

**WILDWOOD OUTDOOR
EDUCATION CENTER, INC.
LA CYGNE, KANSAS**

For the Years Ended December 31, 2016 and 2015
Annual Financial Statements
With Independent Auditors' Report
And Supplemental Information

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS**

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 10
Supplemental Information:	
Combining Schedule of Activities - Unrestricted Net Assets	11

Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and management
of Wildwood Outdoor Education Center, Inc.

We have audited the accompanying financial statements of Wildwood Outdoor Education Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years 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

Our responsibility is to express an opinion on these 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 financial statements are free from 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 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, 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Wildwood Outdoor Education Center, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years 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 financial statements as a whole. The combining schedule of activities – unrestricted net assets on page 11 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



DIEHL, BANWART, BOLTON, CPAs PA

March 10, 2017
Fort Scott, Kansas

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Statements of Financial Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 111,545.45	\$ 30,373.06
Accounts Receivable	32.50	-
Total Current Assets	<u>111,577.95</u>	<u>30,373.06</u>
Fixed Assets		
Land, Buildings and Improvements	2,416,100.32	2,390,186.96
Furniture and Equipment	99,021.19	83,526.28
Automobiles	88,980.82	88,980.82
Less Accumulated Depreciation	<u>(1,592,620.61)</u>	<u>(1,531,316.87)</u>
Total Fixed Assets	<u>1,011,481.72</u>	<u>1,031,377.19</u>
 TOTAL ASSETS	 <u><u>\$ 1,123,059.67</u></u>	 <u><u>\$ 1,061,750.25</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ -	\$ 2,572.10
Payroll Taxes Payable	768.60	742.01
Deferred Income	4,200.00	515.00
Total Current Liabilities	<u>4,968.60</u>	<u>3,829.11</u>
Net Assets		
Temporarily Restricted	-	62,448.00
Unrestricted	<u>1,118,091.07</u>	<u>995,473.14</u>
Total Net Assets	<u>1,118,091.07</u>	<u>1,057,921.14</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,123,059.67</u></u>	 <u><u>\$ 1,061,750.25</u></u>

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

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Statements of Activities
For the Years Ended December 31, 2016 and 2015

	2016	2015
<u>Temporarily Restricted Net Assets</u>		
Support and Revenue		
Net assets released from restrictions	\$ (62,448.00)	\$ 62,448.00
Increase (Decrease) in Temporarily Restricted Net Assets	(62,448.00)	62,448.00
Temporarily Restricted Net Assets, Beginning of the Year	62,448.00	-
Temporarily Restricted Net Assets, End of the Year	\$ -	\$ 62,448.00
 <u>Unrestricted Net Assets</u>		
Support and Revenue		
Tuition and fees	\$ 216,513.70	\$ 199,777.38
Contributions	418,984.94	212,465.15
Grants from the Greater Kansas City Community Foundation	-	-
Fundraising income	33,099.22	33,937.92
USDA grant	4,440.79	5,934.97
Miscellaneous income	671.07	367.43
Total Support	673,709.72	452,482.85
Net assets released from restrictions	62,448.00	-
Total Support and Revenue	736,157.72	452,482.85
Expenses		
Program Services:		
Instruction and student activities	456,275.20	359,859.01
Support Service:		
General administration	157,264.59	227,096.11
Total Expenses	613,539.79	586,955.12
Increase (Decrease) in Unrestricted Net Assets	122,617.93	(134,472.27)
Unrestricted Net Assets, Beginning of the Year	995,473.14	1,129,945.41
Unrestricted Net Assets, End of the Year	\$ 1,118,091.07	\$ 995,473.14

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

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Net Increase (Decrease) in Net Assets	\$ 60,169.93	\$ (72,024.27)
Adjustments to reconcile Net Increase (Decrease) in Net Assets to Cash Provided (Used) by Operating Activities		
Depreciation	61,303.74	58,842.95
(Increase) Decrease in Accounts Receivable	(32.50)	2,310.00
Increase (Decrease) in Accounts Payable	(2,572.10)	(392.67)
Increase (Decrease) in Payroll Taxes Payable	26.59	(541.23)
Increase (Decrease) in Credit Cards Payable	-	97.82
Increase (Decrease) in Deferred Revenue	<u>3,685.00</u>	<u>(19,485.00)</u>
Net Cash Provided (Used) by Operating Activities	<u>122,580.66</u>	<u>(31,192.40)</u>
Cash Flows from Investing Activities		
Cash Payments for the purchase of Fixed Assets	<u>(41,408.27)</u>	<u>(6,141.00)</u>
Net Cash Provided (Used) by Investing Activities	<u>(41,408.27)</u>	<u>(6,141.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	81,172.39	(37,333.40)
Cash and Cash Equivalents, Beginning of Year	<u>30,373.06</u>	<u>67,706.46</u>
Cash and Cash Equivalents, End of Year	<u>\$ 111,545.45</u>	<u>\$ 30,373.06</u>
Cash paid for interest expense	<u>\$ -</u>	<u>\$ 125.49</u>

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

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Wildwood's programs are divided into three categories for the purpose of accumulating revenues and costs, Summer, Outdoor School, and Facility Use.

