



FINANCIAL STATEMENTS
with
Independent Auditor's Report

For the Years Ended May 31, 2025 and 2024

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	3
Statement of Activities for the Year Ended May 31, 2025	4
Statement of Activities for the Year Ended May 31, 2024	5
Statement of Functional Expenses for the Year Ended May 31, 2025	6
Statement of Functional Expenses for the Year Ended May 31, 2024	7
Statements of Cash Flows	8
Notes to the Financial Statements	9



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Teton Science Schools, Inc.
Jackson, Wyoming

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Teton Science Schools, Inc. (a nonprofit organization), which comprise the statements of financial position as of May 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Teton Science Schools, Inc. as of May 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Teton Science Schools, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Teton Science Schools, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 Teton Science Schools, Inc.'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 Teton Science Schools, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Carver Florek & James, CPAs

Sheridan, Wyoming
October 10, 2025

FINANCIAL STATEMENTS

TETON SCIENCE SCHOOLS
STATEMENTS OF FINANCIAL POSITION
As of May 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,243,837	\$ 149,833
Accounts receivable, net	465,621	486,961
Other receivable - endowment	-	2,275,698
Pledges receivable, net	214,399	-
Inventory	41,128	34,753
Prepaid expenses and other current assets	160,455	165,783
Total current assets	<u>3,125,440</u>	<u>3,113,028</u>
Noncurrent assets:		
Property, plant and equipment, net	27,782,434	28,376,240
Intangible assets, net	213,672	214,472
Operating lease right-of-use assets	87,635	145,271
Investment - endowment	22,549,004	19,709,268
Pledges receivable, net	152,300	13,865
Total noncurrent assets	<u>50,785,045</u>	<u>48,459,116</u>
Total assets	<u><u>\$ 53,910,485</u></u>	<u><u>\$ 51,572,144</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 662,438	\$ 776,125
Refund of endowment payable (see note 14)	2,500,000	-
Line of credit	1,996,178	1,996,178
Borrowing on margin - Charles Schwab	-	1,376,486
Course deposit	1,773,937	1,387,622
Security deposit	10,750	11,800
Accrued payroll and taxes	214,283	281,529
Current portion of operating lease liability	63,175	58,269
Current portion of notes payable	74,677	72,276
Accrued interest	25,271	25,496
Total current liabilities	<u>7,320,709</u>	<u>5,985,781</u>
Long-term liabilities:		
Operating lease liability	28,253	91,777
Long-term portion of notes payable	176,343	247,115
Total long-term liabilities	<u>204,596</u>	<u>338,892</u>
Total liabilities	<u><u>7,525,305</u></u>	<u><u>6,324,673</u></u>
Net assets:		
Net assets without donor restrictions:		
Board-designated	3,355	3,355
Undesignated	23,635,843	22,065,793
Net assets with donor restrictions	<u>22,745,982</u>	<u>23,178,323</u>
Total net assets	<u>46,385,180</u>	<u>45,247,471</u>
Total liabilities and net assets	<u><u>\$ 53,910,485</u></u>	<u><u>\$ 51,572,144</u></u>

The accompanying notes are an integral part of the financial statements

TETON SCIENCE SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND OTHER INCOME			
Revenues:			
Tuition and fees	\$ 7,726,477	\$ -	\$ 7,726,477
Rent	1,232,988	-	1,232,988
Sales and royalties, net	817,016	-	817,016
Total revenues	<u>9,776,481</u>	<u>-</u>	<u>9,776,481</u>
Support and other income:			
Donation and grants	5,091,848	2,715,573	7,807,421
Return of endowment (see note 14)	-	(2,500,000)	(2,500,000)
Investment income (loss)	356,570	1,439,931	1,796,501
Other income	241,041	6,450	247,491
Total support and other income	<u>5,689,459</u>	<u>1,661,954</u>	<u>7,351,413</u>
Releases:			
Release of endowment under spending rule	882,343	(882,343)	-
Release by expiring time and purpose restriction	1,211,952	(1,211,952)	-
Total releases	<u>2,094,295</u>	<u>(2,094,295)</u>	<u>-</u>
Total revenues, support and other income	<u>17,560,235</u>	<u>(432,341)</u>	<u>17,127,894</u>
EXPENSES			
Program services	11,591,670	-	11,591,670
General and administrative	4,154,168	-	4,154,168
Fundraising and development	244,347	-	244,347
Total expenses	<u>15,990,185</u>	<u>-</u>	<u>15,990,185</u>
Change in net assets	1,570,050	(432,341)	1,137,709
Net assets - beginning of year	<u>22,069,148</u>	<u>23,178,323</u>	<u>45,247,471</u>
Net assets - end of year	<u><u>\$ 23,639,198</u></u>	<u><u>\$ 22,745,982</u></u>	<u><u>\$ 46,385,180</u></u>

