



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: November 5, 2024

To: Frank A. Nastasi, City Manager

From: Robert J. Bruner, Deputy City Manager
Brian Goul, Recreation Director

Subject: Troy Nature Society Annual Report and Financial Statements for Fiscal Year Ending 2024

The Troy Nature Society a 501(c)(3) non-profit organization has a contract with the City to handle daily operations of the Nature Center. The Nature Society Activities at the nature center include nature inspired public programs designed for families, children and senior adults. In addition, they conduct programming for school and community groups along with guided nature walks and targeted school outreach nature studies.

The nature preserve is a valuable community asset offering a 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 bluebirds – others 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 marketing initiatives.

Attached is the Troy Nature Society's Financial Statements and Annual Report for Fiscal Year Ending 2024.

Growth Through the Years

2024 ANNUAL REPORT



Educational nature programs for individuals of all ages.



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

Troy Nature Society

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A Message from the President of the Troy Nature Society

On behalf of TNS Board of Directors, staff and volunteers, we wish to extend a thank you to the Troy City Council and city administrators for their continued partnership with the Troy Nature Society in managing the Stage Nature Center. The Society offers a variety of programs and events for people of all ages to participate in and learn about the natural world. By supporting our organization, the community helps ensure that these programs and events are available to help foster a love and appreciation of the natural world.

We are most thankful to our hard-working staff and volunteers who've managed educational programs for the children and adults of our community and region. They continue to work hard to expand educational programs for students of all ages. Additionally, we wish to thank those generous individuals who continue to provide financial support for TNS programs and activities. Additionally, we very much appreciate contributions designated in support of our adopted owls. Visiting these magnificent owls in their wonderful enclosure is a must-see when you visit the nature center.

Some of the significant highlights from the past year include:

- We value our Board members, this past year we have recruited new Board members that filled out our Board of Directors' experience in finance, business, fundraising & environmental stewardship. These new Board members come to us with fresh ideas for future growth of the nature center.*
- TNS Board of Directors have remained steadfast in our mission to provide resources and education to inspire the appreciation and preservation of nature. Since July 2011, when the Society took over the management of the Stage Nature Center, the Society has served more than 299,000 individuals of all ages. These individuals participated in educational programs, healthy outdoor activities and enjoyed the beauty of the preserve. An amazing total of 60,631 volunteer hours have been donated since 2011.*
- In the fall of 2023, the city installed new boardwalks along with a new bridge. These make for wider access while visiting the trails. We have a new Sugar Shed upcoming in 2025 along with new wood-stoked evaporator, supporting our annual Maple Syrup program. Our popular Kowalski Pavilion is constantly booked for rent from May through October for graduation parties, showers and group activities.*
- Our annual fundraisers continue to be very successful. The 2023 Nature Uncorked Wine & Beer Tasting event raised nearly \$26,000 and the 2024 Run for Nature event raised its highest amount to date, over \$12,000 in revenue for our programs and activities.*

As we move forward, we look for new ways to raise funds to help maintain and improve our top-notch programming. Your membership and participation will help us expand our outreach to the local community. Make sure to visit the Stage Nature Center and enjoy this major, green asset in our community.



Scott Hunter

Our 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 the 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



Photo credit, Christina Funk

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



Photo credit, Ed Morykwas

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 and cattail marsh. 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) nonprofit organization. Members of the Board of Directors immediately began raising funds to support operations. The Society assumed management oversight of the nature center on July 1, 2011 and immediately began offering educational nature and science programs. This was a critical time in the transition of this valued community resource from city government to nonprofit management and funding. The Troy Nature Society sought members, volunteers and financial supporters to ensure our community would continue to enjoy the benefits of time spent in the out-of-doors. During the first fiscal year of operations, TNS had one full time employee and provided services for 8,253 visitors, students and program participants.

Program Benefits

Along with providing educational programming, the nature center and its activities provide numerous benefits to our community 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



Students from Morse Elementary School
Explore exhibits at the nature center

Students from Morse Elementary School
Learn about nature and science



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.

