



*Where People And  
Nature Meet*



June 2014  
Annual Report

*Supporting the Educational Nature Programs and Activities Of  
The Lloyd A. Stage Nature Center  
6685 Coolidge Hwy.  
Troy, MI 48098*



## A Message From The President Of The Troy Nature Society

Since the founding of Troy Nature Society (TNS) in 2010, the vision, generosity and determination of many devoted TNS stakeholders has allowed the organization to serve the community. While I have the pleasure of serving as the President of the TNS Board of Directors for 2014, the success of the organization would be impossible without the active support and participation of our Board Members, and I would like to recognize them for their service. We are proud of the Board's hard work and further recognize the outstanding support and dedicated efforts of our volunteers, members, supporters and staff.

Today, TNS eagerly embraces its role as the educational program provider at the City of Troy's Lloyd A. Stage Nature Center. TNS is excited to have the city's partnership and financial commitment as we move forward with important initiatives that benefit learning for individuals of all ages while supporting the nurturing of our natural environment.

The Board of Directors has begun developing the organization's Strategic Plan with broad involvement and guidance from the TNS staff, volunteers and members, and facilitated by team members from Consumer Insights, Inc. (CSI) a Troy-based marketing research and strategic planning consultancy that boasts a Fortune 500 client base. Through CSI's generous pro bono services and expertise, TNS is completing a 3-year road map for financial viability, organizational development and innovative programming to best serve our community as we go forward.

Many exciting programs and events await us in 2015 as TNS and other local organizations participate in the City of Troy's 60<sup>th</sup> Anniversary celebration. We look forward to offering the community such programs as our fun-filled Maple Syrup event in March, the DNR award –winning Junior Naturalist Club for youngsters and our annual Wine & Beer Tasting fundraiser in November.

You will notice as you review the 2014 Troy Nature Society Annual Report that we continue moving forward with programs for individuals of all ages, including vital school offerings that provide both educational benefits and healthy outdoor experiences. During the fiscal year ended June 30, 2014, over 16,454 program participants and visitors enjoyed the beauty of the Nature Center and participated in TNS activities. We offered the public a choice of 71 different age appropriate educational programs targeting individuals 2 years of age to senior adult. Additionally, we offered K-12 educators a choice of 22 different environmental, nature and science programs and provided educational programs for more than 4,000 local students.

The strength of our organization is founded on the level of involvement by our community, members, volunteers and supporters. We hope you will join TNS as we participate in the celebration of our city's rich heritage - past, present and future during the 2015 Troy 60<sup>th</sup> Anniversary celebration events.

A handwritten signature in black ink, appearing to read "Tom Lakocy".

Tom Lakocy  
President  
Troy Nature Society



## In The Beginning

Land for the Lloyd A. Stage Nature Center (SNC) was originally purchased by the City of Troy in the 1970s and is located at 6685 Coolidge Hwy. in Troy, just south of South Blvd. At the time of purchase, there was an older home on the property that was initially used as the nature center building. In 2002, the old structure was demolished and the current 8,200 square foot interpretive nature center building was constructed using funds received from a government grant to the City of Troy. This center for learning contains classrooms, a public research library, an observation honeybee hive, a wildlife viewing area and an exhibition lobby. The headwaters of the Rouge River flow through this unique 100-acre preserve. More than 145 plant and animal species may be viewed throughout the grounds. An outdoor play area features climbing boulders, and a paved path provides wheelchair access to the streamside forest. Within the nature center boundaries are two miles of trails, which pass through upland forest, meadows, streamside wetlands, and a cattail marsh.

In 2010, in response to the planned closure of the Lloyd A. Stage Nature Center by the City of Troy, a small but devoted group of citizens came together to create the Troy Nature Society, a 501(c)(3) non-profit organization. The Board of Directors immediately began raising funds to support operations. The society assumed operational management of the nature center on July 1, 2011 and began offering educational nature and science programs.

