

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

(A NONPROFIT ORGANIZATION)

ATHENS, GEORGIA

FINANCIAL STATEMENTS

(WITH INDEPENDENT AUDITORS' REPORT)

Years Ended

October 31, 2013 and 2012

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
ATHENS, GEORGIA

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INDEPENDENT AUDITORS' REPORT

August 12, 2014

To the Board of Directors
GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
ATHENS, GEORGIA

We have audited the accompanying statement of financial position of GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC. (a nonprofit organization), which comprise the statement of financial position as of October 31, 2013 and 2012 and the related statements of activities and cash flows for the years 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.

Auditors' 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 auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC. as of October 31, 2013 and 2012 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.

Bates, Carter & Co, LLP

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
October 31, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|--------------------------------------|-----------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 108,199 | \$ 131,441 |
| Investments - short term | 121,806 | 100,656 |
| Account receivable, net | <u>-</u> | <u>1,076</u> |
| Total current assets | <u>230,005</u> | <u>233,173</u> |
| Total assets | <u>\$ 230,005</u> | <u>\$ 233,173</u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable | \$ <u>16,772</u> | \$ <u>15,558</u> |
| Total liabilities | <u>16,772</u> | <u>15,558</u> |
| Net Assets | | |
| Unrestricted net assets | <u>213,233</u> | <u>217,615</u> |
| Total net assets | <u>213,233</u> | <u>217,615</u> |
| Total liabilities and net assets | <u>\$ 230,005</u> | <u>\$ 233,173</u> |

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

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
Years Ended October 31, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|--|-------------------|-------------------|
| Public support, revenue, and reclassifications | | |
| Annual conference fees | \$ 134,338 | \$ 114,593 |
| Membership dues | 31,810 | 28,665 |
| Investment income | 3,341 | 3,201 |
| Unrealized gains (losses) on investments | 17,809 | 8,405 |
| National conference sponsorships | 2,000 | - |
| | <u>189,298</u> | <u>154,864</u> |
| Expenses | | |
| Expenses | 172,360 | 149,103 |
| Administrative expenses | 21,320 | 17,701 |
| | <u>193,680</u> | <u>166,804</u> |
| Increase (decrease) in Net Assets | (4,382) | (11,940) |
| Net Assets, beginning of year | <u>217,615</u> | <u>229,555</u> |
| Net Assets, end of year | <u>\$ 213,233</u> | <u>\$ 217,615</u> |

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

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended October 31, 2013 and 2012

| | <u>2013</u> | | | <u>2012</u> | | |
|----------------------------------|-----------------------------------|-----------------------------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| | <u>Program</u> <u>Services</u> | <u>Support</u> <u>Services</u> | <u>Total</u> | <u>Program</u> <u>Services</u> | <u>Support</u> <u>Services</u> | <u>Total</u> |
| | <u>Operating</u> <u>Fund</u> | <u>Administration</u> | | <u>Operating</u> <u>Fund</u> | <u>Administration</u> | |
| Other expenses | | | | | | |
| Annual conference | \$ 150,648 | \$ - | \$ 150,648 | \$ 143,412 | \$ - | \$ 143,412 |
| Awards | 691 | - | 691 | 525 | - | 525 |
| Career development | 6,827 | - | 6,827 | - | - | - |
| Executive board | - | 2,740 | 2,740 | - | 1,183 | 1,183 |
| Audit services | - | 2,500 | 2,500 | - | 2,050 | 2,050 |
| Liability insurance | - | 950 | 950 | - | 950 | 950 |
| Long-range planning | - | - | - | - | 552 | 552 |
| Miscellaneous expense | 71 | - | 71 | - | - | - |
| Administration Services Contract | - | 13,197 | 13,197 | - | 12,700 | 12,700 |
| Scholarship | 6,435 | - | 6,435 | 1,125 | - | 1,125 |
| Travel | - | 1,933 | 1,933 | - | 266 | 266 |
| National conference | 6,209 | - | 6,209 | 4,041 | - | 4,041 |
| Supplies | 1,291 | - | 1,291 | - | - | - |
| Volunteer Recognition | 188 | - | 188 | - | - | - |
| Total functional expenses | <u>\$ 172,360</u> | <u>\$ 21,320</u> | <u>\$ 193,680</u> | <u>\$ 149,103</u> | <u>\$ 17,701</u> | <u>\$ 166,804</u> |