The accompanying notes are an integral part of the financial statements

TETON SCIENCE SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND OTHER INCOME			
Revenues:			
Tuition and fees	\$ 8,012,367	\$ -	\$ 8,012,367
Rent	1,068,012	-	1,068,012
Sales and royalties, net	855,677	-	855,677
Total revenues	<u>9,936,056</u>	<u>-</u>	<u>9,936,056</u>
Support and other income:			
Donation and grants	1,970,654	2,457,744	4,428,398
Investment income (loss)	(297,447)	2,790,193	2,492,746
Other income	110,113	20,328	130,441
Total support and other income	<u>1,783,320</u>	<u>5,268,265</u>	<u>7,051,585</u>
Releases:			
Endowment under spending rule	804,769	(804,769)	-
Expiring time and purpose restriction	1,182,838	(1,182,838)	-
Total releases	<u>1,987,607</u>	<u>(1,987,607)</u>	<u>-</u>
Total revenues, support and other income	<u>13,706,983</u>	<u>3,280,658</u>	<u>16,987,641</u>
EXPENSES			
Program services	11,166,587	-	11,166,587
General and administrative	5,604,410	-	5,604,410
Fundraising and development	340,582	-	340,582
Total expenses	<u>17,111,579</u>	<u>-</u>	<u>17,111,579</u>
Change in net assets	(3,404,596)	3,280,658	(123,938)
Net assets - beginning of year	<u>25,473,744</u>	<u>19,897,665</u>	<u>45,371,409</u>
Net assets - end of year	<u>\$ 22,069,148</u>	<u>\$ 23,178,323</u>	<u>\$ 45,247,471</u>

The accompanying notes are an integral part of the financial statements

TETON SCIENCE SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2025

Expenses:	Program Services	General and Administrative	Fundraising and Development	Total Expenses
Salaries and wages	\$ 5,959,330	\$ 1,541,769	\$ 164,297	\$ 7,665,396
Employee benefits:				
Health	673,090	115,860	14,455	803,405
Payroll taxes	567,274	142,005	14,717	723,996
Retirement	107,089	71,319	12,936	191,344
Scholarships and financial aid	1,271,761	500	-	1,272,261
Program supplies, service and fees	1,339,643	85,306	11,630	1,436,579
Professional services	376,496	668,154	5,722	1,050,372
Depreciation and amortization	-	725,986	-	725,986
Utilities	212,250	16,992	-	229,242
Vehicle/building rental and maintenance	183,452	107,225	73	290,750
Insurance	85,629	157,331	-	242,960
Licenses, permits and memberships	92,439	16,030	1,252	109,721
Maintenance and repairs	292,066	38,586	-	330,652
Marketing and advertisting	97,563	18,005	3,149	118,717
Professional Development	27,815	2,187	1,298	31,300
Business travel	129,317	13,267	33	142,617
Printing	48,937	8,339	10,956	68,232
Bad debt	-	83,629	-	83,629
Internet fees	51,030	13,961	963	65,954
Credit card and bank fees	32,071	16,748	2,008	50,827
Telephone	35,375	9,677	668	45,720
Interest	-	284,651	-	284,651
Property taxes/homeowner's fees	7,586	11,302	-	18,888
Postage and shipping	1,457	4,510	190	6,157
Board and staff support and functions	-	829	-	829
Total expenses	<u>\$ 11,591,670</u>	<u>\$ 4,154,168</u>	<u>\$ 244,347</u>	<u>\$ 15,990,185</u>

