

AUDITED FINANCIAL STATEMENTS

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Northampton, Massachusetts

June 30, 2019

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Table of Contents

	Page
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13
Supplementary Information:	
Five-year Summary of Assets, Liabilities, Income, Expenses and Net Assets	15



Independent Auditors' Report

To the Board of Trustees
Conway School of Landscape Design, Inc.
Northampton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Conway School of Landscape Design, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 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.

Auditors' Responsibility

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. 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 Conway School of Landscape Design, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Conway School of Landscape Design, Inc.'s June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

The accompanying five-year summary of assets, liabilities, income, expenses, and net assets is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information in this accompanying schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
October 22, 2019

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Statement of Financial Position

June 30, 2019 (with comparative totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
	<u>Assets</u>	
Current assets		
Cash and cash equivalents	\$ 442,295	\$ 346,001
Project accounts receivable, net	12,275	27,045
Tuition receivable	3,781	9,075
Contributions receivable, short-term	45,555	8,050
Deposit on Northampton property		50,000
Prepaid expenses	<u>12,325</u>	<u>63,252</u>
Total current assets	<u>516,231</u>	<u>503,423</u>
Property and equipment, net	<u>956,814</u>	<u>17,996</u>
Other assets		
Investments	116,360	166,057
Contributions receivable, long-term, net	59,193	
Tuition loans	3,103	9,103
Deposit	<u>550</u>	
Total other assets	<u>179,206</u>	<u>175,160</u>
Total assets	<u>\$ 1,652,251</u>	<u>\$ 696,579</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable	\$ 8,120	\$ 16,862
Accrued expenses	23,164	25,379
Deferred revenue	26,249	11,160
Mortgage note payable, current	<u>31,975</u>	
Total current liabilities	<u>89,508</u>	<u>53,401</u>
Mortgage note payable, long-term	<u>799,765</u>	
Net assets		
Without donor restrictions		
Designated by the Board for future use	155,704	155,154
Undesignated	<u>236,871</u>	<u>415,424</u>
Total without donor restrictions net assets	392,575	570,578
With donor restrictions	<u>370,403</u>	<u>72,600</u>
Total net assets	<u>762,978</u>	<u>643,178</u>
Total liabilities and net assets	<u>\$ 1,652,251</u>	<u>\$ 696,579</u>

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

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Statement of Activities

Year Ended June 30, 2019

(with comparative totals for the year ended June 30, 2018)

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, gains and other support				
Tuition and fees				
Tuition	\$ 487,623		\$ 487,623	\$ 637,768
Less: scholarships	<u>(51,394)</u>		<u>(51,394)</u>	<u>(64,000)</u>
Net tuition revenue	436,229		436,229	573,768
Fees	<u>1,250</u>		<u>1,250</u>	<u>900</u>
Total tuition and fees	437,479		437,479	574,668
Contributions	89,274	\$ 383,467	472,741	98,676
Project fees	88,424		88,424	91,418
Investment income, net	9,176		9,176	10,175
Workshop fees, net	2,345		2,345	7,879
In-kind contributions	5,923		5,923	5,795
Net assets released from restrictions	<u>85,664</u>	<u>(85,664)</u>		
Total revenues, gains and other support	<u>718,285</u>	<u>297,803</u>	<u>1,016,088</u>	<u>788,611</u>
Expenses				
Program services:				
School activities	513,626		513,626	513,516
Supporting services:				
Administration	296,005		296,005	270,407
Fundraising	<u>86,657</u>		<u>86,657</u>	<u>84,828</u>
Total expenses	<u>896,288</u>		<u>896,288</u>	<u>868,751</u>
Change in net assets	(178,003)	297,803	119,800	(80,140)
Net assets - beginning of year	<u>570,578</u>	<u>72,600</u>	<u>643,178</u>	<u>723,318</u>
Net assets - end of year	<u>\$ 392,575</u>	<u>\$ 370,403</u>	<u>\$ 762,978</u>	<u>\$ 643,178</u>

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

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Statement of Functional Expenses

Year Ended June 30, 2019

(with comparative totals for the year ended June 30, 2018)

