

**Government Finance Officers
Association of the United States
and Canada and GFOA
Endowment Corporation**

Consolidated Financial Report
March 31, 2025

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Independent Auditor's Report

Board of Directors
Government Finance Officers Association of the United States and Canada

Opinion

We have audited the consolidated financial statements of the Government Finance Officers Association of the United States and Canada and the GFOA Endowment Corporation (collectively, GFOA), which comprise the consolidated statements of financial position as of March 31, 2025 and 2024, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GFOA as of March 31, 2025 and 2024, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 GFOA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 GFOA's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 GFOA'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 GFOA'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of activities and cash flows of the individual entities and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM VS LLP

Chicago, Illinois
July 18, 2025

**Government Finance Officers Association of the United States and
Canada and GFOA Endowment Corporation**

**Consolidated Statements of Financial Position
March 31, 2025 (With Consolidating Information) and 2024
(In Thousands of Dollars)**

	2025			
	Consolidating Information			
	GFOA	GFOA Endowment Corporation	Consolidated	2024 Consolidated
Assets				
Current assets:				
Cash and cash equivalents	\$ 4,103	\$ 107	\$ 4,210	\$ 4,705
Interorganization balances	873	(873)	-	-
Accounts receivable, net	1,337	-	1,337	2,076
Accrued interest receivable	274	-	274	381
Publication inventory	28	-	28	55
Prepaid expenses and other current assets	859	-	859	896
Total current assets	7,474	(766)	6,708	8,113
Investments	10,414	38,110	48,524	47,130
Property and equipment, net	827	-	827	841
Operating lease right-of-use assets, net	3,234	-	3,234	3,766
Intangible assets, net	317	-	317	379
Total assets	\$ 22,266	\$ 37,344	\$ 59,610	\$ 60,229
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	\$ 624	\$ -	\$ 624	\$ 522
Accrued expenses	3,733	-	3,733	3,250
Deferred revenue	8,477	-	8,477	8,938
Current portion of operating lease liabilities	663	-	663	599
Total current liabilities	13,497	-	13,497	13,309
Operating lease liabilities, less current portion	3,644	-	3,644	4,243
Total liabilities	17,141	-	17,141	17,552
Net assets without donor restrictions:				
Operating fund	1,446	-	1,446	2,319
Contingency reserve	750	-	750	750
Research reserve	522	-	522	746
Scholarship reserve	767	-	767	793
GFOA Endowment Corporation	-	37,344	37,344	36,716
Total net assets without donor restrictions	3,485	37,344	40,829	41,324
Net assets with donor restrictions:				
Scholarship and grants	745	-	745	308
Public Plans Database	895	-	895	1,045
Total net assets with donor restrictions	1,640	-	1,640	1,353
Total net assets	5,125	37,344	42,469	42,677
Total liabilities and net assets	\$ 22,266	\$ 37,344	\$ 59,610	\$ 60,229

See notes to consolidated financial statements.

**Government Finance Officers Association of the United States and
Canada and GFOA Endowment Corporation**

**Consolidated Statements of Activities
Years Ended March 31, 2025 (With Consolidating Information) and 2024
(In Thousands of Dollars)**

