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# **VENTANA WILDLIFE SOCIETY**

Reviewed Financial Statements

March 31, 2010

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ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
Ventana Wildlife Society  
Salinas, California

We have reviewed the accompanying statement of financial position of Ventana Wildlife Society (the Society) as of March 31, 2010 and 2009, and the related statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Society.

A review consists principally of inquires of the organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

**Scholl, Chyo & Company**  
Certified Public Accountants  
A Professional Corporation

February 4, 2011

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## VENTANA WILDLIFE SOCIETY

### Statement of Financial Position March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash and cash equivalents	\$ 80,293	\$ 134,452
Board designated cash reserves	50,027	50,002
Accounts and grants receivable	76,618	8,131
Deposits	4,383	4,383
Property and equipment (net)	1,021,081	999,201
Total assets	<u>\$ 1,232,402</u>	<u>\$ 1,196,169</u>
Liabilities and net assets		
Accounts payable	\$ 8,007	\$ 25,821
Accrued liabilities	29,675	13,870
Deposits	0	2,410
Total liabilities	<u>37,682</u>	<u>42,101</u>
Net assets		
Unrestricted	562,389	529,531
Temporarily restricted	62,331	54,537
Permanently restricted	570,000	570,000
Total net assets	<u>1,194,720</u>	<u>1,154,068</u>
Total liabilities and net assets	<u>\$ 1,232,402</u>	<u>\$ 1,196,169</u>

The accompanying notes and accountants' review report  
are an integral part of these financial statements.

## VENTANA WILDLIFE SOCIETY

### Statement of Activities and Changes in Net Assets Fiscal Years Ended March 31, 2010 and 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2010	Totals 2009
Support and revenue					
Grants	\$ 444,187	\$ 80,000	\$ -	\$ 524,187	\$ 468,682
Contributions	28,649	41,748	-	70,397	150,942
Fees for service	171,310	-	-	171,310	145,036
Insurance proceeds (net)	-	-	-	-	74,768
Membership	45,836	-	-	45,836	60,454
Special events (net)	11,226	-	-	11,226	34,499
In-kind contributions	26,951	-	-	26,951	17,450
Sale of assets	2,400	-	-	2,400	-
Interest income	201	-	-	201	95
Net assets released from restrictions					
Restrictions satisfied by expenditure	113,954	(113,954)	-	-	-
<b>Total support and revenue</b>	<b>844,714</b>	<b>7,794</b>	<b>-</b>	<b>852,508</b>	<b>951,926</b>
Expenses					
Program services	659,316	-	-	659,316	692,075
Supporting services					
General and administrative	103,502	-	-	103,502	98,684
Fundraising	49,038	-	-	49,038	57,962
Total supporting services	152,540	-	-	152,540	156,646
<b>Total expenses</b>	<b>811,856</b>	<b>-</b>	<b>-</b>	<b>811,856</b>	<b>848,721</b>
Increase (decrease) in net assets	\$ 32,858	\$ 7,794	\$ -	\$ 40,652	\$ 103,205
Net assets at beginning of year	529,531	54,537	570,000	1,154,068	1,050,863
<b>Net assets at end of year</b>	<b>\$ 562,389</b>	<b>\$ 62,331</b>	<b>\$ 570,000</b>	<b>\$ 1,194,720</b>	<b>\$ 1,154,068</b>

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## VENTANA WILDLIFE SOCIETY

### Statement of Functional Expenses

Fiscal Years Ended March 31, 2010 and 2009

	Fiscal Year Ended March 31, 2010			
	General			Total
	Programs	& Admin	Fundraising	
Staff costs	\$ 328,252	\$ 68,119	\$ 11,351	\$ 407,722
Contract services	39,231	2,678	17,670	59,579
Occupancy costs	53,736	6,489	1,336	61,561
Staff travel and vehicles maintenance	40,217	1,432	-	41,649
Depreciation	39,994	660	-	40,654
Volunteer travel	34,380	-	-	34,380
Supplies	31,354	6,041	2,175	39,570
In-kind	25,451	1,500	-	26,951
Equipment rent and maintenance	6,528	355	355	7,238
Insurance	20,944	5,392	1,613	27,949
Accounting and legal fees	8,290	2,108	1,171	11,569
Transmitter equipment	4,518	-	-	4,518
Printing	7,366	2,215	3,442	13,023
Postage and shipping	2,853	1,011	663	4,527
Misc.	3,070	4,363	1,817	9,250
Aerial tracking equipment	726	-	-	726
Dues and membership	2,684	754	238	3,676
Asset disposal	9,722	-	-	9,722
Interest and loan fees	-	385	-	385
Membership/donors expense	-	-	7,207	7,207
	\$ 659,316	\$ 103,502	\$ 49,038	\$ 811,856

