

PATHFINDER OUTDOOR EDUCATION, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

JEANETTE EDWARDS, C.P.A., LLC

**PATHFINDER OUTDOOR EDUCATION, INC.
FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pathfinder Outdoor Education, Inc.
St. Petersburg, Florida

I have audited the accompanying statement of financial position of Pathfinder Outdoor Education, Inc. (a nonprofit organization) as of June 30, 2015 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pathfinder Outdoor Education, Inc. as of June 30, 2015 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Jeanette Edwards, CPA
Certified Public Accountant
November 9, 2015

PATHFINDER OUTDOOR EDUCATION, INC.
STATEMENT OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

ASSETS	2015	2014
Current Assets		
Cash	\$ 104,141	\$ 102,933
Accounts receivable	65,681	4,385
Prepaid expenses	3,039	5,221
Prepaid program expenses	-	15,317
Total Current Assets	172,861	127,856
Property and Equipment		
Equipment	2,500	7,056
less accumulated depreciation	(42)	(7,056)
Total Property and Equipment	2,458	-
Other Assets		
Inventory	230	849
Total Other Assets	230	849
TOTAL ASSETS	\$ 175,549	\$ 128,705
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	9,820	12,758
Deferred revenue	46,646	60,941
Accrued payroll	1,413	8,454
Accrued benefits	1,491	2,625
TOTAL LIABILITIES	59,370	84,778
Net Assets		
Unrestricted - undesignated	98,777	40,708
Unrestricted - designated for scholarships	17,402	-
Temporarily restricted	-	3,219
Permanently restricted	-	-
Total Net Assets	116,179	43,927
TOTAL LIABILITIES AND NET ASSETS	\$ 175,549	\$ 128,705

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

PATHFINDER OUTDOOR EDUCATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

SUPPORT AND REVENUE	Unrestricted	Temporarily Restricted	2015 Total	2014 Total
Support				
Contributions	\$ 531	\$ 5,472	\$ 6,003	\$ 3,419
Fundraising Event	11,852	-	11,852	-
In-kind contributions	-	-	-	1,000
Total Support	<u>12,383</u>	<u>5,472</u>	<u>17,855</u>	<u>4,419</u>
Revenue				
Program fees				
Cedarkirk	301,121	-	301,121	250,250
Dayspring	381,324	-	381,324	310,898
Montgomery	60,980	-	60,980	94,705
Other	80,053	-	80,053	58,009
Other Income	33	-	33	564
Sales T-shirts	6,770	-	6,770	3,090
Interest income	21	-	21	5
Total Revenue	<u>830,302</u>	<u>-</u>	<u>830,302</u>	<u>717,521</u>
Net assets released from restrictions	<u>8,691</u>	<u>(8,691)</u>	<u>-</u>	<u>(8,691)</u>
Total Support and Revenue	<u>851,376</u>	<u>(3,219)</u>	<u>848,157</u>	<u>721,940</u>
EXPENSES				
Program Services				
Outdoor education programs	618,640	-	618,640	579,785
Total Program Services	<u>618,640</u>	<u>-</u>	<u>618,640</u>	<u>579,785</u>
Supporting Services				
Management and general	157,265	-	157,265	127,579
Total Supporting Services	<u>157,265</u>	<u>-</u>	<u>157,265</u>	<u>127,579</u>
Total Expenses	<u>775,905</u>	<u>-</u>	<u>775,905</u>	<u>707,364</u>
INCREASE (DECREASE) IN NET ASSETS	75,471	(3,219)	72,252	14,576
NET ASSETS AT BEGINNING OF YEAR	<u>40,708</u>	<u>3,219</u>	<u>43,927</u>	<u>29,351</u>
NET ASSETS AT END OF YEAR	<u>\$ 116,179</u>	<u>\$ -</u>	<u>\$ 116,179</u>	<u>\$ 43,927</u>

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

PATHFINDER OUTDOOR EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>Program Services</u>	<u>Management & General</u>	<u>Total 2015</u>	<u>Total 2014</u>
Salaries	\$ 198,580	\$ 108,074	\$ 306,654	\$ 274,309
Contract services	1,095	-	1,095	1,050
Employee mileage and meal reimbursem	15,493	846	16,339	13,353
Employee insurance	4,841	1,883	6,724	8,318
Payroll taxes	17,211	8,104	25,315	24,476
Workmen's comp insurance	10,218	392	10,610	7,278
Program facility fees	316,766	-	316,766	280,576
Program equipment	3,121	-	3,121	1,678
Program supplies	8,774	-	8,774	6,507
Professional fees	1,106	9,957	11,063	22,463
Promotional items	-	8,093	8,093	-
Scholarships	10,760	-	10,760	10,348
Rent	2,700	6,300	9,000	9,000
Insurance	11,902	1,322	13,224	11,751
Telephone	1,604	1,604	3,208	3,274
Professional development	4,276	43	4,319	6,207
Office supplies	570	1,331	1,901	2,304
Computer hardware and software	178	1,602	1,780	587
Employee appreciation	3,263	1,269	4,532	3,923
Printing and reproduction	3,117	3,117	6,234	7,566
Marketing and development	1,785	2,299	4,084	3,571
Interest	-	-	-	51
Taxes, licenses & permits	-	645	645	821
Other general expenses	122	384	506	315
Other program expenses	1,158	-	1,158	7,638
Total Expenses	<u>\$ 618,640</u>	<u>\$ 157,265</u>	<u>775,905</u>	<u>\$ 707,364</u>

