

*experience*  
LEARNING

**COMPILED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**EXPERIENCE LEARNING, INC.**

**TABLE OF CONTENTS**

	Page
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6



## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Experience Learning, Inc.  
Circleville, West Virginia

Management is responsible for the accompanying financial statements of Experience Learning, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Beachy Arehart PLLC*

Beachy Arehart PLLC

Harrisonburg, Virginia  
November 12, 2021

**EXPERIENCE LEARNING, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2020**  
(See Accountant's Compilation Report)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	38,943
Accounts receivable		<u>29,329</u>
TOTAL CURRENT ASSETS		<u>68,272</u>

PROPERTY AND EQUIPMENT

at cost, less accumulated depreciation		<u>410,514</u>
--	--	----------------

OTHER ASSETS

Investments		664,721
Loan fees, net		<u>4,117</u>
TOTAL OTHER ASSETS		<u>668,838</u>

\$ 1,147,624

LIABILITIES

CURRENT LIABILITIES

Current portion of long-term debt	\$	21,464
SBA Paycheck Protection Program loan		78,100
Accounts payable		3,186
Accrued expenses		16,463
Deferred revenue		<u>82,709</u>
TOTAL CURRENT LIABILITIES		<u>201,922</u>

LONG-TERM DEBT, net of current portion

586,434

TOTAL LIABILITIES

788,356

NET ASSETS

Without donor restrictions		<u>359,268</u>
		<u>359,268</u>

\$ 1,147,624

See accompanying notes to financial statements.

**EXPERIENCE LEARNING, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year Ended December 31, 2020**  
(See Accountant's Compilation Report)

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

REVENUE, GAINS AND SUPPORT	
Donations	\$ 62,588
Grants	106,876
External tuition & fees	70,333
Investment income	11,647
Unrealized loss on investments	(106,096)
Other revenue	1,002
TOTAL REVENUE AND SUPPORT	<u>146,350</u>
EXPENSES	
Program services	251,300
Supporting services	
Management and general	94,518
Fundraising	17,832
TOTAL EXPENSES	<u>363,650</u>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(217,300)
NET ASSETS AT BEGINNING OF YEAR	<u>576,568</u>
NET ASSETS AT END OF YEAR	<u>\$ 359,268</u>

See accompanying notes to financial statements.

**EXPERIENCE LEARNING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2020**  
(See Accountant's Compilation Report)

	Program Service	Supporting Services		Total Supporting Services	Total Expenses
		Fundraising	Management and General		
Salaries, benefits and payroll taxes	\$ 124,562	\$ 7,654	\$ 72,025	\$ 79,679	\$ 204,241
Facilities	30,979	5,163	2,565	7,728	38,707
Consultants and contractors	12,185	-	14,639	14,639	26,824
Depreciation and amortization	24,232	-	-	-	24,232
Interest expense	17,403	-	-	-	17,403
Insurance	12,486	-	-	-	12,486
Travel and meals	9,211	1,220	361	1,581	10,792
Field costs and project supplies	8,182	644	71	715	8,897
Advertising	4,547	2,307	602	2,909	7,456
Office	1,308	844	4,255	5,099	6,407
Other expenses	6,205	-	-	-	6,205
	<u>\$ 251,300</u>	<u>\$ 17,832</u>	<u>\$ 94,518</u>	<u>\$ 112,349</u>	<u>\$ 363,650</u>

See accompanying notes to financial statements.

**EXPERIENCE LEARNING, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2020**  
(See Accountant's Compilation Report)

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from contributors and grants	\$ 204,335
Cash received from services	75,703
Investment income received	11,647
Cash paid to employees	(178,137)
Cash paid to suppliers	(132,671)
Cash paid for benefits and payroll taxes	(36,337)
Interest paid	<u>(17,403)</u>
 NET CASH USED BY OPERATING ACTIVITIES	 <u>(72,863)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(1,012,408)
Proceeds from sale of investments	<u>853,546</u>
 NET CASH USED BY INVESTING ACTIVITIES	 <u>(158,862)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from SBA Paycheck Protection Program loan	78,100
Proceeds from long-term debt	149,900
Principal payments on long-term debt	<u>(8,758)</u>
 NET CASH PROVIDED BY BY FINANCING ACTIVITIES	 <u>219,242</u>
 NET DECREASE IN CASH	 (12,483)
 CASH AT BEGINNING OF YEAR	 <u>51,426</u>
 CASH AT END OF YEAR	 <u>\$ 38,943</u>

See accompanying notes to financial statements.