  

	Fiscal Year Ended March 31, 2009			
	General			Total
	Programs	& Admin	Fundraising	
Staff costs	\$ 310,353	\$ 73,066	\$ 14,035	\$ 397,454
Contract services	88,525	1,368	28,358	118,251
Occupancy costs	57,437	5,538	1,304	64,279
Staff travel and vehicles maintenance	56,788	1,697	496	58,981
Depreciation	44,348	-	-	44,348
Volunteer travel	34,653	-	-	34,653
Supplies	24,391	1,994	2,849	29,234
In-kind	15,450	2,000	-	17,450
Equipment rent and maintenance	12,870	436	436	13,742
Insurance	11,690	2,924	-	14,614
Accounting and legal fees	10,952	3,515	512	14,979
Transmitter equipment	8,835	-	-	8,835
Printing	6,951	1,065	1,030	9,046
Postage and shipping	5,277	976	764	7,017
Misc.	2,516	1,861	796	5,173
Aerial tracking equipment	700	-	-	700
Dues and membership	339	1,082	375	1,796
Asset disposal	-	-	-	-
Interest and loan fees	-	1,162	-	1,162
Membership/donors expense	-	-	7,007	7,007
	\$ 692,075	\$ 98,684	\$ 57,962	\$ 848,721

The accompanying notes and accountants' review report  
are an integral part of these financial statements.

## VENTANA WILDLIFE SOCIETY

### Statement of Cash Flows

Fiscal Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating activities		
Change in net assets	\$ 40,652	\$ 103,205
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	35,352	44,348
Disposal of fixed assets	25,487	(95)
(Increase) decrease in current assets		
Accounts and grants receivable	(68,487)	8,127
Prepaid expenses	-	2,419
Increase (decrease) in current liabilities		
Accounts payable	(17,814)	(2,391)
Accrued payroll liabilities	15,805	(1,393)
Deposits	(2,410)	(6,385)
Net cash provided (used) by investing activities	<u>28,585</u>	<u>147,835</u>
Investing activities		
Cash provided (used) by investing activities		
Disposal and sale of fixed assets	-	(38,522)
Purchase of fixed assets	(82,719)	-
Increase in Board designated cash reserves	(25)	(50,002)
Net cash provided (used) by investing activities	<u>(82,744)</u>	<u>(88,524)</u>
Net increase (decrease) in cash and cash equivalents	(54,159)	59,311
Beginning cash and cash equivalents	<u>134,452</u>	<u>75,141</u>
Ending cash and cash equivalents	<u>\$ 80,293</u>	<u>\$ 134,452</u>

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**VENTANA WILDLIFE SOCIETY**  
Notes to Financial Statements

March 31, 2010 and 2009

**NOTE 1**  
**NATURE OF ACTIVITIES AND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION**

Ventana Wildlife Society (the Society) is a California non-profit corporation. The Society was formed in 1977. The Society's programs include species recovery, conservation ecology, education and outreach, and habitat restoration. The Society maintains several rearing and release facilities for endangered California Condors. Research and education is performed at their Discovery Center and Bird Banding Lab in Big Sur, California, as well as numerous other sites throughout California.

**INCOME TAX STATUS**

No provision is made for income taxes as the Society is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue code and California state tax code 23701(d). In addition, the Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

**BASIS OF PRESENTATION**

The Society's financial statements have been prepared on the accrual basis of accounting in accordance with United States (U.S.) generally accepted accounting principles and the *AICPA Accounting and Auditing Guide for Non-Profit Organizations*.

