

**GORFINE, SCHILLER & GARDYN, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

**INTERNATIONAL ASSOCIATION OF  
FORENSIC NURSES, INC.**

FINANCIAL STATEMENTS  
OMB CIRCULAR A-133  
DECEMBER 31, 2013 AND 2012

**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**  
**TABLE OF CONTENTS**  
*December 31, 2013 and 2012*

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	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	3
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	6
Statements of Activities	7
Statements of Cash Flows	8
Notes to Financial Statements	9
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Functional Expenses	16
Schedule of Expenditures of Federal Awards	17
Notes to Schedule of Expenditures of Federal Awards	18
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	19 – 20
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133</b>	21 – 23
Schedule of Findings and Questioned Costs	24
Summary Schedule of Prior Year Findings	25



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

**To the Board of Directors  
International Association of Forensic Nurses, Inc.**

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

We have audited the accompanying financial statements of the International Association of Forensic Nurses, Inc., which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

### ***Auditors' Responsibility***

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 audits 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 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.

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## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Association of Forensic Nurses, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

## **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2014 on our consideration of International Association of Forensic Nurses, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Hoffine, Schiller & Halden, P.A.*

**June 18, 2014**  
**Owings Mills, Maryland**

## **FINANCIAL STATEMENTS**

**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
*December 31, 2013 and 2012*

	<u>2013</u>	<u>2012</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 289,137	\$ 76,645
Investments	593,691	509,855
Prepaid expenses	9,802	-
Grants receivable	124,477	38,063
Due from IAFN Foundation	-	2,108
<b>Total current assets</b>	<u>1,017,107</u>	<u>626,671</u>
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	16,790	16,790
Less - accumulated depreciation	<u>16,588</u>	<u>15,287</u>
<b>Total property and equipment</b>	<u>202</u>	<u>1,503</u>
<b>OTHER ASSETS</b>		
Security deposits	<u>975</u>	<u>975</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,018,284</u>	<u>\$ 629,149</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 618	\$ 9,113
Accrued expenses	233,868	16,422
Due to IAFN Foundation	1,823	2,085
Deferred revenue	171,542	225,703
Escrow account	<u>8,078</u>	<u>6,038</u>
<b>Total liabilities</b>	<u>415,929</u>	<u>259,361</u>
<b>NET ASSETS</b>		
Unrestricted	<u>602,355</u>	<u>369,788</u>
<b>Total net assets</b>	<u>602,355</u>	<u>369,788</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,018,284</u>	<u>\$ 629,149</u>

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

**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**

**STATEMENTS OF ACTIVITIES**

*For the Years Ended December 31, 2013 and 2012*

	<u>2013</u>	<u>2012</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
<b>REVENUES</b>		
Grant funds	\$ 1,483,854	\$ 1,061,187
Membership dues	326,231	291,683
Chapter dues	5,797	37,535
Annual conference registration	268,995	231,260
Annual conference exhibits/program ads	35,583	40,938
Publication/product sales	276,965	157,034
Investment income	13,497	17,253
Miscellaneous	9,597	-
Certification and education	297,230	230,184
Realized gain on investments	5,062	10,408
Unrealized gain on investments	66,517	25,828
<b>Total revenue and other support</b>	<u>2,789,328</u>	<u>2,103,310</u>
<b>EXPENSES</b>		
Program	2,286,113	1,847,709
General and administrative	270,648	237,863
<b>Total expenses</b>	<u>2,556,761</u>	<u>2,085,572</u>
<b>CHANGES IN NET ASSETS</b>	232,567	17,738
<b>NET ASSETS - Beginning of year</b>	<u>369,788</u>	<u>352,050</u>
<b>NET ASSETS - End of year</b>	<u>\$ 602,355</u>	<u>\$ 369,788</u>

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

**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**

**STATEMENTS OF CASH FLOWS**

*For the Years Ended December 31, 2013 and 2012*

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 232,567	\$ 17,738
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation expense	1,301	1,312
Unrealized gain on investments	(66,517)	(25,828)
Realized gain on investments	(5,062)	(10,408)
Changes in operating assets and liabilities:		
Accounts receivable	(84,568)	14,255
Prepaid expenses	(9,802)	-
Accounts payable	(8,495)	2,766
Accrued expenses	217,446	(4,076)
Deferred revenue	(54,161)	85,801
Escrow account	2,040	(5,460)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>224,749</u>	<u>76,100</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	312,013	285,813
Purchase of investments	<u>(324,270)</u>	<u>(305,311)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(12,257)</u>	<u>(19,498)</u>
<b>NET CHANGES IN CASH</b>	212,492	56,602
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>76,645</u>	<u>20,043</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u>\$ 289,137</u>	<u>\$ 76,645</u>

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



**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2013 and 2012*

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**NOTE A – NATURE OF OPERATIONS**

International Association of Forensic Nurses, Inc. (the Association) is a not-for-profit international membership organization, the primary mission of which is to provide leadership in forensic nursing practice by developing, promoting and disseminating information internationally about forensic nursing science.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Presentation**

The financial statements have been prepared on the accrual basis of accounting and utilized the principles outlined in FASB Accounting Standards Codification 958, *Not-for-Profit Entities Presentation of Financial Statements* (FASB 958), which requires the Association 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. There were no temporarily or permanently restricted net assets as of December 31, 2013 and 2012.

