

**CAMPHILL SOLTANE AND  
CAMPHILL SOLTANE FOUNDATION  
(A Not-for-Profit Organization)**

**Consolidated Financial Statements,  
Independent Auditor's Report,  
and Supplementary Information**

**June 30, 2017**

**CAMPHILL SOLTANE AND  
CAMPHILL SOLTANE FOUNDATION  
(A-Not-for-Profit Organization)  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Camphill Soltane and  
Camphill Soltane Foundation

We have audited the accompanying consolidated financial statements of Camphill Soltane and Camphill Soltane Foundation (a not-for-profit Organization), which comprise the consolidated statements of financial position as of June 30, 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the ten-month period then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Camphill Soltane and Camphill Soltane Foundation as of June 30, 2017, and the changes in their net assets and their cash flows for the ten-month period then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

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

*Camphill, Rappold & Yasaita LLP*

August 10, 2018

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**CAMPBILL SOLTANE AND  
CAMPBILL SOLTANE FOUNDATION  
(A Not-for-Profit Organization)  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017**

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<b><u>ASSETS</u></b>	<u>6/30/2017</u>
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 222,940
Tuition Receivable	161,670
Accounts Receivable	267,977
Note Receivable, Current Portion (Note 7)	13,095
Prepaid Expenses	<u>6,028</u>
Total Current Assets	671,710
PROPERTY AND EQUIPMENT, NET (NOTE 4)	5,563,571
INVESTMENTS, AT FAIR VALUE (NOTE 5)	10,005,045
OTHER ASSETS	
Deposits	6,542
Note Receivable, Less Current Portion (Note 7)	<u>-</u>
Total Other Assets	6,542
TOTAL ASSETS	<u><u>\$ 16,246,868</u></u>

See independent auditor's report and accompanying notes to consolidated financial statements.

**CAMPBILL SOLTANE AND  
CAMPBILL SOLTANE FOUNDATION  
(A Not-for-Profit Organization)  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
JUNE 30, 2017**

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<u>LIABILITIES AND NET ASSETS</u>	<u>6/30/2017</u>
CURRENT LIABILITIES	
Note Payable, Current Portion	\$ 24,000
Accounts Payable	151,101
Accrued Payroll	90,368
Payroll Taxes Payable	26,190
Tuition Advances	115,902
Deferred Revenue	250
Resident Funds	1,577
	<hr/>
Total Current Liabilities	409,388
DEFERRED REVENUE - ENTRANCE FEES	118,333
NOTE PAYABLE, NET OF CURRENT PORTION	4,000
COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 13)	<hr/>
TOTAL LIABILITIES	<hr/> 531,721 <hr/>
NET ASSETS	
Unrestricted	
Designated (Note 9)	5,415
Undesignated	5,953,456
	<hr/> 5,958,871 <hr/>
Temporarily Restricted (Note 9)	5,207,892
Permanently Restricted (Note 9)	4,548,384
	<hr/> 15,715,147 <hr/>
TOTAL NET ASSETS	<hr/> 15,715,147 <hr/>
TOTAL LIABILITIES AND NET ASSETS	<hr/> \$ 16,246,868 <hr/>

**CAMPBILL SOLTANE AND  
CAMPBILL SOLTANE FOUNDATION  
(A Not-for-Profit Organization)  
CONSOLIDATED STATEMENT OF ACTIVITIES  
AND CHANGES IN NET ASSETS  
FOR THE TEN-MONTH PERIOD ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Ten-Month Period Ended 6/30/2017
<b>REVENUE, GAINS, AND SUPPORT</b>				
Tuition (Net of Financial Aid Assistance) (Note 3)	\$ 1,555,824	\$ -	\$ -	\$ 1,555,824
Contributions	733,478	519,850	-	1,253,328
Special Events (Net of Expenses of \$79,552)	116,052	-	-	116,052
Investment Income (Net of Investment Fees)	6,291	181,547	-	187,838
Store Sales (Net of Cost of Goods Sold of \$69,677)	117,283	-	-	117,283
Net Realized and Unrealized				
Gain (Loss) on Investments	(3,659)	544,970	-	541,311
Gain on Sale of Equipment	7,393	-	-	7,393
Rental Income	53,336	-	-	53,336
Administration Fees	1,239,370	-	-	1,239,370
Other	33,093	-	-	33,093
	<u>3,858,461</u>	<u>1,246,367</u>	<u>-</u>	<u>5,104,828</u>
Total Revenue and Gains				
Net Assets Released from Restrictions (Note 9)	<u>1,535,976</u>	<u>(1,535,976)</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains, and Support	<u>5,394,437</u>	<u>(289,609)</u>	<u>-</u>	<u>5,104,828</u>
<b>EXPENSES</b>				
Program Services	3,709,636	-	-	3,709,636
Management and General	961,032	-	-	961,032
Fundraising	143,583	-	-	143,583
	<u>4,814,251</u>	<u>-</u>	<u>-</u>	<u>4,814,251</u>
Total Expenses				
<b>CHANGE IN NET ASSETS</b>	<u>580,186</u>	<u>(289,609)</u>	<u>-</u>	<u>290,577</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>5,378,685</u>	<u>5,497,501</u>	<u>4,548,384</u>	<u>15,424,570</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 5,958,871</u>	<u>\$ 5,207,892</u>	<u>\$ 4,548,384</u>	<u>\$ 15,715,147</u>

See independent auditor's report and accompanying notes to consolidated financial statements.