The Society has seen tremendous growth across all program areas and performed diligently in financial stewardship since its founding in 2011. The Society served more than 30,000 individuals attending programs and visitors enjoying the beauty of the preserve during the fiscal year ended June 30, 2024. The organization:

- Conducted 97 school field trips/school outreach/organized group programs. These programs served a total of 5,350 students and Scouts who were provided with hands-on experience in nature.
- Conducted 264 public programs and events for children, adults and miscellaneous groups at the nature center. These programs served 7,169 individuals (ages two years old through senior adult) with age-appropriate programs and activities designed to enhance learning in a natural environment. More than 18,091 guests walked the trails to enjoy the beauty of the preserve with many stopping to photograph its flora and fauna.
- Maintained a dedicated corps of 225 individuals who volunteered an amazing 4,554 hours in support of TNS programs, activities and initiatives. Comprising 98% of our work force, these devoted volunteers donated time and effort to help with such activities as: educational program assistance; trail maintenance and clean-up projects; the annual Maple Syrup event; fundraising events, blue bird monitoring; front desk reception and administrative support.

Program Evaluation

Post-program quizzes from pre-selected students participating in school programs are collected and evaluated. Educators also provide important feedback on TNS programs 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.

TNS Now

There have been many exciting additions to the nature center grounds since 2011, when the Society entered into a management agreement with the City of Troy.

- With the hard work of local Master Gardeners, an educational Native Garden was established in 2016, just west of the nature center's parking area. This beautiful garden provides shelter and food for wildlife and continues to be maintained by this hard-working group of volunteers.
- The nature center's Monarch Butterfly Way Station was constructed in 2017 with the assistance of a local Girl Scout Troop. Monarch Butterfly Way Stations are vital patches of habitat that provide resources for monarchs to produce successive generations and sustain their migration.
- Funds from the family of Susie and Roger Kowalski provided an exciting addition to the nature center during the 2019 fiscal year. In December 2019, the Susie and Roger Kowalski Pavilion was dedicated. This wonderful structure provides many venue options including outdoor space for public and Scout programming, Day Camps, rentals for wedding ceremonies, family reunions along with casual group gatherings.
- In the fall of 2019, ground breaking ceremonies were held for the construction of a Raptor House. In the summer of 2020, with support from the community and the City of Troy, this unique structure was completed and dedicated to the nature center's five adopted rehabilitated owls. This unique enclosure will serve the needs of the current owls along with any future raptors in need of care.
- Funds awarded from Oakland County's "Oakland Together" grant underwrote the cost of materials for a Mindfulness Labyrinth Walk at the nature center. Volunteers from Dharma Gate Zen Troy and staff of the nature center installed this exceptional winding path that is an active form of meditation.
- The nature center's existing Rain Garden has been badly in need of restoration for several years. With the efforts of our Master Gardeners and funds from the Troy Garden Club, restoration of the Rain Garden was completed in September 2024.

Proud Additions to the Nature Center Under TNS Leadership

2016 Native Garden



2017 Monarch Way Station



Proud Additions to the Nature Center Under TNS Leadership

2021 Raptor House



2024 Mindfulness Labyrinth Walk



2019

Susan and Roger Kowalski Outdoor Pavilion



2024 Rain Garden Restoration



TNS Now - 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 advertised in the “Troy Rec”, the city’s premiere magazine which is distributed to approximately 32,000 households and businesses quarterly.

TNS school and school outreach program offerings are distributed annually to nearly 500 schools 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 organization’s social media sites and website.

Additionally, the Executive Director and Special Events Coordinator speak at local community groups throughout the tri-county area and provide programs to create awareness of sponsorship opportunities and programs offered at the nature center.

INDIVIDUAL ATTENDANCE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2024	Total
Group Visitations (Schools/Scouts/Senior Groups/Home School Groups)	3,382
Outreach Programs & Lectures	1,968
Public Programs, Educational Birthday Parties, Special Events, Facility Rentals	7,169
Walk-In Visitations	18,091
Grand Total	30,610
Volunteer Hours Donated During the Fiscal Year	4,554

TNS Now - Program Attendance

HISTORY OF INDIVIDUALS SERVED FROM JULY 1, 2011 THROUGH JUNE 30, 2024	Total
Group Visitations (Schools/Scouts/Senior Groups/Home School Groups)	42,761
Outreach Programs & Lectures	25,911
Public Programs, Educational Birthday Parties, Special Events, Facility Rentals	72,995
Walk-In Visitations	158,170
Grand Total	299,837
Volunteer Hours Donated From July 1, 2011 through June 30, 2024	49,056



