

LIBRARY OF AMERICAN LANDSCAPE  
HISTORY, INC.  
Financial Statements  
December 31, 2018

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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, 2018, 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 inquiries of entity 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**

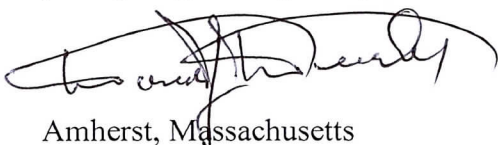
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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 accordance with accounting principles generally accepted in the United States of America.



Amherst, Massachusetts  
June 5, 2019

**LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.**

**Statement of Financial Position**

**As of December 31, 2018**

	<u><b>Total</b></u>
<b>Assets:</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 115,155
Royalties Receivable	969
Contributions Receivable	5,983
Prepaid Rent	1,600
<b>Total Current Assets</b>	<u>123,707</u>
<b>Investments:</b>	<u>676,548</u>
<b>Property and Equipment:</b>	
Educational Media	180,181
Website	19,550
Furniture and Equipment	7,803
Leasehold Improvements	13,748
Accumulated Depreciation & Amortization	(132,952)
<b>Net Property and Equipment</b>	<u>88,330</u>
<b>Other Assets:</b>	
Prepaid Rent and Deposits	2,756
<b>Total Other Assets</b>	<u>2,756</u>
<b>Total Assets</b>	<u><u>\$ 891,341</u></u>
<b>Liabilities and Net Assets:</b>	
<b>Current Liabilities:</b>	
Accrued Payroll Taxes	\$ 4,483
<b>Total Current Liabilities</b>	<u>4,483</u>
<b>Net Assets:</b>	
Without Donor Restrictions	\$ 484,583
With Donor Restrictions	402,275
<b>Total Net Assets</b>	<u>886,858</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 891,341</u></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, 2018**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>Revenues, Gains, and Other Support</b>			
Grants and Contributions	\$ 150,038	\$ 227,498	\$ 377,536
Donated Services		10,000	10,000
Royalty Revenue, Book Sales, & Other Income	9,611		9,611
Investment Income (Loss), net	(37,532)		(37,532)
Net Assets Released from Restrictions:			
Satisfaction of Grant and Contribution Stipulations	199,571	(199,571)	
<b>Total Revenue, Gains, and Other Support</b>	<u>321,688</u>	<u>37,927</u>	<u>359,615</u>
<b>Expenses</b>			
Program Services			
Books	155,950		155,950
Manuscript Development	45,358		45,358
Educational Outreach	117,954		117,954
Total Programs	<u>319,261</u>		<u>319,261</u>
Management & General	64,284		64,284
Fund Raising	37,164		37,164
<b>Total Expenses</b>	<u>420,710</u>		<u>420,710</u>
<b>Change in Net Assets</b>	(99,022)	37,927	(61,095)
<b>Net Assets at Beginning of Year</b>	<u>583,605</u>	<u>364,348</u>	<u>947,953</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 484,583</u></u>	<u><u>\$ 402,275</u></u>	<u><u>\$ 886,858</u></u>

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, 2018**

	Program Services					
	Books	Manuscript Development	Educational Outreach	Management & General	Fundraising	Total
Officer Salaries	\$ 13,176	\$ 20,714	\$ 17,895	\$ 10,357	\$ 20,714	\$ 82,856
Other Salaries	61,219	7,187	3,594	15,013	6,434	93,447
Payroll Taxes	6,597	2,257	1,704	2,642	2,287	15,487
Employee Benefits	2,218	842	654	761	814	5,289
Book Production	48,545	-	-	-	-	48,545
Publicity (see Note 11)	3,170	-	2,552	-	-	5,722
VIEW	-	-	22,252	-	-	22,252
de Forest Archive and Consulting	-	-	35,000	-	-	35,000
Travel & Meetings	7,952	5,207	399	12,784	-	26,342
Occupancy	8,073	3,054	2,364	2,761	2,948	19,200
Depreciation & Amortization	-	-	18,018	-	-	18,018
Professional Fees	-	-	-	12,150	-	12,150
Office Expenses	-	3,327	2,494	1,587	-	7,409
Computer Software	-	1,210	-	737	-	1,947
Fundraising	-	-	-	-	3,967	3,967
Other Expenses	-	1,560	6,027	5,492	-	13,079
Donated Services (see Note 11)	5,000	-	5,000	-	-	10,000
Total	<u>\$ 155,950</u>	<u>\$ 45,358</u>	<u>\$ 117,954</u>	<u>\$ 64,284</u>	<u>\$ 37,164</u>	<u>\$ 420,710</u>

