

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Financial Statements
September 30, 2021

BRECKENRIDGE OUTDOOR EDUCATION CENTER
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September 30, 2021

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Independent Auditor's Report

**To the Board of Directors
Breckenridge Outdoor Education Center
Breckenridge, Colorado**

We have audited the accompanying financial statements of Breckenridge Outdoor Education Center (a nonprofit organization) which comprise the statement of financial position as of September 30, 2021, 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 Breckenridge Outdoor Education Center as of September 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Breckenridge Outdoor Education Center's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



**Stuhr and Associates, LLC
Frisco, Colorado
January 19, 2022**

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Statement of Financial Position
September 30, 2021
(With Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 555,728	274,320	830,048	707,066
Short-term investments	116,246	-	116,246	113,966
Accounts receivable	22,673	-	22,673	11,093
Grant receivable	89,728	-	89,728	4,369
Inventories	6,388	-	6,388	7,745
Other asset	1,800	-	1,800	809
Prepaid expenses	26,322	-	26,322	18,000
TOTAL CURRENT ASSETS	<u>818,885</u>	<u>274,320</u>	<u>1,093,205</u>	<u>863,048</u>
Long-term investments	1,124,291	799,699	1,923,990	1,682,459
Property and equipment, net of accumulated depreciation	1,917,213	-	1,917,213	1,946,579
TOTAL ASSETS	<u><u>3,860,389</u></u>	<u><u>1,074,019</u></u>	<u><u>4,934,408</u></u>	<u><u>4,492,086</u></u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	11,389	-	11,389	23,667
Deferred revenue	3,955	-	3,955	17,140
Note Payable - Paycheck Protection Program	239,486	-	239,486	150,100
Security Deposits	3,300	-	3,300	2,850
TOTAL CURRENT LIABILITIES	<u>258,130</u>	<u>-</u>	<u>258,130</u>	<u>193,757</u>
NET ASSETS				
Net Assets Without Donor Restrictions:				
Operating	1,135,712	-	1,135,712	832,015
Board designated - General endowment investment income	549,334	-	549,334	386,127
Fixed assets	1,917,213	-	1,917,213	1,946,579
Total Net Assets Without Donor Restrictions	<u>3,602,259</u>	<u>-</u>	<u>3,602,259</u>	<u>3,164,721</u>
Net Assets With Donor Restrictions	<u>-</u>	<u>1,074,019</u>	<u>1,074,019</u>	<u>1,133,608</u>
TOTAL NET ASSETS	<u><u>3,602,259</u></u>	<u><u>1,074,019</u></u>	<u><u>4,676,278</u></u>	<u><u>4,298,329</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>3,860,389</u></u>	<u><u>1,074,019</u></u>	<u><u>4,934,408</u></u>	<u><u>4,492,086</u></u>

See accompanying notes to the financial statements

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Statement of Activities
For the Year Ended September 30, 2021
(With Comparative Totals for 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS				
Contributions and grants	\$ 1,000,103	371,614	1,371,717	1,080,228
Tuition	494,833	-	494,833	540,632
Less: scholarships and discounts	(140,898)	-	(140,898)	(123,693)
Net tuition	353,935	-	353,935	416,939
Special events	114,676	-	114,676	141,076
Other program fees	14,885	-	14,885	2,400
Griffith Lodge	20,800	-	20,800	35,774
Contributed services and property	1,936,603	-	1,936,603	1,935,477
Staff housing rental income	40,887	-	40,887	33,593
Miscellaneous income	5,470	-	5,470	13,145
Investment return	203,676	40,346	244,022	142,348
Net assets released from restrictions				
Satisfaction of scholarship restrictions	139,148	(139,148)	-	-
Satisfaction of equipment restrictions	124,138	(124,138)	-	-
Satisfaction of time restriction	33,000	(33,000)	-	-
Satisfaction of staff training restrictions	10,067	(10,067)	-	-
Satisfaction of program restrictions	165,196	(165,196)	-	-
TOTAL PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS	4,162,584	(59,589)	4,102,995	3,800,980
EXPENSES				
Program services, excluding depreciation	2,939,670	-	2,939,670	2,901,179
Supporting services, excluding depreciation:				
Administration	367,111	-	367,111	334,737
Fundraising	231,993	-	231,993	239,525
TOTAL EXPENSES, EXCLUDING DEPRECIATION	3,538,774	-	3,538,774	3,475,441
Depreciation	186,272	-	186,272	188,262
TOTAL EXPENSES	3,725,046	-	3,725,046	3,663,703
CHANGE IN NET ASSETS	437,538	(59,589)	377,949	137,277
NET ASSETS AS OF BEGINNING OF YEAR	3,164,721	1,133,608	4,298,329	4,161,052
NET ASSETS AS OF END OF YEAR	3,602,259	1,074,019	4,676,278	4,298,329

