# GEORGIA PUBLIC POLICY FOUNDATION, INC.

Financial Statements
and
Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

TABLE OF CONTENTS


| | |
|---|---|
| INDEPENDENT AUDITORS' REPORT | 1-2 |
| FINANCIAL STATEMENTS | |
| Statements of Financial Position | 3 |
| Statements of Activities | 4 |
| Statements of Functional Expenses | 5 |
| Statements of Cash Flows | 6 |
| NOTES TO FINANCIAL STATEMENTS | 7-15 |

30000 Mill Creek Ave, Ste 340
Alpharetta, GA 30022
www.marshalljones.com
404 231 2001

marshalljones
certified public accountants

# INDEPENDENT AUDITORS' REPORT

Board of Directors
Georgia Public Policy Foundation, Inc.

## Opinion

We have audited the accompanying financial statements of Georgia Public Policy Foundation, Inc. ("the Foundation"), which comprise the Statements of Financial Position as of December 31, 2025 and 2024, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related Notes to Financial Statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of December 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 ("GAAP").

## 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 Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Foundation 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 these financial statements in accordance with GAAP; 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.

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 the Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audits 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 auditors' 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Foundation'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 the Foundation'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 audits, significant audit findings, and certain internal control–related matters that we identified during the audits.

Report on Comparative Summarized Information

In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marshall Jones

Alpharetta, Georgia
October 23, 2026

**GEORGIA PUBLIC POLICY FOUNDATION, INC.**
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

| | **2025** | 2024 |
|---|---|---|
| **Current Assets** | | |
| Cash and cash equivalents | **$ 249,048** | $ 192,177 |
| Contributions and grants receivable | **2,800** | 121,600 |
| Prepaid expenses | **10,095** | 5,354 |
| Investment | **3,233** | 2,870 |
| **Total Current Assets** | **265,176** | 322,001 |
| | | |
| **Non-Current Assets** | | |
| Property and equipment, net | **2,146** | 3,630 |
| Security deposits | **4,312** | 4,312 |
| Operating lease right-of-use asset, net | **93,881** | 131,723 |
| **Total Non-Current Assets** | **100,339** | 139,665 |
| | | |
| **TOTAL ASSETS** | **$ 365,515** | $ 461,666 |
| | | |
| **Current Liabilities** | | |
| Accounts payable and accrued expenses | **$ 47,713** | $ 50,330 |
| Operating lease liability, current | **42,516** | 35,479 |
| **Total Current Liabilities** | **90,229** | 85,809 |
| | | |
| **Long-Term Liabilities** | | |
| Operating lease liability, net of current | **63,698** | 104,341 |
| **Total Long-Term Liabilities** | **63,698** | 104,341 |
| | | |
| **Total Liabilities** | **153,927** | 190,150 |
| | | |
| **Net Assets** | | |
| Net assets without donor restrictions | **61,588** | 36,230 |
| Net assets with donor restrictions | **150,000** | 235,286 |
| **Total Net Assets** | **211,588** | 271,516 |
| | | |
| **TOTAL LIABILITIES AND NET ASSETS** | **$ 365,515** | $ 461,666 |

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

**GEORGIA PUBLIC POLICY FOUNDATION, INC.**
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2025 and 2024

| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | **2025 Total** | 2024 Total |
|---|---|---|---|---|
| **Revenue** | | | | |
| Contributions and grants | $ 986,438 | $ 275,000 | **$ 1,261,438** | $ 1,092,984 |
| Investment and other income | 363 | - | **363** | 10,799 |
| Net assets released from restrictions | 360,286 | (360,286) | **-** | - |
| **Total Revenue** | 1,347,087 | (85,286) | **1,261,801** | 1,103,783 |
| **Expenses** | | | | |
| Program | 949,773 | - | **949,773** | 1,225,631 |
| General and administrative | 200,669 | - | **200,669** | 273,440 |
| Fundraising | 171,287 | - | **171,287** | 168,313 |
| **Total Expenses** | 1,321,729 | - | **1,321,729** | 1,667,384 |
| Change in Net Assets | 25,358 | (85,286) | **(59,928)** | (563,601) |
| Net Assets – Beginning of Year | 36,230 | 235,286 | **271,516** | 835,117 |
| **Net Assets – End of Year** | $ 61,588 | $ 150,000 | **$ 211,588** | $ 271,516 |

