

**BIRDS GEORGIA, INC.**

---

**Financial Statements  
and  
Independent Auditor's Report**

**For the Year Ended December 31, 2022**

**BIRDS GEORGIA, Inc.**  
**Contents**

---

<b>Independent Auditor's Report</b>	<b>1</b>
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
<b>Notes to Financial Statements</b>	<b>6</b>

# FRICKE & ASSOCIATES, LLC

*Certified Public Accountants*

---

3500 Parkway Lane • Suite 220  
Peachtree Corners, GA 30092  
(770) 216-2226 • Fax (770) 216-2227  
www.frickecpa.com

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**BIRDS GEORGIA, Inc.**  
Atlanta, Georgia

### 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, 2022, and the related statements of activities 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, 2022, 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 Auditor's 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.



Member American Institute of Certified Public Accountants  
Georgia Society of Certified Public Accountants



## 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 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.

*Fiske & Associates, LLC*

Peachtree Corners, Georgia  
December 10, 2024

**Birds Georgia, Inc.**  
**Statement of Financial Position**  
**As of December 31, 2022**

---

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 313,329
Accounts receivable	10,963
Prepaid expenses	16,581
Deposits	2,200
Total current assets	<u>343,073</u>
Property and equipment, net	<u>119,270</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 462,343</u></b>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	\$ 8,216
Accrued expenses	1,504
Unearned revenue	104,860
Total current liabilities	<u>114,580</u>
Notes payable	<u>29,852</u>
Total liabilities	<u>144,432</u>
Net Assets:	
Net assets without donor restrictions	<u>317,911</u>
Total net assets	<u>317,911</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 462,343</u></b>

The accompanying notes are an integral part of these financial statements.

**Birds Georgia, Inc.**  
**Statement of Activities**  
**For the year ended December 31, 2022**

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Revenues and support:			
Contributions	\$ 527,967	\$ -	\$ 527,967
Government grants	16,781	-	16,781
Program revenues	653,721	-	653,721
Membership dues	80,519	-	80,519
Miscellaneous	36,491	-	36,491
Net investment loss	(75,381)	-	(75,381)
Total revenues and support	<u>1,240,098</u>	<u>-</u>	<u>1,240,098</u>
Expenses:			
Program	1,185,985	-	1,185,985
General and administrative	166,734	-	166,734
Fundraising	153,489	-	153,489
Total expenses	<u>1,506,208</u>	<u>-</u>	<u>1,506,208</u>
Decrease in net assets	(266,110)	-	(266,110)
Net assets at beginning of year	<u>584,021</u>	<u>-</u>	<u>584,021</u>
Net assets at end of year	<u>\$ 317,911</u>	<u>\$ -</u>	<u>\$ 317,911</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, 2022**

	Program	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 672,081	\$ 67,461	\$ 127,126	\$ 866,668
Contract services	320,163	8,225	5,650	334,038
Advertising and promotion	5,261	4,280	27	9,568
Information technology	2,934	12,668	581	16,183
Office Expenses	2,286	2,571	453	5,310
Occupancy	7,202	1,100	-	8,302
Utilities	485	162	-	647
Supplies	50,584	1,400	229	52,213
Insurance	3,084	16,865	-	19,949
Telephone and telecommunica	778	951	-	1,729
Subscriptions and publications	2,605	-	-	2,605
Dues and registration	664	131	-	795
Facility and equipment	2,050	-	-	2,050
Postage and shipping	4,605	3,313	690	8,608
Printing and copying	12,416	70	11,336	23,822
Travel and meetings	80,156	16,455	3,194	99,805
Repair and maintenance	-	2,150	-	2,150
Depreciation	-	9,080	-	9,080
Staff development	3,041	38	-	3,079
Events	100	-	-	100
Interest expense	-	2,089	-	2,089
Other expenses	15,490	17,725	4,203	37,418
<b>Total expenses</b>	<b>\$ 1,185,985</b>	<b>\$ 166,734</b>	<b>\$ 153,489</b>	<b>\$ 1,506,208</b>

The accompanying notes are an integral part of these financial statements.

**Birds Georgia, Inc**  
**Statement of Cash Flows**  
**For the year ended December 31, 2022**

---

Cash flows from operating activities:	
Decrease in net assets	<u>\$ (266,110)</u>
Adjustments to reconcile increase in net assets to net cash provided by operations:	
Depreciation and amortization	9,080
Changes in:	
Accounts receivable	172,167
Prepaid expenses	31,558
Accounts payable	(5,885)
Accrued expenses	428
Unearned revenue	<u>(156,289)</u>
Total adjustments	<u>51,059</u>
Net cash provided (used) by operating activities	<u>(215,051)</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(40,671)</u>
Cash flows from financing activities:	
Note payable	<u>29,852</u>
Net decrease in cash and cash equivalents	(225,870)
Cash Beginning of Year	<u>539,199</u>
Cash End of Year	<u>\$ 313,329</u>

The accompanying notes are an integral part of these financial statements.



**Birds Georgia, Inc**  
**Notes to Financial Statements**  
**For the year ended December 31, 2022**

---

**1. Nature of Organization and Significant Accounting Policies**

***Nature of Organization***

The mission of Birds Georgia, Inc. (the Organization) is to protect Georgia's birds and the habitats that sustain them through education, conservation, and advocacy. Georgia Audubon, Inc. 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, and on December 1, 2023, 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, 2022 the Organization's net assets included undesignated net assets totaled \$317,911.

**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, 2022 the Organization had no net assets with donor restrictions.

**Birds Georgia, Inc**  
**Notes to Financial Statements**  
**For the year ended December 31, 2022**

---

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

***Fair Value of Financial Instruments***

The Organization's financial instruments, including cash, restricted cash, 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, 2022. Management believes that it has appropriate support for

**Birds Georgia, Inc**  
**Notes to Financial Statements**  
**For the year ended December 31, 2022**

---

**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, 2022**

---

**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 2022. 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 years ended December 31, 2022, advertising expense totaled \$9,568 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, 2022, the Organization reported unearned revenues of \$104,860. Unearned revenues 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 the subsequent years.

**Birds Georgia, Inc**  
**Notes to Financial Statements**  
**For the year ended December 31, 2022**

**2. Property and Equipment, net**

Property and equipment consist of the following at December 31:

	2022
Land	\$ 83,472
Furniture and equipment	2,975
Vehicles	44,748
Less accumulated depreciation	(11,925)
	\$ 119,270

Depreciation expense for the years ended December 31, 2022 \$9,080.

**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, 2022, to satisfy liabilities as of December 31, 2022, and for general expenditures are as follows:

	2022
Cash	\$ 313,329
Accounts receivable	10,963
Total financial assets available within one year	\$ 324,292

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due; such liabilities aggregated \$9,720 at December 31, 2022. 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.

**Birds Georgia, Inc**  
**Notes to Financial Statements**  
**For the year ended December 31, 2022**

---

**4. Commitments and Contingencies**

The Organization entered into an agreement to lease office space, which commences in May 2023. The lease agreement is for a period of five years, ending in April 2028, and includes monthly payments of \$2,200, increasing by \$65 in May of each year. Upon commencement of the lease, the Organization will recognize a \$123,125 right-of-use asset and \$123,125 right-of-use liability.

**5. Subsequent Events**

Subsequent events have been evaluated through December 10, 2024, which is the date the financial statements were available to be issued.