Photo credits, Christina Funk

Making a Positive Difference In Our Community

Public Programs

An extensive variety of educational nature and science programs is offered to the public on a year-round basis. These programs are geared for individuals of all ages - toddlers to senior adults and are designed to 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. Some of our most popular public programs include our various week-long Day Camps 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 / School Outreach Programming

As the 2024-2025 school year proceeds, educators are increasing scheduling school field trips to the nature center for their students that were curtailed during the height of the pandemic. TNS offers educators a wide selection of science programs that meet public, private and home-schooled students' academic needs. Programs are developed to provide students with hands-on experience in nature and are 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. Programs engage participants in interactive nature and science experiences which include classroom instruction followed by a guided hike through the preserve. We also offer various outreach programs that fulfill the instructional and educational needs of the school. Just 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 Girl Scouts.

Family Nature Explorers

This monthly program offered year-round allows the whole family (parent and child) to participate in hands-on, outdoor experiences that inspire curiosity and create a connection to nature. A different nature topic is featured each month.

Making a Positive Difference In Our Community

Live Owl Programming

The Society offers opportunities for the public to meet live owls and learn about these fascinating birds of prey that serve as the organization's Educational Ambassadors. Housed at the nature center's Raptor House, these special owls are the nature center's most popular live exhibit. Additionally, the Society has developed educational programs featuring these Michigan owls for the public and other organized groups. Fees collected from the programs act as a source of revenue to support the feeding, care and medical expenses that is vital to the livelihood of these amazing rehabilitated raptors.

Maple Syrup Event

March is a special time for the nature center and the families of our community. TNS holds its annual Maple Syrup Time for three consecutive Saturdays every March. This fun and educational family event is typically attended by nearly 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 learn about the extraordinary effort it takes to make sap into maple syrup. This unique seasonal event receives extensive local television and media coverage every year.

Nature-Based Mindfulness (New Program)

In late 2021, the organization was awarded a grant from Oakland County to assist those suffering from stress, anxiety and depression due to COVID-19. In conjunction with certified mental health care professionals from Henry Ford Health and Corewell Health, the Society's program staff developed and offered nature-based mindfulness programs for the public. Over an 18-month period, nature-based mindfulness workshops provided a wonderful introduction to mindfulness techniques that encouraged 1,440 participants to connect with their senses and practice self-care while being in nature. As other foundations award the Society with funding to present this important addition to TNS programming, future nature-based mindfulness sessions will be offered.



Photo credit, Christina Funk

Board Leadership

The Troy Nature Society is supported by volunteer Board members comprised of educators, administrators, those with backgrounds in municipal governance, wildlife preservation, environmental activism, business management, fundraising, marketing, IT and finance. Financial support is a Board requirement for which 100% of the Society’s Board Members comply. Board members serve on at least one of six board committees; Board Development, Financial Oversight, Fundraising, Educational Programming /Parks & Facility Management, Operations and Marketing & Communications. All members are involved in governance, policy oversight, strategic planning, fundraising and program development.

FY2025 Officers	FY2025 Board of Directors
Scott Hunter – President	Nicole Betzler
Donovan Miller – Vice President	Theresa Brooks
Catherine McNamara - Treasurer	Matthew Burrell
David Lambert – President Emeritus	Grace Goetting
	Marilyn Opdyke
	Fran Stage
	Mili Bharatiya– Student Board Rep.

Volunteer Corps

The Society has a dedicated corps of 220 volunteers. Comprising 98% of our work force, these devoted individuals, ages 14+, donate time and effort to help with such activities as: educational program assistance, trail maintenance and clean-up projects, Maple Syrup programming, fundraising events, blue bird monitoring, front desk reception and administrative support. In FY2024, a total of 4,554 volunteers hours were donated in support of the nature center.

Members

The organization currently has 225 members supporting its mission. All membership revenues help underwrite the programs and activities of the Society. Membership benefits includes voting rights at the annual meeting and discounted participation fees in certain TNS programs.