	2025								2024 Consolidated
	Consolidating Information								
	Without Donor Restrictions		With	Total GFOA	GFOA				
	GFOA Operating	Board Designated	Donor Restrictions		Endowment Corporation	Eliminations			
Net assets without donor restrictions:									
Revenue:									
Membership and networking	\$ 4,727	\$ -	\$ -	\$ 4,727	\$ -	\$ -	\$ 4,727	\$ 4,613	
Education	3,794	-	-	3,794	-	(144)	3,650	3,529	
Award programs	4,121	-	-	4,121	-	(103)	4,018	4,633	
Consulting	3,125	-	-	3,125	-	-	3,125	3,042	
Conference	4,753	-	-	4,753	-	-	4,753	3,793	
Resources	851	-	-	851	-	-	851	1,113	
Research	50	-	-	50	-	(50)	-	45	
Certification	499	-	-	499	-	-	499	355	
Relationships	-	-	-	-	-	-	-	3	
Administration	1,541	-	-	1,541	-	(1,519)	22	203	
Advocacy	48	-	-	48	-	-	48	15	
Investment interest and dividends	199	17	-	216	769	-	985	882	
Transfer between funds	(178)	178	-	-	-	-	-	-	
Released from net assets with donor restrictions	448	-	(448)	-	-	-	-	-	
Total revenue	23,978	195	(448)	23,725	769	(1,816)	22,678	22,226	
Expenses:									
Program services:									
Membership/networking	1,807	-	-	1,807	-	-	1,807	2,092	
Education	3,060	-	-	3,060	-	-	3,060	2,416	
Award programs	4,362	99	-	4,461	-	-	4,461	4,126	
Consulting	3,353	-	-	3,353	-	-	3,353	2,963	
Conferences	3,833	-	-	3,833	-	-	3,833	3,597	
Resources	2,276	-	-	2,276	-	-	2,276	1,614	
Research	176	380	-	556	-	-	556	857	
Certification	370	-	-	370	-	-	370	336	
Relationships	946	-	-	946	-	-	946	932	
Advocacy	896	-	-	896	-	-	896	1,002	
Total program expenses	21,079	479	-	21,558	-	-	21,558	19,935	
Support expenses	4,054	-	-	4,054	1,832	(1,816)	4,070	4,246	
Total program and support expenses	25,133	479	-	25,612	1,832	(1,816)	25,628	24,181	
Decrease in net assets without donor restrictions before other items	(1,155)	(284)	(448)	(1,887)	(1,063)	-	(2,950)	(1,955)	
Other items:									
Investment return, net	282	34	-	316	1,691	-	2,007	6,569	
(Decrease) increase in net assets without donor restrictions	(873)	(250)	(448)	(1,571)	628	-	(943)	4,614	
Change in net assets with donor restrictions:									
Contributions	-	-	659	659	-	-	659	99	
Investment interest and dividends	-	-	26	26	-	-	26	22	
Investment return, net	-	-	50	50	-	-	50	137	
Increase in net assets with donor restrictions	-	-	735	735	-	-	735	258	
(Decrease) increase in net assets	(873)	(250)	287	(836)	628	-	(208)	4,872	
Net assets, beginning of year	2,319	2,289	1,353	5,961	36,716	-	42,677	37,805	
Net assets, end of year	\$ 1,446	\$ 2,039	\$ 1,640	\$ 5,125	\$ 37,344	\$ -	\$ 42,469	\$ 42,677	

See notes to consolidated financial statements.

**Government Finance Officers Association of the United States and
Canada and GFOA Endowment Corporation**

**Consolidated Statements of Cash Flows
Years Ended March 31, 2025 (With Consolidating Information) and 2024
(In Thousands of Dollars)**

	2025			
	Consolidating Information			
	GFOA Endowment			2024
	GFOA	Corporation	Consolidated	Consolidated
Cash flows from operating activities:				
(Decrease) increase in net assets	\$ (836)	\$ 628	\$ (208)	\$ 4,872
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities:				
Net appreciation in fair value of investments	(201)	(992)	(1,193)	(6,141)
Depreciation and amortization	422	-	422	356
Provision for doubtful accounts	14	-	14	27
Reduction in carrying amount of operating lease right-of-use assets	532	-	532	632
Cash paid for operating leases	(589)	-	(589)	(594)
Interest on lease liability	135	-	135	-
Gain on lease termination	(81)	-	(81)	-
Changes in current assets and liabilities:				
Accounts receivable and accrued interest	832	-	832	940
Publication inventory	27	-	27	102
Prepaid expenses and other current assets	37	-	37	326
Interorganization balances	(1,191)	1,191	-	-
Accounts payable and accrued expenses	585	-	585	(133)
Deferred revenue	(461)	-	(461)	363
Net cash flows (used in) provided by operating activities	(775)	827	52	750
Cash flows from investing activities:				
Purchases of property and equipment	(166)	-	(166)	(315)
Addition of intangible asset	(178)	-	(178)	(227)
Proceeds from maturity and sales of investments	1,610	2,533	4,143	2,694
Purchase of investments	(992)	(3,354)	(4,346)	(2,868)
Net cash flows provided by (used in) investing activities	274	(821)	(547)	(716)
Net (decrease) increase in cash and cash equivalents	(501)	6	(495)	34
Cash and cash equivalents:				
Beginning of year	4,604	101	4,705	4,671
Ending of year	\$ 4,103	\$ 107	\$ 4,210	\$ 4,705

See notes to consolidated financial statements.

**Government Finance Officers Association of the United States and Canada
and GFOA Endowment Corporation**

**Notes to Consolidated Financial Statements
(Dollars in Thousands)**

Note 1. Nature of Organization

The Government Finance Officers Association of the United States and Canada (GFOA) is a nonprofit professional association of government finance officers with approximately 25,000 members and serves the government finance profession. GFOA was founded in 1906 and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). GFOA members include state and local government officials and other finance professionals. GFOA's purpose is to promote excellence in state and local government financial management. Revenue is derived primarily from membership dues, educational programming, award programs, consulting fees, as well as an annual conference. GFOA conducts its activities from its national headquarters located in Chicago, Illinois, and from an office in Washington D.C.

GFOA Endowment Corporation (Endowment Corporation) is also a nonprofit corporation and is also exempt from income taxes under Section 501(c)(3). The purpose of the Endowment Corporation is to operate as a supporting organization of GFOA, as described in Section 509(a)(3), exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the GFOA. The GFOA and the Endowment Corporation are also affiliated through the common membership of their Executive Board of Directors.

