Environmental Fund For Georgia, Inc.
dba EarthShare of Georgia

Audit of Financial Statements

June 30, 2017 and 2016

J. Lunsford, CPA

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Independent Auditor's Report

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

I have audited the accompanying financial statements of Environmental Fund for Georgia, Inc. dba EarthShare of Georgia (a nonprofit organization), which comprise the statement of financial position, cash flows and related notes to the financial statements as of June 30, 2017 and 2016, and the related statements of activities for the year ended June 30, 2017. The prior year summarized comparative information has been derived from the Organization's financial statements for the year ended June 30, 2016 and in my report dated October 26, 2016, I expressed an unqualified opinion thereon.

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 audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits 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 evaluating 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 Environmental Fund for Georgia, Inc. dba EarthShare of Georgia as of June 30, 2017 and 2016 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.

J. Lunsford CPA

December 18, 2017

3590 Cherokee ST. NW Suite 304 770.262.0745

Kennesaw, Ga 30144 jlunsford@cpa.com

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Statement of Financial Position - June 30, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and Cash Equivalents	$ 38,774	$ 33,143
Accounts Receivable	5,889	2,674
Campaign Revenue Receivable - Net of Allowance of $29,200 and $26,702, respectively	295,251	269,982
Prepaid Expense	2,498	2,498
Total Current Assets	342,412	308,297
Property and Equipment		
Equipment and Furniture	11,039	9,445
Accumulated Depreciation	(8,831)	(8,056)
Net Property and Equipment	2,208	1,389
Other Assets		
Investments	120,651	108,050
Security Deposits	2,498	2,498
Total Other Assets	123,149	110,548
Total Assets	$ 467,769	$ 420,234
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	9,372	4,096
Campaign Revenue Payable	295,251	274,988
Total Current Liabilities	304,623	279,084
Net Assets		
Unrestricted	163,146	141,150
Total Net Assets	163,146	141,150
Total Liabilities and Net Assets	$ 467,769	$ 420,234

The accompanying notes are an integral part of these financial statements

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Statement of Activities - Year Ended June 30, 2017 With Comparative Information For June 30, 2016

	Unrestricted	Temporarily Restricted	Total	June 30 2016
Amounts Raised in Campaigns				
Gross Pledges	$ 393,690	$ -	$ 393,690	$ 269,875
Less: Shrinkage	(35,432)	-	(35,432)	(24,289)
Amounts designated by donors to member charities	(40,396)	-	(40,396)	(71,636)
Public support designated to EarthShare of Georgia	317,862	-	317,862	173,950
Support Revenues and Reclassifications				
Public support designated to EarthShare of Georgia	317,862	-	317,862	173,950
Earth Day	69,604	-	69,604	59,939
Member Dues	78,000	-	78,000	78,000
Donations	98,258	-	98,258	105,034
In-Kind Donations	32,815	-	32,815	98,245
New Member Fee	-	-	-	227
Rental Income	8,325	-	8,325	4,375
Other Income	-		-	17,853
Interest/Dividend Income	980	-	980	4,254
Realized/Unrealized (Loss) on Investments	11,650	-	11,650	(9,174)
Total Public Support, Revenues and Reclassifications	617,494	-	617,494	532,703
Expenditures				
Program Services				
Member Group Allocations	317,863	-	317,863	173,950
Workplace Access	199,800	-	199,800	288,235
Total Program Expenditures	517,663	-	517,663	462,185
Supporting Services				
Management & General	63,698	-	63,698	52,060
Fundraising	14,136	-	14,136	15,499
Total Other Expenses	77,834	-	77,834	67,559
Total Program Expenditures & Other Expenses	595,497	-	595,497	529,744
Change in Net Assets	21,997	-	21,997	2,959
Net Assets at Beginning of Period	141,150	-	141,150	138,191
Net Assets at End of Period	$ 163,147	$ -	$ 163,147	$ 141,150

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Statement of Functional Expenses - Year Ended June 30, 2017 With Comparative Information For June 30, 2016

