

AUDITED FINANCIAL STATEMENTS

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Northampton, Massachusetts

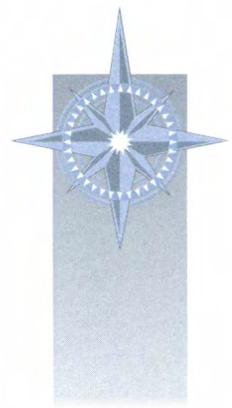
June 30, 2022

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

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, 2022, 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, 2022, 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, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 18, 2022

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Statement of Financial Position

June 30, 2022 (with comparative totals for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 483,219	\$ 494,228
Projects receivable	63,485	1,000
Tuition receivable, net	5,857	10,859
Contributions receivable, short-term, net	41,360	66,862
Prepaid expenses	15,977	5,022
Total current assets	<u>609,898</u>	<u>577,971</u>
Property and equipment, net	<u>881,457</u>	<u>904,513</u>
Other assets		
Investments	124,795	143,705
Total other assets	<u>124,795</u>	<u>143,705</u>
Total assets	<u>\$ 1,616,150</u>	<u>\$ 1,626,189</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 3,814	\$ 619
Accrued expenses	19,109	8,999
Deferred revenue	14,450	12,000
Note payable, current	42,260	41,030
Total current liabilities	<u>79,633</u>	<u>62,648</u>
Note payable, long-term	<u>453,971</u>	<u>496,213</u>
Net assets		
Without donor restrictions		
Designated by the Board for future use	157,450	157,110
Undesignated	540,835	415,948
Total without donor restrictions net assets	<u>698,285</u>	<u>573,058</u>
With donor restrictions	384,261	494,270
Total net assets	<u>1,082,546</u>	<u>1,067,328</u>
Total liabilities and net assets	<u>\$ 1,616,150</u>	<u>\$ 1,626,189</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, 2022

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

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, gains and other support				
Tuition and fees				
Tuition	\$ 647,964		\$ 647,964	
Less: scholarships	<u>(75,170)</u>		<u>(75,170)</u>	
Total tuition and fees	572,794		572,794	
Government grants				\$ 607,865
Contributions and grants	146,218	\$ 55,475	201,693	252,688
Project fees	152,626		152,626	3,499
Workshop fees, net	10,890		10,890	14,025
Investment income, net	7,232		7,232	17,766
Miscellaneous income	1,515		1,515	
Net assets released from restrictions	<u>165,484</u>	<u>(165,484)</u>		
Total revenues, gains and other support	<u>1,056,759</u>	<u>(110,009)</u>	<u>946,750</u>	<u>895,843</u>
Expenses and losses				
Program services:				
School activities	530,628		530,628	237,505
Supporting services:				
Administration	287,627		287,627	437,050
Fundraising	<u>87,319</u>		<u>87,319</u>	<u>79,163</u>
Total expenses	905,574		905,574	753,718
Net unrealized losses on investments	<u>25,958</u>		<u>25,958</u>	
Total expenses and losses	<u>931,532</u>		<u>931,532</u>	<u>753,718</u>
Change in net assets	125,227	(110,009)	15,218	142,125
Net assets - beginning of year	<u>573,058</u>	<u>494,270</u>	<u>1,067,328</u>	<u>925,203</u>
Net assets - end of year	<u>\$ 698,285</u>	<u>\$ 384,261</u>	<u>\$ 1,082,546</u>	<u>\$ 1,067,328</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, 2022

