

# Outdoor Lab Foundation

## Financial Statements

For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)



Certified Public Accountants

# Outdoor Lab Foundation

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Certified Public Accountants

## **Independent Accountant's Review**

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To the Board of Directors  
Outdoor Lab Foundation

We have reviewed the accompanying statement of financial position of Outdoor Lab Foundation (a nonprofit organization) as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibilities 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; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Outdoor Lab Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountants

## **Independent Accountant's Review**

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### **Report on Summarized Comparative Information**

We reviewed financial statements of Outdoor Lab Foundation as of and for the year ended June 30, 2022, and in our report dated November 3, 2022, we concluded that we were not aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

*Olson, Reyes & Sauerwein, LLC*

Olson, Reyes and Sauerwein, LLC

Centennial, Colorado

November 3, 2023

# Outdoor Lab Foundation

## Statements of Financial Position

June 30, 2023

(With Comparative Totals as of June 30, 2022)

	2023	2022
<b>ASSETS</b>		
Cash	\$ 1,100,613	\$ 1,151,263
Contributions receivable	201,356	126,787
Inventory	19,382	5,608
Other assets	2,709	1,703
Certificate of deposit	100,732	98,534
Beneficial interest in assets held by others	61,080	59,436
Right-of-use asset	40,275	-
<b>TOTAL ASSETS</b>	<b>\$ 1,526,147</b>	<b>\$ 1,443,331</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 19,706	\$ 5,244
Accrued liabilities	7,658	4,237
Operating lease liability	40,275	-
<b>Total Liabilities</b>	<b>67,639</b>	<b>9,481</b>
<b>Net Assets</b>		
Endowment	22,162	20,771
Undesignated	1,188,874	1,218,044
<b>Total Net Assets Without Donor Restrictions</b>	<b>1,211,036</b>	<b>1,238,815</b>
With donor restrictions	247,472	195,035
<b>Total Net Assets</b>	<b>1,458,508</b>	<b>1,433,850</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,526,147</b>	<b>\$ 1,443,331</b>

See Notes to Financial Statements

See Independent Accountant's Review Report

# Outdoor Lab Foundation

## Statements of Activities

For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023	2022
<b>Support and Revenue</b>				
Grants	\$ 173,500	\$ -	\$ 173,500	\$ 97,816
Contributions				
King Soopers and Safeway loyalty programs	205,849	31,126	236,975	257,006
Other	15,642	201,356	216,998	167,268
Special events, net of direct expenses	42,126	-	42,126	62,706
In-kind	48,227	-	48,227	2,250
Merchandise sales	30,916	-	30,916	26,814
Change in value of beneficial interest in assets held by others	3,604	252	3,856	(10,170)
Interest and other	12,103	-	12,103	879
Net assets released from restrictions	180,297	(180,297)	-	-
<b>Total Support and Revenue</b>	<b>712,264</b>	<b>52,437</b>	<b>764,701</b>	<b>604,569</b>
<b>Expenses</b>				
<b>Program Services</b>				
Outdoor lab schools	638,523	-	638,523	633,020
<b>Support Services:</b>				
Management and general	74,258	-	74,258	41,072
Fundraising	27,262	-	27,262	63,690
<b>Total Supporting Services</b>	<b>101,520</b>	<b>-</b>	<b>101,520</b>	<b>104,762</b>
<b>Total Expenses</b>	<b>740,043</b>	<b>-</b>	<b>740,043</b>	<b>737,782</b>
<b>Change in Net Assets</b>	<b>(27,779)</b>	<b>52,437</b>	<b>24,658</b>	<b>(133,213)</b>
<b>Net Assets - Beginning of Year</b>	<b>1,238,815</b>	<b>195,035</b>	<b>1,433,850</b>	<b>1,567,063</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,211,036</b>	<b>\$ 247,472</b>	<b>\$ 1,458,508</b>	<b>\$ 1,433,850</b>