**CAMPBILL SOLTANE AND  
CAMPBILL SOLTANE FOUNDATION  
(A Not-for-Profit Organization)  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE TEN-MONTH PERIOD ENDED JUNE 30, 2017**

	Ten-Month Period Ended June 30, 2017			
	Program Services	Management and General	Fundraising	Total
<i>Salaries and Benefits</i>				
Salaries	\$ 1,217,217	\$ 658,922	\$ 102,580	\$ 1,978,719
Payroll Taxes	94,417	48,916	4,636	147,969
Employee Benefits	98,432	38,296	16,608	153,336
Total Salaries and Benefits	1,410,066	746,134	123,824	2,280,024
Professional Fees	231,110	36,166	-	267,276
Grants	8,000	-	-	8,000
Supplies	-	2,560	5	2,565
Telecommunications	1,500	21,597	1,149	24,246
Office Expenses	-	43,983	8,710	52,693
Printing	-	-	34	34
Publications	-	-	3,908	3,908
<i>Occupancy</i>				
Utilities	70,802	22,339	-	93,141
Household	25,286	-	-	25,286
Insurance	116,214	-	-	116,214
Maintenance	88,665	-	-	88,665
Rent Expense	79,648	-	-	79,648
Insurance	36,421	19,780	-	56,201
Food	66,641	-	-	66,641
Therapy	5,601	-	-	5,601
Human Concerns	600,344	-	-	600,344
Automobile	61,521	593	-	62,114
General Administration	-	47	-	47
Advertising	-	241	85	326
Educational Program	18,426	-	-	18,426
Travel	269	12,719	2,390	15,378
Dues, Memberships, and Subscriptions	37,463	137	778	38,378
Conferences and Meetings	281	51	286	618
Development	-	426	2,414	2,840
Small Tools and Equipment	10,579	7,356	-	17,935
Soltane Works	(2,789)	-	-	(2,789)
<i>Co-Worker Expenses</i>				
Stipends	46,025	-	-	46,025
Benefits	139,346	-	-	139,346
Food and Household	168,171	-	-	168,171
Education	110,615	-	-	110,615
Tuition and Fees	96,682	-	-	96,682
Miscellaneous Expenses	-	22,105	-	22,105
Depreciation Expense	282,749	24,798	-	307,547
Total Expenses	<u>\$ 3,709,636</u>	<u>\$ 961,032</u>	<u>\$ 143,583</u>	<u>\$ 4,814,251</u>

See independent auditor's report and accompanying notes to consolidated financial statements.

**CAMP HILL SOLTANE AND  
CAMP HILL SOLTANE FOUNDATION  
(A Not-for-Profit Organization)  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TEN-MONTH PERIOD ENDED JUNE 30, 2017**

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	<u>Ten-Month Period Ended 6/30/2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 290,577
Adjustments to Reconcile Changes in Net Assets to Cash Provided by Operating Activities:	
Depreciation and Amortization	307,547
Net Realized and Unrealized Gain on Investments	(541,311)
Gain on Sale of Equipment	(7,393)
Changes in Assets and Liabilities:	
Decrease in Tuition and Accounts Receivable	104,666
Decrease in Prepaid Expenses	6,251
Increase in Deposits	(184)
Decrease in Deferred Revenue	(9,339)
Decrease in Accounts Payable	(12,363)
Decrease in Tuition Advances	(23,510)
Decrease in Accrued Payroll	(662)
Increase in Payroll Taxes Payable	6,456
Decrease in Resident Funds	(9,950)
Net Cash Provided by Operating Activities	<u>110,785</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Property and Equipment	(674,165)
Proceeds from Sale of Equipment	9,298
Purchase of Investments	(4,166,195)
Proceeds from Sale of Investments	4,777,819
Proceeds from Note Payable	36,000
Payments on Note Payable	(8,000)
Proceeds from Note Receivable	9,067
Net Cash Used by Investing Activities	<u>(16,176)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>94,609</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>128,331</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u><u>\$ 222,940</u></u>

*SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:*

Interest Received from Note Receivable	<u><u>\$ 3,620</u></u>
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See independent auditor's report and accompanying notes to consolidated financial statements.

**CAMPBILL SOLTANE AND  
CAMPBILL SOLTANE FOUNDATION  
(A Not-for Profit Organization)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. Nature of Activities**

Camphill Soltane is a not-for-profit corporation organized under the laws of the Commonwealth of Pennsylvania to create community through living, learning and working for and with young adults with special needs beginning at the age of 18. In addition, Camphill Soltane has developed a program to continue working with graduates of the young adult program. Primarily, funding of Camphill Soltane's activities is provided through tuition and grants from the Camphill Soltane Foundation.