Staff Leadership

The administration of the Society includes an Executive Director responsible for oversight and fundraising activities with over twenty-five years nonprofit management experience. The Society has a Lead Naturalist and two Assistant Naturalists employed full time, all with extensive backgrounds in nature education: organizing, executing and evaluating educational nature and science programs. A Program Assistant provides administrative support for program staff along with acting as the organization’s Volunteer Coordinator. Three program instructors are employed “as needed” to help support the many TNS educational programs as they are offered throughout the year. Part-time staff include a Special Events Coordinator, Accountant and a Marketing Specialist who manages the organization’s website and promotes awareness of the organization’s programs and activities through social media and the local press.

FY2025 TNS Staff	FY2025 TNS Program Staff
Carla Reeb Executive Director	Christina Funk Lead Naturalist
Michelle Goyette Special Events Coordinator	<u>Assistant Naturalists</u> Danielle Durham Keaton Mett
Sarah Lalik Program Assistant	<u>Instructors</u> Lori Brown Genia Connell Nancy Klein
Neha Saigal Marketing Specialist	
Cindy Wymer Accountant	

Non-Discrimination Policy

The Troy Nature Society affirms a policy of non-discrimination with regards to persons on the basis of race (including but not limited to hair texture and protective hairstyles), color, religion, sex, gender, pregnancy, national origin, age, physical or mental disability, genetic information, height, weight, sexual orientation, gender identity or expression, marital status, military status or other protected status in accordance with applicable federal, state and local laws. This policy shall pertain to staff, applicants, volunteers, members and guests.

Financials

In 2011, the Society entered into an operating agreement with the City of Troy. The agreement calls for annual city support of services, building maintenance and supplies for the nature center. The current agreement with the City of Troy runs through the fiscal year 2027. In 2018, the Troy Nature Society established an endowment fund through the Troy Community Foundation. As of June 30, 2024, the endowment fund is valued at \$26,755.

Revenue & Expenses	FYE 6/30/2023	FYE 6/30/2024
Donations & Grants	\$ 78,348	\$ 124,121
Fundraising Events	36,065	41,160
Membership Dues	10,090	11,690
Program Fees	93,164	71,011
In-Kind	9,812	16,361
Other	486	2,139
City Investment*	100,000	100,000
Total Revenue	\$ 327,965	\$ 366,481
Wages & Payroll	245,284	237,172
Taxes		
Contract Services	34,405	0
Program Expenses	65,959	32,472
Administrative Expenses	37,986	58,916
Total Expenses	\$ 383,634	\$ 328,560

*Figure does not include \$50,000/annually for other city services and supplies provided in support of maintaining the nature center.

Funders

Funding for the organization's programs and activities comes from individuals, foundations, local government, corporations, membership fees, program fees, fundraising events and facility rental fees. Contributors providing financial support at the \$500 level and above during the 2024 fiscal year included:

Aetna Medicare Solutions	Michael Martin
Anonymous (1)	Mr. and Mrs. Michael McNamara
Automotive Authority, Inc.	Michigan Association Of Environmental Professionals
John Bridge	Michigan Hand Therapy, LLC
Karol Carter	Michigan Nonprofit Relief Fund
City of Troy	Oakland County Commissioners
Coldwell Banker- Karen & Jay Greenwood	Mr. and Mrs. Bill Ording
Consumers Energy Foundation	Marilyn Papandrea
Credit Union One	Mr. and Mrs. Lawrence Piotrowski
William Davy	Plants for Ecology, LLC
East Michigan Native Plants, LLC	PNC Financial Services Group
Jake Feifer O'Brien	Kyla Remus
William Hamilton	Rotary Club of Troy
Horizon Bank	George Sanders
Impact 100 Oakland County	Amy Tattrie Loepp
Independent Bank	Troy Community Foundation
Mr. and Mrs. John Klein	Troy Garden Club
Roger Kowalski	Village Club Foundation
Christal Lewandowski	William Watkins
Magna Services of America, Inc.	