See Notes to Financial Statements

See Independent Accountant's Review Report

# Outdoor Lab Foundation

## Statements of Functional Expenses

For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	Program Services		Supporting Services		Total 2023	Total 2022
	Outdoor Lab Schools	Management & General	Fundraising			
Salaries and wages	\$ 158,400	\$ 33,347	\$ 16,674		\$ 208,421	\$ 186,430
Employee benefits	26,263	5,529	2,764		34,556	29,377
Payroll taxes	12,581	2,649	1,324		16,554	14,550
<b>Total Personnel Costs</b>	<b>197,244</b>	<b>41,525</b>	<b>20,762</b>		<b>259,531</b>	<b>230,357</b>
Tuition assistance	177,670	-	-		177,670	195,998
Program supplies and support	158,995	-	-		158,995	74,167
Mount Evans dining hall costs of construction	-	-	-		-	108,000
Contract and professional fees	43,991	21,094	-		65,085	71,833
Rent	15,531	3,270	1,635		20,435	20,435
Special event costs	-	-	31,347		31,347	32,020
Technology and software	19,302	4,064	2,032		25,398	8,702
Travel and hospitality	4,560	-	-		4,560	3,797
Telephone and utilities	2,526	532	266		3,324	3,841
Office supplies and equipment	5,552	1,169	584		7,305	3,897
Insurance	3,124	658	329		4,110	4,110
Advertising and marketing	6,018	1,267	634		7,919	6,557
Miscellaneous	4,010	680	1,020		5,710	6,087
<b>Total Expenses by Function</b>	<b>638,523</b>	<b>74,258</b>	<b>58,609</b>		<b>771,390</b>	<b>769,802</b>
Less: expenses included with revenues on the Statement of Activities						
Special event costs			(31,347)		(31,347)	(32,020)
<b>Total Expenses Included in the Expense Section on the Statement of Activities</b>	<b>\$ 638,523</b>	<b>\$ 74,258</b>	<b>\$ 27,262</b>		<b>\$ 740,043</b>	<b>\$ 737,782</b>

See Notes to the Financial Statements

See Independent Accountant's Review Report

# Outdoor Lab Foundation

## Statements of Cash Flows

For the Year Ended June 30, 2023

With Comparative Totals for the Year Ended June 30, 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 24,658	\$ (133,213)
<b>Adjustment to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities</b>		
Investment (income) loss, net	(3,856)	10,170
<b>Change in Operating Assets and Liabilities</b>		
<b>(Increase) Decrease in:</b>		
Contributions receivable	(74,569)	(58,730)
Inventory	(13,774)	17,679
Other assets	(1,006)	12,526
Right-of-use asset	(40,275)	-
<b>Increase (Decrease) in:</b>		
Accounts payable	14,476	(4,344)
Accrued liabilities	3,421	2,381
Deferred revenue	-	(2,500)
Operating lease liability	40,275	-
<b>Net Cash Flows from Operating Activities</b>	<b>(50,650)</b>	<b>(156,031)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Endowment distributions	-	1,950
<b>Net (Decrease) in Cash</b>	<b>(50,650)</b>	<b>(154,081)</b>
<b>Cash - Beginning of Year</b>	<b>1,151,263</b>	<b>1,305,344</b>
<b>CASH - END OF YEAR</b>	<b>\$ 1,100,613</b>	<b>\$ 1,151,263</b>

See Notes to Financial Statements

See Independent Accountant's Review Report



# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 1 - Significant Accounting Policies

##### Nature of Organization

Outdoor Lab is one of the most memorable experiences students get to have in the Jefferson County Public School system. The week-long outdoor school can be one of the most transformational forms of experiential education a young person can receive while growing up in the district. It can foster profound personal growth in students. Outdoor Lab engages all Jefferson County sixth grade students (approximately 6,000 per year) in an immersive outdoor school experience in the mountains. Moreover, the program incorporates approximately 1,000 high school students as program instructors each year. The program builds on the fundamental tenets of experiential learning and is tied into the core curricula set forth by Jeffco Public Schools. It is a rite of passage that has woven through generations of Jeffco families. Located nine miles outside of Bailey, Colorado, the Windy Peak campus is nestled on 225 acres adjacent to Wellington Lake and the Pike National Forest. Situated on 525 acres outside of Evergreen, Colorado, the Mount Evans campus abuts the Arapaho National Forest and the Mount Evans Wilderness Area.