Financial statement presentation follows the recommendation of Financial Accounting Standards No. 117 "*Financial Statements of Not-for-Profit Organization*." Under SFAS No. 117, the Society 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. Assets are sequenced according to their liquidity, that is, their nearness of conversion to cash. Liabilities are sequenced according to the nearness of their maturity and resulting use of cash. Additionally, the Society is required to present a statement of cash flows.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liability at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying accountants' review report  
is an integral part of these financial statements.

**VENTANA WILDLIFE SOCIETY**  
Notes to Financial Statements

March 31, 2010 and 2009

**CASH AND EQUIVALENTS**

For purposes of the statement of financial position and the statement of cash flows, the Society considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**RECEIVABLES**

Accounts and grants receivable are carried at their estimated collectible amounts. The Society does not maintain an allowance for uncollectible accounts based on its history of collection success. Bad debts, for which there were none recorded for the fiscal years ended March 31, 2010 and 2009, are reported on the direct write-off method of accounting.

**REVENUE RECOGNITION FOR CONTRIBUTIONS**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**PROPERTY AND EQUIPMENT**

The Society capitalizes all expenditures for property and equipment in excess of \$3,000 when such property has an expected life of one year or more. During the fiscal year ended March 31, 2010 the Society adopted updated capitalization rules which increased the threshold for capitalization of fixed assets from \$500 to \$3,000. Accordingly, assets existing on the Society's depreciation schedule which had a gross carrying cost less than \$500 were written off resulting in a net reduction in fixed assets and related net assets of \$25,487.

Property and equipment are carried at cost or, if donated, at approximate fair value at date of donation. Depreciation is computed using the straight-line method over estimated useful life ranging from 5 to 20 years.

**RECOGNITION OF DONATED ASSETS**

The Society reports gifts of cash and other assets at their estimated fair market value as of the date of contribution. Such donations are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Society reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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**VENTANA WILDLIFE SOCIETY**  
Notes to Financial Statements

March 31, 2010 and 2009

**RECOGNITION OF DONATED SERVICES**

The Society records donated services as revenues in the period received only when the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Additionally, not included in the accompanying financial statements is the value of a substantial number of volunteers (including Board members) that have donated significant amounts for organizational and fundraising activities.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and supporting services 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 based on management estimates.

**NOTE 2**  
**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of March 31 consist of the following:

	<u>2010</u>	<u>2009</u>
Demand deposit accounts	\$ 78,706	\$ 128,625
Money market and CD accounts	<u>1,587</u>	<u>5,827</u>
Subtotal	80,293	134,452
Board designated reserve funds held in money market account	<u>50,027</u>	<u>50,002</u>
Total	<u><u>\$ 130,320</u></u>	<u><u>\$ 184,454</u></u>

During the fiscal year ended March 31, 2009 the Society's Board of Directors implemented a policy of maintaining Board-designated reserve funds. These funds are available for use at the discretion of the Board.

The accompanying accountants' review report  
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**VENTANA WILDLIFE SOCIETY**  
Notes to Financial Statements

March 31, 2010 and 2009

**NOTE 3**  
**RECEIVABLES**

Accounts and grants receivable as of March 31 consists of the following:

	<u>2010</u>	<u>2009</u>
Grants receivable	\$ 76,618	\$ 7,931
Other receivables	-	200
Total	<u>\$ 76,618</u>	<u>\$ 8,131</u>

**NOTE 4**  
**PROPERTY AND EQUIPMENT (NET)**

Property and equipment as of March 31 were as follows:

	<u>2010</u>	<u>2009</u>
Land	\$ 847,500	\$ 847,500
Buildings	205,320	137,134
Equipment	143,434	187,341
Leasehold improvements	7,888	9,555
Construction in progress		10,463
Vehicles	<u>45,816</u>	<u>89,635</u>
	1,249,958	1,281,628
Accumulated depreciation	<u>(228,877)</u>	<u>(282,427)</u>
Net property and equipment	<u>\$ 1,021,081</u>	<u>\$ 999,201</u>

Included in land is a parcel of unimproved land which was recorded at fair market value of \$570,000 in 2006. This property was purchased with a restricted contribution. Under the terms of the contribution agreement, the property is to remain in a relatively natural state so as to not disturb nesting bald eagles, or other programs consistent with the Society's mission, "conserving native wildlife and their habitat." In the event of dissolution, the Society will transfer said property to another qualifying non-profit organization chartered with similar charitable purposes. Consequently, it is reported as permanently restricted.

