

**OUTDOOR LAB FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2018**



Certified Public Accountants

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OUTDOOR LAB FOUNDATION
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Outdoor Lab Foundation
3000 Youngfield, Suite 167
Wheat Ridge, CO 80212

Report on Financial Statements

We have audited the accompanying financial statements of Outdoor Lab Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Outdoor Lab Foundation as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Martillaro Raub and Associates". The signature is written in black ink and is positioned above the printed name of the firm.

Martillaro Raub and Associates
Wheat Ridge, CO
November 7, 2018

OUTDOOR LAB FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

| | <u>2018</u> |
|---------------------------|---------------------------------|
| CURRENT ASSETS: | |
| Cash and cash equivalents | \$ 800,713 |
| Inventory | <u>6,367</u> |
| Total Current Assets | 807,080 |
| OTHER ASSETS: | |
| Certificates of deposit | 95,724 |
| Deposit | <u>1,704</u> |
| Total Other Assets | 97,428 |
| TOTAL ASSETS | <u><u>\$ 904,508</u></u> |

LIABILITIES AND NET ASSETS

LIABILITIES

| | |
|-----------------------------|------------------------|
| CURRENT LIABILITIES: | |
| Accounts payable | \$ 3,584 |
| Accrued vacation | <u>763</u> |
| Total Current Liabilities | 4,347 |
| TOTAL LIABILITIES | <u>\$ 4,347</u> |

NET ASSETS

| | |
|---|---------------------------------|
| NET ASSETS: | |
| Unrestricted net assets | \$ 824,102 |
| Temporarily restricted net assets | <u>76,059</u> |
| TOTAL NET ASSETS | <u>\$ 900,161</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 904,508</u></u> |

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

OUTDOOR LAB FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2018

| | <u>Unrestricted</u> | Temporarily <u>Restricted</u> | <u>Total</u> |
|---|---------------------|----------------------------------|---------------------|
| REVENUES, GAINS, AND OTHER SUPPORT | | | |
| Grants | \$ 58,900 | \$ - | \$ 58,900 |
| Contributions | 256,742 | 45,400 | 302,142 |
| Fundraising | 617,779 | - | 617,779 |
| In-Kind Donations | 42,459 | - | 42,459 |
| Investment Income | 2,520 | 3,080 | 5,600 |
| Net Assets Released from Restriction Due to Satisfaction of Program Restrictions | <u>12,831</u> | <u>(12,831)</u> | <u>-</u> |
| TOTAL REVENUES, GAINS AND OTHER SUPPORT | 991,231 | 35,649 | 1,026,880 |
| EXPENSES | | | |
| Program Services | | | |
| Outdoor Lab Schools | 889,008 | - | 889,008 |
| Supporting Services | | | |
| General and Administrative | 65,064 | - | 65,064 |
| Fundraising | <u>197,661</u> | <u>-</u> | <u>197,661</u> |
| TOTAL EXPENSES | \$ 1,151,734 | \$ - | \$ 1,151,734 |
| | | | |
| CHANGE IN NET ASSETS (Excess of Revenue over (under) Expenses) | <u>\$ (160,503)</u> | <u>\$ 35,649</u> | <u>\$ (124,854)</u> |
| | | | |
| NET ASSETS AT THE BEGINNING OF THE YEAR | <u>\$ 984,605</u> | <u>\$ 40,410</u> | <u>\$ 1,025,015</u> |
| NET ASSETS AT THE END OF THE YEAR | <u>\$ 824,102</u> | <u>\$ 76,059</u> | <u>\$ 900,161</u> |

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

OUTDOOR LAB FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

| | Program Services | Supporting Services | | |
|-------------------------------------|------------------------|-------------------------------|-------------------|---------------------|
| | Outdoor Lab Schools | General and Administrative | | |
| EXPENSES | | | | |
| Salaries | \$ 87,762 | \$ 22,704 | \$ 89,757 | \$ 200,223 |
| Benefits | 17,881 | 4,470 | 18,287 | 40,638 |
| Professional and Technical Services | 14,163 | 3,541 | 14,485 | 32,189 |
| Building Rent | 9,227 | 2,307 | 9,437 | 20,972 |
| Other Purchased Services | 8,656 | 2,164 | 8,853 | 19,673 |
| Insurance | 1,047 | 262 | 1,071 | 2,380 |
| Travel | 3,994 | 998 | 4,085 | 9,077 |
| Supplies | 4,428 | 24,925 | 25,325 | 54,678 |
| Retail Supplies | - | - | 18,531 | 18,531 |
| Membership Dues and Fees | - | 3,255 | - | 3,255 |
| In-kind Expense | 31,693 | 438 | 7,830 | 39,961 |
| Greenhouses | 307,000 | - | - | 307,000 |
| Contribution to Outdoor Lab Schools | 403,157 | - | - | 403,157 |
| TOTAL EXPENSES | \$ 889,008 | \$ 65,064 | \$ 197,661 | \$ 1,151,734 |

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

OUTDOOR LAB FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

| | <u>2018</u> |
|---|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Increase (Decrease) in net assets | \$ (124,854) |
| Adjustments to reconcile net income to net cash provided by operations: | |
| (Increase) Decrease in: | |
| Certificates of deposit | (95,724) |
| Inventory | (6,367) |
| Increase (Decrease) in: | |
| Accounts payable | 277 |
| Accrued vacation | 763 |
| NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES | (225,905) |
| NET INCREASE (DECREASE) IN CASH | \$ (225,905) |
| CASH AT THE BEGINNING OF THE YEAR | \$ 1,026,618 |
| CASH AT THE END OF THE YEAR | 800,713 |
| NON-CASH TRANSACTIONS | |
| In-Kind Donations | \$ 42,459 |

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

OUTDOOR LAB FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Outdoor Lab Foundation (the “Foundation”) was incorporated on July 22, 2003, to provide cooperation and support to the Jefferson County Public Schools Outdoor Education Lab Schools.

