

**Ohio Bird Sanctuary, Inc.**

Financial Statements and  
Independent Auditor's Report

December 31, 2010 and 2009

Banks & Associates, CPA's, LLC

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Independent Auditor's Report

To the Board of Directors  
Ohio Bird Sanctuary, Inc.

We have audited the accompanying statement of financial position of Ohio Bird Sanctuary, Inc. (a nonprofit organization) as of December 31, 2010 and the related statements of changes in net assets, 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. The financial statements of Ohio Bird Sanctuary, Inc. as of December 31, 2009, were audited by other auditors whose report dated August 20, 2010, expressed an unqualified opinion on those statements.

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 provide 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 Ohio Bird Sanctuary, Inc. as of December 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Banks & Associates, CPA's, LLC*

*Banks & Associates, CPA's, LLC*

July 29, 2011

Ohio Bird Sanctuary, Inc.

Statements of Financial Position  
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 42,327	\$ 99,354
Investments	69,484	0
Accounts Receivable	1,740	1,315
Pledges Receivable	33,207	32,810
Inventory	1,123	2,968
Property and Equipment	756,700	692,340
Deposits	<u>0</u>	<u>18,240</u>
Total Assets	<u>\$ 904,580</u>	<u>\$ 847,027</u>
 <u>Liabilities</u>		
Accounts Payable	\$ 2,695	\$ 1,979
Accrued Expenses	<u>3,081</u>	<u>1,453</u>
Total Liabilities	5,776	3,432
 <u>Net Assets</u>		
Unrestricted	864,684	819,685
Temporarily Restricted	34,119	23,910
Permanently Restricted	<u>0</u>	<u>0</u>
Total Net Assets	<u>898,804</u>	<u>843,595</u>
Total Liabilities and Net Assets	<u>\$ 904,580</u>	<u>\$ 847,027</u>

See Accompanying Notes

Ohio Bird Sanctuary, Inc.

Statements of Changes in Net Assets  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Changes in Unrestricted Net Assets</u>		
<u>Public Support and Revenue</u>		
Contributions	\$ 96,875	\$ 63,714
Program Fees	26,369	21,684
Membership Dues	5,713	7,275
Grants	70,381	24,675
Investment Income	1,984	7,590
Special Events - Gross	5,034	5,731
Less Cost of Direct Expenses	<u>(3,396)</u>	<u>(3,523)</u>
Net Special Events	1,638	2,209
Sale of Supplies	4,018	3,480
Less Cost of Goods Sold	<u>(3,141)</u>	<u>(3,399)</u>
Net Sale of Supplies	877	80
Other Income	424	912
Net Assets Released from Restrictions	<u>19,187</u>	<u>576,694</u>
Total Public Support and Revenue	223,449	704,833
<u>Expenses</u>		
<u>Program Services</u>		
Program Expenses	150,198	164,157
<u>Supporting Services</u>		
Management and General	20,838	12,957
Fund Raising	<u>7,412</u>	<u>319</u>
Total Supporting Services Expenses	<u>28,250</u>	<u>13,276</u>
Total Expenses	<u>178,449</u>	<u>177,433</u>
Increase in Unrestricted Net Assets	45,000	527,400

See Accompanying Notes

Ohio Bird Sanctuary, Inc.

Statements of Changes in Net Assets  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Changes in Temporarily Restricted Net Assets</u>		
Contributions	29,397	19,310
Grants	0	197,307
Net Assets Released from Restrictions	<u>(19,187)</u>	<u>(576,694)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	10,210	(360,077)
 <u>Change in Permanently Restricted Net Assets</u>		
None	<u>0</u>	<u>0</u>
Increase in Net Assets, As Restated for 2009	55,210	167,323
Net Assets, Beginning of Year	<u>843,595</u>	<u>676,272</u>
Net Assets, End of Year, As Restated for 2009	<u>\$ 898,804</u>	<u>\$ 843,595</u>

See Accompanying Notes

Ohio Bird Sanctuary, Inc.

