

PATHFINDER OUTDOOR EDUCATION, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

JEANETTE EDWARDS, C.P.A., LLC

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

YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8

JEANETTE EDWARDS, C.P.A., L.L.C.

***IVEY PROFESSIONAL BUILDING
435 12TH STREET WEST ~ BRADENTON, FLORIDA 34205
TELEPHONE 941-447-0773 / 941-345-1653 ~ FAX 941-794-0773***

Independent Auditor's Report on Basic Financial Statements

Board of Directors
Pathfinder Outdoor Education, Inc.

Report on the Financial Statements

I have audited the accompanying financial statements of Pathfinder Outdoor Education, Inc. which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

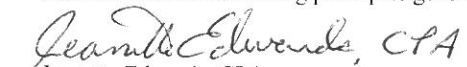
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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, I 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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, 2017, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Jeanette Edwards, CPA
Certified Public Accountant
February 11, 2018

PATHFINDER OUTDOOR EDUCATION, INC.
STATEMENT OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

ASSETS	<u>2017</u>	<u>2016</u>
Current Assets		
Cash	\$ 148,420	\$ 162,008
Accounts receivable	5,096	5,703
Prepaid expenses	2,870	2,194
Prepaid program expenses	2,475	14,769
Total Current Assets	<u>158,861</u>	<u>184,674</u>
Property and Equipment		
Equipment	2,500	2,500
less accumulated depreciation	(1,042)	(542)
Total Property and Equipment	<u>1,458</u>	<u>1,958</u>
Other Assets		
Inventory	118	329
Total Other Assets	<u>118</u>	<u>329</u>
TOTAL ASSETS	<u>\$ 160,437</u>	<u>\$ 186,961</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	5,217	11,108
Deferred revenue	49,204	60,019
Accrued payroll	3,334	3,000
Accrued benefits	2,294	1,491
TOTAL LIABILITIES	<u>60,049</u>	<u>75,618</u>
Net Assets		
Unrestricted - undesignated	75,437	86,392
Unrestricted - designated for scholarships	24,951	24,951
Temporarily restricted	-	-
Permanently restricted	-	-
Total Net Assets	<u>100,388</u>	<u>111,343</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 160,437</u>	<u>\$ 186,961</u>

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

PATHFINDER OUTDOOR EDUCATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

SUPPORT AND REVENUE	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
Support				
Contributions	\$ 4,115	\$ 613	\$ 4,728	\$ 5,651
Fundraising Event	11,976	-	11,976	12,278
In-kind contributions	1,000	-	1,000	1,000
Total Support	<u>17,091</u>	<u>613</u>	<u>17,704</u>	<u>18,929</u>
Revenue				
Program fees				
Cedarkirk	256,877	-	256,877	260,763
Dayspring	350,929	-	350,929	341,006
Montgomery	78,655	-	78,655	51,706
Other	98,319	-	98,319	101,206
Other Income	100	-	100	-
Sales T-shirts	5,470	-	5,470	4,207
Interest income	49	-	49	40
Total Revenue	<u>790,399</u>	<u>-</u>	<u>790,399</u>	<u>758,928</u>
Net assets released from restrictions	<u>613</u>	<u>(613)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>808,103</u>	<u>-</u>	<u>808,103</u>	<u>777,857</u>
EXPENSES				
Program Services				
Outdoor education programs	650,002	-	650,002	636,092
Total Program Services	<u>650,002</u>	<u>-</u>	<u>650,002</u>	<u>636,092</u>
Supporting Services				
Management and general	169,056	-	169,056	146,601
Total Supporting Services	<u>169,056</u>	<u>-</u>	<u>169,056</u>	<u>146,601</u>
Total Expenses	<u>819,058</u>	<u>-</u>	<u>819,058</u>	<u>782,693</u>
INCREASE (DECREASE) IN NET ASSETS	(10,955)	-	(10,955)	(4,836)
NET ASSETS AT BEGINNING OF YEAR	<u>111,343</u>	<u>-</u>	<u>111,343</u>	<u>116,179</u>
NET ASSETS AT END OF YEAR	<u>\$ 100,388</u>	<u>\$ -</u>	<u>\$ 100,388</u>	<u>\$ 111,343</u>

