

FLORIDA GOVERNMENT FINANCE  
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2008 AND 2007

Florida Government Finance Officers Association, Inc.  
Financial Statements  
June 30, 2008 and 2007

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December 1, 2008

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. (Association) (a nonprofit organization) as of June 30, 2008 and 2007 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, 2008 and 2007, 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, 2008 and 2007

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ASSETS

	2008	2007
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 130,324	\$ 111,429
Investments	176,340	250,000
Accounts Receivable	34,699	51,886
Prepaid Expenses and Other Current Assets	7,067	12,033
Total Current Assets	348,430	425,348
 <u>Equipment</u>		
Computer and Equipment	9,433	9,433
Less: Accumulated Depreciation	(7,262)	(6,603)
Net Equipment	2,171	2,830
 <u>Other Assets</u>		
Deposits	1,000	-
Total Assets	\$ 351,601	\$ 428,178

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 84,554	\$ 96,527
Deferred Revenues	10,250	36,490
Total Current Liabilities	94,804	133,017
<u>Unrestricted Net Assets</u>	256,797	295,161
Total Liabilities and Unrestricted Net Assets	\$ 351,601	\$ 428,178

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, 2008 and 2007

	<u>Year Ended June 30, 2008</u>	<u>Year Ended June 30, 2007</u>
<u>Revenues</u>		
Membership Dues	\$ 69,015	\$ 73,170
Conference Revenue	356,217	426,105
Career Development Seminars	57,910	74,395
School of Governmental Finance	73,199	99,693
Investment Income	18,884	25,186
CGFO Fees	30,795	16,890
Miscellaneous Income	230	197
Total Revenues	606,250	715,636
 <u>Expenses</u>		
Conference Expenses	333,523	397,445
Career Development Seminars	49,785	65,887
School of Governmental Finance	93,593	82,808
Other Programs	38,818	31,732
General and Administrative	128,895	127,998
Total Expenses	644,614	705,870
 <u>(Decrease)/Increase in Unrestricted Net Assets</u>	 (38,364)	 9,766
 <u>Unrestricted Net Assets, Beginning of Period</u>	 295,161	 285,395
 <u>Unrestricted Net Assets, End of Period</u>	 \$ 256,797	 \$ 295,161

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, 2008 and 2007

	<u>Year Ended June 30, 2008</u>	<u>Year Ended June 30, 2007</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Members and Associates	\$ 397,209	\$ 512,009
Receipts from Exhibitors and Hotel Sites	184,750	133,638
Interest and Dividends	24,236	18,117
Fees Paid to Florida League of Cities, Inc.	(115,707)	(82,795)
Payments to Vendors	<u>(546,593)</u>	<u>(841,215)</u>
 Net Cash (Used) by Operating Activities	 <u>(56,105)</u>	 <u>(260,246)</u>
 <u>Cash Flows from Investing Activities</u>		
Purchase of Equipment	-	(2,190)
Proceeds from Redemption of Certificates of Deposit	350,000	116,527
Investment in Certificates of Deposit	<u>(275,000)</u>	<u>(150,000)</u>
 Net Cash Provided/(Used) by Investing Activities	 <u>75,000</u>	 <u>(35,663)</u>
 <u>Net Increase/(Decrease) in Cash and Cash Equivalents</u>	 18,895	 (295,909)
 <u>Cash and Cash Equivalents, Beginning of Period</u>	 <u>111,429</u>	 <u>407,338</u>
 <u>Cash and Cash Equivalents, End of Period</u>	 <u>\$ 130,324</u>	 <u>\$ 111,429</u>
 <u>Non-Cash Investing Activities:</u>		
Re-investment of Certificates of Deposit	<u>\$ 75,000</u>	<u>\$ 100,000</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, 2008 and 2007

	<u>Year Ended June 30, 2008</u>	<u>Year Ended June 30, 2007</u>
<u>Reconciliation of (Decrease)/Increase in Net Assets to</u>		
<u>Net Cash Used by Operating Activities</u>		
(Decrease)/Increase in Net Assets	\$ (38,364)	\$ 9,766
Adjustments to Reconcile (Decrease)/Increase in		
Net Assets to Net Cash Used by		
Operating Activities:		
Depreciation	659	424
Interest Income Added Directly to Certificates of		
Deposit	(1,340)	(1,879)
Decrease/(Increase) in Accounts Receivable	17,187	(46,988)
Decrease/(Increase) in Prepaid Expenses and		
Other Current Assets	4,966	(5,187)
(Increase) in Deposits	(1,000)	-
(Decrease) in Accounts Payable	(11,973)	(217,567)
(Decrease)/Increase in Deferred Revenue	(26,240)	1,185
	<u>(26,240)</u>	<u>1,185</u>
Net Cash Used by Operating Activities	<u>\$ (56,105)</u>	<u>\$ (260,246)</u>

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

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

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.
- 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, 2008 exceeded these limits by approximately \$63,000. Additionally, approximately \$79,000 and \$94,000 were invested in a money market account at June 30, 2008 and 2007, 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.

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 periods ended June 30, 2008 or 2007.

Florida Government Finance Officers Association, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

Note 3 - Investments

The Association held two certificates of deposit bearing interest at rates of 3.44% and 4.17% as of June 30, 2008 and three certificates of deposit bearing interest at rates of 5.15% to 5.35% as of June 30, 2007. Certificates held at June 30, 2008 mature January 27, 2009 and August 30, 2009.

Investment income is summarized as follows:

	2008	2007
Interest Income	\$ 14,091	\$ 15,006
Dividend Income	4,793	10,180
Total	\$ 18,884	\$ 25,186

Note 4 - Administrative Fees

Under an agreement effective July 1, 2006 through September 30, 2009, the FGFOA engaged the Florida League of Cities, Inc. (FLC) to provide administrative services for an annual fee plus reimbursement of certain out of pocket expenses. Annual fees due to FLC under the agreement are as follows:

<u>Period Beginning</u>	<u>Amount</u>
July 1, 2006	\$ 65,900
July 1, 2007	70,900
July 1, 2008	75,900

The agreement is cancelable by either party with 120 days written notice.

Accounts payable at June 30, 2008 and 2007 included \$83,605 and \$95,072, respectively, in fees and expense reimbursements due to FLC.

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

Note 5 - Meeting Management Fees

Under an agreement effective through July 31, 2009, 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 \$33,340 and \$44,435 were incurred under the contracts during the years ended June 30, 2008 and 2007, respectively.