

**GEORGIA GOVERNMENT FINANCE
OFFICERS ASSOCIATION, INC.**

FINANCIAL REPORT

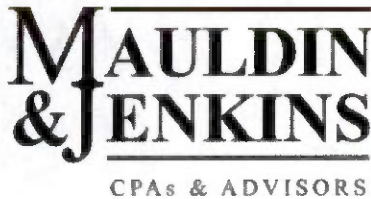
OCTOBER 31, 2022

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

**FINANCIAL REPORT
OCTOBER 31, 2022**

TABLE OF CONTENTS

| | <u>Page</u> |
|--|--------------------|
| INDEPENDENT AUDITOR'S REPORT | 1 and 2 |
| FINANCIAL STATEMENTS | |
| Statements of financial position | 3 |
| Statements of activities | 4 |
| Statements of functional expenses | 5 and 6 |
| Statements of cash flows | 7 |
| Notes to financial statements | 8-11 |



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Georgia Government Finance Officers Association, Inc.
Lawrenceville, Georgia

Opinion

We have audited the accompanying financial statements of **Georgia Government Finance Officers Association, Inc.** (a nonprofit organization), which comprise the statements of financial position as of October 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Georgia Government Finance Officers Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Georgia Government Finance Officers Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Georgia Government Finance Officers Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Georgia Government Finance Officers Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 13, 2023

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION OCTOBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 121,482 | \$ 130,595 |
| Investments | 273,556 | 322,987 |
| Accounts receivable | <u>114,580</u> | <u>36,444</u> |
| Total current assets | <u>509,618</u> | <u>490,026</u> |
| Total assets | <u>\$ 509,618</u> | <u>\$ 490,026</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Deferred revenue | <u>\$ 1,000</u> | <u>\$ 1,000</u> |
| Total current liabilities | <u>1,000</u> | <u>1,000</u> |
| Net assets without donor restrictions | <u>508,618</u> | <u>489,026</u> |
| Total liabilities and net assets | <u>\$ 509,618</u> | <u>\$ 490,026</u> |

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Public support and revenues: | | |
| Annual conference fees | \$ 222,674 | \$ 154,627 |
| Scholarship donations | 4,035 | 4,266 |
| Membership dues | 39,485 | 38,393 |
| Unrealized (losses) gains on investments | (49,431) | 83,158 |
| Conference sponsorships | 80,230 | 66,350 |
| | <u>296,993</u> | <u>346,794</u> |
| Total public support and revenues | | |
| Expenses: | | |
| Program services | | |
| Annual conference | 245,585 | 276,820 |
| Scholarships | 14,545 | 17,197 |
| Total program services | <u>260,130</u> | <u>294,017</u> |
| Supporting services: | | |
| General and administrative | 17,271 | 24,618 |
| Total supporting services | <u>17,271</u> | <u>24,618</u> |
| Total expenses | <u>277,401</u> | <u>318,635</u> |
| Change in net assets without donor restrictions | 19,592 | 28,159 |
| Net assets without donor restrictions at beginning of year | <u>489,026</u> | <u>460,867</u> |
| Net assets without donor restrictions at end of year | <u>\$ 508,618</u> | <u>\$ 489,026</u> |

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2022**

| | Program Services | | Total Program Services | Supporting Services | | Total |
|--------------------------|----------------------|------------------|---------------------------|-------------------------------|-------------------|-------|
| | Annual Conference | Scholarships | | General and Administrative | | |
| Food service | \$ 116,116 | \$ - | \$ 116,116 | \$ - | \$ 116,116 | |
| Travel | 2,109 | - | 2,109 | 1,844 | 3,953 | |
| Speaker fees and lodging | 15,507 | - | 15,507 | - | 15,507 | |
| Entertainment | 4,970 | - | 4,970 | - | 4,970 | |
| Instruction materials | 5,560 | - | 5,560 | - | 5,560 | |
| Facilitator expenses | 31,152 | - | 31,152 | - | 31,152 | |
| Scholarships | - | 14,202 | 14,202 | - | 14,202 | |
| Conference setup | 56,531 | - | 56,531 | - | 56,531 | |
| Career development | - | - | - | 7,500 | 7,500 | |
| Website expenses | - | - | - | 2,778 | 2,778 | |
| Promotions and awards | - | - | - | 840 | 840 | |
| Insurance | - | - | - | 971 | 971 | |
| Other | 13,640 | 343 | 13,983 | 3,338 | 17,321 | |
| | <u>\$ 245,585</u> | <u>\$ 14,545</u> | <u>\$ 260,130</u> | <u>\$ 17,271</u> | <u>\$ 277,401</u> | |