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

PATHFINDER OUTDOOR EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>Program Services</u>	<u>Management & General</u>	<u>Total 2017</u>	<u>Total 2016</u>
Salaries	\$ 202,902	\$ 120,647	\$ 323,549	\$ 316,073
Contract services	-	-	-	2,899
Employee mileage and meal reimbursement	11,916	-	11,916	13,768
Employee insurance	7,746	4,747	12,493	10,299
Payroll taxes	15,857	9,233	25,090	25,524
Workmen's comp insurance	9,093	199	9,292	9,851
Total Salaries and Benefits	<u>247,514</u>	<u>134,826</u>	<u>382,340</u>	<u>378,414</u>
Program facility fees	286,038	-	286,038	274,785
Program equipment	3,308	-	3,308	1,631
Program supplies	8,878	-	8,878	7,473
Professional fees	939	14,648	15,587	21,957
Promotional items	6,427	-	6,427	5,002
Scholarships	41,234	-	41,234	32,687
Refunds/Discounts	19,087	-	19,087	11,948
Rent	3,150	7,350	10,500	9,000
Insurance	14,146	1,572	15,718	11,936
Telephone	1,351	1,351	2,702	2,914
Professional development	9,348	1,039	10,387	3,676
Office expense	543	1,268	1,811	2,026
Computer hardware and software	127	1,148	1,275	2,263
Employee appreciation	3,840	2,353	6,193	4,848
Printing and reproduction	240	240	480	2,658
Marketing and development	697	696	1,393	3,910
Taxes, licenses & permits	-	1,031	1,031	698
Fundraising Expenses	405	1,283	1,688	2,054
Other general expenses	-	251	251	661
Other program expenses	2,730	-	2,730	2,152
Total Expenses	<u>\$ 650,002</u>	<u>\$ 169,056</u>	<u>\$ 819,058</u>	<u>\$ 782,693</u>

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

PATHFINDER OUTDOOR EDUCATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

Increase (Decrease) in Cash and Cash Equivalents

Cash flows from operating activities:	<u>2017</u>	<u>2016</u>
Increase (Decrease) in Net Assets	\$ (10,955)	\$ (4,836)
Adjustment to reconcile increase/(decrease) in net assets to net cash provided by/used in operating activities:		
Depreciation Expense	500	500
Change in assets and liabilities:		
- (Increase)/Decrease in accounts receivable	607	59,978
- (Increase)/Decrease in prepaid expenses	11,618	(13,924)
- (Increase)/Decrease in inventory	211	(99)
- Increase/(Decrease) in accounts payable	(5,891)	1,288
- Increase/(Decrease) in unearned revenue	(10,815)	13,373
- Increase/(Decrease) in accrued payroll	334	1,587
- Increase/(Decrease) in accrued benefits	803	-
Net cash provided by/used in operating activities	<u>(13,588)</u>	<u>57,867</u>
Cash flows from investing activities:		
Purchase of equipment	-	-
Net cash used in investing activities	<u>-</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	(13,588)	57,867
Cash and cash equivalents at beginning of year	<u>162,008</u>	<u>104,141</u>
Cash and cash equivalents at end of year	<u>\$ 148,420</u>	<u>\$ 162,008</u>

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

PATHFINDER OUTDOOR EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, 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, 2017

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, 2017

Note 3 - Equipment

Equipment consists of the following at June 30, 2017:

Office equipment	\$ 2,500
Less accumulated depreciation	<u>(1,042)</u>
Total	<u><u>\$ 1,458</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, 2017 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 \$875 a month.

Note 6 - Subsequent Events

Management has evaluated subsequent events through February 11, 2018, the date which the financial statements were available for issue.

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