Statements of Functional Expenses  
For the Years Ended December 31, 2010 and 2009

	2010				
	Program		Supporting Services		Total
	Program	Management	Fund	Supporting	
Expense	and General	Raising	Services	Total	
					Expenses
Salaries and Wages	\$ 50,183	\$ 5,025	\$ 5,025	\$ 10,050	\$ 60,233
Payroll Taxes	4,317	596	447	1,044	5,361
Total Salaries and Related Expenses	54,500	5,621	5,472	11,094	65,594
Temporary Labor	13,828	0	0	0	13,828
Professional Fees	0	7,000	0	7,000	7,000
Avian Care	41,369	0	0	0	41,369
Facility Expense	7,267	1,319	0	1,319	8,586
Telephone	1,329	332	0	332	1,661
Insurance	3,082	1,107	0	1,107	4,189
Postage and Printing	2,533	0	1,689	1,689	4,221
Program Expenses	3,875	0	0	0	3,875
Supplies	1,703	643	241	885	2,587
Dues and Subscriptions	90	790	0	790	880
Development	4,087	0	0	0	4,087
Travel	3,720	0	0	0	3,720
Conferences and Meetings	303	1,796	0	1,796	2,098
Miscellaneous	362	778	10	788	1,151
State Filing Fees	0	0	0	0	0
Interest	0	0	0	0	0
Volunteer	690	0	0	0	690
Vehicle Expense	816	0	0	0	816
Total Expenses before Depreciation	139,554	19,387	7,412	26,799	166,353
Depreciation	10,644	1,452	0	1,452	12,096
Total Expenses	\$ 150,198	\$ 20,838	\$ 7,412	\$ 28,250	\$ 178,449

See Accompanying Notes

Ohio Bird Sanctuary, Inc.

Statements of Functional Expenses  
For the Years Ended December 31, 2010 and 2009

	2009				
	Program	Supporting Services		Total	
	Services	Management	Fund	Supporting	Total
	Expense	and General	Raising	Services	Expenses
Salaries and Wages	\$ 54,677	\$ 0	\$ 0	\$ 0	\$ 54,677
Payroll Taxes	4,305	587	0	587	4,892
Total Salaries and Related Expenses	58,982	587	0	587	59,569
Temporary Labor	21,582	0	0	0	21,582
Professional Fees	0	3,500	0	3,500	3,500
Avian Care	42,075	0	0	0	42,075
Facility Expense	8,213	648	0	648	8,861
Telephone	1,168	292	0	292	1,460
Insurance	4,602	628	0	628	5,230
Postage and Printing	2,587	353	0	353	2,940
Program Expenses	3,474	0	0	0	3,474
Supplies	1,596	670	319	989	2,585
Dues and Subscriptions	60	0	0	0	60
Development	2,270	0	0	0	2,270
Travel	3,285	448	0	448	3,733
Conferences and Meetings	0	458	0	458	458
Miscellaneous	3,795	1,184	0	1,184	4,979
State Filing Fees	0	385	0	385	385
Interest	0	2,524	0	2,524	2,524
Volunteer	648	0	0	0	648
Vehicle Expense	432	0	0	0	432
Total Expenses before Depreciation	154,769	11,677	319	11,996	166,765
Depreciation	9,388	1,280	0	1,280	10,668
Total Expenses	\$ 164,157	\$ 12,957	\$ 319	\$ 13,276	\$ 177,433

See Accompanying Notes

Ohio Bird Sanctuary, Inc.

Statements of Cash Flows  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Cash Flows from Operating Activities</u>		
Increase in Net Assets	\$ 55,210	\$ 167,323
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	12,096	10,668
Unrealized Gains	(1,984)	0
(Increase) Decrease in Cash from Changes in:		
Accounts Receivable	(425)	(1,315)
Pledges Receivable	(397)	802
Inventory	1,845	267
Deposits	18,240	(8,240)
Increase (Decrease) in Cash from Changes in:		
Accounts Payable	716	(5,418)
Accrued Expenses	1,628	575
Net Cash Provided by Operating Activities	<u>86,929</u>	<u>164,662</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Property and Equipment	(76,456)	(458,166)
Purchase of Investments	(75,000)	0
Proceeds from Sale of Investments	7,500	0
Net Cash Used in Investing Activities	<u>(143,956)</u>	<u>(458,166)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(57,027)	(293,504)
Cash and Cash Equivalents, Beginning of Year	<u>99,354</u>	<u>392,858</u>
Cash and Cash Equivalents, End of Year	<u>\$ 42,327</u>	<u>\$ 99,354</u>