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2021**

| | Program Services | | Total Program Services | Supporting Services | |
|--------------------------|----------------------|------------------|---------------------------|-------------------------------|-------------------|
| | Annual Conference | Scholarships | | General and Administrative | Total |
| Food service | \$ 131,818 | \$ - | \$ 131,818 | \$ - | \$ 131,818 |
| Signs and promotions | 5,083 | - | 5,083 | - | 5,083 |
| Travel | - | 1,452 | 1,452 | - | 1,452 |
| Speaker fees and lodging | 9,031 | - | 9,031 | - | 9,031 |
| Entertainment | 10,371 | - | 10,371 | - | 10,371 |
| Instruction materials | 2,028 | - | 2,028 | - | 2,028 |
| Facilitator expenses | 25,795 | - | 25,795 | - | 25,795 |
| Scholarships | - | 15,226 | 15,226 | - | 15,226 |
| Conference setup | 38,735 | - | 38,735 | - | 38,735 |
| Professional fees | - | - | - | 6,500 | 6,500 |
| Career development | - | - | - | 9,000 | 9,000 |
| Website expenses | - | - | - | 5,006 | 5,006 |
| Promotions and awards | 800 | - | 800 | - | 800 |
| Insurance | - | - | - | 1,851 | 1,851 |
| Other | 53,159 | 519 | 53,678 | 2,261 | 55,939 |
| | <u>\$ 276,820</u> | <u>\$ 17,197</u> | <u>\$ 294,017</u> | <u>\$ 24,618</u> | <u>\$ 318,635</u> |

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Change in net assets | \$ 19,592 | \$ 28,159 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Net unrealized losses (gains) on investments | 49,431 | (83,157) |
| Decrease (increase) in accounts receivable | (78,136) | 41,446 |
| Decrease (increase) in prepaid expenses | - | 55,280 |
| | <u>(9,113)</u> | <u>41,728</u> |
| Net cash (used in) provided by operating activities | (9,113) | 41,728 |
| Net (decrease) increase in cash and cash equivalents | (9,113) | 41,728 |
| Cash and cash equivalents at beginning of year | 130,595 | 88,867 |
| Cash and cash equivalents at end of year | <u>\$ 121,482</u> | <u>\$ 130,595</u> |

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Georgia Government Finance Officers Association, Inc. (the "Organization" or "GGFOA"), established in 1985, is a non-profit organization exempt from taxation under Section 501(c)(6) of the Internal Revenue Code. Its purpose is to promote and foster excellence in governmental and 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.

Significant Accounting Policies

Basis of Preparation and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Not-for-Profit* presentation and disclosure guidance. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two categories of net assets, as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The only limits on net assets without donor restrictions are those resulting from the nature of the Organization and its purposes.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

There are no net assets with donor restrictions at October 31, 2022 and 2021.

Contributions

Contributions received are recognized as revenues in the period received and are recorded as support with donor restriction or without donor restriction depending on the existence and/or nature of any donor restrictions. Net assets with donor restriction are reclassified to net assets without donor restriction upon satisfaction of the time or purpose restrictions.

Support and Revenues

Contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor or designated by 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with maturities of three months or less. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Fair Value Measurements

FASB's Fair Value Measurements and disclosure guidance provides a framework for measuring fair value under generally accepted accounting principles. This standard applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, GGFOA uses various methods including market, income, and cost approaches. Based on these approaches, GGFOA often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. GGFOA utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, GGFOA is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the years ended October 31, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from the income taxes under Section 501(c)(6) of the United States Internal Revenue Code. Accordingly, no provision for income taxes is recorded in the accompanying financial statements. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In the opinion of management, the Organization had no significant unrelated business taxable income during 2022 and 2021. Accordingly, no provision or benefit for federal and state income taxes has been recorded in the accompanying financial statements. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. All expenses are reported on a direct expense basis.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2020. In June 2020, FASB issued ASU 2020-05, *Leases* (Topic 842), which extended the required implementation date of the lease standard for financial statements issued for fiscal years beginning after December 15, 2021. The Organization is assessing the impact the new guidance will have on its financial statements.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise of the following as of June 30:

| | 2022 | 2021 |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 121,482 | \$ 130,595 |
| Accounts receivable | 114,580 | 36,444 |
| Investments | 273,556 | 322,987 |
| | <u>\$ 509,618</u> | <u>\$ 490,026</u> |

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Organization are expected to be met through membership dues and conference registration fees.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. INVESTMENTS

Investments measured at fair value on a recurring basis consisted of the following at October 31, 2022 and 2021:

| | | Fair Value Measurements at October 31, 2022 | | |
|---------------------|----|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Mutual funds | \$ | 273,556 | \$ 273,556 | \$ - |
| | \$ | 273,556 | \$ 273,556 | \$ - |
| | | Fair Value Measurements at October 31, 2021 | | |
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Mutual funds | \$ | 322,987 | \$ 322,987 | \$ - |
| | \$ | 322,987 | \$ 322,987 | \$ - |

NOTE 4. CONCENTRATION OF CREDIT RISK

The Organization's cash accounts are maintained in a commercial bank and brokerage company. Cash accounts are federally insured up to \$250,000. At times, the Organization may exceed federally insured limits. At October 31, 2022 and 2021, the Organization did not exceed the FDIC-insured limits.

NOTE 5. ACCOUNTS RECEIVABLE

Accounts receivable represents funds earned for the years ended October 31, 2022 and 2021 which have not been received. All accounts receivable are considered earned support and are expected to be collected in the next fiscal year. Management deems the accounts receivables to be collectable and therefore no allowance for uncollectible receivables has been recorded at year end October 31, 2022 and 2021.

NOTE 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 13, 2023, the date the financial statements were available to be issued.