GFOA, as used herein, refers to GFOA individually or collectively with the Endowment Corporation, as the context may require.

Note 2. Significant Accounting Policies

Basis of presentation: The consolidated financial statements (collectively, the financial statements) have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to nonprofit organizations.

Principles of consolidation: The consolidated financial statements include the accounts and activities of both the GFOA and the Endowment Corporation. Significant interorganizational accounts and transactions have been eliminated upon consolidation. There were no revenue or expense activities requiring elimination in both fiscal years 2025 and 2024.

Financial statement presentation: For financial reporting purposes, GFOA classifies its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed stipulations. Contributions are considered to be without donor restrictions and available for general use unless specifically restricted by the donor. Net assets without donor restrictions include various reserve funds, which are designated by GFOA's Executive Board of Directors.

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. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the restrictions have been met or have expired.

GFOA held net assets with donor restrictions of \$1,640 and \$1,353 as of March 31, 2025 and 2024, respectively.

**Government Finance Officers Association of the United States and Canada
and GFOA Endowment Corporation**

**Notes to Consolidated Financial Statements
(Dollars in Thousands)**

Note 2. Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP 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 revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents: GFOA considers highly liquid investments acquired with a maturity date of three months or less to be cash equivalents. GFOA maintains cash and cash equivalents in accounts at financial institutions which, at times, may exceed the amount insured by the Federal Deposit Insurance Corporation. Management believes that GFOA is not exposed to any significant credit risk on cash and GFOA has not experienced any losses in such accounts.

Accounts receivable: Accounts receivable consist primarily of annual conference, training and consulting contract receivables. These receivables are stated at amounts due from customers and members, net of an allowance for expected future credit losses. Accounts which are outstanding longer than the contractual payment terms are considered past due. Opening balances for accounts receivable was \$3,158 as of April 1, 2023.

The GFOA's expected future credit loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic market conditions, and a review of the current status of customer's trade accounts receivables. These factors may change over time, impacting the allowance level. At March 31, 2025 and 2024, the allowance for expected future credit losses was \$161 and \$146, respectively. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Publication inventory: Inventories of publications offered for sale are valued at the lower of cost or market value using the first-in, first-out method to determine cost, including all production costs. Management has determined that no inventory valuation allowance is necessary as of March 31, 2025 and 2024. Obsolete inventory is written off in the year it is deemed to have no resale value.

Prepaid expenses and other assets: Prepaid expenses and other assets mainly consist of payments made by the GFOA for programming events to be held in future periods, as well as payments related to other items with service periods that will occur in the future. These items are expensed when the related event takes place or when the related service period commences.

Investments and fair value measurements: Investments are recorded at their fair value based on quoted market prices. Interest and dividends, as well as realized and unrealized gains (losses) on investments, are included in the consolidated statements of activities and reported as net investment return. Investment return is presented net of any related investment fees.

GFOA invests in equity, fixed income, bonds and exchange-traded funds. These investments are exposed to various risks, such as interest rate, market and credit risks. Because of these risks, it is possible that changes in the fair value of investments may occur and that such changes could materially affect GFOA's financial statements.

GFOA follows the requirements of Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value in U.S. GAAP and expands disclosures about fair value measurements.

**Government Finance Officers Association of the United States and Canada
and GFOA Endowment Corporation**

**Notes to Consolidated Financial Statements
(Dollars in Thousands)**

Note 2. Significant Accounting Policies (Continued)

Property and equipment: Property and equipment is recorded at cost. Acquisitions of property and equipment and expenditures for improvements and betterments that significantly prolong the useful lives of assets over \$10,000 are capitalized. General maintenance and repairs which do not improve or extend the lives of the assets are expensed.

Depreciation and amortization of all property and equipment is charged as expense against operations. Depreciation is computed on the straight-line basis over the estimated useful life of the asset. Estimated useful life for furniture and fixtures is five years and equipment is three years. Leasehold improvements are amortized over the shorter of the associated lease term or the estimated useful life of the asset of ten years.

Intangible assets: These assets include website development costs, certain on-demand learning courses, as well as internal use software. Costs incurred in the planning stage of development are expensed as incurred. Costs incurred in the application and infrastructure stage, which involve developing software to operate the website, have been capitalized. These intangible assets are amortized on a straight-line basis over a three to five-year useful life.

Leases: The GFOA follows the lease accounting guidance in Financial Accounting Standards Board (FASB) ASC Topic 842. The GFOA determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the GFOA obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The GFOA also considers whether its service arrangements include the right to control the use of an asset.