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

	2022				2021
	School			Total	Total
	Activities	Administration	Fundraising		
Salaries and benefits					
Salaries	\$ 333,518	\$ 166,760	\$ 55,587	\$ 555,865	\$ 489,178
Fringe benefits	45,161	22,580	7,527	75,268	65,972
Payroll taxes	26,151	13,075	4,358	43,584	42,519
Total salaries and benefits	<u>404,830</u>	<u>202,415</u>	<u>67,472</u>	<u>674,717</u>	<u>597,669</u>
Other expenses					
Occupancy:					
Repairs and maintenance	13,895	6,948	2,316	23,159	9,984
Mortgage interest		15,556		15,556	21,827
Property insurance	5,127	2,563	854	8,544	6,646
Utilities	3,847	1,923	641	6,411	1,773
Rent	1,728	864	288	2,880	2,880
Professional fees		25,185	9,266	34,451	22,925
Contracted services	8,997	3,061	1,020	13,078	11,864
School events	12,806			12,806	82
Equipment repairs and leasing	7,000	3,500	1,167	11,667	9,408
Fees and dues	9,209	637	212	10,058	7,390
Student recruitment	9,219			9,219	9,291
Presenters	9,120			9,120	
Office supplies		8,809		8,809	11,623
Communications	5,024	2,512	837	8,373	6,580
Miscellaneous	8,146			8,146	1,802
Student projects	6,345			6,345	
Bad debts		3,912		3,912	
Insurance	2,156	1,078	359	3,593	3,824
School supplies	2,794			2,794	731
Staff travel	1,571			1,571	1,014
Van expense	1,485			1,485	194
Postage and printing	225	112	37	374	411
Total expenses before depreciation	<u>513,524</u>	<u>279,075</u>	<u>84,469</u>	<u>877,068</u>	<u>727,918</u>
Depreciation	<u>17,104</u>	<u>8,552</u>	<u>2,850</u>	<u>28,506</u>	<u>25,800</u>
Total expenses	<u>\$ 530,628</u>	<u>\$ 287,627</u>	<u>\$ 87,319</u>	<u>\$ 905,574</u>	<u>\$ 753,718</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, 2022

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

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Cash received from tuition	\$ 580,246	\$ 4,500
Cash received from contributions and grants	227,195	908,771
Cash received from project fees	90,141	50,001
Cash received from workshop fees and other	12,405	3,499
Cash paid for compensation and related	(664,607)	(594,657)
Cash paid to suppliers	(186,731)	(105,759)
Interest received	7,243	8,669
Interest paid	<u>(15,556)</u>	<u>(21,827)</u>
Net cash provided by operating activities	<u>50,336</u>	<u>253,197</u>
Cash flows from investing activities		
Maturity of Certificate of Deposit	38,626	38,564
Purchase of investments	(83,573)	(46,151)
Proceeds from sale of investments	30,064	
Purchases of property and equipment	<u>(5,450)</u>	<u>(4,584)</u>
Net cash used by investing activities	<u>(20,333)</u>	<u>(12,171)</u>
Cash flows from financing activities		
Repayment of note payable	<u>(41,012)</u>	<u>(262,442)</u>
Net cash used by financing activities	<u>(41,012)</u>	<u>(262,442)</u>
Net decrease in cash and cash equivalents	(11,009)	(21,416)
Cash and cash equivalents - beginning of year	<u>494,228</u>	<u>515,644</u>
Cash and cash equivalents - end of year	<u>\$ 483,219</u>	<u>\$ 494,228</u>

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

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.

Notes to Financial Statements

June 30, 2022

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 a 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 was fully remote due to COVID-19 pandemic during the year ended June 30, 2021 (see Note 14). The program resumed in person programming during the year ended June 30, 2022.

- 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, 2022

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, 2022

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, 2021, from which the summarized information was derived.
- n. Reclassifications:* Certain reclassifications have been made to the June 30, 2021, 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 \$30,584 and \$25,774 at June 30, 2022 and 2021, respectively, from students for the previous school years. Tuition receivable are presented net an allowance of \$24,727 and \$14,915 at June 30, 2022 and 2021, respectively.

3. Projects and Contributions Receivable

Projects receivable consisted of amounts owed on projects worked on by the students of \$63,485 and \$1,000 at June 30, 2022 and 2021, respectively.