The Camphill Soltane Foundation ("the Foundation") was organized under the laws of the Commonwealth of Pennsylvania to encourage and motivate the making of gifts and donations by deed, will, or otherwise, for the advancement, promotion, extension, and maintenance of the various causes and objects fostered as enumerated in the bylaws and articles of incorporation of Camphill Soltane and to undertake other activities in support of the members and purposes of Camphill Soltane. The Foundation conducts public fund-raising activities on behalf of Camphill Soltane's members and purposes, invests the funds it raises, serves as an endowment fund for the members and purposes of the Camphill Soltane community, and holds title to and manages property that is donated to, or for the benefit of Camphill Soltane's members and purposes.

Camphill Soltane controls the Foundation (collectively "the Organization") through commonality of board composition.

**2. Summary of Significant Accounting Policies**

*Basis of Accounting*

The consolidated financial statements are presented on the accrual basis of accounting, whereby revenues are recognized when earned and expenses when incurred.

*Principles of Consolidation*

The consolidated financial statements have been prepared to focus on Camphill Soltane and Camphill Soltane Foundation as a whole. All material intercompany balances and transactions have been eliminated.

*Net Assets*

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Unrestricted Net Assets** – not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by the actions of the Board of Directors.

**CAMPBILL SOLTANE AND  
CAMPBILL SOLTANE FOUNDATION  
(A Not-for Profit Organization)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**

Net Assets (Continued)

**Temporarily Restricted Net Assets** – subject to donor-imposed stipulations that may be fulfilled by actions of the Organization or become unrestricted as of a specific date.

**Permanently Restricted Net Assets** – subject to donor-imposed stipulations that they be retained and invested permanently and to use all or part of the investment return for specified or unspecified purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Uncertain tax positions are evaluated in accordance with FASB ASC 740-10. FASB ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribes a recognition threshold of more-than-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. FASB ASC 740-10 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. The Organization had no material unrecognized tax benefits or accrued interest or penalties.

The Organizations have been recognized by the Internal Revenue Service as not-for-profit Organizations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 509(a)(1) and 170(b)(1)(A)(ii) of the Internal Revenue Code. Accordingly, donors qualify for the maximum charitable deduction allowed by the Internal Revenue Code.

Camphill Soltane and Camphill Soltane Foundation have filed all required income tax returns in the United States. The Organizations are no longer subject to U.S. tax examinations by taxing authorities for years before 2014.

Tuition and Financial Aid Assistance

Tuition and fees reflects the net amount collected by the Organization. Scholarships given on the basis of financial need are netted against gross tuition and fees in the accompanying financial statements.

**CAMP HILL SOLTANE AND  
CAMP HILL SOLTANE FOUNDATION  
(A Not-for Profit Organization)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**

Contributions and Grants

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those assets must be maintained, the Organization reports expirations of donor restrictions when the acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose.

In-Kind Support

The Organization recognizes contributed professional services if the services rendered (1) create or enhance nonfinancial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets and materials are recognized at fair market value when received.

The Organization received a significant amount of skilled, contributed time, primarily from the Board of Directors, which does not meet either of the two criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying consolidated financial statements.

Revenue Recognition

The Organization recognizes revenue on the accrual basis of accounting. Revenue from administration fees are recognized as revenue in the period in which the costs are incurred and the service is provided. Store sales are recognized as revenue in the period in which the sales transaction takes place.

**CAMP HILL SOLTANE AND  
CAMP HILL SOLTANE FOUNDATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**

*Cash and Cash Equivalents*

For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid debt instruments with original maturities of three months or less that present insignificant risk of changes in values to be cash equivalents. Cash and cash equivalents include funds in the Organizations checking accounts.

*Tuition Receivable, Accounts Receivable, and Note Receivable*

Tuition receivable and accounts receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful collections is estimated based upon a periodic review of individual accounts. Management has determined that all outstanding accounts are fully collectible for the years presented.

The note receivable is reported net of any anticipated losses due to uncollectible accounts. At June 30, 2017, the collateral value underlying the note is considered sufficient. Accordingly, no allowance for losses on the note has been provided in the accompanying consolidated financial statements.

*Property and Equipment*

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which range from five to thirty years. The Organization has a policy to capitalize all purchases greater than \$5,000 with a useful life of one year or more. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to operations as incurred.

*Investments*

Investments are carried at fair market value. The realized and unrealized gain or loss on investments is reflected in the consolidated statement of activities and changes in net assets.

*Tuition Advances*

Deferred revenue results from recognizing registration and tuition revenue in the period in which the related educational instruction is performed. Accordingly, registration and tuition fees received for the next school term are deferred until the instruction commences.

*Resident Funds*

The Organization collects and holds money from students and parents for various class trips and activities. The funds held do not belong to the Organization and are therefore reported as a liability of the Organization.

**CAMPHILL SOLTANE AND  
CAMPHILL SOLTANE FOUNDATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**

Deferred Revenue – Entrance Fees

The Organization originally collected refundable entrance fees from residents upon admission to Camphill Soltane. The Organization still maintains accounts for two residents which can be refundable or serve as payment to satisfy an outstanding tuition obligation.