See accompanying notes to the financial statements.

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Statement of Functional Expenses
For the Year Ended September 30, 2021
(With Comparative Totals for 2020)

	2021							2020	
	Program Services				Supporting Services				
	Ski Course instruction and related administration	Wilderness Course instruction and related administration	Intern Program	Total Program Services	Manage- ment and General	Development and Fundraising	Total Supporting Services	Total	Total
ACTUAL EXPENSES:									
Salaries and benefits	\$ 362,480	319,658	73,222	755,360	385,730	107,191	492,921	1,248,281	1,185,758
Supplies									
Program	3,270	31,765	14,828	49,863	-	-	-	49,863	28,002
Covid-19	70	-	-	70	7,559	-	7,559	7,629	3,755
Contract services	-	5,785	-	5,785	7,371	299	7,670	13,455	6,180
Insurance	12,474	15,573	3,099	31,146	2,455	-	2,455	33,601	41,730
Special Events	-	-	-	-	-	21,581	21,581	21,581	27,487
Transportation									
Fuel	4,040	5,038	1,009	10,087	-	-	-	10,087	6,442
Repairs and other	7,489	9,401	1,873	18,763	-	-	-	18,763	17,386
Insurance	7,073	8,840	1,768	17,681	-	-	-	17,681	14,882
Fees, dues, and permits	(3,436)	11,085	220	7,869	32,920	6,862	39,782	47,651	51,800
Office expenses	948	1,516	10	2,474	4,604	7,053	11,657	14,131	16,797
Repairs and maintenance	2,591	23,319	2,918	28,828	18,676	-	18,676	47,504	52,558
Telephone	5,701	7,198	480	13,379	8,805	1,075	9,880	23,259	25,959
Uniforms	-	1,664	-	1,664	-	-	-	1,664	1,851
Utilities	-	7,493	1,884	9,377	13,032	-	13,032	22,409	17,849
Staff travel and meetings	4,626	2,730	939	8,295	1,943	272	2,215	10,510	9,078
Professional fees - audit	-	-	-	-	16,750	-	16,750	16,750	16,250
Advertising and marketing	-	-	57	57	2,038	3,471	5,509	5,566	9,699
Bad debt expense	-	-	-	-	-	-	-	-	3,415
Other	(45)	23	-	(22)	1,008	-	1,008	986	4,586
Allocation of overhead	83,966	128,770	40,291	253,027	(314,716)	61,689	(253,027)	-	-
Subtotal	<u>491,247</u>	<u>579,858</u>	<u>142,598</u>	<u>1,213,703</u>	<u>188,175</u>	<u>209,493</u>	<u>397,668</u>	<u>1,611,371</u>	<u>1,541,464</u>
CONTRIBUTED SERVICES, FACILITIES, AND SUPPLIES									
Office and facility space	90,810	492,010	-	582,820	161,136	-	161,136	743,956	732,925
Lift tickets and resort parking	906,926	-	-	906,926	-	12,500	12,500	919,426	680,385
Interns/volunteer instructors	195,781	2,512	-	198,293	-	-	-	198,293	437,696
Equipment and supplies	34,778	-	-	34,778	-	-	-	34,778	70,471
Professional services	3,150	-	-	3,150	17,800	10,000	27,800	30,950	12,500
Subtotal	<u>1,231,445</u>	<u>494,522</u>	<u>-</u>	<u>1,725,967</u>	<u>178,936</u>	<u>22,500</u>	<u>201,436</u>	<u>1,927,403</u>	<u>1,933,977</u>
Total expenses before depreciation	1,722,692	1,074,380	142,598	2,939,670	367,111	231,993	599,104	3,538,774	3,475,441
Depreciation	21,332	105,219	2,253	128,804	57,468	-	57,468	186,272	188,262
TOTAL EXPENSES	<u>1,744,024</u>	<u>1,179,599</u>	<u>144,851</u>	<u>3,068,474</u>	<u>424,579</u>	<u>231,993</u>	<u>656,572</u>	<u>3,725,046</u>	<u>3,663,703</u>
Percentage of total expenses by Function:	47%	32%	4%	82%	11%	6%	18%		

