



NATURE CENTER

Where people and nature meet



Supporting the educational nature
programs and activities of the
Stage Nature Center
6685 Coolidge Hwy.
Troy, MI 48098
248.688.9703
www.stagenaturecenter.org

A Message From The President Of The Troy Nature Society

During the past year we have continued to grow and expand our reach into the environmental education world. We have added new programs, rebranded as the Stage Nature Center, recruited new board members and created a Monarch Butterfly Way Station. The Monarch Way Station will put us on the map with other entities that provide this type of vital venue for monarch butterflies migrating annually to and from Mexico. This important initiative was aided by the Girl Scouts who provided helping hands and youthful exuberance to the project.

The organization's rebranding that began in 2015 has allowed us to consolidate the various identities of the facility into one identity. A part-time marketing person was engaged to facilitate in this effort. Rebranding makes fundraising more efficient by focusing our efforts on one brand and eliminating confusion over who we are for our donors, supporters and members.

With input from Troy School District Curriculum Coordinators, we continued to transition our educational programs to align with Michigan Science Standards adopted by the State in 2015. In anticipation of increased demand for school and other programming, a full time Assistant Naturalist position was recently added to our teaching staff.

The installation of several new board members has brought fresh ideas and enthusiasm to our board. It also provides us with access to areas of expertise that strengthens us and promotes steady growth for the organization.

During the 2016 fiscal year, we were extremely pleased to have the continuing patronage of Jim and Shelly Green, Miller Vein Troy, Kelly Services Foundation, Tringali Sanitation, Troy Garden Club, Leon & Lulu and Whole Food Market Troy. Generous support was also received from Beaumont Health, Michigan Schools and Government Credit Union and the Phillip and Elizabeth Filmer Memorial Charitable Trust.

Finally, as our current operating agreement expires in 2017 we look forward to our continued partnership with the City of Troy as we prepare for renewal of a collaborative alliance that will provide even more innovative programs and healthy activities for all to enjoy.

The board of directors, staff and our many volunteers thank you for your continued support of our efforts to maintain and expand the benefits of the Stage Nature Center to our community.

Tom Lakocy



President

Troy Nature Society



In The Beginning

Land for the 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 acquisition, 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 bee hive, a wildlife viewing area and an exhibition lobby with a live reptile and amphibian display. 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, cattail marsh and a newly constructed Monarch Butterfly Way Station.



In 2010, in response to the planned closure of the 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 for 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 Debra Williams as its Lead Naturalist to organize and conduct educational nature and science programs. Several program instructors were also hired to assist with scheduled programs and school groups. During the first fiscal year of operations, TNS provided services for 8,253 visitors, students and program participants.

TNS Now

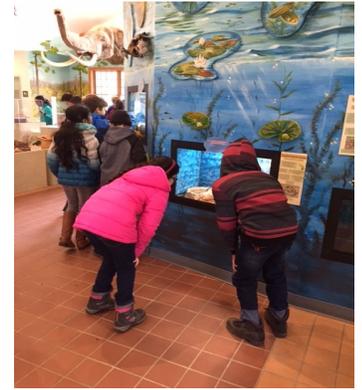
Activities at the nature center include public programs geared toward families, toddlers and senior adults. Additionally we conduct programming for school and community groups along with guided nature walks and targeted school outreach nature studies. The preserve is a valuable community asset offering quiet retreat to solitary observers, couples, Scout groups, families, and school children who come to enjoy the natural beauty of the preserve. 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, 2016, TNS set high records for program attendance and visitors enjoying the beauty of the preserve along with its healthy outdoor activities:

- TNS provided services for 21,219 individuals, students and program participants. A 15% increase over the previous year.
- The organization conducted 104 school field trips at the nature center along with 12 outreach field trips by TNS Instructors to local schools. These school/school outreach programs served a total of 5,478 PreK-12 grade students who were provided with hands-on experience in nature. A 5% increase from the previous year.
- The organization conducted 155 public and group programs at the nature center and other venues. These programs served 6,546 individuals (ages two years old through senior adult) with age-appropriate programs designed to enhance learning in a natural environment and increase knowledge of good stewardship. A 15% increase from the previous year.
- The organization's dedicated corps of 225 individuals volunteered an amazing 2,837 hours in support of TNS programs, activities and initiatives.
- The number of organizational memberships rose to 255. An increase of 10% from the previous year.
- Multiple Clean-Up days are held annually throughout the year to maintain and beautify the trails and grounds.

