

Georgia Audubon, Inc.
Audit of Financial Statements
December 31, 2020

Independent Auditor's Report

To the Board of Directors of
Georgia Audubon, Inc.

I have audited the accompanying financial statements of Georgia Audubon, Inc.. (a nonprofit organization), which comprise the statement of financial position as of December 31,2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluation of the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Audubon, Inc.. as of December 31,2020 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.

J. Lunsford CPA

October 27, 2021

Georgia Audubon, Inc.

Statement of Financial Position December 31, 2020

The Accompanying Notes are an Integral Part of These Financial Statements

Assets

Cash and Cash Equivalents	\$	127,668
Accounts Receivable		89,000
Prepaid Expense		16,575
Investments		471,893
Computers & Furniture - Net of Accumulated Depreciation of \$3,129		646
Land		83,472
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		789,254
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		Total Assets
		789,254

Liabilities

Accrued Expenses	\$	5,741
Unearned Revenue		97,479
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		103,220
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		Total Liabilities
		103,220

Net Assets

Without Donor Restrictions		262,997
With Donor Restrictions		423,037
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		686,034
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		Total Net Assets
		686,034
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		Total Liabilities and Net Assets
		\$ 789,254

Georgia Audubon, Inc.

Statement of Activity For the Year Ended December 31, 2020

The Accompanying Notes are an Integral Part of These Financial Statements

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support			
Support			
Contributions	\$ 300,362	\$ -	\$ 300,362
Grants	58,000	255,388	313,388
Total Support	358,362	255,388	613,750
Program Income	116,248	-	116,248
Membership Dues	75,507	-	75,507
Special Events	4,355	-	4,355
Investment Return	6,202	-	6,202
Realized / Unrealized Gain (Loss)	27,516	-	27,516
Merchandise Sales	7,180	-	7,180
Other Revenues and Gains	237,008	-	237,008
Support Provided by Expiring Time and Purpose Restrictions	250,233	(250,233)	-
Total Revenues, Gains and Other Support	845,603	5,155	850,758
Expenses			
Program Services	675,470	-	675,470
Total Program Services	675,470	-	675,470
Management and General	78,698	-	78,698
Fundraising	79,762	-	79,762
Total Expenses	833,930	-	833,930
Change in Net Assets	11,673	5,155	16,828

Georgia Audubon, Inc.

Statement of Functional Expense For the Year Ended December 31, 2020

The Accompanying Notes are an Integral Part of These Financial Statements

	Program Services	Management & General	Fundraising	Total
Salaries, Benefits and Contract Services				
Salaries and Benefits	402,683	56,671	55,389	514,743
Contract Services	151,369	2,000	4,028	157,397
Operating Expenses				
Advertising and Promotion	469	48	48	565
Office Expense	6,475	1,846	5,175	13,496
Information Technology	6,058	2,379	1,157	9,594
Supplies - Other	37,108	-	1,383	38,491
Telephone and Telecommunications	1,474	492	-	1,966
Postage and Shipping	4,368	1,336	4,975	10,679
Books, Subscriptions, References	42	-	-	42
Printing and Copying	11,710	-	2,503	14,213
Facility and Equipment Expenses				-
Rent, Parking , Other Occupancy	16,200	5,400	-	21,600
Utilities	2,530	843	-	3,373
Repair and Maintenance	450	150	-	600
Depreciation Expense	-	366	-	366
Travel and Meeting Expenses				-
Travel Costs	11,562	8	533	12,103
Travel Meals	808	-	74	882
Conferences, Conventions, Meetings	3,226	25	-	3,251
Meals and Entertainment	2,159	61	1,013	3,233
Other Expenses				-
Bank Service Charges	9,997	3,247	3,336	16,580
Insurance	3,595	3,598	-	7,193
Membership Dues & Registration	1,111	199	119	1,429
Staff Development	1,328	-	-	1,328
Other Expense	748	29	29	806
	\$ 675,470	\$ 78,698	\$ 79,762	\$ 833,930

Georgia Audubon, Inc.

Statement of Cash Flows For the Year Ended December 31, 2020

The Accompanying Notes are an Integral Part of These Financial Statements

Operating Activities:

Cash Inflows for Operations:

Support	\$	643,771
Program Income		116,248
Membership Dues		75,507
Special Events		4,355
Investment Return		6,202
Merchandise Sales		27,742

Cash Outflows for Operations:

Payments for Salaries, Benefits, and Payroll Taxes		(514,743)
Payments to Vendors		(315,106)

Net Cash Provided by Operating Activities		43,976
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Investing Activities:

Realized Gain on Sale of Securities		18,227
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Net Cash Used by Investing Activities		18,227
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Change in Cash and Cash Equivalents		62,203
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Cash and Cash Equivalents at Beginning of Year		65,465
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Cash and Cash Equivalents at End of Year	\$	127,668
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Georgia Audubon, Inc.