Note Payable

The Organization entered into a zero-interest note payable arrangement during the ten-month period ended June 30, 2017 in conjunction with the acquisition of a piece of business property. Terms of the note call for eighteen consecutive monthly payments of \$2,000 through August, 2018. At June 30, 2017, fourteen payments remained which amount to \$28,000.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional cost basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated to program services, management and general, and fundraising based on time spent by individuals. Occupancy costs have been allocated based on square footage of the buildings used for various program, management and general, and fundraising purposes.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the ten-month period ended June 30, 2017 was \$326.

Concentration of Credit Risk

The Organization, at times, maintains cash balances which may exceed federally insured limits. It historically has not experienced any credit related losses.

**3. Tuition**

	Ten-Month Period Ended 6/30/2017
Tuition Fees - Current Year	\$ 1,704,026
Less: Financial Aid Assistance	(148,202)
	\$ 1,555,824

**CAMP HILL SOLTANE AND  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**4. Property and Equipment**

Property and equipment consists of the following:

	6/30/2017
Land and Improvements	\$ 1,969,901
Building and Improvements	8,520,861
Automobiles	393,306
Equipment and Furnishings	800,428
Construction in Process	687,612
	12,372,108
Accumulated Depreciation	(6,808,537)
	\$ 5,563,571

Depreciation charged to expense was \$307,547 for the ten-month period ended June 30, 2017.

**5. Investments**

Investments consist of the following:

	6/30/2017
Money Market Funds	\$ 624,108
Certificates of Deposit	351,154
Mutual Funds	8,944,915
Fixed Income Funds	84,868
	\$ 10,005,045

Investment income for the ten-month period ended June 30, 2017 was as follows:

	Ten-Month Period Ended 6/30/2017
Interest and Dividends	\$ 258,515
Less: Fees	(70,677)
	\$ 187,838



**CAMP HILL SOLTANE AND  
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**5. Investments (Continued)**

Realized and unrealized gains from investment activity for the ten-month period ended June 30, 2017 was as follows:

	Ten-Month Period Ended 6/30/2017
Realized Gains	\$ 130,371
Unrealized Gains	410,940
	<b>\$ 541,311</b>

**6. Fair Value Measurements**

Financial Accounting Standards Board ASC 820-10, Fair Value Measurements establishes a framework for measuring fair value. That framework provides 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 unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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**6. Fair Value Measurements (Continued)**

Level 3            Inputs to the valuation methodology are unobservable, are significant to the fair value measurement and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Investments classified within Level 3 whose fair value measurements consider several inputs may include Level 1 and/or Level 2 inputs as components of the overall fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017.

*Money Market Funds:* Measured at cost, which approximates fair value.

*Certificates of Deposit:* Valued at closing value reported by broker.

*Fixed income funds:* Valued at the price of the initial investment plus accrued earnings.

*Mutual funds:* Valued at the quoted net asset value ("NAV") of shares held by the Organization at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**CAMPBILL SOLTANE AND  
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(A Not-for Profit Organization)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017**

**6. Fair Value Measurements (Continued)**

The following tables set forth by level, within the fair value hierarchy, the Organizations' assets at fair value as of June 30, 2017:

	Assets at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 624,108	\$ -	\$ -	\$ 624,108
Certificates of Deposit	351,154	-	-	351,154
<b>Mutual Funds</b>				
Bank Loans	750,671	-	-	750,671
Diversified Emerging Markets	121,005	-	-	121,005
Equity Energy	175,639	-	-	175,639
Foreign Large Blend	62,312	-	-	62,312
Intermediate-Term Bond	1,525,431	-	-	1,525,431
Large Blend	2,841,930	-	-	2,841,930
Large Growth	810,564	-	-	810,564
Mid-Cap Blend	317,258	-	-	317,258
Mid-Cap Growth	729,834	-	-	729,834
Short-Term Bond	427,754	-	-	427,754
Small Blend	319,869	-	-	319,869
World Stock	862,648	-	-	862,648
<b>Fixed Income</b>				
Corporate Bonds	9,868	-	-	9,868
Loan Funds	-	75,000	-	75,000
	\$ 9,930,045	\$ 75,000	\$ -	\$ 10,005,045
Total Assets at Fair Value	\$ 9,930,045	\$ 75,000	\$ -	\$ 10,005,045

There were no transfers between any of the fair value level hierarchies during the ten months ended June 30, 2017.

**7. Note Receivable**

Note receivable consists of the following:

	6/30/2017
Note Receivable	\$ 13,095
Less: Current Portion	(13,095)
	\$ -

The Organization issued a 12.25% note receivable to a related party on June 15, 2012 in the amount of \$42,800 due in monthly installments of \$957 beginning on January 1, 2013 with the last installment being received December 1, 2017.

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**8. Endowment Net Assets**

The Organization's endowment consists of restricted funds to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization have interpreted the laws of the Commonwealth of Pennsylvania as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds. In the absence of any explicit donor stipulations, the preservation of the fair value of the original gift is not deemed necessary. As a result of this interpretation, the Organization classify as permanently restricted net assets (a) the original value of gift 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 expenditures by the Organization in a manner consistent with the standard of prudence prescribed by the laws of the Commonwealth of Pennsylvania. In accordance with the laws of the Commonwealth of Pennsylvania, 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 fund, (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, and (7) the Organization's investment policies.