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, 2018**

	<u><b>Total</b></u>
<b>Cash Flows from Operating Activities:</b>	
Change in Net Assets	\$ (61,095)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	18,018
Decrease in Royalties Receivable	993
Decrease in Contributions Receivable	809
Decrease in Deposits	12,500
Increase in Accrued Payroll Taxes	331
Realized and Unrealized Gain on Investments	57,916
Stock Donations	<u>(78,057)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(48,585)</u>
 <b>Cash Flows from Investing Activities:</b>	
Proceeds from the sale of investments	304,983
Purchase of Investments	<u>(298,917)</u>
Net Cash Provided/(Used) by Investing Activities	<u>6,066</u>
 <b>Cash from Financing Activities:</b>	
Net Cash Provided/(Used) by Financing Activities	<u>0</u>
 <b>Net Increase in Cash and Cash Equivalents</b>	(42,519)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>157,674</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 115,155</u></u>

**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, 2018

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 two classes of net assets based upon the existence or absence of donor-imposed restrictions (see footnotes A-Without Donor Restrictions, and B-With Donor Restrictions, below).

Note A – Net assets without donor restrictions are resources available to support operations and are not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purpose specified in its corporate documents and its application for tax-exempt status.

Note B – Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Other restrictions may be perpetual in nature such as, those restricted by a donor who specifies that these resources be maintained in perpetuity. At present, the Organization has no perpetually restricted resources.

See accountant's independent review report.



## Notes to financial statements

The LALH reports contributions received as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

### b. Program support and revenue

The LALH support consists of contributions and grants with donor restrictions and without donor restrictions. Total grants and contributions amounted to \$242,536 in 2018. Of this amount, \$48,239 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 receives 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*, *Designing the American Park*, and *Masters of Modern Landscape Design* series. The terms of publishing the three series are similar to those with Massachusetts Press. The 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. In 2018, the Organization began working on book projects that, in future years, will be published under their own imprint and distributed by a third party organization, yet to be determined.

Book sales held at launch events also produce income.

Investment income is comprised of interest and dividends earned on cash deposits and investments, increased or decreased for realized and unrealized gains or losses on investments, and reduced by investment expenses incurred.

Other income received was related to speaking engagements 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. The Statement of Functional Expense presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include personnel costs and occupancy costs which are allocated based on the estimates of time and effort. 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. The majority of book production expenditures are paid for by donor restricted contributions. As such, there are no significant uses of the Organization's own resources to produce each book. Management does not believe there is any cost benefit to maintaining an inventory valuation for the small number of books it owns. See Note 1b for descriptions of book publishing arrangements and related income.

**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 2018, LALH carried out the following activities:

April: *The Best Planned City in the World* by Francis R. Kowksy (paperback edition) was published. A book launch was held in Buffalo in collaboration with the Buffalo Olmsted Parks Conservancy.

April: *Ellen Shipman and the American Garden* by Judith Tankard was published. Book launches were held in Jacksonville, FL, in collaboration with the Southern Garden History Society, and in May, at the Century Association in New York City.

See accountant's independent review report.

## Notes to financial statements

July: Jonathan D. Lippincott joined the LALH staff as assistant director.

September: *VIEW* 2018 was published and mailed to 1,000 recipients.

October 26 the Preservation Hero Award was given to John K. Notz Jr. at a celebration at the Cliff Dwellers in Chicago, IL.

October 26 Marybeth Sollins, of Rye, NY, was elected to the LALH Board of Directors.

### 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, 2018.

### 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 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.)

See accountant's independent review report.



## Notes to financial statements

### 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.

### k. Other Assets

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 accountant's independent review report.

## Notes to financial statements

The Organization's investments are with Merrill Lynch in a money market fund (\$8,413), in 35 stocks (\$293,878), and in five mutual funds (\$374,257). 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, 2018 would be discounted to their net realizable value using a discount rate of 3%.

Receivable due in less than one year	\$ 5,983
Receivable due in one to five years (net of discount of \$0)	<u>0</u>
Total unconditional promises to give	5,983
Less allowance for uncollectible contributions receivable	<u>0</u>
Net contributions receivable at December 31, 2017	<u>\$ 5,983</u>

\$2,500 of unconditional promises to give at December 31, 2018 are from related parties.

There are no conditional promises to give at December, 31, 2018.

### 5. Property and Equipment

Fixed assets consist of the following:

Educational Media	\$ 180,181	
Less Accumulated Depreciation	<u>(91,851)</u>	
Net Educational Media		\$88,330
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>\$88,330</u>

See accountant's independent review report.

## Notes to financial statements

Depreciation expense in the current period amounted to \$18,018

### 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, 2018 was \$243,669. This account currently consists of contributions with donor restrictions and without donor restrictions. 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.