**2. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ materially from those estimates.

**3. Net Assets**

Net assets and changes in net assets are classified as permanently restricted, temporarily restricted, or unrestricted based on the existence or absence of grantor or donor imposed restrictions.

The Board of Directors maintains control over unrestricted net assets and may designate any portion thereof to be used for specific purposes.

**4. Cash and Cash Equivalents**

The Association considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. As of December 31, 2013 and 2012, the Association did not have any cash equivalents.

**5. Grant Revenue and Receivable**

Grant revenue is recognized when earned. Grants receivable are stated at the amount of expenses incurred that have not been refunded to the Association. Management is of the opinion that all accounts receivable are fully collectible and no allowance for doubtful accounts is required. Amounts determined to be uncollectible will be charged to operations when that determination is made. There was no bad debt expense for the years ended December 31, 2013 and 2012.

## **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

### **6. Property and Equipment**

Equipment is stated at cost. Major renewals and improvements with an aggregate cost of \$500 or more are charged to the property and equipment accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed currently. At the time properties are retired or otherwise disposed of, the property and related accumulated depreciation accounts are adjusted. Gain or loss from retirements or sales is credited or charged to income.

### **7. Depreciation**

The Association provides for depreciation over the estimated useful lives of property and equipment on the straight-line method. Depreciation was \$1,301 and \$1,312 for the years ended December 31, 2013 and 2012, respectively.

### **8. Investments**

The Association adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, *Accounting for Certain Investments Held by Not-for-Profit Organizations* and is required to account for certain investments in equity securities (i.e., investments that have readily determinable fair values and are not accounted for by the equity method) and all investments in debt securities at fair value in the statement of financial position. Gains and losses on investments resulting from their measurement at fair value are reported in the statements of activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by donor stipulation or by law.

### **9. Income Tax Status**

The Association is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. The exemption is on all income except for unrelated business income, which is defined as income from any trade or business that is not substantially related to the exercise or performance of the Association's exempt purpose. The Association had no unrelated business income for the years ended December 31, 2013 and 2012.

The Association follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification 740, *Income Taxes*. The Association believes it has taken no uncertain tax positions that would be required to be recognized in the financial statements as of December 31, 2013 and 2012. The Association's income tax filings for the years after 2009 are open and are subject to audit by various taxing authorities.

### **10. Deferred Revenue**

Membership dues are recognized as revenue in the year to which they relate. Registration fees are recognized as revenue when the meeting is held. Accordingly, revenue from these sources received in advance of the applicable year is included in deferred revenue. The deferred revenue as of December 31, 2013 and 2012 was estimated at \$171,542 and \$225,703, respectively.

## **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

### **11. Functional Allocation of Expenses**

The costs of providing various program and supporting services have been summarized on a functional basis in the statement of activities by program and schedule of functional expenses by program. Accordingly, certain supporting costs have been allocated among the programs and supporting services benefited.

### **12. Reclassification**

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported changes in net assets.

### **13. Subsequent Events**

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through June 18, 2014, the date the financial statements were available to be issued.

## **NOTE C – INVESTMENTS**

Investments included in the Association's statements of financial position at December 31, 2013 and 2012 are as follows:

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Mutual funds	<u>505,956</u>	<u>593,691</u>	<u>449,224</u>	<u>509,855</u>
	<u>\$ 505,956</u>	<u>\$ 593,691</u>	<u>\$ 449,224</u>	<u>\$ 509,855</u>

The following schedule summarizes the investment income and its classification in the statement of activities for the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Realized gain	<u>5,062</u>	<u>10,408</u>
Unrealized gain	<u>66,517</u>	<u>25,828</u>
	<u>\$ 71,579</u>	<u>\$ 36,236</u>

## **NOTE D – FAIR VALUE MEASUREMENT**

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (FASB 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB 820 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets:
  - Quoted prices for identical or similar assets or liabilities in inactive markets:
  - Inputs other than quoted prices that are observable for the asset or liability:
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2013 and 2012.

