

Outdoor Lab Foundation

Financial Statements

For the Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)



Certified Public Accountants

Outdoor Lab Foundation

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Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Outdoor Lab Foundation

Opinion

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, 2024, 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 Outdoor Lab Foundation as of June 30, 2024, 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 Outdoor Lab Foundation 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.

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.

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 Outdoor Lab Foundation'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.



Certified Public Accountants

Independent Auditor's Report

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.
- 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 Outdoor Lab Foundation'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 Outdoor Lab Foundation'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

The financial statements of Outdoor Lab Foundation as of and for the year ended June 30, 2023 were reviewed by us and in our conclusion dated November 3, 2023, stated that, based on our review, we were not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2023 for it to be consistent with the reviewed financial statements from which it has been derived.

Olson, Reyes and Sauerwein, LLC
Centennial, Colorado
October 2, 2024

Outdoor Lab Foundation

Statements of Financial Position

June 30, 2024

(With Comparative Totals as of June 30, 2023)

	(Restated)	
	2024	2023
	Audited	Reviewed
ASSETS		
Cash	\$ 755,284	\$ 1,100,613
Certificate of deposit	453,735	100,732
Contributions and grants receivable	93,343	126,356
Inventory	9,214	19,382
Other assets	1,703	2,709
Beneficial interest in assets held by others	64,025	61,080
Right-of-use asset	20,157	40,275
TOTAL ASSETS	\$ 1,397,461	\$ 1,451,147
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 5,449	\$ 19,706
Accrued liabilities	18,771	7,658
Operating lease liability	20,157	40,275
Total Liabilities	44,377	67,639
Net Assets		
Board-designated endowment	24,070	22,162
Undesignated	1,183,655	1,188,874
Total Net Assets Without Donor Restrictions	1,207,725	1,211,036
With donor restrictions	145,359	172,472
Total Net Assets	1,353,084	1,383,508
TOTAL LIABILITIES AND NET ASSETS	\$ 1,397,461	\$ 1,451,147

See Notes to Financial Statements

Outdoor Lab Foundation

Statements of Activities

For the Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

			(Restated)	
	Without Donor Restrictions	With Donor Restrictions	2024 Audited	2023 Reviewed
Support and Revenue				
Grants	\$ 94,238	\$ -	\$ 94,238	\$ 98,500
Contributions:				
King Soopers and Safeway loyalty programs	210,819	48,197	259,016	236,975
Other	164,372	93,343	257,715	216,998
Special events, net of direct expenses	45,789	-	45,789	42,126
In-kind donations	38,966	-	38,966	48,227
Merchandise sales	24,036	-	24,036	30,916
Change in value of beneficial interest in assets held by others	4,030	1,038	5,068	3,856
Interest income	41,485	-	41,485	12,103
Net assets released from restrictions	169,691	(169,691)	-	-
Total Support and Revenue	793,426	(27,113)	766,313	689,701
Expenses				
Program Services:				
Outdoor lab schools	682,066	-	682,066	638,523
Support Services:				
Management and general	84,500	-	84,500	74,258
Fundraising	30,171	-	30,171	27,262
Total Supporting Services	114,671	-	114,671	101,520
Total Expenses	796,737	-	796,737	740,043
Change in Net Assets	(3,311)	(27,113)	(30,424)	(50,342)
Net Assets - Beginning of Year, As Originally Reported	1,211,036	247,472	1,458,508	1,433,850
Prior Period Adjustment (Note 11)	-	(75,000)	(75,000)	-
Net Assets - Beginning of Year, Restated	1,211,036	172,472	1,383,508	1,433,850
NET ASSETS - END OF YEAR	\$ 1,207,725	\$ 145,359	\$ 1,353,084	\$ 1,383,508

See Notes to Financial Statements

Outdoor Lab Foundation

Statements of Functional Expenses

For the Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

	Program Services			Total 2024 Audited	(Restated) Total 2023 Reviewed
	Supporting Services		Management & General		Fundraising
	Outdoor Lab Schools	Management & General			
Salaries and wages	\$ 174,253	\$ 36,685	\$ 18,342	\$ 229,280	\$ 208,421
Employee benefits	26,982	5,680	2,840	35,503	34,556
Payroll taxes	13,762	2,897	1,449	18,108	16,554
Total Personnel Costs	214,997	45,263	22,631	282,891	259,531
Program supplies and support	179,625	-	-	179,625	158,995
Tuition assistance	179,000	-	-	179,000	177,670
Contract and professional fees	40,877	23,150	-	64,027	65,085
Special event costs	-	-	44,722	44,722	31,347
Technology and software	21,719	4,572	2,286	28,577	25,398
Rent	15,531	3,270	1,635	20,436	20,435
Advertising and marketing	11,712	2,466	1,233	15,411	7,919
Office supplies and equipment	6,620	1,394	697	8,710	7,305
Miscellaneous	4,352	746	1,119	6,218	5,710
Telephone and utilities	3,495	736	368	4,599	3,324
Bad debt	-	2,500	-	2,500	-
Travel and hospitality	2,221	-	-	2,221	4,560
Insurance	1,917	404	202	2,522	4,110
Total Expenses by Function	682,066	84,500	74,893	841,459	771,390
Less: expenses included with revenues on the Statement of Activities					
Special event costs	-	-	(44,722)	(44,722)	(31,347)
Total Expenses Included in the Expense Section on the Statement of Activities	\$ 682,066	\$ 84,500	\$ 30,171	\$ 796,737	\$ 740,043