	2019				2018
	School Activities	Administration	Fundraising	Total	Total
Salaries and benefits					
Salaries	\$ 303,416	\$ 151,709	\$ 50,570	\$ 505,695	\$ 479,086
Fringe benefits	39,064	19,532	6,511	65,107	60,024
Payroll taxes	28,817	14,409	4,803	48,029	43,524
Total salaries and benefits	<u>371,297</u>	<u>185,650</u>	<u>61,884</u>	<u>618,831</u>	<u>582,634</u>
Other expenses					
Occupancy:					
Repairs and maintenance	19,881	9,941	3,314	33,136	1,944
Mortgage interest		14,739		14,739	2,239
Rent	6,043	3,021	1,007	10,071	60,128
Property insurance	4,121	2,061	687	6,869	10,792
Utilities	3,075	1,538	513	5,126	3,923
Property taxes					1,084
Professional fees		41,764	12,710	54,474	30,323
Equipment repairs and leasing	14,764	7,352	2,451	24,567	22,948
Contracted services	14,361	3,061	1,020	18,442	41,802
School events	12,718			12,718	14,273
Student recruitment	11,610			11,610	13,995
Fees and dues	10,678	637	212	11,527	8,132
Office supplies		9,464		9,464	7,925
Presenters	8,064			8,064	8,190
Student projects	7,119			7,119	4,382
Bad debts		6,609		6,609	
Communications	3,255	1,627	542	5,424	4,632
Insurance	4,489	282	94	4,865	3,949
Van expense	3,666			3,666	1,835
School supplies	3,095			3,095	4,155
Staff travel	176	1,587		1,763	4,581
Miscellaneous	1,087			1,087	706
Postage and printing	547	273	90	910	1,222
Professional development	781			781	693
Catalog expense					600
Total expenses before depreciation	<u>500,827</u>	<u>289,606</u>	<u>84,524</u>	<u>874,957</u>	<u>837,087</u>
Depreciation	<u>12,799</u>	<u>6,399</u>	<u>2,133</u>	<u>21,331</u>	<u>31,664</u>
Total expenses	<u>\$ 513,626</u>	<u>\$ 296,005</u>	<u>\$ 86,657</u>	<u>\$ 896,288</u>	<u>\$ 868,751</u>

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

CONWAY SCHOOL ON LANDSCAPE DESIGN, INC.

Statement of Cash Flows

Year Ended June 30, 2019

(with comparative totals for the year ended June 30, 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 119,800	\$ (80,140)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	21,331	31,664
Bad debt write-offs	6,609	
Net realized gain on sale of investments	(1,392)	(244)
Net unrealized gain in market value of investments	(1,327)	(3,279)
(Decrease) increase in allowance for doubtful accounts	(6,553)	2,958
Discount on contributions receivable	2,767	
(Increase) decrease in assets:		
Project accounts receivable	21,323	14,898
Contributions receivable	(100,074)	(3,050)
Prepaid expenses and deposit	50,377	(32,695)
Tuition receivable	5,294	(9,075)
Tuition loans		1,997
Increase (decrease) in liabilities:		
Accounts payable	(8,742)	9,434
Accrued expenses	(2,215)	6,391
Deferred revenue	15,089	(37,271)
Net cash provided (used) by operating activities	122,287	(98,412)
Cash flows from investing activities		
Proceeds from sale of investments	48,438	49,279
Maturity of Certificate of Deposit	25,810	
Purchase of investments	(21,832)	(8,864)
Deposit on Northampton property		(50,000)
Proceeds from sale of Conway property, net		316,575
Purchases of property and equipment	(60,149)	
Net cash (used) provided by investing activities	(7,733)	306,990
Cash flows from financing activities		
Repayment of mortgage note payable	(18,260)	(3,501)
Net cash used by financing activities	(18,260)	(3,501)
Net increase in cash and cash equivalents	96,294	205,077
Cash and cash equivalents - beginning of year	346,001	140,924
Cash and cash equivalents - end of year	\$ 442,295	\$ 346,001
Supplemental disclosures of cash flows information:		
Cash paid for interest	\$ 14,739	\$ 2,239
Non-cash investing and financing activity		
Acquisition of property financed by mortgage note payable	\$ 850,000	

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

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements

June 30, 2019

1. Summary of Significant Accounting Policies

- a. *Nature of Business:* Conway School of Landscape Design, Inc. (the School) is a small private not-for-profit organization incorporated under the laws of the state of Massachusetts. The School operates an intensive ten-month graduate program in environmentally sound landscape design and land use planning in Northampton, Massachusetts. The program is intensive and inventive, the work is professional and creative, and the setting is unique.

The Master of Science program is structured around professional-level work for actual clients for whom the students provide design services on an not-for-profit basis. The students produce the drawings and reports characteristic of the designer/planner while learning the technical skills and developing the intellectual processes of the profession. Integrated throughout the program is a strong emphasis on communication skills and ecological awareness.

