

**FLORIDA LIBRARY ASSOCIATION, INC.**

**FINANCIAL REPORT**

**For the Year Ended December 31, 2015**

**FLORIDA LIBRARY ASSOCIATION, INC.**

**FINANCIAL REPORT**

**For the Year Ended December 31, 2015**

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Executive Board  
Florida Library Association, Inc.  
Tallahassee, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Florida Library Association, Inc., (a nonprofit organization) which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, 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 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 statement, 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 or 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.

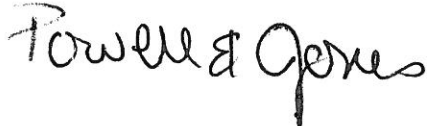
### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Library Association, Inc. as of December 31, 2015, 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 Florida Library Association, Inc.'s 2014 financial statements, and our report dated May 21, 2015, 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, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
Certified Public Accountants  
May 31, 2016

**FLORIDA LIBRARY ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2015

(With Summarized Financial Information for December 31, 2014)

ASSETS	2015	2014
<b>Current assets</b>		
Cash and cash equivalents	\$ 473,963	\$ 385,861
Accounts receivable	50	700
Prepaid expenses	25,357	6,942
<b>Total assets</b>	\$ 499,370	\$ 393,503
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 335	\$ 2,049
Compensated absences	12,192	10,493
Deferred revenue	113,636	51,375
<b>Total liabilities</b>	126,163	63,917
 <b>Net assets</b>		
Unrestricted	362,060	306,941
Temporarily restricted:		
ALTAFF funds	-	1,500
General scholarships	11,147	6,445
Honor roll	-	5,260
Minority scholarships	-	9,440
<b>Total net assets</b>	373,207	329,586
 <b>Total liabilities and net assets</b>	\$ 499,370	\$ 393,503

See notes to financial statements.

**FLORIDA LIBRARY ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2015

(With Summarized Financial Information for the Year Ended December 31, 2014)

SUPPORT AND REVENUES	Unrestricted	Restricted	2015	2014
Support				
Donations	\$ 33,225	\$ 9,821	\$ 43,046	\$ 26,876
Revenues				
Conference and event income	176,112	-	176,112	153,941
Memberships	133,964	-	133,964	116,106
Interest income	278	-	278	515
Other	28,988	-	28,988	9,976
Total revenues	339,342	-	339,342	280,538
Total support and revenues	372,567	9,821	382,388	307,414
EXPENSES				
Personnel services				
Salaries and wages	103,334	-	103,334	103,685
Payroll taxes	7,344	-	7,344	6,074
Employee benefits	10,526	-	10,526	7,427
Total personnel services	121,204	-	121,204	117,186
Operating expenses				
Advocacy	27,808	-	27,808	25,399
Accounting services	10,096	-	10,096	8,053
Awards	-	-	-	506
Conferences	89,124	-	89,124	118,599
Committee expenses	8,860	-	8,860	-
Dues	448	-	448	1,620
Donations	35	-	35	-
Financial service fees	9,911	-	9,911	136
Occupancy	8,400	-	8,400	7,881
Insurance	3,876	-	3,876	3,998
Travel	3,904	-	3,904	6,006
Member communications	15,859	-	15,859	6,467
Non conference events	144	509	653	350
Office expenses	6,956	-	6,956	12,220
Other program expenses	10,823	-	10,823	6,836
Recruitment and retention	-	-	-	13,056
Scholarships and related expenses	-	20,810	20,810	8,000
Total operating expenses	196,244	21,319	217,563	219,127
Total expenses	317,448	21,319	338,767	336,313
Change in net assets	55,119	(11,498)	43,621	(28,899)
Net assets, beginning of year	306,941	22,645	329,586	358,485
Net assets, end of year	\$ 362,060	\$ 11,147	\$ 373,207	\$ 329,586

See notes to financial statements.

**FLORIDA LIBRARY ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2015**

(With Summarized Financial Information for the Year Ended December 31, 2014)

