

The Association of  
Nature Center Administrators

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Reviewed Financial Statements

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For the Years Ended June 30, 2017 and 2016

***DRAFT***

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of the  
Association of Nature Center Administrators  
Logan, UT

I have reviewed the accompanying financial statements of the Association of Nature Center Administrators (ANCA), a nonprofit organization, which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### **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.

### **Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### **Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Matthew Regen, CPA, PC

October 27, 2017

ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017 and 2016

| <u>Assets</u>                    | <u>2017</u>       | <u>2016</u>     |
|----------------------------------|-------------------|-----------------|
| Current assets:                  |                   |                 |
| Cash and cash equivalents        | \$ 63,555         | 91,966          |
| Accounts receivable              | -                 | 1,570           |
| Pledges receivable               | -                 | 125             |
| Prepaid expenses                 | -                 | 239             |
| Inventory                        | <u>12,715</u>     | <u>14,181</u>   |
| Total current assets             | <u>76,270</u>     | <u>108,081</u>  |
| Property and equipment:          |                   |                 |
| Computer equipment               | 14,882            | 14,882          |
| Less accumulated depreciation    | <u>(14,882)</u>   | <u>(14,882)</u> |
| Total property and equipment     | <u>-</u>          | <u>-</u>        |
| Other assets:                    |                   |                 |
| Investments, at fair value       | <u>299,847</u>    | <u>269,995</u>  |
| Total other assets               | <u>299,847</u>    | <u>269,995</u>  |
| Total assets                     | <u>\$ 376,117</u> | <u>378,076</u>  |
| <u>Liabilities</u>               |                   |                 |
| Current liabilities:             |                   |                 |
| Accounts payable                 | \$ -              | -               |
| Deferred revenue                 | <u>83,683</u>     | <u>92,149</u>   |
| Total current liabilities        | <u>83,683</u>     | <u>92,149</u>   |
| <u>Net Assets</u>                |                   |                 |
| Unrestricted                     | 226,941           | 208,615         |
| Temporarily restricted           | -                 | 1,050           |
| Permanently restricted           | <u>65,493</u>     | <u>76,262</u>   |
| Total net assets                 | <u>292,434</u>    | <u>285,927</u>  |
| Total liabilities and net assets | <u>\$ 376,117</u> | <u>378,076</u>  |

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

|  | Unrestricted      |                | Temporarily Restricted |              | Permanently Restricted |                 | Totals         |                |
|--|-------------------|----------------|------------------------|--------------|------------------------|-----------------|----------------|----------------|
|  | <u>2017</u>       | <u>2016</u>    | <u>2017</u>            | <u>2016</u>  | <u>2017</u>            | <u>2016</u>     | <u>2017</u>    | <u>2016</u>    |
| Support, revenue and reclassifications:      |                   |                |                        |              |                        |                 |                |                |
| Membership dues                              | \$ 40,190         | 38,008         | -                      | -            | -                      | -               | 40,190         | 38,008         |
| Contributions                                | 43,296            | 59,091         | -                      | 1,050        | 100                    | 50              | 43,396         | 60,191         |
| Publications and merchandise sales, net      | 1,519             | 2,920          | -                      | -            | -                      | -               | 1,519          | 2,920          |
| Program revenues                             | 103,862           | 127,856        | -                      | -            | -                      | -               | 103,862        | 127,856        |
| Net realized/unrealized gain on investments  | 39,284            | 5,888          | -                      | -            | -                      | -               | 39,284         | 5,888          |
| Net assets released from restrictions:       |                   |                |                        |              |                        |                 |                |                |
| Satisfaction of restrictions                 | 11,919            | 10,433         | (1,050)                | -            | (10,869)               | (10,433)        | -              | -              |
| Total support, revenue and reclassifications | <u>240,070</u>    | <u>244,196</u> | <u>(1,050)</u>         | <u>1,050</u> | <u>(10,769)</u>        | <u>(10,383)</u> | <u>228,251</u> | <u>259,306</u> |
| Expenses:                                    |                   |                |                        |              |                        |                 |                |                |
| Program services                             | 178,060           | 164,383        | -                      | -            | -                      | -               | 178,060        | 164,383        |
| General and administrative                   | 18,722            | 58,708         | -                      | -            | -                      | -               | 18,722         | 58,708         |
| Fundraising                                  | 24,962            | 11,734         | -                      | -            | -                      | -               | 24,962         | 11,734         |
| Total expenses                               | <u>221,744</u>    | <u>234,826</u> | <u>-</u>               | <u>-</u>     | <u>-</u>               | <u>-</u>        | <u>221,744</u> | <u>234,826</u> |
| Change in net assets                         | 18,326            | 9,370          | (1,050)                | 1,050        | (10,769)               | (10,383)        | 6,507          | 37             |
| Net assets - beginning of year               | <u>208,615</u>    | <u>199,245</u> | <u>1,050</u>           | <u>-</u>     | <u>76,262</u>          | <u>86,645</u>   | <u>285,927</u> | <u>285,890</u> |
| Net assets - end of year                     | <u>\$ 226,941</u> | <u>208,615</u> | <u>-</u>               | <u>1,050</u> | <u>65,493</u>          | <u>76,262</u>   | <u>292,434</u> | <u>285,927</u> |