*Investment Return Objectives, Risk Parameters, and Strategies:* The Organization has adopted an endowment fund and investment policy, set forth by the Board of Directors, for endowments and donor-restricted funds that are not intended to be used for the daily operation of the Organization. The endowment assets attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. A spending policy is determined by the Board of Directors. The funds are managed in a manner consistent with the purpose of the donors.

A description of the endowment net assets is as follows:

*General Endowment Fund:* The purpose of the general endowment fund is to allow financially disadvantaged individuals to attend Camphill Soltane and to provide funds for capital improvements.

*Helen Watson Buckner Endowment Fund:* The purpose of the H.W. Buckner endowment fund is to allow financially disadvantaged individuals to attend Camphill Soltane as well as to stimulate outreach to individuals who otherwise might not consider a Camphill Soltane experience.

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**8. Endowment Net Assets (Continued)**

Endowment assets are invested in a well diversified asset mix, among suitable asset classes, that will generate, on average, the level of expected return necessary to meet endowment objectives at the lowest volatility consistent with achieving that return. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of June 30, 2017 is as follows:

	June 30, 2017			Total Endowment Net Assets
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ 918,870	\$ 4,548,384	\$ 5,467,254
Total Funds	\$ -	\$ 918,870	\$ 4,548,384	\$ 5,467,254

Changes in endowment net assets for the ten months ended June 30, 2017 are as follows:

	Ten-Month Period Ended June 30, 2017			Total Endowment Net Assets
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Period	\$ -	\$ 1,209,132	\$ 4,548,384	\$ 5,757,516
Investment Income (Net of Fees)	-	110,509	-	110,509
Net Appreciation (Depreciation)	-	316,345	-	316,345
Net Appropriated for Expenditure	-	(467,116)	-	(467,116)
Transfers	-	(250,000)	-	(250,000)
Endowment Net Assets, End of Period	\$ -	\$ 918,870	\$ 4,548,384	\$ 5,467,254

**9. Net Assets**

Unrestricted-Designated net assets consists of the following:

	6/30/2017
Non-Operating Reserve Funds	\$ 2,323
Textile Design Enterprise	3,092
Total	\$ 5,415

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**9. Net Assets (Continued)**

Temporarily restricted net assets consists of the following:

	6/30/2017
Benzon Fund	\$ 3,399,553
Enablement Fund	796,265
Waste Water Fund	1,754
Other	91,450
Income from General Endowment	137,329
Income from H.W. Buckner Endowment	781,541
Total	\$ 5,207,892

The source of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donor was as follows:

	Ten-Month Period Ended 6/30/2017
General - Operations	\$ 333,116
H.W. Buckner - Financial Assistance	134,000
Enablement - Co-Workers	495,441
Benzon	171,355
Other	402,064
Total	\$ 1,535,976

Permanently restricted net assets consists of the following:

	6/30/2017
General Endowment Funds	\$ 4,048,384
H.W. Buckner Endowment Funds	500,000
Total	\$ 4,548,384

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**10. Leases**

Lease Obligations

The Organization leases several buildings and office equipment under various non-cancellable operating leases through February, 2022. Following is a schedule of future minimum annual lease payments under the non-cancellable leases existing as of June 30, 2017.

Years Ending June 30,	
2018	\$ 305,534
2019	142,739
2020	114,114
2021	80,045
2022	26,657

Rent expense under these leases was \$79,648 during the ten-month period ended June 30, 2017.

Operating Lease Receivables

The Organization is the lessor of equipment to a related party under a non-cancellable operating lease through December, 2017. Following is a schedule of future minimum lease receivables under the non-cancellable lease existing as of June 30, 2017.

Years Ending June 30,	
2018	3,853

Rental income under this lease was \$9,636 during the ten-month period ended June 30, 2017.

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**11. Related Party Transactions**

Camphill Soltane's Executive Director is an officer on the board of Community Life Works, Inc., a Pennsylvania not-for-profit organization. Camphill Soltane provides personnel and administrative services to Community Life Works, Inc. through management service agreements. Community Life Works, Inc. also leases equipment from Camphill Soltane through operating lease agreements described in Note 10. Additionally, Camphill Soltane has a note receivable from Community Life Works, Inc. described in Note 7. Transactions during the ten-month period ended June 30, 2017 were as follows:

	6/30/2017
Program Staff Services Provided	\$ 995,873
Administrative Staff Services Provided	243,498
Automobile and Equipment Lease	
Rental Income	9,636
Interest Income	3,620
	\$ 1,252,627

Amounts receivable from Community Life Works, Inc. of \$328,622 is included in accounts receivable at June 30, 2017.

**12. Simple IRA Retirement Plan**

The Organization provides a Simple IRA plan for all eligible employees that work at least thirty hours per week. Eligibility is established one year after the employee begins working at least thirty hours per week. Participants may elect to defer up to the maximum amount allowed by current IRA regulations. The Organization will contribute 2% of the employees' salary to the plan. However, there are no employer matching provisions in the retirement plan. The employer's contribution to the plan was \$17,059 for the ten-month period ended June 30, 2017.