- b. *Accreditation:* The Conway School of Landscape Design, Inc. has full accreditation from the New England Commission on Higher Education.
- c. *Tax Exempt Status:* The School is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for federal or state income taxes has been made. In addition, the School qualifies for the charitable deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).
- d. *Accounting Pronouncement Adopted:* On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification and deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.
- e. *Basis of Presentation:* The financial statements of the School have been prepared on the accrual basis. The School presents its financial statements according to two classes of net assets: those with donor restrictions and those without donor restrictions. Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. The restrictions are temporary in nature and will be met by actions of the School or the passage of time. All other net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School.
- f. *Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.
- g. *Cash and Cash Equivalents:* The School considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

- h. Investments:* Investments are comprised of cash, money market funds, U.S. Treasury obligations, corporate bonds, mutual funds and certificates of deposit and are reported at fair market value. Investments received as gifts are recorded at fair market value at the date of the gift.
- i. Fair Value Measurements:* Accounting standards have established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Inputs to the valuation methodology for the three levels of the fair value hierarchy are described below:

Level 1	Unadjusted quoted prices for identical assets or liabilities in active markets. Market price is generally obtained from exchange or dealer markets.
Level 2	Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Unobservable and significant to the fair value measurement.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

- j. Property and Equipment:* Property and equipment are stated at cost less accumulated depreciation or fair value at date of donation in the case of gifts. Depreciation is being provided by the use of the straight-line method over the estimated useful lives of the related assets. The School capitalizes assets that have a useful life of at least 3 to 5 years for computer equipment, 5 to 10 years for other equipment, and furnishings and fixtures that cost \$1,500 or more.
- k. Comparative 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School's audited financial statements for the year ended June 30, 2018, from which the summarized information was derived.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

- l. Donated Services and Materials:* Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. Some of the individuals who present lectures have donated their services and the value of these donated services is included as support and expenses in the period received. A substantial number of individuals, including staff and Board of Trustees, have made significant contributions of their time that have not met the appropriate criteria for recording in these financial statements.

2. Project Accounts Receivable, Net

The School's project accounts receivable, net consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Project accounts receivable	\$ 12,275	\$ 33,598
Less: allowance for doubtful accounts	<u> -</u>	<u> 6,553</u>
Project accounts receivable, net	\$ <u>12,275</u>	\$ <u>27,045</u>

3. Contributions Receivable

The School's contributions receivable consisted of pledges from the Campaign for Conway's Future and the annual fund of \$104,748 and \$8,050, net a discount for the present value of future cash flows of \$2,767 and \$-0-, at June 30, 2019 and 2018, respectively. Management considers these receivables collectible in full.

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Library (fully depreciated)	\$ 21,252	\$ 21,252
Furniture and equipment	82,058	79,575
Building and improvements	956,799	30,308
Vehicles (fully depreciated)	<u>15,023</u>	<u>15,023</u>
	1,075,132	146,158
Less accumulated depreciation	<u>118,318</u>	<u>128,162</u>
Total property and equipment, net	\$ <u>956,814</u>	\$ <u>17,996</u>

Depreciation expense was \$21,331 and \$31,664 for the years ended June 30, 2019 and 2018, respectively.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2019

5. Investments

The School's investments, stated at market value, consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Certificate of deposit		\$ 25,655
Mutual funds of stocks and bonds	\$ <u>116,360</u>	<u>140,402</u>
Total Investments	\$ <u>116,360</u>	<u>\$166,057</u>

Fair values for these investments are considered Level 1 investments that are determined by reference to quoted market prices and other relevant information generated by market transactions.

Money market accounts of \$75 and \$29,816 at June 30, 2019 and 2018, respectively, are reported as cash equivalents on the statement of financial position.

Net realized gains from the sales of investments, which are included in investment income on the statement of activities, were \$1,392 and \$244 for the years ended June 30, 2019 and 2018, respectively.

Net unrealized gains from changes in the market value of the investments, which are included in investment income on the statement of activities, were \$1,327 and \$3,279 for the years ended June 30, 2019 and 2018, respectively.

6. Tuition Receivable and Tuition Loans

The school had \$3,781 and \$9,075 in tuition receivable at June 30, 2019 and 2018, respectively, from students for the previous school years.