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, business management, marketing 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.



FY2017 Officers

Tom Lakocy - President
Mary Creager, PhD — VP
Larry Littman — Treasurer
Roger Kowalski—Secretary

FY2017 Board Members

Arnold Braver	Seema Ibrahim	Ann Neuser
Joan Cooper	Meagan Kurnat	Nathan Wright
Nicole Fleming	Susie Kowalski	
Lucinda Hoose	Maheem Syed	

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 a Lead Naturalist and an Assistant Naturalist employed full time with extensive backgrounds in nature education: organizing, executing and evaluating educational nature and science programs. Additionally, nine program instructors are employed "as needed" to help support the many TNS educational programs as they are offered throughout the year. Recently, the society hired a part-time Marketing Specialist to develop public service announcements and to promote awareness of the organization through social and print media. Additionally, a part-time Program Assistant provides administrative support for the program staff along with acting as the organization's Volunteer Coordinator.

Program Instructors

Carla Reeb – Executive Director	Layne Brown	Michelle Golembieski
Debbie Williams – Lead Naturalist	Lori Brown	Sarah Grange
Christina Funk – Assistant Naturalist	Danielle Durham	Nancy Klein
Tina Catron – Marketing Specialist	Lisa Ferdubinski	Kelly Sakorafos
Cindy Wymer - Accountant	Linda Friedman	
Hanna Doniger – Program Support Asst.		

Volunteer Corps

The society has a dedicated corps of 225 volunteers. Comprising 98% of our work force, these devoted individuals, ages 14+, donated time and effort to help with such activities as: educational program assistance, trail maintenance, clean-up projects, Maple Syrup program, fundraising events, blue bird monitoring, front desk reception and administrative support.

Members

During the FY16 fiscal year, TNS membership grew to 250 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 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 Stage Nature Center
- Provide a physically safe, peaceful and well-maintained environment for visitors of 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

Non-Discrimination Policy

The Troy Nature Society affirms a policy of non-discrimination with regards to persons on the basis of age, sex, marital status, race, color, creed, national origin, religion, disability, or political affiliation. This policy shall pertain to staff, volunteers, and clients.

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 a guided hike through the preserve.

School Outreach

Our Instructors 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 through 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.



Public Awareness

TNS reaches out to our community through mailings, local distribution of brochures, public service announcements (PSAs), media events, TNS website, social media sites and participation in local community events to increase awareness of TNS. 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 TNS school and school outreach programs are emailed and direct mailed annually to nearly 500 school and 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 sponsorship opportunities along with educational programs and activities offered at the nature center.

In August 2015, TNS held its fifth annual Ice Cream Social Open House Event. Nearly 500 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

ATTENDANCE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2016	
Group Visitations (Schools/Scouts/Senior Groups/Home School Groups)	5,259
Outreach Programs & Lectures	1,683
Public Programs & Special Events	4,558
Birthday Parties	533
Walk-In Visitations	9,186
Grand Total	21,219

Program Evaluation

Program evaluations from students participating in the program are collected and tabulated. Educators also 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 rental fees. Contributors providing financial and/or in-kind support for TNS programs and activities during the 2016 fiscal year include:



Alpha Delta Kappa
 Beaumont Health
 Filmer Memorial Charitable Trust
 Jim and Shelly Green
 Karen Greenwood
 Kelly Services Foundation
 Tom and Michelle Lakocy
 Leon & Lulu
 Christal Lewandowski

Michigan Schools & Gov. Credit Union
 Miller Vein of Troy
 Larry and Nancy Piotrowski
 Tringali Sanitation
 City of Troy
 Troy Garden Club
 Village Club Foundation
 Dr. and Mrs. Stephen Wang
 Whole Foods Market Troy

In addition, we have an established annual Wine and Beer Tasting fundraiser with nearly 300 guests who attend. There are approximately 225 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 of Troy services support of the nature center shown below, a \$75,000 financial investment was made to TNS in the 2016 fiscal year.

