

LIBRARY OF AMERICAN LANDSCAPE
HISTORY, INC.
Financial Statements
December 31, 2017

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Directors of the
Library of American Landscape History, Inc.

I have reviewed the accompanying financial statements of the Library of American Landscape History, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquires of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

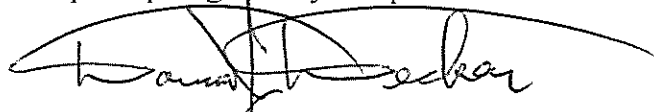
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Amherst, Massachusetts
May 29, 2018

LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.

Statement of Financial Position

As of December 31, 2017

	<u>Total</u>
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 157,674
Royalties Receivable	1,962
Contributions Receivable	6,792
Deposits	12,500
Prepaid Rent	1,600
Total Current Assets	<u>180,528</u>
Investments:	<u>662,474</u>
Property and Equipment:	
Educational Media	180,181
Website	19,550
Furniture and Equipment	7,803
Leasehold Improvements	13,748
Accumulated Depreciation & Amortization	(114,934)
Net Property and Equipment	<u>106,348</u>
Other Assets:	
Prepaid Rent and Deposits	2,756
Total Other Assets	<u>2,756</u>
Total Assets	<u>\$ 952,106</u>
Liabilities and Net Assets:	
Current Liabilities:	
Accrued Payroll Taxes	\$ 4,153
Total Current Liabilities	<u>4,153</u>
Net Assets:	
Unrestricted	\$ 583,605
Temporarily Restricted	364,348
Permanently Restricted	0
Total Net Assets	<u>947,953</u>
Total Liabilities and Net Assets	<u>\$ 952,106</u>

See accompanying notes to financial statements.

See accountant's independent review report.

LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.

Statement of Activities

For the Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, Gains, and Other Support			
Grants and Contributions	\$ 220,810	\$ 146,087	\$ 366,897
Donated Services & Equipment		11,000	11,000
Royalty Revenue, Book Sales, & Other Income	9,202		9,202
Investment Income (Loss)	83,282		83,282
 Net Assets Released from Restrictions:			
Satisfaction of Grant and Contribution Stipulations	155,436	(155,436)	
 Total Revenue, Gains, and Other Support	468,730	1,651	470,381
 Expenses			
Program Services			
Books	118,022		118,022
Manuscript Development	28,819		28,819
Educational Outreach	92,639		92,639
Total Programs	239,480		239,480
Management & General	81,986		81,986
Fund Raising	32,929		32,929
Total Expenses	354,394		354,394
 Change in Net Assets	 114,336	 1,651	 115,987
Net Assets at Beginning of Year	469,269	362,697	831,966
Net Assets at End of Year	\$ 583,605	\$ 364,348	\$ 947,953

See accompanying notes to financial statements.

See accountant's independent review report.

LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2017

	Program Services					Total
	Books	Manuscript Development	Educational Outreach	Management & General	Fundraising	
Officer Salaries	\$ 19,200	\$ 11,954	\$ 9,046	\$ 16,293	\$ 18,831	\$ 75,324
Other Salaries	45,214	7,171	4,296	15,374	6,589	78,643
Payroll Taxes	5,429	1,570	1,050	2,697	2,130	12,876
Employee Benefits	1,914	574	413	956	763	4,619
Book Production	32,874	-	-	-	-	32,874
Publicity (see Note 11)	-	-	1,749	-	-	1,749
VIEW	-	-	38,148	-	-	38,148
Travel & Meetings	552	-	-	13,956	-	14,508
Occupancy	7,839	3,227	1,787	3,999	2,348	19,200
Depreciation & Amortization	-	-	18,670	-	-	18,670
Professional Fees	-	-	-	13,450	-	13,450
Office Expenses	-	3,003	2,252	5,419	-	10,674
Computer Software	-	1,320	-	236	-	1,556
Fundraising	-	-	-	-	1,769	1,769
Other Expenses	-	-	9,727	9,608	-	19,335
Donated Services (see Note 11)	5,000	-	5,500	-	500	11,000
Total	\$ 118,022	\$ 28,819	\$ 92,639	\$ 81,986	\$ 32,929	\$ 354,394

See accompanying notes to financial statements.
See accountant's independent review report.

LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.

