

**BRECKENRIDGE OUTDOOR EDUCATION CENTER**  
**Financial Statements**  
**September 30, 2023**

**BRECKENRIDGE OUTDOOR EDUCATION CENTER**  
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**September 30, 2023**

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## Independent Auditor's Report

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

### Opinion

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, 2023, and the related statements of activities 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 Breckenridge Outdoor Education Center as of September 30, 2023, 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.

### 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 Breckenridge Outdoor Education Center 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.

### Responsibilities of Management 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, and for 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.

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 Breckenridge Outdoor Education Center'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 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.

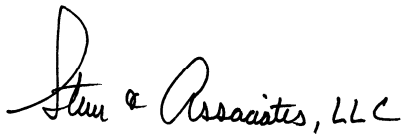
In performing an audit in accordance with generally accepted auditing standards, we:

- 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. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Breckenridge Outdoor Education Center'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 Breckenridge Outdoor Education Center's ability to continue as a going concern for a reasonable period of time.

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

We have previously audited the Breckenridge Outdoor Education Center's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



**Stuhr and Associates, LLC**  
**Frisco, Colorado**  
**January 18, 2024**

**BRECKENRIDGE OUTDOOR EDUCATION CENTER**  
**Statement of Financial Position**  
**September 30, 2023**  
**(With Comparative Totals for 2022)**

	<b>2023</b>			<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 122,453	272,091	394,544	727,852
Investments - short term	1,321,870	-	1,321,870	738,707
Accounts receivable	24,986	-	24,986	32,337
Grant receivable	94,793	-	94,793	70,204
Inventories	4,456	-	4,456	6,839
Other asset	991	-	991	991
Prepaid expenses	36,609	-	36,609	26,309
TOTAL CURRENT ASSETS	<u>1,606,158</u>	<u>272,091</u>	<u>1,878,249</u>	<u>1,603,239</u>
Investments - Long term	740,526	747,908	1,488,434	1,387,322
Property and equipment, net of accumulated depreciation	1,904,972	-	1,904,972	1,926,175
TOTAL ASSETS	<u><u>4,251,656</u></u>	<u><u>1,019,999</u></u>	<u><u>5,271,655</u></u>	<u><u>4,916,736</u></u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	6,061	-	6,061	34,830
Accrued compensated absences	50,938	-	50,938	44,287
Deferred revenue	2,625	-	2,625	-
Security Deposits	2,250	-	2,250	2,000
TOTAL CURRENT LIABILITIES	<u>61,874</u>	<u>-</u>	<u>61,874</u>	<u>81,117</u>
<b>NET ASSETS</b>				
Net Assets Without Donor Restrictions:				
Operating	1,868,806	-	1,868,806	1,531,949
Board designated - General endowment investment income	416,004	-	416,004	368,102
Invested in Fixed assets	1,904,972	-	1,904,972	1,926,175
Total Net Assets Without Donor Restrictions	<u>4,189,782</u>	<u>-</u>	<u>4,189,782</u>	<u>3,826,226</u>
Net Assets With Donor Restrictions	<u>-</u>	<u>1,019,999</u>	<u>1,019,999</u>	<u>1,009,393</u>
TOTAL NET ASSETS	<u>4,189,782</u>	<u>1,019,999</u>	<u>5,209,781</u>	<u>4,835,619</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>4,251,656</u></u>	<u><u>1,019,999</u></u>	<u><u>5,271,655</u></u>	<u><u>4,916,736</u></u>

See accompanying notes to the financial statements

**BRECKENRIDGE OUTDOOR EDUCATION CENTER**  
**Statement of Activities**  
**For the Year Ended September 30, 2023**  
**(With Comparative Totals for 2022)**