See accompanying notes to the financial statements

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Statement of Cash Flows
For the Year Ended September 30, 2021
(With Comparative Totals for 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions and grants	\$ 1,136,258	1,094,331
Net tuition	364,855	476,325
Staff housing rental income	41,337	33,593
Other cash receipts	116,203	141,677
Interest, dividends, and capital gains distributions	21,017	34,442
Cash paid for goods and services	(1,637,334)	(1,516,385)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	42,336	263,983
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (investment in)/sales of marketable securities	(20,806)	(31,396)
Proceeds from sale of equipment	5,300	12,744
Cash paid for property and equipment	(143,334)	(95,608)
NET CASH (USED) BY INVESTING ACTIVITIES	(158,840)	(114,260)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program loan proceeds	239,486	150,100
NET CASH PROVIDED BY FINANCING ACTIVITIES	239,486	150,100
NET INCREASE (DECREASE) IN CASH	122,982	299,823
CASH AT BEGINNING OF YEAR	707,066	407,243
CASH AT END OF YEAR	830,048	707,066
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	377,949	137,277
Depreciation	186,272	188,262
Net realized and unrealized (gain) loss on investments	(223,005)	(107,906)
(Gain) on sale of fixed assets	(5,300)	(12,744)
PPP loan forgiveness	(150,100)	-
Contributed fixed assets	(9,200)	(1,500)
Contributions restricted for long-term purposes	-	-
(Increase) decrease in Accounts receivable	(11,580)	23,722
(Increase) decrease in Grant receivable	(85,359)	9,103
(Increase) decrease in Unconditional promises to give	-	5,000
(Increase) decrease in Inventory	1,357	(646)
(Increase) decrease in Prepaid expenses	(8,322)	8,818
(Increase) decrease in Other Asset	(991)	-
Increase (decrease) in Accounts payable	(16,650)	16,907
Increase (decrease) in Security deposits	450	200
Increase (decrease) in Deferred revenue	(13,185)	(2,510)
Total Adjustments	(335,613)	126,706
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	42,336	263,983
NON-CASH INVESTING ACTIVITIES		
Contributed property and equipment	\$ 9,200	\$ 1,500

See accompanying notes to the financial statements

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Notes to Financial Statements
September 30, 2021

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Breckenridge Outdoor Education Center (“BOEC”) is a Colorado non-profit corporation formed under the laws of the State of Colorado on April 23, 1976. The mission of the BOEC is to expand the potential of people with disabilities and special needs through meaningful, educational and inspiring outdoor experiences. The BOEC provides year-round outdoor experiences for individuals including people with and without disabilities and disadvantaged youth. Program offerings include adaptive skiing and snowboarding, year-round wilderness programs, outdoor activity instruction and adventure based team and leadership development programs. BOEC also offers a summer and winter intern program which trains young professionals interested in outdoor/experiential education, therapeutic recreation, and recreation management. The BOEC intern program is a separately designated program but is also integral in providing support to BOEC’s adaptive ski and ride program and wilderness programs. Although the BOEC receives fees from agencies and participants, it depends primarily on grants and contributions from the public. The BOEC programs serve participants primarily from the Rocky Mountain Region, with groups and individuals from throughout the United States and abroad.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the BOEC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments are available for operations and consist of one variable annuity investment considered highly liquid because no surrender charges apply on amounts withdrawn at any time. Long-term investments consist of marketable securities and debt securities with original maturities greater than twelve months.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the BOEC that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The BOEC uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made. All promises to give are considered collectible, and therefore, no allowance is provided at year-end.