This was a critical time in the transition of this valued community resource from City government to non-profit management and funding. The Troy Nature Society sought members, volunteers and financial supporters to ensure that the community may continue to enjoy the benefits of time spent in the out-of-doors. In July 2011, the society hired Debbie Williams as its Lead Naturalist to organize and conduct educational nature and science programs along with several program instructors engaged as needed for scheduled programs and school groups. In March 2012, a Volunteer Coordinator was contracted to help recruit, organize and schedule the many volunteers who support the various TNS activities. During the first fiscal year of operations, TNS provided services for 8,253 visitors, students and program participants.

## TNS Now

Activities at the nature center include public programs geared toward families, toddlers and senior adults. Additionally we conduct programming for school and community groups along with guided nature walks and targeted school outreach nature studies. The preserve is a valuable community asset offering quiet retreat to solitary observers, couples, Scout groups, families, and school children who come to enjoy the natural beauty of the preserve. Some people come to sit on a bench, some to count nesting bluebirds - others to test water quality, monitor pond life, or tap the sugar maples. Many take the opportunity to capture photos of the wildlife for their own use and to enhance the society's publicity materials.

In the fiscal year ended June 30, 2014:

- TNS provided services for 16,454 visitors, students and program participants, a 21% increase over the previous year
- TNS volunteers donated an amazing total of 3,400 hours in support of educational programs, trail maintenance, administrative support and other areas of need, an increase of 33% over the previous year
- TNS Membership rose from 65 Charter Members in FY11 to 200 Members in the fiscal year ending June 30, 2014, more than a 300% increase
- Multiple Clean-Up days are held annually throughout the year to maintain and beautify the trails and grounds



The trails of the nature center are open daily dawn to dusk. The nature center building is open Tuesday through Friday from 9:00 am. to 3:00 pm and Saturday 10:00 am to 4:00 pm. The building is also open whenever special programs are offered.

## Leadership

### Board Members

The Troy Nature Society is supported by a volunteer board comprised of educators, administrators, a geologist and those with backgrounds in wildlife preservation, law and finance. Financial support is a board requirement with which 100% of the society's board members comply. Board members serve on at least one of five board committees; financial oversight, educational programming, fundraising, personnel management and board development. All members are involved in strategic planning, fundraising, program development and program evaluation.



#### FY2015 Board Members

Tom Lakocy — President	Dr. Barbara Fowler
Dr. Mary Creager — Vice President	Roger Kowalski
Keith Lenderman — Secretary	Susie Kowalski
Cindy Wymer — Treasurer	Christal Lewandowski
John Ragan — Assistant Bookkeeper	Ann Neuser
William W. Blachford	Harvey Whitehead

### Program Staff

The administration of the society includes an Executive Director responsible for oversight and fundraising activities. Carla Reeb was hired in July 2012 with over twenty years nonprofit management experience. The society has two Naturalists employed full time with extensive backgrounds in nature education: organizing, executing and evaluating educational nature and science programs. Additionally, three to five program instructors are employed "as needed" to help support the many TNS educational programs as they are offered throughout the year. Additionally, we have two part-time employees; a Program Assistant provides administrative support for the Naturalists and a Volunteer Coordinator recruits, schedules and trains individuals in all areas of organizational and program support.

Carla Reeb — Executive Director	Lori Brown — Instructor
Debbie Williams — Naturalist I	Lisa Ferdubinski — Instructor
Layne Brown — Naturalist II	Linda Friedman — Instructor
Chelsea Schmidt — Volunteer Coordinator	Stacy Fisher — Instructor
Sherrill Jackson — Program Assistant	Nancy Youngerman — Instructor

### Volunteer Corps

The society has a dedicated corps of 200 volunteers, comprising 98% of our work force, devoted to supporting TNS in various areas. Volunteer activities include educational program assistance, trail maintenance, Spring Clean-up projects, the annual Maple Syrup event, fundraising events, blue bird monitoring, front desk reception and administrative support.

### Members

During the FY14 fiscal year, TNS membership grew to 200 members. All membership revenue supports the programs and activities of the society. Membership benefits includes voting rights at the annual meeting and discounted fees when participating in certain TNS programs.

