

THREEFOLD EDUCATIONAL
FOUNDATION AND SCHOOL

Combined Financial Statements
June 30, 2017

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of

Threefold Educational Foundation and School

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Threefold Educational Foundation and School (a Not-for-Profit organization), which are comprised of the combined statement of financial position as of June 30, 2017 and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audit. We did not audit the financial statements of Green Meadow Waldorf School, a local affiliate, which statements reflect total assets of \$8,023,508 as of June 30, 2017, and total support and revenue of \$6,615,211 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Green Meadow Waldorf School, is based solely on the report of the other auditors. We conducted our audit 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Entities' preparation and fair presentation of the combined 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 Entities' 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 combined financial statements.

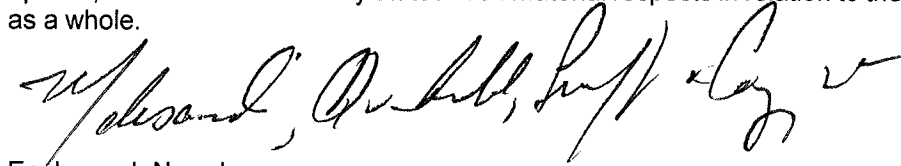
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of Threefold Educational Foundation and School as of June 30, 2017, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.



Englewood, New Jersey
February 20, 2018

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

COMBINED STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETS

	Foundation Operations	ESV	GMWS	Total
CURRENT ASSETS:				
Cash and equivalents	\$ 657,340	\$ 20,647	\$ 1,079,834	\$ 1,757,821
Investments	116,239	115,322	-	231,561
Accounts receivable, net	206,588	35,439	195,009	437,036
Pledges receivable	9,826	-	-	9,826
Prepaid expenses	43,735	4,735	140,781	189,251
Other receivables	10,623	-	-	10,623
Total Current Assets	<u>1,044,351</u>	<u>176,143</u>	<u>1,415,624</u>	<u>2,636,118</u>
PROPERTY AND EQUIPMENT, NET	<u>3,779,337</u>	<u>17,984</u>	<u>6,362,896</u>	<u>10,160,217</u>
SECURITY DEPOSIT	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
RESTRICTED ENDOWMENT:				
Cash	-	-	98,804	98,804
Investments	-	-	73,584	73,584
Pledges receivable	-	-	72,500	72,500
Total Restricted Endowment	<u>-</u>	<u>-</u>	<u>244,888</u>	<u>244,888</u>
Total Assets	<u>\$ 4,823,688</u>	<u>\$ 194,127</u>	<u>\$ 8,023,508</u>	<u>\$ 13,041,323</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 167,060	\$ 1,817	\$ 78,013	\$ 246,890
Security deposits	138,236	-	700	138,936
Deferred income	224,322	26,658	519,500	770,480
Current portion of note and mortgage	-	3,000	23,335	26,335
Total Current Liabilities	<u>529,618</u>	<u>31,475</u>	<u>621,548</u>	<u>1,182,641</u>
LONG-TERM LIABILITIES:				
Note and mortgage payable	-	-	241,708	241,708
Total Liabilities	<u>529,618</u>	<u>31,475</u>	<u>863,256</u>	<u>1,424,349</u>
NET ASSETS:				
Unrestricted:				
Operating	4,106,406	150,652	6,156,112	10,413,170
Board designated	117,359	-	699,713	817,072
Total Unrestricted	<u>4,223,765</u>	<u>150,652</u>	<u>6,855,825</u>	<u>11,230,242</u>
Temporarily restricted	305	-	49,094	49,399
Permanently restricted	70,000	12,000	255,333	337,333
Total Net Assets	<u>4,294,070</u>	<u>162,652</u>	<u>7,160,252</u>	<u>11,616,974</u>
Total Liabilities and Net Assets	<u>\$ 4,823,688</u>	<u>\$ 194,127</u>	<u>\$ 8,023,508</u>	<u>\$ 13,041,323</u>

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

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC
Certified Public Accountants