Notes to Financial Statements

December 31, 2020

Note 1: Description of Organization

The mission of Georgia Audubon, 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..

Note 2: Summary of Significant Accounting Policies

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use, that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Georgia Audubon, Inc.

Notes to Financial Statements

December 31, 2020

Note 2: Summary of Significant Accounting Policies - continued

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Donated Services

The Organization has numerous unpaid volunteers. The value of the services provided by these volunteers has not been determined or recognized in these financial statements since the criteria for recognition under ASC No. 958 have not been met.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less when purchased. At times, cash and cash equivalents may exceed federally insured amounts. The Organization believes that it mitigates risks by depositing cash and investing in cash equivalents with major financial institutions.

Property and Equipment

Property and equipment are recorded at cost and depreciated over the estimated useful lives of three to five years using the straight-line method. Depreciation expense for the year ended December 31, 2020 totaled \$366.

Revenue Recognition

The Organization recognizes revenues in accordance with Accounting Standards Update (ASU) 2018-8, 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. The ASU also provides additional clarification as to whether or not a contribution is conditional.

Contributions received are recorded as an increase in net assets with or without restrictions depending on the existence and/or nature of any donor restrictions. See Net Assets disclosure above.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (the Code). The Organization had no significant unrelated business taxable income during 2020. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying financial statements

The Organization applies the provisions of accounting standards for income taxes. These standards require that a tax position be recognized or derecognized based on a 'more-likely-than-not' threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any material uncertain tax positions. The Organization is no longer subject to Federal or State income tax examination by tax authorities for years prior to 2017.

Georgia Audubon, Inc.

Notes to Financial Statements December 31, 2020

Note 2: Summary of Significant Accounting Policies - continued

Investments

Investments are comprised of Equity and Income Mutual Funds with a readily determinable market value and are carried at Fair Market Value in the statement of financial position. Unrealized gains and losses are included in the statement of

Note 3: Operating Lease Obligation

The Organization leases office space under a sublease agreement commencing on January 1, 2016 and ending on December 31, 2020. The Organization renewed and amended that sublease effective December 31, 2020 for an additiona

Note 4: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 are:

Financial assets:		
Cash and cash equivalents	\$	127,668
Accounts receivable		89,000
Prepaid expense		16,575
Investments		471,893
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Total financial assets		705,136
Less financial assets held to meet donor-imposed restrictions		(423,037)
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Amount available for general expenditures within one year	\$	282,099

Note 5: Temporarily Restricted Net Assets

Net assets with donor restrictions

Donor	Amount
Morgens West	\$ 51,150
Habitat Restoration Fund	13,515
Disney Conservation Fund	50,000
Cherokee Garden Club	3,672
GOS Terrell Conservation Grant	5,541
Keen: 2020 Youth Grant	3,937
NAS Audubon	2,291
Lamb Foundation	35,870
CFWG: AH Richards Grant	5,266
North Face Explore Fund	4,173
Wells Fargo Grant	5,000
Wells Fargo Foundation: 2020 General STEM	2,500
Patagonia 2019 & 2020	9,608
Schumann Foundation	14,949
Scholarship Fund	132,093
Land	83,472
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	\$ 423,037

Georgia Audubon, Inc.

Notes to Financial Statements December 31, 2020

Note 6: Commitments and Contingencies

Certain grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management of the Organization deems the contingency to be unlikely. The grants and contracts are subject to audit by the grantor. They have the authority to determine liabilities or limits or suspend participation in the various sponsored programs.

Note 7: Subsequent Events

The Organization has evaluated subsequent events through October 27, 2021 which is the date the financial statements were prepared. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

Note 8: Fair Value Measurements

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used are

Level 1 - Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.

Level 2 - Inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly, or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets in markets that are not active
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means

Level 3 - Unobservable inputs for the asset or liability. These should be used to measure the fair value to the extent that observable inputs are unavailable.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for all of the assets and liabilities that the Organization may be required to measure fair value (for example, in-kind contributions). The primary use of fair value measures in these financial statements are in the determination of Fair Market Value of Investments.

Note 9: Investment Summary

Investments at December 31, 2020 are summarized as follows:

	Cost	Fair Value	Unrealized Gain
Cash	\$ 23,643	\$ 23,643	\$ -
Exchange Traded Funds	345,646	448,250	102,604
	369,289	471,893	102,604

Note 10: Paycheck Protection Program Funds

The Organization was granted a \$83,937 loan under the Paycheck Protection Program "PPP" administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal Government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized the \$83,937 as a grant for the year ended December 31, 2020.