Summer Programs (Summer Adventure, WOW (Women of Wildwood), Find Yourself Leadership Camp) refer to the programs that are open enrollment, but Wildwood provides scholarships to campers. Funding for these scholarships come mainly from contracts with the school districts and community centers; donations from businesses, foundations, and individuals; and tuition fees paid by the campers and their families.

Outdoor School includes all other programs (Outdoor School, Adventure Challenge, and Summer Adventure Camp). These programs are funded by the related tuition charges.

Facility use includes retreats and reunions to user groups and Corporate Challenge that are funded by the related rental charges.

All revenues and expenses are accrued to the program category to which they apply. To the extent possible, expenses are accrued directly to a program. Costs, which are difficult to allocate, are grouped in a General category.

Summary of Significant Accounting Policies

Accounting transactions are recorded on an accrual basis. Assets are recorded at cost when acquired, or in the case of gifts, at appraisal value at the date of the gift. Investments are valued at cost for financial statement presentation. Revenues are recognized when earned and expenses when the goods or services are received.

Accounting 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Financial Instruments are defined as cash or a contract that requires the exchange of cash or other financial instruments. Financial instruments of Wildwood consist of cash, investments, accounts receivable, and accrued expenses. The carrying amounts reflected in the statement of financial position for these instruments approximates the respective fair values due to the short maturities of these instruments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to Wildwood, the accounts of Wildwood are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been recorded and reported by fund group.

The assets, liabilities, and fund balances of the Organization are reported in a self-balancing fund group as follows:

- Operating fund, which include unrestricted and restricted resources, represent the portion of expendable funds that is available for support of operations.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash to include all deposit accounts in banks and money market investment accounts held by brokers. Cash does not include investments with an original maturity date of over three months. Although cash deposits are sometimes in excess of limits insured by the Federal Deposit Insurance Corporation, the amount of credit risk to the Organization is considered minimal.

Contributions and Unconditional Pledges

Wildwood records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions.

Assets and Depreciation

Uses of operating funds for acquisitions are accounted for as capital assets. Proceeds from the sale of assets, if unrestricted, are transferred to operating fund balances, or, if restricted, to deferred amounts restricted for acquisitions. Depreciation of assets is provided over the estimated useful lives of the respective assets on a straight-line or accelerated basis.

Temporarily Restricted Net Assets

Wildwood receives temporarily restricted contributions for use in the Summer Program and other programs. Most of the restrictions are met in the year the contributions are received and, accordingly, these temporarily restricted contributions are recorded as unrestricted net assets, if the restrictions were met during the year they were received.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Exempt Status

Wildwood is a tax-exempt organization under Section 501(c) 3 of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable authorities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examination for years prior to 2013.

Financial Statement Presentation

Wildwood reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, Wildwood is required to present a statement of cash flows.

Totals

Total columns on the financial statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

NOTE 2: CASH AND INVESTMENTS

Wildwood's cash is held in deposit accounts with cash balances occasionally in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 3: LAND, IMPROVEMENTS, EQUIPMENT, FURNITURE AND AUTOMOBILES

Fixed assets purchased are recorded at cost. Donated fixed assets are recorded at fair market value at the date of the gift. Expenditures for renewals and improvements that significantly add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to income currently. When depreciable properties are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Fixed assets are depreciated over their estimated useful lives. Buildings and improvements are depreciated over estimated useful lives of 5 to 30 years. The useful lives of equipment, furniture, and automobiles are estimated at 2 to 10 years.

NOTE 4: RETIREMENT PLAN

Wildwood established a new Simple IRA retirement plan with Edward Jones for eligible employees effective August 1, 2015. As of December 31, 2016, three employees were eligible and participating in the Plan.

Under the terms of the new plan, employees are able to contribute up to \$12,500 of their salary to their retirement account. Wildwood matches 100% of the employees' contributions, up to 3% of their salaries. Employees are eligible after attaining one year of service. All contributions are fully vested immediately. Additional information on the plan can be obtained from the plan documents held by the plan administrator. For the year ended December 31, 2016 and 2015, expenses of \$4,569.74 and \$1,784.45 were recognized.

NOTE 5: GREATER KANSAS CITY COMMUNITY FOUNDATION GRANTS

Wildwood has made contributions to the Greater Kansas City Community Foundation. The money is held for the benefit of Wildwood and is restricted for capital outlays or endowment purposes. However, Wildwood has granted the Foundation the unilateral power to redirect the use of the money to another beneficiary. Accordingly, these assets are not reflected in these financial statements. As of and for the years ended December 31, 2016 and 2015, the money held by the Foundation was as follows:

	Building Fund	Endowment Fund
Balances, December 31, 2014	\$ 12,729.87	\$ 101,489.36
Grant Repayments	-	35,000.00
Transfer	(11,859.63)	11859.63
Net Increase (Decrease) in Value	(870.24)	(9.45)
Grants to Wildwood	-	(35,000.00)
Wire Transfer Fee	-	(10.00)
Balances, December 31, 2015	-	113,329.54
Grant Repayments	-	130,000.00
Net Increase (Decrease) in Value	-	2,507.46
Grants to Wildwood	-	(130,000.00)
Transfer Wire Fee	-	(10.00)
Balances, December 31, 2016	<u>\$ -</u>	<u>\$ 115,827.00</u>

NOTE 6: ADVERTISING EXPENSES

During the years ended December 31, 2016 and 2015, Wildwood spent \$4,779.14 and \$2,276.84 on advertising, which is recorded as an expense on the financial statements.

