PATHFINDERS OF OREGON
dba THE PATHFINDER NETWORK

FINANCIAL STATEMENTS

Year Ended June 30, 2025



KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

PATHFINDERS OF OREGON
dba THE PATHFINDER NETWORK

FINANCIAL STATEMENTS

Year Ended June 30, 2025

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KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Pathfinders of Oregon
dba The Pathfinder Network
Portland, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pathfinders of Oregon dba The Pathfinder Network ("Pathfinder"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pathfinders of Oregon dba The Pathfinder Network as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pathfinder and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pathfinder's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Pathfinders of Oregon
dba The Pathfinder Network

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Pathfinder's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pathfinder's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Pathfinder's 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kern + Thompson, LLC

Portland, Oregon
December 22, 2025

PATHFINDERS OF OREGON
dba THE PATHFINDER NETWORK

STATEMENT OF FINANCIAL POSITION

June 30, 2025
(With Comparative Totals as of June 30, 2024)

ASSETS

	2025	2024
Cash and cash equivalents	$ 3,851,743	$ 3,794,160
Grants and contracts receivable	1,011,143	1,107,982
Curriculum sales receivable	33,364	40,375
Prepaid and other assets	191,487	176,812
Property, equipment and leasehold improvements, net	265,515	357,163
Right of use assets	290,475	326,955
Total assets	**$ 5,643,727**	**$ 5,803,447**

LIABILITIES AND NET ASSETS

Accounts payable	$ 215,035	$ 116,687
Accrued payroll and related expenses	271,380	218,050
Accrued vacation	267,700	222,231
Deferred revenue	6,612	55,040
Refundable advances	568,496	1,039,762
Operating lease liabilities	285,295	342,845
Total liabilities	1,614,518	1,994,615
Net assets		
Without donor restrictions	3,909,324	3,715,807
With donor restrictions	119,885	93,025
Total net assets	4,029,209	3,808,832
Total liabilities and net assets	**$ 5,643,727**	**$ 5,803,447**

See notes to financial statements.

PATHFINDERS OF OREGON
dba THE PATHFINDER NETWORK

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Revenues, gains, and other support				
Grants and contributions	$ 121,352	$ 299,530	$ 420,882	$ 221,886
Government and other contracts	9,563,013	-	9,563,013	8,303,301
Curriculum sales	300,675	-	300,675	201,870
In-kind	138,945	-	138,945	163,581
Other income	94,432	-	94,432	111,838
	10,218,417	299,530	10,517,947	9,002,476
Net assets released from restrictions	272,670	(272,670)	-	-
Total revenues, gains, and other support	10,491,087	26,860	10,517,947	9,002,476
Expenses				
Program services	8,336,004	-	8,336,004	7,062,424
Supporting services				
Management and general	1,692,586	-	1,692,586	1,463,284
Fundraising	268,980	-	268,980	261,798
Total expenses	10,297,570	-	10,297,570	8,787,506
Change in net assets	**193,517**	**26,860**	**220,377**	**214,970**
Net assets, beginning of year	3,715,807	93,025	3,808,832	3,593,862
Net assets, end of year	**$ 3,909,324**	**$ 119,885**	**$ 4,029,209**	**$ 3,808,832**

See notes to financial statements.

PATHFINDERS OF OREGON
dba THE PATHFINDER NETWORK

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	PROGRAM SERVICES					SUPPORTING SERVICES		Total	
	Corrections Programs	Community Corrections	Community Programs	Partnered Impact	Services Total	Program Management and General	Fundraising	2025	2024
Payroll, related taxes, and benefits	$ 2,156,883	$ 3,029,440	$ 1,062,321	$ 168,402	$ 6,417,046	$ 1,263,077	$ 200,391	$ 7,880,514	$ 6,720,378
Communications	10,310	30,498	12,969	1,859	55,636	9,486	593	65,715	67,646
Conferences, conventions, and training	22,526	66,158	12,480	7,437	108,601	45,327	3,612	157,540	121,500
Depreciation	11,826	120,373	32,146	3,166	167,511	26,317	3,037	196,865	209,411
Donated goods and office space	-	91,603	44,192	3,150	138,945	-	-	138,945	163,581
Insurance	-	-	-	-	-	65,047	-	65,047	60,041
Interest	33	553	169	(80)	675	2,320	769	3,764	4,241
Occupancy	10,862	139,957	98,254	600	249,673	55,562	1,836	307,071	307,519
Other	-	501	298	49	848	2,351	-	3,199	23,849
Printing, publication, and shipping	14,908	12,765	13,623	30,355	71,651	9,157	7,100	87,908	65,428
Professional fees	38,902	114,436	22,940	48,301	224,579	189,611	49,148	463,338	389,753
Specific assistance to individuals	675	331,221	31,438	-	363,334	-	-	363,334	238,464
Supplies	26,636	264,494	78,014	15,394	384,538	10,932	1,177	396,647	263,877
Travel and transportation	50,044	78,562	10,313	14,048	152,967	13,399	1,317	167,683	151,818
	$ 2,343,605	**$ 4,280,561**	**$ 1,419,157**	**$ 292,681**	**$ 8,336,004**	**$ 1,692,586**	**$ 268,980**	**$ 10,297,570**	**$ 8,787,506**