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

COMBINED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	Foundation Operations	ESV	GMWS	Total
CHANGE IN UNRESTRICTED NET ASSETS:				
Revenue:				
Tuition income	\$ 807,839	\$ 302,742	\$ 7,155,240	\$ 8,265,821
Less: scholarships, remissions, and sibling discounts	98,440	42,640	1,636,426	1,777,506
Net tuition income	709,399	260,102	5,518,814	6,488,315
Rental income, net of remissions	1,262,059	3,275	79,102	1,344,436
Fee income, net of remissions	765,921	926	276,419	1,043,266
Fundraising income	-	-	80,834	80,834
Investment income	1,924	5,657	471	8,052
Other income	486	16,015	33,095	49,596
Total Revenue	2,739,789	285,975	5,988,735	9,014,499
Support:				
Gifts and grants	328,323	149,708	271,664	749,695
Total Unrestricted Revenue and Support	3,068,112	435,683	6,260,399	9,764,194
Expenditures:				
Program services	2,290,016	268,732	5,048,375	7,607,123
General and administrative	792,679	159,514	1,318,120	2,270,313
Fundraising	44,623	32,573	248,716	325,912
Total Expenditures	3,127,318	460,819	6,615,211	10,203,348
CHANGE IN UNRESTRICTED NET ASSETS	(59,206)	(25,136)	(354,812)	(439,154)
TEMPORARILY RESTRICTED NET ASSETS:				
Investment income	8	-	-	8
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	8	-	-	8
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS:				
Gifts and grants	-	-	244,888	244,888
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	-	-	244,888	244,888
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(59,198)	(25,136)	(109,924)	(194,258)
NON-OPERATING ACTIVITIES:				
Realized and unrealized gain (loss) on investment	-	2,752	(1,341)	1,411
TOTAL NON-OPERATING ACTIVITIES	-	2,752	(1,341)	1,411
CHANGE IN NET ASSETS	(59,198)	(22,384)	(111,265)	(192,847)
NET ASSETS, Beginning of Year	4,353,268	185,036	7,271,517	11,809,821
NET ASSETS, End of Year	\$ 4,294,070	\$ 162,652	\$ 7,160,252	\$ 11,616,974

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

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THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

COMBINED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

	Foundation Operations	ESV	GMWS	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ (59,198)	\$ (22,384)	\$ (111,265)	\$ (192,847)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	120,170	1,954	312,015	434,139
Realized and unrealized (gain) loss on investments	-	(2,752)	-	(2,752)
Change in accounts receivable	82,898	2,746	3,578	89,222
Change in pledges receivable	18,840	-	-	18,840
Change in prepaid expenses	9,641	-	(134,672)	(125,031)
Change in other receivables	(8,326)	-	-	(8,326)
Change in accounts payable and accrued expenses	26,737	(15,421)	(74,922)	(63,606)
Change in security deposits	(396)	-	-	(396)
Change in deferred income	74,842	13,808	(154,215)	(65,565)
	265,208	(22,049)	(159,481)	83,678
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(166,574)	-	(92,795)	(259,369)
Purchases of investments	-	(1,388)	(172,388)	(173,776)
Proceeds on sales of investments	99,184	-	-	99,184
	(67,390)	(1,388)	(265,183)	(333,961)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments of long term debt	-	-	(23,394)	(23,394)
	-	-	(23,394)	(23,394)
NET CHANGE IN CASH AND EQUIVALENTS	197,818	(23,437)	(448,058)	(273,677)
CASH AND EQUIVALENTS, Beginning of Year	459,522	44,084	1,527,892	2,031,498
CASH AND EQUIVALENTS, End of Year	\$ 657,340	\$ 20,647	\$ 1,079,834	\$ 1,757,821
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid for:				
Interest	\$ 31	\$ -	\$ 14,937	\$ 14,968

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

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THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2017

NOTE 1 - ORGANIZATION:

Threefold Educational Foundation and School (the "Organization") is the umbrella Organization for Green Meadow Waldorf School ("GMWS"), Eurythmy Spring Valley ("ESV"), Pond, Fiber Craft Studio, Otto Specht School, Holder House, and Pfeiffer Center.

The Organization provides support services for the above named institutions and other educational and cultural activities based on anthroposophy and the work of Rudolf Steiner. The Organization allocates the costs of some rents and administrative support to these institutions. The forgiveness of these costs is included in revenue shown as net of remissions. GMWS provides academic programs with a reliance on the Rudolf Steiner philosophy to children from preschool through twelfth grade. ESV provides professional training in Eurythmy, a performance art which has applications in medical and occupational therapies and in education.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The combined financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

All financial transactions have been recorded and reported as unrestricted, temporarily restricted, or permanently restricted net assets:

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the objectives of the Organization, and include those expendable resources which have been designated for special use by the Organization or the Board of Trustees.