	<b>2023</b>			<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS</b>				
Contributions and grants	\$ 1,272,384	739,126	2,011,510	2,038,841
Tuition	919,890	-	919,890	766,605
Less: scholarships and discounts	(243,122)	-	(243,122)	(183,585)
Net tuition	676,768	-	676,768	583,020
Special events, net of direct costs	219,024	-	219,024	150,559
Other program fees	18,428	-	18,428	11,461
Griffith Lodge rental and facility fees	45,370	-	45,370	36,420
Contributed services and property	2,290,418	-	2,290,418	2,029,720
Staff housing and office rental income	48,493	-	48,493	49,375
Miscellaneous income	1,266	-	1,266	622
Investment return	154,499	18,608	173,107	(370,569)
Net assets released from restrictions				
Satisfaction of scholarship restrictions	234,990	(234,990)	-	-
Satisfaction of equipment restrictions	54,571	(54,571)	-	-
Satisfaction of time restriction	50,000	(50,000)	-	-
Satisfaction of staff training restrictions	33,573	(33,573)	-	-
Satisfaction of program restrictions	373,994	(373,994)	-	-
<b>TOTAL PUBLIC SUPPORT, REVENUES,     AND RECLASSIFICATIONS</b>	<b>5,473,778</b>	<b>10,606</b>	<b>5,484,384</b>	<b>4,529,449</b>
<b>EXPENSES</b>				
Program services, excluding depreciation	4,109,617	-	4,109,617	3,512,808
Supporting services, excluding depreciation:				
Management and General	407,654	-	407,654	363,185
Development and Fundraising	383,557	-	383,557	291,888
<b>TOTAL EXPENSES, EXCLUDING     DEPRECIATION</b>	<b>4,900,828</b>	<b>-</b>	<b>4,900,828</b>	<b>4,167,881</b>
Depreciation	209,394	-	209,394	202,227
<b>TOTAL EXPENSES</b>	<b>5,110,222</b>	<b>-</b>	<b>5,110,222</b>	<b>4,370,108</b>
<b>CHANGE IN NET ASSETS</b>	<b>363,556</b>	<b>10,606</b>	<b>374,162</b>	<b>159,341</b>
<b>NET ASSETS AS OF BEGINNING OF YEAR</b>	<b>3,826,226</b>	<b>1,009,393</b>	<b>4,835,619</b>	<b>4,676,278</b>
<b>NET ASSETS AS OF END OF YEAR</b>	<b>4,189,782</b>	<b>1,019,999</b>	<b>5,209,781</b>	<b>4,835,619</b>

See accompanying notes to the financial statements.

**BRECKENRIDGE OUTDOOR EDUCATION CENTER**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2023**  
**(With Comparative Totals for 2022)**

	2023							2022	
	Program Services				Supporting Services				
	Ski Course instruction and related administration	Wilderness Course instruction and related administration	Intern Program	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total	Total
<b>ACTUAL EXPENSES:</b>									
Salaries and benefits	\$ 620,244	588,144	139,778	1,348,166	436,912	233,359	670,271	2,018,437	1,663,142
Supplies									
Program	8,190	63,921	24,338	96,449	452	-	452	96,901	86,941
Covid-19	-	-	-	-	-	-	-	-	953
Contract services	-	11,366	-	11,366	6,510	6,618	13,128	24,494	23,734
Insurance	15,660	19,947	3,915	39,522	3,769	-	3,769	43,291	40,054
Transportation									
Fuel	8,652	10,867	2,214	21,733	-	-	-	21,733	19,151
Repairs and other	13,067	16,700	3,241	33,008	-	-	-	33,008	22,068
Insurance	5,434	6,792	1,359	13,585	-	-	-	13,585	13,809
Fees, dues, and permits	15,683	14,462	1,565	31,710	18,368	9,492	27,860	59,570	67,579
Office expenses	2,849	3,510	267	6,626	23,368	21,915	45,283	51,909	29,750
Repairs and maintenance	2,592	46,735	2,589	51,916	18,992	-	18,992	70,908	71,210
Telephone	7,049	9,783	450	17,282	9,681	2,034	11,715	28,997	27,017
Uniforms	70,350	2,405	1,543	74,298	690	25	715	75,013	5,941
Utilities	-	9,946	3,256	13,202	14,212	-	14,212	27,414	24,215
Staff travel and meetings	7,119	2,690	1,871	11,680	6,362	585	6,947	18,627	8,492
Professional fees - audit	-	-	-	-	16,800	-	16,800	16,800	17,245
Advertising and marketing	14	100	342	456	522	5,518	6,040	6,496	13,509
Other	143	25	-	168	7,971	-	7,971	8,139	4,851
Bad debt expense	-	5,000	-	5,000	-	-	-	5,000	-
Allocation of overhead	103,140	124,191	43,090	270,421	(361,932)	91,511	(270,421)	-	-
Subtotal	<u>880,186</u>	<u>936,584</u>	<u>229,818</u>	<u>2,046,588</u>	<u>202,677</u>	<u>371,057</u>	<u>573,734</u>	<u>2,620,322</u>	<u>2,139,661</u>
<b>CONTRIBUTED SERVICES, FACILITIES, AND SUPPLIES</b>									
Office and facility space	92,814	502,465	-	595,279	168,852	-	168,852	764,131	755,045
Lift tickets and resort parking	765,338	-	-	765,338	-	12,500	12,500	777,838	856,184
Interns/volunteer instructors	554,376	74,071	-	628,447	-	-	-	628,447	366,017
Equipment and supplies	70,965	-	-	70,965	-	-	-	70,965	51,624
Professional services	3,000	-	-	3,000	36,125	-	36,125	39,125	(650)
Subtotal	<u>1,486,493</u>	<u>576,536</u>	<u>-</u>	<u>2,063,029</u>	<u>204,977</u>	<u>12,500</u>	<u>217,477</u>	<u>2,280,506</u>	<u>2,028,220</u>
Total expenses before depreciation	2,366,679	1,513,120	229,818	4,109,617	407,654	383,557	791,211	4,900,828	4,167,881
Depreciation	21,256	120,334	7,403	148,993	60,401	-	60,401	209,394	202,227
<b>TOTAL EXPENSES</b>	<u><b>2,387,935</b></u>	<u><b>1,633,454</b></u>	<u><b>237,221</b></u>	<u><b>4,258,610</b></u>	<u><b>468,055</b></u>	<u><b>383,557</b></u>	<u><b>851,612</b></u>	<u><b>5,110,222</b></u>	<u><b>4,370,108</b></u>
Percentage of total expenses by Function:	47%	32%	5%	83%	9%	8%	17%		