## Mission

Our overarching mission is to provide resources and education to inspire the appreciation and preservation of nature. Specifically, the objectives of the society are to:

- Provide healthy outdoor experiences and educational activities for individuals of all ages
- Create an understanding of the value and necessity of stewardship of our natural environment
- Preserve and protect the Lloyd A. Stage Nature Center for future generations



## Our Vision

The Troy Nature Society will become the exemplary community resource for nature education and preservation in the Troy area. We believe in making learning fun! While striving to achieve our vision, the Society will continue to assess our performance in the following areas:

### - Education

- Offer innovative programs developed from current research, national trends and community needs
- Provide a wide range of program offerings for people to view and interact with the natural environment
- Act as a resource to the community for nature related questions

### - Preservation

- Maintain and improve the Lloyd A. Stage Nature Center
- Provide a physically safe, peaceful and well-maintained environment for visitors of the Lloyd A. Stage Nature Center

### - Collaborative Relationships

- Cultivate relationships with community organizations
- Participate in the community as a forward thinking and challenging leader
- Develop a vibrant and involved support base
- Cultivate relationships with organizations having similar purposes

## Program Benefits

Along with providing educational programming, our nature center and its activities provide numerous benefits including:

- Natural features and spaces important to defining community image and distinctive character
- A facility that contributes to educational and cultural benefits
- Protection for important natural systems
- Active and passive recreational opportunities
- Healthy lifestyles enhancement by facilitating improvements in physical fitness through exercise, and also by facilitating positive emotional, intellectual and social experiences

## Making a Positive Difference In Our Community

### *Public Programs*

TNS offers the public a variety of educational nature and science programs geared for all ages - toddlers to senior adults - on a year round basis. These programs help children and adults increase their understanding and stewardship of our natural environment. We accomplish this by interpreting the natural world around us and acting as an educational resource in biology, ecology and natural history for all our students, young and old. One of our most popular public programs is our week-long Summer Day Camp sessions offered to reinforce children's learning experience during the summer months. Additionally we partner with such groups as Michigan DNR to provide classroom facilities for public outdoor education programs.

### *School Programming*

TNS offers educators a variety of programs at the nature center that meet public, private and home-schooled students' academic needs. Each program provides students with hands-on experience in nature and is designed to enhance the school's core curriculum. We utilize animal mounts, pelts, skulls, shells and other materials to ensure a first-class view of the world around us. Every program is designed for participants to learn about nature and science and includes indoor classroom instruction followed by outdoor activities and/or a guided hike through the preserve.

### *School Outreach*

Our naturalists bring TNS programs right into the classrooms of local schools. We offer a variety of outreach programs that fulfill the instructional and educational needs of the school. Like the programs held at the nature center, all outreach programs are designed to enhance the school's core curriculum and include hands-on interaction with mounts, pelts and other biofacts.

### *Scouts/Groups*

As a support to organized troops and groups, we offer programs that meet requirements for members to come and complete their nature related badge or achievement. Current programs include those geared toward Boy Scouts, Cub Scouts and Junior Girl Scouts.

### *Junior Naturalist Club*

This very popular award-winning program is dedicated to teaching children from 4 years of age to the fifth grade about nature with members meeting monthly from September to July. Club members receive educational instruction along with a naturalist kit and participate in hands-on activities and crafts at every session. The eleven month program concludes with a week long day-camp. On the final day of the camp, club members and their families gather to enjoy games and are treated to a barbecue followed by an awards ceremony. Club members receive awards for completing projects, doing work at home, submitting book reports and program attendance.

### *Maple Syrup Event*

March is a special time for TNS and the families of our community. TNS holds its annual Maple Syrup Event for three consecutive Saturdays every March. This educational family event is typically attended by 1,000 guests who venture into the woods on a guided tour, visit an historic sugar camp to learn how maple trees are tapped and see for themselves how the sap is harvested. Participants sample sap, learn more about syrup making and visit our sugar shed to see a wood-stoked sap evaporator in action. After the tour, everyone is treated to mini waffles topped with delicious maple syrup. To conclude this sweet month, on the last Sunday in March 2014, TNS held its first Pancake Breakfast fundraiser.

### *Public Awareness*

TNS reaches out to our community through direct mailings, local distribution of brochures, public service announcements (PSAs), media events, the TNS website, Facebook page and participation in local events such as Troy Daze. We also partner with the Troy Historical Village and other organizations serving similar populations.