City Partnership—Upcoming Additions to the Nature Center in 2025

New larger Sugar Shed - (Current Sugar Shed shown below)



New Wood-Stoked Evaporator - (Current Evaporator shown below)



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

FREQUENTLY ASKED QUESTIONS

How is the Society funded? TNS operates on contributions it receives from membership fees, foundation gifts, program fees, local government funding, corporations, individuals, community organizations, fundraising events and facility rentals.

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 along with programs for Scouts and other organized community groups. All programs are offered for a minimal fee.

How is the organization staffed? Currently, the organization employs an Executive Director who oversees management and fundraising activities; a Lead Naturalist and two Assistant Naturalists oversee all educational programming and three on-call Program Instructors assist with programs as they are scheduled. A Program Assistant provides support service for all programs and manages the recruiting, training and scheduling of volunteers. Additional part-time staff include a Special Events Coordinator, Accountant and Marketing Specialist.

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

Is there a fee to visit the center? There is no fee to walk the trails, visit the Raptor House, or explore the nature center building with its exhibit hall which includes a mastodon dig, children's play area, research library, live amphibian and reptile display and observation bee hive. Donations are accepted and greatly appreciated.



Photo credit, Christina Funk

What are the hours of operation? Trails are open to the public daily year-round from dawn to dusk. The nature center's owls are available for public viewing in their permanent enclosure daily. The nature center's exhibit hall is open Tuesday through Friday from 9:00 am to 3:00 pm and Saturday 10:00 am to 4:00 pm and is also open when special programs or classes are offered. (Holidays excluded).

Troy Nature Society

Financial Report

June 30, 2024

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Independent Auditor's Report

To the Board of Directors of
Troy Nature Society

Opinion

We have audited the accompanying financial statements of Troy Nature Society (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 6 to the financial statements, the beginning of the year net assets have been adjusted to correct a misstatement. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Troy Nature Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Troy Nature Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Troy Nature Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Troy Nature Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Zerbo Consulting Group, P.C.

September 30, 2024

Statement of Financial Position

As of June 30, 2024

Assets

Current Assets

Cash and cash equivalents	\$ 51,647
Restricted cash	93,625
Accounts receivable - pledges	1,000
Total Current Assets	<u>146,272</u>

Property and Equipment

Office equipment	3,798
Outdoor equipment	3,165
Total Cost	<u>6,963</u>
Less accumulated depreciation	<u>(4,536)</u>
Property and Equipment - Net	<u>2,427</u>

Total Assets	<u><u>\$ 148,699</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 6,374
Accrued payroll and payroll taxes	10,116
Deferred revenue	8,743
Total Current Liabilities	<u>25,233</u>

Net Assets

Without donor restrictions	30,201
With donor restrictions	93,265
Total Net Assets	<u>123,466</u>

Total Liabilities and Net Assets	<u><u>\$ 148,699</u></u>
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Statement of Activities and Changes In Net Assets

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Donations and grants	\$ 108,386	\$ 15,735	\$ 124,121
Local government support (Note 2)	100,000	-	100,000
Program activities	71,011	-	71,011
Fundraising events	41,160	-	41,160
Membership	11,690	-	11,690
In-kind (Note 3)	16,361	-	16,361
Other income	2,139	-	2,139
Net assets released from restrictions	8,052	(8,052)	-
Total Revenue and Other Support	<u>358,799</u>	<u>7,683</u>	<u>366,482</u>
Operating Expenses			
Program activities	207,997	-	207,997
Management and general	48,764	-	48,764
Fundraising	71,799	-	71,799
Total Expenses	<u>328,560</u>	<u>-</u>	<u>328,560</u>
Change in Net Assets	30,239	7,683	37,922
Net Assets - Beginning of year	<u>(38)</u>	<u>85,582</u>	<u>85,544</u>
Net Assets - End of year	<u>\$ 30,201</u>	<u>\$ 93,265</u>	<u>\$ 123,466</u>

