

AUDITED FINANCIAL STATEMENTS

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Northampton, Massachusetts

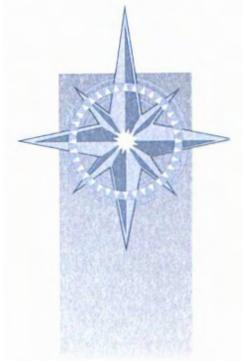
June 30, 2020

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

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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, 2020, 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, 2020, 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, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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
December 18, 2020

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Statement of Financial Position

June 30, 2020 (with comparative totals for June 30, 2019)

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 515,644	\$ 442,295
Project accounts receivable	36,976	12,275
Tuition receivable	1,985	3,781
Contributions receivable, short-term	89,640	45,555
Prepaid expenses	16,775	12,325
Total current assets	<u>661,020</u>	<u>516,231</u>
Property and equipment, net	<u>925,729</u>	<u>956,814</u>
Other assets		
Investments	126,593	116,360
Contributions receivable, long-term, net	25,440	59,193
Tuition loans		3,103
Deposit	350	550
Total other assets	<u>152,383</u>	<u>179,206</u>
Total assets	<u>\$ 1,739,132</u>	<u>\$ 1,652,251</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 757	\$ 8,120
Accrued expenses	5,987	23,164
Deferred revenue	7,500	26,249
Notes payable, current	32,948	31,975
Total current liabilities	<u>47,192</u>	<u>89,508</u>
Notes payable, long-term	<u>766,737</u>	<u>799,765</u>
Net assets		
Without donor restrictions		
Designated by the Board for future use	156,274	155,704
Undesignated	372,090	236,871
Total without donor restrictions net assets	<u>528,364</u>	<u>392,575</u>
With donor restrictions	396,839	370,403
Total net assets	<u>925,203</u>	<u>762,978</u>
Total liabilities and net assets	<u>\$ 1,739,132</u>	<u>\$ 1,652,251</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, 2020

(with comparative totals for the year ended June 30, 2019)

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, gains and other support				
Tuition and fees				
Tuition	\$ 611,966		\$ 611,966	\$ 487,623
Less: scholarships	(47,910)		(47,910)	(51,394)
Net tuition revenue	564,056		564,056	436,229
Fees	50		50	1,250
Total tuition and fees	564,106		564,106	437,479
Contributions and grants	305,329	\$ 29,782	335,111	472,741
Project fees	134,886		134,886	88,424
Investment income, net	12,108		12,108	9,176
Workshop fees, net	1,510		1,510	2,345
In-kind contributions	620		620	5,923
Net assets released from restrictions	3,346	(3,346)		
Total revenues, gains and other support	1,021,905	26,436	1,048,341	1,016,088
Expenses				
Program services:				
School activities	520,418		520,418	513,626
Supporting services:				
Administration	290,984		290,984	296,005
Fundraising	74,714		74,714	86,657
Total expenses	886,116		886,116	896,288
Change in net assets	135,789	26,436	162,225	119,800
Net assets - beginning of year	392,575	370,403	762,978	643,178
Net assets - end of year	\$ 528,364	\$ 396,839	\$ 925,203	\$ 762,978

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, 2020

(with comparative totals for the year ended June 30, 2019)