Outdoor Lab Foundation

Statements of Cash Flows

For the Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

	(Restated)	
	2024	2023
	Audited	Reviewed
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (30,424)	\$ (50,342)
Adjustment to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Change in beneficial interest in assets held by others	(5,068)	(3,856)
Accrued interest on certificates of deposit	(23,003)	-
Noncash lease expense	20,118	(40,275)
Change in Operating Assets and Liabilities		
(Increase) Decrease in:		
Contributions and grants receivable	33,013	431
Inventory	10,168	(13,774)
Other assets	1,006	(1,006)
Increase (Decrease) in:		
Accounts payable	(14,257)	14,476
Accrued liabilities	11,113	3,421
Operating lease liability	(20,118)	40,275
Net Cash Flows from Operating Activities	(17,452)	(50,650)
CASH FLOWS FROM INVESTING ACTIVITIES		
Distributions from beneficial interest in assets held by others	2,123	-
(Purchase) of certificate of deposit	(780,000)	-
Proceeds from maturity of certificates of deposit	450,000	-
Net Cash Flows from Investing Activities	(327,877)	-
Net (Decrease) in Cash	(345,329)	(50,650)
Cash - Beginning of Year	1,100,613	1,151,263
CASH - END OF YEAR	\$ 755,284	\$ 1,100,613

See Notes to Financial Statements

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

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

June 30, 2024 (Audited) and 2023 (Reviewed)

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 serve as 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

June 30, 2024 (Audited) and 2023 (Reviewed)

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 a 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, 2024.

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, 2023, 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 and Grants Receivable

Contributions and grants 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 and grants 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, 2024 and 2023, contributions and grants receivable have been determined to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Conditional contributions and grants receivable are recognized when the conditions on which they depend are substantially met. In 2022, the Foundation was awarded a grant from the State of Colorado for \$75,000, which is conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific grant provisions. At June 30, 2024 and 2023, \$75,000 and \$64,863, respectively, of the grant had not been recognized as revenue because the qualifying expenditures had not been incurred.

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

Note 1 - Significant Accounting Policies (continued)

Certificates of Deposit

The Foundation's certificates of deposit are recorded at cost plus accrued interest and have maturities from October 2024 through November 2024 and interest rates ranging from 3.20% to 5.13%.

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

June 30, 2024 (Audited) and 2023 (Reviewed)

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.

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

Note 1 - Significant Accounting Policies (continued)

King Soopers & Safeway Loyalty Programs (continued)

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 \$15,411 and \$7,919 for the years ended June 30, 2024 and 2023, 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 benefits, rent, office expense, and depreciation are allocated based upon estimations of time and effort.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments. The amendments of this update require that financial assets measured at amortized cost, including trade receivables, be recorded at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount.

The Foundation adopted this standard effective July 1, 2023 using the modified-retrospective approach, which requires a cumulative-effect adjustment through net assets at the time of adoption. No cumulative-effect adjustment was made to net assets as the impact of the adoption of this update was determined to be immaterial to the Foundation's financial statements.

Subsequent Events

In preparing its financial statements, the Foundation has evaluated subsequent events through October 2, 2024, 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

June 30, 2024 (Audited) and 2023 (Reviewed)

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, 2024 and 2023:

	2024	2023
Cash	\$ 755,284	\$ 1,100,613
Contributions and grants receivable	93,343	126,356
Certificates of deposit	453,735	100,732
Beneficial interest in assets held by others	64,025	61,080
Total Financial Assets	1,366,387	1,388,781
Less:		
Board-designated endowment	24,070	22,162
Donor-restricted endowment	39,955	38,918
Restricted program contributions included in cash	12,061	7,199
Restricted program contributions included in receivables	129,509	113,766
Total Financial Assets Available for General Expenditure	\$ 1,160,792	\$ 1,206,736

The Foundation had board-designated funds totaling \$24,070 and \$22,162, respectively, for an endowment as of June 30, 2024 and 2023. 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

June 30, 2024 (Audited) and 2023 (Reviewed)

Note 3 - Concentration of Credit Risk (continued)

At June 30, 2024 and 2023, 82% and 58% of the Foundation's contributions and grants receivable were from two donors, respectively.

