THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

Combined Financial Statements
June 30, 2018

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC
Certified Public Accountants

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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, 2018 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 $7,919,759 as of June 30, 2018, and total support and revenue of $5,915,556 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, 2018, 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 8, 2019

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC
Certified Public Accountants

THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

COMBINED STATEMENT OF FINANCIAL POSITION
June 30, 2018

ASSETS

	Foundation Operations	Fiber Craft Studio	Otto Specht School	Pfeiffer Center	Café	ESV	GMWS	Total
CURRENT ASSETS:								
Cash and equivalents	$ 429,142	$ 42,089	$ 501,608	$ 34,574	$ 32,201	$ 68,062	$ 968,796	$ 2,076,472
Investments	116,462	-	-	29,102	-	118,195	-	263,759
Accounts receivable, net	184,201	33,701	37,391	6,423	7,219	34,843	198,123	501,901
Prepaid expenses	108,924	3,960	11,656	4,175	1,845	4,735	132,712	268,007
Other receivables	35,667	-	-	7,000	-	-	-	42,667
Total Current Assets	874,396	79,750	550,655	81,274	41,265	225,835	1,299,631	3,152,806
PROPERTY AND EQUIPMENT, NET	3,624,719	-	69,900	-	5,500	16,031	6,303,895	10,020,045
SECURITY DEPOSIT	-	-	-	-	-	-	100	100
RESTRICTED ENDOWMENT:								
Cash	-	-	-	-	-	-	52,425	52,425
Investments	-	-	-	-	-	-	238,708	238,708
Pledges receivable	-	-	-	-	-	-	25,000	25,000
Total Restricted Endowment	-	-	-	-	-	-	316,133	316,133
Total Assets	$ 4,499,115	$ 79,750	$ 620,555	$ 81,274	$ 46,765	$ 241,866	$ 7,919,759	$ 13,489,084

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:								
Accounts payable and accrued expenses	$ 201,333	$ 5,954	$ 12,501	$ 9,459	$ 46,242	$ 52,333	$ 68,158	$ 395,980
Security deposits	137,527	-	-	-	-	-	1,870	139,397
Deferred income	64,888	32,500	158,308	23,077	1,691	8,670	533,475	822,609
Current portion of note and mortgage	-	-	-	-	-	3,000	24,378	27,378
Total Current Liabilities	403,748	38,454	170,809	32,536	47,933	64,003	627,881	1,385,364

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 FINANCIAL POSITION
June 30, 2018

	Foundation Operations	Fiber Craft Studio	Otto Specht School	Pfeiffer Center	Café	ESV	GMWS	Total
LONG-TERM LIABILITIES:								
Note and mortgage payable	-	-	31,656	-	-	-	217,471	249,127
Total Liabilities	403,748	38,454	202,465	32,536	47,933	64,003	845,352	1,634,491
NET ASSETS:								
Unrestricted:								
Operating	4,025,035	41,296	25,968	48,738	(1,168)	165,863	6,096,355	10,402,087
Board designated	-	-	392,122	-	-	-	600,380	992,502
Total Unrestricted	4,025,035	41,296	418,090	48,738	(1,168)	165,863	6,696,735	11,394,589
Temporarily restricted	332	-	-	-	-	-	51,094	51,426
Permanently restricted	70,000	-	-	-	-	12,000	326,578	408,578
Total Net Assets	4,095,367	41,296	418,090	48,738	(1,168)	177,863	7,074,407	11,854,593
Total Liabilities and Net Assets	$ 4,499,115	$ 79,750	$ 620,555	$ 81,274	$ 46,765	$ 241,866	$ 7,919,759	$ 13,489,084