*Mutual Funds:* Valued at the quoted net asset value of shares held by the Association at the end of the year.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**NOTE D – FAIR VALUE MEASUREMENT - Continued**

The following table is set forth by level, within the fair value hierarchy, the Association's assets at fair value as of December 31, 2013 and 2012:

	<u>Fair Value</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
December 31, 2013				
Mutual Funds				
World Allocation	\$ 157,251	\$ 157,251	\$ -	\$ -
Multi Sector Bond	180,680	180,680	-	-
Unit Investment Trusts	<u>255,760</u>	<u>255,760</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 593,691</u>	<u>\$ 593,691</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2012				
Mutual Funds				
World Allocation	\$ 138,427	\$ 138,427	\$ -	\$ -
Multi Sector Bond	82,600	82,600	-	-
Unit Investment Trusts	<u>288,828</u>	<u>288,828</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 509,855</u>	<u>\$ 509,855</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE E – GRANT AGREEMENTS**

During 2013, the Association provided services under four governmental grant agreements including a U.S. Department of Justice National Institute of Justice grant for the “Delivery and Evaluation of Sexual Assault Forensic Examiner (SAFE) Training Programs”, a U.S. Department of Justice Office on Violence against Women grant for the “Sexual Assault Forensic Examination Technical Assistance Project (SAFETA)”, a U.S. Department of Justice Office on Violence Against Women grant for the funding of the “SANE Sustainability Education Project”, and a grant from the United States Agency for International Development (USAID), which is administered by John Snow, Inc. (JIS) in an effort to administer aid to foreign countries to promote social and economic development.

**NOTE F – LEASE AGREEMENT**

Effective October 1, 2011, the Association entered into a 3.25 year lease agreement for the provision of office space in Maryland through December 31, 2014. The agreement required rent payments in the amount of \$975 per month. Monthly rent is subject to additional administrative costs.

Rent expense under the agreement was \$11,700 and \$14,237 for 2013 and 2012, respectively.

## **NOTE G – CONCENTRATION OF RISK**

*Cash and Cash Equivalents* – Periodically during the year, cash accounts may have exceeded the Federal Deposit Insurance Corporation (FDIC) insurance limitation. The Association does not believe that it is exposed to any significant risk in such deposits and there were no amounts in excess of the insured amount at year end.

*Accounts and Grants Receivable* – The Association's accounts and grants receivable consists of expense refunds and receivables from reimbursement type grants for which the Association has met the conditions of the grant agreement. Management believes that it is not exposed to any significant risks on the receivables and, accordingly, has not established a reserve for uncollectible amounts.

**SUPPLEMENTARY INFORMATION**

**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
*For the Years Ended December 31, 2013 and 2012*

	<b>2013</b>			<b>2012</b>
	<b>Program</b>	<b>General and Administrative</b>	<b>Total</b>	<b>Total</b>
Annual conference	\$ 196,749	-	\$ 196,749	\$ 181,150
Bank charges and credit card fees	26,700	-	26,700	22,473
Benefits	42,905	20,191	63,096	51,123
Board of directors expenses	26,100	8,242	34,342	31,699
Certification development	146,566	-	146,566	101,109
Chapter reimbursements	6,438	-	6,438	32,331
Depreciation	989	312	1,301	1,312
Education	53,367	16,853	70,220	35,953
Grant program expenses	659,768	-	659,768	536,080
Insurance	1,686	533	2,219	2,057
Membership development	4,925	-	4,925	-
Occupancy	8,892	2,808	11,700	14,237
Office supplies	26,462	8,356	34,818	13,275
Postage/shipping	17,403	5,496	22,899	23,675
Printing/photocopying	18,224	5,755	23,979	21,244
Professional services	119,000	37,579	156,579	122,465
Public relations - organizational	23,096	7,293	30,389	11,395
Publication/products	312,419	-	312,419	225,829
Repairs and maintenance	-	-	-	4,567
Salaries	543,157	137,419	680,576	588,293
Taxes	23,396	11,010	34,406	28,464
Telephone	3,441	1,087	4,528	6,451
Travel	12,257	3,871	16,128	10,448
Web site expenses	12,172	3,844	16,016	19,942
<b>Total expenses</b>	<b>\$ 2,286,113</b>	<b>\$ 270,648</b>	<b>\$ 2,556,761</b>	<b>\$ 2,085,572</b>