The accompanying notes are an integral part of the financial statements

TETON SCIENCE SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2024

Expenses:	Program Services	General and Administrative	Fundraising and Development	Total Expenses
Salaries and wages	\$ 5,619,441	\$ 2,316,663	\$ 200,866	\$ 8,136,970
Employee benefits:				
Health	574,006	175,339	11,486	760,831
Payroll taxes	558,118	181,005	19,721	758,844
Retirement	92,124	70,365	5,552	168,041
Scholarships and financial aid	1,572,744	3,500	1,040	1,577,284
Program supplies, service and fees	1,405,975	179,253	53,150	1,638,378
Professional services	114,280	1,297,393	15,813	1,427,486
Depreciation and amortization	-	720,555	-	720,555
Utilities	221,287	4,003	-	225,290
Vehicle/building rental and maintenance	189,267	102,986	11,502	303,755
Insurance	67,188	172,077	-	239,265
Licenses, permits and memberships	126,993	14,018	109	141,120
Maintenance and repairs	273,236	8,237	-	281,473
Marketing and advertisting	43,773	5,306	323	49,402
Professional Development	38,509	196	68	38,773
Business travel	152,151	20,430	7,622	180,203
Printing	7,235	53,951	6,268	67,454
Bad debt	-	67,188	-	67,188
Internet fees	59,787	3,705	-	63,492
Credit card and bank fees	26,542	16,206	2,928	45,676
Telephone	14,859	20,449	1,437	36,745
Interest	-	156,297	-	156,297
Property taxes/homeowner's fees	8,029	11,230	-	19,259
Postage and shipping	1,043	2,961	2,697	6,701
Board and staff support and functions	-	1,097	-	1,097
Total expenses	<u>\$ 11,166,587</u>	<u>\$ 5,604,410</u>	<u>\$ 340,582</u>	<u>\$ 17,111,579</u>

The accompanying notes are an integral part of the financial statements

TETON SCIENCE SCHOOLS
STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2025 and 2024

	2025	2024
<u>Cash Flows from Operating Activities</u>		
Cash recieved from:		
Tuition and fees	\$ 8,134,132	\$ 6,063,205
Contributions and grants	7,454,587	4,428,398
Auction proceeds	580	-
Rent and eposits	1,231,938	1,053,019
Investment income	1,796,501	2,492,746
Sales and royalties	817,016	855,677
Other	2,522,609	130,441
Cash paid to employees for services	(9,451,387)	(9,699,599)
Cash paid for operating expenses	(5,716,451)	(6,273,264)
Cash paid for interest	(284,876)	(154,026)
Net cash provided (used) by operating activities	<u>6,504,649</u>	<u>(1,103,403)</u>
<u>Cash Flows from Investing Activities</u>		
Purchases of property and equipment	(128,681)	(67,045)
Repayments (Advances) on notes receivable	-	160,000
Net cash from investments	<u>(4,213,593)</u>	<u>(661,213)</u>
Net cash provided (used) by investing activities	<u>(4,342,274)</u>	<u>(568,258)</u>
<u>Cash Flows from Financing Activities</u>		
Net borrowings on (repayment of) line of credit	-	431,503
Net borrowings on (repayment of) notes payable	<u>(68,371)</u>	<u>(73,915)</u>
Net cash provided (used) by financing activities	<u>(68,371)</u>	<u>357,588</u>
Net increase (decrease) in cash and cash equivalents	2,094,004	(1,314,073)
Cash and cash equivalents - beginning of year	149,833	1,463,906
Cash and cash equivalents - end of year	<u>\$ 2,243,837</u>	<u>\$ 149,833</u>
<u>Reconciliation of change in net assets to net cash provided by (used) by operating activities:</u>		
Change in net assets	\$ 1,137,709	\$ (123,938)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation/amortization	725,986	720,555
Net changes in:		
(Increase) decrease in accounts recievable	21,340	481,274
(Increase) decrease in pledge receivable	(352,834)	-
(Increase) decrease in other receivable	2,275,698	(2,214,977)
(Increase) decrease in inventory	(6,375)	11,153
Increase (decrease) in operating leased assets	(982)	4,775
Increase (decrease) in accounts payable	(113,687)	120,849
Increase (decrease) in refund of endowment payable	2,500,000	-
Increase (decrease) in course deposits	386,315	(215,459)
Increase (decrease) in security deposits	(1,050)	(14,993)
Increase (decrease) in accrued payroll and taxes	(67,246)	125,087
Increase (decrease) in accrued interest	(225)	2,271
Net cash provided (used) by operating activities	<u>\$ 6,504,649</u>	<u>\$ (1,103,403)</u>