Contributions receivable consisted of pledges from the Campaign for Conway's Future and the annual fund of \$41,360 and \$72,762 at June 30, 2022 and 2021, respectively. Contributions receivable are presented net of an allowance of \$0 and \$5,900 at June 30, 2022 and 2021, respectively.

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Library (fully depreciated)	\$ 21,252	\$ 21,252
Furniture and equipment (fully depreciated)	86,642	86,642
Building and improvements	962,249	956,799
Vehicles (fully depreciated)	15,023	15,023
	<u>1,085,166</u>	<u>1,079,716</u>
Less accumulated depreciation	<u>203,709</u>	<u>175,203</u>
Total property and equipment, net	<u>\$ 881,457</u>	<u>\$ 904,513</u>

Depreciation expense was \$28,506 and \$25,800 for the years ended June 30, 2022 and 2021, respectively.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.
Notes to Financial Statements (Continued)
June 30, 2022

5. Investments

The School's investments, stated at market value, consisted of \$124,795 and \$143,705 of mutual funds of stocks and bonds at June 30, 2022 and 2021, 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 \$149,188 and \$22,202 at June 30, 2022 and 2021, respectively, are reported as cash equivalents on the statement of financial position.

Net realized (losses) gains from the sales of investments, which are included in investment income on the statement of activities, were \$(11) and \$65 for the years ended June 30, 2022 and 2021, respectively.

Net unrealized losses from changes in the market value of the investments were \$(25,958) for the year ended June 30, 2022. Net unrealized gains from changes in the market value the investments, which are included in investment income on the statement of activities, were \$9,032 for the year ended June 30, 2021.

6. Deferred Revenue

Deferred revenue consisted of tuition deposits of \$14,450 and \$12,000 at June 30, 2022 and 2021, respectively.

7. Note Payable

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

	<u>2022</u>	<u>2021</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.	\$496,231	\$537,243
Current portion of note payable	<u>42,260</u>	<u>41,030</u>
Note payable, long-term	<u>\$453,971</u>	<u>\$496,213</u>

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

2023	\$ 42,260
2024	43,545
2025	44,870
2026	46,235
2027	47,641
Thereafter	<u>271,680</u>
Total	<u>\$496,231</u>

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.
Notes to Financial Statements (Continued)
June 30, 2022

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>2022</u>	<u>2021</u>
Balance, beginning of year	\$157,110	\$156,274
Investment income	<u>340</u>	<u>836</u>
 Total designated with the future use to be determined by the Board	 <u>\$157,450</u>	 <u>\$157,110</u>

9. Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Bird Family for financial aid	\$ 71,860	\$ 71,460
Campaign for Conway's Future	290,520	249,654
U.S. Department of Education grant		161,506
Miscellaneous other purposes	<u>21,881</u>	<u>11,650</u>
	<u>\$384,261</u>	<u>\$494,270</u>

Net assets of \$165,484 and \$538,167 were released from restrictions by the School during the years ended June 30, 2022 and 2021, respectively, for scholarships and miscellaneous other purposes.

10. Retirement Plans

The School adopted a 401(k) retirement plan in February 2022. The plan is open to all employees. Employees can make contributions to the plan and the School contributes matches to the employee contributions up to 3% of their compensation in the plan year, and 50% of the employee's contributions that do not exceed the next 2% of their compensation.

The School previously had a Simple IRA plan that offered all employees who had earned over \$5,000 annually the opportunity to participate in the plan. The School contributed up to 3% of the gross salary, not to exceed \$6,000 per person as allowed by federal statutes.

All employer contributions made under both plans are 100% vested and not forfeitable. The School contributed \$17,388 and \$11,906 to the retirement plans for the years ended June 30, 2022 and 2021, 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, 2022

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 \$9,219 and \$9,291 for the years ended June 30, 2022 and 2021, 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

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 in September 2021 began attending the full 30-credit program in person, paying full tuition.

The COVID-19 outbreak continues to evolve, and the ultimate impact on the economy is uncertain. 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.