Statement of Cash Flows

For the Year Ended December 31, 2017

	<u>Total</u>
Cash Flows from Operating Activities:	
Change in Net Assets	\$ 115,987
Adjustments to Reconcile Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	18,670
Increase in Royalties Receivable	(61)
Increase in Contributions Receivable	(1,267)
Increase in Deposits	(12,500)
Increase in Accrued Payroll Taxes	474
Realized and Unrealized Gain on Investments	(68,194)
Stock Donations	(44,765)
Net Cash Provided/(Used) by Operating Activities	8,343
 Cash Flows from Investing Activities:	
Proceeds from the sale of investments	589,494
Purchase of Investments	(603,356)
Net Cash Provided/(Used) by Investing Activities	(13,862)
 Cash from Financing Activities:	
Net Cash Provided/(Used) by Financing Activities	0
 Net Increase in Cash and Cash Equivalents	(5,519)
Cash and Cash Equivalents at Beginning of Year	163,193
Cash and Cash Equivalents at End of Year	\$ 157,674

**Supplemental Data for Noncash Investing and Financing
Activities:**

Other Noncash Investing and Financing Activities	\$ -
Interest Expense	0
Income Taxes Paid	0

See accompanying notes to financial statements.
See accountant's independent review report.

LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.
Notes to Financial Statements
December 31, 2017

1. Description of Operations

The Library of American Landscape History, Inc. (LALH) was established as a not-for-profit corporation in 1992. The Library produces books, educational media, and exhibitions relating to North American landscape history. The organization's mission statement is: LALH is the leading publisher of books that advance the study and practice of American landscape architecture – from gardens and parks to city plans. LALH books educate the public, motivating stewardship of significant places and the environment, and they inspire new designs that connect people with nature.

2. Summary of Significant Accounting Policies

a. Basis of presentation

The financial statements have been prepared using the accrual basis of accounting, in conformity with standards promulgated by the American Institute of Certified Public Accountants. The accrual method recognizes income as it is earned and expenses as they are incurred.

The LALH reports information regarding its financial position and activities according to three classes of net assets based upon the existence or absence of donor-imposed restrictions (see footnotes A, B, and C below). As of December 31, 2017 the Organization had only unrestricted and temporarily restricted net assets.

Note A - Unrestricted Net Assets

These are net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulation.

Note B - Temporarily Restricted Net Assets

Net assets of a nonprofit organization which result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled and/or removed by actions of the organization. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Note C - Permanently Restricted Net Assets

Net assets on which there are donor-imposed restrictions that neither expire by passage of time nor can be removed or fulfilled by actions of the organization.

See accountant's independent review report.

Notes to financial statements

The LALH reports contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

b. Program support and revenue

The LALH support consists of both restricted and unrestricted contributions and grants. Total grants and contributions amounted to \$366,897 in 2017. Of this amount, \$32,800 was received from related parties.

Donated services are recorded as contributions, at their fair value, when the service creates or enhances a nonfinancial asset or the service requires specialized skill provided by an individual possessing those skills, and would need to be purchased if not provided by donation. Donated materials are recorded as contributions, when received, at the estimated fair value where such value can objectively and accurately be determined. See note 11.

In 1999, LALH began to co-publish its own books with University of Massachusetts Press in the role of publisher and distributor. Under a joint agreement, LALH received royalties on sales, based on a sliding scale indexed to the number of copies sold. In 2014, LALH entered into a new co-publishing partnership with the University of Georgia Press. The Organization now has an agreement with Georgia Press to publish *Critical Studies in the History of Environmental Design* and *Masters of Modern Landscape Design* series. The terms of publishing the two series are similar to those with Massachusetts Press. The two book series are open-ended and the specific terms of each book will be determined on a case by case basis at the time of publication. LALH also anticipates publishing individual books (not in a series) with Georgia Press.

Book sales held at launch events also produce income.

Investment income is comprised of interest and dividends earned on cash deposits and investments, and also include realized and unrealized gains or losses on investments.

Other income received was related to editing activities and a speaking engagement on the subject of Warren Manning.

c. Promises to give

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

See accountant's independent review report.

Notes to financial statements

d. Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The company presents program service expenses in the following categories on the statement of activities:

Books: Costs associated with writers' fees, editing, proofreading, photography, indexing, design, production, promotion, and archive procurement.

Manuscript development: Costs associated with developmental editing and acquiring new projects.

Educational Outreach:

Exhibition tour program: Costs associated with curating, producing, storage, rehabbing, and administering touring exhibitions organized in association with LALH books.

VIEW: Costs associated with writing, editing, proofreading, photography, design, printing, and mailing of annual magazine.

Website: Costs associated with maintaining current website.

Film Series (Educational Media): Costs associated with developing documentary films for use on LALH website and for public screenings.

During the calendar year 2017, LALH carried out the following activities:

In March *James Rose* was published in association with University of Georgia Press, the second volume in the Masters of Modern Landscape Design series.