See Accompanying Notes

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 1 – Summary of Significant Accounting Policies**

**Nature of Organization**

The Ohio Bird Sanctuary, Inc.'s (the Organization) purpose is to provide services to preserve the biodiversity of Ohio through education, rehabilitation, and stewardship. The Organization's goals are to inspire individuals to be good stewards of the natural environment, to experience the wonders of nature and provide humane and professional care for Ohio's native bird species.

The Organization is funded primarily by grants and contributions (84% in 2010 and 88% in 2009) and program fees (11% in 2010 and 6% in 2009).

**Basis of Accounting**

The financial statements are prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

**Cash and Cash Equivalents**

For financial reporting purposes, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are recorded primarily for program fees stated at estimated realizable value. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from past history. No allowance for doubtful accounts was considered necessary as of December 31, 2010, and 2009.

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. 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 are reported in the statement of changes in net assets as assets released from restrictions.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the pledge commitments were received. Amortization of the discounts is included in contribution revenue. The Organization did not receive any conditional pledges for the years ended December 31, 2010 and 2009.

The Organization provides an allowance for doubtful accounts for pledges receivable equal to the estimated uncollectible amounts. The Organization's estimate is based on historical collection experience and a review of the current status of the pledges receivable. No allowance for doubtful accounts was considered necessary for the years ended December 31, 2010 and 2009.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. Donated property and equipment is recorded at the approximate fair market value of the asset on the date of donation. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses resulting from property and equipment disposals are credited or charged to operations currently. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Investments**

Investments consist of assets invested in marketable equity securities. The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. Alternative investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. The realized and unrealized gain or loss on investments is reflected in the statement of changes in net assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**Inventory**

Inventory consists of gift shop merchandise and is stated at the lower of cost or market. Cost is determined using the average method.

**Functional Allocation of Expenses**

The cost of providing program and supporting services has been summarized on a functional basis in the statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based on time records, and estimates made by the Organization's management.

**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 and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Donated Materials and Services

Donated equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

Financial Statement Presentation

The Organization prepares financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-205 and subsections (formerly Statement of Financial Accounting Standards ["SFAS"] No. 117, Financial Statements of Not-for-Profit Organizations ["SFAS 117"]). Under SFAS 117, the Organization is required to report 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. In addition, the Organization is required to present a statement of cash flows.

Reclassifications

Certain amounts in the 2009 financial statements have been reclassified in order to conform with the 2010 presentation. These changes had no effect on previously reported changes in net assets.

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements**

New accounting standards are now issued by the Financial Accounting Standards Board (FASB) through Accounting Standards Updates (ASU's) to the FASB Accounting Standards Codification (ASC). The FASB does not consider the updates authoritative on a standalone basis; they become authoritative when incorporated into the ASC. The ASU's will be in a six-digit, two-segment format (20YY-XX) where YY is the year issued and XX is the sequential number of each update. So, ASU 2011-01 would be the first update issued in 2011, and so forth.

*FASB Statement No. 165, Subsequent Events (ASC 855)* – This standard was issued in May 2009 and is effective for fiscal years ending after June 15, 2009. The objective of ASC 855 is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date, but before financial statements are issued. Previously, this subject has been auditing guidance; however, since questions of when, what, and how to make certain accounting entries are more an accounting issue than an auditing issue, the FASB has decided to issue an accounting standard.

**There are no significant changes to current practice, except a footnote is now required whether or not there are subsequent events.** Additionally, the standard adds a procedure to show that management has evaluated subsequent events. ASC 855 also adds the concept of "available to be issued." This is when the auditor has completed the audit report and it is ready to be issued, but not necessarily the date it is actually issued.