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

|                        | Program Services  |                | General and Administrative |               | Fundraising   |              | Totals         |                |
|------------------------|-------------------|----------------|----------------------------|---------------|---------------|--------------|----------------|----------------|
|                        | <u>2017</u>       | <u>2016</u>    | <u>2017</u>                | <u>2016</u>   | <u>2017</u>   | <u>2016</u>  | <u>2017</u>    | <u>2016</u>    |
| Expenses:              |                   |                |                            |               |               |              |                |                |
| Payroll:               |                   |                |                            |               |               |              |                |                |
| Salaries and wages     | \$ 55,468         | 67,423         | 12,800                     | 24,080        | 17,067        | 4,816        | 85,336         | 96,319         |
| Payroll taxes          | 4,291             | 5,158          | 990                        | 1,842         | 1,320         | 368          | 6,602          | 7,368          |
| Employee benefits      | 1,402             | 2,250          | 324                        | 804           | 431           | 161          | 2,157          | 3,214          |
| Total Payroll expenses | <u>61,162</u>     | <u>74,830</u>  | <u>14,114</u>              | <u>26,726</u> | <u>18,819</u> | <u>5,345</u> | <u>94,095</u>  | <u>106,901</u> |
| Other expenses:        |                   |                |                            |               |               |              |                |                |
| Program expenses       | 96,932            | 93,436         | -                          | -             | -             | -            | 96,932         | 93,436         |
| Professional fees      | 3,413             | 1,982          | 788                        | 706           | 1,050         | 137          | 5,250          | 2,825          |
| Travel                 | 1,587             | 7,815          | 366                        | 2,791         | 488           | 555          | 2,441          | 11,162         |
| Office expense         | 4,492             | 4,416          | 1,037                      | 1,578         | 1,382         | 315          | 6,910          | 6,309          |
| Rent expense           | 3,221             | 3,084          | 743                        | 1,102         | 991           | 220          | 4,956          | 4,406          |
| Utilities and internet | 1,641             | 2,167          | 379                        | 774           | 505           | 154          | 2,525          | 3,095          |
| Printing and postage   | 4,012             | 3,472          | 926                        | 1,239         | 1,234         | 247          | 6,172          | 4,958          |
| Insurance expense      | 1,601             | 1,213          | 369                        | 434           | 493           | 87           | 2,463          | 1,734          |
| Total other expenses   | <u>116,898</u>    | <u>117,586</u> | <u>4,608</u>               | <u>8,623</u>  | <u>6,143</u>  | <u>1,716</u> | <u>127,649</u> | <u>127,925</u> |
| Total expenses         | \$ <u>178,060</u> | <u>192,416</u> | <u>18,722</u>              | <u>35,349</u> | <u>24,962</u> | <u>7,061</u> | <u>221,744</u> | <u>234,826</u> |