The accompanying notes are an integral part of the financial statements

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 1: Summary of Significant Accounting Policies

Organization

Teton Science Schools, Inc. (the School) is a nonprofit organization incorporated in Wyoming in 1974. The School provides diverse educational opportunities by utilizing Place Based Education, which connects learning and communities while focusing on increasing student engagement, academic outcomes, and community issues. Based in Wyoming and Idaho, the School delivers its mission through operation of an independent school (Pre-K to 12) and experiential field education through economic, cultural and ecological lenses which allows the School to reach a regional and national audience that creates lifelong learners who will impact their own communities.

Basis of Presentation

The financial statements of the School have been prepared on the accrual basis of accounting and in conformity with standards promulgated by the American Institute of Certified Public Accountants in its audit guide for not-for-profit organizations, as discussed below.

Financial Statement Presentation

The School presents its financial statements in accordance with U.S. generally accepted accounting principles and the Not-For-Profit requirements of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, as amended by Accounting Standards Update 2016-14. Presentation of Financial Statements is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the School is required to present a statement of cash flows.

Contributions

The School records contributions in accordance with the standards in FASB ASC as amended, whereby contributions received are recorded as either donations as support without or with restrictions depending on the existence and/or nature of any donor restrictions. Net assets with restrictions are reclassified to net assets without restrictions upon satisfaction of the time or purpose restrictions. The School has elected to treat donor restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Revenue Recognition

In accordance with FASB ASC 606, the School records revenue as follows. Since the school year ends during the School's fiscal year, tuition revenue is recorded at the commencement of the school year. Other non-tuition revenue is recorded as services are provided. Accounts receivable arise from revenue associated with tuition and other program services. Advance tuition payments are recorded as course deposits until recognized. Students may make an annual payment before August 1st, Semi-annual payments by August 1st and February 1st, or via 10-monthly ACH payments beginning in

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 1: Summary of Significant Accounting Policies (Continued)

July. Refunds are issued if a student withdraws, with the following non-refundable deposit deadline: 10% before June 10th; 50% before July 31st, and no refund after August 1st.

Current Benefit Interest

The School has a current benefit interest in the Wyoming Community Foundation and in the Community Foundation of Jackson Hole (the Foundations). In accordance with the standards in FASB ASC, the School does not record the market value of the funds as an asset on the Statement of Financial Position, but rather recognizes amounts received from or paid to the Foundations in its Statement of Activities. The Board of Trustees of the Foundations have “variance power” and may modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in their sole judgement such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Donated Services

Numerous volunteers have made contributions of their time to the School. The value of this contributed time is not reflected in the financial statements because it is not susceptible to objective measurement or valuation.

Administrative and General Expenses

Administrative and general expenses consist of those expenses not specifically accounted for within a program, fund raising or development expense categories. Such expenses may include, but are not limited to, salaries and benefits, office supplies and expenses, utilities, repairs, and professional development.

