

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

FINANCIAL REPORT

OCTOBER 31, 2020

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

**FINANCIAL REPORT
OCTOBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **Georgia Government Finance Officers Association, Inc.** (a non-profit organization), which comprise the statements of financial position as of October 31, 2020 and 2019, and the related statements of activities, functional expenses, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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, 2020 and 2019, 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 29, 2021

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION OCTOBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 88,867	\$ 114,591
Investments - short term	239,830	218,931
Prepaid expenses	55,280	-
Accounts receivable	77,890	44,826
	<u>461,867</u>	<u>378,348</u>
Total current assets		
	<u>461,867</u>	<u>378,348</u>
Total assets	<u>\$ 461,867</u>	<u>\$ 378,348</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ -	\$ 14,767
Deferred revenue	1,000	-
	<u>1,000</u>	<u>14,767</u>
Total current liabilities		
	<u>1,000</u>	<u>14,767</u>
Net assets without donor restriction	<u>460,867</u>	<u>363,581</u>
Total liabilities and net assets	<u>\$ 461,867</u>	<u>\$ 378,348</u>

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED OCTOBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Public support and revenues:		
Annual conference fees	\$ 77,755	\$ 243,117
Membership dues	38,445	41,950
Investment income	4,346	4,365
Unrealized gains on investments	16,553	22,087
Conference sponsorships	26,000	59,542
	<u>163,099</u>	<u>371,061</u>
Total public support and revenues		
	<u>163,099</u>	<u>371,061</u>
Expenses:		
Program services	44,390	263,631
Supporting services:		
General and administrative	21,423	27,202
	<u>65,813</u>	<u>290,833</u>
Total expenses		
	<u>65,813</u>	<u>290,833</u>
Change in net assets without donor restrictions	97,286	80,228
Net assets without donor restrictions at beginning of year	<u>363,581</u>	<u>283,353</u>
Net assets without donor restrictions at end of year	<u>\$ 460,867</u>	<u>\$ 363,581</u>

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2020**

	Program Services		Total Program Services	Supporting Services	
	Annual Conference	Scholarships		General and Administrative	Total
Travel	\$ 262	\$ 170	\$ 432	\$ 833	\$ 1,265
Speaker fees and lodging	4,250	-	4,250	-	4,250
Instruction materials	6,050	-	6,050	-	6,050
Facilitator expenses	19,248	-	19,248	-	19,248
Scholarships	-	8,145	8,145	-	8,145
Conference setup	830	-	830	-	830
Professional fees	-	-	-	1,900	1,900
Career development	-	-	-	7,500	7,500
Website expenses	-	-	-	7,028	7,028
Promotions and awards	1,430	-	1,430	-	1,430
Insurance	-	-	-	1,737	1,737
Other	4,005	-	4,005	2,425	6,430
	<u>\$ 36,075</u>	<u>\$ 8,315</u>	<u>\$ 44,390</u>	<u>\$ 21,423</u>	<u>\$ 65,813</u>

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2019**

	Program Services		Total Program Services	Supporting Services	
	Annual Conference	Scholarships		General and Administrative	Total
Food service	\$ 138,765	\$ -	\$ 138,765	\$ -	\$ 138,765
Signs and promotions	8,207	-	8,207	-	8,207
Travel	912	-	912	2,396	3,308
Speaker fees and lodging	15,507	-	15,507	-	15,507
Entertainment	25,097	-	25,097	-	25,097
Instruction materials	8,282	-	8,282	-	8,282
Facilitator expenses	17,215	-	17,215	-	17,215
Scholarships	-	13,780	13,780	-	13,780
Conference setup	29,488	-	29,488	-	29,488
Professional fees	-	-	-	4,500	4,500
Career development	-	-	-	9,000	9,000
Website expenses	-	-	-	1,506	1,506
Promotions and awards	-	-	-	840	840
Insurance	-	-	-	1,692	1,692
Other	5,656	722	6,378	7,268	13,646
	<u>\$ 249,129</u>	<u>\$ 14,502</u>	<u>\$ 263,631</u>	<u>\$ 27,202</u>	<u>\$ 290,833</u>

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED OCTOBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 97,286	\$ 80,228
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Net unrealized (gains) on investments	(16,553)	(22,087)
(Increase) in accounts receivable	(33,064)	(33,128)
(Increase) in prepaid expenses	(55,280)	-
Increase in deferred revenue	1,000	-
(Increase) in accounts payable	(14,767)	3,630
Net cash (provided by) operating activities	<u>(21,378)</u>	<u>28,643</u>
INVESTING ACTIVITIES		
Purchase of investments	<u>(4,346)</u>	<u>(4,365)</u>
Net cash (used in) investing activities	<u>(4,346)</u>	<u>(4,365)</u>
Net (increase) in cash and cash equivalents	(25,724)	24,278
Cash and cash equivalents at beginning of year	<u>114,591</u>	<u>90,313</u>
Cash and cash equivalents at end of year	<u>\$ 88,867</u>	<u>\$ 114,591</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, 2020 and 2019.

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, 2020 and 2019, 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 2020 and 2019. 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

The Financial Accounting Standards Board (FASB) issued three Accounting Standards Updates that affect the Organization's accounting policies. The first, Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services. This ASU requires entities to make new judgements and estimates and provide expanded disclosures about revenue.

For the year ending October 31, 2020, the Organization adopted ASU 2014-09 and has adjusted the presentation in these financial statements accordingly. The Organization recognizes conference fee and conference sponsorship revenue included in the accompanying statements of activities, in accordance with FASB ASC Topic 606. Membership dues revenue are earned over the course of the membership period, representing the period over which the Organization satisfies the performance obligation.

The second, ASU No. 2018-08, *Not-For-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, establishes standards for characterizing grants and similar contracts with resource providers as either exchange transactions or conditional contributions. The Third, ASU No. 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*, requires that the statement of cash flows explains the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or cash equivalents. The adoption of these ASUs did not have an impact on the timing of the revenue recognition or presentation on the statement of cash flows.

NOTES TO 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 statement of financial position date, comprise of the following:

	2020	2019
Cash and cash equivalents	\$ 88,867	\$ 114,591
Accounts receivable	77,890	44,826
Investments	239,830	218,931
	\$ 406,587	\$ 378,348

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.

NOTE 3. INVESTMENTS

Investments measured at fair value on a recurring basis consisted of the following at October 31, 2020 and 2019:

		Fair Value Measurements at October 31, 2020		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 239,830	\$ 239,830	\$ -	\$ -
	\$ 239,830	\$ 239,830	\$ -	\$ -
		Fair Value Measurements at October 31, 2019		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 218,931	\$ 218,931	\$ -	\$ -
	\$ 218,931	\$ 218,931	\$ -	\$ -

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, 2020 and 2019, the Organization did not exceed the FDIC-insured limits.

NOTE 5. ACCOUNTS RECEIVABLE

Accounts receivable represents funds earned for the years ended October 31, 2020 and 2019 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. EFFECTS OF COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are worldwide. The related financial impacts and duration cannot be reasonably estimated.

NOTE 7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 29, 2021, the date the financial statements were available to be issued.