See notes to financial statements.

PATHFINDERS OF OREGON
dba THE PATHFINDER NETWORK

STATEMENT OF CASH FLOWS

Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 220,377	$ 214,970
Depreciation expense	196,865	209,411
Noncash operating lease expense	(21,070)	(1,307)
Adjustments to reconcile changes in net assets to net cash provided by / (used in) operating activities:		
Grants and contracts receivable	96,839	(244,686)
Curriculum receivable	7,011	(38,050)
Prepaid and other assets	(14,675)	36,058
Accounts payable	98,348	1,554
Accrued payroll and related expenses	53,330	(18,102)
Accrued vacation	45,469	18,046
Deferred revenue	(48,428)	54,028
Refundable advances	(471,266)	119,604
Net cash provided by (used in) operating activities	**162,800**	**351,526**
Cash flows from investing activities:		
Purchase of equipment	(105,217)	(52,761)
Net change in cash and cash equivalents	**57,583**	**298,765**
Cash and cash equivalents, beginning of year	3,794,160	3,495,395
Cash and cash equivalents, end of year	**$ 3,851,743**	**$ 3,794,160**

See notes to financial statements.

PATHFINDERS OF OREGON
dba THE PATHFINDER NETWORK

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A – DESCRIPTION OF PATHFINDERS OF OREGON DBA THE PATHFINDER NETWORK

Pathfinders of Oregon dba The Pathfinder Network (the Organization), is a non-profit corporation organized under the laws of the State of Oregon. The Organization is a statewide social services agency whose mission is to provide justice system-impacted individuals and families the tools and support they need to be safe and thrive in our communities. The Organization supports individuals and families right where they are, at every point of the criminal justice system, other systems and beyond. The Organization's primary source of revenue is from government grants.

Corrections Programs

The Organization provides programming and support services to individuals who are incarcerated in 9 Oregon Department of Corrections Facilities. Programs include:

- **Free Your Mind CORE** – A 110-hour cognitive-behavioral skills program for men. It is intended: (1) to reduce institutional misconducts and post-release recidivism; and (2) to teach participants the skills needed to achieve greater self-control, satisfaction, and purpose in life.

- **Moving On** – A 53-hour gender responsive cognitive-behavioral skill program at the Coffee Creek Correctional Facility for Women. Moving On helps them identify and mobilize personal and community resources.

- **Parenting Inside Out (PIO), Prison Version** – A 108-hour parent education curriculum for incarcerated parents in 9 Oregon Department of Corrections institutions. PIO helps Parents develop and refine social interactional skills and citizenship behaviors they can use in all aspects of their lives and that will help them guide their children toward becoming positive, productive adults.

- **Parenting Inside Out (PIO), Phase II** – A 29-hour enhanced visiting program for graduates of Parenting Inside Out that includes involvement of children and caregivers that takes place at Coffee Creek Correctional Facility and Columbia River Correctional Institution and through a remote program serving institutions on the east side of the state. The program enhances contact and connection between incarcerated parents and their children and aims to reduce the negative impact of parental incarceration.

- **Free Your Mind in Segregation** – A 56-hour cognitive-behavioral intervention program that serves men in segregation at Snake River Correctional Institution. The program works to stabilize participants and facilitate the safe and successful return to general population.

