

# The Schuylkill Center for Environmental Education

Financial Statements  
Year Ended June 30, 2018



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

215/567-7770 | [bbdcpa.com](http://bbdcpa.com)

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## CONTENTS

---

|   |   |
|---|---|
| INDEPENDENT AUDITOR'S REPORT            | 1 |
| FINANCIAL STATEMENTS                    |   |
| <i>Statement of Financial Position</i>  | 3 |
| <i>Statement of Activities</i>          | 4 |
| <i>Statement of Functional Expenses</i> | 5 |
| <i>Statement of Cash Flows</i>          | 6 |
| <i>Notes to Financial Statements</i>    | 7 |

---



## INDEPENDENT AUDITOR'S REPORT

**Board of Trustees  
The Schuylkill Center for Environmental Education  
Philadelphia, Pennsylvania**

We have audited the accompanying financial statements of The Schuylkill Center for Environmental Education (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Schuylkill Center for Environmental Education as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

**Report on Summarized Comparative Information**

We have previously audited The Schuylkill Center for Environmental Education's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*BBD, LLP.*

**Philadelphia, Pennsylvania  
November 16, 2018**

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## STATEMENT OF FINANCIAL POSITION

June 30, 2018 with comparative totals for 2017

|   | <u>2018</u>                 | <u>2017</u>                 |
|---|-----------------------------|-----------------------------|
| <b>ASSETS</b>                           |                             |                             |
| Cash                                    | \$ 180,150                  | \$ 157,125                  |
| Accounts receivable                     |                             |                             |
| Contributions and grants                | 167,426                     | 500,817                     |
| Other                                   | 1,358                       | 7,882                       |
| Prepaid expenses and other              | 50,752                      | 48,897                      |
| Investments                             | 5,338,598                   | 5,326,550                   |
| Property and equipment, net             | <u>4,273,304</u>            | <u>4,261,196</u>            |
| <b>Total assets</b>                     | <b><u>\$ 10,011,588</u></b> | <b><u>\$ 10,302,467</u></b> |
| <br>                                    |                             |                             |
| <b>LIABILITIES</b>                      |                             |                             |
| Loans payable                           | \$ 62,797                   | \$ -                        |
| Accounts payable and accrued expenses   | 145,870                     | 147,448                     |
| Deferred revenue                        | <u>359,952</u>              | <u>320,214</u>              |
| <b>Total liabilities</b>                | <b><u>568,619</u></b>       | <b><u>467,662</u></b>       |
| <br>                                    |                             |                             |
| <b>NET ASSETS (DEFICIT)</b>             |                             |                             |
| Unrestricted                            |                             |                             |
| Operating                               | (605,562)                   | (516,368)                   |
| Board designated                        | 4,256,914                   | 4,329,455                   |
| Physical plant                          | <u>2,341,935</u>            | <u>2,390,624</u>            |
| <b>Total unrestricted net assets</b>    | 5,993,287                   | 6,203,711                   |
| Temporarily restricted                  | 568,019                     | 767,972                     |
| Permanently restricted                  | <u>2,881,663</u>            | <u>2,863,122</u>            |
| <b>Total net assets</b>                 | <b><u>9,442,969</u></b>     | <b><u>9,834,805</u></b>     |
| <br>                                    |                             |                             |
| <b>Total liabilities and net assets</b> | <b><u>\$ 10,011,588</u></b> | <b><u>\$ 10,302,467</u></b> |

