

**VIRGINIA GOVERNMENT FINANCE OFFICERS' ASSOCIATION**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

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# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## INDEPENDENT AUDITORS' REPORT

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**TO THE BOARD OF DIRECTORS  
VIRGINIA GOVERNMENT FINANCE OFFICERS' ASSOCIATION  
RICHMOND, VIRGINIA**

We have audited the accompanying financial statements of Virginia Government Finance Officers' Association (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year 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 audit. We conducted our audit 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 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 Virginia Government Finance Officers' Association as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Virginia Government Finance Officers' Association's 2012 financial statements, and our report dated March 1, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Robinson, Farrow, Cox Associates*

Blacksburg, Virginia  
February 21, 2014

Virginia Government Finance Officers' Association  
Statement of Financial Position  
As of December 31, 2013  
(With Comparative Totals for 2012)

**Assets**

	2013	2012
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 169,974	\$ 125,626
Investments	43,753	42,959
Accounts receivable	1,700	3,155
Prepaid expenses	2,474	4,496
 Total Assets	 \$ 217,901	 \$ 176,236

**Liabilities**

<i>Current Liabilities:</i>		
Accounts payable	\$ 4,462	\$ 1,218
Deferred revenue	21,055	19,185
 Total Liabilities	 \$ 25,517	 \$ 20,403

**Net Assets**

Unrestricted	\$ 192,384	\$ 155,833
 Total Liabilities and Net Assets	 \$ 217,901	 \$ 176,236

The accompanying notes are an integral part of these statements.

Virginia Government Finance Officers' Association  
Statement of Activities  
For the Year Ended December 31, 2013  
(With Comparative Totals for the Year Ended December 31, 2012)

	2013	2012
<b>Revenue and Support</b>		
Educational courses	\$ 71,575	\$ 66,675
Conferences	210,820	200,505
Membership dues	28,360	25,330
Investment income	1,007	1,351
Regional organizations	9,940	6,913
Total Revenue and Support	\$ 321,702	\$ 300,774
<b>Expenses</b>		
Program Services:		
Conferences	\$ 158,026	\$ 158,823
Educational courses	49,542	47,438
Other program services	25,140	21,432
Management and General:		
Accounting	4,644	4,600
Board meetings and travel	21,376	22,954
Management contract services	14,078	13,843
Other administration	12,345	9,745
Total Expenses	\$ 285,151	\$ 278,835
Change in net assets	\$ 36,551	\$ 21,939
Net Assets, beginning of year	155,833	133,894
Net Assets, end of year	\$ 192,384	\$ 155,833

The accompanying notes are an integral part of these statements.

Virginia Government Finance Officers' Association  
Statement of Cash Flows  
For the year ended December 31, 2013  
(With Comparative Totals for 2012)

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	2013	2012
Change in net assets	\$ 36,551	\$ 21,939
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
(Decrease)/Increase in accounts payable	3,244	(657)
(Decrease)/Increase in deferred revenue	1,870	(495)
(Increase)/Decrease in prepaid expenses	2,022	(2,464)
(Increase)/Decrease in accounts receivable	1,455	(1,641)
Net cash provided by (used for) operating activities	\$ 45,142	\$ 16,682
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	\$ (794)	\$ (931)
Net cash provided by (used for) investing activities	\$ (794)	\$ (931)
<i>Net increase (decrease) in cash and cash equivalents</i>	\$ 44,348	\$ 15,751
<b>Cash and cash equivalents at beginning of year</b>	125,626	109,875
<b>Cash and cash equivalents at end of year</b>	\$ 169,974	\$ 125,626

The accompanying notes are an integral part of these statements.

**Virginia Government Finance Officers' Association**  
**Notes to Financial Statements**  
**December 31, 2013**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

A. Nature of Activities:

The Virginia Government Finance Officers' Association (the Association) is a member organization formed in 1968. The primary mission of the Association is to foster governmental excellence by providing education, training, fellowship and career enhancement for governmental professionals throughout Virginia.