Revenue & Expenses	FYE 6/30/2015	FYE 6/30/2016
Donations & Grants	\$ 70,120	\$ 38,285
Fundraising	15,391	20,977
Membership Dues	7,925	9,165
Program Fees	52,010	53,601
Retail Sales	1,619	1,266
Interest Income	47	15
City Investment*	<u>75,000</u>	<u>75,000</u>
Total Revenue	\$ 222,112	\$ 198,309
Wages & Payroll Taxes	116,247	129,494
Contract Services	2,047	14,460
Program Expenses	13,303	13,976
Administrative Expenses	<u>56,191</u>	<u>25,902</u>
Total Expenses	\$ 187,778	\$ 183,832

*Figures do not include \$35,000/annually for other city services and supplies provided in support of maintaining the nature center.

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 fundraising 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 years 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 fundraising activities; a Lead Naturalist and Assistant Naturalist oversee all educational programming; nine program instructors assist with programs as they are scheduled; a part time Marketing Specialist and Accountant; along with a Program Support Assistant supports programs and manages 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, fundraising, 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. The exhibit hall is open Wednesday and Thursday evenings until 7:00 pm during summer months and also when special programs and classes are offered.



6685 Coolidge Hwy.
Troy, MI 48098

*The Stage Nature Center is managed
by the Troy Nature Society (TNS),
a non-profit organization*

Troy Nature Society
P.O. Box 99302
Troy MI, 48099
Phone: (248) 688-9703
Fax: (248) 879-9241
www.stagenaturecenter.org



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

TROY NATURE SOCIETY
(A NON-PROFIT CORPORATION)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

TROY NATURE SOCIETY

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11
SUPPLEMENTARY INFORMATION	
Schedule of Functional Expenses	13



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, 2016, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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.

16010 Nineteen Mile Road, Suite 102, Clinton Township, MI 48038

Phone 586.263.1000 Fax 586.263.1005

www.lazzaracpa.com

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, 2016, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



LAZZARA & COMPANY, P.C.

September 2, 2016

TROY NATURE SOCIETY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

ASSETS

Current Assets	
Cash	\$ 88,967
Accounts receivable	84
Prepaid expenses	<u>592</u>
Total Current Assets	<u>89,643</u>
Equipment	
Office equipment	7,718
Outdoor equipment	<u>1,929</u>
	9,647
Less: accumulated depreciation	<u>(4,808)</u>
Total Equipment, Net	<u>4,839</u>
Total Assets	<u>\$ 94,482</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 1,657
Accrued payroll and payroll taxes	10,518
Deferred revenue, program fees	<u>4,664</u>
Total Current Liabilities	<u>16,839</u>
Net Assets	
Unrestricted	74,985
Temporarily restricted	<u>2,658</u>
Total Net Assets	<u>77,643</u>
Total Liabilities and Net Assets	<u>\$ 94,482</u>

The accompanying notes are an integral part of these financial statements

TROY NATURE SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Program fees	\$ 53,601	\$ -	\$ 53,601
Donations	17,931	20,354	38,285
Local government support	75,000	-	75,000
Fundraising events	20,977	-	20,977
Member dues	9,165	-	9,165
Retail sales	1,266	-	1,266
Interest income	15	-	15
Net assets released from restrictions	<u>19,696</u>	<u>(19,696)</u>	<u>-</u>
Total Support and Revenue	<u>197,651</u>	<u>658</u>	<u>198,309</u>
Expenses			
Program services	115,075	-	115,075
Fundraising	28,010	-	28,010
Management and general	<u>40,747</u>	<u>-</u>	<u>40,747</u>
Total Expenses	<u>183,832</u>	<u>-</u>	<u>183,832</u>
Increase in Net Assets	<u>\$ 13,819</u>	<u>\$ 658</u>	<u>\$ 14,477</u>

The accompanying notes are an integral part of these financial statements

TROY NATURE SOCIETY
 STATEMENT OF CHANGES IN NET ASSETS
 JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets, June 30, 2015	\$ 61,166	\$ 2,000	\$ 63,166
Increase in net assets for the year ended June 30, 2016	<u>13,819</u>	<u>658</u>	<u>14,477</u>
Net Assets, June 30, 2016	<u>\$ 74,985</u>	<u>\$ 2,658</u>	<u>\$ 77,643</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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 14,477
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation expense	1,835
(Increase) decrease in operating assets	
Accounts receivable	140
Prepaid expenses	8
Increase (decrease) in operating liabilities	
Accounts payable	(754)
Accrued payroll and taxes	5,667
Deferred revenue	<u>2,103</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	23,476
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of equipment	<u>(1,173)</u>
NET INCREASE IN CASH	22,303
CASH, JULY 1, 2015	<u>66,664</u>
CASH, JUNE 30, 2016	<u>\$ 88,967</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 public 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 5 – 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, 2016 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, 2016 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

