

**AUDITED FINANCIAL STATEMENTS**

**CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.**

*Northampton, Massachusetts*

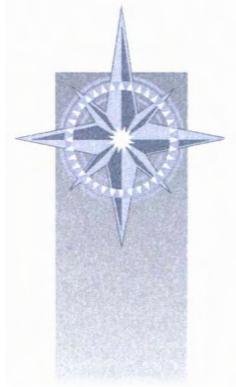
**June 30, 2021**

***Boisselle, Morton & Wolkowicz, LLP***  
*Certified Public Accountants*

# CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

## Table of Contents

	Page
Independent Auditors' Report	1-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-14
Supplementary Information:	
Five-year Summary of Assets, Liabilities, Income, Expenses and Net Assets	16



### **Independent Auditors' Report**

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

#### **Opinion**

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Conway School of Landscape Design, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Conway School of Landscape Design, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Conway School of Landscape Design, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Conway School of Landscape Design, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on Summarized Comparative Information**

We have previously audited Conway School of Landscape Design, Inc.'s June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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  
February 3, 2022

**CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.**

## Statement of Financial Position

June 30, 2021 (with comparative totals for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 494,228	\$ 515,644
Project accounts receivable	1,000	36,976
Tuition receivable, net	10,859	1,985
Contributions receivable, short-term, net	66,862	89,640
Prepaid expenses	5,022	16,775
Total current assets	<u>577,971</u>	<u>661,020</u>
Property and equipment, net	<u>904,513</u>	<u>925,729</u>
Other assets		
Investments	143,705	126,593
Contributions receivable, long-term, net		25,440
Deposit		350
Total other assets	<u>143,705</u>	<u>152,383</u>
Total assets	<u>\$ 1,626,189</u>	<u>\$ 1,739,132</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 619	\$ 757
Accrued expenses	8,999	5,987
Deferred revenue	12,000	7,500
Note payable, current	41,030	32,948
Total current liabilities	<u>62,648</u>	<u>47,192</u>
Note payable, long-term	<u>496,213</u>	<u>766,737</u>
Net assets		
Without donor restrictions		
Designated by the Board for future use	157,110	156,274
Undesignated	415,948	372,090
Total without donor restrictions net assets	<u>573,058</u>	<u>528,364</u>
With donor restrictions	494,270	396,839
Total net assets	<u>1,067,328</u>	<u>925,203</u>
Total liabilities and net assets	<u>\$ 1,626,189</u>	<u>\$ 1,739,132</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, 2021

(with comparative totals for the year ended June 30, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, gains and other support				
Tuition and fees				
Tuition				\$ 611,966
Less: scholarships				(47,910)
Net tuition revenue				564,056
Fees				50
Total tuition and fees				564,106
Government grants		\$ 607,865	\$ 607,865	111,692
Contributions and grants	\$ 224,955	27,733	252,688	223,419
Investment income, net	17,766		17,766	12,108
Workshop fees, net	14,025		14,025	1,510
Project fees	3,499		3,499	134,886
In-kind contributions				620
Net assets released from restrictions	538,167	(538,167)		
Total revenues, gains and other support	798,412	97,431	895,843	1,048,341
Expenses				
Program services:				
School activities	237,505		237,505	520,418
Supporting services:				
Administration	437,050		437,050	290,984
Fundraising	79,163		79,163	74,714
Total expenses	753,718		753,718	886,116
Change in net assets	44,694	97,431	142,125	162,225
Net assets - beginning of year	528,364	396,839	925,203	762,978
Net assets - end of year	\$ 573,058	\$ 494,270	\$ 1,067,328	\$ 925,203

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, 2021  
(with comparative totals for the year ended June 30, 2020)