The construction in progress represents progress work on a building which sustained damage as a result of a fire during the fiscal year ended March 31, 2009 as more full

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**VENTANA WILDLIFE SOCIETY**  
Notes to Financial Statements

March 31, 2010 and 2009

described in Note 9 to these financial statements. Construction was completed during the fiscal year ended March 31, 2010.

**NOTE 5**  
**COMMITMENTS AND CONTINGENCIES**

**CREDIT CARDS**

The Society has established credit limits up to \$7,500 for credit cards to be used by authorized officers or representatives of the Society.

**REVOLVING LINE OF CREDIT**

The Society maintains a \$21,000 revolving line of credit for use in organizational activities. Advances on the credit line are payable upon demand and carry an interest rate of 12.75% as of March 31, 2010 and 2009. During the years ended March 31, 2010 and 2009 there were no advances taken on the line of credit.

**NOTE 6**  
**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at March 31 are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Restoration of ornithology laboratory facilities at Andrew Molera State Park	\$ -	\$ 54,537
Time-restricted gift, Packard Foundation	60,000	
Board Development	<u>2,331</u>	<u>-</u>
	<u>\$ 62,331</u>	<u>\$ 54,537</u>

**NOTE 7**  
**LEASE OBLIGATIONS**

The Society leases two properties – administrative offices and a residence for interns – under month-to-month leases. Total rent paid on these leases for the years ending March 31, 2010 and 2009 were \$37,074 and \$42,884 respectively.

In addition, in 2006, the Society entered into a tenant in common agreement for the use of property in Big Sur. Rent payments under this agreement consist of payment of the

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**VENTANA WILDLIFE SOCIETY**  
Notes to Financial Statements

March 31, 2010 and 2009

property taxes, all charges associated with water testing and annual water permit, cost of maintenance of the water system and USDA Forest Service annual road fees. This agreement provides a bargain purchase option for the property expiring September 2011. In addition, the Society is required to maintain insurance. Total rent paid under this agreement for the years ending March 31, 2010 and 2009 was \$7,294 and \$7,727 respectively.

Future obligations to pay rent under the tenants in common agreement are computed based on average cost for the prior two years.

Scheduled lease payments for the next five years are as follows:

	<u>2010</u>	<u>2009</u>
2009	n/a	\$ 7,920
2010	7,511	\$ 7,920
2011	7,511	\$ 7,920
2012	7,511	\$ 7,920
2013	7,511	\$ 7,920
2014	7,511	n/a
	<u>\$ 37,555</u>	<u>\$ 39,600</u>

**NOTE 8**  
**FUNDS HELD AT COMMUNITY FOUNDATION**

The Community Foundation for Monterey County (CFMC) holds endowment funds for the Society. Under the terms of the restricted endowments fund agreement, the Board of Governors of the CFMC has full authority as to the investment and reinvestment of the fund assets. The Society or other donors may add additional gifts to the fund at any time. The earnings payout of the fund is evaluated at least annually by CFMC taking into account the total return from investments, fees, expenses and the effects of inflation. The market value of the Society's share of the pooled investments as of March 31, 2010 and 2009 were \$19,300 and \$13,926 respectively.

These balances are not reflected in the accompanying financial statements as the funds do not fall under the recognition requirements of the Statement of Financial Accounting Standards (SFAS) No. 136.

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**VENTANA WILDLIFE SOCIETY**  
Notes to Financial Statements

March 31, 2010 and 2009

**NOTE 9**  
**BIG SUR FIRE**

During the fiscal year ended March 31, 2009 the Society suffered losses due to the Basin Complex Fire which severely damaged the Society's condor sanctuary in Big Sur, California. The fire destroyed two large condor aviaries, a bathroom and outdoor shower, condor kennels and other equipment and supplies. The majority of the Society's losses were covered by commercial insurance and contributions from the public and other charitable organizations. The reported net insurance proceeds represent the amounts received in excess of the book value of the destroyed assets.

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