See accompanying notes

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## STATEMENT OF ACTIVITIES

Year ended June 30, 2018 with comparative totals for 2017

|  | Unrestricted        |                     |                     |                     | Temporarily<br>Restricted | Permanently<br>Restricted | Totals              |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------------|---------------------------|---------------------|---------------------|
|  | Operating           | Board<br>Designated | Physical<br>Plant   | Total               |                           |                           | 2018                | 2017                |
| <b>REVENUE AND SUPPORT</b>                       |                     |                     |                     |                     |                           |                           |                     |                     |
| Contributions and grants                         | \$ 304,146          | \$ -                | \$ -                | \$ 304,146          | \$ 294,529                | \$ -                      | \$ 598,675          | \$ 1,027,435        |
| Rental income                                    | 48,693              | -                   | -                   | 48,693              | -                         | -                         | 48,693              | 61,452              |
| Public program and other fees                    | 954,276             | -                   | -                   | 954,276             | -                         | -                         | 954,276             | 850,397             |
| Product sales                                    | 90,992              | -                   | -                   | 90,992              | -                         | -                         | 90,992              | 102,095             |
| Other income                                     | 12,849              | -                   | -                   | 12,849              | -                         | -                         | 12,849              | 11,966              |
| Endowment spending policy distribution           | 286,000             | (232,574)           | -                   | 53,426              | -                         | (53,426)                  | -                   | -                   |
| Endowment distribution for operations            | 153,249             | (153,249)           | -                   | -                   | -                         | -                         | -                   | -                   |
| Net assets released from restrictions            | 270,169             | -                   | 144,735             | 414,904             | (414,904)                 | -                         | -                   | -                   |
| <b>Total revenue and support</b>                 | <u>2,120,374</u>    | <u>(385,823)</u>    | <u>144,735</u>      | <u>1,879,286</u>    | <u>(120,375)</u>          | <u>(53,426)</u>           | <u>1,705,485</u>    | <u>2,053,345</u>    |
| <b>EXPENSES</b>                                  |                     |                     |                     |                     |                           |                           |                     |                     |
| <b>Program services</b>                          |                     |                     |                     |                     |                           |                           |                     |                     |
| Land and facilities                              | 347,143             | -                   | 11,821              | 358,964             | -                         | -                         | 358,964             | 315,275             |
| Environmental education                          | 1,100,625           | -                   | 119,998             | 1,220,623           | -                         | -                         | 1,220,623           | 1,106,953           |
| Environmental art                                | 93,314              | -                   | 11,821              | 105,135             | -                         | -                         | 105,135             | 81,623              |
| Wildlife Clinic                                  | 166,434             | -                   | 37,977              | 204,411             | -                         | -                         | 204,411             | 229,920             |
| Other  | 140,912             | -                   | 11,821              | 152,733             | -                         | -                         | 152,733             | 134,503             |
| <b>Supporting services</b>                       |                     |                     |                     |                     |                           |                           |                     |                     |
| General and administrative                       | 153,445             | -                   | 11,819              | 165,264             | -                         | -                         | 165,264             | 178,004             |
| Fundraising                                      | 185,069             | -                   | 11,821              | 196,890             | -                         | -                         | 196,890             | 164,350             |
| <b>Total expenses</b>                            | <u>2,186,942</u>    | <u>-</u>            | <u>217,078</u>      | <u>2,404,020</u>    | <u>-</u>                  | <u>-</u>                  | <u>2,404,020</u>    | <u>2,210,628</u>    |
| <b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b> | <u>(66,568)</u>     | <u>(385,823)</u>    | <u>(72,343)</u>     | <u>(524,734)</u>    | <u>(120,375)</u>          | <u>(53,426)</u>           | <u>(698,535)</u>    | <u>(157,283)</u>    |
| <b>OTHER CHANGES</b>                             |                     |                     |                     |                     |                           |                           |                     |                     |
| Investment income                                | 1,028               | 313,282             | -                   | 314,310             | -                         | 71,967                    | 386,277             | 658,626             |
| Loss on return of contributions and grants       | -                   | -                   | -                   | -                   | (79,578)                  | -                         | (79,578)            | -                   |
| Transfers  | (23,654)            | -                   | 23,654              | -                   | -                         | -                         | -                   | -                   |
| <b>CHANGE IN NET ASSETS</b>                      | <u>(89,194)</u>     | <u>(72,541)</u>     | <u>(48,689)</u>     | <u>(210,424)</u>    | <u>(199,953)</u>          | <u>18,541</u>             | <u>(391,836)</u>    | <u>501,343</u>      |
| <b>NET ASSETS (DEFICIT)</b>                      |                     |                     |                     |                     |                           |                           |                     |                     |
| Beginning of year                                | <u>(516,368)</u>    | <u>4,329,455</u>    | <u>2,390,624</u>    | <u>6,203,711</u>    | <u>767,972</u>            | <u>2,863,122</u>          | <u>9,834,805</u>    | <u>9,333,462</u>    |
| <b>End of year</b>                               | <u>\$ (605,562)</u> | <u>\$ 4,256,914</u> | <u>\$ 2,341,935</u> | <u>\$ 5,993,287</u> | <u>\$ 568,019</u>         | <u>\$ 2,881,663</u>       | <u>\$ 9,442,969</u> | <u>\$ 9,834,805</u> |