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

**GEORGIA PUBLIC POLICY FOUNDATION, INC.**
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2025 and 2024

| | Program | General and Administrative | Fundraising | **2025 Total** | 2024 Total |
|---|---|---|---|---|---|
| **Functional Expenses** | | | | | |
| Advertising and marketing | $ 71,913 | $ 900 | $ - | **$ 72,813** | 197,321 |
| Bank fees | 315 | 2,405 | 44 | **2,764** | 4,080 |
| Computer and software | 14,588 | 16,353 | 160 | **31,101** | 22,100 |
| Conferences and events | 7,884 | 200 | 3,302 | **11,386** | 86,221 |
| Depreciation | - | 1,484 | - | **1,484** | 1,534 |
| Dues, memberships, and registrations | 5,201 | 398 | 135 | **5,734** | 3,288 |
| Insurance | 4,137 | 2,370 | - | **6,507** | 3,120 |
| Occupancy (rent, utilities, and facilities) | 2,704 | 43,745 | - | **46,449** | 50,817 |
| Office supplies | 770 | 926 | 109 | **1,805** | 2,323 |
| Payroll taxes | 43,139 | 6,275 | 8,013 | **57,427** | 65,187 |
| Postage and printing | 370 | 3,400 | 118 | **3,888** | 19,078 |
| Professional and consulting fees | 124,940 | 13,530 | 44,065 | **182,535** | 227,645 |
| Salaries and benefits | 649,025 | 105,165 | 112,085 | **866,275** | 943,550 |
| Travel | 24,786 | 3,518 | 3,256 | **31,560** | 41,120 |
| **Total Functional Expenses** | $ 949,773 | $ 200,669 | $ 171,287 | **$ 1,321,729** | $1,667,384 |

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

**GEORGIA PUBLIC POLICY FOUNDATION, INC.**
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

| | **2025** | 2024 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Change in net assets | **$ (59,928)** | $ (563,601) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | **1,484** | 1,533 |
| (Gain) loss on investment | **(363)** | 8,421 |
| (Increase) decrease in assets: | | |
| Contributions and grants receivable | **118,800** | 252,400 |
| Prepaid expenses | **(4,741)** | 12,045 |
| Operating lease right-of-use asset and liability, net | **4,236** | 6,985 |
| (Decrease) increase in liabilities: | | |
| Accounts payable and accrued expenses | **(2,617)** | 43,008 |
| **Net Cash Provided by (Used in) Operating Activities** | **56,871** | (239,209) |
| Net Increase (Decrease) in Cash and Cash Equivalents | **56,871** | (239,209) |
| Cash and Cash Equivalents – Beginning of Year | **192,177** | 431,386 |
| **Cash and Cash Equivalents – End of Year** | **$ 249,048** | $ 192,177 |

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

## NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Georgia Public Policy Foundation, Inc. ("the Foundation") is an independent, nonpartisan, public policy research group committed to furthering the goals of economic growth and individual opportunity. The Foundation seeks to generate new ideas based on the principles of free enterprise, limited government, and individual liberty by providing a forum for the exchange of ideas and a laboratory for the development of these ideas into practical public policy.

Basis of Presentation

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

The Foundation is required to report information regarding its financial position according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Foundation are classified as follows:

*Net assets without donor restrictions* - represents net assets that are not restricted by donor-imposed stipulations and are available for support of operations and other expenditures.

*Net assets with donor restrictions* - represents net assets whose use by the Foundation is subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. Other donor restrictions are perpetual in nature that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents. The Foundation maintains cash deposits in a bank deposit account that are within the limit insured by the Federal Deposit Insurance Corporation. The Foundation does not anticipate, nor has it experienced any losses in such accounts.

