

FLORIDA GOVERNMENT FINANCE  
OFFICERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

MARCH 31, 2004 and 2003

Florida Government Finance Officers Association, Inc.  
Financial Statements  
March 31, 2004 and 2003

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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, 2004 and 2003 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, 2004 and 2003, 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  
March 31, 2004 and 2003

ASSETS

	<u>2004</u>	<u>2003</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 267,015	\$ 298,501
Investments	209,908	200,463
Accounts Receivable	200	127
Prepaid Expenses	<u>34,311</u>	<u>28,661</u>
Total Current Assets	511,434	527,752
 <u>Equipment</u>		
Computer and Projectors	5,954	5,954
Less: Accumulated Depreciation	<u>(3,351)</u>	<u>(2,160)</u>
Net Equipment	<u>2,603</u>	<u>3,794</u>
 Total Assets	 <u>\$ 514,037</u>	 <u>\$ 531,546</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 31,545	\$ 24,756
Deferred Revenues	56,580	53,170
Deferred Conference Registrations	<u>207,205</u>	<u>95,955</u>
Total Current Liabilities	295,330	173,881
 <u>Unrestricted Net Assets</u>	 <u>218,707</u>	 <u>357,665</u>
 Total Liabilities and Unrestricted Net Assets	 <u>\$ 514,037</u>	 <u>\$ 531,546</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, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<u>Revenues</u>		
Membership Dues	\$ 51,460	\$ 50,060
Conference Revenue	313,725	251,011
Career Development Seminars	103,115	103,365
School of Governmental Finance	83,493	68,866
Investment Income	10,489	19,235
CGFO Fees	12,870	12,010
Miscellaneous Income	<u>226</u>	<u>1,432</u>
Total Revenues	<u>575,378</u>	<u>505,979</u>
<u>Expenses</u>		
Conference Expenses	422,132	212,820
Career Development Seminars	73,712	60,301
School of Governmental Finance	66,067	41,080
Other Programs	44,239	34,625
General and Administrative	<u>108,186</u>	<u>82,416</u>
Total Expenses	<u>714,336</u>	<u>431,242</u>
<u>(Decrease)/Increase in Unrestricted</u>		
<u>Net Assets</u>	(138,958)	74,737
<u>Unrestricted Net Assets, Beginning of Year</u>	<u>357,665</u>	<u>282,928</u>
<u>Unrestricted Net Assets, End of Year</u>	<u>\$ 218,707</u>	<u>\$ 357,665</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, 2004 and 2003

	2004	2003
<u>Cash Flows from Operating Activities</u>		
(Decrease)/Increase in Net Assets	\$(138,958)	\$ 74,737
Adjustments to Reconcile (Decrease)/ Increase in Net Assets to Net Cash (Used) by Operating Activities:		
Depreciation	1,191	5,058
(Increase)/Decrease in Accounts Receivable	(73)	2,413
Increase in Prepaid Expenses	(5,650)	(14,706)
Increase/(Decrease) in Accounts Payable	6,789	(4,624)
Increase/(Decrease) in Deferred Revenue	3,410	(40)
Increase/(Decrease) in Deferred Conference Registrations	111,250	(95,460)
Net Unrealized Gains and Losses on Investments	(994)	(6,563)
Net Cash (Used) by Operating Activities	(23,035)	(39,185)
<u>Cash Flows from Investing Activities</u>		
Purchases of Investments	(8,451)	(10,330)
<u>Net (Decrease) in Cash and Cash Equivalents</u>	(31,486)	(49,515)
<u>Cash and Cash Equivalents, Beginning of Year</u>	298,501	348,016
<u>Cash and Cash Equivalents, End of Year</u>	\$ 267,015	\$ 298,501

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

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2004 and 2003

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 of 5 years.
- 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, 2004 AND 2003

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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, 2004 and 2003.

Note 3 - Investments

Investments are stated at fair value and consist of mutual funds 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  
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Note 3 - Investments (Continued)

<u>Year Ended March 31, 2003</u>	<u>Cost</u>	<u>Value</u>	<u>Unrealized Appreciation</u>
Vanguard Short-Term Federal Fund	\$ 46,990	\$ 49,535	\$ 2,545
Vanguard Total Bond Market Index Fund	<u>144,400</u>	<u>150,928</u>	<u>6,528</u>
	<u>\$191,390</u>	<u>\$200,463</u>	<u>\$ 9,073</u>

Investment income is summarized as follows:

	<u>2004</u>	<u>2003</u>
Interest income	\$ 1,044	\$ 2,342
Dividend income	8,451	10,330
Net unrealized gains and losses	<u>994</u>	<u>6,563</u>
TOTAL	<u>\$ 10,489</u>	<u>\$ 19,235</u>

Note 4 - Administrative Fees

Under an agreement effective July 1, 2000 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. This agreement was renewed effective July 1, 2003 through June 30, 2006 and provides for annual fees of \$50,000 through June 30, 2004 with 10% annual increases. The agreement is cancelable by either party with 120 days written notice.

Service fees of \$47,375 and \$39,500 were incurred under the agreement during the years ended March 31, 2004 and 2003, respectively. Accounts payable at March 31, 2004 and 2003 included \$23,950 and \$20,760, respectively, in fees and expense reimbursements due to FLC.

Florida Government Finance Officers Association, Inc.  
NOTES TO FINANCIAL STATEMENTS  
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Note 5 - Meeting Management Fees

Under an agreement effective June 29, 2001 the FGFOA engaged the FLC to provide meeting management services for the FGFOA Annual Conference and School of Government Finance for fees based on the number of registrants. The contract also provides for reimbursement to the FLC for certain out of pocket expenses. This agreement has been renewed to expire July 31, 2006 and is cancelable by either party with 120 days written notice. Meeting management fees of \$32,025 and \$26,645 were incurred under the contract during the years ended March 31, 2004 and 2003, respectively.