See accompanying notes

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2018 with comparative totals for 2017

|                              | <u>Land and<br/>Facilities</u> | <u>Environmental<br/>Education</u> | <u>Environmental<br/>Art</u> | <u>Wildlife<br/>Clinic</u> | <u>Other</u>      | <u>Total<br/>Program<br/>Services</u> | <u>General and<br/>Administrative</u> | <u>Fundraising</u> | <u>Totals</u>       |                     |
|------------------------------|--------------------------------|------------------------------------|------------------------------|----------------------------|-------------------|---------------------------------------|---------------------------------------|--------------------|---------------------|---------------------|
|                              |                                |                                    |                              |                            |                   |                                       |                                       |                    | <u>2018</u>         | <u>2017</u>         |
| Salaries and fringe benefits | \$ 200,685                     | \$ 882,658                         | \$ 69,377                    | \$ 101,082                 | \$ 82,144         | \$ 1,335,946                          | \$ 89,604                             | \$ 136,733         | \$ 1,562,283        | \$ 1,357,688        |
| Bank and credit card fees    | 1,015                          | 32,186                             | 20                           | -                          | 1,440             | 34,661                                | 370                                   | 1,575              | 36,606              | 32,292              |
| Cost of goods sold           | -                              | -                                  | -                            | -                          | 35,288            | 35,288                                | -                                     | -                  | 35,288              | 37,736              |
| Depreciation                 | 11,821                         | 119,998                            | 11,821                       | 37,977                     | 11,821            | 193,438                               | 11,819                                | 11,821             | 217,078             | 244,094             |
| Food and beverage            | 477                            | 7,518                              | 454                          | -                          | 74                | 8,523                                 | 1,515                                 | 15,695             | 25,733              | 27,022              |
| Insurance                    | 9,584                          | 45,474                             | 3,254                        | 4,640                      | 4,062             | 67,014                                | 9,413                                 | 8,414              | 84,841              | 80,402              |
| Interest expense             | 346                            | 1,412                              | -                            | -                          | -                 | 1,758                                 | 228                                   | -                  | 1,986               | -                   |
| Marketing and advertising    | 210                            | 1,351                              | 102                          | -                          | 894               | 2,557                                 | -                                     | -                  | 2,557               | 4,247               |
| Materials and supplies       | 63,491                         | 17,878                             | 2,765                        | 2,597                      | 911               | 87,642                                | 519                                   | 1,942              | 90,103              | 63,151              |
| Postage                      | 30                             | 665                                | 8                            | 151                        | 925               | 1,779                                 | 387                                   | 2,944              | 5,110               | 6,474               |
| Printing and publications    | 828                            | 6,861                              | 236                          | 51                         | 5,230             | 13,206                                | 100                                   | 5,478              | 18,784              | 22,835              |
| Professional fees            | -                              | 6,071                              | 12,350                       | 19,874                     | -                 | 38,295                                | 44,273                                | -                  | 82,568              | 93,798              |
| Repairs and maintenance      | 59,679                         | 16,607                             | -                            | 4,913                      | 5                 | 81,204                                | 15                                    | 245                | 81,464              | 62,681              |
| Telecommunications           | 3,691                          | 14,098                             | 1,127                        | 2,502                      | 6,938             | 28,356                                | 3,106                                 | 8,654              | 40,116              | 48,376              |
| Travel and entertainment     | 16                             | 38,400                             | 340                          | -                          | 25                | 38,781                                | 426                                   | 845                | 40,052              | 33,043              |
| Utilities                    | 2,336                          | 23,714                             | 2,336                        | 7,505                      | 2,336             | 38,227                                | 2,336                                 | 2,336              | 42,899              | 43,195              |
| Vehicle expense              | 4,105                          | 700                                | 8                            | -                          | -                 | 4,813                                 | -                                     | -                  | 4,813               | 7,388               |
| Wildlife food and supplies   | -                              | -                                  | -                            | 21,892                     | -                 | 21,892                                | -                                     | -                  | 21,892              | 36,556              |
| Miscellaneous                | 650                            | 5,032                              | 937                          | 1,227                      | 640               | 8,486                                 | 1,153                                 | 208                | 9,847               | 9,650               |
| <b>Total expenses</b>        | <u>\$ 358,964</u>              | <u>\$ 1,220,623</u>                | <u>\$ 105,135</u>            | <u>\$ 204,411</u>          | <u>\$ 152,733</u> | <u>\$ 2,041,866</u>                   | <u>\$ 165,264</u>                     | <u>\$ 196,890</u>  | <u>\$ 2,404,020</u> | <u>\$ 2,210,628</u> |