Property, Equipment, and Depreciation

Property and equipment are carried at cost. It is the School’s policy to capitalize expenditures for these items in excess of \$1,500. Lesser amounts are expensed. Donations of property and equipment are recorded at their estimated fair market value on the date of the donation. Unless otherwise specified, such donations are reported as unrestricted support. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Expenses

The School allocates its expenses on a functional basis among its various programs and supporting services as summarized in the Statement of Activities. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Income Tax Status

The School qualifies as a tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The School's open audit periods are May 31, 2023 to May 31, 2025.

Accounts Receivable

Accounts receivable relate to program-type activities. The School records an allowance for doubtful accounts equal to 2% of tuition at the time tuition is billed. If amounts become uncollectable, they will be charged to the allowance when that determination is made.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined on a first in, first out basis. Inventories received through donations are valued at market value at the date of the donation.

Donated Use of Facilities

The School maintains a leasehold interest in the facilities it uses located in Grand Teton National Park. Such facilities are provided without charge to the School. Since the School is located within the boundaries of the National Park, an estimated fair rental value of the premises cannot be made and therefore the fair value of the rents has not been included as a donation. The Schools must pay for improvements to existing facilities, as well as the cost of new construction it deems necessary. Improvements to Park-owned buildings become the property of the National Park Service (NPS) and are amortized over ten years. Any additions, alterations, improvements, or replacement of NPS property may not be deemed to create for the School an ownership, right, title, or interest in the buildings, roads, or trails, or improvements to the same, made available for School use by the agreement.

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Promises to Give

Unconditional promises to give are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the month in which the promises are received.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The organization uses the allowance method to determine uncollectable unconditional promises to give. The allowance is based on management's analysis of specific promises made.

Advertising

The School uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed the first time the advertising takes place. During the fiscal years ended May 31, 2025 and 2024, advertising expense was \$118,717 and \$49,402, respectively.

Note 2: Concentration of Credit Risk

The School maintains cash balances with several financial institutions, including both banks and brokerages. Interest-bearing accounts with banks and cash balances at brokerage houses are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of May 31, 2025. Brokerage accounts are insured by the Securities Investor Protection Corporation up to \$500,000 for securities held. As of May 31, 2025 the cash accounts balances held were fully covered by the FDIC insurance limit.

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TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 3: Pledges Receivable and Other Receivable

<u>Pledges Receivable</u>	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 214,399	\$ -
Receivable in one to five years	522,700	25,000
Receivable in more than five years	-	-
Total pledges receivable	<u>737,099</u>	<u>25,000</u>
Less unamortized discount	<u>(370,400)</u>	<u>(11,135)</u>
Net pledges receivable	<u>\$ 366,699</u>	<u>\$ 13,865</u>
Present value of pledges receivable - current portion	\$ 214,399	\$ -
Present value of pledges receivable - long-term portion	<u>152,300</u>	<u>13,865</u>
Net pledges receivable	<u>\$ 366,699</u>	<u>\$ 13,865</u>

Pledges receivable are reflected at the present value of estimate future cash flows using the discount rate of 50% for promises received.

Pledges receivable are recorded only when an enforceable, written promise is received from the donor and the amount is either known or estimable.

Other Receivables

Effective January 25, 2024, the School signed a Settlement Agreement and Release, accordingly the School is entitled to receive \$2,275,698, which has been reported as other receivable on the statement of financial position for the year ended May 31, 2024. The School received this amount in full during September of 2024.

Note 4: Investments

The School accounts for marketable securities under FASB ASC 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 4: Investments (Continued)

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table summarizes the School’s marketable securities measured at fair value on a recurring basis as of May 31, 2025:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 3,768,071	\$ 3,768,071	\$ -	\$ -
Exchange traded funds	16,976,056	16,976,056	-	-
Alternative investments	<u>1,555,756</u>	<u>-</u>	<u>-</u>	<u>1,555,756</u>
Total	<u>\$ 22,299,883</u>	<u>\$ 20,744,127</u>	<u>\$ -</u>	<u>\$ 1,555,756</u>
Cash	<u>249,121</u>			
Total	<u><u>\$ 22,549,004</u></u>			