In 2012, the board of directors voted to establish a fund named after the Organization's founding president, Nancy R. Turner, to assist in the publication of books about American parks and gardens. As of December 31, 2018 the amount of funds without donor restriction to be considered board designated restricted for the purposes of the Turner fund was \$212,146. Including the donor restricted amount of \$220,733 (see note 7) the total restricted for this purpose is \$432,879. All amounts considered to be restricted for the purpose of the Turner fund are held in a separate account within the Organization's investment portfolio.

Income generated within the long term savings fund is income earned without donor restrictions. 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	\$27,896
Realized gain/(loss) on investments	(18,574)
Unrealized gain/(loss) on investments	(39,342)
Investment expense	<u>(7,512)</u>
Total investment income	<u>\$ (37,532)</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:

See accountant's independent review report.



## Notes to financial statements

- 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.

The following table represents investments that are measured at fair value on a recurring basis at December 31, 2018:

### Fair Value Measurements at December 31, 2018

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	374,257	0	0
Stock	293,878	0	0
Money Market Funds	<u>8,413</u>	<u>0</u>	<u>0</u>
Total investments	\$ <u>676,548</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).

See accountant's independent review report.

Notes to financial statements

7. Restrictions on Net Assets

Net assets with donor restrictions received during the year consist of the following:

Books		
Olmsted	\$ 51,146	
Carr	37,122	
Rainey	31,255	
Morrison	25,000	
Nadenicek	12,500	
Kowsky	10,000	
Shipman Reprint	2,527	
Grove	2,500	
deForest	<u>135</u>	
Total Books	172,185	\$172,185
VIEW		32,000
Assistant Director		30,313
Misc. Projects		<u>3,000</u>
Total Net Assets With Donor Restriction Received		<u>\$ 237,498</u>

Net assets with donor restrictions released during the year consist of the following:

Books		
Carr	\$ 37,122	
Rainey	31,255	
deForest	22,500	
Allaback	19,976	
Grove	16,984	
Morrison	15,488	
Kowsky	13,279	
Shipman Reprint	<u>2,527</u>	
Total Books	159,131	\$159,131
VIEW		37,440
Misc. Projects		<u>3,000</u>
Total Net Assets With Donor Restrictions Released		<u>\$199,571</u>

See accountant's independent review report.

## Notes to financial statements

Net assets with donor restrictions at December 31, 2018 consist of the following projects or purpose:

### Books

Olmsted	\$ 51,146	
Makker	29,926	
Modern Landscape Design Series	26,008	
Nadenicek	20,791	
Morrison	9,512	
Kowsky	4,721	
deforest	3,362	
Allaback	431	
Environmental Fund	<u>260</u>	
Total Books	146,157	\$146,157
Turner Fund		220,733
Assistant Director		30,313
Special Publicity		<u>5,072</u>
Total Net Assets With Donor Restrictions		<u>\$402,275</u>

The Organization is tracking expenses in excess of revenues related to the following projects: Rainey (\$3,056), Way (\$13,196), and Manning (1,000). 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, 2018. 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 net assets with donor restrictions at December 31, 2018.

## 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 2015, 2016, and 2017 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, 2018. Further, no interest or penalties have been accrued or charged to expense as of December 31, 2018.

See accountant's independent review report.

## Notes to financial statements

### 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:

2019	19,200
2020	<u>1,600</u>
Total	<u>\$ 20,800</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, 2018, was \$5,289.

### 11. Donated Services and Materials

Based on management's estimate the value of donated services during the year were approximately \$10,000 related to production of books (\$5,000), for publicity (\$3,000), and for educational outreach (\$2,000). No amount of donated services was provided 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.

See accountant's independent review report.



## Notes to financial statements

### 12. Liquidity

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position. Additionally, the board of trustees has designated certain investments for the purpose of the Turner Fund. Due to the board of trustee's designation, those investments are not available for general expenditures within the next year; however, the board could make them available, if necessary. Donor restricted amounts that are available to use within one year because the restrictions are expected to be met by conducting the normal activities of the Organization, include book projects, assistant director position, and special publicity, totaling \$181,542 (see Note 7 for fund balance details by project or purpose.)

	<u>2018</u>
Financial assets at year-end	\$798,655
Less those unavailable for general expenditures within one year, due to:	
Donor-restricted for the Turner Fund	220,733
Board-restricted for the Turner Fund	<u>212,146</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$365,776</u>

As part of the Organization's liquidity management, it holds a reasonable amount of cash in a checking account and also invests cash in money market accounts and mutual funds. The management of cash is based on historical cash flow needs, budget expectations for the current year, and the Organization's present requirements for anticipated expenses.

### 13. Related Party Transactions

In addition to other details disclosed in these footnotes regarding related parties, the LALH paid \$74,161 of salaries and benefits and \$1,000 for other services to related parties in 2018.

### 14. Subsequent Events

The Organization has evaluated subsequent events through June 5, 2019, which is the date these financial statements were available to be issued.

See accountant's independent review report.