	Program Services		Supporting Services			
	Member Group Allocations	Workplace Campaigns	Management & General	Fundraising	Total	June 30 2016
Salaries	$ -	$ 94,030	$ 36,439	$ 9,631	$ 140,100	$ 133,774
Payroll Taxes & Benefits	-	23,044	3,526	2,360	28,929	29,117
Contract Labor	-	-	-	-	-	10,553
In-kind Donations	-	32,815	-	-	32,815	98,245
Accounting	-	-	5,000	-	5,000	5,000
Distributions to Member Agencies	317,863	-	-	-	317,863	173,950
Conferences	-	2,712	-	-	2,712	2,731
Depreciation	-	-	775	-	775	949
Dues & Subscriptions	-	-	8,300	-	8,300	9,590
Information Technology	-	1,379	-	-	1,379	2,505
Insurance - Business	-	-	3,631	-	3,631	3,557
Marketing	-	5,272	-	-	5,272	3,171
Office Expense	-	2,795	1,699	-	4,494	3,398
Postage	-	153	38	-	191	650
Rent	-	33,947	3,994	1,997	39,938	35,758
Bad Debt Expense	-	-	-	-	-	6,861
Telephone	-	2,524	296	148	2,969	8,435
Travel	-	1,129	-	-	1,129	1,500
	$ 317,863	$ 199,800	$ 63,698	$ 14,136	$ 595,497	$ 529,744

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Statement of Cash Flows - Year Ended June 30, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities:		
Change in Net Assets	$ 21,997	$ 2,959
Adjustments To Reconcile Change in Net Assets		
To Net Cash Provided by Operating Activities:		
Depreciation	775	949
Realized/Unrealized (Gains) Losses on Investments	(11,650)	9,174
Change in Accounts Receivable	(3,215)	15,871
Change in Campaign Revenue Receivable	(25,269)	51,399
Change in Accounts Payable	5,276	2,908
Change in Campaign Revenue Payable	20,263	(79,165)
Net Cash Provided (Used) by Operating Activities	8,177	4,095
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,594)	(831)
Dividend Reinvestment	(952)	(4,221)
Net Cash Provided (Used) By Investing Activities	(2,546)	(5,052)
Net Increase (Decrease) in Cash and Cash Equivalents	5,631	(957)
Cash and Cash Equivalents as of the Beginning of Year	33,143	34,100
Cash and Cash Equivalents as of the End of Year	$ 38,774	$ 33,143

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements - June 30, 2017 and 2016

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 EarthShare of Georgia.

As Georgia's only environmental fund, EarthShare of Georgia is a one-stop connector nonprofit that provides public and private sector organizations with solutions to engage employees in environmental educational learning, volunteer and workplace-giving opportunities that support more than 100 local, state and national charities dedicated to conserving and protecting our air, land and water. Donated corporate and individual funds are used to support the operations and programs of EarthShare of Georgia and its 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.

Allocation of Expenses

Salaries and employee benefits are allocated by management among program expenses and supporting services on the basis of estimated hours worked by the staff on the various activities of the Organization. All other functional expenses are specifically identified to a related project and are allocated among services based on the nature of the project.

Continued

specifically identified to a related project and are allocated among services based on the nature of the project.

Note 2: Summary of Significant Accounting Policies - continued

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 five years using the straight-line method. Depreciation expense for the year ended June 30, 2017 and 2016 was $775 and $949, respectively.

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 in accordance with ASC 958-205-05-5 and ASC 958-205-05-6. This requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Note 3: Investments

Investments at June 30, 2017 and 2016 are summarized as follows:

	2017	2016
Mutual Funds - Cost	$ 113,405	$ 102,485
Mutual Funds - Fair Value	$ 120,651	$ 108,050

As discussed in Note 5 to these financial statements, the Organization is required to report its fair value measurements in one of three levels. The Organization reports the fair value of investments using level 1.

Note 4: Concentrations of Credit Risk

The predominate amount of the Organization's contributions are received from Georgia corporation employees. As such, the organization's ability to generate resources via employee giving is dependent upon the economic health of that area. An economic downturn could cause a decrease in employee giving that coincides with an increase in demand for the organization's services.

The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of those investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets should mitigate the impact of any such changes.

Note 5: 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 recurring measurement of investments (Note 3).

Continued

Notes to Financial Statements - June 30, 2017 and 2016

Note 6: Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. During FYE 06/30/2017 $2,534 has been recognized in the statement of activities for donated services because the criteria for recognition was met.

Note 7: Operating Leases

The Organization leases office space under a noncancelable operating lease. The lease term is 92 months commencing July 1st, 2013 and ending on February 28, 2021, The Base Rental Rate under the lease is $2,497.58 per month. The Base Rent increases by 3% on the 1st day of each successive year. Pursuant to the lease, the Organization is only required to pay 50% of the Base Rent for the first 16 months under the lease term. In the event of any subsequent uncured event of default, all Base Rent that has been abated would become immediately due and payable.

Year Ended		Lease Payment
June 30, 2018		33,732
June 30, 2019		34,744
June 30, 2020		35,787
June 30, 2021		36,860
	Total	$ 141,123

Note 8: Subsequent Events

The Organization has evaluated subsequent events through December 18, 2017 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 9: FIN 48 Disclosure

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state tax jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2017.