

**OUTDOOR LAB FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2020**



**Certified Public Accountants**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Outdoor Lab Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statement of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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.

### **Accountant's Conclusion**

Based on our review, except for the issue noted in the Known Departure From Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Known Departure From Accounting Principles Generally Accepted in the United States of America**

As disclosed in Note 9 to the financial statements, accounting principles generally accepted in the United States of America require that revenue is recognized when earned. Management has informed us that fundraising revenue in the accompanying financial statements does not include lab card support for the fourth quarter of the year. Management has not determined the effects of these departures from accounting principles generally accepted in the United States of America on financial position, results of operations, and cash flows.

*Martillaro Raub and Associates*

Martillaro Raub and Associates  
Wheat Ridge, CO  
September 25, 2020

OUTDOOR LAB FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020

ASSETS

	<u>2020</u>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	991,006
Inventory	<u>10,287</u>
Total Current Assets	1,001,293
<b>OTHER ASSETS:</b>	
Certificates of deposit	98,321
Deposit	<u>1,704</u>
Total Other Assets	100,025
 <b>TOTAL ASSETS</b>	 <b><u>\$ 1,101,318</u></b>

LIABILITIES AND NET ASSETS

LIABILITIES

<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 3,640
Accrued vacation	<u>2,428</u>
Total Current Liabilities	6,068
 <b>LONG-TERM LIABILITIES:</b>	
Notes payable	<u>\$ 23,800</u>
 <b>TOTAL LIABILITIES</b>	 <b><u>\$ 29,868</u></b>

NET ASSETS

<b>NET ASSETS:</b>	
Without donor restrictions	\$ 1,019,944
With donor restrictions	<u>51,506</u>
TOTAL NET ASSETS	\$ 1,071,450
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 1,101,318</u></b>

See independent accountant's review report and notes to the financial statements

OUTDOOR LAB FOUNDATION  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Grants	\$ 60,650	\$ -	\$ 60,650
Contributions	70,251	60,650	130,901
Fundraising	659,142	-	659,142
In-kind donations	39,739	-	39,739
Investment income	5,037	1,447	6,484
Net assets released from restriction due to satisfaction of program restrictions	<u>82,087</u>	<u>(82,087)</u>	<u>-</u>
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>916,906</b>	<b>(19,990)</b>	<b>896,916</b>
<b>EXPENSES</b>			
Program services			
Outdoor lab schools	396,145	-	396,145
Supporting services			
General and administrative	38,045	-	38,045
Fundraising	<u>212,480</u>	<u>-</u>	<u>212,480</u>
<b>TOTAL EXPENSES</b>	<b>\$ 646,670</b>	<b>\$ -</b>	<b>\$ 646,670</b>
 <b>CHANGE IN NET ASSETS (Excess of Revenue over (under) Expenses)</b>	 <b><u>\$ 270,236</u></b>	 <b><u>\$ (19,990)</u></b>	 <b><u>\$ 250,246</u></b>
 <b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	 <b><u>\$ 749,708</u></b>	 <b><u>\$ 71,496</u></b>	 <b><u>\$ 821,204</u></b>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b><u>\$ 1,019,944</u></b>	<b><u>\$ 51,506</u></b>	<b><u>\$ 1,071,450</u></b>

See independent accountant's review report and notes to the financial statements

OUTDOOR LAB FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Outdoor</u>	<u>General and</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES	<u>Lab Schools</u>	<u>Administrative</u>		
Salaries	\$ 72,528	18,132	\$ 74,176	\$ 164,835
Benefits	7,617	1,904	7,790	17,312
Professional and technical services	15,333	3,833	15,682	34,848
Building rent	8,991	2,248	9,196	20,435
Other purchased services	10,681	2,670	10,923	24,274
Insurance	1,658	414	1,695	3,768
Travel	2,601	650	2,660	5,911
Supplies	28,579	7,145	29,229	64,953
Retail supplies	-	-	29,621	29,621
Membership dues and fees	-	1,049	-	1,049
In-kind expense	8,231	-	31,508	39,739
Contribution to outdoor lab schools	239,926	-	-	239,926
TOTAL EXPENSES	<u>\$ 396,145</u>	<u>\$ 38,045</u>	<u>\$ 212,480</u>	<u>\$ 646,671</u>