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Activities	Management and General	Fundraising	Total
Salaries and wages	\$ 163,042	\$ 17,485	\$ 40,189	\$ 220,716
Payroll taxes	12,433	929	3,044	16,406
Contracted services	50	-	-	50
Bank service charges	2,087	237	-	2,324
Computer	-	2,748	3,120	5,868
Office and postage	-	5,910	-	5,910
Supplies	15,986	-	-	15,986
Advertising and promotion	1,513	-	-	1,513
Professional Fees	-	6,700	-	6,700
Insurance	-	4,703	-	4,703
Telephone and internet	-	3,213	-	3,213
Owl care and feeding	6,016	-	-	6,016
Events	-	-	14,370	14,370
Depreciation	633	-	-	633
In-kind	6,237	-	10,124	16,361
Miscellaneous	-	6,839	952	7,791
Total Expenses	<u>\$ 207,997</u>	<u>\$ 48,764</u>	<u>\$ 71,799</u>	<u>\$ 328,560</u>

Statement of Cash Flows

Year Ended June 30, 2024

Cash flows from Operating Activities:

Change in net assets	\$ 37,922
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	633
Changes in operating assets and liabilities that provided (used) cash:	
Accounts receivable - pledges	(1,000)
Accounts payable	2,682
Accrued liabilities	926
Deferred revenue	1,898
Net cash provided by operating activities	<u>43,061</u>

Net increase in cash and cash equivalents 43,061

Cash and cash equivalents - Beginning of year 102,211

Cash and cash equivalents - End of year \$ 145,272

Statement of Financial Position Classification of Cash and Cash Equivalents

Cash and cash equivalents	\$ 51,647
Cash for restricted purposes	93,625
Total cash and cash equivalents	<u><u>\$ 145,272</u></u>

June 30, 2024

Note 1 – Nature of Activities and Significant Accounting Policies

Organization

Troy Nature Society (the Organization) is tax exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation. The Organization's mission is to provide resources and education to inspire the appreciation and preservation of nature. The Organization's objectives include providing healthy outdoor experiences and educational activities for individuals of all ages, creating an understanding of the value and necessity of stewardship of the natural environment, and the preservation and protection of the Lloyd A. Stage Nature Center (the Center) located in Troy, Michigan, for future generations.

The City of Troy has a contract with the Organization that allows the Organization non-exclusive use of the Center. The City of Troy maintains oversight of the facility, which includes building maintenance, security, utilities, and custodial services. See Note 2.

Nature of Activities

The Organization develops and offers nature-related public educational programs to children and families, school fieldtrips, scout troops, and senior citizen centers. The Organization operates the Center and maintains the accompanying reserve trails, which are available to the public on specific days. Fees are charged for most educational and group-taught programs. Other sources of income include local government support, donations, and various fundraising events.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed there by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Use of 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 reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***Pledges Receivable***

Pledges receivable are recognized when a donor makes a promise to give that is unconditional. Pledges expected to be collected within one year are recorded at their net realizable value. Those expected to be collected beyond one year are discounted to present value. An allowance for uncollectible pledges is recorded based on management's assessment of collectability. There are no pledges deemed uncollectible as of June 30, 2024.

Property and Equipment

Property and equipment is carried at cost or, if donated, at fair market value at the time of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of 3 to 27.5 years. The Organization's policy is to capitalize acquisitions of \$1,000 or more. For the year ended June 30, 2024, depreciation expense was \$633.

Revenue and Other Support

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received and are measured at fair value. The Organization receives support in the form of local government, corporate, and individual grants and contributions. Management has determined that these grants and contributions are from arrangements for which there is no commensurate benefit provided to the resource providers. Therefore, all of this support is considered to be contribution revenue. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contributions are recognized. Contributions with donor-imposed time or purpose restrictions are reported as support with donor restrictions. All other contributions are reported as support without donor restrictions.

Unconditional promises to give with payments due in future periods are assumed to have an implicit time restriction. Those restrictions are released as contributions when collected or when allocations or grants are made to recipient organizations based on those future collections. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. There were no conditional promises to give recognized as of June 30, 2024.

The Organization offers program related experiences where the performance obligation is delivery of the program. Fees for these programs are based on the type of program and the number of participants in each program. These revenues are treated as exchange transactions and are recognized as revenue after delivery of the program has occurred.

The Organization conducts special fundraising events in which the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. The performance obligation is delivery of the event, and revenue is recognized after the event has taken place. Any funds received in excess of proceeds paid by participants would represent contribution revenue to the Organization. There were no proceeds deemed to be contributions at any held events for the year ended June 30, 2024.