There were six tuition loans made during the year ended June 30, 2012. The loans were for \$3,000 each, with no principal or interest due for the first five years. As of July 1, 2017, the School began to charge interest at the Prime Rate plus 1.00% (6.50% as of June 30, 2019). The balance on these loans were \$3,103 and \$9,103 at each of the years ended June 30, 2019 and 2018, respectively.

7. Deferred Revenue

Deferred revenue consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Tuition received in advance	\$17,249	
Workshop fee received in advance		\$ 660
Tuition deposits	<u>9,000</u>	<u>10,500</u>
	\$ <u>26,249</u>	<u>\$11,160</u>

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2019

8. Mortgage Note Payable

The School had one mortgage note payable at June 30, 2019:

Note payable to the seller of the building in Northampton, secured by a mortgage on the School building; payable in monthly installments of \$4,714, including interest at 3.00%, maturing December 2038.	\$ 831,740
Current portion of mortgage note payable	<u>31,975</u>
Mortgage note payable, long-term	<u>\$ 799,765</u>

The estimated future principal maturities are as follows for the years ending June 30:

2020	\$ 31,975
2021	32,948
2022	33,950
2023	34,983
2024	36,047
Thereafter	<u>661,837</u>
Total	<u>\$831,740</u>

9. Board Designated Net Assets

In 1993, the Board of Trustees designated \$52,000 of the School's income, plus any income earned on the investment of those funds, be set aside for expenditures specifically approved by the Board. This amount has been increased by additional Board designations and income earned and decreased by Board approved expenditures. The Board of Trustees designated an additional \$64,777 in October 2013.

The following transactions occurred during the years ended June 30:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$155,144	\$154,494
Investment income	<u>560</u>	<u>660</u>
Total designated	<u>\$155,704</u>	<u>\$155,154</u>
Future use to be Determined by Board	<u>\$155,704</u>	<u>\$155,154</u>
Total by designation	<u>\$155,704</u>	<u>\$155,154</u>

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2019

10. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes at June 30:

	<u>2019</u>	<u>2018</u>
David Bird International Service Fellowship	\$ 65,750	\$ 60,150
Campaign for Conway's Future	301,911	
Miscellaneous other purposes	<u>2,742</u>	<u>12,450</u>
	<u>\$ 370,403</u>	<u>\$ 72,600</u>

Net assets of \$85,664 and \$5,150 were released from restrictions by the School during the years ended June 30, 2019 and 2018, respectively, for scholarships and miscellaneous other purposes.

11. Pension Plan – Simple IRA

The School offers all employees who have earned over \$5,000 annually the opportunity to participate in the School's Simple IRA plan. The School contributes up to 3% of the gross salary, not to exceed \$6,000 per person as allowed by federal statutes. All employer contributions made to employees' Simple IRA accounts are 100% vested and not forfeitable. The School contributed \$13,757 and \$6,651 to the pension plan for the years ended June 30, 2019 and 2018, respectively. These expenses are included in fringe benefits on the statement of functional expenses.

12. Student Recruitment

The School advertises to recruit students and to promote its programs among those who have expressed interest in environmentally sound landscape design and land use planning. In addition, informational material is provided at conferences and in periodicals that focuses on these same goals. Expenditures for student recruitment totaled \$11,610 and \$13,995 for the years ended June 30, 2019 and 2018, respectively.

13. Student Financial Assistance Program

Students attending the School are eligible for federal student loans. The School's financial assistance program was audited in relation to the financial statement audit for the years ended June 30, 2019 and 2018, to ensure compliance with the guidelines established by the lenders. The School was found to be in compliance and will continue to provide federal financial assistance in the future. Each year, a number of students would not be able to attend the School without this assistance; thus, the loss of the School's eligibility under this program could impair its financial stability.

The U.S. Department of Education cited the School for failure to timely submit the annual financial statements and is considered provisionally certified with the U.S. Department of Education until July 2022. The School may continue participation in the Title IV HEA programs with the U.S. Department of Education. The School was required to obtain an irrevocable line of credit with a bank for \$37,915. The School has since filed these financial statements and is prepared to file all subsequent reports when required.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2019

14. Concentrations of Risk

Since a significant portion of the total support and revenue is generated from student tuition and related project fees, the School could experience financial difficulties if the number of students were to decline.

15. Rent Agreement

The School rented space for its former Easthampton, Massachusetts, campus under a lease agreement requiring payments of \$4,699 per month. Rent expense was \$7,193 and \$57,589 for the years ended June 30, 2019 and 2018, respectively. The lease ended during the year ended June 30, 2019.

