

GOVERNMENT MICROCIRCUIT

APPLICATIONS CONFERENCE

COMPARATIVE FINANCIAL STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2002 AND 2001

Alvin S. Eglow
Certified Public Accountant

**GOVERNMENT MICROCIRCUIT APPLICATIONS CONFERENCE
DECEMBER 31, 2002 AND 2001**

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September 25, 2003

Government Microcircuit Applications Conference
c/o Palisades Convention Management
411 Lafayette St., Suite 201
New York, NY 10003

Dear GOMAC Tech Representative:

I have audited the accompanying statement of assets and liabilities arising from cash transactions of Government Microcircuit Applications Conference (GOMAC), a not for profit organization, and the related statements of revenues collected and expenses paid, and cash flows for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of GOMAC's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial position and the related statement of cash receipts and disbursements 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. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the company's policy is to prepare its financial statements on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Government Microcircuit Applications Conference as of December 31, 2002 and 2001, and the revenues collected and expenses paid during the years then ended on the basis of accounting described in Note 1.

Very truly yours,



ALVIN S. EGLOW, CPA

GOVERNMENT MICROCIRCUIT APPLICATIONS CONFERENCE
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AS AT DECEMBER 31, 2002 and 2001

	<u>DEC. 31,</u> <u>2002</u>	<u>DEC. 31,</u> <u>2001</u>
ASSETS		
Cash	<u>\$ 60,729</u>	<u>\$ 56,834</u>
LIABILITIES AND NET ASSETS		
Unrestricted Net Assets	<u>\$ 60,729</u>	<u>\$ 56,834</u>

See Accountants' Report

GOVERNMENT MICROCIRCUIT APPLICATIONS CONFERENCE
STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001

REVENUE

Exhibit Income	\$ 56,000	\$ 41,000
Registration Income	116,790	93,195
Interest Income	231	382
	173,021	134,577
Total Revenue	173,021	134,577

DISBURSEMENTS

Printing	26,291	20,718
Equipment Rentals	22,606	18,483
Social Functions	41,533	27,607
Awards	4,041	3,107
Personnel Services	5,729	9,396
Voting Gift/Publicity	1,082	433
Exhibits	23,138	17,445
Shipping and Postage	1,332	3,297
Miscellaneous	13,897	7,717
Consulting Fee	22,785	22,785
Seminar	6,692	13,800
Total Disbursements	169,126	144,788
Increase (Decrease) in Unrestricted Net Assets	3,895	(10,211)
Unrestricted Net Assets - Beginning of Year	56,834	67,045
Unrestricted Net Assets - End of Year	\$ 60,729	\$ 56,834

See Accountants' Report

GOVERNMENT MICROCIRCUIT APPLICATIONS CONFERENCE
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	<u>DEC. 31,</u> <u>2002</u>	<u>DEC. 31,</u> <u>2001</u>
Cash Flows From Operating Activities:		
Net Cash Provided (Used) by Operating Activities	\$ 3,895	\$ (10,211)
Cash and Cash Equivalents, Beginning of Year	<u>56,834</u>	<u>67,045</u>
Cash and Cash Equivalents, End of Year	<u>\$ 60,729</u>	<u>\$ 56,834</u>

See Accountants' Report

GOVERNMENT MICROCIRCUIT APPLICATIONS CONFERENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Government Microcircuit Applications Conference (GOMAC) was created through the cooperation of United States departments, agencies, universities and industry to promote the interchange of science and technology research and development among scientists, engineers, and administrators in the United States. GOMAC is a nonprofit organization that operates in accordance with the Internal Revenue Service Code Section 501(c)(3).

Basis of Accounting

The accounts of GOMAC are maintained on the cash basis of accounting, a comprehensive basis of accounting other than generally accepted accounting principles.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts.

Income Taxes

GOMAC is a nonprofit corporation and is not subject to federal or state income taxes.

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 could differ from those estimates.

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Independent Auditor's Report on Internal Control

In planning and performing my audit of the financial statements of Government Microcircuit Applications Conference (GOMAC) for the years ended December 31, 2002 and 2001, I considered its internal control to determine my auditing procedures for the purpose of expressing my opinion on Gomac's financial statements and not to provide assurance on internal control. My consideration of internal control would not necessarily disclose all matters that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition 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 misstatement caused by error or fraud 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 those involved in the normal course of performing their assigned functions. However, I noted no matters involving Gomac's internal control and its operation that I consider to be material weaknesses as defined above.

I do propose the following recommendations:

Insurance

Have your insurance consultant review and recommend what coverage should be obtained. There is none at this given time. It was noted in the review of the proposed By-Laws that both the Finance and Conference Chair should be bonded.

By-Laws

The revision should be completed and adopted as promptly as possible.

Accounting Procedure

All funds deposited should be identified by the name of the registrant and exhibitor on the deposit slip or by batch reference. Further, the voucher "request for payment" should be pre-numbered and transacted accordingly. Copies of both should be sent to the Finance Chair or the very least be available at the Chair's request.

This report is intended solely for the information and use by GOMAC and not intended to be used and should not be used by anyone other than the specified parties.