Advertising

Advertising costs are expensed at the time they are incurred. Advertising expense for the year ended June 30, 2016 was \$1,647

Classification of Net Assets

Net assets, 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

Donated services that require specialized skills and which the Organization would have paid for if not donated, are recorded as contributions at their fair value at the time the services are rendered. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, the value of which is not reflected in the financial statements as these services do not require specialized skills and are not readily valued.

NOTE 3 – CONCENTRATION OF CREDIT RISK

For the year ended June 30, 2016, 38% 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 and services are valued at the fair value of the contribution provided. For the year ended June 30, 2016 in kind contributions totaled \$2,250 for a fundraising event, contributed food products, prizes, and entertainment.

NOTE 5 – 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 with consideration for annual appropriations each year thereafter as part of the City of Troy's annual budget process. For the 2014-2015, 2015-2016 and 2016-2017 fiscal years, the City of Troy approved appropriations of \$75,000 for each year. For the 2017-2018 fiscal year, the City of Troy has tentatively approved an appropriation of \$75,000. Subsequent to these financial statements, the \$75,000 2016-2017 appropriation was paid.

NOTE 6 – FUNCTIONAL CLASSIFICATION OF EXPENSES

The following program and supporting services expenses are reflected in the statement of activities for the year ended June 30, 2016:

Program services:	
Public educational programs	\$ 28,425
School and group programs	18,075
Retail calendar sales	12
Building operations and trail maintenance	<u>68,563</u>
 Total program services	 <u>115,075</u>
Supporting services:	
Fundraising	28,010
Management and general	<u>40,747</u>
 Total supporting services	 <u>68,757</u>
 Total expenses	 <u>\$183,832</u>

TROY NATURE SOCIETY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – RESTRICTED NET ASSETS

There was \$2,658 of temporarily restricted net assets to be used for future programs, but no permanently restricted net assets at June 30, 2016.

NOTE 8 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, approximated fair value at June 30, 2016 because of the relatively short maturity of these instruments.

NOTE 9 – PAYROLL TAXES

The Organization has elected to be a reimbursing employer for the purpose of state unemployment taxes and, in lieu of quarterly tax contributions, will be required to reimburse the state for any unemployment claims made. The Organization has obtained a surety bond as guarantee of payment under this program. Management believes that any potential liability for claims would be limited and has not recorded any unemployment claim liability as of June 30, 2016.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 2, 2016 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

TROY NATURE SOCIETY
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Program Services	Supporting Services		Total
		Fundraising	Management and General	
Direct Expenses				
Wages	\$ 33,501	\$ -	\$ -	\$ 33,501
Payroll taxes	2,517	-	-	2,517
Bank service charges	802	-	-	802
Contract services	2,310	-	-	2,310
Promotion	937	-	-	937
Program supplies	3,945	-	-	3,945
Advertising	1,647	-	-	1,647
Transportation	853	-	-	853
Volunteer and member events	-	1,526	-	1,526
Fundraising event expenses	-	5,537	-	5,537
Total Direct Expenses	46,512	7,063	-	53,575
Indirect and General Expenses				
General wages	52,857	18,350	15,988	87,195
General payroll taxes	3,839	1,322	1,120	6,281
Computer	-	1,200	1,798	2,998
Office and postage	-	-	2,266	2,266
General contract services	6,075	-	6,075	12,150
Professional fees	-	-	5,325	5,325
Insurance	-	-	3,161	3,161
General program supplies	4,574	-	-	4,574
Telephone and internet	-	-	1,594	1,594
Depreciation	365	-	1,470	1,835
Miscellaneous	853	75	1,950	2,878
Total Indirect and General Expenses	68,563	20,947	40,747	130,257
Total Functional Expenses	\$ 115,075	\$ 28,010	\$ 40,747	\$ 183,832