

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2017 AND 2016

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

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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, 2017 and 2016, and the related statements of activities 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, 2017 and 2016, 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.

Lotz + Carr, LLP

New York, New York
January 15, 2018

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents (Notes 1b and 7)	\$368,992	\$317,381
Accounts receivable	322	333
Unconditional promises to give - unrestricted (Notes 1c and 4)	-	12,900
Equipment and intangible assets, at cost, net of accumulated depreciation and amortization (Notes 1d and 5)	<u>720</u>	<u>857</u>
Total Assets	<u><u>\$370,034</u></u>	<u><u>\$331,471</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 32,443</u>	<u>\$ 10,848</u>
Net Assets		
Unrestricted		
Board designated reserve fund (Note 2)	180,000	150,000
Other	<u>157,591</u>	<u>155,623</u>
Total Unrestricted	337,591	305,623
Temporarily restricted (Note 3)	<u>-</u>	<u>15,000</u>
Total Net Assets	<u><u>337,591</u></u>	<u><u>320,623</u></u>
Total Liabilities and Net Assets	<u><u>\$370,034</u></u>	<u><u>\$331,471</u></u>

See notes to financial statements.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Changes in Unrestricted Net Assets		
Support and Revenue		
Contributions (Note 1a)	\$242,535	\$249,970
Fundraising benefits	71,673	74,700
Less: Direct fundraising benefit costs	(15,545)	(15,435)
Donated use of facilities (Note 6)	10,000	10,000
Lecture and tour income	3,505	2,133
Interest and other income	293	61
	<u>312,461</u>	<u>321,429</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	15,000	5,000
	<u>327,461</u>	<u>326,429</u>
Expenses		
Program Services	218,252	231,691
Supporting Services		
Management and general	46,940	34,734
Fundraising	30,301	24,349
	<u>295,493</u>	<u>290,774</u>
Total Expenses	<u>295,493</u>	<u>290,774</u>
Increase in Unrestricted Net Assets	<u>31,968</u>	<u>35,655</u>
Changes in Temporarily Restricted Net Assets		
Contributions (Note 1a)	-	10,000
Net assets released from restrictions	(15,000)	(5,000)
	<u>(15,000)</u>	<u>5,000</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(15,000)</u>	<u>5,000</u>
Increase in net assets	16,968	40,655
Net assets, beginning of year	<u>320,623</u>	<u>279,968</u>
Net Assets, End of Year	<u><u>\$337,591</u></u>	<u><u>\$320,623</u></u>

See notes to financial statements.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 16,968	\$ 40,655
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	937	4,418
Decrease in:		
Unconditional promises to give	12,900	21,300
Accounts receivable	11	-
Increase (decrease) in accounts payable and accrued expenses	<u>21,595</u>	<u>(6,075)</u>
Net Cash Provided By Operating Activities	52,411	60,298
 Cash Flows From Investing Activities		
Trademark acquisition	<u>(800)</u>	<u>-</u>
Net increase in cash and cash equivalents	51,611	60,298
Cash and cash equivalents, beginning of year	<u>317,381</u>	<u>257,083</u>
 Cash and Cash Equivalents, End of Year	<u><u>\$368,992</u></u>	<u><u>\$317,381</u></u>

See notes to financial statements.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2017 AND 2016****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, 2017, approximately 42% of total contributions were from two foundations and an individual. Approximately 48% of total contributions were from a foundation and two individuals for the year ended June 30, 2016.

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 received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets.

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 Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

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.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2017 AND 2016****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****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 January 15, 2018, the date that the financial statements are considered available to be issued.

Note 2 - 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 initial size of this reserve was established at \$140,000, which was computed as 50% of total revenues shown in the 2013 budget. 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, therefore the reserve was increased to \$180,000 at June 30, 2017. Unless otherwise determined by the Board, amounts in this general reserve shall be available solely to fund actual operating losses.

Note 3 - Restrictions on Net Assets

Temporarily restricted net assets are restricted for future programs.

Note 4 - Unconditional Promises to Give

Unconditional promises to give at June 30, 2016 were due within one year. Uncollectible promises to give were expected to be insignificant.

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 5 - Equipment and Intangible Assets

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

	<u>Life</u>	<u>2017</u>	<u>2016</u>
Computers	5 years	\$10,587	\$10,587
Website	5 years	15,705	15,705
Trademark	10 years	<u>23,800</u>	<u>23,000</u>
		50,092	49,292
Less: Accumulated depreciation and amortization		<u>(49,372)</u>	<u>(48,435)</u>
		<u>\$ 720</u>	<u>\$ 857</u>

Depreciation and amortization expense for the years ended June 30, 2017 and 2016 was \$937 and \$4,418, respectively.

Note 6 - Donated Use of Facilities

The Organization's rent was donated during the years ended June 30, 2017 and 2016 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 - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

SUPPLEMENTARY INFORMATION



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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of The Foundation for Landscape Studies, Inc. as of and for the years ended June 30, 2017 and 2016, and our report thereon dated January 15, 2018, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended June 30, 2017 with comparative totals for 2016 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information 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 audits 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.

Lutz + Carr, LLP

New York, New York
January 15, 2018

THE FOUNDATION FOR LANDSCAPE STUDIES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS 2016

	Program Services	Supporting Services		2017	2016
		Management and General	Fundraising	Total Expenses	Total Expenses
Salaries and payroll taxes	\$113,532	\$ 10,511	\$ 10,511	\$134,554	\$143,448
Professional fees	29,614	34,860	7,167	71,641	58,291
Grant expense	30,201	-	-	30,201	32,570
Rent	9,000	500	500	10,000	10,000
Office supplies	2,354	131	131	2,616	3,308
Postage	3,778	210	210	4,198	1,469
Printing and publication	15,732	-	-	15,732	14,900
Travel and hospitality	9,330	518	518	10,366	6,187
Indirect benefit expenses	-	-	11,054	11,054	9,804
Miscellaneous	3,774	210	210	4,194	6,379
Depreciation and amortization	937	-	-	937	4,418
Total Expenses, 2017	<u>\$218,252</u>	<u>\$ 46,940</u>	<u>\$ 30,301</u>	<u>\$295,493</u>	
Total Expenses, 2016	<u>\$231,691</u>	<u>\$ 34,734</u>	<u>\$ 24,349</u>		<u>\$290,774</u>

See independent auditors' report on supplementary information.