

Birds Georgia, Inc.

**Financial Statements
and
Independent Auditors' Report**

For the Year Ended December 31, 2023

Birds Georgia, Inc.

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Dogwood CPA Firm, LLC

540 Powder Springs Street • Suite E31
Marietta, GA 30064

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

BIRDS GEORGIA, Inc.

825 Warner Street, SW, Ste. B

Atlanta, GA 30310

Opinion

We have audited the accompanying financial statements of **Birds Georgia, Inc.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Birds Georgia, Inc.** as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Birds Georgia, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Birds Georgia, Inc.'s** ability to continue as a going concern for a reasonable period of time.

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

Dogwood CPA Firm, LLC

Marietta, Georgia
August 13, 2025

Birds Georgia, Inc.
Statement of Financial Position
As of December 31, 2023

ASSETS

Current assets:	
Cash and cash equivalents	\$ 554,477
Accounts receivable	47,712
Prepaid expenses	118,166
Deposits	<u>2,200</u>
Total current assets	722,555
Property and equipment, net	26,848
Right-of-use asset	<u>108,391</u>
Total non-current assets	<u>135,239</u>
TOTAL ASSETS	<u>\$ 857,794</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 74,011
Unearned revenue	233,060
Lease liability, current	<u>21,942</u>
Total current liabilities	329,013
Lease liability	<u>87,489</u>
Total non-current liabilities	<u>87,489</u>
Total liabilities	<u>416,502</u>
Net Assets:	
Net assets without donor restrictions	<u>441,292</u>
Total net assets	<u>441,292</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 857,794</u>

The accompanying notes are an integral part of these financial statements

Birds Georgia, Inc.
Statement of Activities
For the year ended December 31, 2023

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Revenues and support:			
Contributions	\$ 980,147	\$ -	\$ 980,147
Government grants	72,655	-	72,655
Program revenues	335,075	-	335,075
Membership dues	41,996	-	41,996
Miscellaneous	276,621	-	276,621
Investment income	64,052	-	64,052
Gain on sale of assets	205,658	-	205,658
Total revenues and support	<u>1,976,204</u>	<u>-</u>	<u>1,976,204</u>
Expenses:			
Program	1,082,945	-	1,082,945
General and administrative	714,747	-	714,747
Fundraising	55,131	-	55,131
Total expenses	<u>1,852,823</u>	<u>-</u>	<u>1,852,823</u>
Increase in net assets	123,381	-	123,381
Net assets at beginning of year	<u>317,911</u>	<u>-</u>	<u>317,911</u>
Net assets at end of year	<u>\$ 441,292</u>	<u>\$ -</u>	<u>\$ 441,292</u>

The accompanying notes are an integral part of these financial statements

Birds Georgia, Inc.
Statement of Functional Expenses
For the year ended December 31, 2023

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 497,314	\$ 530,504	\$ 27,134	\$ 1,054,952
Contract services	144,051	54,026	1,323	199,400
Advertising and promotion	6,116	4,959	50	11,125
Information technology	8,359	5,951	-	14,310
Office Expenses	4,575	3,094	21	7,690
Occupancy	2,651	48,560	-	51,211
Utilities	2,143	106	-	2,249
Supplies	24,764	3,461	-	28,225
Insurance	13,560	8,863	-	22,423
Professional services	217,416	-	22,142	239,558
Telephone and telecommun	99	522	-	621
Subscriptions and publicatic	75	546	-	621
Dues and registration	35,533	172	-	35,705
Facility and equipment	300	-	-	300
Postage and shipping	2,797	4,998	10	7,805
Printing and copying	2,572	11,028	-	13,600
Travel and meetings	109,234	7,182	2,801	119,217
Repair and maintenance	1,720	555	-	2,275
Depreciation	-	8,950	-	8,950
Staff development	862	1,705	-	2,567
Interest expense	555	20	-	575
Other expenses	8,249	19,545	1,650	29,444
Total expenses	<u>\$ 1,082,945</u>	<u>\$ 714,747</u>	<u>\$ 55,131</u>	<u>\$ 1,852,823</u>

The accompanying notes are an integral part of these financial statements

Birds Georgia, Inc
Statement of Cash Flows
For the year ended December 31, 2023

Cash flows from operating activities:

Increase in net assets	\$ 123,381
Adjustments to reconcile increase in net assets to net cash provided by operations:	
Realized gains	(205,658)
Noncash lease expense	14,734
Depreciation and amortization	8,950
Changes in:	
Accounts receivable	(36,749)
Prepaid expenses	(101,585)
Accounts payable	65,795
Accrued expenses	(1,504)
Unearned revenue	128,200
Right-of-use lease liability	(13,694)
Total adjustments	(141,511)
Net cash provided (used) by operating activities	(18,130)

Cash flows from investing activities:

Sale of land	289,130
Net cash used in investing activities	289,130

Cash flows from financing activities:

Principal payments on note payable	(29,852)
Net cash used in financing activities	(29,852)

Cash Beginning of Year	313,329
Cash End of Year	\$ 554,477

The accompanying notes are an integral part of these financial statements

Birds Georgia, Inc
Notes to Financial Statements
For the year ended December 31, 2023

1. Nature of Organization and Significant Accounting Policies

Nature of Organization

The mission of Birds Georgia, Inc. (the Organization) is to build places where birds and people thrive, through conservation, education, and community engagement. The Organization began in 1926 as the Atlanta Bird Club and became a branch/chapter of the National Audubon Society in 1968 and then in 1972 changed its name to Atlanta Audubon Society, Inc. On February 24, 2020, the Organization changed its name to Georgia Audubon, Inc. On November 30, 2023, the Organization officially changed its name to Birds Georgia, Inc.

Financial Statement Presentation and Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. GAAP also requires that the Organization report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions based on stipulations made by the donor.