NOTE 7: OPERATING LEASES

The Organization entered into a 60 month lease with maintenance agreement for a copier with Ikon Financial services, dated February 12, 2012. Toshiba paid the Organization to buy out the lease during 2015, but the Organization chose to keep the copier and continue to make monthly payments. During the year ended December 31, 2016, lease costs were \$1,934.40. Future minimum rental payments are as follows:

2017	\$ <u>322.40</u>
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The Organization entered into a 60 month lease with maintenance agreement for a copier with Toshiba, dated May 4, 2015. During the year ended December 31, 2016, lease costs were \$4,548.00. Future minimum rental payments are as follows:

2017	\$ 4,548.00
2018	4,548.00
2019	4,548.00
2020	<u>1,516.00</u>
Total	\$ <u>15,160.00</u>

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to December 31, 2016 through March 10, 2017, the date of the financial statements. During this period, there were no subsequent events requiring recognition in the financial statements or disclosure in the notes to the financial statements.

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS**

SUPPLEMENTAL INFORMATION

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Combining Schedule of Activities - Unrestricted Net Assets
For the Year Ended December 31, 2016

	UNRESTRICTED FUNDS				TEMPORARILY RESTRICTED FUNDS	TOTAL FUNDS
	SUMMER	PROGRAM SERVICES OUTDOOR SCHOOL	FACILITY USE	ADMINISTRATIVE & GENERAL		
<u>Support and Revenue</u>						
Tuition and fees	\$ 122,061.39	\$ 82,473.00	\$ 11,979.31	\$ -	\$ -	\$ 216,513.70
Contributions	83,600.00	-	129,000.00	206,384.94	-	418,984.94
Grants from Greater Kansas City Community Foundation	-	-	-	-	-	-
USDA Grant	4,440.79	-	-	-	-	4,440.79
Fundraising income	33,099.22	-	-	-	-	33,099.22
Miscellaneous income	-	-	615.90	55.17	-	671.07
Total Support	243,201.40	82,473.00	141,595.21	206,440.11	-	673,709.72
Net assets released from restrictions	4,200.00	47,550.00	10,698.00	-	(62,448.00)	-
Total Support and Revenue	247,401.40	130,023.00	152,293.21	206,440.11	(62,448.00)	673,709.72
<u>Expenses</u>						
Advertising and promotion	3,931.47	190.86	-	656.81	-	4,779.14
Automobile expenses	378.89	157.74	5,846.52	-	-	6,383.15
Bus rental	2,508.44	3,785.84	-	-	-	6,294.28
Depreciation	-	-	50,000.00	11,303.74	-	61,303.74
Dues, subscriptions, fees	857.00	781.00	581.00	525.00	-	2,744.00
Facility rental	-	-	-	2,800.00	-	2,800.00
Food service supplies and expense	31,521.96	4,129.52	757.24	363.55	-	36,772.27
Health insurance and expense	5,364.73	3,000.00	5,000.00	5,732.08	-	19,096.81
Insurance - general	6,442.00	4,000.00	18,000.00	6,308.48	-	34,750.48
Internet and technology expense	2,214.97	1,000.00	1,000.00	3,289.67	-	7,504.64
Maintenance	-	126.95	24,996.86	-	-	25,123.81
Miscellaneous expense	793.78	18.71	-	858.05	-	1,670.54
Office supplies and expense	3,256.62	-	-	6,386.46	-	9,643.08
Payroll expense	79,916.64	70,247.23	48,108.50	93,022.94	-	291,295.31
Payroll taxes and expense	6,465.12	5,068.11	3,954.04	7,120.04	-	22,607.31
Postage and delivery	996.48	109.85	-	1,357.44	-	2,463.77
Professional fees	5,567.36	3,772.77	1,889.50	11,681.70	-	22,911.33
Program supplies and expense	4,868.46	1,593.98	450.58	943.38	-	7,856.40
Retirement expense	500.00	494.34	1,482.12	2,093.28	-	4,569.74
Travel expense	3,610.28	305.00	548.10	2,311.92	-	6,775.30
Utilities	2,200.00	-	33,484.64	510.05	-	36,194.69
Total Expenses	161,394.20	98,781.90	196,099.10	157,264.59	-	613,539.79
Increase (Decrease) in Unrestricted Net Asset:	\$ 86,007.20	\$ 31,241.10	\$ (43,805.89)	\$ 49,175.52	\$ (62,448.00)	60,169.93
Total Net Assets, Beginning of the Year						1,057,921.14
Total Unrestricted Net Assets, End of the Year						\$ 1,118,091.07