Temporarily restricted net assets represent those amounts which are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the combined statement of activities as net assets released from restriction.

Permanently restricted net assets result from contributions from donors who place restrictions on the use of the funds which mandate that the original principal be invested in perpetuity. This original principal is reported as a permanently restricted net asset, the income from which may be either temporarily restricted or unrestricted, depending on the donor's specifications.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

The Organization records donor restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Cash and Equivalents

For purposes of the combined statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments, comprised of equity and debt securities, are reported at their fair market values in the combined statement of financial position. Realized and unrealized gains and losses are included in the combined statement of activities.

Fair Value Measurements

The Organization follows Financial Accounting Standards Board guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on historical experience and management's evaluation of outstanding accounts receivable at the combined statement of financial position date.

Pledges Receivable

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Property and Equipment

Property and equipment are stated at cost or fair value at the date of donation. Depreciation is calculated using the straight line method. Estimated lives of the categories are generally as follows:

Buildings and improvements	50 years
Furniture and equipment	10 years

Major additions and improvements are capitalized, and routine expenditures for repairs and maintenance are charged to expense as incurred.

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL
 NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Income Taxes

The Organization is a Not-for-Profit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from income tax.

Estimates

The preparation of combined 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.

Reclassification

The financial statements of GMWS have been audited by other auditors and a separate financial statement is available under separate cover. Certain accounts have been reclassified for comparative purposes to conform to the presentation in the combined financial statements.

Open Tax Years

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2014, 2015, 2016 and 2017 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

NOTE 3 - INVESTMENTS:

Assets measured at fair value on a recurring basis are as follows:

<u>Description</u>	<u>Foundation Operations</u>	<u>ESV</u>	<u>GMWS</u>	<u>Total</u>
Money market funds	\$ 116,239	\$ 80,097	\$ -	\$ 196,336
Mutual funds	-	15,459	53,899	69,358
Stocks	-	19,766	19,685	39,451
Total	<u>\$ 116,239</u>	<u>\$ 115,322</u>	<u>\$ 73,584</u>	<u>\$ 305,145</u>

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices: (Level 1)</u>
Money market funds	\$ 196,336	\$ 196,336
Mutual funds	69,358	69,358
Stocks	39,451	39,451
Total	<u>\$ 305,145</u>	<u>\$ 305,145</u>

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL
 NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

NOTE 3 - INVESTMENTS (CONTINUED):

Fair values for investments are determined by references to quoted market prices and other relevant information generated by market transactions.

Investment return is summarized as follows:

	<u>Foundation Operations</u>	<u>ESV</u>	<u>GMWS</u>	<u>Total</u>
Interest and dividends	\$ 1,932	\$ 5,657	\$ 471	\$ 8,060
Realized and unrealized Gain (loss) on investment	<u>-</u>	<u>2,752</u>	<u>(1,341)</u>	<u>1,411</u>
Total Investment Return	<u>\$ 1,932</u>	<u>\$ 8,409</u>	<u>\$ (870)</u>	<u>\$ 9,471</u>

NOTE 4 - PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

	<u>Foundation Operations</u>	<u>ESV</u>	<u>GMWS</u>	<u>Total</u>
Land	\$ 300,098	\$ -	\$ 112,404	\$ 412,502
Buildings and improvements	5,667,733	97,676	9,510,205	15,275,614
Furniture and equipment	<u>132,926</u>	<u>4,099</u>	<u>611,116</u>	<u>748,141</u>
Total Property and Equipment	6,100,757	101,775	10,233,725	16,436,257
Less: accumulated depreciation	<u>2,321,420</u>	<u>83,791</u>	<u>3,870,829</u>	<u>6,276,040</u>
Net Property and Equipment	<u>\$ 3,779,337</u>	<u>\$ 17,984</u>	<u>\$ 6,362,896</u>	<u>\$10,160,217</u>

Depreciation expense for the year ended June 30, 2017 was \$434,139.