Credit risk associated with contributions and grants 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 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. For the years ended June 30, 2024 and 2023, 42% and 46% of the Foundation's contribution revenue came from one donor.

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, 2024 and 2023. The Foundation's interest in CFF including contributions transferred and investment earnings to date totals \$24,070 and \$22,162 as of June 30, 2024 and 2023, 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 \$2,123 and \$0 for years ended June 30, 2024 and 2023, respectively. The Foundation's interest in CFF including contributions transferred and investment earnings to date totals \$39,955 and \$38,918 as of June 30, 2024 and 2023, 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.

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

Note 5 - Endowment (continued)

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.

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 intend 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.

Spending Policy

The Foundation is eligible to receive annual distributions of 5% of the market value of the endowment.

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

Note 5 - Endowment (continued)

Changes in the endowment's fund balances for the year ended June 30, 2024 and 2023, were as follows:

	Board Designated	Leslie Bohn Memorial Endowment Fund	Total
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
Distributions from the fund	-	(2,123)	(2,123)
Investment gain, net	1,908	3,160	5,068
Balance, June 30, 2024	\$ 24,070	\$ 39,955	\$ 64,025

At June 30, 2024 and 2023, the market value of the Leslie Bohn Memorial endowment was less than the historical dollar value (HDV) of the fund. The following table reflects the deficiency of the market value compared to the HDV at June 30, 2024 and 2023:

	2024	2023
Historical dollar value	\$ 41,807	\$ 41,807
Accumulated losses	(1,852)	(2,889)
	\$ 39,955	\$ 38,918

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

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, 2024 and 2023.

Beneficial Interest in Assets Held by 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, 2024 and 2023. 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, 2024</i>	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by Community First Foundation	\$ -	\$ 64,025	\$ -	\$ 64,025

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

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

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 30, 2025.

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 Statements 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 3.03% for both years ended June 30, 2024 and 2023. The weighted and future minimum lease term was 12 and 24 months for the years ended June 30, 2024 and 2023, respectively.

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

	June 30th
2025	\$ 20,435
Less: present value discount	(278)
Operating lease liability	<u>\$ 20,157</u>

Lease costs consisted of operating lease costs which, for the years ended June 30, 2024 and 2023, were \$29,332 and \$27,117, respectively.

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

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, 2024 and 2023:

Description	Valuation Methodology	2024	2023
Outdoor gear	50% of the estimated retail value of the good or comparable goods	\$ 38,966	\$ 42,096
Professional services	Standard industry pricing for comparable services	-	6,131
		\$ 38,966	\$ 48,227

Note 9 - Net Assets With Donor Restrictions

As of June 30, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes:

	2024	2023
<u>Subject to the passage of time:</u>		
Contributions receivable	\$ 93,343	\$ 126,356
<u>Subject to expenditure for specified purpose:</u>		
Loyalty card funding	12,061	7,199
<u>Endowment:</u>		
Leslie Bohn Memorial Endowment Fund	41,807	41,807
Accumulated earnings on endowment	(1,852)	(2,890)
Total Net Assets with Donor Restrictions	\$ 145,359	\$ 172,472

For the years ended June 30, 2024 and 2023, \$169,691 and \$180,297, respectively, was released from net assets with donor restrictions to net assets without donor restrictions due to the Foundation satisfying the time and purpose restrictions.

Outdoor Lab Foundation

Notes to the Financial Statements

June 30, 2024 (Audited) and 2023 (Reviewed)

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 matches 3% of eligible compensation, which totaled \$6,545 and \$4,650 for the years ended June 30, 2024 and 2023, respectively.

Note 11 - Prior Period Adjustment

In fiscal year 2023, the Foundation was awarded a \$75,000 conditional grant from the State of Colorado. The Foundation erroneously recorded the grant as revenue in fiscal year 2023 although no expenditures had been incurred. Because the grant is conditional upon qualifying expenditures being incurred, no revenue should have been recorded. The Foundation recorded a prior period adjustment to restate its financial statements as of and for the year ended June 30, 2023 to reverse the grant receivable and related revenue recognized. The following table presents financial statement line items impacted by the prior period adjustment:

	As Originally	
	Reported	As Restated
Statement of Financial Position		
Contributions and grants receivable	\$ 201,356	\$ 126,356
Net assets	\$ 1,458,508	\$ 1,383,508
Statement of Activities		
Grant revenue	\$ 173,500	\$ 98,500
Change in Net Assets	\$ 24,658	\$ (50,342)