Public program announcements are placed in the city's premiere magazine "Troy Today" which is distributed to approximately 32,000 households and businesses quarterly.

Information packets on School and School Outreach programs are mailed annually to school districts across the tri-county area.

PSA's are distributed monthly to local papers to create community awareness of TNS programs, activities and volunteer opportunities which are also advertised on the TNS website.

Additionally, the Executive Director speaks at local community groups throughout the tri-county area making them aware of fund raising opportunities along with educational programs and activities offered at the nature center.

In August 2013, TNS held its third annual Ice Cream Social Open House Event. Nearly 300 people attended this free community event where they were introduced to TNS, toured the exhibit hall, enjoyed ice cream sundaes and participated in family activities, crafts, scavenger hunts and guided trail walks.

### *Program Attendance*

<b>ATTENDANCE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2014</b>	
Group Visitations (Schools/Scouts/Senior Groups)	4,010
Outreach Programs & Lectures	719
Public Programs & Special Events	4,008
Birthday Parties	300
Walk-In Visitations	7,417
<b>Grand Total</b>	<b>16,454</b>

### *Program Evaluation*

Program evaluations from each student participating in the program are collected and tabulated. Educators and parents helping with programs evaluate the program for academic effectiveness. Teacher comments provide both quantitative and qualitative information regarding the overall impact of programs along with providing direction for future programs that promote education, healthy lifestyles and good stewardship of our environment.

## Funding

Funding for TNS programs and activities comes from individuals, foundations, the City of Troy, corporations, membership fees, program fees, fundraising events and facility room rental fees. Contributors currently providing financial and/or in-kind support for TNS programs and activities include:



Alpha Delta Kappa  
 Anonymous Foundation  
 Battle Creek Community Foundation  
 CWL & Associates, Inc.  
 Jim and Shelly Green  
 Hubbell, Roth & Clark, Inc.  
 Kelly Services Foundation  
 Christal Lewandowski  
 Miller Vein of Troy

Larry and Nancy Piotrowski  
 REI  
 Starbucks Foundation  
 Tringali Sanitation  
 Trion Solutions  
 Troy Garden Club  
 Walmart Foundation  
 Whole Foods of Troy

In addition, we have an established annual Wine and Beer Tasting fundraiser with nearly 300 guests who attend. There are approximately 200 TNS Members supporting our programs and activities.

## Financials

In 2011, the society began operating the nature center under a two year agreement with the City of Troy. The agreement called for approximately \$35,000 annually in city support of services, building maintenance and supplies for the nature center. In the spring of 2013, the City of Troy renewed its operating agreement with the society through 2017. In addition to the city support shown below, a \$75,000 financial investment was made to TNS in the 2015 fiscal year.

Revenue & Expenses	FYE 6/30/2014	FYE 6/30/2013
Donations & Grants	\$ 24,719	\$ 37,793
Fundraising	17,757	18,030
Membership Dues	7,655	9,720
Program Fees	44,662	36,517
Retail Sales	1,118	2,477
Interest Income	7	-
City Investment*	<u>50,000</u>	<u>2,154**</u>
<b>Total Revenue</b>	<b>\$ 145,918</b>	<b>\$ 106,691</b>
Wages & Payroll Taxes	79,911	81,069
Contract Services	2,910	4,904
Program Expenses	15,649	13,757
Administrative Expenses	<u>56,301</u>	<u>14,915</u>
<b>Total Expenses</b>	<b>\$ 154,771</b>	<b>\$ 114,645</b>

\*Does not include \$35,000 for other City services charged and supplies.

\*\*Seed Money

## FREQUENTLY ASKED QUESTIONS



***How is the Society funded?*** TNS operates on the contributions it receives from members, foundations, City of Troy, corporations, individuals, community organizations and fund-raising events.

***What kinds of programs does TNS offer at the nature center?*** High quality nature and science programs are offered year round to the public, local schools and community groups. We also offer our award-winning Junior Naturalist Club program for children ages 4 through the fifth grade along with programs for Brownies, Scouts, Cubs, Webelos and other organized groups. All programs are offered for a minimal fee.

