

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION**

**FINANCIAL STATEMENTS**

**Year Ended March 31, 2012**

**(With Comparative Totals for the Year Ended March 31, 2011)**

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors of  
California Municipal Treasurers Association

We have reviewed the accompanying statement of financial position of California Municipal Treasurers Association (a nonprofit organization) as of March 31, 2012, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. The prior year summarized comparative information has been derived from the Organization's March 31, 2011 financial statements and, in our report dated November 7, 2011, we expressed an unqualified opinion on those financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

**CHAVEZ, KIRSTIEN & CO.**  
**Certified Public Accountants**

DATE

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**

**March 31, 2012**

**(With Comparative Totals as of March 31, 2011)**

**ASSETS**

	<b>2012</b>	<b>2011</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 150,291	\$ 123,290
Cash restricted to divisional activities	31,671	29,716
Accounts receivable	1,555	1,515
Prepaid expenses	11,210	48,379
Other assets	-	75
 Total current assets	 194,727	 202,975
 <b>TOTAL ASSETS</b>	 \$ 194,727	 \$ 202,975

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued liabilities	\$ 14,304	\$ 590
Deferred revenue	104,555	99,575
 Total current liabilities	 118,859	 100,165

**NET ASSETS:**

Unrestricted	56,954	88,254
Temporarily restricted	18,914	14,556
 Total net assets	 75,868	 102,810
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 \$ 194,727	 \$ 202,975

See accompanying notes and independent accountants' review report.

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
**Year Ended March 31, 2012**  
**(With Comparative Totals for the Year Ended March 31, 2011)**

	<b>2012</b>			<b>2011</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Total</b>
<b>REVENUES:</b>				
Conference registration fees	\$ 126,903	\$ -	\$ 126,903	\$ 106,255
Member dues	71,325	-	71,325	89,560
Education and certification	22,105	-	22,105	29,855
Advertising and sponsorship	10,643	-	10,643	12,168
Scholarship contributions	-	8,057	8,057	1,200
Interest income	80	-	80	327
Net assets released from restrictions	3,699	(3,699)	-	-
Total revenues	<u>234,755</u>	<u>4,358</u>	<u>239,113</u>	<u>239,365</u>
<b>EXPENSES:</b>				
Program services:				
Annual conference	177,332	-	177,332	127,428
Education and certification	20,619	-	20,619	29,015
Publications	3,413	-	3,413	7,303
Total program services	<u>201,364</u>	<u>-</u>	<u>201,364</u>	<u>163,746</u>
Supporting services:				
Management fees	40,000	-	40,000	40,000
Professional fees	7,613	-	7,613	7,648
Website maintenance	5,417	-	5,417	4,792
Bank and merchant fees	4,199	-	4,199	3,327
Insurance	2,413	-	2,413	2,058
Board meetings	2,073	-	2,073	16,427
Postage, supplies and other	1,890	-	1,890	4,072
Communications	1,086	-	1,086	1,241
Total expenses	<u>64,691</u>	<u>-</u>	<u>64,691</u>	<u>79,565</u>
Total expenses	<u>266,055</u>	<u>-</u>	<u>266,055</u>	<u>243,311</u>
<b>CHANGE IN NET ASSETS</b>	(31,300)	4,358	(26,942)	(3,946)
<b>NET ASSETS, beginning of year</b>	<u>88,254</u>	<u>14,556</u>	<u>102,810</u>	<u>106,756</u>
<b>NET ASSETS, end of year</b>	<u>\$ 56,954</u>	<u>\$ 18,914</u>	<u>\$ 75,868</u>	<u>\$ 102,810</u>

See accompanying notes and independent accountants' review report.