*See independent auditors' report.*



**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*For the Year Ended December 31, 2013*

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<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures (Allowable)</u>
<b>Major Programs:</b>			
<u>U.S. Department of Justice National Institute of Justice</u>			
<i>Delivery and Evaluation of Sexual Assault</i>			
<i>Forensic Examiner (SAFE) Training Program</i>	16.560	\$ 1,424,212	\$ 472,670
<u>U.S. Department of Justice Office on Violence Against Women</u>			
<i>The Sexual Assault Forensic Examination</i>			
<i>Technical Assistance Project (SAFEta)</i>	16.526	\$ 677,000	\$ 211,568
<i>The SANE Sustainability Education Project</i>	16.526	\$ 350,000	\$ 143,159
Total Office on Violence Against Women			<u>\$ 354,727</u>
Total Major Programs			\$ 472,670
Total Federal Awards			<u>\$ 827,397</u>

*See accompanying notes to schedule of expenditures of federal awards.*

**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*December 31, 2013*

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**NOTE A – SIGNIFICANT ACCOUNTING POLICY**

**1. Basis of Accounting**

Expenses for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the U.S. Office of Management and Budget (OMB) Circular A-122, *Cost Principles for Nonprofit Organizations*. Under those cost principles, certain types of expenses are not allowable or are limited as to reimbursement. Revenue is recognized in amounts equal to direct costs incurred and related indirect costs.

**2. Federal Awards**

The Association is required to comply with the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In accordance with the Circular, the Association is required to prepare a schedule of expenditures of federal awards received either directly from the federal government or indirectly through other organizations. All expenditures of federal awards which have been identified by the Association have been included in this schedule.

The schedule of expenditures of federal awards presents only a portion of the activities of the Association. It is not intended to present either the financial position or the changes in net assets of the Association.

**3. Indirect Costs**

Indirect costs are calculated and applied in accordance with specific grant requirements.

**NOTE B – CONTINGENCY**

The granting agencies retain the right to disallow certain reimbursements and expenses claimed based on audit findings. In the event of final disallowance, the funds will be reimbursed from unrestricted net assets.



**GORFINE, SCHILLER & GARDYN, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Directors  
International Association of Forensic Nurses, Inc.**

We have audited the basic financial statements of International Association of Forensic Nurses, Inc. as of and for the year ended December 31, 2013, and have issued our report thereon dated June 18, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

Management of International Association of Forensic Nurses, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered International Association of Forensic Nurses, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of International Association of Forensic Nurses, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of International Association of Forensic Nurses, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether International Association of Forensic Nurses, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Restricted Use***

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

*Morfin, Schiller + Gadsen, P.A.*

**June 18, 2014**  
**Owings Mills, Maryland**



**GORFINE, SCHILLER & GARDYN, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

**To the Board of Directors  
International Association of Forensic Nurses, Inc.**

**Compliance**

We have audited the compliance of International Association of Forensic Nurses, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. International Association of Forensic Nurses, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the entity's management.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the Association's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. A compliance audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on the Association's compliance with those requirements.

### ***Opinion***

In our opinion, International Association of Forensic Nurses, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

### ***Other Matter***

The results of our auditing procedures disclosed no instances of noncompliance with the compliance requirements referred to above that are required to be reported in accordance with Circular A-133.

### ***Internal Control over Compliance***

The management of International Association of Forensic Nurses, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our compliance audit, we considered International Association of Forensic Nurses, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of International Association of Forensic Nurses, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

***Restricted Use***

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

*Martino, Schiller & Gaudyn, P.A.*

**June 18, 2014**  
**Owings Mills, Maryland**

**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*December 31, 2013*

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**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of International Association of Forensic Nurses, Inc. as of and for the year ended December 31, 2013.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of International Association of Forensic Nurses, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program are reported in the Independent Auditors' Report on Compliance with Requirements That Could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major Federal award program for International Association of Forensic Nurses, Inc., expresses an unqualified opinion.
6. There were no audit findings relative to the major Federal award program for International Association of Forensic Nurses, Inc. to be reported.
7. The program tested as major program was the Delivery and Evaluation of Sexual Assault Forensic Examiner (SAFE) Training Programs CFDA # 16.560.
8. The threshold for distinguishing Types A and B program was \$300,000.
9. International Association of Forensic Nurses, Inc. was determined to be a low-risk auditee.



**INTERNATIONAL ASSOCIATION OF FORENSIC NURSES, INC.**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
*December 31, 2013*

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**U.S. DEPARTMENT OF JUSTICE NATIONAL INSTITUTE OF JUSTICE  
DELIVERY AND EVALUATION OF SEXUAL ASSAULT FORENSIC EXAMINER  
(SAFE) TRAINING PROGRAM, CFDA # 16.560**

**Finding # 12-1**

*Condition:* International Association of Forensic Nurses, Inc. could not produce receipts for some of the smaller expenses charged to their credit card.

*Status in Current Year:* Client has resolved this issue and has provided all requested support for the testing of the major program.