Environmental Fund For Georgia, Inc.
dba Earth Share of Georgia

Audit of Financial Statements

June 30, 2010
Independent Auditor's Report

To the Board of Directors
Environmental Fund for Georgia, Inc.
dba Earth Share of Georgia

We have audited the accompanying statement of financial position of Environmental Fund for Georgia, Inc. dba Earth Share of Georgia, (a nonprofit organization), as of June 30, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Environmental Fund for Georgia, Inc. dba Earth Share of Georgia, as of June 30, 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Bach James Mansour & Co., P.C.

Kennesaw, Georgia
August 19, 2010
## Statement of Financial Position - June 30, 2010

### Assets

**Current Assets**
- Cash and Cash Equivalents: $45,250
- Accounts Receivable: 12,649
- Prepaid Expense: -
- Campaign Revenue Receivable - Net of Allowance of $31,296: 232,343

**Total Current Assets**: 290,242

**Property and Equipment**
- Equipment and Furniture: 65,035
- Accumulated Depreciation: (62,422)

**Net Property and Equipment**: 2,613

**Other Assets**
- Investments: 74,712
- Security Deposits: 315

**Total Other Assets**: 75,027

**Total Assets**: $367,882

### Liabilities and Net Assets

**Current Liabilities**
- Accounts Payable: 1,986
- Campaign Revenue Payable: 297,540

**Total Current Liabilities**: 299,526

**Net Assets**
- Unrestricted: 68,356

**Total Net Assets**: 68,356

**Total Liabilities and Net Assets**: $367,882

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The accompanying notes are an integral part of these financial statements
## Statement of Activities - Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
</table>

### Amounts Raised in Campaigns

- **Gross Pledges**: $437,030
- **Less: Shrinkage**: $(39,333)
- **Amounts designated by donors to member charities**: $(166,744)
- **Public support designated to Earth Share of Georgia**: $230,953

### Support Revenues and Reclassifications

- **Public support designated to Earth Share of Georgia**: $230,953
- **Earth Day**: $74,050
- **Campaign Administration Fee**: $86,336
- **Donations**: $76,575
- **Inkind Donations**: 
- **Interest/Dividend Income**: $2,504
- **Realized/Unrealized Loss on Investments**: $2,089

### Expenditures

#### Program Services

- **Member Group Allocations**: $251,790
- **Workplace Access**: $198,190

#### Supporting Services

- **Management & General**: $35,100
- **Fundraising**: $14,642
- **Total Other Expenses**: $49,742

### Net Assets

- **Net Assets as of June 30, 2009**: $95,571
- **Net Assets as of June 30, 2010**: $68,356

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The accompanying notes are an integral part of these financial statements.
Statement of Functional Expenses - Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th></th>
<th>Supporting Services</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Member Group</td>
<td>Workplace Access</td>
<td>Management &amp; General</td>
<td>Fundraising</td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$ -</td>
<td>$ 104,941</td>
<td>$ 16,059</td>
<td>$ 10,749</td>
<td>$ 131,749</td>
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<tr>
<td>Payroll Taxes &amp; Benefits</td>
<td>-</td>
<td>19,190</td>
<td>2,937</td>
<td>1,966</td>
<td>24,093</td>
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<tr>
<td>Accounting</td>
<td>-</td>
<td>-</td>
<td>5,000</td>
<td>-</td>
<td>5,000</td>
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<tr>
<td>Affiliation Fees</td>
<td>20,837</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,837</td>
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<tr>
<td>Distributions to Member Agencies</td>
<td>230,953</td>
<td>-</td>
<td>-</td>
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<td>230,953</td>
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<tr>
<td>Conferences</td>
<td>-</td>
<td>3,072</td>
<td>-</td>
<td>-</td>
<td>3,072</td>
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<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
<td>1,677</td>
<td>-</td>
<td>1,677</td>
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<tr>
<td>Dues &amp; Subscriptions</td>
<td>-</td>
<td>1,366</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Information Technology</td>
<td>-</td>
<td>4,802</td>
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<tr>
<td>Inkind Donations</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Insurance - Business</td>
<td>-</td>
<td>-</td>
<td>3,552</td>
<td>-</td>
<td>3,552</td>
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<tr>
<td>Marketing</td>
<td>-</td>
<td>6,751</td>
<td>-</td>
<td>-</td>
<td>6,751</td>
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<td>Office Expense</td>
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<td>1,699</td>
<td>-</td>
<td>3,398</td>
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<tr>
<td>Postage</td>
<td>-</td>
<td>1,290</td>
<td>323</td>
<td>-</td>
<td>1,613</td>
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<tr>
<td>Printing</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Rent</td>
<td>-</td>
<td>24,441</td>
<td>2,875</td>
<td>1,438</td>
<td>28,754</td>
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<td>Website</td>
<td>-</td>
<td>15,000</td>
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<td>-</td>
<td>15,000</td>
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<tr>
<td>Bad Debt Expense</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Telephone</td>
<td>-</td>
<td>8,310</td>
<td>978</td>
<td>489</td>
<td>9,777</td>
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<tr>
<td>Travel</td>
<td>-</td>
<td>791</td>
<td>-</td>
<td>-</td>
<td>791</td>
</tr>
<tr>
<td></td>
<td><strong>$ 251,790</strong></td>
<td><strong>$ 198,190</strong></td>
<td><strong>$ 35,100</strong></td>
<td><strong>$ 14,642</strong></td>
<td><strong>$ 499,722</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements
**Statement of Cash Flows - Year Ended June 30, 2010**

