

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

FINANCIAL REPORT

OCTOBER 31, 2017

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

**FINANCIAL REPORT
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **Georgia Government Finance Officers Association, Inc.** (a non-profit organization), which comprise the statement of financial position as of October 31, 2017 and 2016, and the related statements of activities and cash flows for the year 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, 2017 and 2016, 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
May 8, 2018

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION OCTOBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 59,861	\$ 69,088
Investments - short term	182,519	153,263
Accounts receivable	1,400	3,152
	<u>243,780</u>	<u>225,503</u>
Total current assets		
	<u>243,780</u>	<u>225,503</u>
Total assets	<u>\$ 243,780</u>	<u>\$ 225,503</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,548	\$ 718
	<u>2,548</u>	<u>718</u>
Total current liabilities		
	<u>2,548</u>	<u>718</u>
Unrestricted net assets	<u>241,232</u>	<u>224,785</u>
Total liabilities and net assets	<u>\$ 243,780</u>	<u>\$ 225,503</u>

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED OCTOBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Public support and revenues		
Annual conference fees	\$ 223,195	\$ 201,811
Membership dues	40,770	35,045
Investment income	3,103	5,282
Unrealized gains on investments	26,153	2,161
National conference sponsorships	3,000	1,500
	<u>296,221</u>	<u>245,799</u>
Total public support and revenues		
	<u>296,221</u>	<u>245,799</u>
Expenses		
Program expenses	264,578	229,348
Administrative expenses	15,196	11,544
	<u>279,774</u>	<u>240,892</u>
Total expenses		
	<u>279,774</u>	<u>240,892</u>
Change in unrestricted net assets	16,447	4,907
Unrestricted net assets at beginning of year	<u>224,785</u>	<u>219,878</u>
Unrestricted net assets at end of year	<u>\$ 241,232</u>	<u>\$ 224,785</u>

See Notes to Financial Statements.

GEORGIA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED OCTOBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 16,447	\$ 4,907
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net unrealized (gains) on investments	(26,153)	(2,161)
Decrease in accounts receivable	1,752	47,423
Increase (decrease) in accounts payable	1,830	(11,886)
	<u>(6,124)</u>	<u>38,283</u>
Net cash (used in) provided by operating activities		
INVESTING ACTIVITIES		
Purchases of investments	(3,103)	(5,282)
	<u>(3,103)</u>	<u>(5,282)</u>
Net cash used in investing activities		
Net (decrease) increase in cash and cash equivalents	(9,227)	33,001
Cash and cash equivalents at beginning of year	69,088	36,087
	<u>69,088</u>	<u>36,087</u>
Cash and cash equivalents at end of year	<u>\$ 59,861</u>	<u>\$ 69,088</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 activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 the passage of time.

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

There are no temporarily or permanently restricted net assets at October 31, 2017 and 2016.

Contributions

Contributions received are recognized as revenues in the period received and 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.

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.

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 Presentation

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, 2017 and 2016, 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.

Advertising

The Organization expenses advertising costs as incurred. There were no advertising expenses for the years ended October 31, 2017 and 2016.

NOTES TO FINANCIAL STATEMENTS

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

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.

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.

Functional Allocation of Expenses

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

NOTE 2. INVESTMENTS

Investments measured at fair value on a recurring basis, consisted of the following at October 31, 2017 and 2016:

		Fair Value Measurements at October 31, 2017		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 182,519	\$ 182,519	\$ -	\$ -
	<u>\$ 182,519</u>	<u>\$ 182,519</u>	<u>\$ -</u>	<u>\$ -</u>
		Fair Value Measurements at October 31, 2016		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 153,263	\$ 153,263	\$ -	\$ -
	<u>\$ 153,263</u>	<u>\$ 153,263</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. 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, 2017 and 2016, the Organization did not exceed the FDIC-insured limits.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable represents funds earned for the years ended October 31, 2017 and 2016 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 5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 8, 2018, the date the financial statements were available to be issued.