***How is the organization staffed?*** Currently, the organization employs an Executive Director who oversees operations and fund-raising activities; two Naturalists oversee all educational programming; five program instructors assist with programs as they are scheduled. A Volunteer Coordinator oversees the recruiting, training and scheduling of volunteers.

***What types of volunteer help do you need?*** Individuals offer support in areas such as educational program assistance, various support committees, trail maintenance, park clean-up projects, our annual maple syrup event, fund-raising, blue bird monitoring, photography club, front desk help and administrative support.

***Is there a fee to visit the center?*** There is no fee to walk the trails or visit the nature center building. Donations are accepted and greatly appreciated.

***What are the hours of operation?*** Trails are open to the public year round daily from dawn to dusk. The nature center building is open Tuesday through Friday from 9:00 a.m. to 3:00 p.m. and Saturday 10:00 a.m. to 4:00 p.m. with the exception of holidays. Additionally, the center is also open to the public when special programs and classes are offered.



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*Supporting the Educational Nature Programs  
and Activities At  
The Lloyd A. Stage Nature Center  
6685 Coolidge Hwy.  
Troy, MI 48098*

All photos contained in report were taken at the  
Lloyd A. Stage Nature Center.



**TROY NATURE SOCIETY  
(a non-profit corporation)**

**FINANCIAL STATEMENTS**

**For the year ended June 30, 2014**

# TROY NATURE SOCIETY

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# Lazzara & Company, P.C.

Certified Public Accountants  
Certified Valuation Analysts  
Business Advisors & Consultants

"We're in the business of caring"

Michael J. Lazzara, CPA, MBA, CVA  
Mary Ellen Taylor, CPA  
David A. Lazzara, CPA

David H. Martin, CPA  
Randall C. DiFalco, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Troy Nature Society  
Troy, Michigan

We have audited the accompanying financial statements of Troy Nature Society, a Michigan non-profit corporation, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, changes in net assets, cash flows and functional expenses 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

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 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Troy Nature Society as of June 30, 2014, 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.

*Lazzara & Company, P.C.*

LAZZARA & COMPANY, P.C.

July 30, 2014

**TROY NATURE SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2014**

**ASSETS**

<b>Current Assets</b>	
Cash	\$ 34,585
Prepaid expenses	699
Pledges receivable	<u>1,500</u>
<b>Total Current Assets</b>	<u><b>36,784</b></u>
<b>Equipment</b>	
Office equipment	3,920
Outdoor equipment	<u>1,556</u>
	5,476
Less: accumulated depreciation	<u>(1,753)</u>
<b>Total Equipment, Net</b>	<u><b>3,723</b></u>
<b>Total Assets</b>	<u><b>\$ 40,507</b></u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Accounts payable	\$ 2,601
Accrued payroll and payroll taxes	7,140
Deferred revenue, program fees	<u>1,924</u>
<b>Total Current Liabilities</b>	<u><b>11,665</b></u>
<b>Net Assets</b>	
Unrestricted	27,709
Temporarily restricted	<u>1,133</u>
<b>Total Net Assets</b>	<u><b>28,842</b></u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 40,507</b></u>

The accompanying notes are an integral part of these financial statements

**Lazzara & Company, P.C.**

**TROY NATURE SOCIETY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Program fees	\$ 44,662	\$ -	\$ 44,662
Donations	15,542	9,177	24,719
Local government support	50,000	-	50,000
Fundraising events	17,757	-	17,757
Member dues	7,655	-	7,655
Retail sales	1,118	-	1,118
Interest income	7	-	7
Net assets released from restrictions	<u>12,132</u>	<u>(12,132)</u>	<u>-</u>
Total Support and Revenue	<u>148,873</u>	<u>(2,955)</u>	<u>145,918</u>
Expenses			
Program services	95,692	-	95,692
Fundraising	33,028	-	33,028
Management and general	<u>26,051</u>	<u>-</u>	<u>26,051</u>
Total Expenses	<u>154,771</u>	<u>-</u>	<u>154,771</u>
Decrease in Net Assets	<u>\$ (5,898)</u>	<u>\$ (2,955)</u>	<u>\$ (8,853)</u>

The accompanying notes are an integral part of these financial statements

Lazzara & Company, P.C.