See independent accountant's review report and notes to the financial statements

OUTDOOR LAB FOUNDATION  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020

	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase (Decrease) in net assets	\$ 250,246
Adjustments to reconcile net income to net cash provided by operations:	
(Increase) Decrease in:	
Certificates of deposit	(922)
Grant receivable	15,000
Promise to give	35,000
Inventory	(4,245)
Increase (Decrease) in:	
Accounts payable	197
Accrued vacation	<u>(3,166)</u>
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	292,110
 Cash Flows From Financing Activities:	
Provided by (Used by) financing activities	
Borrowings, notes payable	<u>23,800</u>
NET CASH PROVIDED BY (USED BY) FINANCING ACTIVITIES	<u>23,800</u>
 NET INCREASE (DECREASE) IN CASH	 \$ 315,910
 CASH AT THE BEGINNING OF THE YEAR	 \$ 675,096
CASH AT THE END OF THE YEAR	<u><u>\$ 991,006</u></u>
 NON-CASH TRANSACTIONS	
In-kind donations	<u><u>\$ 39,739</u></u>

See independent accountant's review report and notes to the financial statements



OUTDOOR LAB FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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 has elected the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Non-for-Profit Organizations” (the “Guide”). ASC 958-205 was effective January 1, 2018. Accordingly, these financial statements reflect all significant receivables, payables, and other accruals.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation’s board may designate assets without restrictions for specific operational purposes from time to time.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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.

OUTDOOR LAB FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

Grants, contributions and promises to give are reported at their net realizable values and are considered to be available for general 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 net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restrictions is accomplished), 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.

*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.

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, 2020 totaled \$9,211.

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.

OUTDOOR LAB FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$97,160 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.

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.

CHANGE IN ACCOUNTING PRINCIPLE

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The updated addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

OUTDOOR LAB FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2020

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, 2020 totaled \$20,081.

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.

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, 2020 totaled \$41,006.

NOTE 3: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods at June 30:

	<u>2020</u>
Subject to program expenditure for a specified purpose:	
Endowment funds subject to appropriation and expenditure	\$ 41,006
Students in certain school districts	10,500
Total purpose restriction	<u>\$ 51,506</u>

NOTE 4: NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended June 30, 2020, net assets with donor restrictions were released for the following purposes:

	<u>2020</u>
Satisfaction of program restrictions:	
Monies spent for students with special needs to attend Outdoor Lab Program	\$ 1,937
Monies spent for students of certain school districts to attend Outdoor Lab Program	80,150
Total satisfaction of program restrictions	<u>\$ 82,087</u>

OUTDOOR LAB FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 5: LIQUIDITY AND AVAILABILITY

The Foundation has \$1,001,293 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash, grant receivable, promise to give and inventory. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 6: 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, 2020 were \$250,000. The Organization had cash balances in excess of this amount of \$450,922 at June 30, 2020.

NOTE 7: NOTE PAYABLE

On April 28, 2020, the Organization was granted a loan (the "Loan") from FirstBank in the aggregate amount of \$23,800, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 28, 2020 issued by the Organization, matures on May 1, 2022 and bears interest at a rate of 1% per annum, payable monthly until the sooner of the two events occurs: You apply for forgiveness and the SBA provides to FirstBank the final forgiveness amount or 16 months after the loan was originated. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties.

Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

OUTDOOR LAB FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 8: OPERATING LEASE COMMITMENTS

As of August 3, 2018 the Organization entered into a thirty nine 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 year ended June 30, 2020 amounted to \$20,435. The future minimum payments required under the lease for the years ending June 30:

2021	\$	20,448
2022		<u>20,448</u>
Total	\$	<u>40,896</u>

The Organization leases on a vehicle with a three year term. Automobile lease expense for the year ended June 30, 2020 was \$2,288.

NOTE 9: DEPARTURE FROM ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES

The Foundation has excluded and included, from receivables and revenue in the accompanying balance sheet and statement of activities and changes in net assets, certain fundraising funds that, in our opinion, should be recognized and accrued in the proper period in order to conform with accounting principles generally accepted in the United States of America. If these fundraising funds were recognized and accrued, receivables would be increased by \$78,916, fundraising revenue decrease by \$78,971 and net assets without donor restrictions increase by \$78,916 as of June 30, 2020. Additionally, net income would of decreased by \$78,971 for the year then ended.

NOTE 10: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date of the report, the date the financial statements were available to be issued. As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which could have a negative impact on the net income of the Company, but such potential impact is unknown at this time.