

# Outward Bound California

Financial Statements

Years Ended December 31, 2023 and 2022



**OUTWARD BOUND**  
CALIFORNIA

**WIPFLI**

## **Independent Auditor's Report**

To the Finance Committee  
Outward Bound California  
San Francisco, California

### ***Opinion***

We have audited the accompanying financial statements of Outward Bound California (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of December 31, 2023 and 2022, 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 referred to above present fairly, in all material respects, the financial position of Outward Bound California as of December 31, 2023 and 2022, 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 ("GAAP").

### ***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 Outward Bound California 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 Outward Bound California's ability to continue as a going concern for one year after the date 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 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 Outward Bound California'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 Outward Bound California'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.

*Wipfli LLP*

Wipfli LLP  
South Portland, Maine

September 17, 2024

# Outward Bound California

## Statements of Financial Position

As of December 31,	2023	2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 3,400,437	\$ 3,547,374
Accounts receivable	65,428	10,075
Prepaid expenses and other assets	92,398	70,446
Contributions receivable - current portion	918,065	445,794
<b>Total current assets</b>	<b>4,476,328</b>	<b>4,073,689</b>
Property and equipment	211,038	280,771
<b>Other assets</b>		
Contributions receivable - long term	-	275,805
Investment in OBSG	169,692	179,793
Security deposits	6,500	6,900
Endowment investments	314,413	282,603
<b>Total other assets</b>	<b>490,605</b>	<b>745,101</b>
<b>Total assets</b>	<b>\$ 5,177,971</b>	<b>\$ 5,099,561</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 115,998	\$ 119,748
Accrued expenses	136,170	163,237
Deferred revenue	206,967	183,271
<b>Total liabilities</b>	<b>459,135</b>	<b>466,256</b>
<b>Net Assets</b>		
Without donor restriction	2,015,673	2,228,701
With donor restriction	2,703,163	2,404,604
<b>Total net assets</b>	<b>4,718,836</b>	<b>4,633,305</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,177,971</b>	<b>\$ 5,099,561</b>

See accompanying notes to financial statements.

# Outward Bound California

## Statement of Activities

Year Ended December 31, 2023	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenues</b>			
Course tuition and fees	\$ 1,660,463	\$ -	\$ 1,660,463
Contributions and grants	1,235,136	1,117,733	2,352,869
Government grants	413,493	-	413,493
Insurance proceeds	578,012	-	578,012
Other income	53,790	-	53,790
Net assets released from restrictions	863,741	(863,741)	-
<b>Total operating revenues</b>	<b>4,804,635</b>	<b>253,992</b>	<b>5,058,627</b>
<b>Operating Expenses</b>			
Program	3,943,772	-	3,943,772
General and administrative	422,295	-	422,295
Fundraising and development	675,868	-	675,868
<b>Total expenses</b>	<b>5,041,935</b>	<b>-</b>	<b>5,041,935</b>
<b>Change in net assets - operations</b>	<b>(237,300)</b>	<b>253,992</b>	<b>16,692</b>
<b>Non-Operating Activities</b>			
Change in value in investment	(10,101)	-	(10,101)
Gain on sale of assets	33,000	-	33,000
Investment gain on endowment	1,373	44,567	45,940
<b>Change in net assets - non-operating</b>	<b>24,272</b>	<b>44,567</b>	<b>68,839</b>
<b>Total change in net assets</b>	<b>(213,028)</b>	<b>298,559</b>	<b>85,531</b>
<b>Net assets, beginning of year</b>	<b>2,228,701</b>	<b>2,404,604</b>	<b>4,633,305</b>
<b>Net assets, end of year</b>	<b>\$ 2,015,673</b>	<b>\$ 2,703,163</b>	<b>\$ 4,718,836</b>

See accompanying notes to financial statements.

# Outward Bound California

## Statement of Activities

Year Ended December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenues</b>			
Course tuition and fees	\$ 1,977,515	\$ -	\$ 1,977,515
Contributions and grants	1,167,048	769,794	1,936,842
Government grants	413,413	-	413,413
Other income	39,358	-	39,358
Net assets released from restrictions	897,855	(897,855)	-
<b>Total operating revenues</b>	<b>4,495,189</b>	<b>(128,061)</b>	<b>4,367,128</b>
<b>Operating Expenses</b>			
Program	3,140,813	-	3,140,813
General and administrative	505,056	-	505,056
Fundraising and development	681,062	-	681,062
<b>Total expenses</b>	<b>4,326,931</b>	<b>-</b>	<b>4,326,931</b>
<b>Change in net assets - operations</b>	<b>168,258</b>	<b>(128,061)</b>	<b>40,197</b>
<b>Non-Operating Activities</b>			
Change in equity in investment	68,695	-	68,695
Investment loss on endowment	(2,514)	(53,352)	(55,866)
<b>Change in net assets - non-operating</b>	<b>66,181</b>	<b>(53,352)</b>	<b>12,829</b>
<b>Total change in net assets</b>	<b>234,439</b>	<b>(181,413)</b>	<b>53,026</b>
<b>Net assets, beginning of year</b>	<b>1,994,262</b>	<b>2,586,017</b>	<b>4,580,279</b>
<b>Net assets, end of year</b>	<b>\$ 2,228,701</b>	<b>\$ 2,404,604</b>	<b>\$ 4,633,305</b>

See accompanying notes to financial statements.