The Outdoor Lab Foundation (the "Foundation") was founded in 2003 to spearhead strategic decision-making and fundraising efforts on behalf of Outdoor Lab. It was created by two former Principals of Outdoor Lab who wanted to create an avenue to provide small grants to the campuses for capital improvements and special initiatives. Over time, and as the fund grew, the Foundation began working more closely with Jeffco and Outdoor Lab leadership to set strategic programming priorities and to discuss alternative funding models that would facilitate growth and sustainability for the program.

For years, the Outdoor Lab Program was fully supported within Jeffco Public Schools. No tuition was required, and the maintenance and management of the sites was part of the larger school district budget. However, as with so many extracurricular activities, competition for limited school dollars began curtailing the long-term viability of the program. Specific threats to cut the program entirely were raised in 2003, 2008, and 2012 and finally, in 2013, the school district shifted to a tuition-based funding model. This has created an imbalance in who can afford to attend, and which schools can afford to fund the experiences for their most under-resourced students.

Working-class and working-poor families were put in the tough position of either paying the fee or passing on the opportunity to have their child participate in Outdoor Lab. Moreover, neighborhood schools were asked to absorb the fees of those student who qualify for free and reduced lunch without recouping any funds from those who qualify for such support. Since that time, the Foundation has made the Tuition Assistance Program a focal point of its charitable work.

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 1 - Significant Accounting Policies (continued)

##### Nature of Organization (continued)

*The Outdoor Lab Foundation has 4 Strategic Priorities:*

1. Bolstering our Tuition Assistance Program to make sure every student, regardless of their ability to pay, can attend Outdoor Lab. Making Outdoor Lab low or no cost to as many students in Jeffco as possible. The Foundation will specifically allocate funds based on each school's free and reduced lunch populations and the associated tuition gaps each school faces as a result.
2. Growing our High School Leaders Program which is comprised of a scholarship fund and other material incentives to support our approximately 1,000 young adult mentors during their volunteerism on site.
3. Increase funding for our Intern Stipend Program. Easing the burden of the Outdoor Lab Sites to increase pay to interns and making the internship experience more attractive and relevant for more students to enhance their resumes. Each site engages 10 interns per semester-40 total interns who receive a \$1,000 stipend at the end of their service.
4. Building up our Gear Program so that teachers have the materials and supplies to implement fun and impactful programming, and that the Site Clinics have the outerwear and resources they need to keep every student warm, dry, safe, and feeling welcome on site.

##### Basis of Presentation

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

##### Classification of Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Foundation, and changes therein, are classified and reported as follows:

- Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions. The governing Board has designated from net assets without donor restrictions, funds to be held for an endowment.
- Net assets with donor restrictions: Net assets subject to donor or certain grantor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time, or other events specified by the donor. Other explicit donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled.

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 1 - Significant Accounting Policies (continued)

##### Income Taxes

The Foundation is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from activities not directly related to the Foundation's tax exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(ii) and has been classified as an Foundation other than a private foundation under Section 509(a)(1).

The Foundation applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain, therefore, no amounts have been recognized as of June 30, 2023.

##### Prior-Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. The prior-year presentation does not include sufficient detail to constitute presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2022, from which the summarized information was derived.

##### Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from the estimates.

##### Contributions Receivable

Contributions receivable are recognized as revenue in the period awarded and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Contributions receivable are recognized at the net realizable value if expected to be collected within one year, and at fair value if expected to be collected in greater than one year. At June 30, 2023 and 2022, contributions receivable have been determined to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Conditional contributions receivable are recognized when the conditions on which they depend are substantially met.

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 1 - Significant Accounting Policies (continued)

##### Certificates of Deposit

As of June 30, 2023 and 2022, the Foundation held one certificate of deposit totaling \$100,732 and \$98,534, respectively, which matures in October 2024. The certificate bears interest at 3.30%. Certificates of deposit are recorded at cost plus accrued interest.

##### Inventory

Inventory consists primarily of promotional clothing and other items. Inventory is stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis.

##### Revenue Recognition

###### Contribution Revenue

Contributions are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution contains a donor or grantor condition when both of the following are present:

An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when awarded.

Unconditional or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any 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 activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are recognized.