Leases are classified as either operating or finance leases. The GFOA currently has only operating leases. For these operating leases, right-of-use (ROU) assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the GFOA made an accounting policy election available to nonpublic entities to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

The GFOA has made an accounting policy election, available under Topic 842, not to recognize ROU assets and lease liabilities for leases with an original term of twelve months or less that do not include an option to purchase the underlying asset. As a result, these short-term lease payments are recognized as expense on a straight-line basis over the lease term, and variable lease payments are recognized in the period in which the obligation is incurred.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

**Government Finance Officers Association of the United States and Canada
and GFOA Endowment Corporation**

**Notes to Consolidated Financial Statements
(Dollars in Thousands)**

Note 2. Significant Accounting Policies (Continued)

For lease arrangements with lease and non-lease components, the GFOA has made a policy election to account for lease and non-lease components, as a single lease component, for all classes of assets. Certain GFOA leases include variable lease costs. These variable payments typically represent additional rental costs, such as the GFOA's portion of real estate taxes or building utilities and these are recorded as an expense in the period incurred.

The GFOA's lease agreements do not contain any residual value guarantees or restrictive covenants.

Revenue recognition: Revenue from contracts with customers is derived primarily from membership dues, training and conference fees, award programs, publications and subscriptions and consulting fees. Opening balances for deferred revenue was \$8,575 as of April 1, 2023.

Membership and networking: Membership/networking revenue includes membership dues which provide members with access to various benefits including industry networking opportunities, discounted membership pricing for meetings and webcasts and a subscription to GFOA's publications. GFOA recognizes membership dues revenue ratably over the membership period from performance obligations satisfied over time. These performance obligations have an expected duration of one year, based on the membership period. Dues collected prior to fiscal year-end that relate to a subsequent period are recorded as deferred revenue.

Education and conference: Education and conference revenue includes training and conference revenues generated from registration fees, exhibit fees, mailing list rentals and event tickets. Education and conference expenses include facility rentals, audio/visual services and food service. The related revenues and expenses are recognized, over time, when the related event takes place. Funds received and expenses incurred in advance of events held are deferred until the related event takes place.

Award programs: Award program revenue includes application, review and delivery fees for awards. An applicant pays the related fee at the time their award application is submitted, and the related revenue is deferred. Following the award review process, an applicant will receive notification of their potential award. The award review process and the delivery of the related award are considered to be a combined performance obligation. All related revenue is deferred until the combined performance obligation has been completed (i.e., the award has been delivered to the applicant).

Consulting: Consulting revenue includes fees related to system implementation and other special project related contracts with customers. The related revenue is recognized, over the expected average period of performance, in proportion to the estimated personnel time incurred to fulfill the obligations under the related contract.

Resources: Resources revenue includes fees related to job postings, publication sales and subscriptions. GFOA recognizes revenue from job postings, at a point in time, when they are posted to the website, publication sales are recognized, at a point in time, when the related publication is shipped or released to the customer. Revenue related to subscriptions are recognized, over time, ratably, over the subscription period for all subscriptions.

There are no significant changes in the judgments affecting the determination of the amount and timing of revenue from contracts with members and/or award applicants.

**Government Finance Officers Association of the United States and Canada
and GFOA Endowment Corporation**

**Notes to Consolidated Financial Statements
(Dollars in Thousands)**

Note 2. Significant Accounting Policies (Continued)

Functional expenses: The costs of providing various programs and activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes: The GFOA and the Endowment Corporation are both tax-exempt organizations as permitted under Section 501(c)(3) of the IRC. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the GFOA and the Endowment Corporation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the GFOA or the Endowment Corporation and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the reporting period presented in these financial statements.

GFOA and the Endowment Corporation each separately file Form 990 in the U.S. federal jurisdiction and the State of Illinois. GFOA also files a Form 990-T with the Internal Revenue Service.

GFOA has federal net operating loss carryforwards available to offset future unrelated taxable income, if any. Net operating loss carryforwards total in excess of \$1 million at March 31, 2025 and 2024. Future utilization of the carryforwards (limited to 80% of taxable income) is uncertain. Accordingly, the associated deferred tax asset is fully reserved by a valuation allowance.

Reclassifications: Certain fiscal year 2024 balances have been reclassified to conform to the current year presentation without any effect on previously reported total net assets or total changes in net assets.

Subsequent events: The GFOA has evaluated subsequent events for potential recognition and/or disclosure through July 18, 2025, the date on which these financial statements were available to be issued.