See accompanying notes

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## STATEMENT OF CASH FLOWS

Year ended June 30, 2018 with comparative totals for 2017

|  | <u>2018</u>       | <u>2017</u>       |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                   |                   |
| <i>Change in net assets</i>  | \$ (391,836)      | \$ 501,343        |
| <i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i> |                   |                   |
| Depreciation   | 217,078           | 244,094           |
| Net realized and unrealized gain on investments  | (277,446)         | (549,100)         |
| (Increase) decrease in   |                   |                   |
| Accounts receivable  | 339,915           | (246,341)         |
| Prepaid expenses and other   | (1,855)           | (10,749)          |
| Increase (decrease) in   |                   |                   |
| Accounts payable and accrued expenses  | (1,578)           | 14,952            |
| Deferred revenue   | 39,738            | 8,437             |
| <b>Net cash used for operating activities</b>  | <u>(75,984)</u>   | <u>(37,364)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                   |                   |
| Purchases of investments   | (1,195,068)       | (169,511)         |
| Proceeds from sale of investments  | 1,460,466         | 366,000           |
| Purchase of property and equipment   | (229,186)         | (2,000)           |
| <b>Net cash provided by investing activities</b>   | <u>36,212</u>     | <u>194,489</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                   |                   |
| Proceeds from loans payable  | <u>62,797</u>     | <u>-</u>          |
| <b>Change in cash</b>  | 23,025            | 157,125           |
| <b>CASH</b>  |                   |                   |
| Beginning of year  | <u>157,125</u>    | <u>-</u>          |
| <b>End of year</b>   | <u>\$ 180,150</u> | <u>\$ 157,125</u> |

See accompanying notes



# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

---

### (1) NATURE OF OPERATIONS

The Schuylkill Center for Environmental Education (the "**Center**"), located in Philadelphia, Pennsylvania, is a nonprofit organization whose mission is to inspire meaningful connections between people and nature. The Center uses its forests and fields as a living laboratory to foster appreciation, deepen understanding, and encourage stewardship of the environment.

### (2) SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

#### **Basis of Presentation**

The Center reports information regarding its financial position and activities according to the following three classes of net assets:

##### ***Unrestricted net assets***

Net assets that are not subject to donor-imposed restrictions.

##### ***Temporarily restricted net assets***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Center and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "***net assets released from restrictions.***"

##### ***Permanently restricted net assets***

Net assets that are subject to donor-imposed restrictions that neither expire by passage of time nor can be satisfied by actions of the Center.

#### **Fair Value Measurements of Assets and Liabilities**

Generally accepted accounting principles ("**GAAP**") define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Center. Unobservable inputs reflect the Center's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** - Valuations based on quoted prices in active markets for identical assets or liabilities that the Center has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable, that is, inputs that reflect the Center's own assumptions.

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

---

### **Accounting Estimates**

In preparing financial statements in conformity with GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

### **Concentrations of Credit Risk**

Financial instruments which potentially subject the Center to concentrations of credit risk are cash and accounts receivable. The Center maintains cash deposits at a bank. At times, such deposits may exceed federally-insured limits. Accounts receivable are expected to be collected in 2019. Contributions and grants receivable are expected to be collected through 2022 (**See Note 3**).

### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, as determined by quoted market prices, with gains and losses included in the statement of activities. Interest and dividend income is recorded as earned.

The Center invests in a professionally-managed portfolio that contains various types of securities (**See Note 4**). Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that the amounts reported in the financial statements could change materially in the near term.

### **Property and Equipment**

The Center capitalizes all expenditures for equipment in excess of \$500. Property and equipment is carried at cost if purchased and at fair value at the date of donation if contributed. Depreciation is computed using the straight-line method over the estimated lives of the assets.

### **Contributions and Grants**

Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions and grants whose restrictions are satisfied in the same period are reported as unrestricted.

Unconditional contributions and grants are recognized as revenue when the related promise to give is received. Conditional contributions and grants are recognized as revenue when the conditions are satisfied.

### **Revenue and Expense**

Public program and other fees and rental income and expenses are recognized as revenue or expense in the year to which they relate. Accordingly, revenue and expenses from these sources received or paid in advance of the applicable year are included in deferred revenue and prepaid expenses in the accompanying statement of financial position.