See accompanying notes to the financial statements

**BRECKENRIDGE OUTDOOR EDUCATION CENTER**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2023**  
**(With Comparative Totals for 2022)**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contributions and grants	\$ 1,986,921	1,818,879
Net tuition	750,542	617,282
Staff housing rental income	48,743	48,075
Other cash receipts	222,173	151,181
Interest, dividends, and capital gains distributions	117,558	48,901
Cash paid for goods and services	(2,666,523)	(2,081,877)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	459,414	602,441
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (investment in)/sales of marketable securities	(614,943)	(492,145)
Proceeds from sale of equipment	500	-
Cash paid for property and equipment	(178,279)	(212,492)
NET CASH (USED) BY INVESTING ACTIVITIES	(792,722)	(704,637)
NET INCREASE (DECREASE) IN CASH	(333,308)	(102,196)
CASH AT BEGINNING OF YEAR	727,852	830,048
CASH AT END OF YEAR	394,544	727,852
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
CHANGE IN NET ASSETS	374,162	159,341
Depreciation	209,394	202,227
Net realized and unrealized (gain) loss on investments	(69,332)	406,352
Gain on disposal of fixed assets	(500)	2,802
PPP loan forgiveness	-	(239,486)
Contributed fixed assets	(9,912)	(1,500)
(Increase) decrease in Accounts receivable	7,351	(9,663)
(Increase) decrease in Grant receivable	(24,589)	19,524
(Increase) decrease in Inventory	2,383	(451)
(Increase) decrease in Prepaid expenses	(10,300)	13
(Increase) decrease in Other Asset	-	809
Increase (decrease) in Accounts payable	(28,769)	23,441
Increase (decrease) in Accrued compensated absences	6,651	44,287
Increase (decrease) in Security deposits	250	(1,300)
Increase (decrease) in Deferred revenue	2,625	(3,955)
Total Adjustments	85,252	443,100
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	459,414	602,441
<b>NON-CASH INVESTING ACTIVITIES</b>		
Contributed property and equipment	\$ 9,912	\$ 1,500

See accompanying notes to the financial statements



**BRECKENRIDGE OUTDOOR EDUCATION CENTER**  
**Notes to Financial Statements**  
**September 30, 2023**

**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, 2023 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, 2023**

**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 \$628,447 for the year ended September 30, 2023 and are recognized as support and expense in the accompanying financial statements.

During the fiscal year ended September 30, 2023, BOEC received pro-bono legal services valued at \$33,125, 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.