- **Free Your Mind in Disciplinary Segregation Unit** – A 16-hour cognitive-behavioral intervention program that serves men in the Disciplinary Segregation Unit at Oregon State Correctional Institution. The program works to stabilize participants and facilitate the safe and successful return to general population.

NOTE A – DESCRIPTION OF PATHFINDERS OF OREGON DBA THE PATHFINDER NETWORK (CONTINUED)

Community Corrections Programs

The Organization provides programming and support services to adults on community supervision in Jackson, Marion and Multnomah Counties and youth in Jackson County. Programs include:

- **Marion County Transitional Services** – A program that serves individuals releasing from the transition center and jail into the community and includes the Free Your Mind in Transition, Women in Recovery, Helping Women Recover, Helping Men Recover, Healing Trauma and Building Resilience curriculums and individual support.

- **Resiliency & Recovery Project – Jackson County** – A peer support program that serves justice-impacted individuals and helps them to build individual, social and community resources that promote long-term resilience and recovery, successful completion of supervision and successful reintegration into the community. Programming includes Family Support Peer Support services in addition to peer support services in four locations in the county – the Community Justice Office, Transition Center, the Collaborative, Parkside Place and in the Community.

- **Resiliency & Recovery Project – Marion County** – A peer support program that serves justice-impacted individuals and helps them to build individual, social and community resources that promote long-term resilience and recovery, successful completion of supervision and successful reintegration into the community. Services are provided at Parole and Probation, the Transition Center and in the community.

- **Resiliency & Recovery Project – Multnomah County** – A peer support program that serves justice-impacted individuals and helps them to build individual, social and community resources that promote long-term resilience and recovery, successful completion of supervision and successful reintegration into the community. The R&R Project Multnomah County includes engagement in the STEP Court Program in Collaboration with Multnomah County and other community partners. STEP Court is a Measure 11 diversion specialty program that the agency supports by providing cognitive behavioral programming and wraparound peer support services. Services are provided at the peer drop-in center, the Center for Family Success and in the community.

- **Resilience & Recovery Project Youth Programming – Jackson County** – A peer support program that serves justice-impacted youth and helps them to build individual, social and community resources that promote long-term resilience and recovery and successful completion of justice-involvement. Services provided include an alternative to incarceration after school program, recovery support groups, cognitive skills groups and transition peer support services for youth transitioning from the Barriers to Bridges residential treatment program.

- **Clackamas County Reentry Services** – A program that serves individuals releasing from the jail into the community through alcohol and drug assessments and cognitive-behavioral groups including the Free Your Mind in Transition, Women in Recovery, Healing Trauma, Building Resilience, Social Skill Workshops, Resilience & Recovery Action Planning, and Courage to Change curricula.

NOTE A – DESCRIPTION OF PATHFINDERS OF OREGON DBA THE PATHFINDER NETWORK (CONTINUED)

Community Programs (at the Center for Family Success)

The Organization provides programming and support services to parents involved in the criminal justice systems and other systems and their children and families in Multnomah County. Programs include:

- **Parenting Inside Out**, **Community Version** – A 48-hour or 24-hour parent education curriculum for system impacted parents. Parenting Inside Out is offered in Spanish.

- **Healing Trauma** – A 12-hour gender responsive trauma coping skill curriculum for mothers who have experienced trauma and toxic stress. The program helps women to understand the impact of trauma, and how to cope in positive and healthy ways.

- **Building Resilience** – A 12-hour gender responsive trauma coping skill curriculum for fathers who have experienced trauma and toxic stress. The program helps men to understand the impact of trauma, and how to cope in positive and healthy ways.

- **Family Advocacy and Case Management** – Participants and their families are assisted with stabilization and family resilience building through collaborative support from a Family Advocate. Advocacy includes assessment, case planning, skill building, family reunification support, and navigation and referral to agency partners.

- **Early Childhood Home Visiting** – Parents with children from birth to age 6, participate in home visiting programming using the Parenting Inside Out 1:1 model. An Early Childhood Advocate delivers services that emphasize parent-child interaction, development-centered parenting, and family resilience.

- **Mentoring Inside Out** – A mentoring program for youth ages 7-18 that provides the support they need to stay in school and become healthy, successful adults. It includes weekly mentoring and monthly group activities. Mentoring Inside Out 2.0 served youth involved in the juvenile justice system who are impacted by parental and family systems involvement.