The following table summarizes the School’s marketable securities measured at fair value on a recurring basis as of May 31, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 54,296	\$ 54,296	\$ -	\$ -
Mutual funds	6,740,725	6,740,725	-	-
Exchange traded funds	10,579,756	10,579,756	-	-
Alternative investments	<u>2,282,442</u>	<u>-</u>	<u>-</u>	<u>2,282,442</u>
Total	<u>\$ 19,657,219</u>	<u>\$ 17,374,777</u>	<u>\$ -</u>	<u>\$ 2,282,442</u>
Cash	<u>52,049</u>			
Total	<u><u>\$ 19,709,268</u></u>			

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 4: Investments (Continued)

The School invests in a professionally managed portfolio that contains common stock and bonds of publicly traded companies, U.S. Government obligations, and money markets, which are recorded at fair market value. Market values, cost and unrealized appreciation are summarized as follows as of May 31, 2025:

	Cost	Quoted Market Price	Net Unrealized Gains (Losses)
Cash	\$ 249,121	\$ 249,121	\$ -
Mutual funds	4,017,962	3,768,071	(249,891)
Exchange traded funds	15,146,170	16,976,056	1,829,886
Alternative investments	1,555,756	1,555,756	-
	<u>\$ 20,969,009</u>	<u>\$ 22,549,004</u>	<u>\$ 1,579,995</u>

Market values, cost and unrealized appreciation are summarized as follows as of May 31, 2024:

	Cost	Quoted Market Price	Net Unrealized Gains (Losses)
Cash	\$ 52,049	\$ 52,049	\$ -
Equities	-	54,296	54,296
Mutual funds	7,035,146	6,740,725	(294,421)
Exchange traded funds	9,199,866	10,579,756	1,379,890
Alternative investments	2,282,442	2,282,442	-
	<u>\$ 18,569,503</u>	<u>\$ 19,709,268</u>	<u>\$ 1,139,765</u>

The components of investment income for the years ended May 31, 2025 and 2024, are as follows:

	2025	2024
Realized gains (losses)	\$ 539,788	\$ 1,036,881
Net unrealized and realized gains (losses)	562,304	751,515
Interest and dividends	757,819	753,424
Investment fees	(63,410)	(49,074)
	<u>\$ 1,796,501</u>	<u>\$ 2,492,746</u>

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 5: Property and Equipment

A summary of fixed assets and accumulated depreciation as of May 31, 2025 and 2024 are as follows:

	2025	2024
Land	\$ 12,362,085	\$ 12,362,085
Construction in progress	229,778	170,236
Buildings	25,809,708	25,809,708
Building improvements	3,391,389	3,328,840
Furniture and fixtures	1,425,334	1,418,745
Vehicles	2,426,212	2,426,212
Program equipment	482,582	482,582
Murie collection & museum	28,458	28,458
Total property and equipment	46,155,546	46,026,866
Less accumulated depreciation	(18,373,112)	(17,650,626)
Property, plant and equipment, net	<u>\$ 27,782,434</u>	<u>\$ 28,376,240</u>

Depreciation expense for the years ended May 31, 2025 and 2024 was \$725,986 and \$719,755, respectively.

Note 6: Line of Credit

The School has a line of credit agreement with a national bank for maximum amount of \$2,000,000 as of May 31, 2025. The note is secured by all accounts of the School. As of May 31, 2025 and 2024, the outstanding balance was \$1,996,178 and \$1,996,178, respectively. The line of credit bears interest at the daily simple secured overnight financing rate (SOFR) set by the Federal Reserve Bank of New York plus 1.75% and was 7.08% as of May 31, 2025.