Accounts receivable

Accounts receivable as of September 30, 2021 are unrestricted net assets and result from credit extended to program participants and others in the course of operations.

Management reviews accounts receivable and promises to give regularly to determine if any receivable will potentially be uncollectible. Based on management’s evaluation, all accounts receivable and promises to give are considered to be collectible and, therefore, no allowance for doubtful accounts is provided at year-end.

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Notes to Financial Statements
September 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The BOEC capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the BOEC reports expirations of donor restrictions when the donated or acquired assets are placed in service. The BOEC reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five years for furniture and vehicles to thirty and fifty years for buildings.

Contributed Services

The BOEC receives a significant amount of contributed services from interns and volunteer instructors. Such services totaled \$198,293 for the year ended September 30, 2021 and are recognized as support and expense in the accompanying financial statements.

The BOEC also receives contributed services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition as contributed services have not been met. The estimated value of these contributed services is \$1,427 for the year ended September 30, 2021.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Income Tax Status

The BOEC is a not-for-profit BOEC that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

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.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Administrative expenses are allocated monthly on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

Prior Year Summarized Information

These financial statements present summarized prior-year information that does not meet the requirements of GAAP. Specifically, the reporting of changes in net assets for each net asset class is not presented in the summarized prior-year information. Accordingly, such information should be read in conjunction with the BOEC's financial statements for the year ended September 30, 2020 from which the comparative totals were derived.

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Notes to Financial Statements
September 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventories (primarily soft goods and other logo merchandise) are stated at the lower of cost or market, cost being determined by the first-in, first-out method.

NOTE 2: INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair values of long-term and short-term investments totaled \$2,040,236 at September 30, 2021.

The following schedule summarizes the investment return from both savings accounts and the investments and its classification in the statement of activities for the year ended September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest, dividends, and capital gain distributions	\$30,354	5,445	35,799
Net realized and unrealized gain/ (loss)	186,102	36,903	223,005
Less investment management fees	(12,336)	(2,446)	(14,782)
Net investment return	204,120	39,902	244,022

The BOEC's financial instruments consist of cash, investments, receivables, and payables. The carrying amount of cash, receivables and payables approximates fair value because of the short-term nature of these items. The carrying amounts of the investments are measured at fair value as determined by quoted prices in active markets for identical assets.

ASC 820-10 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Under ASC 820-10, fair value measurements are not adjusted for transaction costs. ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices in active markets for identical assets.

Level 2 – other significant inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs.

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Notes to Financial Statements
September 30, 2021

NOTE 2: INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The BOEC holds investments that are measured on a recurring basis which would fall under the Fair Value Measurements at September 30, 2021 using:

	Quoted Prices in Active Markets for Identical Assets (Level 1)
Available-for-sale securities:	
Equities	\$929,717
Fixed income	828,137
Total available-for-sale securities	1,757,854
Variable rate annuity	116,246
Cash and money balances, held in Brokerage accounts	166,136
Total investments	\$2,040,236
Financial statement captions:	
Short-term investments	116,246
Long-term investments	1,923,990
Total investments	\$2,040,236

NOTE 3: PROMISES TO GIVE

There were no outstanding promises to give as of September 30, 2021.

NOTE 4: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of September 30, 2021:

Griffith Lodge	\$685,030
Griffith Lodge furniture and fixtures	51,441
Administrative building leasehold improvements	1,611,053
Program buildings and improvements	544,021
Program equipment and courses	528,060
Vehicles	446,870
Administrative equipment	41,067
Total property and equipment	3,907,542
Less accumulated depreciation	(1,990,329)
Net property and equipment	1,917,213

NOTE 5: NOTE PAYABLE – PAYCHECK PROTECTION PROGRAM

In April 2020 the BOEC was granted a \$150,100 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and fully guaranteed by the Federal government. The BOEC initially recorded the loan as a note payable and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The BOEC has recognized \$150,100 as grant revenue during the year ended September 30, 2021.