	2020				2019
	School				
	<u>Activities</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
Salaries and benefits					
Salaries	\$ 309,929	\$ 154,965	\$ 51,655	\$ 516,549	\$ 505,695
Fringe benefits	40,778	20,389	6,796	67,963	65,107
Payroll taxes	26,950	13,475	4,492	44,917	48,029
Total salaries and benefits	<u>377,657</u>	<u>188,829</u>	<u>62,943</u>	<u>629,429</u>	<u>618,831</u>
Other expenses					
Occupancy:					
Mortgage interest	9,775	14,739		24,514	14,739
Property insurance	4,595	2,297	766	7,658	6,869
Repairs and maintenance	4,063	2,032	677	6,772	33,136
Utilities	2,233	1,116	372	3,721	5,126
Rent	1,728	864	288	2,880	10,071
Professional fees		39,637	2,716	42,353	54,474
Bad debts	18,518	6,475		24,993	6,609
Fees and dues	14,458	637	212	15,307	11,527
Student recruitment	14,169			14,169	11,610
Office supplies		13,361		13,361	9,464
Contracted services	8,111	3,061	1,020	12,192	18,442
Presenters	10,796			10,796	8,064
School supplies	10,457			10,457	3,095
Equipment repairs and leasing	5,972	2,987	996	9,955	24,567
Communications	3,695	1,848	616	6,159	5,424
Insurance	3,059	1,530	510	5,099	4,865
Student projects	4,456			4,456	7,119
School events	4,059			4,059	12,718
Van expense	2,481			2,481	3,666
Staff travel	557	1,587		2,144	1,763
Postage and printing	507	254	85	846	910
Catalog expense		405	405	810	
Miscellaneous	420			420	1,087
Professional development					781
Total expenses before depreciation	<u>501,766</u>	<u>281,659</u>	<u>71,606</u>	<u>855,031</u>	<u>874,957</u>
Depreciation	<u>18,652</u>	<u>9,325</u>	<u>3,108</u>	<u>31,085</u>	<u>21,331</u>
Total expenses	<u>\$ 520,418</u>	<u>\$ 290,984</u>	<u>\$ 74,714</u>	<u>\$ 886,116</u>	<u>\$ 896,288</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, 2020

(with comparative totals for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash received from tuition	550,256	463,862
Cash received from contributions	324,779	376,043
Cash received from project fees	110,185	103,194
Cash received from workshop fees and other	1,510	2,345
Cash paid for compensation and related	(646,606)	(616,616)
Cash paid to suppliers	(212,081)	(198,259)
Interest received	6,520	6,457
Interest paid	(24,514)	(14,739)
Net cash provided by operating activities	<u>110,049</u>	<u>122,287</u>
Cash flows from investing activities		
Proceeds from sale of investments		48,438
Maturity of Certificate of Deposit	25,819	25,810
Purchase of investments	(30,464)	(21,832)
Purchases of property and equipment		(60,149)
Net cash used by investing activities	<u>(4,645)</u>	<u>(7,733)</u>
Cash flows from financing activities		
Repayment of notes payable	(32,055)	(18,260)
Net cash used by financing activities	<u>(32,055)</u>	<u>(18,260)</u>
Net increase in cash and cash equivalents	73,349	96,294
Cash and cash equivalents - beginning of year	<u>442,295</u>	<u>346,001</u>
Cash and cash equivalents - end of year	<u>\$ 515,644</u>	<u>\$ 442,295</u>
Non-cash investing and financing activity		
Acquisition of property financed by mortgage note payable		<u>\$ 850,000</u>

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

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements

June 30, 2020

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 Northampton, Massachusetts) in environmentally sound landscape design and land use planning. 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. *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.
- e. *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.
- f. *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.
- g. *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.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

h. *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.

- i. *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.
- j. *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, 2019, from which the summarized information was derived.
- k. *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.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2020

2. Tuition Receivable

The School had \$1,985 and \$3,781 in tuition receivable at June 30, 2020 and 2019, respectively, from students for the previous school years.

3. Contributions Receivable

The School's contributions receivable consisted of pledges from the Campaign for Conway's Future and the annual fund of \$121,080 and \$104,748, net a discount for the present value of future cash flows of \$1,100 and \$2,767, at June 30, 2020 and 2019, respectively. Contributions receivable are presented net of an allowance of \$6,000 at June 30, 2020.

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Library (fully depreciated)	\$ 21,252	\$ 21,252
Furniture and equipment	82,058	82,058
Building and improvements	956,799	956,799
Vehicles (fully depreciated)	<u>15,023</u>	<u>15,023</u>
	1,075,132	1,075,132
Less accumulated depreciation	<u>149,403</u>	<u>118,318</u>
Total property and equipment, net	\$ <u>925,729</u>	\$ <u>956,814</u>

Depreciation expense was \$31,085 and \$21,331 for the years ended June 30, 2020 and 2019, respectively.