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 1 - Significant Accounting Policies (continued)

##### Revenue Recognition (continued)

###### Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

*Grant Awards that are Contributions* - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

*Grant Awards that are Exchange Transactions* - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control over the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

###### In-Kind Contributions

Donated goods are reflected as contributions in the financial statements at their estimated fair values at the date of donation. Donated services are recognized as contributions in accordance with GAAP for Not-for-Profit Foundations if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Volunteers provided assistance with specific programs and fundraising events throughout the year that were not recognized as contributions in the financial statements because the recognition criteria were not met.

###### Merchandise Sales

Merchandise sales consists of clothing and other promotional items. Revenue is recorded at the point in time when the goods are transferred to the purchaser.

###### King Soopers & Safeway Loyalty Programs

The Foundation manages two fundraising programs through King Soopers and Safeway. The King Soopers program is set up through individual shoppers' loyalty cards in which they establish the Foundation as their nonprofit partner of choice. King Soopers tracks the spending on these customer accounts and donates annually to the Foundation based on the Foundation's percentage of Foundation-connected customer spending as it relates to the total spending associated with all participating King Soopers Community Rewards Foundations. King

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 1 - Significant Accounting Policies (continued)

##### King Soopers & Safeway Loyalty Programs (continued)

Soopers remits these donations quarterly to the Foundation.

Under the Safeway Program, a shopper must purchase an Outdoor Lab specific gift card from the Foundation. The shopper loads funds onto that gift card and Safeway donates 5% of the funds loaded onto the participating Safeway cards each month to the Foundation.

Participants in both programs are able to designate a portion of the total donation to a specific student to pay their Outdoor Lab trip fees to the respective school district.

##### Advertising and Marketing

Advertising and marketing costs are charged to operations when incurred. Advertising and marketing costs totaled \$7,919 and \$6,557 for the years ended June 30, 2023 and 2022, respectively.

##### Functional Expense Allocation

The statement of functional expenses report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringes are allocated based upon estimations of time and effort. Indirect costs such as occupancy and office-related expenses are allocated based upon time spent, utilization, and square footage.

##### Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2016-02, *Leases* (Topic 842), which requires lessees to recognize on the Statement of Financial Position a right-of-use (ROU) asset and a lease liability for most lease arrangements with a term greater than one year. The new standard also requires new disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from the leases. The Foundation adopted ASU 2016-02 for the year ended June 30, 2023 using the modified retrospective method and elected the transition relief practical expedient, therefore, the standard was applied for the year ended June 30, 2023.

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 1 - Significant Accounting Policies (continued)

##### Recently Adopted Accounting Pronouncements (continued)

As a result of the adoption of this new standard, the Foundation recognized the following ROU asset and lease liability as of July 1, 2022. The adoption did not result in a significant effect on the amounts reported in the statement of activities for the year ended June 30, 2023.

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	July 1, 2022
ROU asset - operating lease	\$ 62,845
Operating lease liability	\$ 62,845

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In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The purpose of ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Foundation. The Foundation adopted ASU 2020-07 in 2022. The adoption did not have a significant impact on the Foundation's financial statements.

##### Subsequent Events

In preparing its financial statements, the Foundation has evaluated subsequent events through November 3, 2023, which is date the financial statements were available to be issued. Management of the Foundation has not identified any material subsequent events that require reporting or disclosure.

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

#### Note 2 - Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of June 30, 2023:

	2023	2022
Cash	\$ 1,100,613	\$ 1,151,263
Contributions receivable	201,356	126,787
Certificates of deposit	100,732	98,534
Beneficial interest in assets held by others	61,080	59,436
<b>Total Financial Assets</b>	<b>1,463,781</b>	<b>1,436,020</b>
Less:		
Board-designated endowment	22,162	20,771
Donor-restricted endowment	38,918	38,665
Restricted program contributions included in cash	7,199	29,583
Restricted program contributions included in contributions receivable	113,766	48,016
<b>Total Financial Assets Available for General Expenditure</b>	<b>\$ 1,281,736</b>	<b>\$ 1,298,985</b>

The Foundation had board-designated funds totaling \$22,162 and \$20,771, respectively, for an endowment as of June 30, 2023 and 2022. Although the Foundation does not intend to spend from these board-designated funds other than for the designated purpose, these amounts could be made available if necessary.