Net Assets without Donor Restrictions – Net assets available for general use and not subject to donor-imposed restrictions. As of December 31, 2023, the Organization’s net assets included undesignated net assets totaled \$441,292.

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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At December 31, 2023, the Organization had no net assets with donor restrictions.

Birds Georgia, Inc
Notes to Financial Statements
For the year ended December 31, 2023

1. Nature of Organization and Significant Accounting Policies (Continued)

Fair Value of Financial Instruments

The Organization's financial instruments, including cash, accounts receivable, prepaid expenses, unearned revenue and accounts payable are carried at cost, which approximates their fair value because of the short-term maturity of these instruments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Concentration of Credit Risk

Cash consists primarily of demand deposits with a financial institution. The cash balance frequently exceeds the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000.

Property and Equipment

Property and equipment are stated at either cost or, for donated property, the fair market value at the time of donation. The Organization generally capitalizes assets with a value greater than or equal to \$1,000. Depreciation is determined using the straight-line basis over the estimated economic life of the related asset as follows:

Furniture and equipment	5 years
Vehicles	5 years

Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), as amended, and classified by the Internal Revenue Service as other than a private foundation. Income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income tax for the year ended December 31, 2023. Management believes that it has appropriate support for

Birds Georgia, Inc
Notes to Financial Statements
For the year ended December 31, 2023

1. Nature of Organization and Significant Accounting Policies (Continued)

any tax positions taken by the Organization, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's income tax returns are subject to examination by the appropriate regulatory authorities for all open years, which include the last three years filed.

Contributions and Grants

The Organization recognizes contributions when cash, securities, other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Promises to give and contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of donor restrictions.

Grants and contributions with donor restrictions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When donor restricted net assets are used for their intended purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

The Organization recognizes revenue following the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606 *Revenue from Contracts with Customers*. The core principle of the guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized.

Birds Georgia, Inc
Notes to Financial Statements
For the year ended December 31, 2023

1. Nature of Organization and Significant Accounting Policies (Continued)

Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized in the financial statements if the services received enhance or create non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated significant amounts of their time in the Organization's programs and supporting services during 2023. No amounts have been reflected in the financial statements for volunteer services because they did not meet the criteria for recognition under generally accepted accounting principles. Amounts recorded in the financial statements reflect the contribution of storage services.

Advertising Expense

Advertising costs are expensed as incurred. For the year ended December 31, 2023, advertising expense totaled \$11,125 and is reflected in advertising and promotion expenses on the Statement of Functional Expenses.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the Statements of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated based on square footage basis include operating expenses. Expenses that are allocated based on estimates of time and effort include payroll & benefits. Additionally, other expense allocations are based on management's analysis of specific use including, consultants, events, media production, travel, in-kind expenses, and other expenses.

Unearned Revenue

At December 31, 2023, unearned revenues totaled \$233,060 and consist of funds collected, primarily from members of the Organization, for the purpose of funding domestic and international bird watching trips which will take place in subsequent years. All unearned revenues are expected to be recognized in calendar year 2024.

Birds Georgia, Inc
Notes to Financial Statements
For the year ended December 31, 2023

1. Nature of Organization and Significant Accounting Policies (Continued)

Prepaid Expenses

At December 31, 2023, prepaid expenses totaled \$118,166 and consist primarily of deposits and advance payments for program-related travel scheduled to take place in 2024. In accordance with the Organization's policy, payments made in advance for goods or services to be received in future periods are recorded as prepaid expenses and recognized as expense over the period in which the related services are provided or the benefits are consumed. All prepaid balances are expected to be fully expensed within twelve months after the statement of financial position date; therefore, they are classified as current assets.

2. Property and Equipment, net

Property and equipment consist of the following at December 31:

	2023
Land	\$ -
Furniture and equipment	2,975
Vehicles	44,748
Less accumulated depreciation	(20,875)
	\$ 26,848

Depreciation expense for the year ended December 31, 2023 was \$8,950.

3. Liquidity and Availability of Resources

The Organization is substantially supported by contributions without donor restrictions. General expenditures may be incurred for program, fundraising, or administrative purposes. The Organization's financial assets available within one year at December 31, 2023, to satisfy liabilities as of December 31, 2023, and for general expenditures are as follows:

	2023
Cash	\$ 554,477
Accounts receivable	47,712
Total financial assets available within one year	\$ 602,189

Birds Georgia, Inc
Notes to Financial Statements
For the year ended December 31, 2023

3. Liquidity and Availability of Resources (Continued)

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due; such liabilities aggregated \$74,011 at December 31, 2023. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

4. Right-of-use Lease

The Organization entered into a non-cancellable agreement to lease office space, which commenced in May 2023. The lease agreement is for a period of five years, ending in April 2028, and requires monthly payments of \$2,200, increasing by \$65 in May of each year. Based on the lease terms and a discount rate of 5% based on the Organization's incremental borrowing rate, the Organization recognized a \$123,125 right-of-use asset and \$123,125 right-of-use liability upon commencement of the lease. Lease expense for the year ending December 31, 2023, totaled \$18,640. Future minimum lease payments as of December 31, 2023 totaled:

<u>December 31</u>	
2024	\$ 26,920
2025	27,700
2026	28,480
2027	29,260
2028	<u>9,840</u>
	122,200
Less interest	<u>(12,769)</u>
Lease liability	<u>\$ 109,431</u>

5. Note Payable

In 2022 the Organization financed a vehicle purchase with a \$34,000 note payable to SouthState bank. Monthly payments of \$627 include principal and interest, with an interest rate of 4.05%. On April 6, 2023, this note payable was paid in full.

6. Subsequent Events

Subsequent events have been evaluated through August 13, 2025, which is the date the financial statements were available to be issued.