	Program Services	Supporting Services	2015	2014
<b>PERSONNEL SERVICES</b>				
Salaries	\$ 103,334	\$ -	\$ 103,334	\$ 103,685
Payroll taxes	7,344	-	7,344	6,074
Employee benefits	10,526	-	10,526	7,427
	<u>121,204</u>	<u>-</u>	<u>121,204</u>	<u>117,186</u>
<b>OPERATING EXPENSES</b>				
Advocacy				262
Library day	-	-	-	25,399
Advocate contract	27,808	-	27,808	1,000
Legislative committee	-	-	-	8,053
Accounting	-	10,096	10,096	506
Awards	-	-	-	-
Committee expenses	8,860	-	8,860	-
Conferences				
Management fees	24,730	-	24,730	50,758
Registration expenses	-	-	-	3,008
Exhibits and sponsors	4,770	-	4,770	7,573
Printing and postage	-	-	-	4,469
Presidents program	4,277	-	4,277	7,210
Other program expenses	-	-	-	7,236
Food and beverages	49,000	-	49,000	38,261
Audio/visual	6,347	-	6,347	11,389
Dues	448	-	448	1,620
Donations	35	-	35	-
Executive Board				
Directors and officers insurance	-	1,274	1,274	1,233
Other expenses	-	969	969	1,263
Financial service fees	-	9,911	9,911	136
Office management				
Rentals and leases	-	8,400	8,400	7,881
Travel	-	3,904	3,904	6,006
Insurance	-	2,602	2,602	2,765
Other expenses	5,987	10,823	16,810	9,695
Member communications	15,859	-	15,859	1,998
Non conference events	653	-	653	350
Scholarships and related expenses	20,810	-	20,810	8,000
Total operating expenses	<u>169,584</u>	<u>47,979</u>	<u>217,563</u>	<u>219,127</u>
Total expenses	<u>\$ 290,788</u>	<u>\$ 47,979</u>	<u>\$ 338,767</u>	<u>\$ 336,313</u>

See notes to financial statements.



**FLORIDA LIBRARY ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2015

(With Summarized Financial Information for the Year Ended December 31, 2014)

	2015	2014
<b>Cash flows from operating activities:</b>		
Cash received from conference and event participants	\$ 202,884	\$ 138,141
Cash received from supporters	43,046	26,876
Cash received from memberships	169,453	115,406
Cash received from interest	278	515
Cash received from other sources	29,638	9,976
Cash paid for employees and benefits	(119,505)	(121,411)
Cash paid to contractors and vendors	(237,692)	(200,659)
Net cash provided by (used for) operating activities	88,102	(31,156)
 Net increase in cash	 88,102	 (31,156)
 Cash, beginning of year	 385,861	 417,017
Cash, end of year	\$ 473,963	\$ 385,861
 <b>Reconciliation of change in net assets to net cash provided by (used for) operating activities:</b>		
 Change in net assets	\$ 43,621	\$ (28,899)
 <b>Adjustments to reconcile change in net assets to net cash used by operating activities:</b>		
Decrease (increase) in accounts receivable	650	(700)
Increase (decrease) in prepaid expenses	(18,415)	19,420
Increase (decrease) in accounts payable	(1,714)	(952)
Increase (decrease) in compensated absences	1,699	(4,225)
Increase (decrease) in deferred revenue	62,261	(15,800)
Total adjustments	44,481	(2,257)
Net cash provided by (used for) operating activities	\$ 88,102	\$ (31,156)

See notes to financial statements.

**FLORIDA LIBRARY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Purpose**

Florida Library Association, Inc., (the Organization), formed in 1966, is organized to promote the library interests of the State of Florida and to cooperate and coordinate its activities with regional and national library associations.

**B. Basis of Accounting**

FLA follows standards of accounting and financial reporting prescribed for nonprofit organizations. It uses the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred. Federal, state and local government, and other public grants are recorded as support when performance occurs under the terms of the grant agreement.

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 "Not-for-Profit Entities". Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

Florida Library Association, Inc. also follows FASB ASC 958 regarding accounting for contributions made and received. In accordance with FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All assets and all liabilities associated with the operation of the Organization are included on the Statement of Financial Position.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

**C. Fixed Assets and Depreciation**

When applicable in a given year, property and equipment are recorded at cost, or in the case of donated assets, at fair market value when received. Maintenance and repairs are expensed as they are incurred. Depreciation and amortization expense is computed using the straight-line method over the estimated useful lives of the assets.

**D. Revenue Recognition**

Annual contributors and memberships are generally available for unrestricted use in the related year unless specifically restricted by the donor. These contributions and memberships are recorded as received. Memberships due in subsequent years that are received in the current year are reported as deferred revenues for reporting purposes. Conference and non-conference event revenues are recorded as received. Any conference revenues due in the subsequent year that are

received in the current year are recorded as deferred revenue for reporting purposes. Certain sponsorship revenues are recorded as pledged. Receivables are considered past due based on contractual terms. There is no recorded allowance for uncollectible receivables as past experience has indicated that these receivables are usually collected prior to year end.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets. When the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

#### **E. 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.

#### **F. Cash Equivalents**

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

#### **G. Deferred Revenues**

As applicable year-to-year, the Organization records deferred revenue on its statement of financial position. Deferred revenues arise when resources are received by the Organization before it has fully earned them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, or when the Organization has fully earned the revenues, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

#### **H. Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

- Cash, Accounts Receivable and Accounts Payable - Carrying amount approximates fair value due to the short maturity of these financial instruments.

At December 31, 2015, the Organization had no assets or liabilities subject to disclosure of fair value measurements per FASB Statement No. 157.

#### **I. Advertising Costs**

The Organization's general policy is to expense advertising costs as incurred.

