



**LEON SNEAD  
& COMPANY, P.C.**

*Certified Public Accountants  
& Management Consultants*

416 Hungerford Drive, Suite 400  
Rockville, Maryland 20850  
301-738-8190  
fax: 301-738-8210  
leonsnead.companypc@erols.com

**Independent Auditors' Report**

Ms. Julie Bryant  
President  
Northern Virginia Chapter  
Association of Government Accountants

We have audited the accompanying statement of financial position of the Northern Virginia Chapter of the Association of Government Accountants as of June 30, 2002 and 2001, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Northern Virginia Chapter's management. 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 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 audit provides 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 Northern Virginia Chapter of the Association of Government Accountants as of June 30, 2002 and 2001, 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.

We have also issued a separate report on internal controls dated November 26, 2002.

*Leon Snead & Company, P.C.*  
Leon Snead & Company, P.C.  
November 26, 2002



**LEON SNEAD  
& COMPANY, P.C.**

*Certified Public Accountants  
& Management Consultants*

416 Hungerford Drive, Suite 400  
Rockville, Maryland 20850  
301-738-8190  
fax: 301-738-8210  
leonsnead.companypc@erols.com

## **Independent Auditors' Report on Internal Controls**

Ms. Julie Bryant  
President  
Northern Virginia Chapter  
Association of Government Accountants

We have audited the financial statements of the Northern Virginia Chapter of the Association of Government Accountants as of and for the years ended June 30, 2002 and 2001, and have issued a report thereon dated November 26, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In planning and performing our audit, we considered the Northern Virginia Chapter of the Association of Government Accountants' internal controls over financial reporting by obtaining an understanding of the organization's internal controls, determining whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. The objective of our audit was not to provide assurance on internal controls. Consequently, we do not provide an opinion on internal controls.

Our consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal controls over financial reporting that might be reportable conditions. Reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls that, in our judgment, could adversely affect the Northern Virginia Chapter of the Association of Government Accountants' ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal controls over financial reporting and its operation that we considered a reportable condition or a material weakness as defined above.

This report is intended solely for the information and use of the Northern Virginia Chapter of the Association of Government Accountants' management and is not intended to be and should not be used by others.

*Leon Snead & Company, P.C.*  
Leon Snead & Company, P.C.  
November 26, 2002

**Northern Virginia Chapter  
of the  
Association of Government Accountants**

**Financial Statements  
For the Years Ended June 30, 2002 and 2001**

**Association of Government Accountants  
Northern Virginia Chapter  
Statement of Financial Position  
June 30, 2002 and 2001**

<b>Assets</b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Cash in Bank	\$26,611	\$25,746
Cash Box	100	100
Certificate of Deposit	12,134	11,635
Accounts Receivable	<u>6,798</u>	<u>1,150</u>
<b>TOTAL ASSETS</b>	<b><u>\$45,643</u></b>	<b><u>\$38,631</u></b>
 <b>Liabilities and Net Assets</b>		
Accounts Payable	<u>\$ 559</u>	<u>\$ 74</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 559</u></b>	<b><u>\$ 74</u></b>
 <b>Net Assets</b>		
Unrestricted		
Beginning Balance	\$38,557	\$31,733
Plus revenues over expenditures	6,527	2,639
Plus prior period adjustment	<u>-</u>	<u>4,185</u>
<b>TOTAL UNRESTRICTED NET ASSETS</b>	<b><u>\$45,084</u></b>	<b><u>\$38,557</u></b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$45,643</u></b>	 <b><u>\$38,631</u></b>

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

**Association of Government Accountants  
Northern Virginia Chapter  
Statement of Activities  
For the Years Ended June 30, 2002 and 2001**

<b>Unrestricted Members Equity Revenue</b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Chapter Recognition	\$ (150)	\$ 150
CGFM Prorata Income	-	1,467
Community Service Raffle	445	52
Education Income (Training)	910	13,875
Federal Leadership Conference Porata Share	2,000	2,000
Interest Earned (CD)	499	575
Meeting Income	5,629	4,590
Advertising	500	-
Membership Dues	<u>6,985</u>	<u>9,749</u>
<b>TOTAL UNRESTRICTED REVENUE</b>	<b><u>\$16,818</u></b>	<b><u>\$32,458</u></b>
<b>Expenses</b>		
<b>Program Expenses</b>		
Attendance	\$ -	\$ 1,359
Awards	-	502
Community Service/Donations	2,631	3,935
Education Expense	205	8,967
Internet Site	100	748
Meeting Expenses	6,425	12,933
Newsletter	-	745
<b>General and Administrative Expenses</b>		
President's Expenses	244	511
Treasurer's Expenses	<u>686</u>	<u>119</u>
<b>TOTAL EXPENSES</b>	<b><u>\$10,291</u></b>	<b><u>\$29,819</u></b>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b><u>\$ 6,527</u></b>	<b><u>\$ 2,639</u></b>
<b>INCREASE IN NET ASSETS</b>	<b>\$ 6,527</b>	<b>\$ 2,639</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>38,557</b>	<b>31,733</b>
<b>PLUS PRIOR PERIOD ADJUSTMENT</b>	<b><u>-</u></b>	<b><u>4,185</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$45,084</u></b>	<b><u>\$38,557</u></b>

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

**Association of Government Accountants  
Northern Virginia Chapter  
Statement of Cash Flows  
For the Years Ended June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ <u>6,527</u>	\$ <u>2,639</u>
Add: Prior period income in excess of accrual	\$ -	\$5,525
Increase in Accounts Payable	485	74
Decrease in Prepaid Expenses	-	392
Less: Interest added to Certificate of Deposit	(499)	(575)
Increase in Accounts Receivable	<u>(5,648)</u>	<u>(1,150)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (5,662)</u>	<u>\$ 4,266</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 865	\$ 6,905
BEGINNING CASH AND CASH EQUIVALENTS	<u>25,746</u>	<u>18,841</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$26,611</u></u>	<u><u>\$25,746</u></u>

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

**Association of Government Accountants  
Northern Virginia Chapter  
Notes to the Financial Statements  
June 30, 2002 and 2001**

**1. Organization**

The Northern Virginia Chapter of the Association of Government Accountants (Chapter) is a professional organization of members whose work includes accounting, budgeting and related fields in federal, state and local government. The Chapter's revenues are derived from membership dues and professional educational conferences.

**2. Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The Chapter prepares its financial statements on the accrual basis of accounting.

**B. Income Tax Status**

The Chapter is exempt from income tax due to its tax classification.

**C. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions. Therefore, actual results could differ from those estimates.