- **The PATHfinder Club** – An arts-based support club for high school aged youth who have been affected by incarceration, deportation and detention. It includes weekly or bi-weekly club sessions and additional group activities. The PATHfinder club members are youth with similar lived experiences who build community and connection to counter the stigma and shame of systems involvement and tell their stories through art and expression. Clubs are delivered at Parkrose High School and The Center for Family Success.

- **Clackamas County Juvenile Department Cognitive Behavioral Programming** – Cognitive behavioral skill building classes for youth on probation that include Power Source, A Young Mans Guide to Self-Mastery, Voices, Free Your Mind, Girls Circle and Boys Council group curriculums.

NOTE A – DESCRIPTION OF PATHFINDERS OF OREGON DBA THE PATHFINDER NETWORK (CONTINUED)

Partnered Impact Programs

The Organization provides programming and support services to partner agencies across the country to expand and enhance our impact and commitment to our mission. Programs include:

- **Parenting Inside Out** – An evidence-based parenting skills intervention for justice-system involved parents that includes four versions: PIO-90, PIO-60, PIO-48 and PIO-24. PIO helps Parents develop and refine social interactional skills and citizenship behaviors they can use in all aspects of their lives and that will help them guide their children toward becoming positive, constructive adults. The Organization provides curriculum, training and support to agencies serving systems-impacted parents, children and families.

- **POPS (Pains of the Prison System) the Club** – An arts-based support club for high school aged youth who have been affected by incarceration, deportation and detention. It includes weekly club sessions delivered in schools by school sponsors and volunteers in California, Georgia and New York. Each year POPS and PATHfinder Clubs complete publishing projects such as the Impacts of Incarceration Video Library and an annual anthology featuring their writing, art, photography and more. The Organization provides curriculum, training and support to agencies serving systems-impacted youth and their and families.

- **External Training** – Training and Technical assistance services offered to partner agencies to support them in carrying out their goals and furthering the reach, impact and mission of The Pathfinder Network through innovative justice solutions. We offer a training hub of CORE Associates through subcontracted training and technical assistance services for the Creating Regulation and Resilience communication model.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.

- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure. Substantially all such net assets are restricted for purpose.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Revenue Recognition

With regard to revenues from all sources, the Organization evaluates whether each transfer of assets is (1) an exchange reciprocal transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – Curriculum sales - If the transfer of assets is determined to be an exchange transaction, the Organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service. Exchange transactions include curriculum sales. Amounts received from customers in advance are recorded as deferred revenue until the Organization's performance obligations are satisfied.

- *Contributions and Grants* - If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a release of a promisor's obligation to transfer assets. Contributions and grants include government and other contracts.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles 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 these estimates.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid investments to be cash equivalents, provided that they are readily convertible to cash with insignificant penalties.

Grants and Contracts Receivable

Grants and contracts receivable are recorded monthly as the related services are provided and billed. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable is uncollectible. Substantially all of the grants receivable are uncollateralized and are supported by contracts with governmental or quasi-governmental entities. Accordingly, an allowance for doubtful accounts has not been established, as management believes all balances are collectible.

There were no receivables older than 90 days at June 30, 2025.

Property, Equipment and Leasehold Improvements

Property, equipment, and leasehold improvements individually exceeding $500 are stated at cost when purchased or estimated fair value when donated, and are depreciated and amortized using the straight-line method over the following useful lives:

Automobiles	3-5 years
Intangibles	3-7 years
Equipment	3-10 years
Furniture	7-10 years
Leasehold improvements	5-15 years

Maintenance and repairs are expensed when incurred. Betterments and renewals are capitalized.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset.

Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as fixed common area and other fixed maintenance costs, in calculating the right of use (ROU) assets and lease liabilities for its office buildings. Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses a risk free discount rate for asset classes.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has no leases with an initial term of 12 months or less.

Refundable Advances

Refundable advances result primarily from conditional contribution grants in which advance payments were received. The awards must be used to expand access to care in the areas of low barrier substance use disorder, addiction, mentoring and recovery peer support. $568,496 remains as a refundable advance at June 30, 2025, as the conditions for revenue recognition have not yet been met.

Conditional Promises to Give

A portion of the Organization’s revenue is derived from conditional governmental contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions or has met the performance requirements. The Organization has conditional grants of $590,369 that have not been recognized at June 30, 2025, because performance requirements and/or qualifying expenditures have not yet been incurred.