(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP includes the use of estimates that may affect the financial statements. Accordingly, actual results could differ from those estimates.

Revenue

*Contributions*

The Foundation recognizes revenues in accordance with Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of donor restrictions.

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

*Grants*

Grant revenue is derived from cost-reimbursable state and other contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions.

Contributions and Grants Receivable

Contributions and grants receivable at December 31, 2025, totaled $2,800, and are expected to be collected in 2026. The Foundation has determined that all amounts recorded as receivable are collectible; accordingly, no allowance for doubtful accounts are considered necessary at December 31, 2025.

(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Income Taxes

The Foundation qualifies as a tax-exempt Foundation as described in Internal Revenue Code Section 501(c)(3). The Foundation only recognizes the tax benefit from an uncertain tax position taken or expected to be taken in a tax return if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Management has analyzed tax positions taken for filings with the Internal Revenue Service and all state jurisdictions where the Foundation operates. Management believes that income tax filing positions would be sustained upon examination and does not anticipate that any adjustments would result in a material adverse effect on the Foundation's financial condition, results of activities or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties, for uncertain income tax positions at December 31, 2025.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Foundation believes it is no longer subject to income tax examinations for fiscal years prior to December 31, 2022.

Commitments

The Foundation may receive grants which require the fulfillment of certain conditions as set forth in the instrument of the grant. The failure to fulfill the conditions could result in the return of the funds to the grantors. Although the return of funds is a possibility, the board of directors deems the contingency unlikely, since upon accepting the grants, the Foundation has agreed to comply with the provisions thereof.

Concentrations of Credit Risk

The Foundation depends heavily on contributions and grants for its support and revenue. The ability of certain contributors and grantors to continue giving amounts comparable to prior years may be dependent upon current and future overall economic conditions. While the board of directors believes the Foundation has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Fair Value of Financial Instruments

The book values of contributions and grants receivable, accounts payable, and other financial instruments approximate the fair values, principally because of the short-term maturities of these instruments.

(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Functional Allocation of Expenses

The cost of providing the various programs and other operating activities has been summarized on a functional basis in the Statements of Functional Expenses. The Foundation allocates its expenses on a functional basis among its programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly. Expenses that are not directly attributable to a specific program or supporting services are allocated by management based on reasonable financial or non-financial factors, such as estimates of personnel time and effort.

Advertising

The Foundation advertises its activities in media and other local publications. Advertising expenses totaled $76,631 and $186,018 for the years ended December 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for property and equipment exceeding $1,000 are capitalized, and minor replacements, maintenance and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method.

| Classification | Estimated Lives |
|---|---|
| Furniture and fixtures | 5 years |
| Computers and equipment | 5 years |

(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Investment

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-320, *Not-for-Profit Entities – Investments – Debt & Equity Securities*, investment in marketable securities with readily determinable market values are reported at their market values in the Statements of Financial Position. Unrealized gains and losses are included in the Statements of Activities as changes in net assets without donor restrictions. Investment income and gains are reported in the Statements of Activities as increases in net assets without donor restrictions in the reporting period in which the income and gains are recognized.

Investment is stated at fair value. FASB ASC 820, *Fair Value Measurement*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation can access.

*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 reporting date, and fair value can be determined through the use of models or other valuation methodologies; and if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

## NOTE 3 – INVESTMENT

Investment (Level 1) consists of the Foundation's investment at fair value as of December 31:

| | **2025** | 2024 |
|---|---|---|
| Cash and cash equivalents | **$ 101** | $ 42 |
| Equities | **3,132** | 2,828 |
| Total investment | **$ 3,233** | $ 2,870 |

## NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation is substantially supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to donors. Therefore, certain financial assets may not be available for general expenditure within one year. The Foundation's liquidity management is designed to ensure financial assets are available as its general expenditure and other liabilities come due.