**EXPERIENCE LEARNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Experience Learning, Inc. (“Experience Learning”) is a nonprofit organization whose mission is to develop effective community members through beyond-the-classroom, outdoor learning opportunities for children and adults. The Organization was founded in 1972 as the Woodlands Institute (later known as The Mountain Institute). Throughout the years, the Organization evolved into the Appalachian Program of The Mountain Institute and in March of 2017, became a separate nonprofit organization. As part of this transformation, Experience Learning also became the owner and steward of the Spruce Knob Mountain Center and Sweetwater Farm.

Experience Learning’s vision and mission are accomplished through three primary programs:

- **Educational Program:** Experience Learning brings students outdoors to experience authentic, hands-on, experiential education, which allows students to learn about themselves, their peers, and their environment.
- **Camping Program:** Experience Learning’s Mountain Stewards summer camp is a week-long expedition-style program with a stewardship focus that provides participants access to wild places, high quality experiential education and meaningful stewardship opportunities.
- **Visitation Program:** Experience Learning provides individuals with the opportunity to spend time on either the Spruce Knob Mountain Center or the Sweetwater Farm campus. Among other things, these locations provide educational opportunities for participants to enjoy healthy streams, natural springs and numerous caves, as well as an opportunity to partake in world-class stargazing.

**Basis of Accounting**

The financial statements of Experience Learning have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization does not maintain any donor restricted net assets.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues, gains, and other support and expenses. Actual results could differ from those estimates.



**EXPERIENCE LEARNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Investments in securities are reported at fair value based on readily determinable market values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Donated investments are recorded at their fair value at the date of donation.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income or loss (including realized and unrealized gains and losses, interest, and dividends) is included in the change in unrestricted net assets unless the income or loss is restricted by donor or law.

**Cash and Cash Equivalents**

The Organization considers highly liquid investments with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

**Accounts Receivable**

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year end. The Organization has elected to record bad debts using the direct write-off method. U.S. generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Account balances are written-off after all collection efforts have been exhausted and the potential for recovery is considered remote. All receivables were considered fully collectible as of December 31, 2020.

**Property and Equipment**

The Organization capitalizes all property and equipment at cost if purchased and fair value at date of contribution if donated. Donations of fixed assets are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or 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. If the restrictions expire during the same period as the donation, the Organization reports the contribution as unrestricted. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets.

The costs of additions and betterments are capitalized, and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

**Contributed Services**

Contributions of services are recognized at fair value if the services received require specialized skills, those specialized skills are provided by individuals possessing those skills, and the services would typically need to be purchased if not provided by donation. For the year ended December 31, 2020, the Organization did not receive any services described above.

Experience Learning may from time to time receive services donated by citizens interested in the Organization's projects. The kinds of services provided by citizens generally involve the contribution of time, but do not require a specialized skill. The value of these services is therefore not reflected in the financial statements.

**EXPERIENCE LEARNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Public Support Revenue Recognition**

Experience Learning reports gifts, contributions and grants of cash and other assets as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Operations as net assets released from restrictions. Contributions with restrictions that are received and expended in the same year are classified as contributions without donor restrictions.

Unrestricted grants and contributions are reported as revenue and support in the year in which the payments are received and/or unconditional promises are made. Revenue recognized on grants and contributions that have been committed to Experience Learning, but have not been received, is reflected as grants and contributions receivable in the accompanying statement of financial position. Amounts received in advance of incurring expenses under contracts is deferred upon receipt and recorded as deferred revenue on the accompanying statement of financial position. Such amounts are recognized as revenue as expenses are incurred.

**Income Tax Status**

Experience Learning is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization's federal exempt organization information return (Form 990) for the years ended December 31, 2020, 2019, and 2018 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**Functional Allocation of Expenses**

The costs of providing various program and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Advertising**

Experience Learning follows a policy of charging the costs of advertising to expense as incurred. Advertising expense was \$7,456 for the year ended December 31, 2020.

**Date of Management's Review**

Management has evaluated subsequent events through November 12, 2021, the date which the financial statements were available to be issued.