Included in building and improvements for GMWS is a home purchased in September 2006 which is used as a rental property for faculty of the School. The purchase price of the house was \$534,500 and is being depreciated over 27.5 years.

NOTE 5 - MORTGAGE AND NOTE PAYABLE:

ESV has a note without interest, due on demand for \$3,000.

GMWS has a mortgage payable through October 1, 2016, which is collateralized by the property located at 24 Joyce Drive in Chestnut Ridge, New York. Monthly installments include principal, fee amortization, and interest calculated at 5.5%. The loan was refinanced in October 2016 at 4.38% over 10 years. The outstanding mortgage due as of June 30, 2017 was \$265,043.

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL
 NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

NOTE 5 - MORTGAGE AND NOTE PAYABLE (CONTINUED):

Future principal maturities on the mortgage are as follows:

2018	\$	23,335
2019		24,378
2020		25,467
2021		26,605
2022		27,794
Thereafter		<u>137,464</u>
Total	\$	<u>265,043</u>

NOTE 6 - ENDOWMENT FUNDS:

The Organization's endowment consists of approximately seven individual funds established for a variety of purposes. Its endowment includes both donor restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

As of June 30, 2017, the Board of Trustees had designated \$817,072 of unrestricted net assets as general endowment funds to support the Organization's operations. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as unrestricted net assets.

The Board of Trustees of the Organization has interpreted the New York State Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the NYPMIFA. In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, (7) alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization, and (8) the Organization's investment policies.

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL
 NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

NOTE 6 - ENDOWMENT FUNDS (CONTINUED):

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the organization must hold in perpetuity or for a donor-specified purpose. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy. The Organization has a policy of appropriating for distribution each year the interest and dividends earned on these funds for donor purposes.

Endowment net assets composition by type of fund is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Donor restricted	\$ -	\$ 305	\$ 337,333	\$ 337,638
Board designated	<u>817,072</u>	<u>-</u>	<u>-</u>	<u>817,072</u>
 Total Funds	 <u>\$ 817,072</u>	 <u>\$ 305</u>	 <u>\$ 337,333</u>	 <u>\$ 1,154,710</u>

Changes in endowment net assets are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets, Beginning of year	\$ 1,170,669	\$ 297	\$ 92,345	\$ 1,263,311
Contributions	70,500	-	244,988	315,488
Investment income	533	8	-	541
Amounts appropriated for expenditure	<u>(424,630)</u>	<u>-</u>	<u>-</u>	<u>(424,630)</u>
 Endowment net assets, End of year	 <u>\$ 817,072</u>	 <u>\$ 305</u>	 <u>\$ 337,333</u>	 <u>\$ 1,154,710</u>

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL
 NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

NOTE 6 - ENDOWMENT FUNDS (CONTINUED):

Net assets were designated by the Board for the following purposes:

	<u>Foundation Operations</u>	<u>ESV</u>	<u>GMWS</u>	<u>Total</u>
Operating reserve	\$ 101,359	\$ -	\$ 351,369	\$ 452,728
Site development reserve	-	-	73,000	73,000
Scholarship fund reserve	-	-	131,308	131,308
Benefit reserve	-	-	30,000	30,000
Medical reserve	-	-	80,000	80,000
Remedial fund	-	-	25,000	25,000
Vehicle reserve	5,000	-	9,036	14,036
Endowment	1,000	-	-	1,000
Capital Campaign – buildings	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total	<u>\$ 117,359</u>	<u>\$ -</u>	<u>\$ 699,713</u>	<u>\$ 817,072</u>

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for use in the following:

	<u>Foundation Operations</u>	<u>ESV</u>	<u>GMWS</u>	<u>Total</u>
Scholarship	\$ -	\$ -	\$ 18,094	\$ 18,094
Open Saturdays	-	-	1,000	1,000
Science lab equipment	-	-	5,000	5,000
Remedial fund	-	-	25,000	25,000
Endowment	<u>305</u>	<u>-</u>	<u>-</u>	<u>305</u>
Total	<u>\$ 305</u>	<u>\$ -</u>	<u>\$ 49,094</u>	<u>\$ 49,399</u>

NOTE 8 - PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets are restricted to investment and reinvestment in perpetuity, the income from which is expendable to support the following:

