

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Foundation for Landscape Studies, Inc.

We have audited the accompanying financial statements of The Foundation for Landscape Studies, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 of 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 auditors' 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 The Foundation for Landscape Studies, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, in March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. Our opinion is not modified with respect to this matter.

Lotz + Carr, LLP

New York, New York
April 15, 2020

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents (Notes 1b and 7)	\$346,622	\$354,048
Accounts receivable	322	322
Unconditional promises to give (Notes 1c and 4)		
With donor restrictions	-	25,000
Equipment and intangible assets, at cost, net of accumulated depreciation and amortization (Notes 1d and 5)	<u>4,101</u>	<u>5,193</u>
Total Assets	<u><u>\$351,045</u></u>	<u><u>\$384,563</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 9,108</u>	<u>\$ 8,200</u>
Contingency (Note 8)		
Net Assets		
Without Donor Restrictions (Note 3)		
Board designated reserve fund	180,000	180,000
Other	<u>161,937</u>	<u>171,363</u>
Total Without Donor Restrictions	<u>341,937</u>	<u>351,363</u>
With Donor Restrictions	<u>-</u>	<u>25,000</u>
Total Net Assets	<u><u>341,937</u></u>	<u><u>376,363</u></u>
Total Liabilities and Net Assets	<u><u>\$351,045</u></u>	<u><u>\$384,563</u></u>

See notes to financial statements.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Changes in Net Assets Without Donor Restrictions		
Support and Revenue		
Contributions (Note 1a)	\$167,139	\$188,688
Fundraising benefits	95,075	121,150
Less: Direct fundraising benefit costs	(26,701)	(25,565)
Donated use of facilities (Note 6)	10,000	10,000
Lecture and tour income	25,062	334
Interest and other income	4,511	1,821
	<u>275,086</u>	<u>296,428</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	<u>25,000</u>	<u>-</u>
Total Support and Revenue	<u>300,086</u>	<u>296,428</u>
Expenses		
Program Services	212,461	209,078
Supporting Services		
Management and general	60,248	46,769
Fundraising	<u>36,803</u>	<u>26,809</u>
Total Expenses	<u>309,512</u>	<u>282,656</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>(9,426)</u>	<u>13,772</u>
Changes in Net Assets With Donor Restrictions		
Contributions (Note 1c)	-	25,000
Net assets released from restrictions	<u>(25,000)</u>	<u>-</u>
Increase (Decrease) in Net Assets With Donor Restrictions	<u>(25,000)</u>	<u>25,000</u>
Increase (decrease) in net assets	(34,426)	38,772
Net assets, beginning of year	<u>376,363</u>	<u>337,591</u>
Net Assets, End of Year	<u><u>\$341,937</u></u>	<u><u>\$376,363</u></u>

See notes to financial statements.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018				
	Program Services	Supporting Services Management and General	Fundraising	Total Expenses	Program Services	Supporting Services Management and General	Fundraising	Total Expenses
Salaries and payroll taxes	\$103,410	\$ 2,525	\$ 2,525	\$108,460	\$105,626	\$ 4,661	\$ 4,661	\$114,948
Professional fees	33,224	56,072	19,073	108,369	29,035	40,644	10,175	79,854
Writer and translation fees	-	-	-	-	1,906	-	-	1,906
Grant expense	29,800	-	-	29,800	31,500	-	-	31,500
Rent	9,000	500	500	10,000	9,000	500	500	10,000
Office supplies	5,804	323	323	6,450	4,016	223	223	4,462
Postage	8,165	454	454	9,073	6,320	351	351	7,022
Printing and publication	15,240	-	-	15,240	14,073	-	-	14,073
Travel and hospitality	1,848	103	103	2,054	1,684	94	94	1,872
Indirect benefit expenses	-	-	13,554	13,554	-	-	10,509	10,509
Miscellaneous	4,878	271	271	5,420	5,332	296	296	5,924
Depreciation and amortization	1,092	-	-	1,092	586	-	-	586
Total Expenses	<u>\$212,461</u>	<u>\$ 60,248</u>	<u>\$ 36,803</u>	<u>\$309,512</u>	<u>\$209,078</u>	<u>\$ 46,769</u>	<u>\$ 26,809</u>	<u>\$282,656</u>