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

|   | <u>2017</u>      | <u>2016</u>   |
|---|------------------|---------------|
| <u>Cash flows from operating activities:</u>  |                  |               |
| Change in net assets  | \$ 6,507         | 37            |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                  |               |
| Unrealized gain on investments  | (29,852)         | (5,584)       |
| Decrease (increase) in accounts receivable  | 1,570            | 12,849        |
| Increase in pledges receivable  | 125              | (125)         |
| Increase in prepaid expenses  | 239              | (239)         |
| Decrease in inventory   | 1,466            | 81            |
| Increase (decrease) in accrued liabilities  | <u>(8,466)</u>   | <u>30,637</u> |
| Net cash (used) provided by operating activities  | <u>(28,411)</u>  | <u>37,656</u> |
| <br><u>Cash flows from investing activities:</u>  |                  |               |
| Net cash provided (used) by investing activities  | <u>-</u>         | <u>-</u>      |
| <br><u>Cash flows from financing activities:</u>  |                  |               |
| Net cash used by financing activities   | <u>-</u>         | <u>-</u>      |
| Net increase (decrease) in cash and cash equivalents  | (28,411)         | 37,656        |
| Cash and cash equivalents at beginning of year  | <u>91,966</u>    | <u>54,310</u> |
| Cash and cash equivalents at end of year  | <u>\$ 63,555</u> | <u>91,966</u> |

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 1 – Summary of Significant Accounting Policies

*Nature of Organization*

The Association of Nature Center Administrators (ANCA) was founded in 1989 to promote leadership quality management services for the nature center profession. ANCA is funded primarily through charitable contributions, membership dues and income from program services. ANCA provides newsletters, conferences and workshops, and technical assistance to members of the nature center profession.

*Basis of Presentation*

Financial statement preparation follows the recommendations of the Financial Accounting Standards Board in FASB ASC 958 (formerly SFAS No. 117). Under FASB ASC 958, ANCA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

*Property and Equipment*

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on the straight-line and accelerated methods over the following estimated useful lives:

|                            |           |
|----------------------------|-----------|
| Buildings and improvements | 20 Years  |
| Furniture and equipment    | 3-7 Years |

Property and equipment whose value exceeds \$2,000 is capitalized. All other property and equipment is expensed when purchased.

*Inventory*

Inventory represents the ANCA manual “Directors Guide”, “The Nature Center Book”, and other publications and sundry items, and is valued at production costs or purchase cost, not in excess of market value.



ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 1 – Summary of Significant Accounting Policies (continued)

*Contributions*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

*Advertising*

ANCA uses advertising to promote its programs among the audiences it serves. Costs are expensed as incurred.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents*

Cash and cash equivalents include all monies in banks and highly liquid investments. The carrying value of cash and cash equivalents approximates fair value because of the short maturities and liquidity of those financial instruments.

*Income Taxes*

ANCA is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal or state income taxes in the accompanying financial statements.

*Accounts Receivables*

Allowances for doubtful accounts are established for any amounts receivable which, in management's judgment, are not collectible. ANCA's management feels that all receivables are fully collectible; thus, no provision for doubtful accounts has been recorded.

*Subsequent Events*

ANCA has evaluated all subsequent events through October 27, 2017, the date the financial statements were available to be issued.

ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 2 - Concentration of Credit Risk

ANCA maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. ANCA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Financial instruments that potentially subject ANCA to concentration of credit risk consist primarily of accounts receivable. In the normal course of activities, ANCA records receivables and promises of support. ANCA performs ongoing evaluations of its ability to collect receivables. Management has recognized all significant uncollectible receivables as bad debt and believes it is not exposed to any further significant credit risk.