Income Taxes

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of $1,000.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the statement of activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Most costs have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort. Occupancy costs are allocated based on specific building uses.

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

Equipment	$	643,969
Website		7,755
Leasehold improvements		106,181
Automobiles		320,265
		1,078,170
Less accumulated depreciation and amortization		(812,655)
	$	265,515

NOTE D – LINE OF CREDIT AND OTHER CREDIT AVAILABLE

The Organization maintains a $250,000 bank line of credit secured by substantially all assets as of June 30, 2025. The line matures in June 2027. Interest is payable monthly at the greater of 6.25% or the bank's prime plus 1.75% per annum (7.5% as of June 30, 2025).

At June 30, 2025, the outstanding balance was zero. The Organization also has unsecured credit cards with available limits of $200,000. $140,930 was outstanding and included in accounts payable at June 30, 2025.

NOTE E – OPERATING LEASE

The Organization has three leases for office space that expire between April 2026 and February 2028. These operating leases include escalating fee schedules, which range from a 3 to 4 percent increase each year, or are based on the CPI index.

Annual lease cost	$ 211,337
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from leases	216,517
Right of use assets obtained in exchange for new operating lease liabilities	149,965
Other information:	
Weighted-average remaining lease term	1.73 years
Weighted-average discount rate	2.93%

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2025, are as follows:

Year Ending June 30,	Operating Leases
2026	$ 204,267
2027	52,832
2028	35,919
Total future undiscounted lease payments	293,018
Less present value discount	(7,723)
Lease liabilities	$ 285,295

NOTE F – CONCENTRATIONS AND CONTINGENCIES

The Organization received approximately 66% of its operating revenue from three funders, 30% from the Oregon Department of Corrections, 24% from the Oregon Health Authority and 12% from Jackson County. A significant reduction in these funding sources would negatively impact the Organization and its programs. At June 30, 2025, there was $408,180 receivables under these contracts. In the prior year, the Organization received approximately 36% of its operating revenue from the Oregon Department of Corrections, 20% from the Oregon Health Authority, and 15% from Jackson County. The Organization is actively engaging in the diversification of its funding sources through the growth of its Community Corrections programs in Clackamas, Jackson, Marion, and Multnomah Counties and the new Partnered Impact department. The Organization's total government and other contracts revenue is made up of 33 contracts.

NOTE F – CONCENTRATIONS AND CONTINGENCIES (CONTINUED)

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at high-quality financial institutions. The Organization has not experienced any losses on its cash and cash equivalents and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no material amounts received, or receivable, will be required to be returned in the future which have not already been properly reflected in these financial statements.

NOTE G – RETIREMENT PLAN

The Organization maintains a defined contribution retirement plan for the benefit of its employees who are 21 years old and have satisfied the eligibility requirements. The plan contains a thrift feature (i.e., a 401(k) provision) which entitles the participants to contribute a portion of their compensation to the plan on a pre-tax and post-tax basis. The Organization amended its 401(k) retirement plan to change from an employer matching contribution of up to 3% of eligible employee compensation to a fixed employer non-elective contribution of 3% of eligible employee compensation. This change applies to all eligible employees, regardless of whether they elect to contribute to the plan. Total retirement expense incurred was $113,044 for the year ended June 30, 2025.

NOTE H – LIQUIDITY

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2025:

Financial assets at year-end:	
Cash and cash equivalents	$ 3,851,743
Grants and contracts receivable	1,011,143
Curriculum sales receivables	33,364
Total financial assets	4,896,250
Less amounts unavailable for general expenditure within one year:	
Restricted by donors with purpose restriction	(119,885)
Total unavailable financial assets	(119,885)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,776,365

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

PATHFINDERS OF OREGON
dba THE PATHFINDER NETWORK

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE I – UNCERTAINTY

The current governmental funding environment is uncertain, and the Organization may lose significant funding with little notice. The Organization is a direct recipient of federal grants, and holds a significant amount of governmental contracts and other conditional grants that are susceptible to grant interruption. A decrease in government funding could adversely impact the Organization's ability to maintain operations at the current level, or at all. Management is carefully monitoring the situation. No adjustments have been made to these financial statements as a result of uncertainty.

NOTE J – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 22, 2025, which is the date the financial statements were available to be issued.