**Cash Flows From Operating Activities:**
- Change in Net Assets: $ (27,215)
- Adjustments To Reconcile Change in Net Assets
  - Depreciation: 1,677
  - Realized/Unrealized (Gains) Losses on Investments: (2,089)
  - Change in Prepaid Expenses: 1,160
  - Change in Accounts Receivable: (9,934)
  - Change in Campaign Revenue Receivable: 49,110
  - Change in Accounts Payable and Accrued Expense: 1,341
  - Change in Campaign Revenue Payable: (62,427)

  **Net Cash Provided (Used) by Operating Activities:** (48,377)

**Cash Flows From Investing Activities:**
- Purchase of Fixed Assets: -
- PaxWorld Investment Redemption and Dividend Reinvestment: (2,357)

  **Net Cash Provided (Used) By Investing Activities:** (2,357)

**Net Increase (Decrease) in Cash and Cash Equivalents:** (50,734)

**Cash and Cash Equivalents as of the Beginning of Year:** 95,984

**Cash and Cash Equivalents as of the End of Year:** $ 45,250

The accompanying notes are an integral part of these financial statements
Note 1: Organization and Nature of Activities

The Environmental Fund for Georgia, Inc. is a not-for-profit organization exempt from income tax under section 501(c)(3) of the U.S. Internal Revenue Code. On June 6, 2001, the Organization began doing business as Earth Share of Georgia.

Earth Share of Georgia offers citizens one smart and simple way to care for our air, land and water. As Georgia's only environmental fund, Earth Share partners with Georgia Businesses and employees to support more than 62 leading environmental groups through workplace campaigns and other activities. Employee donated funds are then allocated to support the operations and programs of Earth Share's member groups.

Note 2: Summary of Significant Accounting Policies

Revenue Recognition

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Such unrestricted donor contributions are therefore included in unrestricted net assets, even though use of the funds may be restricted by the Organization's Board of Directors. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. The majority of the promises to give are received from a broad base of Georgia contributors as a result of the workplace giving programs. An allowance for uncollectible pledges is provided based on management's evaluation of potential uncollectible promises receivable at year end.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair market values in the period received.

Investment earnings available for distribution are recorded in unrestricted net assets.

Estimates

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

For purposes of the financial statements, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are composed of mutual funds with readily determinable market values and are carried at their fair market value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

Property and equipment are recorded at cost or fair value for contributed property and equipment and depreciated over the estimated useful lives of three to seven years using the straight-line method. Depreciation expense for the year ended June 30, 2010 was $1,677.

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.

Financial Statement Presentation

The Organization prepares its financial statements based upon SFAS NO. 117, Financial Statements of Not-For-Profit Organizations. As such, the Organization reports information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

Note 3: Investments

Investments at June 30, 2010 are summarized as follows:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Cost</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>PaxWorld Balanced Fund</td>
<td>$ 68,461</td>
<td>$ 74,712</td>
</tr>
</tbody>
</table>
Note 4: Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities for these volunteers because the criteria for recognition under SFAS 116 have not been met.

Operating Leases

The Organization leases certain office space under a noncancellable operating lease. The minimum lease payments are $19.50 per rentable square foot per month at inception of the lease (July 1, 2008) increasing to $21.95 per rentable square foot per month during the lease term expiring June 30, 2013.

Future minimum lease payments under the lease are as follows:

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Lease Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2011</td>
<td>27,183</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>27,999</td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>28,839</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$84,021</strong></td>
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</tbody>
</table>