**TROY NATURE SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets, June 30, 2013	\$ 33,607	\$ 4,088	\$ 37,695
Decrease in net assets for the year ended June 30, 2014	<u>(5,898)</u>	<u>(2,955)</u>	<u>(8,853)</u>
Net Assets, June 30, 2014	<u>\$ 27,709</u>	<u>\$ 1,133</u>	<u>\$ 28,842</u>

The accompanying notes are an integral part of these financial statements

**Lazzara & Company, P.C.**

**TROY NATURE SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Fundraising</u>	<u>Management and General</u>	
<b>Direct Expenses</b>				
Wages	\$ 74,288	\$ -	\$ -	\$ 74,288
Payroll taxes	5,623	-	-	5,623
Contract services	2,910	-	-	2,910
Program supplies	7,868	-	-	7,868
Retail materials	562	-	-	562
Transportation	872	-	-	872
Volunteer and member events	146	548	-	694
Fundraising event expenses	-	5,653	-	5,653
<b>Total Direct Expenses</b>	<u>92,269</u>	<u>6,201</u>	<u>-</u>	<u>98,470</u>
<b>Indirect and General Expenses</b>				
General wages	-	23,856	11,008	34,864
General payroll taxes	-	1,785	857	2,642
Promotion	2,407	1,186	-	3,593
Office and postage	-	-	2,718	2,718
Professional fees	-	-	4,300	4,300
Insurance	-	-	2,608	2,608
Miscellaneous	-	-	1,996	1,996
Telephone and internet	-	-	1,482	1,482
Depreciation	311	-	716	1,027
Bank service charges	705	-	366	1,071
<b>Total Indirect and General Expenses</b>	<u>3,423</u>	<u>26,827</u>	<u>26,051</u>	<u>56,301</u>
<b>Total Functional Expenses</b>	<u>\$ 95,692</u>	<u>\$ 33,028</u>	<u>\$ 26,051</u>	<u>\$ 154,771</u>

The accompanying notes are an integral part of these financial statements

**TROY NATURE SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in net assets	\$ (8,853)
Adjustments to reconcile change in net assets to net cash provided in operating activities	
Depreciation expense	1,027
(Increase) decrease in operating assets	
Accounts receivable	621
Prepaid expenses	(86)
Pledges receivable	7,700
Increase (decrease) in operating liabilities	
Accounts payable	1,079
Accrued payroll and taxes	1,355
Deferred revenue	<u>687</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,530</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Acquisition of equipment	<u>(1,628)</u>
<b>NET INCREASE IN CASH</b>	<b>1,902</b>
<b>CASH, JULY 1, 2013</b>	<u><b>32,683</b></u>
<b>CASH, JUNE 30, 2014</b>	<u><b>\$ 34,585</b></u>

The accompanying notes are an integral part of these financial statements

# TROY NATURE SOCIETY

## Notes to Financial Statements

### Note 1 - Nature of Organization

Troy Nature Society (the Organization) is a non-profit corporation located in Troy, Michigan, that promotes the knowledge and appreciation of nature areas and wildlife among its citizens and school children. The Organization was formed to assume operational control of the Lloyd A. Stage Nature Center and surrounding reserve, which is owned by the City of Troy. The Organization develops and offers nature related educational and school/group programs to children and families, school fieldtrip groups, scout troops, and senior citizen centers. The Organization also operates the Center, opening the building to the public on selected days and maintaining reserve trails. A nominal fee is charged for most of the educational and school/group programs. Other sources of income include local government support, donations, and fundraising events.

The City of Troy has entered into a contact with the Troy Nature Society that allows the Organization non-exclusive use of the Lloyd A. Stage Nature Center (See Note 6 – Contracts). The City of Troy still maintains oversight of the facility, including building maintenance, security, utilities, and custodial services.

### Note 2 - Summary of Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Cash

The Organization maintains its cash investments with high credit quality financial institutions. The Organization maintains its cash balances in regular checking accounts.

#### Accounts Receivable – Program Fees

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization uses the allowance method to determine uncollectible accounts receivable. The allowance is based on past experience and management's assessment of specific balances. At June 30, 2014 there was no allowance for doubtful accounts.