**13. Commitments and Contingencies**

*Pennsylvania Unemployment Compensation*

The Organization has elected not to be covered by Pennsylvania Unemployment Compensation. The Organization is required to pay claims as incurred. Claims paid during the ten-month period ended June 30, 2017 amounted to \$3,560.



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**13. Commitments and Contingencies (Continued)**

Guarantee

The Organization guaranteed a mortgage taken out by one of its employees. In the event of default by the employee, the Organization would be liable for the outstanding balance owed at the time of default. The outstanding balance remaining at June 30, 2017 was \$189,212.

Construction Commitment

During the ten-month period ended June 30, 2017, the Organization entered into a contract for the construction of a greenhouse to be used for educational purposes. At June 30, 2017 the Organization had incurred construction costs under the contract of approximately \$690,000 and had remaining contract commitments of approximately \$640,000.

**14. Subsequent Events**

Management has evaluated subsequent events through August 10, 2018, the date on which the consolidated financial statements were available to be issued.

Management of Camphill Soltane has been working within the framework of publicly regulated support services for the past eleven years. Recently, Camphill Soltane was licensed to provide both day and residential support services at its campus in Glenmoore, PA. Approximately six years ago, Camphill Soltane facilitated the establishment of Community Life Works (a related party) as a vehicle for working with the State of Pennsylvania as a service provider.

Last year, each Board of Directors agreed that the direct support services should be offered by one organization and that the inclusive social enterprise, cultural, and community development activities should be offered by the other organization.

Effective July 1, 2017, Camphill Soltane will be charged with operating the inclusive social enterprise, cultural, and community development activities. Effective the same day, Community Life Works will legally change its name to be known as Parzival. Parzival will be charged with operating the direct support services and providing transportation for its residents.

The role and mission of Camphill Soltane Foundation will remain unchanged.

SUPPLEMENTARY INFORMATION

**CAMPBILL SOLTANE AND  
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CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2017**

	Camphill Soltane	Camphill Soltane Foundation	Eliminations	Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 198,476	\$ 24,464	\$ -	\$ 222,940
Tuition Receivable	161,670	-	-	161,670
Accounts Receivable	267,277	39,128	(38,428)	267,977
Note Receivable, Current Portion	13,095	-	-	13,095
Interest Receivable	-	2,217	(2,217)	-
Prepaid Expenses	6,028	-	-	6,028
	<u>646,546</u>	<u>65,809</u>	<u>(40,645)</u>	<u>671,710</u>
Total Current Assets	646,546	65,809	(40,645)	671,710
PROPERTY AND EQUIPMENT, NET	5,322,106	241,465	-	5,563,571
INVESTMENTS, AT FAIR VALUE	-	10,005,045	-	10,005,045
<b>OTHER ASSETS</b>				
Deposits	6,542	-	-	6,542
Note Receivable, Net	-	250,000	(250,000)	-
	<u>6,542</u>	<u>250,000</u>	<u>(250,000)</u>	<u>6,542</u>
Total Other Assets	6,542	250,000	(250,000)	6,542
<b>TOTAL ASSETS</b>	<u>\$ 5,975,194</u>	<u>\$ 10,562,319</u>	<u>\$ (290,645)</u>	<u>\$ 16,246,868</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Note Payable, Current Portion	\$ 24,000	\$ -	\$ -	\$ 24,000
Accounts Payable	173,197	18,549	(40,645)	151,101
Accrued Payroll	86,618	3,750	-	90,368
Payroll Taxes Payable	21,370	4,820	-	26,190
Tuition Advances	115,902	-	-	115,902
Deferred Revenue	250	-	-	250
Resident Funds	1,577	-	-	1,577
	<u>422,914</u>	<u>27,119</u>	<u>(40,645)</u>	<u>409,388</u>
Total Current Liabilities	422,914	27,119	(40,645)	409,388
DEFERRED REVENUE - ENTRANCE FEES	118,333	-	-	118,333
NOTE PAYABLE, NET OF CURRENT PORTION	4,000	-	-	4,000
NOTE PAYABLE, RELATED PARTY	250,000	-	(250,000)	-
	<u>795,247</u>	<u>27,119</u>	<u>(290,645)</u>	<u>531,721</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 795,247</u>	<u>\$ 27,119</u>	<u>\$ (290,645)</u>	<u>\$ 531,721</u>
<b>NET ASSETS</b>				
Unrestricted				
Designated	\$ 3,092	\$ 2,323	\$ -	\$ 5,415
Undesignated	5,176,855	776,601	-	5,953,456
	<u>5,179,947</u>	<u>778,924</u>	<u>-</u>	<u>5,958,871</u>
Temporarily Restricted	-	5,207,892	-	5,207,892
Permanently Restricted	-	4,548,384	-	4,548,384
	<u>-</u>	<u>4,548,384</u>	<u>-</u>	<u>4,548,384</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 5,179,947</u>	<u>\$ 10,535,200</u>	<u>\$ -</u>	<u>\$ 15,715,147</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 5,975,194</u>	<u>\$ 10,562,319</u>	<u>\$ (290,645)</u>	<u>\$ 16,246,868</u>

See independent auditor's report on supplementary information.