	<u>Foundation Operations</u>	<u>ESV</u>	<u>GMWS</u>	<u>Total</u>
Endowment	<u>\$ 70,000</u>	<u>\$ 12,000</u>	<u>\$ 255,333</u>	<u>\$ 337,333</u>

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 9 - PENSION PLAN:

The Organization has a defined contribution (money purchase) plan which covers substantially all salaried employees. Contributions are applied to individual annuities issued to each participant by the Teachers Insurance and Annuity Association and/or College Retirement Equities Fund. Annual contributions are required of all participating employees according to the following schedule:

1. The employee has worked two years for the Organization and worked 1,000 hours per year.
2. Employer contributions for eligible employees are 4-10% of compensation.
3. Minimum of 2-5% employee contribution.

Contributions for the year ended June 30, 2017 were \$285,847.

NOTE 10 - DONATED SERVICES:

GMWS receives a significant amount of donated services from unpaid volunteers who assist in fund raising and special projects. No amounts have been recognized in the combined statement of activities because the nature of these volunteer services does not meet the recognition criteria.

NOTE 11 - CONCENTRATION OF CREDIT RISK:

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances, at times, may exceed federally insured limits. Cash held at TD Waterhouse for GMWS is not insured.

NOTE 12 - LINE OF CREDIT:

The Organization has a line of credit with TD Bank, N.A. with an available credit line up to \$200,000. The line of credit was unused for the year. The interest rate is 4.25%.

GMWS also has a line of credit with M&T Bank with an available credit line up to \$250,000. The line of credit was unused for the year. The interest rate is prime plus 1%.

NOTE 13 - COMMITMENT:

GMWS has an annual website upgrade and subscription commitment from 2012 to 2016 in the amount of \$12,000 per year.

GMWS has a lease for an offsite Kindergarten class which commenced in September 2013 and has a yearly renewal. The monthly rent is \$5,000. GMWS has several equipment leases that come due over the next few years.

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 14 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 20, 2018, the date the combined financial statements were available to be issued. No events have occurred subsequent to the combined statement of financial position date and through the date the financial statements were available to be issued that would require adjustment to or disclosure in the accompanying combined financial statements.

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

COMBINED SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2017

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 5,329,573	\$ 1,000,283	\$ 254,512	\$ 6,584,368
Accounting	-	19,620	-	19,620
Legal	-	12,876	-	12,876
Supplies	147,107	65,671	1,310	214,088
Telephone	4,357	24,037	1,685	30,079
Postage	8,515	5,785	677	14,977
Rent	36,538	86,906	-	123,444
Repair and maintenance	232,194	19,245	4,232	255,671
Equipment rental and maintenance	19,646	27,139	3,664	50,449
Printing	473	11,048	8,671	20,192
Travel	24,486	11,917	-	36,403
Conferences and meetings	12,722	6,902	2,998	22,622
Interest	13,294	1,674	-	14,968
Dues and subscriptions	40,568	737	105	41,410
Honoraria	100,879	-	-	100,879
Athletics	53,400	-	-	53,400
Parent education	11,271	624	-	11,895
Professional development	66,266	50,400	-	116,666
Program expenses	273,770	22,614	-	296,384
Riding club	9,589	-	-	9,589
Advertising	116,084	17,109	12,844	146,037
Website expenses	-	3,970	-	3,970
Technology expense	-	28,382	-	28,382
Class expense	65,946	-	-	65,946
School	42,159	-	-	42,159
Insurance	99,347	123,739	2,233	225,319
Field trips	21,616	-	-	21,616
Vehicle expense	-	11,309	-	11,309
Bad debt	42,179	126,286	-	168,465
Miscellaneous	20,478	47,654	10,690	78,822
Sewer tax	15,926	59,034	358	75,318
Music fund and tour expenses	45,616	-	-	45,616
Student expenses	73,237	-	-	73,237
Gifts	183,208	22,964	12,509	218,681
Bank fees	-	23,839	-	23,839
Contractor's fees	-	165,718	-	165,718
Utilities	57,032	86,275	5,767	149,074
Professional fees	7,328	39,813	537	47,678
Consultants	62,703	-	-	62,703
Materials	76,322	9,018	-	85,340
Depreciation	293,294	137,725	3,120	434,139
Total	\$ 7,607,123	\$ 2,270,313	\$ 325,912	\$ 10,203,348

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