Total rent expense for the years ended June 30, 2019 and 2018, also included \$2,878 and \$2,539, respectively, of storage rental.

16. Available Resources and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 442,295	\$ 346,001
Project accounts receivable, net	12,275	27,045
Tuition receivable	3,781	9,075
Contribution receivable due in one year	45,555	8,050
Less donor restrictions	<u>(370,403)</u>	<u>(72,600)</u>
Total financials assets available for general expenditures within one year	<u>\$133,503</u>	<u>\$317,571</u>

18. Subsequent Events

Management has evaluated subsequent events after the statement of financial position date of June 30, 2019, through October 22, 2019, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required, except for the following.

The School obtained an irrevocable letter of credit from a local bank for \$37,915 on September 4, 2019, pursuant to a requirement by the U.S. Department of Education (see Note 16).

Supplementary Information

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Five-Year Summary of Assets, Liabilities

Income, Expenses and Net Assets

	2015 (as restated)	2016	2017	2018	2019
Assets					
Operating fund	\$ 601,647	\$ 584,987	\$ 380,581	\$ 605,983	\$ 325,034
Library & equipment fund	654,639	654,920	470,883	17,996	956,814
Restricted funds	<u>231,708</u>	<u>52,350</u>	<u>54,850</u>	<u>72,600</u>	<u>370,403</u>
Total assets	<u>\$ 1,487,994</u>	<u>\$ 1,292,257</u>	<u>\$ 906,314</u>	<u>\$ 696,579</u>	<u>\$ 1,652,251</u>
Liabilities					
Accounts payable & accrued expenses	\$ 37,782	\$ 68,615	\$ 26,416	\$ 42,241	\$ 31,284
Deferred income	17,300	9,000	48,431	11,160	26,249
Mortgage payable	<u>124,241</u>	<u>115,836</u>	<u>108,149</u>	<u>-</u>	<u>831,740</u>
Total liabilities	<u>179,323</u>	<u>193,451</u>	<u>182,996</u>	<u>53,401</u>	<u>889,273</u>
Net assets					
Operating fund - undesignated	923,729	892,602	513,974	415,424	236,871
Operating fund - designated	153,234	153,854	154,494	155,154	155,704
Restricted loan fund	32,050				
Restricted funds - other	<u>199,658</u>	<u>52,350</u>	<u>54,850</u>	<u>72,600</u>	<u>370,403</u>
Total net assets	<u>1,308,671</u>	<u>1,098,806</u>	<u>723,318</u>	<u>643,178</u>	<u>762,978</u>
Total liabilities and net assets	<u>\$ 1,487,994</u>	<u>\$ 1,292,257</u>	<u>\$ 906,314</u>	<u>\$ 696,579</u>	<u>\$ 1,652,251</u>
Income, revenue & expenses					
School income					
Tuition	\$ 504,050	\$ 573,066	\$ 438,400	\$ 574,668	\$ 437,479
Project fees	<u>96,692</u>	<u>142,575</u>	<u>111,739</u>	<u>91,418</u>	<u>88,424</u>
Total school income	<u>600,742</u>	<u>715,641</u>	<u>550,139</u>	<u>666,086</u>	<u>525,903</u>
School expenses					
Program expense	474,358	653,833	576,757	513,516	513,626
Administrative expense	<u>241,560</u>	<u>404,727</u>	<u>296,200</u>	<u>270,407</u>	<u>296,005</u>
Total school expenses	<u>715,918</u>	<u>1,058,560</u>	<u>872,957</u>	<u>783,923</u>	<u>809,631</u>
Net school loss	(115,176)	(342,919)	(322,818)	(117,837)	(283,728)
Other revenue & investment income - net of non-program charges					
	11,458	12,698	26,028	18,054	11,521
Contributions	370,221	215,016	161,473	104,471	478,664
Fundraising costs	(143,735)	(91,160)	(92,198)	(84,828)	(86,657)
Impairment loss			<u>(151,473)</u>		
Change in net assets	<u>122,768</u>	<u>(206,365)</u>	<u>(378,988)</u>	<u>(80,140)</u>	<u>119,800</u>
Beginning net assets	<u>1,185,903</u>	<u>1,308,671</u>	<u>1,102,306</u>	<u>723,318</u>	<u>643,178</u>
Ending net assets	<u>\$ 1,308,671</u>	<u>\$ 1,102,306</u>	<u>\$ 723,318</u>	<u>\$ 643,178</u>	<u>\$ 762,978</u>
Students per class	17	24	14	18	13

See independent auditors' report.