In February 2021, the BOEC received loan proceeds in the amount of \$239,486 under the second round of the Paycheck Protection Program (“PPP”). Established as part of the Economic Aid Act, this PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities.

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Notes to Financial Statements
September 30, 2021

NOTE 5: NOTE PAYABLE – PAYCHECK PROTECTION PROGRAM (continued)

The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period.

Any unforgiven portion of a PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. BOEC intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.

To the extent that BOEC is not granted forgiveness, BOEC will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date of February 1, 2026. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event.

BOEC has recorded a note payable and will record forgiveness upon being legally released from the loan obligation. No income from forgiveness for the second PPP loan has been recorded for the year ended September 30, 2021.

The BOEC subsequently received full forgiveness of the second PPP loan in December 2021.

NOTE 6: RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at September 30, 2021 are available for the following purposes:

Scholarships	\$157,624
Equipment	27,750
Capital improvements	3,300
Staff training	121,464
Restricted to future fiscal years	33,000
Specific programs	73,449
Donor-restricted endowment corpus	438,988
Investment income restricted to scholarships	218,444
Total Net Assets With Donor Restrictions	1,074,019

Endowment Funds

BOEC's general endowment fund was established in 1993 to support program scholarship assistance to needy participants. Contributions to the general endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the BOEC indefinitely, and income from the fund is to be expended for program scholarships or as needed, subject to Board of Directors' approval.

BOEC's Brownell Bailey endowment fund was established in 2006 to also support program scholarship assistance to needy participants. Contributions to the Brownell Bailey endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the BOEC indefinitely, and income from the fund is restricted to be expended for program scholarships.

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

BRECKENRIDGE OUTDOOR EDUCATION CENTER
Notes to Financial Statements
September 30, 2021

NOTE 6: RESTRICTIONS ON NET ASSETS (continued)

Endowment Funds (continued)

At September 30, 2021, the endowment fund is composed of:

Endowment funds:

General endowment, amount required to be invested in perpetuity	\$319,813
Brownell Bailey, amount required to be invested in perpetuity	119,175
General endowment earnings, amount available for appropriation for scholarships and emergency needs as approved by Board	549,334
Brownell Bailey earnings, amount available for appropriation for scholarships	<u>218,444</u>
Total endowment funds	<u><u>1,206,766</u></u>

The BOEC is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Directors of the BOEC has interpreted SPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the BOEC would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The BOEC has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund is not currently underwater.

In accordance with SPMIFA, the BOEC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of 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 resources of the BOEC, and (7) the investment policies of the BOEC.

BOEC has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide operational sources of funds in the event that program and development revenue are unable to fully support program expenses. BOEC's investment goal is for long term growth. No amounts may be spent from the endowment funds without approval by the Board's finance committee.

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NOTE 6: RESTRICTIONS ON NET ASSETS (continued)

Endowment Funds (continued)

The composition of endowment net assets and the changes in the endowment net assets as of September 30, 2021 are as follows:

	Without Donor Restrictions: Board Designated: General Endowment Earnings	With Donor Restrictions: Brownell Bailey Earnings	With Donor Restrictions: General Endowment and Brownell Bailey Corpus	Total
Endowment net assets, October 1, 2020	\$445,470	178,098	438,988	1,062,556
Contributions	-	-	-	-
Dividends and interest	14,988	5,822	-	20,810
Net realized/unrealized gains	95,001	36,903	-	131,904
Less: Investment management fees	(6,125)	(2,379)	-	(8,504)
Endowment net assets, September 30, 2021	<u>549,334</u>	<u>218,444</u>	<u>438,988</u>	<u>1,206,766</u>

NOTE 7: CONCENTRATION OF CREDIT RISK

The BOEC maintains its cash and cash equivalents and investments with high quality banks and investment firms. Bank accounts are secured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At September 30, 2021 the bank accounts exceeded this insured amount by \$580,907.