**Government Finance Officers Association of the United States and Canada
and GFOA Endowment Corporation**

**Notes to Consolidated Financial Statements
(Dollars in Thousands)**

Note 3. Liquidity and Funds Available

Financial assets available for general expenditures within one year of the consolidated statements of financial position dates consist of the following at March 31, 2025 and 2024, respectively:

	2025	2024
Cash and cash equivalents	\$ 4,210	\$ 4,705
Accounts and interest receivable	1,611	2,457
Investments	48,524	47,130
	<u>54,345</u>	<u>54,292</u>
Less amounts not available in following fiscal year:		
Contingency reserve	(750)	(750)
Research reserve	(522)	(746)
Scholarship reserve	(767)	(793)
GFOA Endowment Corporation net assets	(37,344)	(36,716)
GFOA net assets with donor restrictions	(1,640)	(1,353)
	<u>(41,023)</u>	<u>(40,358)</u>
	<u>\$ 13,322</u>	<u>\$ 13,934</u>

As part of GFOA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

Note 4. Fair Value Measurements and Investments

ASC 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market for the asset or liability in an orderly transaction at the measurement date. Fair value measurement is based on a hierarchy of observable or unobservable inputs. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the Topic as assumptions market participants would use in pricing an asset or liability.

The standard describes three levels of inputs that may be used to measure fair value.

Level 1: Inputs to the valuation methodology are quoted prices available in active markets, such as the New York Stock Exchange, for identical investments as of the reporting date.

Level 2: Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date and the fair value can be determined through the use of models or other valuation methodologies.

Level 3: Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity of the asset and liability and the reporting entity makes estimates and assumptions relating to the pricing of the asset or liability including assumptions regarding risk.

**Government Finance Officers Association of the United States and Canada
and GFOA Endowment Corporation**

**Notes to Consolidated Financial Statements
(Dollars in Thousands)**

Note 4. Fair Value Measurements and Investments (Continued)

GFOA's investments have fair values determined by quoted market prices, directly observable prices in active markets for identical assets and unobservable market assumptions. GFOA's investments consist of funds which are traded on national securities exchanges and are stated at the last reported sales price on the day of valuation (Level 1). GFOA's investments held for the 457(b) retirement plan include debt and equity instruments, exchange-traded funds, and mutual funds which are also traded on national securities exchanges and are also stated at the last reported sales price on the day of valuation (Level 1). Debt instruments for which no sales price was reported on that date are stated at the last reported bid price. (Level 2). Investments in the traditional guaranteed annuity account represent a fixed account that is valued using discounted cash flows. As this investment includes unobservable inputs, it is classified as Level 3 in the fair value hierarchy.

GFOA maximizes the use of observable inputs and minimizes the use of unobservable inputs to the extent possible. There has been no change in the valuation methodologies used for fiscal years 2025 and 2024. There have been no transfers between levels or purchases of level 3 investments during the year. In determining the appropriate levels, GFOA performs a detailed analysis of the assets and liabilities that are subject to the ASC. GFOA's investments and investments held for the 457(b) retirement plan are the only assets or liabilities that are measured at fair value on a recurring basis.

Investment return is reported on the consolidated statements of activities as investment interest and dividend income, within the revenue section of the statements, as well as investment return in the other items section. A reconciliation of total investment return for the fiscal years ended March 31, 2025 and 2024, is as follows:

	2025	2024
Investment interest and dividends	\$ 1,011	\$ 904
Investment return, net, without donor restrictions	2,007	6,569
Investment return, net, with donor restrictions	50	137
	<u>\$ 3,068</u>	<u>\$ 7,610</u>

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Note 4. Fair Value Measurements and Investments (Continued)

The following tables disclose the fair value hierarchy of GFOA's investment assets measured at fair value at March 31, 2025 and 2024. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	At March 31, 2025			Total Fair Value
	Level 1	Level 2	Level 3	
Vanguard Total Bond Market Exchange Traded Funds (GFOA)	\$ 3,286	\$ -	\$ -	\$ 3,286
Vanguard Total Bond Market Exchange Traded Funds (Endowment Corporation)	12,226	-	-	12,226
Vanguard Total Stock Market Exchange Traded Funds (GFOA)	4,485	-	-	4,485
Vanguard Total Stock Market Exchange Traded Funds (Endowment Corporation)	25,884	-	-	25,884
US Savings Bonds	120	-	-	120
	<u>46,001</u>	<u>-</u>	<u>-</u>	<u>46,001</u>
457 Plan(b) investments (see Note 8):				
CREF Money Market Account	58	-	-	58
TIAA Traditional Guaranteed Annuity	-	-	632	632
TIAA Access Lifecycle 2015 T3 Account	-	16	-	16
Vanguard Balanced Index Account	447	-	-	447
Vanguard Federal Money Market Account	8	-	-	8
Vanguard FTSE Social Index Account	67	-	-	67
Vanguard Global Equity Account	143	-	-	143
Vanguard Growth Index Account	491	-	-	491
Vanguard Long-Term Treasury Account	-	-	-	-
Vanguard REIT Index Account	17	-	-	17
Vanguard Total Bond Mkt Idx Account	157	-	-	157
Vanguard Total International Stock Idx Account	263	-	-	263
Vanguard Total Stock Mkt Idx Account	224	-	-	224
	<u>1,875</u>	<u>16</u>	<u>632</u>	<u>2,523</u>
	<u>\$ 47,876</u>	<u>\$ 16</u>	<u>\$ 632</u>	<u>\$ 48,524</u>