**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, 2022 from which the comparative totals were derived.

**BRECKENRIDGE OUTDOOR EDUCATION CENTER**  
**Notes to Financial Statements**  
**September 30, 2023**

**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 \$2,810,304 at September 30, 2023.

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, 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Interest, dividends, and capital gain distributions	\$108,959	8,599	117,558
Net realized and unrealized gain/ (loss)	56,883	12,449	69,332
Less investment management fees	(11,343)	(2,440)	(13,783)
Net investment return	154,499	18,608	173,107

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, 2023**

**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, 2023 using:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
Available-for-sale securities:	
Equities	\$801,737
Fixed income	<u>656,732</u>
Total available-for-sale securities	1,458,469
Variable rate annuity	120,936
Cash and money balances, held in Brokerage accounts	29,990
Money market funds	<u>1,200,909</u>
Total investments	<u><u>\$2,810,304</u></u>
Financial statement captions:	
Investments – short term	1,321,870
Investments – long term	<u>1,488,434</u>
Total investments	<u><u>\$2,810,304</u></u>

**NOTE 3: PROMISES TO GIVE**

There were no outstanding promises to give as of September 30, 2023.

**NOTE 4: PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment as of September 30, 2023:

Griffith Lodge	\$691,249
Griffith Lodge and Intern furniture and fixtures	61,700
Administrative building leasehold improvements	1,611,053
Program buildings and improvements	655,271
Program equipment and courses	604,533
Vehicles	573,657
Administrative equipment	<u>104,130</u>
Total property and equipment	4,301,593
Less accumulated depreciation	<u>(2,396,621)</u>
Net property and equipment	<u><u>1,904,972</u></u>

**NOTE 5: RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions at September 30, 2023 are available for the following purposes:

Scholarships	\$156,605
Equipment	69,980
Time restricted	100,000
Staff training	69,844
Uniforms	13,035
Specific programs	4,894
Donor-restricted endowment corpus	438,988
Investment income restricted to scholarships	<u>166,653</u>
Total Net Assets With Donor Restrictions	<u><u>1,019,999</u></u>

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**NOTE 5: RESTRICTIONS ON NET ASSETS (continued)**

**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.

At September 30, 2023, 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	416,004
Brownell Bailey earnings, amount available for appropriation for scholarships	166,653
Total endowment funds	1,021,645

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.

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**NOTE 5: RESTRICTIONS ON NET ASSETS (continued)**

**Endowment Funds (continued)**

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.

The composition of endowment net assets and the changes in the endowment net assets as of September 30, 2023 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, 2022	\$368,102	148,045	438,988	955,135
Contributions	-	-	-	-
Dividends and interest	22,136	8,599	-	30,735
Net realized/unrealized gains	32,049	12,449	-	44,498
Less: Investment management fees	(6,283)	(2,440)	-	(8,723)
Endowment net assets, September 30, 2023	<u>416,004</u>	<u>166,653</u>	<u>438,988</u>	<u>1,021,645</u>

**NOTE 6: 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, 2023 the bank accounts exceeded this insured amount by \$149,884.

The investments are held in a brokerage account. The investment balances are secured by the Securities Investors Protection Corporation ("SIPC") up to \$500,000. Cash and money balances held in the brokerage account are secured by FDIC up to \$250,000. The brokerage firm provides supplemental account protection for securities accounts up to \$1,900,000.

**NOTE 7: 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.

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**NOTE 7: OPERATING LEASE COMMITMENTS (continued)**

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, 2023, to be approximately \$502,465.

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 \$168,852 for the year ended September 30, 2023. This value is reported as support and expense in the accompanying financial statements.

Subsequent to year-end and effective October 27, 2023, both leases were amended for terms of 75 years, commencing November 15, 2023 and terminating November 14, 2098.

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 \$68,814 for the year ended September 30, 2023.

**NOTE 8: 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, 2023.

**NOTE 9: RENTAL INCOME**

**Staff Housing**

The Administrative office building leasehold improvements completed in 2019 included adding dedicated staff housing that is leased to seasonal staff at a below market rate. These lease terms are for one year or less. BOEC received related rental income of \$44,473 with \$1,500 held in security deposits at September 30, 2023.

**Office Space**

Summit Huts Association leases office space from the BOEC on a month-to-month basis. Rent income from this lease was \$4,020 and balance of the security deposit was \$750 at September 30, 2023.

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**NOTE 10: CONCENTRATIONS**

The BOEC received 15% of its revenues from Vail Resorts, including the Breckenridge and Keystone ski areas for the year ended September 30, 2023. Vail Resorts, along with Breckenridge and Keystone ski areas contributed lift tickets and season passes valued at \$732,440 and building spaces for the ski program valued at \$92,814 for the year ended September 30, 2023.

The BOEC received 13% 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.

**NOTE 11: 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 12: EVALUATION OF SUBSEQUENT EVENTS**

BOEC has evaluated subsequent events through January 18, 2024, the date which the financial statements were available to be issued.