**CAMPBILL SOLTANE AND  
CAMPBILL SOLTANE FOUNDATION  
(A Not-for Profit Organization)  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE TEN-MONTH PERIOD ENDED JUNE 30, 2017**

	Unrestricted		Temporarily Restricted		Permanently Restricted		Eliminations	Totals
	Camphill Soltane	Camphill Soltane Foundation	Camphill Soltane	Camphill Soltane Foundation	Camphill Soltane	Camphill Soltane Foundation		
<b>Revenue, Gains, and Support</b>								
Tuition (Net of Financial Aid Assistance)	\$ 1,555,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,555,824
Contributions	1,945,113	726,419	-	519,850	-	-	(1,938,054)	1,253,328
Special Events (Net of Expenses of \$79,552)	-	116,052	-	-	-	-	-	116,052
Investment Income (Net of Investment Fees)	3,693	3,765	-	181,547	-	-	(1,167)	187,838
Store Sales (Net of Cost of Goods Sold of \$69,677)	117,283	-	-	-	-	-	-	117,283
Net Realized and Unrealized								
Gain (Loss) on Investments	-	(3,659)	-	544,970	-	-	-	541,311
Gain on Sale of Equipment	7,393	-	-	-	-	-	-	7,393
Rental Income	37,136	16,200	-	-	-	-	-	53,336
Administration Fees	1,239,370	-	-	-	-	-	-	1,239,370
Other	33,093	-	-	-	-	-	-	33,093
<b>Total Revenue and Gains</b>	<b>4,938,905</b>	<b>858,777</b>	<b>-</b>	<b>1,246,367</b>	<b>-</b>	<b>-</b>	<b>(1,939,221)</b>	<b>5,104,828</b>
Net Assets Released from Restrictions	-	1,535,976	-	(1,535,976)	-	-	-	-
<b>Total Revenue, Gains, and Support</b>	<b>4,938,905</b>	<b>2,394,753</b>	<b>-</b>	<b>(289,609)</b>	<b>-</b>	<b>-</b>	<b>(1,939,221)</b>	<b>5,104,828</b>
<b>Expenses</b>								
Program Services	3,701,636	1,946,054	-	-	-	-	(1,938,054)	3,709,636
Management and General	874,716	87,483	-	-	-	-	(1,167)	961,032
Fundraising	-	143,583	-	-	-	-	-	143,583
<b>Total Expenses</b>	<b>4,576,352</b>	<b>2,177,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,939,221)</b>	<b>4,814,251</b>
<b>CHANGE IN NET ASSETS</b>	<b>362,553</b>	<b>217,633</b>	<b>-</b>	<b>(289,609)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,577</b>
<b>NET ASSETS, SEPTEMBER 1, 2016</b>	<b>4,817,394</b>	<b>561,291</b>	<b>-</b>	<b>5,497,501</b>	<b>-</b>	<b>4,548,384</b>	<b>-</b>	<b>15,424,570</b>
<b>NET ASSETS, JUNE 30, 2017</b>	<b>\$ 5,179,947</b>	<b>\$ 778,924</b>	<b>\$ -</b>	<b>\$ 5,207,892</b>	<b>\$ -</b>	<b>\$ 4,548,384</b>	<b>\$ -</b>	<b>\$ 15,715,147</b>

See independent auditor's report on supplementary information.

**CAMPBILL SOLTANE AND  
CAMPBILL SOLTANE FOUNDATION  
(A Not-for Profit Organization)  
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE TEN-MONTH PERIOD ENDED JUNE 30, 2017**