The Foundation manages its liquidity according to the following:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets in an amount equal to or greater than 18 months of operating expenditures plus \$60,000

#### Note 3 - Concentration of Credit Risk

Since the Foundation periodically places cash in individual financial institutions in excess of FDIC insured limits, the Foundation periodically reviews the financial condition of the financial institutions to reduce the Foundation's credit risk associated with cash. Additionally, the Foundation places its cash with high credit quality financial institutions.



# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### **Note 3 - Concentration of Credit Risk (continued)**

Credit risk associated with contributions receivable is limited due to the number and creditworthiness of the entities from which the amounts are due. The Foundation receives virtually all its revenue from public and government support. A significant reduction in the level of support, if this were to occur, may have an adverse effect on the Foundation's programs and activities.

#### **Note 4 - Beneficial Interest in Assets Held by the Community First Foundation**

The Foundation has entered into two endowment fund agreements with Community First Foundation (CFF).

##### Board Designated:

In 2008, the Foundation established a board-designated endowment fund. All resources of the endowment fund will be used for the purpose and mission of the Foundation, at the sole discretion of the Foundation. There were no distributions from CFF to the Foundation for the years ended June 30, 2023 and 2022. The Foundation's interest in CFF including contributions transferred and investment earnings to date totals \$22,162 and \$20,771 as of June 30, 2023 and 2022, respectively.

##### Leslie Bohn Memorial Endowment Fund:

In October 2013, the Foundation established the Leslie Bohn Memorial Endowment Fund. Distributions from the endowment will be made no more frequently than annually and will not exceed 5% of the net fair market value of the assets of the endowment on the last business day of each of the three preceding calendar years. Distributions will be used to enable students with special medical, physical, or psychiatric needs who would not otherwise be able to attend the Outdoor Lab. Distributions from CFF to the Foundation totaled \$0 for each of the years ended June 30, 2023 and 2022. The Foundation's interest in CFF including contributions transferred and investment earnings to date totals \$38,917 and \$38,665 as of June 30, 2023 and 2022, respectively.

#### **Note 5 - Endowment**

The Foundation's endowment consists of funds held by CFF. As required by GAAP, the net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Fund is held by the Foundation under the terms of an Endowment Fund Agreement. While accounting for the Foundation's funds as a separate entity, the Foundation, commingles these monies with the deposits of other entities for investment in order to achieve beneficial economies of scale and provide cost-effective access to professional investment management.

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 5 - Endowment (continued)

##### Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted Colorado's Uniform Prudent Management of Institutional Funds Act (UPMIFA) to allow, subject to the specify intent of a donor expressed in the gift instrument, for the appropriate or accumulation of so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Such appropriation may take place even though an endowment is "under water" (i.e., the market value of the fund is less than the historical dollar value (HDV) of the fund), and the Foundation is not required to utilize other Foundation resources to bring the value of the endowment fund up to HDV.

The Board acknowledges that donors to an endowment fund intent that the principal of the endowment fund shall be preserved in perpetuity. In making a determination to appropriate or accumulate, the Foundation shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

- (1) The duration and preservation of the fund;
- (2) The purpose of the Foundation and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other Foundation resources;
- (7) The investment policies of the Foundation.

##### Investment Return Objectives

The Foundation's endowment is held by CFF under the terms of the endowment fund agreement. While accounting for the Foundation's funds as a separate entity, CFF commingles these monies with the deposits of other entities for investment in order to achieve beneficial economies of scale and provide cost-effective access to professional investment management.

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

#### Note 5 - Endowment (continued)

##### Spending Policy

The Foundation is eligible to receive annual distributions of 5% of the market value of the endowment, provided that no distribution may be made if such net fair market value is less than the aggregate dollar value of all donations to the fund.