5. Investments

The School's investments, stated at market value, consisted of \$126,593 and \$116,360 of mutual funds of stocks and bonds at June 30, 2020 and 2019, respectively.

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 \$985 and \$75 at June 30, 2020 and 2019, 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 \$-0- and \$1,392 for the years ended June 30, 2020 and 2019, 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 \$5,588 and \$1,327 for the years ended June 30, 2020 and 2019, respectively.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2020

6. Deferred Revenue

Deferred revenue consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Tuition received in advance		\$17,249
Tuition deposits	\$ <u>7,500</u>	<u>9,000</u>
	\$ <u>7,500</u>	<u>\$26,249</u>

7. Notes Payable

The School had notes payable of the following at June 30:

	<u>2020</u>	<u>2019</u>
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.	\$ 799,685	\$831,740
Current portion of notes payable	<u>32,948</u>	<u>31,975</u>
Notes payable, long-term	<u>\$766,737</u>	<u>\$799,765</u>

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

2021	\$ 32,948
2022	33,950
2023	34,983
2024	36,047
2025	37,143
Thereafter	<u>624,614</u>
Total	<u>\$799,685</u>

8. 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.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2020

8. Board Designated Net Assets (Continued)

The following transactions occurred during the years ended June 30:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$155,704	\$155,144
Investment income	<u>570</u>	<u>560</u>
Total designated	<u>\$156,274</u>	<u>\$155,704</u>
Future use to be Determined by Board	<u>\$156,274</u>	<u>\$155,704</u>
Total by designation	<u>\$156,274</u>	<u>\$155,704</u>

9. Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
David Bird International Service Fellowship	\$ 70,960	\$ 65,750
Campaign for Conway's Future	315,458	301,911
Miscellaneous other purposes	<u>10,421</u>	<u>2,742</u>
	<u>\$ 396,839</u>	<u>\$ 370,403</u>

Net assets of \$3,346 and \$85,664 were released from restrictions by the School during the years ended June 30, 2020 and 2019, respectively, for scholarships and miscellaneous other purposes.

10. 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 \$12,466 and \$13,757 to the pension plan for the years ended June 30, 2020 and 2019, respectively. These expenses are included in fringe benefits on the statement of functional expenses.

11. 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 \$14,169 and \$11,610 for the years ended June 30, 2020 and 2019, respectively.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2020

12. 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, 2020 and 2019, 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 letter 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.

13. 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.

14. Contingencies

On January 30, 2020, the World Health Organization declared the novel coronavirus (COVID-19) a Public Health Emergency of International Concern. Later, on March 11, 2020, the World Health Organization made the assessment that COVID-19 was a global health pandemic. Measures taken by federal, state, and local officials to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses, resulting in an economic slowdown.

The outbreak of COVID-19 has also caused disruption in operations for schools and other organizations. In an effort to minimize the spread of COVID-19, the School suspended in-person operations from March 18, 2020, and moved to a remote learning model for the remainder of the 2019-2020 academic year. For the 2020-2022 academic years, the School moved to a 2-year program in which the first year is offered to 18 students for free as a 2-credit online class, in anticipation that starting in September 2021, these 18 students will continue full-time, in-person studies for an additional year on the Northampton campus.

The global outbreak of COVID-19 continues to rapidly evolve, and the ultimate impact of the pandemic is highly uncertain. While management expects that the COVID-19 outbreak might adversely impact the School's June 30, 2021 results, the School cannot at this time accurately predict the full extent to which the COVID-19 outbreak will affect the School's finances and operations.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2020

15. 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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 515,644	\$ 442,295
Project accounts receivable	36,976	12,275
Tuition receivable	1,985	3,781
Contribution receivable due in one year	89,640	45,555
Less donor restrictions	<u>(396,839)</u>	<u>(370,403)</u>
Total financials assets available for general expenditures within one year	<u>\$247,406</u>	<u>\$133,503</u>

16. Subsequent Events

Management has evaluated subsequent events after the statement of financial position date of June 30, 2020, through December 18, 2020, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.