B. Basis of Accounting:

The Association maintains its assets and liabilities, and records its income and expenses by use of the accrual method of accounting. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

C. Financial Statement Presentation:

The Association is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations. Unrestricted net assets include designated and undesignated resources available for support of the Association's activities.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations. Temporarily restricted net assets include time and purpose restricted resources that will become available for support of the Association's activities once the restrictions are satisfied.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations. Permanently restricted net assets include those resources of the Association that are permanently restricted for a specific purpose.

The Association had no temporarily or permanently restricted net assets during the fiscal year.

D. Deferred Revenue:

Deferred revenue consists of advance registration fees for courses and advance membership dues.

E. Cash and Cash Equivalents:

For purposes of the statement of cash flows, cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less from the date of acquisition.



**Virginia Government Finance Officers' Association**  
**Notes to Financial Statements**  
**December 31, 2013**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (Continued)

F. Income Taxes:

The Virginia Government Finance Officers' Association is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code and therefore no provision for Federal income taxes has been reported in the accompanying financial statements. A form 990 as required by the Internal Revenue Service has been filed for the years ended December 31, 2013 and 2012.

G. Use of Estimates:

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.

H. Comparative Totals:

Comparative totals are presented for informational purposes only.

I. Accounts Receivable:

Grants, contracts, and accounts receivable are deemed to be fully collectible by management and are composed of federal, state, and local monies. As of December 31, 2013, accounts receivable consisted of \$1,700. The Association had no bad debt expense for the year ended December 31, 2013.

**NOTE 2 - INVESTMENTS:**

Investments consist of certificates of deposit along with stated interest rates of (.30%) \$21,457 and (2.96%) \$22,296 at December 31, 2013, with maturity dates of December 9, 2014 and May 9, 2014, respectively. At December 31, 2012, investments consisted of certificates of deposit along with stated interest rates of (.45%) \$21,366 and (2.96%) \$21,593.

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**Virginia Government Finance Officers' Association**  
**Notes to Financial Statements**  
**December 31, 2013**

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**NOTE 3 – MANAGEMENT SERVICES AND SHARED REVENUE:**

A. Management Services:

In 2011, the Association entered into a Memorandum of Understanding with the Virginia Local Government Finance Corporation (VML/VACo) to provide management services for the Association beginning February 1, 2011. The fee was set at \$3,200 per month for 2011, and provides for an automatic inflation adjustment equaling the lesser of the percentage of increase per the Consumer Price Index (CPI) or 3.0%. The adjustment becomes effective as of January 1 of each subsequent year. The monthly fee for 2013 was adjusted to \$3,352. The total amount paid to VML/VACo for management services for 2013 and 2012, respectively was \$40,224 and \$39,552 which was allocated between program and administrative expenses as follows:

	<u>2013</u>	<u>2012</u>
Program services-conferences	\$ 20,113	\$ 19,776
Program services-educational courses	6,033	5,933
Administrative-management contract services	<u>14,078</u>	<u>13,843</u>
	<u>\$ 40,224</u>	<u>\$ 39,552</u>

B. Shared Revenue:

The Association has entered into a Memorandum of Understanding with Radford University's Governmental and Nonprofit Assistance Center (GNAC) to jointly administer the Virginia Government Finance Officers' Certificate program and co-sponsor other courses. Under the terms of the agreement, the Association receives \$70 for each participant in each program class, and the GNAC receives the remaining net proceeds. In addition, an additional \$50 charge to non-members is split 50/50 between GNAC and the Association. Gross revenue from co-sponsored courses is recognized by the Association, while GNAC's portion is reported as a program services expense for the corresponding course. The Association paid GNAC \$23,928 and \$24,032 in 2013 and 2012, respectively, under terms of this agreement.

**NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES:**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**NOTE 5 – SUBSEQUENT EVENTS:**

Management has evaluated subsequent events and transactions through February 21, 2014, the date on which the financial statements were available to be issued.