See notes to financial statements.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (34,426)	\$ 38,772
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Depreciation and amortization	1,092	586
(Increase) decrease in unconditional promises to give	25,000	(25,000)
Increase (decrease) in accounts payable and accrued expenses	908	(24,243)
Net Cash Used By Operating Activities	(7,426)	(9,885)
 Cash Flows From Investing Activities		
Purchase of computer and accessories	-	(5,059)
 Net decrease in cash and cash equivalents	(7,426)	(14,944)
Cash and cash equivalents, beginning of year	354,048	368,992
 Cash and Cash Equivalents, End of Year	\$346,622	\$354,048

See notes to financial statements.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Foundation for Landscape Studies, Inc. (the "Organization") initiates collaborative projects with other organizations, institutions and individuals that promote and advance landscape history and historic landscape design, theory and practice.

For the year ended June 30, 2019, approximately 29% of total contributions were from a foundation. Approximately 40% of total contributions were from two foundations and an individual for the year ended June 30, 2018.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid debt instruments, including money market funds, to be cash equivalents.

c - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

d - Equipment and Intangible Assets

Equipment is recorded at cost and is depreciated using the straight-line method over its estimated useful life. The cost of the website and trademark are capitalized and amortized using the straight-line method over the estimated life of the respective assets.

e - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019 AND 2018****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Financial Statement Presentation (continued)****Net Assets With Donor Restrictions**

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

f - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

g - Tax Status

The Foundation for Landscape Studies, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

h - Subsequent Events

The Organization has evaluated subsequent events through April 15, 2020, the date that the financial statements are considered available to be issued.

i - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities. The expenses that are allocated include certain salaries and fringe benefits based on an estimate of employee time and effort. In addition, depreciation, insurance, general office expenses, and occupancy costs are allocated based on estimated usage.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019 AND 2018****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****j - Recent Accounting Pronouncement**

The Organization adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”; (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs; (d) modifying the presentation of underwater endowment funds and related disclosures; and (e) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. As permitted under the ASU in the year of adoption, the Organization opted to not disclose liquidity and availability information for 2018.

Note 2 - Information Regarding Liquidity and Availability

The Organization strives to maintain a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year, and revenue from special events during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs, and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover 90 days of general expenditures.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization's assets as of June 30 2019, and those available within one year to meet cash needs for general expenditures are summarized as follows:

Financial Assets at Year End:	
Cash and cash equivalents	\$346,622
Accounts receivable	<u>322</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$346,944</u>

Note 3 - Net Assets

a - Net Assets Without Donor Restrictions - Board Designated Reserve Fund

The Board of Directors authorized the establishment of a general board designated reserve fund intended to cushion unanticipated shortfalls in budgeted revenues from time to time. The Board established as the policy of the Organization to maintain a general operating reserve equal to not less than 50% of the total revenues shown in the budget for the then-current fiscal year. Unless otherwise determined by the Board, amounts in this general reserve shall be available solely to fund actual operating losses.

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for future programs.

Note 4 - Unconditional Promises to Give

Unconditional promises to give at June 30, 2018 were due within one year. Unconditional promises to give were expected to be significant.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 5 - Equipment and Intangible Assets

Equipment and intangible assets consist of the following at June 30:

	<u>Life</u>	<u>2019</u>	<u>2018</u>
Computers	5 years	\$15,646	\$15,646
Website	5 years	15,705	15,705
Trademark	10 years	<u>23,800</u>	<u>23,800</u>
		55,151	55,151
Less: Accumulated depreciation and amortization		<u>(51,050)</u>	<u>(49,958)</u>
		<u>\$ 4,101</u>	<u>\$ 5,193</u>

Note 6 - Donated Use of Facilities

The Organization's rent was donated during the years ended June 30, 2019 and 2018 and was valued at \$10,000.

Note 7 - Concentration of Credit Risk

The Organization maintains its cash accounts at a financial institution in New York City.

Note 8 - Subsequent Event

In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. While management is currently evaluating the potential impact that the resulting economic uncertainties may have on the Organization, it believes that its current financial assets are sufficient to support the Organization's operations on an ongoing basis.