Supplementary Information

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Five-Year Summary of Assets, Liabilities

Income, Expenses and Net Assets

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assets					
Operating fund	\$ 584,987	\$ 380,581	\$ 605,983	\$ 325,034	\$ 416,564
Library & equipment fund	654,920	470,883	17,996	956,814	925,729
Restricted funds	<u>52,350</u>	<u>54,850</u>	<u>72,600</u>	<u>370,403</u>	<u>396,839</u>
Total assets	<u>\$ 1,292,257</u>	<u>\$ 906,314</u>	<u>\$ 696,579</u>	<u>\$ 1,652,251</u>	<u>\$ 1,739,132</u>
Liabilities					
Accounts payable & accrued expenses	\$ 68,615	\$ 26,416	\$ 42,241	\$ 31,284	\$ 6,744
Deferred income	9,000	48,431	11,160	26,249	7,500
Mortgage payable	<u>115,836</u>	<u>108,149</u>	<u>-</u>	<u>831,740</u>	<u>799,685</u>
Total liabilities	<u>193,451</u>	<u>182,996</u>	<u>53,401</u>	<u>889,273</u>	<u>813,929</u>
Net assets					
Operating fund - undesignated	892,602	513,974	415,424	236,871	372,090
Operating fund - designated	153,854	154,494	155,154	155,704	156,274
Restricted loan fund					
Restricted funds - other	<u>52,350</u>	<u>54,850</u>	<u>72,600</u>	<u>370,403</u>	<u>396,839</u>
Total net assets	<u>1,098,806</u>	<u>723,318</u>	<u>643,178</u>	<u>762,978</u>	<u>925,203</u>
Total liabilities and net assets	<u>\$ 1,292,257</u>	<u>\$ 906,314</u>	<u>\$ 696,579</u>	<u>\$ 1,652,251</u>	<u>\$ 1,739,132</u>
Income, revenue & expenses					
School income					
Tuition	\$ 573,066	\$ 438,400	\$ 574,668	\$ 437,479	\$ 564,106
Project fees	<u>142,575</u>	<u>111,739</u>	<u>91,418</u>	<u>88,424</u>	<u>134,886</u>
Total school income	<u>715,641</u>	<u>550,139</u>	<u>666,086</u>	<u>525,903</u>	<u>698,992</u>
School expenses					
Program expense	653,833	576,757	513,516	513,626	520,418
Administrative expense	<u>404,727</u>	<u>296,200</u>	<u>270,407</u>	<u>296,005</u>	<u>290,984</u>
Total school expenses	<u>1,058,560</u>	<u>872,957</u>	<u>783,923</u>	<u>809,631</u>	<u>811,402</u>
Net school loss	(342,919)	(322,818)	(117,837)	(283,728)	(112,410)
Other revenue & investment income -					
net of non-program charges	12,698	26,028	18,054	11,521	13,618
Contributions	215,016	161,473	104,471	478,664	335,731
Fundraising costs	(91,160)	(92,198)	(84,828)	(86,657)	(74,714)
Impairment loss		<u>(151,473)</u>			
Change in net assets	<u>(206,365)</u>	<u>(378,988)</u>	<u>(80,140)</u>	<u>119,800</u>	<u>102,225</u>
Beginning net assets	<u>1,308,671</u>	<u>1,102,306</u>	<u>723,318</u>	<u>643,178</u>	<u>762,978</u>
Ending net assets	<u>\$ 1,102,306</u>	<u>\$ 723,318</u>	<u>\$ 643,178</u>	<u>\$ 762,978</u>	<u>\$ 925,203</u>
Students per class	22	14	18	13	17

See independent auditors' report.