### **Functional Allocation of Expenses**

The costs of providing the program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

### **Income Taxes**

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). However, income from certain activities not directly related to the Center's tax-exempt purpose is subject to taxation as unrelated business income.

---

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

---

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in the financial statements. The Center believes it had no uncertain tax positions as defined in GAAP.

### **Summarized Prior-Year Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

### **Contributed Services**

The Center receives contributed services from many volunteers. The value of their contributed services is not reflected in the financial statements since such services do not meet the criteria for recognition under GAAP.

### **(3) CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable at June 30, 2018 are expected to be collected as follows:

|                    | <b><u>2018</u></b>      |
|--------------------|-------------------------|
| Less than one year | \$152,426               |
| One to five years  | <u>15,000</u>           |
|                    | <b><u>\$167,426</u></b> |

### **(4) INVESTMENTS**

Investments at fair value consisted of the following at June 30,:

|   | <b><u>2018</u></b>        | <b><u>2017</u></b>        |
|---|---------------------------|---------------------------|
| Money market funds and accrued interest | \$ 296,162                | \$ 42,348                 |
| Mutual funds                            |                           |                           |
| Equities                                | 3,914,479                 | 3,835,773                 |
| Fixed income                            | 1,019,430                 | 1,101,674                 |
| Real estate investment trusts           | 108,527                   | 277,944                   |
| Common stocks                           | <u>-</u>                  | <u>68,811</u>             |
|   | <b><u>\$5,338,598</u></b> | <b><u>\$5,326,550</u></b> |

Investment income consisted of the following for the year ended June 30,:

|                                  | <b><u>2018</u></b>       | <b><u>2017</u></b>       |
|----------------------------------|--------------------------|--------------------------|
| Interest and dividends           | \$ 108,831               | \$ 109,526               |
| Net realized and unrealized gain | <u>277,446</u>           | <u>549,100</u>           |
|                                  | <b><u>\$ 386,277</u></b> | <b><u>\$ 658,626</u></b> |

Investments are measured at fair value using Level 1 valuation inputs.

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

### (5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30,:

|                                | <u>2018</u>         | <u>2017</u>         |
|--------------------------------|---------------------|---------------------|
| Land                           | \$ 2,809,830        | \$ 2,809,830        |
| Land improvements              | 980,923             | 859,445             |
| Building and improvements      | 3,989,116           | 3,989,116           |
| Vehicles                       | 67,207              | -                   |
| Furniture and equipment        | <u>1,099,551</u>    | <u>1,059,050</u>    |
|                                | 8,946,627           | 8,717,441           |
| Less: accumulated depreciation | <u>(4,673,323)</u>  | <u>(4,456,245)</u>  |
|                                | <u>\$ 4,273,304</u> | <u>\$ 4,261,196</u> |

### (6) LOANS PAYABLE

Loans payable consisted of the following at June 30,:

|  | <u>2018</u>     | <u>2017</u> |
|--|-----------------|-------------|
| Loan payable to a bank for the purchase of a van. Pursuant to the terms of the agreement, consecutive payments of principal and interest in the amount of \$556 shall be due and payable each month through January 2023. The note payable is collateralized by the van. Interest on the loan is fixed at 4.75%. | \$28,156        | \$ -        |
| Loan payable to a bank for the purchase of a van. Pursuant to the terms of the agreement, consecutive payments of principal and interest in the amount of \$581 shall be due and payable each month through January 2023. The note payable is collateralized by the van. Interest on the loan is fixed at 4.75%. | 26,922          | -           |
| Loan payable to a financial institution for the purchase of a tractor. Pursuant to the terms of the agreement, consecutive payments of principal and interest in the amount of \$240 shall be due and payable each month through April 2021. Interest on the loan is less than 1%.                               | <u>7,719</u>    | <u>-</u>    |
|  | <u>\$62,797</u> | <u>\$ -</u> |

Maturities of the loans payable are as follows:

#### Years ending June 30,

|      |                 |
|------|-----------------|
| 2019 | \$13,649        |
| 2020 | 14,516          |
| 2021 | 14,932          |
| 2022 | 12,975          |
| 2023 | <u>6,725</u>    |
|      | <u>\$62,797</u> |