In April *Warren H. Manning, Landscape Architect and Environmental Planner* was published in association with University of Georgia Press, the second volume in the Critical Studies in the History of Environmental Design series.

In November *Lawrence Halprin* was published in association with University of Georgia Press, the third volume in the Masters of Modern Landscape Design series.

In April the Preservation Hero Award was given to Betty and Robert Balentine of Atlanta, Georgia, at an event in Atlanta.

See accountant's independent review report.

Notes to financial statements

In October the Legacy Award was given to Elizabeth Barlow Rogers of New York, New York, at an event in New York City.

In April, Regina Lasko was elected to the LALH Board of Directors.

May 16 a contract was signed with University of Georgia Press for *Hare & Hare*.

July 1, Carol Betsch joined the staff of LALH as managing editor.

In September, VIEW 2017 was published and distributed to 7,000 recipients.

In September 2017 LALH undertook a campaign to raise \$25,000 to purchase the Lockwood and Elizabeth de Forest Family Papers from Kellam de Forest for the purposes of donating the papers to the University of California Santa Barbara Architecture and Design Collection. The campaign surpassed all expectations and a total of \$38,227 was raised. The funds raised in excess of the \$25,000 purchase price were set aside to pay Kellam de Forest a consulting fee of \$50 per hour to help with archive staff process the collection, beginning January 2018. LALH plans eventually to develop a documentary film/and or book related to the life and designs of Lockwood de Forest Jr., one of the preeminent landscape architects of the early twentieth century.

e. Fund-raising costs

Fund-raising costs are comprised of direct expenses and of a percentage of salary expenses and other expenses. Salary allocations are based on management's estimate of time spent on various functions and other expenses are allocated based on management's estimate of other costs allocable to fundraising.

f. Cash and cash equivalents

The Organization considers all short-term, highly liquid investments with remaining maturities of three months or less when purchased to be cash equivalents.

g. Allowance for uncollectible accounts

The Organization performs ongoing evaluations of its receivables, maintaining allowances for potential credit losses which, when realized, have been within management's expectations. Management does not believe any allowance for doubtful accounts is necessary at December 31, 2017.

h. Investments/Fair Values of Financial Instruments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of

See accountant's independent review report.

Notes to financial statements

Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities.

The Organization follows the provisions of FASB ASC 820-10-50-1, *Fair Value Measurements* for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a framework for the measurement of fair value, and enhances disclosures about fair value measurements (Note 6.)

i. Property and equipment

All acquisitions of property and equipment in excess of \$1,000 (except exhibition costs) and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Assets are recorded at cost, if purchased or at fair market value at time of receipt if donated. Depreciation of furniture, equipment, educational media, and the website are computed on a straight-line basis over their estimated service lives of three to five years. Leasehold improvements are amortized over the lives of the leases (see note 9).

It is the Organization's policy that costs associated with the production of exhibits are expensed when incurred and are not capitalized. This policy is followed because the exhibits usually have a relatively short useful life and have no marketable value at the end of the exhibit tour. The exhibits contain many high quality photos and plates and are the property of LALH. At the end of a tour, the Organization has occasionally donated exhibits to other organizations for permanent display. In 2015 the Organization donated the *Genius for Place* exhibit (museum version) to the University of Georgia library. The other two exhibits that the Organization produced in prior years, the *Genius for Place* panel exhibit and the *One Hundred Years of Design on the Land* (1285 Exhibit) were both held in storage for the year.

j. Estimates

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

See accountant's independent review report.

Notes to financial statements

k. Deposits and Other Assets

Deposits are related to the Lockwood and Elizabeth de Forest collective archives, discussed in note 1d. By December 31, 2017 the Organization had transferred \$12,500 of the total purchase price of \$25,000 to Kellam de Forest. The remaining \$12,500 was paid in 2018 and the archive was subsequently donated to the University of California, Santa Barbara.

Other assets consist of last month rent and a security deposit on the current lease.

3. Concentration of Cash, Receivables, Funding Sources, and Investments

LALH has cash deposits with one bank, which has offices located in the New England area. Cash deposits in the bank are insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Concentrations of receivables exist due to the size of the receivables and the relatively small number of contributors or other organizations who owe money to the LALH at year end. The Organization is dependent on a relatively limited number of granting agencies and contributors. The loss of support from a funding source would require an offsetting adjustment to the corporation's programmatic endeavors. See note 13.

The Organization's investments are with Merrill Lynch in a money market fund (\$73,154), in 35 stocks (\$289,640), and in five mutual funds (\$299,680). None of these investments are insured.