Note 3 - Deferred Revenue and Expenses

Advanced income from memberships, Summit registrations, and scholarships, which have not taken place by June 30 is deferred and recognized in the period which the event relates. Similarly, amounts paid in advance for expenses of a future period are deferred and recognized in the period which the expense relates.

Note 4 – Investments

During the years ended June 30, 2017 and 2016, ANCA held various investments, all of which have maturity dates of greater than three months. Both long and short-term investments are stated at fair value, which is determined by reference to quoted market prices. The investments consist of various mutual funds. Fair values and unrealized/realized appreciation at June 30, 2017 and 2016, are summarized as follows:

|                         | <u>2017</u>       | <u>2016</u>    | <u>2017</u>       | <u>2016</u>    | <u>2017</u>                                 | <u>2016</u>    |
|-------------------------|-------------------|----------------|-------------------|----------------|---|----------------|
|                         | <u>Cost</u>       |                | <u>Fair Value</u> |                | <u>Unrealized/Realized<br/>Appreciation</u> |                |
| Investments consist of: |                   |                |                   |                |   |                |
| Mutual funds            | \$ 151,244        | 151,244        | 299,847           | 269,995        | 148,603                                     | 118,751        |
| Total                   | <u>\$ 151,244</u> | <u>151,244</u> | <u>299,847</u>    | <u>269,995</u> | <u>148,603</u>                              | <u>118,751</u> |

ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 5 – Fair Value Measurements

ANCA has adopted ASC Topic 820, *Fair Value Measurements and Disclosures* (formerly SFAS 157), which requires that fair value measurements be classified and disclosed in one of the following three categories:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

As of June 30, 2017 and 2016, ANCA had financial instruments, namely investments that meet the Level 1 measurement category described in ASC Topic 820.

Note 6 – Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 7 – Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to donor-imposed stipulations that they be used for specific purposes. When a restriction has been satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets total \$0 and \$1,050 on June 30, 2017, and 2016, respectively, and consist of cash and cash equivalents.

ASSOCIATION OF NATURE CENTER ADMINISTRATORS  
(A Nonprofit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 7 – Temporarily Restricted Net Assets (continued)

In 2006 ANCA established the Richard Haley Memorial Scholarship Fund to provide Summit and Peer Consult scholarships to its members. The monies are held in an account at The Vanguard Group and are invested and managed by the Board of Trustees of ANCA. The fund policy allows for the awarding of scholarships at the Board's discretion. Both the fund principal and any increase in its market value can be used for awarding scholarships.

Note 8 – Permanently Restricted Contributions

ANCA established an endowment fund in 1997 at The Dayton Foundation. The fund is "The Association of Nature Center Administrators Endowment Fund." The fund was established to support the activities and educational programs of the organization. The monies currently are invested in a restricted endowment fund at The Vanguard Group and is invested and managed by the Board of Trustees of ANCA.

On average, this Endowment is expected to distribute annually 5% of the total market value based on a twelve-quarter rolling market value average, while maintaining the purchasing power of the assets over the long-term. In addition, this distribution is not to take the value of the endowment below the amount originally donated for that purpose into the Fund. Any portion of the distribution that would take the value of the Fund below the contributed amount will remain invested. Further, in any given fiscal year, total distribution shall not exceed 7% of the prior year-end market value, nor shall it be less than 4% of the prior year-end market value, providing the market value of the investment account is above the amount originally donated for that purpose into the Fund. Investment strategies and parameters will be reviewed annually by the Executive Committee.

Distributions from the endowment may be used to meet yearly operational needs unless restricted for another or specific purpose but must be approved in advance by a majority of the Board.

In accordance with this policy, \$10,869 and \$10,433 was distributed during the fiscal years ending June 30, 2017 and 2016, respectively, for ANCA operations. During the years ended June 30, 2017 and 2016, contributions totaling \$100 and \$50, respectively, were made to the endowment fund. Permanently restricted net assets total \$65,493 and \$76,262 on June 30, 2017 and 2016, respectively, and consist of investments.