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

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended October 31, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|---|-------------------|-------------------|
| Cash flows from operating activities | | |
| Net income (loss) | \$ (4,382) | \$ (11,940) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Net unrealized (gain) loss on investments | (17,809) | (8,405) |
| (Increase) decrease in: | | |
| Accounts receivable | 1,076 | 21,123 |
| Increase (decrease) in: | | |
| Accounts payable | 1,214 | 7,864 |
| Total adjustments | <u>(15,519)</u> | <u>20,582</u> |
| Net cash provided by (used in) operating activities | <u>(19,901)</u> | <u>8,642</u> |
| Cash flows from investing activities | | |
| Purchase of investments | <u>(3,341)</u> | <u>(3,201)</u> |
| Net cash provided by (used in) investing activities | <u>(3,341)</u> | <u>(3,201)</u> |
| Net increase (decrease) in cash and cash equivalents | (23,242) | 5,441 |
| Cash and cash equivalents, beginning of year | <u>131,441</u> | <u>126,000</u> |
| Cash and cash equivalents, end of year | <u>\$ 108,199</u> | <u>\$ 131,441</u> |

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

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
October 31, 2013 and 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant policies of GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC. (GGFOA, the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of these financial statements.

BUSINESS ACTIVITY

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC., established in 1985, is a nonprofit organization exempt from taxation under Section 501(c)(6) of the Internal Revenue Code. Its purpose is to promote and foster excellence in governmental financial management through programs that enhance the abilities of the government finance professional. The organization has a membership in excess of 600 government finance professionals. Its members are from state, county, and city governments; school districts, colleges, universities, authorities, special districts, and private firms.

BASIS OF ACCOUNTING

The financial statements of GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

FINANCIAL STATEMENT PRESENTATION

The Organization reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of GGFOA and/or passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that GGFOA maintains them permanently.

For the fiscal year ended October 31, 2013 and 2012, all assets of GGFOA have been reported as unrestricted.

In addition, the Organization is required to present a statement of cash flows.

CONTRIBUTIONS

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
October 31, 2013 and 2012

SUPPORT AND REVENUES

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor or the Board of Directors.

GGFOA receives various types of in-kind support, including contributed services. The value of the contributed services has not been determined and does not meet the requirements for recognition in the financial statements. Most volunteer services are not measurable and have been excluded from the financial statements.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash balances and highly liquid investments with maturities of three months or less.

INVESTMENTS

Investments are composed of mutual funds invested in debt and equity securities and are carried at fair value.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

At October 31, 2013 and 2012, the cost of investments was \$95,918 and \$96,560, respectively. Unrealized gains (losses) of \$17,809 and \$8,405 were incurred during the years ended October 31, 2013 and 2012, respectively. These gains (losses) are included in the change in net assets.

ADVERTISING

The Organization expenses advertising costs as incurred.

USE OF 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.

INCOME TAXES

No provision has been made for income taxes in the financial statements, since GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC. is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC. has not been classified as a private foundation.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
October 31, 2013 and 2012

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of the organization's programs and supporting services have been reported on a functional basis, requiring the allocation of certain costs based on estimates made by management.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At October 31, 2013, and October 31, 2012, the Organization did not exceed the FDIC-insured limits.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable represents funds earned for the period ending October 31, 2013 and 2012, which have not been received. All accounts receivable are considered earned support and are expected to be collected in the next fiscal year. Based on management estimates, no allowance for uncollectible receivables has been provided.

NOTE 4 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 12, 2014, the date the financial statements were available to be issued.