	2021				2020
	School <u>Activities</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
Salaries and benefits					
Salaries	\$ 157,293	\$ 282,167	\$ 49,718	\$ 489,178	\$ 516,549
Fringe benefits	21,213	38,054	6,705	65,972	67,963
Payroll taxes	13,672	24,526	4,321	42,519	44,917
Total salaries and benefits	<u>192,178</u>	<u>344,747</u>	<u>60,744</u>	<u>597,669</u>	<u>629,429</u>
Other expenses					
Occupancy:					
Mortgage interest		21,827		21,827	24,514
Repairs and maintenance	3,210	5,759	1,015	9,984	6,772
Property insurance	2,137	3,834	675	6,646	7,658
Rent	926	1,661	293	2,880	2,880
Utilities	570	1,023	180	1,773	3,721
Professional fees		12,600	10,325	22,925	42,353
Contracted services	4,941	5,886	1,037	11,864	12,192
Office supplies		11,623		11,623	13,361
Equipment repairs and leasing	3,025	5,427	956	9,408	9,955
Student recruitment	9,291			9,291	14,169
Fees and dues	6,049	1,125	216	7,390	15,307
Communications	2,116	3,795	669	6,580	6,159
Insurance	1,229	2,206	389	3,824	5,099
Miscellaneous	1,802			1,802	420
Staff travel		1,014		1,014	2,144
School supplies	731			731	10,457
Postage and printing	132	237	42	411	846
Van expense	194			194	2,481
School events	82			82	4,059
Bad debts					24,993
Presenters					10,796
Student projects					4,456
Catalog expense					810
Total expenses before depreciation	<u>228,613</u>	<u>422,764</u>	<u>76,541</u>	<u>727,918</u>	<u>855,031</u>
Depreciation	<u>8,892</u>	<u>14,286</u>	<u>2,622</u>	<u>25,800</u>	<u>31,085</u>
Total expenses	<u>\$ 237,505</u>	<u>\$ 437,050</u>	<u>\$ 79,163</u>	<u>\$ 753,718</u>	<u>\$ 886,116</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, 2021

(with comparative totals for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from tuition	\$ 4,500	\$ 550,256
Cash received from contributions and grants	908,771	324,779
Cash received from project fees	50,001	110,185
Cash received from workshop fees and other	3,499	1,510
Cash paid for compensation and related	(594,657)	(646,606)
Cash paid to suppliers	(105,759)	(212,081)
Interest received	8,669	6,520
Interest paid	(21,827)	(24,514)
Net cash provided by operating activities	<u>253,197</u>	<u>110,049</u>
Cash flows from investing activities		
Maturity of Certificate of Deposit	38,564	25,819
Purchase of investments	(46,151)	(30,464)
Purchases of property and equipment	(4,584)	
Net cash used by investing activities	<u>(12,171)</u>	<u>(4,645)</u>
Cash flows from financing activities		
Repayment of note payable	(262,442)	(32,055)
Net cash used by financing activities	<u>(262,442)</u>	<u>(32,055)</u>
Net (decrease) increase in cash and cash equivalents	(21,416)	73,349
Cash and cash equivalents - beginning of year	<u>515,644</u>	<u>442,295</u>
Cash and cash equivalents - end of year	<u>\$ 494,228</u>	<u>\$ 515,644</u>

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

# CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements

June 30, 2021

## 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. The program moved to fully remote learning (March 18, 2020) due to COVID-19 to complete the year ended June 30, 2021 (see Note 14).

- b. *Accreditation:* The Conway School of Landscape Design, Inc. has full accreditation from the New England Commission of 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, 2021

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. Revenue Recognition:* The School recognizes tuition revenue over time as it is earned rather than received. Tuition received in advance of the start of classes results in deferred revenue on the statement of financial position (see Note 6). The School recognizes contributions and grants when they are received or an unconditional promise to give is made. Contributions and grants with a right of return and measurable performance or other barriers are not recognized until the conditions on which they depend have been met.
- 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, 2021

### 1. Summary of Significant Accounting Policies (Continued)

- l. Expense Allocation:* The costs of providing the educational services and supporting services of the School have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated, primarily based upon employee time, among the program services and supporting activities benefited.
- m. 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, 2020, from which the summarized information was derived.
- n. Reclassifications:* Certain reclassifications have been made to the June 30, 2020, summarized comparative information to be in conformity with the current year presentation. These reclassifications had no effect on the previously reported change in net assets or ending net assets.

### 2. Tuition Receivable

The School's tuition receivable consisted of \$25,774 and \$17,400 at June 30, 2021 and 2020, respectively, from students for the previous school years. Tuition receivable are presented net an allowance of \$14,915 and \$15,415 at June 30, 2021 and 2020, respectively.

### 3. Contributions Receivable

The School's contributions receivable consisted of pledges from the Campaign for Conway's Future and the annual fund of \$72,762 and \$121,080, net a discount for the present value of future cash flows of \$0 and \$1,100, at June 30, 2021 and 2020, respectively. Contributions receivable are presented net of an allowance of \$5,900 and \$6,000 at June 30, 2021 and 2020, respectively.