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

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THREEFOLD EDUCATIONAL FOUNDATION AND SCHOOL

COMBINED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

	Foundation Operations	Fiber Craft Studio	Otto Specht School	Pfeiffer Center	Café	ESV	GMWS	Total
CHANGE IN UNRESTRICTED NET ASSETS:								
Revenue:								
Tuition income	$ 8,570	$ 132,096	$ 766,097	$ 48,877	$ -	$ 281,684	$ 6,942,257	$ 8,179,581
Less: scholarships, remissions, and sibling discounts	1,000	4,117	19,686	11,820	-	37,987	1,711,767	1,786,377
Net tuition income	7,570	127,979	746,411	37,057	-	243,697	5,230,490	6,393,204
Rental income, net of remissions	1,289,847	-	-	-	-	3,709	81,961	1,375,517
Fee income, net of remissions	295,753	41,331	10,437	155,381	343,578	1,231	254,166	1,101,877
Fundraising income	-	-	6,507	2,460	-	-	113,042	122,009
Investment income	1,067	23	1,631	15	9	5,910	8,002	16,657
Other income	6,167	-	408	-	-	14,239	32,398	53,212
Total Revenue	1,600,404	169,333	765,394	194,913	343,587	268,786	5,720,059	9,062,476
Support:								
Gifts and grants	6,022	16,409	258,946	113,162	-	198,003	133,717	726,259
Total Unrestricted Revenue and Support	1,606,426	185,742	1,024,340	308,075	343,587	466,789	5,853,776	9,788,735
Expenditures:								
Program services	699,317	160,463	667,998	181,540	302,875	266,592	4,531,768	6,810,553
General and administrative	874,199	15,879	110,978	37,111	47,157	155,830	1,237,699	2,478,853
Fundraising	35,219	-	25,198	2,010.00	-	30,239	231,934	324,600
Total Expenditures	1,608,735	176,342	804,174	220,661	350,032	452,661	6,001,401	9,614,006
CHANGE IN UNRESTRICTED NET ASSETS	(2,309)	9,400	220,166	87,414	(6,445)	14,128	(147,625)	174,729
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS:								
Investment income	27	-	-	-	-	-	-	27
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS:								
Gifts and grants	-	-	-	-	-	-	71,245	71,245
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(2,282)	9,400	220,166	87,414	(6,445)	14,128	(76,380)	246,001
NON-OPERATING ACTIVITES:								
Realized and unrealized gain (loss) on investments	-	-	-	-	-	1,083	(9,465)	(8,382)
CHANGE IN NET ASSETS	(2,282)	9,400	220,166	87,414	(6,445)	15,211	(85,845)	237,619
NET ASSETS, Beginning of Year	4,097,649	31,896	197,924	(38,676)	5,277	162,652	7,160,252	11,616,974
NET ASSETS, End of Year	$ 4,095,367	$ 41,296	$ 418,090	$ 48,738	$ (1,168)	$ 177,863	$ 7,074,407	$ 11,854,593

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 CASH FLOWS
For the Year Ended June 30, 2018

	Foundation Operations	Fiber Craft Studio	Otto Specht School	Pfeiffer Center	Café	ESV	GMWS	Total
CASH FLOWS FROM OPERATING ACTIVITIES:								
Change in net assets	$ (2,282)	$ 9,400	$ 220,166	$ 87,414	$ (6,445)	$ 15,211	$ (85,845)	$ 237,619
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation	116,754	-	7,767	-	1,728	1,953	323,116	451,318
Realized and unrealized (gain) loss on investments	-	-	-	-	-	(1,083)	-	(1,083)
Change in accounts receivable	(48,267)	(14,018)	(3,002)	(11,752)	4,691	596	44,386	(27,366)
Change in pledges receivable	9,826	-	-	-	-	-	-	9,826
Change in prepaid expenses	(77,703)	(603)	(5,129)	(1,544)	(1,845)	-	8,069	(78,755)
Change in other receivables	19,613	-	-	(2,000)	-	-	-	17,613
Change in accounts payable and accrued expenses	96,627	972	(6,737)	(18,110)	35,677	50,516	(9,855)	149,090
Change in security deposits	(710)	-	-	-	-	-	1,170	460
Change in deferred income	(23,551)	(10,438)	86,797	1,643	1,691	(17,988)	13,975	52,129
Net Cash Provided by (Used in) Operating Activities	90,307	(14,687)	299,862	55,651	35,497	49,205	295,016	810,851
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchases of property and equipment	(46,873)	-	-	-	(159)	-	(264,114)	(311,146)
Purchases of investments	(223)	-	-	(29,102)	-	(1,790)	(118,746)	(149,861)
Net Cash Used in Investing Activities	(47,096)	-	-	(29,102)	(159)	(1,790)	(382,860)	(461,007)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Payments of long term debt	-	-	(8,000)	-	-	-	(23,194)	(31,194)
NET CHANGE IN CASH AND EQUIVALENTS	43,211	(14,687)	291,862	26,549	35,338	47,415	(111,038)	318,650
CASH AND EQUIVALENTS, Beginning of Year	385,931	56,776	209,746	8,025	(3,137)	20,647	1,079,834	1,757,822
CASH AND EQUIVALENTS, End of Year	$ 429,142	$ 42,089	$ 501,608	$ 34,574	$ 32,201	$ 68,062	$ 968,796	$ 2,076,472
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:								
Cash paid for:								
Interest	$ -	$ -	$ 7	$ -	$ -	$ -	$ 10,336	$ 10,343
Non cash disclosure:								
In-kind donations	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,725	$ 2,725