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 \$114,557 loan from the second round of PPP funding during they 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.

CONWAY SCHOOL OF LANDSCAPE DESIGN, INC.
Notes to Financial Statements (Continued)
June 30, 2022

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 483,219	\$ 494,228
Project accounts receivable	63,485	1,000
Tuition receivable, net	5,857	10,859
Contribution receivable due in one year	41,360	66,862
Less donor restrictions	<u>(384,261)</u>	<u>(494,270)</u>
Total financials assets available for general expenditures within one year	<u>\$ 209,660</u>	<u>\$ 78,679</u>

16. Subsequent Events

Management has evaluated subsequent events after the statement of financial position date of June 30, 2022, through October 18, 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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assets					
Operating fund	\$ 605,983	\$ 325,034	\$ 416,564	\$ 227,406	\$ 350,432
Library & equipment fund	17,996	956,814	925,729	904,513	881,457
Restricted funds	<u>72,600</u>	<u>370,403</u>	<u>396,839</u>	<u>494,270</u>	<u>384,261</u>
Total assets	<u>\$ 696,579</u>	<u>\$ 1,652,251</u>	<u>\$ 1,739,132</u>	<u>\$ 1,626,189</u>	<u>\$ 1,616,150</u>
Liabilities					
Accounts payable & accrued expenses	\$ 42,241	\$ 31,284	\$ 6,744	\$ 9,618	\$ 22,923
Deferred income	11,160	26,249	7,500	12,000	14,450
Mortgage payable	-	831,740	799,685	537,243	496,231
Total liabilities	<u>53,401</u>	<u>889,273</u>	<u>813,929</u>	<u>558,861</u>	<u>533,604</u>
Net assets					
Operating fund - undesignated	415,424	236,871	372,090	415,948	540,835
Operating fund - designated	155,154	155,704	156,274	157,110	157,450
Restricted funds - other	72,600	370,403	396,839	494,270	384,261
Total net assets	<u>643,178</u>	<u>762,978</u>	<u>925,203</u>	<u>1,067,328</u>	<u>1,082,546</u>
Total liabilities and net assets	<u>\$ 696,579</u>	<u>\$ 1,652,251</u>	<u>\$ 1,739,132</u>	<u>\$ 1,626,189</u>	<u>\$ 1,616,150</u>
Income, revenue & expenses					
School income					
Tuition	\$ 574,668	\$ 437,479	\$ 564,106		\$ 572,794
Project fees	91,418	88,424	134,886	\$ 3,499	152,626
Total school income	<u>666,086</u>	<u>525,903</u>	<u>698,992</u>	<u>3,499</u>	<u>725,420</u>
School expenses					
Program expense	513,516	513,626	520,418	237,505	530,628
Administrative expense	270,407	296,005	290,984	437,050	287,627
Total school expenses	<u>783,923</u>	<u>809,631</u>	<u>811,402</u>	<u>674,555</u>	<u>818,255</u>
Net school loss	(117,837)	(283,728)	(112,410)	(671,056)	(92,835)
Other revenue & investment income -					
net of non-program charges	18,054	11,521	13,618	31,791	19,637
Contributions and grants	104,471	478,664	335,731	860,553	201,693
Fundraising costs	(84,828)	(86,657)	(74,714)	(79,163)	(87,319)
Unrealized loss on investments					<u>(25,958)</u>
Change in net assets	<u>(80,140)</u>	<u>119,800</u>	<u>162,225</u>	<u>142,125</u>	<u>15,218</u>
Beginning net assets	<u>723,318</u>	<u>643,178</u>	<u>762,978</u>	<u>925,203</u>	<u>1,067,328</u>
Ending net assets	<u>\$ 643,178</u>	<u>\$ 762,978</u>	<u>\$ 925,203</u>	<u>\$ 1,067,328</u>	<u>\$ 1,082,546</u>
Students per class	18	13	17	17	18

See independent auditors' report.