# TROY NATURE SOCIETY

## Notes to Financial Statements

### Note 2 - Summary of Significant Accounting Policies - Continued

#### Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are not included as revenue until such time as the conditions have been substantially met. The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on past experience and management's analysis of specific promises made.

#### Equipment

The Organization capitalizes property and equipment over \$350 and lesser amounts are expensed when incurred. Purchases of property and equipment are capitalized at cost. Donations of property and equipment are recorded at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent of donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method and all have useful lives of five years.

#### Inventory

As of June 30, 2014 the Nature Center gift shop was not open and had no inventory.

#### Functional Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statement of activities. Direct and indirect costs have been allocated between programs and general and administrative based on estimates from management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

# TROY NATURE SOCIETY

## Notes to Financial Statements

### Note 2 - Summary of Significant Accounting Policies - Continued

#### Classification of Net Assets

Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified as temporarily restricted, permanently restricted or unrestricted. Donor-imposed restrictions that expire with the passage of time and that can be removed by meeting certain requirements, results in temporarily restricted net assets.

*Unrestricted Net Assets* - This portion of the Organization's net assets is available for general obligations and is not subject to any donor-imposed restrictions. Revenues earned, program services provided, unrestricted contributions and all operating expenses are reported in this category.

*Temporarily Restricted Net Assets* - This portion of the Organization's net assets is limited to use specified by donor-imposed restrictions. When donor restrictions expire, or the nature and purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities and changes in net assets as net assets are released from restrictions.

#### Income Taxes

The Organization is a private, non-profit corporation operating in accordance with Section 501(c)(3) of the Internal Revenue Code. The Organization has no uncertain tax positions that qualify for either recognition or disclosure in these financial statements.

#### Contributed Services

The Organization generally pays for services requiring specific expertise and employs a combination of part-time and full time employees. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, hence; no amounts have been reflected in the financial statements for donated services.

### Note 3 – Concentration of Credit Risk

For the year ended June 30, 2014, 34% of the Organization's support was from one local government.

# TROY NATURE SOCIETY

## Notes to Financial Statements

### Note 4 – In Kind Contributions

In kind contributions of property are valued at the fair market value of the contribution provided. For the year ended June 30, 2014 in kind contributions of property totaled \$2,820.

### Note 5 – Pledges Receivable

Outstanding pledges are expected to be collected as follows:

Years ending June 30:

2015	<u>\$1,500</u>
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For the year ended June 30, 2014, no allowance was deemed necessary.

### Note 6 – Contracts

In June 2013, the City of Troy approved an operational agreement with the Troy Nature Society to operate the Lloyd A. Stage Nature Center, located in Troy, Michigan, effective July 1, 2013, which allowed the Organization non-exclusive use of the property. The agreement expires on June 30, 2017.

In conjunction with this agreement, the City of Troy provided an appropriation for organizational operations of \$50,000 for the 2013-2014 fiscal year and will consider annual appropriations each year thereafter as part of the City of Troy's annual budget process. For the 2014-2015 fiscal year, the City of Troy approved an appropriation of \$75,000. For the 2015-2016 and 2016-2017 fiscal years, the City of Troy has tentatively approved appropriations of \$50,000 and \$50,000, respectively.

### Note 7 – Restricted Net Assets

There was \$1,133 of temporarily restricted net assets to be used for future programs, but no permanently restricted net assets at June 30, 2014.

### Note 8 – Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash and cash equivalents, accounts receivable, pledges receivable and accounts payable, approximated fair value at June 30, 2014 because of the relatively short maturity of these instruments.

# TROY NATURE SOCIETY

## Notes to Financial Statements

### Note 9 – Functional Classification of Expenses

The following program and supporting services are reflected in the statement of activities for the year ended June 30, 2014:

Program services:

Public educational programs	\$ 30,013
School and group programs	14,749
Retail calendar sales	637
Building staffing and trail maintenance	<u>50,293</u>

Total program services 95,692

Supporting services:

Fundraising	33,028
Management and general	<u>26,051</u>

Total supporting services 59,079

Total expenses \$154,771

### Note 10 – Subsequent Events

Subsequent events have been evaluated through July 30, 2014 which is the date the financial statements were available to be issued.