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

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2018

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, Pfeiffer Center and Threefold Café.

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:

Combined Financial Statements

The combined financial statements include the accounts of Threefold Educational Foundation and School and the organizations under the umbrella stated in Note 1, collectively the "Organization." All significant intercompany accounts and transactions have been eliminated.

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.

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

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.

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. The pledges are receivable in one year.

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

Property and Equipment

Property and equipment are stated at cost or fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Major additions and improvements are capitalized, and routine expenditures for repairs and maintenance are charged to expense as incurred.

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

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, 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, 2015, 2016, 2017 and 2018 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:

Description	Foundation Operations	Pfeiffer Center	ESV	GMWS	Total
Money market funds	$ 116,462	$ 29,102	$ 80,618	$ -	$ 226,182
Mutual funds	-	-	16,883	-	16,883
Stocks	-	-	20,694	238,708	259,402
Total	$ 116,462	$ 29,102	$ 118,195	$ 238,708	$ 502,467

NOTE 3 - INVESTMENTS (CONTINUED):

Description	Fair Value	Quoted Prices: (Level 1)
Money market funds	$ 226,182	$ 226,182
Mutual funds	16,883	16,883
Stocks	259,402	259,402
Total	$ 502,467	$ 502,467

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:

	Foundation Operations	Pfeiffer Center	ESV	GMWS	Total
Interest and dividends	$ 1,094	$ 15	$ 5,910	$ 8,002	$ 15,021
Realized and unrealized Gain (loss) on investment	-	-	1,083	(9,465)	(8,382)
Total Investment Return	$ 1,094	$ 15	$ 6,993	$ (1,463)	$ 6,639

NOTE 4 - PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

	Foundation Operations	Otto Specht School	Cafe	ESV	GMWS	Total
Land	$ 300,098	$ -	$ -	$ -	$ 112,404	$ 412,502
Buildings and improvements	5,634,949	-	-	97,676	9,632,904	15,365,529
Leasehold improvements	-	79,656	-	-	-	79,656
Furniture and equipment	124,443	-	8,642	4,099	516,684	653,868
Total Property and Equipment	6,059,490	79,656	8,642	101,775	10,261,992	16,511,555
Less: accumulated depreciation	2,434,771	9,756	3,142	85,744	3,958,097	6,491,510
Net Property and Equipment	$3,624,719	$ 69,900	$ 5,500	$ 16,031	$6,303,895	$10,020,045

Depreciation expense for the year ended June 30, 2018 was $451,318.

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, 2018 was $241,849.

Future principal maturities on the mortgage are as follows:

2019	$ 27,378
2020	25,467
2021	26,605
2022	27,794
2023	29,036
Thereafter	108,569
Total	$ 244,849

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, 2018, the Board of Trustees had designated $992,502 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,

NOTE 6 - ENDOWMENT FUNDS (CONTINUED):

(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.