The Foundation's financial assets available within one year of the Statements of Financial Position date for general expenditures are as follows as of December 31:

| | **2025** | 2024 |
|---|---|---|
| Cash and cash equivalents | **$ 249,048** | $ 192,177 |
| Contributions and grants receivable | **2,800** | 121,600 |
| Investment | **3,233** | 2,870 |
| Total liquid assets | **255,081** | 316,647 |
| Net assets with donor restrictions | **(150,000)** | (235,286) |
| Financial assets available to meet cash needs within one year | **$ 105,081** | $ 81,361 |

## NOTE 5 – OPERATING LEASE

The Foundation accounts for leases under ASC 842, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. A lessee is required to recognize a lease liability and a right-to-use asset based on the present value of the remaining lease payments. It can be either a financing lease or an operating lease, based on a purchase or the underlying assets. Leases that transfer control of the underlying asset to a lessee are classified as finance leases; lessees will classify all other leases as operating leases.

The Foundation leases office space under a long-term non-cancelable operating lease agreement, which was scheduled to expire in December 2024 but was amended in April 2024 to extend the lease term through May 2028. The Foundation includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. Under the terms of the lease, minimum annual rental payments increase from $1,666 in January 2025 to $3,862 in May 2028.

The Foundation chose the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. A risk-free rate of 1.4% was utilized at the date of implementation on January 1, 2022. The Foundation has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The lease asset and liability associated with the operating lease are as follows as of December 31:

| | **2025** | 2024 |
|---|---|---|
| Operating lease right-of-use asset | **$ 93,881** | $ 131,723 |
| | | |
| Lease liability: | | |
| Operating lease liability, current | **42,516** | 35,479 |
| Operating lease liability, net of current | **63,698** | 104,341 |
| Total operating lease liability | **$ 106,214** | $ 139,820 |
| | | |
| Weighted average remaining lease term (years) | **2.4** | 3.4 |
| Weighted average discount rate | **1.4%** | 1.4% |

(Continued)

**NOTE 5 – OPERATING LEASE** (Continued)

Future minimum lease payments are as follows:

| Years ending December 31 | Amount |
|---|---|
| 2026 | $ 43,680 |
| 2027 | 44,988 |
| 2028 | 19,310 |
| Less: Imputed interest | (1,764) |
| Total lease liability | $ 106,214 |

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available for the following various purposes and time periods as of December 31:

| | **2025** | 2024 |
|---|---|---|
| Attacking Red Tape in Georgia | **$ 125,000** | $ - |
| Regulatory reform | **25,000** | - |
| Housing policy reform | **-** | 70,000 |
| Healthcare provider expansion | **-** | 25,000 |
| Education and research | **-** | 77,518 |
| Executive position hiring | **-** | 62,768 |
| Total net assets with donor restrictions | **$ 150,000** | $ 235,286 |

**NOTE 7 – RETIREMENT PLAN**

Effective January 1, 2021, the Foundation established a 401(k) Plan ("the Plan") that covers substantially all employees who have reached age 21 and completed at least six months of service. Each year, participants may contribute amounts up to the maximum IRS allowable amount in the form of pre-tax or post-tax ROTH contributions. Under the Plan, the Foundation will contribute 3% of compensation to all eligible active participants. In addition to Safe Harbor Non-elective Contributions, the Foundation has the option to make a profit-sharing contribution. All participants are 100% vested in both employer contributions. The Foundation contributed $22,806 and $23,498 to the Plan for the years ended December 31, 2025 and 2024, respectively.

## NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

| Classification | **2025** | 2024 |
|---|---|---|
| Furniture and fixtures | **$ 14,970** | $ 14,970 |
| Computers and equipment | **9,024** | 9,024 |
| Less: Accumulated depreciation | **(21,848)** | (20,364) |
| Total property and equipment, net | **$ 2,146** | $ 3,630 |
| Depreciation expense | **$ 1,484** | $ 1,533 |

## NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred between December 31, 2025, and the date of the audit report, which is the date the financial statements were available to be issued for possible recognition or disclosure in the financial statements. No events have occurred that require disclosure within these notes.