**EXPERIENCE LEARNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets:	
Cash and cash equivalents	\$ 38,943
Accounts receivable	29,329
Investments	<u>664,721</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 732,993</u>

As part of Experience Learning's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, Experience Learning could also draw upon its unrestricted investments.

**NOTE C – INVESTMENTS**

Investments are presented in the financial statements at fair value. Cost and fair values at December 31, 2020 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 87,203	\$ 87,203
U.S. equities	290,580	255,296
Mutual funds	<u>304,482</u>	<u>322,222</u>
	<u>\$ 682,265</u>	<u>\$ 664,721</u>

The following schedule summarizes the investment return and its classification in the statement of activities as of December 31, 2020:

	<u>Without Donor Restrictions</u>
Interest and dividend income	\$ 11,647
Investment management fees	(3,273)
Net realized loss	(42,943)
Net unrealized loss	<u>(63,153)</u>
	<u>\$ (97,722)</u>

**NOTE D – FAIR VALUE MEASUREMENTS**

Fair Value Hierarchy

The fair value accounting standards establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure fair value.

**EXPERIENCE LEARNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE D – FAIR VALUE MEASUREMENTS (Continued)**

Investments in debt and equity securities are recorded at fair value on a recurring basis. When quoted market prices are unobservable, management uses quotes from independent pricing vendors based on independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating and other factors such as credit loss assumptions.

Management believes that the valuations used in its financial statements are reasonable and are appropriately classified in the fair value hierarchy.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2020 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Investments:				
Cash and cash equivalents	\$ 87,203	\$ -	\$ 87,203	\$ -
U.S. equities	255,296	255,296	-	-
Mutual funds	322,222	322,222	-	-
	<u>\$ 664,721</u>	<u>\$ 577,518</u>	<u>\$ 87,203</u>	<u>\$ -</u>

**NOTE E – PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment at December 31, 2020 consisted of the following:

Buildings	\$ 403,587
Furniture and equipment	96,413
	<u>500,000</u>
Less: accumulated depreciation	<u>(89,486)</u>
	<u>\$ 410,514</u>

Depreciation is computed using the straight-line method based on the estimated useful life of the assets, ranging between five and forty years.

**EXPERIENCE LEARNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE F – LONG-TERM DEBT**

Promissory note to Pendleton Community Bank with interest at 3.87%, due \$19,619 annually, including interest, until March 2037. Secured by real and personal property.	\$ 457,998
Promissory note to the U.S. Small Business Administration as part of the Economic Injury Disaster Loan (EIDL) program with monthly payments of \$641 beginning July 2021 and interest of 2.75%. Proceeds must be used as working capital to alleviate economic injury caused by the COVID-19 pandemic. Secured by all assets of the Organization.	149,900
	607,898
Less current portion of long-term debt	(21,464)
	\$ 586,434

Maturities of long-term debt are as follows:

Year ending December 31,	
2021	\$ 21,464
2022	24,106
2023	25,010
2024	25,905
2025	26,921
Thereafter	484,492
	\$ 607,898

**NOTE G – PAYCHECK PROTECTION PROGRAM LOANS AND LOAN FORGIVENESS**

In April of 2020 and in response to the COVID-19 pandemic, the Organization received loan proceeds in the amount of approximately \$78,100 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after an elected period of eight or 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, without meeting any of the known exceptions. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. As of December 31, 2020, the Organization recorded a note payable equal to the amount of the loan proceeds.

In February of 2021, the Organization was notified that the U.S. Small Business Administration approved its loan forgiveness application, and the Organization was legally released from the loan obligation.

Subsequent to the forgiveness of the Organization’s first PPP loan, the Organization applied for and was approved for a second PPP loan in the amount of \$72,179. The loan accrues interest at 1% with payment and forgiveness terms the same as the first PPP loan. The Organization intends to apply for full loan forgiveness under the terms of the program.

**EXPERIENCE LEARNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE H – IMPACT OF COVID-19**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. The Organization implemented and are following recommendations from the Centers for Disease Control and Prevention, and the West Virginia Department of Health and Human Services to minimize risk to the Organization's students and staff. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of the Organization's ability to obtain contributions and volunteers. The future effects of these issues are unknown.