The investments are held in a brokerage account. The investment balances are secured by the Securities Investors Protection Corporation ("SIPC") up to \$500,000. The brokerage firm provides supplemental account protection for securities accounts up to \$1,900,000. At September 30, 2021, no amount exceeded this supplemental account protection.

NOTE 8: OPERATING LEASE COMMITMENTS

The BOEC has multiple special use permits with the U.S. Department of Agriculture Forest Service and Department of Interior for using forestland in Colorado and adjoining states. The permits provide for payment based on participant usage. The majority of the permits are renewed on an annual basis as of December 31.

The BOEC leases 38 acres for its program facilities, located on open space land adjacent to the White River National Forest. The lease is with the Town of Breckenridge ("TOB") and provides for a 25 year term commencing October 1, 2013 and terminating September 30, 2038. The lease provides for a one-time payment of \$10. The TOB estimated the annual fair market value of this lease, which is reported as support and expense in the accompanying financial statements for the year ended September 30, 2021, to be approximately \$492,010.

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NOTE 8: OPERATING LEASE COMMITMENTS (continued)

Effective July 1, 2013 the BOEC entered into a purchase option lease agreement with the TOB for office space and warehouse/garage space situated on approximately one acre. The lease term is 50 years, terminating on June 30, 2063. The total rent for the term is \$10. Throughout the term of the lease, the BOEC and TOB will meet and confer at least annually for the purpose of determining whether changed circumstances require the amendment to the lease. The agreement also grants the BOEC the exclusive right and option to purchase the leased premise by giving written notice to the TOB not later than 5 years from the date of the lease, unless otherwise mutually agreed to extend the deadline. The purchase price to be paid if the option is exercised will be \$500,000.

The TOB has valued the use of the facility to be approximately \$161,136 for the year ended September 30, 2021. This value is reported as support and expense in the accompanying financial statements.

Effective May 1, 2012, the BOEC entered into a lease agreement ("Agreement") with The Village at Breckenridge Acquisition Corp., Inc. for donated commercial space for the ski office, located in Breckenridge. The initial term of the lease ended on April 30, 2017. The Agreement provides for four five-year renewal options. The donated space is valued at \$66,810 for the year ended September 30, 2021.

NOTE 9: EMPLOYEE BENEFIT PLAN

The BOEC has a defined contribution salary deferral plan covering all employees. Under the plan, the BOEC may contribute to the plan at its discretion. No plan expenses were incurred by the BOEC during the year ended September 30, 2021.

NOTE 10: DONATED SERVICES

The BOEC receives a significant amount of donated services from interns and volunteer instructors. Such services totaled \$198,293 for the year ended September 30, 2021 and are recognized as support and expense in the accompanying financial statements.

The BOEC also receives donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605 have not been satisfied. The estimated value of these donated services is \$1,427.

NOTE 11: CONCENTRATIONS

The BOEC received 24% of its revenues from Vail Resorts, including the Breckenridge and Keystone ski areas for the year ended September 30, 2021. Vail Resorts, along with Breckenridge and Keystone ski areas contributed lift tickets and season passes valued at \$884,608 and building spaces for the ski program valued at \$90,810 for the year ended September 30, 2021.

The BOEC received 17% of its revenues from the TOB in the form of donated facility leases and cash contributions. See Note 8 for the value and description of the leases.

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NOTE 12: RELATED PARTY TRANSACTIONS

BOEC received contributions directly from members of the BOEC Board of Directors. Such amounts, received from the directors, are not material to these financial statements.

NOTE 13: EVALUATION OF SUBSEQUENT EVENTS

As of the date of these financial statements, the COVID-19 pandemic is on-going. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to obtain contributions and volunteers. The future effects of these issues are unknown.

BOEC has evaluated subsequent events through January 19, 2022, the date which the financial statements were available to be issued.