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**Year Ended March 31, 2012**  
**(With Comparative Totals for the Year Ended March 31, 2011)**

	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (26,942)	\$ (3,946)
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:		
Net decrease in cash restricted to divisional activities	(1,955)	(656)
(Increase) decrease in:		
Accounts receivable	(40)	7,955
Prepaid expenses	37,169	(42,441)
Other assets	75	184
Increase (decrease) in:		
Accounts payable and accrued liabilities	13,714	(887)
Deferred revenue	4,980	(21,375)
Net cash flows provided by (used in) operating activities	27,001	(61,166)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>123,290</b>	<b>184,456</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 150,291</b>	<b>\$ 123,290</b>

See accompanying notes and independent accountants' review report.

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2012**

**NOTE 1 – ORGANIZATION:**

**Description of the Association**

California Municipal Treasurers Association (the “Association”) is a California nonprofit mutual benefit corporation organized to promote the general and professional interests of treasurers and their respective agencies they represent through education, to obtain a higher standard of efficiency, to promote improved service and relations with other local finance organizations, and to promote a friendly and fraternal feeling among its members.

**Program Activities**

The program activities for the Association are as follows:

*Annual conference* – The Association holds one conference annually for its members to discuss various matters concerning municipal treasurers.

*Education and certification* – The Association offers its members several educational workshops and certifications.

*Publications* – The Association distributes quarterly publications and an annual membership roster to its members.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Presentation**

The financial statements of the Association are prepared in conformity with generally accepted accounting principles in the United States of America. Financial statement presentation follows the recommendations of FASB 958, Financial Statements of Not-for-Profit Organizations. FASB 958 requires the Association to report information regarding its financial position and activities into three classes: unrestricted, temporarily restricted, and permanently restricted. The Association has no permanently restricted net assets as of March 31, 2012.

**Cash and Cash Equivalents**

The Association considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include demand deposits in financial institutions and monies held in the Local Agency Investment Fund (LAIF). Monies held in the LAIF fund are stated at cost, which approximates fair value.

Cash restricted to divisional activities are demand deposit accounts used to facilitate activities such as meetings and seminars through the nine divisions of the Association.

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2012**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

**Revenue Recognition**

The Association derives its revenue primarily from the annual conference fees, membership dues, and educational workshops fees. Annual conference and educational workshop fees are recognized in the period in which the event takes place. Membership dues are recognized in the period for which the dues relate.

**Deferred Revenue**

Deferred revenue consists of annual conference fees and membership dues received prior to March 31, 2012 that relate to subsequent periods.

**Income Taxes**

The Association is exempt from income tax under Section 501(c)(6) of the Internal Revenue Code and Section 23701e of the California Revenue and Taxation Code. Therefore, these financial statements contain no provision for federal or state income tax. The Association's exempt organization tax returns for the years ended March 31, 2009, 2010, and 2011 are subject to examination generally for three years after they are filed. The Association has evaluated its current tax positions and believes there are no uncertain tax positions for which a reserve would be necessary.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 could differ from those estimates.

**Subsequent Events**

Subsequent events have been evaluated through DATE, which was the date the financial statements were available to be issued.

**NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS:**

Temporary restricted net assets as of March 31, 2012 are restricted for scholarships awarded to recipients to attend the annual conference to contribute to their professional development and technical competency. The Association awarded \$3,699 in scholarships for the year ended March 31, 2012. Temporarily restricted net assets available for future scholarships as of March 31, 2012 were \$18,914.

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2012**

**NOTE 4 – RELATED PARTY TRANSACTIONS:**

The Association has an administrative service agreement with Smith Moore and Associates, which employs the Executive Director of the Association. For the year ended March 31, 2012, total fees for administrative services were \$50,788, which included reimbursements for certain expenses incurred on behalf of the Association in the amount of \$10,788. As of March 31, 2012, the Association owed Smith Moore and Associates \$162.

**NOTE 5 – CONCENTRATIONS:**

A substantial portion of the Association's revenues are obtained from its members, which consist of municipal treasurers and persons whose livelihood is derived from activities related to municipal treasury in the state of California. Membership dues received from its members accounted for 30% of the Association's total revenues. Education and certification fees received from its members accounted for 9% of the Association's total revenues. Annual conference fees received from its members accounted for 53% of the Association's total revenues.