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

PATHFINDER OUTDOOR EDUCATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

Increase (Decrease) in Cash and Cash Equivalents

Cash flows from operating activities:	<u>2015</u>	<u>2014</u>
Increase (Decrease) in Net Assets	\$ 72,252	\$ 14,576
Adjustment to reconcile increase/(decrease) in net assets to net cash provided by/used in operating activities:		
Depreciation Expense	42	
Change in assets and liabilities:		
- (Increase)/Decrease in accounts receivable	(61,296)	1,521
- (Increase)/Decrease in prepaid expenses	17,499	5,620
- (Increase)/Decrease in inventory	619	609
- Increase/(Decrease) in accounts payable	(2,938)	11,781
- Increase/(Decrease) in unearned revenue	(14,295)	(13,886)
- Increase/(Decrease) in accrued payroll	(7,041)	(2,298)
- Increase/(Decrease) in accrued benefits	(1,134)	-
Net cash provided by/used in operating activities	<u>3,708</u>	<u>17,923</u>
Cash flows from investing activities:		
Purchase of equipment	(2,500)	-
Net cash used in investing activities	<u>(2,500)</u>	<u>-</u>
Cash flows from financing activities:		
Payments on line of credit	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,208	17,923
Cash and cash equivalents at beginning of year	<u>102,933</u>	<u>85,010</u>
Cash and cash equivalents at end of year	<u>\$ 104,141</u>	<u>\$ 102,933</u>

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

PATHFINDER OUTDOOR EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 - Nature of Business

Pathfinder Outdoor Education, Inc. (the Organization) is a non-profit corporation organized under the laws of the State of Florida in 1993. The Organization's purpose is to establish and maintain outdoor education programs for the promotion of the improvement of the spiritual, mental and physical condition of participants, and encourage them in the conservation of all elements of the natural world. The Organization offers innovative, experiential, programming at scenic locations around the state of Florida. This provides experiential opportunities for learners of all ages to develop communication, conflict resolution, cooperation and problem solving skills. The Organization offers several curriculum and programming choices from day programs which serve as an introduction to the outdoor education experience, to two to five day programs.

Note 2 - Summary of Significant Accounting Policies

The financial statements of Pathfinder Outdoor Education, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of "fund accounting". Financial statement presentation follows the recommendation of the Financial Accounting Standards Board so that net assets, revenues and expenses 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 - Net assets that are not subject to donor-imposed stipulations. Voluntary designations of funds by the governing board are considered to be unrestricted.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that require that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of June 30, 2015, the Pathfinder Outdoor Education, Inc. had no permanently restricted net assets.

Contributions

Generally accepted accounting principles requires reporting contributions received as an increase in net assets immediately, even if the donor has restricted their use. As a result, restricted contributions are recorded immediately, either as an increase in temporarily restricted net assets or permanently restricted net assets, depending on the nature of the donor restriction. Restrictions imposed internally by the governing board does not change the character of unrestricted contributions.

Deferred Revenue

Revenue from program fees is recognized when the services are provided. Deposits received are recorded as deferred revenue until the service is provided and the actual participant fees are calculated. Revenue from grants is earned as required under the grant agreement. Unearned revenue is deferred until grant requirements are met.

PATHFINDER OUTDOOR EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 - Summary of Significant Accounting Policies - Continued

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market funds. Cash equivalents is considered to be all highly liquid debt instruments with original maturities of three months or less.

Inventory

Inventory, which consists of T-shirts, is recorded at the lower of cost or market value.

Equipment

Equipment is recorded at cost. Equipment in excess of \$1,000 with an estimated useful life in excess of one year and betterments which materially extended the useful lives of assets are capitalized. Repairs and maintenance are charged to expense when incurred. Depreciation is computed for financial statement purposes on a straight-line basis over the estimated useful lives of the related assets.

Allowance for Uncollectible Amounts

No allowance for uncollectible amounts has been provided since management considers all accounts to be collectable.

Accrued Benefits

Accrued benefits represents vested vacation leave. Vacation leave is charged as an expense in the period in which it is earned by the employee.

Income Taxes

The Organization is a tax-exempt Organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of section 509 (a) of the Code. Accordingly, income earned in furtherance of the Organization's tax-exempt purpose is exempt from federal and state income taxes. No provision for federal or state income taxes has been included in the accompanying financial statements. Management is unaware of any activities that would jeopardize the Organization's tax-exempt status or activities subject to tax on unrelated business income.

Donated Materials and Services

The Organization reports donations of materials and services at their estimated values as revenues and expenses on the date of receipt. These items are measured at amounts comparable to costs which would be incurred to hire personnel, rent facilities or purchase items to accomplish similar objectives. Only those services which create or enhance non-financial assets or that require specialized skills, and are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded in the financial statements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on direct usage or management's estimates of the benefit derived by each activity.

PATHFINDER OUTDOOR EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3 - Equipment

Equipment consists of the following at June 30, 2015:

Office equipment	\$ 2,500
Less accumulated depreciation	<u>(42)</u>
Total	<u><u>\$ 2,458</u></u>

Note 4 - Line of Credit

The Organization has an unsecured line of credit facility with a bank which had an outstanding balance at June 30, 2015 of zero. The line of credit permits borrowings of up to \$35,000, bears interest at the bank's prime rate plus 2% and is due on demand.

Note 5 - Operating Leases

The Organization leases its office facilities under an operating lease. The lease does not have a set term and can be canceled with 180 days notice. The monthly rent payment is \$750 a month.

Note 6 - Subsequent Events

Management has evaluated subsequent events through November 9, 2015, the date which the financial statements were available for issue.

Management has concluded that there are no subsequent events requiring disclosure.