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

### (7) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes and periods:

| <u>Purpose restricted</u> | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Releases</u>    | <u>Ending<br/>Balance</u> |
|---------------------------|------------------------------|------------------|--------------------|---------------------------|
| Environmental art         | \$ 19,006                    | \$ 15,750        | \$ (13,718)        | \$ 21,038                 |
| Environmental education   | 303,120                      | 71,656           | (154,809)          | 219,967                   |
| Land stewardship          | 323,039                      | 85,076           | (190,635)          | 217,480                   |
| Wildlife clinic           | 87,807                       | 87,047           | (95,320)           | 79,534                    |
| Other                     | <u>10,000</u>                | <u>10,000</u>    | <u>(15,000)</u>    | <u>5,000</u>              |
|                           | 742,972                      | 269,529          | (469,482)          | 543,019                   |
| <u>Time restricted</u>    |                              |                  |                    |                           |
| For future periods        | <u>25,000</u>                | <u>25,000</u>    | <u>(25,000)</u>    | <u>25,000</u>             |
|                           | <u>\$767,972</u>             | <u>\$294,529</u> | <u>\$(494,482)</u> | <u>\$568,019</u>          |

### (8) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of the following at June 30,:

|                                 | <u>2018</u>        | <u>2017</u>        |
|---------------------------------|--------------------|--------------------|
| Charlotte Sheperd Meigs Fund    | \$ 105,998         | \$ 104,058         |
| Eleanor Houston Smith Endowment | 835,122            | 819,839            |
| Project T.R.E.N.D. Endowment    | 71,971             | 70,653             |
| Land                            | <u>1,868,572</u>   | <u>1,868,572</u>   |
|                                 | <u>\$2,881,663</u> | <u>\$2,863,122</u> |

### (9) ENDOWMENT FUNDS

An accounting standard was issued which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("**UPMIFA**"). The Center is not subject to this guidance since Pennsylvania has not enacted a version of UPMIFA. The Center classifies both the original fair value of contributions and grants to permanent endowments along with the investment income attributable to the permanent endowments as part of permanently restricted net assets. The standard also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

In accordance with Pennsylvania statutes, the Center has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The Center's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

The spending policy calculates the amount of money annually distributed from the endowment funds to support various programs. The current spending policy on the restricted endowments is to distribute an amount equal to 5% of a moving three-year average of the fair value of the restricted endowment fund. In 2018, additional endowment distributions of \$153,249 were taken from the board designated endowment for operations.

# THE SCHUYLKILL CENTER FOR ENVIRONMENTAL EDUCATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

The Center had the following endowment-related activities during the year ended June 30:

|                                       | <u>Board<br/>Designated</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>       |
|---------------------------------------|-----------------------------|-----------------------------------|--------------------|
| Endowment net assets, June 30, 2016   | \$4,046,247                 | \$ 925,144                        | \$4,971,391        |
| Investment return                     |                             |                                   |                    |
| Interest and dividends                | 87,351                      | 21,740                            | 109,091            |
| Realized and unrealized gain          | 447,693                     | 101,407                           | 549,100            |
| Endowment spending policy             | <u>(251,836)</u>            | <u>(53,741)</u>                   | <u>(305,577)</u>   |
| Endowment net assets, June 30, 2017   | 4,329,455                   | 994,550                           | 5,324,005          |
| Investment return                     |                             |                                   |                    |
| Interest and dividends                | 87,665                      | 20,138                            | 107,803            |
| Realized and unrealized gain          | 225,617                     | 51,829                            | 277,446            |
| Endowment spending policy             | <u>(232,574)</u>            | <u>(53,426)</u>                   | <u>(286,000)</u>   |
| Endowment distribution for operations | <u>(153,249)</u>            | <u>-</u>                          | <u>(153,249)</u>   |
| Endowment net assets, June 30, 2018   | <u>\$4,256,914</u>          | <u>\$1,013,091</u>                | <u>\$5,270,005</u> |

### (10) RETIREMENT PLAN

The Center has a defined contribution retirement plan for eligible employees. Contributions under this plan are applied to individual annuities issued to each participant by the Teachers Insurance and Annuity Association/ College Retirement Equities Fund ("**TIAA/CREF**"). The Center's contributions to the plan were \$2,571 and \$12,546, respectively, for the years ended June 30, 2018 and 2017.

### (11) SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 16, 2018, the date on which the financial statements were available to be issued. No material subsequent events have occurred that require recognition or disclosure in the financial statements.