4. Contributions Receivable/Conditional Promises To Give

LALH reports unconditional promises to give as contributions. If outstanding contributions are expected to be collected in less than one year, they are recorded at net realizable value. If outstanding contributions are to be paid to the Organization over a period of years, they are recorded at the present value of their estimated cash flows (fair value at the time of the donation), using a discount rate as determined by management in the year of the donation. Contributions receivable amounts due in excess of one year after December 31, 2017 would be discounted to their net realizable value using a discount rate of 3%.

Receivable due in less than one year	\$ 6,792
Receivable due in one to five years (net of discount of \$0)	<u>0</u>
Total unconditional promises to give	6,792
Less allowance for uncollectible contributions receivable	<u>0</u>
Net contributions receivable at December 31, 2017	<u>\$ 6,792</u>

\$2,500 of unconditional promises to give at December 31, 2017 are from related parties.

There are no conditional promises to give at December, 31, 2017.

See accountant's independent review report.

Notes to financial statements

5. Property and Equipment

Fixed assets consist of the following:

Educational Media	\$ 180,181	
Less Accumulated Depreciation	<u>(73,833)</u>	
Net Educational Media		\$106,348
Website	\$ 19,550	
Less Accumulated Depreciation	<u>(19,550)</u>	
Net Website		0
Furniture and Equipment	7,803	
Less Accumulated Depreciation	<u>(7,803)</u>	
Net Equipment		0
Leasehold Improvements (see note 9)	13,748	
Less Accumulated Amortization	<u>(13,748)</u>	
Net Leasehold Improvements		<u>0</u>
Net Property and Equipment		<u>\$106,348</u>

Depreciation expense in the current period amounted to \$18,670

6. Investments:

In 2004, the board of directors voted to establish a long term savings fund. The fund was created by depositing \$45,000 into an investment account in 2004 with additional monies added or withdrawn each year since then. The balance of the account (including purchases, dividend reinvestments, and realized and unrealized gains and losses) at December 31, 2017 was \$244,991. This account currently consists of temporarily restricted and unrestricted contributions. These monies are held in the account until they are needed to fund a project. If funds are needed for a project or general operations, an investment is sold and money is transferred to the Organization's regular checking account.

As of December 31, 2017 the board has elected to consider \$196,750 of unrestricted funds as restricted for the purposes of the Turner fund. Including the donor restricted amount of \$220,733 (see note 7) the total restricted for this purpose is \$417,483. In January, February, and March 2018 an additional \$45,000 was also elected to be considered board restricted for the Turner fund. All amounts considered to be restricted for the Turner fund are held in a separate account within the Organization's investment portfolio.

See accountant's independent review report.

Notes to financial statements

Income generated within the long term savings fund is considered to be unrestricted. In regards to the separate Turner fund account, the board considers any income, whether generated from donor restricted contributions or board restricted amounts to be restricted to the Turner fund.

Total investment returns are summarized as follows:

Investment income	\$15,088
Realized gain on investments	74,104
Unrealized loss on investments	<u>(5,910)</u>
Total unrestricted investment income	<u>\$ 83,282</u>

The Organization follows FASB ASC 820-10-50-1 for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. These standards establish 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 measurement involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) for identical investments in active markets.
- Level 2 inputs are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 are model derived valuations in which one or more significant inputs or significant value drivers are unobservable.

In certain cases, the inputs to measure fair value may result in an asset or liability falling into more than one level of the fair value hierarchy. In such cases, the determination of the classification of an asset or liability within the fair value hierarchy is based on the least determinate input that is significant to the fair value measurement.

See accountant's independent review report.

Notes to financial statements

The following table represents investments that are measured at fair value on a recurring basis at December 31, 2017:

Fair Value Measurements at December 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Stock	289,640	0	0
Mutual Funds	299,680	0	0
Money Market Funds	<u>73,154</u>	<u>0</u>	<u>0</u>
Total investments	\$ <u>662,474</u>	\$ <u>0</u>	\$ <u>0</u>

For the valuation of certain mutual funds, stock, and money market funds the Organization used quoted prices in principal active markets for identical assets as of the value date (Level 1).

7. Restrictions on Net Assets

Temporarily restricted net assets received during the year consist of the following:

Books		
deForest	\$ 38,227	
Grove	25,000	
Kowsky	8,000	
Shipman Reprint	7,600	
Modern Landscape Design Series	7,500	
Way	5,000	
Helphand	2,500	
Environmental Series	<u>260</u>	
Total Books	94,087	\$94,087
VIEW		58,500
Misc. Projects		<u>4,500</u>
Total Temp. Restricted Net Assets Received		<u>\$ 157,087</u>

See accountant's independent review report.