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TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 7: Long-Term Debt

Long-term debt is as follows at May 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
3.5% plus 5-yr LIBOR note payable to a bank, due in monthly installments of \$1,703, including interest. Original principal amount of \$161,218. Matures October 2029. The loan is secured by certain fixed assets. Interest rate is 7.38% at May 31, 2025.	\$ 81,195	\$ 95,785
5.96% note payable to a bank, due in monthly installments of \$1,135, including interest. Original principal amount of \$58,784. Matures September 2027. The loan is secured by certain vehicle.	29,610	41,096
6.85% note payable to a bank, due in monthly installments of \$2,746, including interest. Original principal amount of \$139,159. Matures March 2028. The loan is secured by certain vehicles.	84,634	110,803
6.88% note payable to a bank, due in monthly installments of \$1,713, including interest. Original principal amount of \$85,764. Matures May 2028. The loan is secured by certain vehicles.	<u>55,581</u>	<u>71,707</u>
Total long-term debt	251,020	319,391
Less current portion of long-term debt	<u>(74,677)</u>	<u>(72,276)</u>
	<u>\$ 176,343</u>	<u>\$ 247,115</u>

Future minimum installments of the above long-term debt as of May 31, 2025 are as follows:

<u>Year</u>	
2026	\$ 74,677
2027	79,487
2028	69,087
2029	19,600
2030	8,169
	<u>\$ 251,020</u>

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 8: Leases

Beginning in November 2019, the School began leasing warehouse space at \$5,000 per month for seven years with annual rent increases after 37 months according to the Consumer Price Index (CPI). The School has the option to extend the lease for two additional 10-year lease periods. Future lease payments have been calculated assuming a CPI increase of 6.5%, equal to the initial increase after 37 months. Lease payments for operating leases of \$65,504 was included in vehicle/building rental and maintenance on the statement of functional expenses for the years ending May 31, 2025.

The following table summarizes the line items on the statement of financial position which include amounts for operating leases as of May 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating Leases		
Operating lease right-of-use assets	<u>\$ 87,635</u>	<u>\$ 145,271</u>
Current portion of operating lease liability	\$ 63,175	\$ 58,269
Operating lease liability	<u>28,253</u>	<u>91,777</u>
Total operating lease liability	<u>\$ 91,428</u>	<u>\$ 150,046</u>

The weighted average discount rate at May 31, 2025 and 2024 was 5.96 percent.

The weighted average remaining lease term at May 31, 2025 and 2024 was 1.34 and 2.34 years, respectively.

Future minimum payments required under this agreement are as follows as of May 31, 2025:

<u>Year</u>	
2026	\$ 66,921
2027	<u>28,675</u>
	<u>95,596</u>
Less interest	<u>(4,168)</u>
Total operating lease liability	<u>\$ 91,428</u>

For the years ended May 31, 2025 and 2024, total rent expense under short-term leases was \$100,000 and \$98,400, respectively.

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 9: Defined Contribution Plans

The School has established a matching contribution retirement plan (the Plan) pursuant to Section 403(b) of the Internal Revenue Code.

Eligibility requirements under the plan state that an eligible employee may begin participation in this plan on the Plan entry date following the completion of a 12-month period which constitutes one year of service at the School and attainment of age 21. An eligible employee is defined as any employee employed by the School for 1,000 or more hours of service during any 12 consecutive calendar months commencing on his or her date of employment or any anniversary date.

The School makes matching plan contributions for all eligible employees based on a percentage of regular salary up to the following percentages:

<u>Completed Years of Service</u>	<u>Contribution Percentage</u>
1-4 years	3%
4 years of more	6%

Employee contributions made through salary reduction are made on a tax-deferred basis in accordance with Section 403(b) of the Internal Revenue Code.

A participating employee is fully and immediately vested in amounts attributed to their employee salary reductions when such contributions are made. Participating employees are 50% vested in employer plan contributions after two years and are 100% vested after three years of service. The School contributed \$191,343 and \$168,041 to the plan for the years ended May 31, 2025 and 2024, respectively.

