreement effective August 1, 2003 through July 31, 2006, the FGFOA engaged the FLC to provide meeting management services for the FGFOA Annual Conference and School of Governmental Finance for fees based on the number of registrants. The contract also provides for reimbursement to the FLC for certain out of pocket expenses. The agreement is cancelable by either party with 120 days written notice. Meeting management fees of \$32,315 and \$32,025 were incurred under the contract during the years ended March 31, 2005 and 2004, respectively.

Note 6 - Reclassifications

The Association has elected to report its Statements of Cash Flows under the direct method. Accordingly, the Statement of Cash Flows for the year ending March 31, 2004 has been restated to conform with the direct method of reporting.

Note 7 - Change of Fiscal Year

For periods ending subsequent to March 31, 2005, the Association has elected to change its fiscal year end to June 30.