Concentrations of Credit Risk

The Organization derives most of its revenues from local government support, donations, and various fundraising events. For the year ended June 30, 2024, local government support was approximately 28% of total revenues.

Functional Allocation of Expenses

Costs of providing the program, management and general, and fundraising services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Functional Allocation of Expenses (Continued)

Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Depreciation is allocated on the basis of the program or support service that uses the fixed asset. Costs have been allocated between the various programs and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 30, 2024, which is the date the financial statements were available to be issued.

Note 2 – City of Troy

In June 2017, the City of Troy approved an operational agreement with the Organization to operate the Lloyd A. Stage Nature Center located in Troy, Michigan, effective July 1, 2017, which allows the Organization non-exclusive use of the property. The agreement expires on June 30, 2027.

In conjunction with this agreement, the City of Troy includes the Organization in its annual budget within the City's Park and Recreation Department for building and ground routine maintenance as well as an annual appropriation for Organization operations. For the year ended June 30, 2024, the City of Troy provided the Organization with an appropriation for organizational operations in the amount of \$100,000.

The appropriation in the amount of \$100,000 is recorded as Local Government Support on the Statement of Activities and Changes in Net Assets for the year ended June 30, 2024.

Note 3 – In-kind Donations

The Organization received various in-kind donations for its wine tasting fundraiser, Nature Uncorked, held in November 2023. The in-kind donations were used at the fundraiser, and there were no donor-imposed restrictions associated with the contributed non-financial assets. The Organization also received admission fees to multiple programs for schools. Fair value of the contributed non-financial assets was determined based on the market value cost of a given item. In-kind donations for the year-ended June 30, 2024 are as follows:

Description	Value
Silent auction Items (various items including but not limited to gift baskets and gift cards)	\$ 10,124
Admission fees to Organization programs for schools	6,237
Total	<u>\$ 16,361</u>

Note 4 – Endowment Funds with North Woodward Community Foundation

Effective March 29, 2018, the Organization is the beneficiary under an agency endowment agreement with the North Woodward Community Foundation (the Community Foundation) by a reciprocal transfer of funds to the Community Foundation. The Community Foundation has the power to retain, invest, and reinvest the assets of the endowment to further the charitable or other exempt purposes of the Organization.

Note 4 – Endowment Funds with North Woodward Community Foundation (Continued)

The Community Foundation also has variance power over the endowment in that the Community Foundation's principles and procedures for advised funds provided that the commitments, grants, or expenditures from the funds shall be made to the Organization at such time or times and in such amount or amounts as determined by the Community Foundation. The Organization is the Community Foundation's sole beneficiary, and if the Organization ceases to exist or no longer performs its functions under the provision of the agreement, the Community Foundation shall continue to administer and disburse fund assets in a manner deemed appropriate.

Since the Community Foundation holds variance power over the endowment, which legally grants it the ability to redirect funds to other beneficiaries, the Organization did not recognize the endowment assets as of June 30, 2024. As of June 30, 2024, the value of the endowment fund held by the Community Foundation was approximately \$26,755.

The Organization may from time to time submit to the Community Foundation recommendations regarding specific purposes or amounts for distributions to the Organization. All recommendations from the Organization are to be advisory, and the Community Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto.

Note 5 – Liquidity and Availability of Financial Resources

The Organization has \$146,272 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents and pledges receivable. Of the financial assets, \$93,625 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date with the exception of funds to be used for Organization specific programs and funds. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents and accounts receivable, on hand to meet 60 days of normal operating expenses, which are, on average approximately \$55,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 6 – Prior Period Adjustment

Beginning of year net assets has been adjusted to correct an error made in accounting for the beneficial interest in endowment assets held by the North Woodward Community Foundation. These assets were previously classified as other assets with and without donor restrictions based on endowment contributions previously made. Given the endowment agreement grants the Community Foundation variance power, regardless of the Organization being the sole beneficiary, the Organization does not have sufficient control over the endowment assets to recognize them on its statement of financial position. As a result, as of June 30, 2023, net assets without and with donor restrictions were reduced by \$10,230 and \$14,536, respectively, and the beneficial interest in assets held at Community Foundation was reduced by \$24,766.