Note 10: Net Assets with Restrictions

Net assets with donor restrictions are available for the following purposes at May 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Endowment - support of operations	\$ 11,408,095	16,169,898
Endowment - support of operations (accumulated gains)	2,798,921	205,894
Endowment - scholarships	6,458,487	6,452,037
Endowment - scholarships (accumulated losses)	(616,499)	(842,863)
Outreach and educational services	2,650,827	1,134,659
Scholarships	46,151	58,698
Total	\$ <u>22,745,982</u>	<u>23,178,323</u>

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 10: Net Assets with Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donor or by the lapse of time restrictions.

Outreach and educational services	\$ 1,199,405
Scholarships	<u>12,547</u>
Total satisfaction of program and time restrictions	<u>\$ 1,211,952</u>

Note 11: Donor-Restricted Endowments

The endowment fund at May 31, 2025 consisted entirely of net assets with donor restrictions. The School has interpreted state law as requiring the preservation of the purchasing power (real value) of the permanent funds unless explicit donor stipulations specify how net appreciation must be used. To meet that objective, the School's endowment management policies require that net appreciation be retained permanently in an amount necessary to adjust the historic dollar value of original endowment gifts by the change in the Consumer Price Index.

State law allows the School to appropriate an amount of the net appreciation as is prudent considering the School's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees of the School has interpreted State Prudent Management of Institutional Funds Act (SPMIFA) to permit spending from underwater endowments in accordance with prudent measures required under law.

Effective in the fiscal year ending May 31, 2013, the School updated its spending policy as follows. Unless otherwise determined by the Board of Directors or specifically restricted by the donor, the target annual distribution rate shall be 5 percent (5.0%) of the average market value of the endowment funds (Which includes scholarship, operating and capital). Distribution of spendable amounts may be made annually, as soon as practical after the first calendar day of June. The distribution amount shall be calculated annually on December 31st. The annual distribution will be calculated using three-year rolling average by multiplying the spending rate (5%) by the average value of the endowment funds for the previous three calendar year-ends (December 31).

TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 11: Donor-Restricted Endowments (Continued)

Changes in endowment assets for the year ended May 31, 2025 are as follows:

	<u>With Donor Restrictions</u>
Endowment assets, beginning of year	\$ 21,984,966
Contributions	-
Investment return, net	1,446,381
Return of endowment (see note 14)	(2,500,000)
Amount appropriated for expenditures	<u>(882,343)</u>
Endowment assets, end of year	<u><u>\$ 20,049,004</u></u>

Note 12: Commitments and Contingencies

Grants and endowments require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions, or in the case of endowments, failure to continue to fulfill them, could result in the return of funds to grantors/donors. Although that is a possibility, the Board deems the contingency to be remote, since gifts are only accepted if their restrictions and terms fit within the objective of the organization.

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TETON SCIENCE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended May 31, 2025 and 2024

Note 13: Liquidity and Availability of Financial Assets

The School's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 2,243,837	\$ 149,833
Accounts receivable, net	465,621	486,961
Other receivables	-	2,275,698
Short-term pledges receivable	214,399	-
Investment - endowment	22,549,004	19,709,268
Long-term pledges receivable	<u>152,300</u>	<u>13,865</u>
Total Financial Assets	25,625,161	22,635,625
Less unavailable for general expenditures:		
Long-term portion of pledges receivable	(152,300)	(13,865)
Investment - endowment	(22,549,004)	(19,709,268)
Board-designated capital reserves	<u>(3,355)</u>	<u>(3,355)</u>
Total financial assets available for general expenditures within one year	<u>\$ 2,920,502</u>	<u>\$ 2,909,137</u>

As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the School invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the School has a line of credit as discussed in Note 6. The Board of Directors has designated \$3,355 as capital reserves. Although the School does not intend to spend from these board-designated reserves for general expenditures as part of its annual budget approval and appropriation process, such amounts could be made available if necessary.

Note 14: Subsequent Events

Subsequent events have been evaluated through October 10, 2025, the date the financial statement were available to be issued.

On October 3, 2025, the School returned a \$2,500,000 endowment from a donor as the School did not meet the terms of the endowment agreement. This has been recorded as a refund of endowment payable on the Statement of Financial Position.