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Note 4. Fair Value Measurements and Investments (Continued)

	At March 31, 2024			Total Fair Value
	Level 1	Level 2	Level 3	
Vanguard Total Bond Market Exchange Traded Funds (GFOA)	\$ 3,160	\$ -	\$ -	\$ 3,160
Vanguard Total Bond Market Exchange Traded Funds (Endowment Corporation)	10,144	-	-	10,144
Vanguard Total Stock Market Exchange Traded Funds (GFOA)	5,229	-	-	5,229
Vanguard Total Stock Market Exchange Traded Funds (Endowment Corporation)	26,153	-	-	26,153
US Savings Bonds	120	-	-	120
	<u>44,806</u>	<u>-</u>	<u>-</u>	<u>44,806</u>
457 Plan(b) investments (see Note 8):				
CREF Money Market Account	55	-	-	55
TIAA Traditional Guaranteed Annuity	-	-	712	712
TIAA Access Lifecycle 2015 T3 Account	-	15	-	15
Vanguard Balanced Index Account	283	-	-	283
Vanguard Federal Money Market Account	12	-	-	12
Vanguard FTSE Social Index Account	57	-	-	57
Vanguard Global Equity Account	136	-	-	136
Vanguard Growth Index Account	420	-	-	420
Vanguard Long-Term Treasury Account	-	-	-	-
Vanguard REIT Index Account	13	-	-	13
Vanguard Total Bond Mkt Idx Account	180	-	-	180
Vanguard Total International Stock Idx Account	230	-	-	230
Vanguard Total Stock Mkt Idx Account	211	-	-	211
	<u>1,597</u>	<u>15</u>	<u>712</u>	<u>2,324</u>
	<u>\$ 46,403</u>	<u>\$ 15</u>	<u>\$ 712</u>	<u>\$ 47,130</u>

Note 5. Property and Equipment and Intangible Assets

Details of property and equipment at March 31, 2025 and 2024, are as follows:

	2025	2024
Equipment	\$ 284	\$ 449
Furniture and fixtures	577	699
Leasehold improvements	1,006	1,006
Construction in progress	212	45
	<u>2,079</u>	<u>2,199</u>
Less accumulated depreciation and amortization	<u>(1,252)</u>	<u>(1,358)</u>
	<u>\$ 827</u>	<u>\$ 841</u>

Intangible assets of \$317 as reflected on the March 31, 2025, consolidated statement of financial position, consist of \$1,171 of capitalized website development costs and internal use software costs and accumulated amortization of \$854. Intangible assets of \$379 at March 31, 2024, consist of \$992 of capitalized website development costs and internal use software costs and accumulated amortization of \$613. As of March 31, 2025, GFOA has committed \$370 to construction in progress related to information technology projects.

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Note 5. Property and Equipment and Intangible Assets (Continued)

Depreciation and amortization expense totaled \$422 and \$356 for fiscal years 2025 and 2024, respectively. Certain equipment and furniture and fixtures that were fully depreciated were written off in fiscal year 2025, with no impact on net property and equipment amounts above.

Note 6. Net Assets Without Donor Restrictions and Reserve Funds

The GFOA Executive Board has designated net assets without donor restrictions for special purposes and activities as follows:

Contingency: The GFOA Executive Board has established a contingency reserve. Any portion of this fund in excess of \$750 as the end of the fiscal year is to be transferred to the Scholarship Reserve fund.

Research: The research reserve fund has been designated by the GFOA Executive Board to be used for GFOA sponsored research projects. This reserve is funded through a transfer from the operating fund in the amount of the prior year's net profit for consulting engagements.

Scholarship: The GFOA Executive Board adopted a policy whereby any portion of the contingency reserve designated for the annual conference in excess of \$750 at the end of each fiscal year be transferred to a separate scholarship reserve fund to support and expand the GFOA scholarship program. GFOA also matches donor contributions and allocates investment earnings to this fund.

Activity for the net assets without donor restrictions with special purposes for the years ended March 31, 2025 and 2024, are as follows:

	Contingency Fund	Research Reserve Fund	Scholarship Funds	Total
Balance at March 31, 2023	\$ 1,363	\$ 1,077	\$ 164	\$ 2,604
Transfers from operating	-	304	-	304
Transfers between funds	(613)	-	613	-
GFOA matching	-	-	24	24
Funds utilized	-	(635)	(107)	(742)
Investment income	-	-	99	99
Balance at March 31, 2024	750	746	793	2,289
Transfers from operating	-	156	-	156
GFOA matching	-	-	22	22
Funds utilized	-	(380)	(99)	(479)
Investment income	-	-	51	51
Balance at March 31, 2025	\$ 750	\$ 522	\$ 767	\$ 2,039

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Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions represent resources from contributions and grants that are subject to spending restrictions imposed by the donor for future programming. Net assets with donor restrictions totaled \$1,640 and \$1,353 at March 31, 2025 and 2024, respectively.