Notes to financial statements

Temporarily restricted net assets released during the year consist of the following:

Books		
Shipman Reprint	\$ 46,565	
Grove	19,469	
deforest	12,500	
Allaback	8,161	
Way	5,000	
Helphand	<u>2,500</u>	
Total Books	94,195	\$94,195
VIEW		56,741
Misc. Projects		<u>4,500</u>
Total Temp. Restricted Net Assets Released		<u>\$155,436</u>

Temporarily restricted net assets at December 31, 2017 consist of the following projects or purpose:

Books		
Makker	\$29,926	
Modern Landscape Design Series	26,008	
deForest	25,727	
Allaback	20,407	
Grove	14,484	
Nadenicek	8,291	
Kowsky	8,000	
Environmental Fund	<u>260</u>	
Total Books	133,103	\$133,103
Turner Fund		220,733
Special Publicity		5,072
VIEW		<u>5,440</u>
Total Temporary Restricted Net Assets		<u>\$364,348</u>

The Organization is tracking expenses in excess of revenues related to the following projects: Rainey (\$27,593), Way (\$13,196), Shipman Reprint (\$9,317) and Carr (\$3,245). These book projects are all works in progress: however due to the timing of when the projects incur expenses versus when restricted revenue is received or pledged, these endeavors have deficit project balances at December 31, 2017. The Organization hopes to receive donations to help cover the costs of these previously incurred expenses, as well as raise additional donations for any future expenses that may be incurred as the projects continue. The deficit project balances listed above are not reflected in the temporarily restricted net assets at December 31, 2017.

See accountant's independent review report.

Notes to financial statements

8. Income Taxes

The Internal Revenue Service (IRS) has determined that the corporation is exempt from federal income taxes under Internal Revenue Code section 501(c)(3). In addition, it has been determined that the corporation is not a private foundation within the meaning of Section 509(a) of the Code. It is also exempt from state income taxes.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2014, 2015, and 2016 tax years. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under examination. Therefore, no provisions for the effects of uncertain tax positions have been recorded for the year ended December 31, 2017. Further, no interest or penalties have been accrued or charged to expense as of December 31, 2017.

9. Commitments/Leases

In January of 2017, the Organization extended their lease agreement, including all amendments, until January 2020 to continue leasing office and storage space for \$1,300 per month and an additional office space for \$300 per month. Over the course of the lease, which began in 2004, the Organization made various leasehold improvements, totaling \$13,748, which were amortized over the course of the lease terms at the time the leasehold improvements were made. The total rent commitment is scheduled to be as follows:

2018	19,200
2019	19,200
2020	<u>1,600</u>
Total	<u>\$ 40,000</u>

Total rent expense for the year was \$19,200.

10. Retirement Plan

In 1998, the Organization adopted a SIMPLE retirement plan. The plan allows any employee, once they have earned at least \$5,000, to generally contribute up to \$12,000 to the plan under a salary reduction agreement. An individual retirement account is established for each employee who decides to participate in the plan. All contributions are immediately vested in the employee. The Organization will match employee contributions up to the lesser of 3% of gross pay or the elective contribution for any participating employee. The cost to the Organization for the year ended December 31, 2017, was \$4,619

See accountant's independent review report.

Notes to financial statements

11. Donated Services and Materials

Based on management's estimate the value of donated services during the year were approximately \$11,000 related to production of books (\$5,000), for publicity (\$3,500), for fundraising (\$500), and for educational outreach (\$2,000). Of the total amount, \$500 was services donated by related parties.

In addition, the individuals who provide services in their capacity as members of the board of directors of the corporation do so for no monetary consideration. Their contributions of time and effort are incapable of value estimation. No amounts have been recognized in the statement of activities because the criteria for recognition under current accounting standards have not been satisfied.

12. Related Party Transactions

In addition to other details disclosed in these footnotes regarding related parties, the LALH paid \$58,381 of salaries and benefits and \$2,620 for other services to related parties in 2017.

13. Subsequent Events

The Organization has evaluated subsequent events through May 29, 2018, which is the date these financial statements were available to be issued. In 2018, management was notified that the Organization would no longer be receiving support from a long-time substantial contributor. As such, management is currently working to generate alternative plans of action to adjust for this change. Management has not revised the current year expense budget to reflect any decrease in contribution support and anticipates finding additional ways to raise contributions to continue operations similar to prior years.

See accountant's independent review report.