

***National Conservation  
Leadership Institute, Ltd.***

FINANCIAL STATEMENTS

June 30, 2009 and 2008

## CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS</b>	3
<b>FINANCIAL STATEMENTS</b>	
Statements of assets, liabilities, and net assets - modified cash basis	4
Statements of support, revenue, and expenses - modified cash basis	5
Notes to financial statements	6-7
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	8-9

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

The Board of Directors  
National Conservation Leadership Institute, Ltd.

We have audited the accompanying statements of assets, liabilities, and net assets - modified cash basis of the National Conservation Leadership Institute, Ltd. ("Institute", a nonprofit organization) as of June 30, 2009 and 2008 and the related statements of support, revenue, and expenses - modified cash basis for the years then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the notes to the financial statements, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the National Conservation Leadership Institute, Ltd. as of June 30, 2009 and 2008, and its support, revenue, and expenses for the years then ended, on the modified cash basis of accounting.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2009, on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Decker & Company PLLC*

October 23, 2009

**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS**

June 30, 2009 and 2008

**ASSETS**

	<u>2009</u>	<u>2008</u>
Cash - unrestricted account	\$ 10,652	\$ 120,172
Cash - restricted account	<u>5,962</u>	<u>5,171</u>
Total assets	\$ <u>16,614</u>	\$ <u>125,343</u>

**LIABILITIES AND NET ASSETS****LIABILITIES**

Credit card payable	\$ <u>181</u>	\$ <u>-</u>
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**NET ASSETS**

Unrestricted	10,471	120,172
Temporarily restricted	<u>5,962</u>	<u>5,171</u>
Total net assets	<u>16,433</u>	<u>125,343</u>
Total liabilities and net assets	\$ <u>16,614</u>	\$ <u>125,343</u>

See accompanying notes and independent auditors' report.

**STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS**

For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>SUPPORT AND REVENUE</b>		
Tuition Income	\$ 134,000	\$ 161,000
Contributions and grants	86,524	84,766
Reimbursed Expenses	521	389
Interest income	-	250
	<u>221,045</u>	<u>246,405</u>
Total support and revenue		
<b>EXPENSES</b>		
Contract Labor	109,000	-
Cambridge Leadership Associates	61,225	60,000
Big Cedar	52,828	9,873
National Conservation Training Center	50,772	54,752
Speakers honoraria	17,200	24,800
Training	15,095	9,986
Travel & lodging - other	7,503	12,598
Advertising and promotion	4,561	7,079
Professional fees	3,878	750
Technology	3,787	864
Postage and delivery	2,476	54
Miscellaneous	870	156
Insurance	760	-
Printing and reproduction	-	550
	<u>329,955</u>	<u>181,462</u>
Total expenses		
Excess of support and revenue over (under) expenses	(108,910)	64,943
<b>NET ASSETS</b>		
Beginning of year	<u>125,343</u>	<u>60,400</u>
End of year	\$ <u>16,433</u>	\$ <u>125,343</u>

See accompanying notes and independent auditors' report.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

### NATURE OF OPERATIONS

The National Conservation Leadership Institute, Ltd. ("Institute") was created in December 2005 for the purpose to create the premiere educational program for the study and development of leadership in the wildlife conservation community in the United States. The Institute is headquartered at the U.S. Fish and Wildlife Service's National Conservation Training Center located outside Shepherdstown, West Virginia, and is administered by the Management Assistance Team of the Association of Fish and Wildlife Agencies.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. That basis differs from generally accepted accounting principles primarily because the Institute has not recognized balances of trade accounts receivable and payable, prepaid and accrued expenses, and their related effects on support, revenue, expenses and changes in net assets.

#### Basis of Presentation

The financial statements presentation follows the recommendations of the Financial Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Institute is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

#### Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### Concentration of Credit Risk

At times cash balances may be in excess of the Federal Deposit Insurance Corporation insurance limit, and management considers those circumstances to be a normal business risk.

#### Revenue Recognition

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

All donor-restricted contributions are reported as an increase in temporarily restricted or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions are reported as unrestricted if the restriction is met *in the same* reporting period as when the contribution is received.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2009 and 2008

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Contributed Services**

The Institute receives a substantial amount of services donated in carrying out the Institute's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS 116, *Accounting for Contributions Received and Contributions Made*.

**Property and Equipment**

Property and equipment acquired with a cost or value of \$500 or more is capitalized. However, as of June 30, 2009 and 2008, the Institute does not own any property or equipment.

**Income Tax Status**

The Institute qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, there is no provision for income taxes.

**Subsequent Events**

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through October 23, 2009, the date the financial statements were available to be issued.

**CASH - RESTRICTED ACCOUNT**

This account represents the Institute's remaining donations and grants that were received with time or purpose restrictions. These amounts typically are grants received that have been funded either directly or indirectly by federal monies.

**CONCENTRATION**

For the year ended June 30, 2009, the Institute received approximately twenty-three percent of its total support and revenue by a grant from the National Fish and Wildlife Foundation.

**IN-KIND (unaudited)**

For the years ended June 30, 2009 and 2008, the source, type and amount of in-kind contributions are as follows:

	<u>2009</u>	<u>2008</u>
Association of Fish and Wildlife Agencies - Management Assistance		
Team Staff	\$ 27,253	\$ 27,155
National Conservation Training Center - instruction rooms	15,725	15,725
US Fish and Wildlife Service - Leadership Training Staff	19,867	11,005
Association of Fish and Wildlife Agencies - supplies & materials	1,051	-
The Conservation Fund - waived donation funding overhead	<u>-</u>	<u>8,477</u>
	<u>\$ 63,896</u>	<u>\$ 62,362</u>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
National Conservation Training Institute, Ltd.

We have audited the financial statements of the National Conservation Leadership Institute, Ltd. ("Institute", a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated October 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Institute's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

- **Finding 2009-1:** No Purchase Authorization Form was attached to or could be located for one invoice selected for testing. In addition, it was noted several other invoices did not have a Purchase Authorization Form attached.
- **Auditee's response:** We will review our payment authorization procedures to ensure all invoices have a Purchase Authorization Form attached before payment is made.



- **Finding 2009-2:** A second signature was not obtained on four Purchase Authorization Forms for payments over \$10,000 as required by the Institute's policy.
- **Auditee's response:** We will review our payment authorization procedures to ensure two signatures are on all Purchase Authorization Forms for payments over \$10,000.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Institute's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Institute's responses to the findings identified in our audit is described above. We did not audit the Institute's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Decker & Company PLLC*

October 23, 2009