Activity for the net assets with donor restrictions for the years ended March 31, 2025 and 2024, are as follows:

	Scholarships	Grants	Public Plans Database	Total
Balance at March 31, 2023	\$ 201	\$ -	\$ 1,137	\$ 1,338
Donor restricted contributions	24	75	-	99
Funds utilized	(17)	(5)	(222)	(244)
Investment income	30	-	130	160
Balance at March 31, 2024	238	70	1,045	1,353
Donor restricted contributions	22	637	-	659
Funds utilized	(21)	(218)	(209)	(448)
Investment income	17	-	59	76
Balance at March 31, 2025	\$ 256	\$ 489	\$ 895	\$ 1,640

GFOA had been awarded a significant grant in the amount of \$500 during fiscal year 2025. During fiscal year 2025, \$129 of the grant was utilized.

Note 8. Retirement Plans

GFOA participates in two separate defined contribution retirement plans administered by the Teachers Insurance and Annuity Association (TIAA), a 403(b) plan and a 457(b) plan further described below. All full-time employees have the option to participate after one year of continuous service in GFOA's 403(b) plan. Participating employees contribute 5% of gross salary and GFOA matches that contribution with 10% of gross salary. All funds are immediately vested. Retirement plan expense in 2025 and 2024 for this plan were \$875 and \$821, respectively. Employees may also make voluntary contributions to the TIAA/CREF supplemental retirement annuity program. GFOA makes no contributions related to voluntary contributions by employees in this program.

The Chief Executive Officer and Center directors also have the option of participating in a 457(b) plan. GFOA matches individual employee contributions on a dollar-for-dollar basis. Combined GFOA/employee contributions are not to exceed the Internal Revenue Service tax-deferred annual contribution limit. Section 457(b) plans for tax-exempt employers must be unfunded and all plan assets remain part of GFOA's general assets and as such, are subject to the claims of its creditors. The related liability is included in accrued expenses. The liability is equal to plan assets totaling \$2,523 and \$2,324 as of March 31, 2025 and 2024, respectively. Related retirement plan expense in 2025 and 2024 for this plan were \$127 and \$124, respectively.

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Note 9. Leases and Other Commitments

The GFOA enters into contracts to lease real estate and various equipment. GFOA's most significant leases are two office leases in Chicago and Washington D.C. with lease terms expiring in fiscal years 2030 and 2040, respectively. Certain leases include renewal or termination options. The lease term at the lease commencement date is determined based on the noncancelable period for which the GFOA has the right to use the underlying asset, together with any periods covered by an option to extend the lease if the GFOA is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the GFOA is reasonably certain not to exercise that option, and periods covered by an option to extend (or not to terminate) the lease in which the exercise of the option is controlled by the lessor. The GFOA considered a number of factors when evaluating whether the options in its lease contracts were reasonably certain of exercise, such as length of time before option exercise, expected value of the leased asset at the end of the initial lease term, importance of the lease to overall operations, costs to negotiate a new lease, and any contractual or economic penalties. Management has determined that renewal for leases with renewal options was not reasonably certain and did not include the renewal period in the lease liability calculation. The GFOA's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

There are a number of reassessment and remeasurement requirements for lessees based on certain triggering events or conditions, including whether a contract is or contains a lease, assessment of lease term and purchase options, measurement of lease payments, assessment of lease classification and assessment of the applicable discount rate. The GFOA reviewed the reassessment and remeasurement requirements and did not identify any events or conditions during fiscal years 2025 or 2024, that required a reassessment or remeasurement. In addition, there were no impairment indicators identified during fiscal years 2025 or 2024, that required an impairment test for the GFOA's ROU assets or other long-lived assets in accordance with ASC 360-10.

On December 18, 2023, tenants of 660 North Capitol Street, including GFOA (a sub-lessee), were notified that the lease agreement held by the National Association of Counties (the primary leaseholder), had been terminated due to foreclosure by the mortgage holder. Shortly thereafter, the property was acquired by 660 NC LLC, a Delaware limited liability company, a separate but related entity. The transition occurred without disrupting tenant occupancy. In January 2024, NACo entered into a new lease agreement with the new property owner. Subsequently, in August 2024, GFOA executed a new Permitted Use Agreement with NACo, retroactive to January 2024. The updated agreement extends the lease term from 2033 to 2040 and includes provisions for early termination at five- and 10-year intervals, as well as rent abatement and a reduced rental rate.