### 4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Library (fully depreciated)	\$ 21,252	\$ 21,252
Furniture and equipment	86,642	82,058
Building and improvements	956,799	956,799
Vehicles (fully depreciated)	15,023	15,023
	<u>1,079,716</u>	<u>1,075,132</u>
Less accumulated depreciation	<u>175,203</u>	<u>149,403</u>
Total property and equipment, net	<u>\$ 904,513</u>	<u>\$ 925,729</u>

Depreciation expense was \$25,800 and \$31,085 for the years ended June 30, 2021 and 2020, respectively.

**CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.**

Notes to Financial Statements (Continued)

June 30, 2021

5. Investments

The School's investments, stated at market value, consisted of \$143,705 and \$126,593 of mutual funds of stocks and bonds at June 30, 2021 and 2020, 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 \$22,202 and \$985 at June 30, 2021 and 2020, 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 \$65 and \$-0- for the years ended June 30, 2021 and 2020, 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 \$9,032 and \$5,588 for the years ended June 30, 2021 and 2020, respectively.

6. Deferred Revenue

Deferred revenue consisted of tuition deposits of \$12,000 and \$7,500 at June 30, 2021 and 2020, respectively.

7. Note Payable

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

	<u>2021</u>	<u>2020</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.	\$537,243	\$799,685
Current portion of note payable	<u>41,030</u>	<u>32,948</u>
Note payable, long-term	<u>\$496,213</u>	<u>\$766,737</u>

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

2021	\$ 41,030
2022	42,278
2023	43,564
2024	44,889
2025	46,254
Thereafter	<u>319,228</u>
Total	<u>\$537,243</u>

**CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.**

Notes to Financial Statements (Continued)

June 30, 2021

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.

The following transactions occurred during the years ended June 30:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$156,274	\$155,704
Investment income	<u>836</u>	<u>570</u>
Total designated	<u>\$157,110</u>	<u>\$156,274</u>
Future use to be Determined by Board	<u>\$157,110</u>	<u>\$156,274</u>
Total by designation	<u>\$157,110</u>	<u>\$156,274</u>

9. Net Assets With Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
David Bird International Service Fellowship	\$ 71,460	\$ 70,960
Campaign for Conway's Future	249,654	315,458
U.S. Department of Education grant	161,506	
Miscellaneous other purposes	<u>11,650</u>	<u>10,421</u>
	<u>\$494,270</u>	<u>\$396,839</u>

Net assets of \$538,167 and \$3,346 were released from restrictions by the School during the years ended June 30, 2021 and 2020, 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 \$11,906 and \$12,466 to the pension plan for the years ended June 30, 2021 and 2020, respectively. These expenses are included in fringe benefits on the statement of functional expenses.

## CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements (Continued)

June 30, 2021

### 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 \$9,291 and \$14,169 for the years ended June 30, 2021 and 2020, respectively.

### 12. Student Financial Assistance Program

Students attending the School are eligible for federal student loans. 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. COVID-19 Contingency and CARES Act Funding

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. All students finished the year remotely and received their master's degrees. For the 2020-2021 academic year, based on the advice of the School's accreditor (New England Commission of Higher Education) the School enrolled 17 students for a two-year program (2020-2022), rather than the traditional one-year program. For 2020-2021, students attended a 1 credit class and were charged no tuition; for the 2021-2022 year, students enrolled and in September 2021 began attending the full 30-credit program in person, paying full tuition.

The global outbreak of COVID-19 continues to rapidly evolve, and the ultimate impact of the pandemic is highly uncertain. While the School did resume operations and have tuition and project fee revenue in the 2021-2022 academic year, management expects that the COVID-19 outbreak could possibly adversely impact the School's future 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, 2021

### 14. COVID-19 Contingency and CARES Act Funding (Continued)

The School received a \$493,308 grant during the year ended June 30, 2021, from the United States Department of Education, as part of the Higher Education Emergency Relief Fund provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help higher education institutions impacted by the pandemic.

The School also received financial assistance from the Paycheck Protection Program (PPP) offered by the United States Small Business Administration as part of the CARES Act to help businesses impacted by the pandemic. The School received a \$105,000 loan from the first round of PPP funding during the year ended June 30, 2020. This loan was forgiven in November 2020. The School considered this funding to be a conditional grant, as permitted by FASB ASC 958-605, and recognized these funds as grant revenue during the year ended June 30, 2020, when the payroll costs were incurred and the other conditions of the grant were substantially met. The School received a \$114,557 loan from the second round of PPP funding during the year ended June 30, 2021. This loan was forgiven in September 2021. The School considered this funding to be a conditional grant as well and recognized these funds as grant revenue during the year ended June 30, 2021, when the payroll costs were incurred and the other conditions of the grant were substantially met.