### **NOTE 2. FIXED ASSETS AND DEPRECIATION**

Depreciation of buildings, furniture and equipment is provided over the estimated useful lives of the respected assets on a straight-line basis. In accordance with applicable Organization guidelines assets costing less than \$1,000 are generally fully expensed in their year of acquisition. The Organization had no fixed assets meeting these guidelines at December 31, 2015.

### **NOTE 3. CONTINGENCIES**

Management does not believe that the Organization had any identifiable contingent liabilities at December 31, 2015.

### **NOTE 4. PERSONAL LEAVE COMMITMENTS**

The Organization allots 25 days of personal leave time per year per its employment agreement with the Organization's Executive Director. This agreement allows for an accrual of a maximum 480 hours of used personal leave to be paid out upon termination of the agreement. At December 31, 2015, the balance of this liability totaled \$12,192.

### **NOTE 5. ACCOUNTS RECEIVABLE**

The Organization utilizes accounts receivable to record pledged conference sponsorships revenues at the time the sponsorships are pledged. At December 31, 2015, the Organization had \$50 of uncollected accounts receivables.

### **NOTE 6. PENSION PLAN**

The Organization's employment contract with its Executive Director makes a provision for the establishment of a Simple IRA or similar retirement plan in which the employee will be eligible to participate. The Organization is obliged to contribute three percent (3%) of the employee's salary to such plan. The Organization contributed \$2,010 toward the retirement plan for the current fiscal year.

### **NOTE 7. INCOME TAXES**

The Organization has been granted an exemption from income taxes under Internal Revenue Service Code, Section 501(c)(3), as a non-profit corporation. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. Those for 2015, 2014, and 2013 are currently subject to review and adjustment by the Internal Revenue Service.

### **NOTE 8. LEASE AGREEMENT**

The Organization had a lease with FJ Black, LLC, for office space located at 541 East Tennessee Street, Suite 103, Tallahassee, Florida 32308. The lease term is for 12 months commencing on March 1, 2015 and ending on February 28, 2016 at a rate of \$700 per month with the right to renew the lease at the end of the term for 12 months. Rent expenses for 2015 were \$8,400.

### **NOTE 9. EXPENSES BY FUNCTION**

Expenses by function have been allocated among program and supporting services classifications on estimates made by the Organization's management.

### **NOTE 10. CONCENTRATION OF CREDIT RISK**

At December 31, 2015, the bank balances totaled \$473,963 of which \$472,269 was covered by federal depository insurance.

**NOTE 11. DONATED SERVICES**

The Organization received a significant amount of donated services from unpaid volunteers who serve as officers and board members and assist in special programs. No amounts have been recognized in the Statement of Activities because criteria for recognition under Financial Accounting Standards Board ASC 958 have not been satisfied.

**NOTE 12. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes/periods:

Periods after December 31, 2015	
Scholarships	\$ 11,147
Total temporarily restricted	<u>\$ 11,147</u>

Cash reserves provided for these restricted assets are held in a savings account at Bank of America which had a balance of \$101,128 as of December 31, 2015.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:	
ALTAFF	\$ 1,500
Honor Roll	5,260
Minority Scholarships	9,440
	<u>\$ 16,200</u>

**NOTE 13. DEFERRED REVENUES**

The Organization records the pre-collected subsequent year dues and subscriptions and certain event registrations as deferred revenue until the year for which the dues and subscriptions apply or until the event occurs, at which time the monies become unconditional and are recognized.

At December 31, 2015, deferred revenue consisted of the following:

Dues	\$ 64,960
Registration fees	40,326
Sponsors	4,700
Other	3,650
	<u>\$ 113,636</u>

**NOTE 14. COMPARATIVE DATA**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

**NOTE 15. RELATED PARTY TRANSACTIONS**

There were no related party transactions this year.

**NOTE 16. SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 31, 2016, the date the financial statements were available to be issued.

## MANAGEMENT LETTER

To the Board of Directors  
Florida Library Association, Inc.  
Lake City, Florida

In planning and performing our audit of the financial statements of Florida Library Association, Inc. for the year ended December 31, 2015, we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

During our audit, we noted no matters involving the internal control structure, and other matters that are presented here for your consideration. This letter does not affect our report dated May 31, 2016, on the financial statements of Florida Library Association, Inc.

### PRIOR YEAR FINDINGS

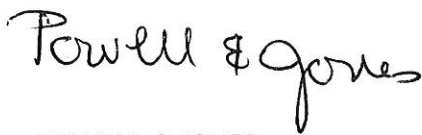
There were no reportable findings in the prior year.

### CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

### CONCLUSION

We have reviewed information regarding our audit with the Executive Director and have provided her with appropriate documentation as requested. We appreciate the overall quality of the financial records, and personnel in the Organization's office. We also appreciate the helpful assistance and courtesy afforded us by these employees.



**POWELL & JONES**  
Certified Public Accountants  
May 31, 2016