	Camphill Soltane				Camphill Soltane Foundation				Eliminations	Total
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total		
<i>Salaries and Benefits</i>										
Salaries	\$ 1,217,217	\$ 617,422	\$ -	\$ 1,834,639	\$ -	\$ 41,500	\$ 102,580	\$ 144,080	\$ -	\$ 1,978,719
Payroll Taxes	94,417	47,877	-	142,294	-	1,039	4,636	5,675	-	147,969
Employee Benefits	98,432	35,365	-	133,797	-	2,931	16,608	19,539	-	153,336
Total Salaries and Benefits	1,410,066	700,664	-	2,110,730	-	45,470	123,824	169,294	-	2,280,024
Professional Fees	231,110	22,526	-	253,636	-	13,640	-	13,640	-	267,276
Grants	-	-	-	-	1,946,054	-	-	1,946,054	(1,938,054)	8,000
Supplies	-	2,559	-	2,559	-	1	5	6	-	2,565
Telecommunications	1,500	21,394	-	22,894	-	203	1,149	1,352	-	24,246
Office Expenses	-	42,446	-	42,446	-	1,537	8,710	10,247	-	52,693
Printing	-	-	-	-	-	-	34	34	-	34
Publications	-	-	-	-	-	-	3,908	3,908	-	3,908
<i>Occupancy</i>										
Utilities	70,802	22,339	-	93,141	-	-	-	-	-	93,141
Household	25,286	-	-	25,286	-	-	-	-	-	25,286
Insurance	116,214	-	-	116,214	-	-	-	-	-	116,214
Maintenance	88,665	-	-	88,665	-	-	-	-	-	88,665
Rent Expense	79,648	-	-	79,648	-	-	-	-	-	79,648
Insurance	36,421	18,211	-	54,632	-	1,569	-	1,569	-	56,201
Food	66,641	-	-	66,641	-	-	-	-	-	66,641
Therapy	5,601	-	-	5,601	-	-	-	-	-	5,601
Human Concerns	600,344	-	-	600,344	-	-	-	-	-	600,344
Automobile	61,521	593	-	62,114	-	-	-	-	-	62,114
General Administration	-	-	-	-	-	47	-	47	-	47
Advertising	-	226	-	226	-	15	85	100	-	326
Educational Program	18,426	-	-	18,426	-	-	-	-	-	18,426
Travel	269	12,297	-	12,566	-	422	2,390	2,812	-	15,378
Dues, Memberships, and Subscriptions	37,463	-	-	37,463	-	137	778	915	-	38,378
Conferences and Meetings	281	-	-	281	-	51	286	337	-	618
Development	-	-	-	-	-	426	2,414	2,840	-	2,840
Small Tools and Equipment	10,579	-	-	10,579	-	7,356	-	7,356	-	17,935
Soltane Works	(2,789)	-	-	(2,789)	-	-	-	-	-	(2,789)
<i>Co-Worker Expenses</i>										
Stipends	46,025	-	-	46,025	-	-	-	-	-	46,025
Benefits	139,346	-	-	139,346	-	-	-	-	-	139,346
Food and Household	168,171	-	-	168,171	-	-	-	-	-	168,171
Education	110,615	-	-	110,615	-	-	-	-	-	110,615
Tuition and Fees	96,682	-	-	96,682	-	-	-	-	-	96,682
Miscellaneous Expenses	-	13,539	-	13,539	-	8,566	-	8,566	-	22,105
Interest Expense	-	1,167	-	1,167	-	-	-	-	(1,167)	-
Depreciation Expense	282,749	16,755	-	299,504	-	8,043	-	8,043	-	307,547
Total Expenses	\$ 3,701,636	\$ 874,716	\$ -	\$ 4,576,352	\$ 1,946,054	\$ 87,483	\$ 143,583	\$ 2,177,120	\$ (1,939,221)	\$ 4,814,251

See independent auditor's report on supplementary information.

**CAMP HILL SOLTANE AND  
CAMP HILL SOLTANE FOUNDATION  
(A Not-for Profit Organization)  
CONSOLIDATING SCHEDULE OF CASH FLOWS  
FOR THE TEN-MONTH PERIOD ENDED JUNE 30, 2017**

	Ten-Month Period Ended June 30, 2017			
	Camphill Soltane	Camphill Soltane Foundation	Eliminations	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in Net Assets	\$ 362,553	\$ (71,976)	\$ -	\$ 290,577
Adjustments to Reconcile Changes in Net Assets to Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	299,504	8,043	-	307,547
Net Realized and Unrealized Gain on Investments	-	(541,311)	-	(541,311)
Gain on Sale of Equipment	(7,393)	-	-	(7,393)
Changes in Assets and Liabilities:				
(Increase) Decrease in Tuition and Accounts Receivable	107,449	(25,011)	22,228	104,666
Decrease in Interest Receivable	-	6,701	(6,701)	-
Decrease in Prepaid Expenses	3,952	2,299	-	6,251
Increase in Deposits	(184)	-	-	(184)
Decrease in Deferred Revenue	-	(9,339)	-	(9,339)
Increase (Decrease) in Accounts Payable	(5,960)	9,124	(15,527)	(12,363)
Decrease in Tuition Advances	(23,510)	-	-	(23,510)
Increase (Decrease) in Accrued Payroll	2,832	(3,494)	-	(662)
Increase in Payroll Taxes Payable	4,341	2,115	-	6,456
Decrease in Resident Funds	(9,950)	-	-	(9,950)
Net Cash Provided (Used) by Operating Activities	<u>733,634</u>	<u>(622,849)</u>	<u>-</u>	<u>110,785</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Property and Equipment	(674,165)	-	-	(674,165)
Proceeds from Sale of Equipment	9,298	-	-	9,298
Purchase of Investments	-	(4,166,195)	-	(4,166,195)
Proceeds from Sale of Investments	-	4,777,819	-	4,777,819
Proceeds from Note Payable	36,000	-	-	36,000
Payments on Note Payable	(8,000)	-	-	(8,000)
Proceeds from Note Receivable	9,067	-	-	9,067
Net Cash Provided (Used) by Investing Activities	<u>(627,800)</u>	<u>611,624</u>	<u>-</u>	<u>(16,176)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>105,834</u>	<u>(11,225)</u>	<u>-</u>	<u>94,609</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>92,642</u>	<u>35,689</u>	<u>-</u>	<u>128,331</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 198,476</u>	<u>\$ 24,464</u>	<u>\$ -</u>	<u>\$ 222,940</u>

See independent auditor's report on supplementary information.