### 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 494,228	\$ 515,644
Project accounts receivable	1,000	36,976
Tuition receivable, net	10,859	1,985
Contribution receivable due in one year	66,862	89,640
Less donor restrictions	<u>(494,270)</u>	<u>(396,839)</u>
Total financials assets available		
for general expenditures within one year	<u>\$ 78,679</u>	<u>\$ 247,406</u>

### 16. Subsequent Events

Management has evaluated subsequent events after the statement of financial position date of June 30, 2021, through February 3, 2022, 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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Assets</b>					
Operating fund	\$ 380,581	\$ 605,983	\$ 325,034	\$ 416,564	\$ 227,406
Library & equipment fund	470,883	17,996	956,814	925,729	904,513
Restricted funds	<u>54,850</u>	<u>72,600</u>	<u>370,403</u>	<u>396,839</u>	<u>494,270</u>
Total assets	<u>\$ 906,314</u>	<u>\$ 696,579</u>	<u>\$ 1,652,251</u>	<u>\$ 1,739,132</u>	<u>\$ 1,626,189</u>
<b>Liabilities</b>					
Accounts payable & accrued expenses	\$ 26,416	\$ 42,241	\$ 31,284	\$ 6,744	\$ 9,618
Deferred income	48,431	11,160	26,249	7,500	12,000
Mortgage payable	<u>108,149</u>	<u>-</u>	<u>831,740</u>	<u>799,685</u>	<u>537,243</u>
Total liabilities	<u>182,996</u>	<u>53,401</u>	<u>889,273</u>	<u>813,929</u>	<u>558,861</u>
<b>Net assets</b>					
Operating fund - undesignated	513,974	415,424	236,871	372,090	415,948
Operating fund - designated	154,494	155,154	155,704	156,274	157,110
Restricted funds - other	<u>54,850</u>	<u>72,600</u>	<u>370,403</u>	<u>396,839</u>	<u>494,270</u>
Total net assets	<u>723,318</u>	<u>643,178</u>	<u>762,978</u>	<u>925,203</u>	<u>1,067,328</u>
Total liabilities and net assets	<u>\$ 906,314</u>	<u>\$ 696,579</u>	<u>\$ 1,652,251</u>	<u>\$ 1,739,132</u>	<u>\$ 1,626,189</u>
<b>Income, revenue &amp; expenses</b>					
<b>School income</b>					
Tuition	\$ 438,400	\$ 574,668	\$ 437,479	\$ 564,106	
Project fees	<u>111,739</u>	<u>91,418</u>	<u>88,424</u>	<u>134,886</u>	\$ 3,499
Total school income	<u>550,139</u>	<u>666,086</u>	<u>525,903</u>	<u>698,992</u>	<u>3,499</u>
<b>School expenses</b>					
Program expense	576,757	513,516	513,626	520,418	237,505
Administrative expense	<u>296,200</u>	<u>270,407</u>	<u>296,005</u>	<u>290,984</u>	<u>437,050</u>
Total school expenses	<u>872,957</u>	<u>783,923</u>	<u>809,631</u>	<u>811,402</u>	<u>674,555</u>
Net school loss	(322,818)	(117,837)	(283,728)	(112,410)	(671,056)
<b>Other revenue &amp; investment income -</b>					
net of non-program charges	26,028	18,054	11,521	13,618	31,791
Contributions and grants	161,473	104,471	478,664	335,731	860,553
Fundraising costs	(92,198)	(84,828)	(86,657)	(74,714)	(79,163)
Impairment loss	<u>(151,473)</u>				
Change in net assets	<u>(378,988)</u>	<u>(80,140)</u>	<u>119,800</u>	<u>162,225</u>	<u>142,125</u>
Beginning net assets	<u>1,102,306</u>	<u>723,318</u>	<u>643,178</u>	<u>762,978</u>	<u>925,203</u>
Ending net assets	<u>\$ 723,318</u>	<u>\$ 643,178</u>	<u>\$ 762,978</u>	<u>\$ 925,203</u>	<u>\$ 1,067,328</u>
Students per class	14	18	13	17	17

See independent auditors' report.