BASIS OF ACCOUNTING

The Foundation follows the standards of accounting and financial reporting for non-profit organizations which are in conformity with the recommendations of the American Institute of Certified Public Accountants. The Foundation utilizes the accrual basis of accounting

BASIS OF PRESENTATION

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include highly liquid investments with an original maturity of ninety days or less. Investments are reported at market value, and realized and unrealized gains and losses are reflected in the statement of activities.

Support and Revenue - The Foundation receives revenues from grants and contributions from individuals, corporations and other foundations. In addition, the Foundation sponsors various fundraising activities, including an annual gala and the sale of grocery coupons.

Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-Kind Donations - Donations of skilled services, food, software, and other supplies are reflected as in-kind contributions in the financial statements. In-kind contributions are reported at the fair market value on the date of donation.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

OUTDOOR LAB FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

The Foundation is recognized as a tax-exempt organization 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. Accordingly, no provisions for income taxes is reported in the financial statements. The Foundation's federal income tax returns are generally open for examination for three years after the filing date of the related return.

ADVERTISING COSTS

Advertising costs are expensed as incurred. Total advertising expense for the years ended June 30, 2018 totaled \$5,781.

INVENTORIES

Physical inventories are taken on a periodic basis and are stated at lower of cost or net realizable value. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which occurs.

CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$95,724 are included in the accompanying financial statements. The certificates bear interest ranging from 1.40% to 1.65% and have maturities ranging from nine to twenty months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

FAIR VALUES OF ASSETS AND LIABILITIES

FASB ASC 820-10, "*Fair Value Measurement and Disclosures*," provides a framework for measuring fair value under GAAP. It defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between the market participants on the measurement date. It requires valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

OUTDOOR LAB FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUES OF ASSETS AND LIABILITIES (Continued)

FASB ASC 820-10, "*Fair Value Measurement and Disclosures*," requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet. The following methods and assumptions were used by the Organization in estimating its fair value measurements.

FAIR VALUE MEASUREMENTS ON A RECURRING BASIS

Cash and cash equivalents: Fair value approximates carrying value due to these initial maturities of these instruments being three months or less.

Accounts payable and accrued vacation: The carrying amounts reported on the balance sheets approximate fair value.

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.

NOTE 2: ENDOWMENTS

During 2008, the Foundation established a board-designated endowment fund at the Community First Foundation. All resources of the endowment fund will be used for the purpose and mission of the Foundation, at the sole discretion of the Foundation. The balance of the endowment fund at June 30, 2018 totaled \$18,573.

In October 2013, the Leslie Bohn Memorial Endowment Fund was established, and is held and invested by the Community First Foundation. Distributions from the endowment will be made no more frequently than annually and will not exceed 5% of the average net fair market value of the assets of the endowment on the last business day of each of the three preceding calendar years.

OUTDOOR LAB FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2: ENDOWMENTS (Continued)

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. The balance of the Leslie Bohn Memorial Endowment Fund at June 30, 2018 totaled \$41,659.

NOTE 3: RESTRICTIONS ON NET ASSETS

Restrictions on net assets relate to donor specified contributions. Temporary restrictions on net assets include contributions received by the Organization for specific expenses.

| | |
|--|-----------------|
| Temporarily restricted net assets available for the following purposes at June 30: | <u>2018</u> |
| Students with special needs | <u>\$30,659</u> |
| Students in certain school districts | <u>\$45,400</u> |

During the years ended June 30, 2018, temporarily restricted net assets of \$12,831 were released from donor restrictions by incurring expenses satisfying the restricted purpose.

NOTE 4: CONCENTRATION OF CREDIT RISK

Cash is maintained in bank deposits at a financial institution in Colorado. The financial institution is insured by the Federal Deposit Insurance Corporation (FDIC). Insured limits established by the FDIC at June 30, 2017 were \$250,000. The Organization had cash balances in excess of this amount of \$407,744 at June 30, 2018.

NOTE 5: OPERATING LEASE COMMITMENTS

As of March 8, 2016 the Organization entered into a thirty six month non-cancelable operating lease for property requiring monthly rent of \$1,704. The lease required a refundable deposit in the amount of \$1,704 which is recorded on the statement of financial position. The lease allows the Organization to renew the lease at the end of the lease term. Rent expense for the years ended June 30, 2018 \$20,972. The future minimum payments required under the lease for the years ending June 30, 2018 is as follows:

| | |
|-------|------------------|
| 2019 | <u>\$ 15,326</u> |
| Total | <u>\$ 15,326</u> |

OUTDOOR LAB FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 7, 2018, the date the financial statements were available to be issued.