Changes in the endowment's fund balances for the year ended June 30, 2023 and 2022, were as follows:

	Board Designated	Leslie Bohn Memorial Endowment Fund	Total
Balance, June 30, 2021	\$ 24,339	\$ 47,332	\$ 71,671
Distributions from the fund	-	(2,065)	(2,065)
Investment (loss), net	(3,568)	(6,602)	(10,170)
Balance, June 30, 2022	20,771	38,665	59,436
Investment gain, net	1,391	253	1,644
Balance, June 30, 2023	\$ 22,162	\$ 38,918	\$ 61,080

##### Under Water Endowment

At June 30, 2023 and 2022, the market value of the Leslie Bohn Memorial endowment was less than the historical dollar value (HDV) of the fund. This was primarily a result of declining market conditions during the year ended June 30, 2022 reducing the market value below the HDV. The following table reflects the deficiency of the market value compared to the HDV at June 30, 2023 and 2022:

	2023	2022
Historical dollar value	\$ 41,807	\$ 41,807
Accumulated losses	(2,889)	(3,142)
	\$ 38,918	\$ 38,665

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 6 - Fair Value Measurements

GAAP 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; Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1); and Level 3 inputs are unobservable and have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no Foundation assets requiring the use of Level 3 inputs for the periods presented.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used as of June 30, 2023 and 2022.

Interest in Net Assets of Community First Foundation: Valued based on the market value of the underlying assets, consisting mainly of equity and fixed income securities which are valued based on quoted market prices.

The following tables set forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value as of June 30, 2023 and 2022. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

<i>June 30, 2023</i>	Level 1	Level 2	Level 3	Total
Investments held by Community First Foundation	\$ -	\$ 61,080	\$ -	\$ 61,080

<i>June 30, 2022</i>	Level 1	Level 2	Level 3	Total
Investments held by Community First Foundation	\$ -	\$ 59,436	\$ -	\$ 59,436

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

#### Note 7 - Operating Lease Commitments

The Foundation leases office space in Wheat Ridge, Colorado. Minimum monthly payments on this lease are \$1,703, and the lease term expires on June 30th, 2025. The Foundation also leases a vehicle under an operating lease requiring monthly payments of \$483 through December 15, 2023.

The ROU asset reflected on the Statements of Financial Position represents the Foundation's right to use underlying assets for the lease term, and the lease liability reflected on the statement of financial position represents the Foundation's obligation to make lease payments arising from this lease. The ROU asset and lease liability, which arise from operating leases, were calculated based on the present value of future lease payments over the lease's term. The Foundation has elected to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted average discount rate applied to calculate lease liabilities was 1.18%.

Future maturities are as follows for the years ending June 30th:

	June 30th
2024	\$ 20,435
2025	20,435
Total lease payments	40,870
Less: present value discount	(595)
Operating lease liability	\$ 40,275

Rent expense for the years ended June 30, 2023 and 2022 were \$29,332 and \$27,117, respectively.

#### Note 8 - In-Kind Contributions

In-kind contributions consist of goods that are utilized in the Foundation's programs and professional services that are used to support administrative activities and programs. In-kind contributions consisted of the following at June 30, 2023 and 2022:

Description	Valuation Methodology	2023	2022
Outdoor gear	Estimated retail value of the good or comparable goods	\$ 42,096	\$ -
Professional services	Standard industry pricing for comparable services	6,131	2,250
		\$ 48,227	\$ 2,250

# Outdoor Lab Foundation

## Notes to the Financial Statements

### See Independent Accountant's Review Report

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#### Note 9 - Net Assets With Donor Restrictions

As of June 30, 2023 and 2022, net assets with donor restrictions are restricted for the following purposes:

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	2023	2022
<u>Subject to the passage of time:</u>		
Contributions receivable	\$ 201,356	\$ 126,787
<u>Subject to expenditure for specified purpose:</u>		
Loyalty card funding	7,199	29,583
<u>Endowment:</u>		
Leslie Bohn Memorial Endowment Fund	41,807	41,807
Accumulated earnings on endowment	(2,890)	(3,142)
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 247,472</b>	<b>\$ 195,035</b>

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For the years ended June 30, 2023 and 2022, \$180,297 and \$256,537 was released from net assets with donor restrictions to net assets without donor restrictions due to the Foundation satisfying the time and purpose restrictions.

#### Note 10 - Retirement Plan

The Foundation maintains a Savings Incentive Match Plan (SIMPLE) IRA Plan (the "Plan") for the benefit of all employees. Employees are eligible to participate in the Plan upon their date of hire. The Foundation contributed \$4,650 and \$500 to the Plan for the years ending June 30, 2023 and 2022, respectively.