The components of lease expense and supplemental cash flow information related to leases for the fiscal years 2025 and 2024, respectively, are as follows:

	2025	2024
Operating lease costs	\$ 625	\$ 632
Short-term lease cost	26	37
Variable lease cost	563	430
Total lease cost	<u>\$ 1,214</u>	<u>\$ 1,099</u>

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Note 9. Leases and Other Commitments (Continued)

Other lease-related information as of and for the fiscal years ended March 31, 2025 and 2024, respectively, were as follows:

	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows from operating leases	\$ 589	\$ 594
Weighted-average remaining lease term on operating leases	7.54 years	6.38 years
Weighted-average discount rate for operating leases	2.97%	2.47%

Future undiscounted consolidated cash flows for each of the next five fiscal years and thereafter, and a reconciliation to the lease liabilities recognized on the consolidated statements of financial position are as follows, as of March 31, 2025:

Fiscal years ending March 31:	
2026	\$ 781
2027	801
2028	820
2029	841
2030	483
Thereafter	1,204
Total lease payments	4,930
Less present value discount	(623)
Total lease obligations	\$ 4,307

Post-retirement health insurance: GFOA offers retirement health insurance to those employees with a minimum of 30 years of full-time employment at GFOA and who have attained the age of 60. Benefits are provided to the qualified employee and their spouse for a maximum of five years until the age of 65. At March 31, 2025 and 2024, GFOA has determined that the estimated cost of this benefit was \$83 and \$54, respectively, based upon their internal review of its census. These amounts are included in accrued expenses on the consolidated statements of financial position. To date, one employee has participated in this program.

Note 10. Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of GFOA. Therefore, expenses require allocation on a reasonable basis that is consistently applied. These expenses include depreciation and amortization, occupancy and equipment, and salaries, wages and benefits. Depreciation and amortization and occupancy and equipment expense are allocated based on percentage of headcount while salaries, wages and benefits are allocated based on time and effort.

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Note 10. Functional Expenses (Continued)

The expenses by both nature and function for the years ended March 31, 2025 and 2024, are:

	2025									
	Education	Conferences	Consulting/ Research	Membership/ Networking	Awards	Advocacy	Other	Total Program	Total Support	Total
Salaries and benefits	\$ 1,601	\$ 733	\$ 2,421	\$ 992	\$ 2,616	\$ 592	\$ 1,355	\$ 10,310	\$ 2,963	\$ 13,273
Subcontractors and professional fees	203	354	603	49	486	67	654	2,416	1,055	3,471
Conference and meetings	553	2,090	10	96	9	22	205	2,985	151	3,136
Office expenses	127	278	14	147	341	15	422	1,344	194	1,538
Occupancy and equipment	-	6	-	-	-	42	2	50	1,106	1,156
Travel	112	103	388	2	21	21	226	873	231	1,104
Technology	38	63	21	242	75	3	132	574	309	883
Scholarships and contributions	-	5	-	-	122	-	209	336	-	336
Other	41	53	-	1	6	-	14	115	194	309
Depreciation and amortization	63	-	4	-	51	11	123	252	170	422
Overhead	322	148	448	278	734	123	250	2,303	(2,303)	-
	<u>\$ 3,060</u>	<u>\$ 3,833</u>	<u>\$ 3,909</u>	<u>\$ 1,807</u>	<u>\$ 4,461</u>	<u>\$ 896</u>	<u>\$ 3,592</u>	<u>\$ 21,558</u>	<u>\$ 4,070</u>	<u>\$ 25,628</u>

	2024									
	Education	Conferences	Consulting/ Research	Membership/ Networking	Awards	Advocacy	Other	Total Program	Total Support	Total
Salaries and benefits	\$ 1,373	\$ 710	\$ 2,252	\$ 883	\$ 2,558	\$ 593	\$ 1,089	\$ 9,458	\$ 2,935	\$ 12,393
Subcontractors and professional fees	133	601	743	247	264	68	372	2,428	640	3,068
Conference and meetings	391	1,574	25	202	4	5	23	2,224	176	2,400
Office expenses	102	329	19	145	461	17	535	1,608	238	1,846
Occupancy and equipment	-	5	-	-	-	160	4	169	961	1,130
Travel	96	145	341	64	-	22	183	851	214	1,065
Technology	46	69	34	180	62	25	131	547	356	903
Scholarships and contributions	-	-	-	123	-	-	221	344	310	654
Other	1	18	-	-	-	-	-	19	347	366
Depreciation and amortization	7	-	-	-	40	1	124	172	184	356
Overhead	267	146	406	248	737	111	200	2,115	(2,115)	-
	<u>\$ 2,416</u>	<u>\$ 3,597</u>	<u>\$ 3,820</u>	<u>\$ 2,092</u>	<u>\$ 4,126</u>	<u>\$ 1,002</u>	<u>\$ 2,882</u>	<u>\$ 19,935</u>	<u>\$ 4,246</u>	<u>\$ 24,181</u>