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:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
Donor restricted	$ -	$ 332	$ 408,578	$ 408,910
Board designated	992,502	-	-	992,502
Total Funds	$ 992,502	$ 332	$ 408,578	$ 1,401,412

Changes in endowment net assets are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
Endowment net assets, Beginning of year	$ 825,861	$ 305	$ 337,233	$ 1,163,399
Contributions	273,775	-	71,345	345,120
Investment income	2,891	27	-	2,918
Amounts appropriated for expenditure	(110,025)	-	-	(110,025)
Endowment net assets, End of year	$ 992,502	$ 332	$ 408,578	$ 1,401,412

NOTE 6 - ENDOWMENT FUNDS (CONTINUED):

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

	Otto Specht School	GMWS	Total
Operating reserve	$ 119,122	$ 357,036	$ 476,158
Site development reserve	-	73,000	73,000
Scholarship fund reserve	-	131,308	131,308
Benefit reserve	-	30,000	30,000
Vehicle reserve	5,000	9,036	14,036
Endowment	1,000	-	1,000
Capital Campaign – buildings	267,000	-	267,000
Total	$ 392,122	$ 600,380	$ 992,502

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS:

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

	Foundation Operations	GMWS	Total
Scholarship	$ -	$ 18,094	$ 18,094
Open Saturdays	-	1,000	1,000
Educational support fund	-	32,000	32,000
Endowment	332	-	332
Total	$ 332	$ 51,094	$ 51,426

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:

	Foundation Operations	ESV	GMWS	Total
Endowment	$ 70,000	$ 12,000	$ 326,578	$ 408,578

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, 2018 were $159,774.

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.

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 6%.

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 3.5%.

NOTE 13 - COMMITMENT:

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.

NOTE 14 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 8, 2019, 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, 2018

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	$ 4,909,933	$ 1,043,586	$ 270,957	$ 6,224,476
Accounting	-	22,947	-	22,947
Legal	240	7,601	-	7,841
Supplies	154,629	62,580	930	218,139
Telephone	4,108	20,927	1,813	26,848
Postage	7,801	11,876	700	20,377
Rent	61,185	87,400	-	148,585
Repair and maintenance	206,824	20,011	3,778	230,613
Equipment rental and maintenance	23,174	35,803	3,263	62,240
Printing	4,704	9,192	5,021	18,917
Travel	27,935	8,090	-	36,025
Conferences and meetings	11,970	8,249	-	20,219
Interest	9,199	1,144	-	10,343
Dues and subscriptions	45,972	1,990	-	47,962
Honoraria	113,117	-	-	113,117
Athletics	45,578	-	-	45,578
Parent education	6,465	239	-	6,704
Professional development	31,018	37,009	-	68,027
Program expenses	144,402	55,173	-	199,575
Riding club	7,622	-	-	7,622
Advertising	135,676	16,731	12,813	165,220
Website expenses	-	2,386	-	2,386
Technology expense	-	22,470	168	22,638
Class expense	75,548	-	-	75,548
School	28,059	-	-	28,059
Insurance	84,637	127,504	1,902	214,043
Field trips	2,326	-	-	2,326
Vehicle expense	-	18,380	-	18,380
Bad debt	13,265	146,511	-	159,776
Miscellaneous	17,822	37,102	180	55,104
Sewer tax	13,863	54,299	311	68,473
Music fund and tour expenses	37,056	-	-	37,056
Student expenses	97,891	-	-	97,891
Gifts	-	187,321	13,631	200,952
Bank fees	-	29,108	-	29,108
Contractor's fees	-	115,297	-	115,297
Utilities	58,357	103,751	5,902	168,010
Professional fees	16,581	30,800	-	47,381
Consultants	40,109	-	-	40,109
Materials	69,758	9,018	-	78,776
Depreciation	303,729	144,358	3,231	451,318
Total	$ 6,810,553	$ 2,478,853	$ 324,600	$ 9,614,006

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