In June 2009, The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 168, *The FASB Accounting Standards Codification (ASC) and the Hierarchy of Generally Accepted Accounting Principles: a replacement of FASB Statement No. 162*. On July 1, 2009, *The Hierarchy of Generally Accepted Accounting Principles* was rendered irrelevant, and the FASB ASC became the source of authoritative U.S. Generally Accepted Accounting Principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. On the effective date of this statement, the ASC will supersede all then-existing non-SEC accounting and reporting standards, effective for financial statements issued for interim and annual periods ending after September 15, 2009.

The Organization adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ["FIN 48"]) on January 1, 2009. Under FIN 48, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of FIN 48 had no impact on the Organization's financial statements. The

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements (Continued)**

Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. No interest or penalties were accrued as of January 1, 2009, as a result of the adoption of FIN 48. For the year ended December 31, 2010, there were no interest or penalties recorded or included in its financial statements.

**Note 2 – Accounts Receivable**

At December 31, 2010 and 2009, accounts receivable consisted of the following:

	<u>2010</u>	<u>2009</u>
Program Fees	\$ 1,740	\$ 1,315

**Note 3 – Pledges Receivable**

Pledges receivable at December 31, 2010, and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Pledges Receivable	\$ 35,000	\$ 35,000
Less: Net Present Value Discount	<u>(1,793)</u>	<u>(2,190)</u>
Pledges Receivable, Net	<u>\$ 33,207</u>	<u>\$ 32,810</u>
Pledges Receivable, due in:		
Less than one year	\$ 10,000	\$ 20,000
One to five years	<u>25,000</u>	<u>15,000</u>
Total	<u>\$ 35,000</u>	<u>\$ 35,000</u>

Pledges receivable due in greater than one year have been discounted to net present value using a discount of 4.25%.

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 4 – Investments**

Investments are recorded at fair value based on published market prices. All marketable securities listed below are considered Level 2 (other significant observable inputs including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.) financial instruments.

	<u>2010</u>	<u>2009</u>
Fixed Annuity	\$ 69,484	\$ 0

The following schedule summarizes the investment return in the statement of changes in net assets for the years ended December 31, 2010, and 2009:

	<u>2010</u>	<u>2009</u>
Net Unrealized Gains	\$ 1,984	\$ 0
Interest	<u>0</u>	<u>7,590</u>
Total	<u>\$ 1,984</u>	<u>\$ 7,590</u>

**Note 5 – Property and Equipment**

At December 31, 2010 and 2009, property and equipment consisted of the following:

	<u>Useful Lives</u>	<u>2010</u>	<u>2009</u>
Land		\$ 444,471	\$ 370,771
Buildings and Improvements	10 - 40 years	327,645	327,645
Equipment	5 – 10 years	8,592	5,836
Vehicles	5 years	<u>11,999</u>	<u>11,999</u>
		792,707	716,251
Less Accumulated Depreciation		<u>(36,007)</u>	<u>(23,911)</u>
		<u>\$ 756,700</u>	<u>\$ 692,340</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$12,096 and \$10,668, respectively.

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 6 - Temporarily Restricted Net Assets**

At December 31, 2010 and 2009, temporarily restricted net assets are available for the following purposes or periods:

	<u>2010</u>	<u>2009</u>
In Harmony with Nature Program	\$ 0	\$ 4,000
Staff Attendance at IAATE Conference	0	1,100
Outreach Programs	14,396	18,810
Jr. Naturalist	913	0
Pledges Receivable for Subsequent Periods	<u>18,810</u>	<u>0</u>
Total	<u>\$ 34,119</u>	<u>\$ 23,910</u>

**Note 7 – Fair Value of Financial Instruments**

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

**Note 8 – Summary of Fair Value Exposure**

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (“SFAS 157”) – now referred to as ASC 820-10 and subsections – effective for fiscal years beginning after November 15, 2007. SFAS 157 clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted SFAS 157 effective January 1, 2008, for its financial assets and liabilities measured on a recurring and nonrecurring basis. In February 2008, the FASB issued FSP 157-2, which delayed the effective date of SFAS 157 by one year for nonfinancial assets and liabilities.

SFAS 157 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 8 – Summary of Fair Value Exposure, Continued**

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those investments.

The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Investments	<u>\$ 0</u>	<u>\$ 69,484</u>	<u>\$ 0</u>	<u>\$ 69,484</u>

The following methods and assumptions were used to estimate the fair values of the assets in the table above:

***Level 2: Fair Value Measurements***

*Investments*

The fair value of the Organization's investments in fixed annuities based on quoted market prices.

**Note 9 – Donated Materials and Services**

The Organization records the value of donated goods and services when there is an objective basis available to measure their value. During the years ended December 31, 2010 and 2009, the Organization was the recipient of donations with a total fair market value, as determined by the contributors, of \$37,502 and \$38,118 respectively. The donations consisted of rats, veterinary services, printing and water testing. These amounts and are included in the statement of changes in net assets classified as contributions. The expenses are included in the statement of functional expenses as avian care and postage and printing expense.

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 10 – Beneficial Interest**

The Organization is the beneficiary of a fund held by the Richland County Foundation (the Foundation). The Foundation has variance power over the fund. As a result of the variance power held by the Foundation, the balance of the fund is not recorded on the statement of financial position at December 31, 2010 or 2009. The fair market value of the fund amounted to \$447,776 at December 31, 2010.

As a beneficiary, the Organization receives distributions from time to time as determined by the Board of Trustees of the Foundation. These distributions totaled \$10,181 and \$48,175 for the years ended December 31, 2010 and 2009, respectively.

**Note 11 – Restatement of Net Assets**

Unrestricted net assets for the year ended December 31, 2009 have been restated to reflect prior period corrections related to the purchase of 18.24 acres of vacant land from Heart of Ohio Council, Inc. as follows:

Unrestricted Net Assets at December 31, 2009, as previously reported	\$ 874,685
Correct Accounts Receivable balance at December 31, 2009	(55,000)
Correct Property and Equipment balance at December 31, 2009	(72,960)
Correct Accounts Payable balance at December 31, 2009	54,720
Record deposit to Heart of Ohio Council, Inc. at December 31, 2009	<u>18,240</u>
Unrestricted Net Assets at December 31, 2009, as restated	<u>\$ 819,685</u>

The adjustment to the increase in unrestricted net assets for the year ended December 31, 2009 due to restatements, are as follows:

Increase in Unrestricted Net Assets, as previously reported	\$ 582,400
Correct Contributions for the year ended December 31, 2009	<u>(55,000)</u>
Decrease in Unrestricted Net Assets, as restated	<u>\$ 527,400</u>

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
December 31, 2010 and 2009

**Note 11 – Restatement of Net Assets, Continued**

Temporarily restricted net assets for the year ended December 31, 2009 have been restated to reflect prior period corrections to record a pledge receivable at December 31, 2009.

Temporarily Restricted Net Assets at December 31, 2009, as previously reported	\$ 5,100
Correct Pledges Receivable balance at December 31, 2009	<u>18,810</u>
Temporarily Restricted Net Assets at December 31, 2009, as restated	<u>\$ 23,910</u>

The adjustment to the increase in temporarily restricted net assets for the year ended December 31, 2009 due to restatements, are as follows:

Decrease in Temporarily restricted Net Assets, as previously reported	\$ (378,887)
Correct Temporarily Restricted Contributions for the year ended December 31, 2009	<u>18,810</u>
Decrease in Temporarily restricted Net Assets, as restated	<u>\$ (360,077)</u>

**Note 12 – Supplemental Cash Flow Information**

	<u>2010</u>	<u>2009</u>
Non-cash investing and financing activities –		
Acquisition of property and equipment directly through donor grants	<u>\$ 55,000</u>	<u>\$ 196,207</u>
Cash paid during the year for –		
Interest paid	<u>\$ 0</u>	<u>\$ 2,524</u>

**Note 13 – Concentrations of Credit Risk**

During the year ended December 31, 2010, the Organization received approximately 24% of its public support and revenue from one grantor.

During the year ended December 31, 2009, the Organization received approximately 57% of its public support and revenue from two grantors.

Ohio Bird Sanctuary, Inc.

Notes to Financial Statements  
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**Note 14 – Evaluation of Subsequent Events**

The Organization has evaluated subsequent events through July 29, 2011, the date which the financial statements were available to be issued.