# Outward Bound California

## Statement of Functional Expenses

Year Ended December 31, 2023	Program	General and Administrative	Fund Raising	Total
Salaries	\$ 1,778,964	\$ 185,333	\$ 382,170	\$ 2,346,467
Payroll taxes and benefits	275,524	29,017	59,794	364,335
National fees	249,529	6,723	13,914	270,166
Employee expenses	97,015	12,859	18,801	128,675
Facility expenses	519,046	727	1,884	521,657
Insurance	98,824	12,580	20,519	131,923
Professional fees	155,962	134,715	143,001	433,678
Vehicle expenses	60,721	-	-	60,721
Food	98,434	-	-	98,434
Communications	13,369	266	548	14,183
Program and equipment expenses	291,359	-	-	291,359
Travel	88,844	7,824	4,487	101,155
Bank and other fees	35,498	999	4,719	41,216
Depreciation	73,233	-	-	73,233
Office equipment and supplies	79,710	29,010	17,754	126,474
Promotional expenses	20,675	336	6,424	27,435
Grant expense	7,065	-	-	7,065
Event expenses	-	1,906	1,853	3,759
<b>Total expenses</b>	<b>\$ 3,943,772</b>	<b>\$ 422,295</b>	<b>\$ 675,868</b>	<b>\$ 5,041,935</b>

See accompanying notes to financial statements.

# Outward Bound California

## Statement of Functional Expenses

Year Ended December 31, 2022	Program	General and Administrative	Fund Raising	Total
Salaries	\$ 1,626,087	\$ 253,726	\$ 296,015	\$ 2,175,828
Payroll taxes and benefits	235,744	36,969	43,130	315,843
National fees	230,065	8,121	9,475	247,661
Employee expenses	84,370	19,607	18,749	122,726
Facility expenses	132,653	364	154	133,171
Insurance	110,214	19,041	19,602	148,857
Professional fees	127,203	131,253	131,925	390,381
Vehicle expenses	54,569	322	-	54,891
Food	99,496	-	-	99,496
Communications	22,965	3,272	3,471	29,708
Program and equipment expenses	131,364	-	-	131,364
Travel	74,329	5,825	3,826	83,980
Bank and other fees	45,369	279	14,326	59,974
Depreciation	74,994	-	-	74,994
Office equipment and supplies	71,443	26,277	19,292	117,012
Promotional expenses	19,948	-	5,455	25,403
Event expenses	-	-	115,642	115,642
<b>Total expenses</b>	<b>\$ 3,140,813</b>	<b>\$ 505,056</b>	<b>\$ 681,062</b>	<b>\$ 4,326,931</b>

See accompanying notes to financial statements.



# Outward Bound California

## Statements of Cash Flows

Years Ended December 31,	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 85,531	\$ 53,026
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	73,233	74,994
Investment (gain) loss on endowment	(38,675)	62,287
Change in value of other investment	10,101	(68,695)
(Increase) decrease in:		
Accounts receivable	(55,353)	67,357
Contributions receivable	(196,466)	321,422
Prepaid expenses and other assets	(21,952)	49,542
Security deposits	400	5,000
Increase (decrease) in:		
Accounts payable	(3,750)	3,866
Accrued expenses	(27,067)	(50,785)
Deferred revenue	23,696	(167,443)
<b>Net cash flows from operating activities</b>	<b>(150,302)</b>	<b>350,571</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(36,500)	(71,916)
Proceeds from the sale of property and equipment	33,000	-
Proceeds from sale of investments	14,130	-
Purchase investments	(7,265)	(6,421)
<b>Net cash flows from investing activities</b>	<b>3,365</b>	<b>(78,337)</b>
Net change in cash and cash equivalents	(146,937)	272,234
Cash and cash equivalents at beginning of year	3,547,374	3,275,140
Cash and cash equivalents at end of year	\$ 3,400,437	\$ 3,547,374

See accompanying notes to financial statements.

# Outward Bound California

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Nature of Organization

As part of an international network of 41 schools worldwide, with 11 in the United States, Outward Bound California (the Organization) is a nonprofit educational organization with programs that deliver character development, leadership and self-discovery in the outdoors and urban green spaces with a core mission of changing lives through challenge and discovery. The Organization, based in San Francisco, brings the life-changing experiences of the Outward Bound educational model to participants from California, across the United States and beyond. OBCA strives to provide equitable and inclusive programming and is diligently working to train our staff to provide culturally relevant and responsive programs for all participants. The Organization operates under a charter agreement with Outward Bound, Inc.

#### Basis of Accounting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

#### Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported, as follows:

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Net Assets With Donor Restrictions** - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Use of Estimates

The preparation of accompanying financial statements in conformity GAAP requires management to make certain estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from those estimates.

# Outward Bound California

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Cash and Cash Equivalents**

The Organization maintains their cash accounts with a commercial bank. Accounts at the bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. At various times throughout the year, the Organization had cash balances in excess of FDIC insurance. The Organization believes that it is not exposed to any significant credit risk on its cash balances.

For purposes of this statement of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

#### **Accounts Receivable**

Beginning January 1, 2023, the carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Organization uses an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics. An allowance for credit losses was not considered necessary at December 31, 2023 and 2022.

#### **Contributions Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectible promises to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible.

#### **Property and Equipment**

Property and equipment are recorded at cost of, if received as a gift, at fair value when acquired. Depreciation is computed on the straight-line bases over the assets' useful lives which range from three to seven years. Property and equipment purchases with a cost in excess of \$5,000 are capitalized; all others are expensed as incurred. Ordinary repairs and maintenance costs are expensed as incurred.

#### **Investment in OBSG**

Investments consists of a non-controlling interest of 14.78% in Outward Bound Services Group, a North Carolina Limited Liability Company and, accordingly, is carried using the equity method.

# Outward Bound California

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Endowment Investments**

Endowment investments are carried at fair value.

#### Spending Policy

The overall investment objective for the Organization's endowment fund will be to preserve the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Organization. The target annual return for the portfolio is the rate of inflation, plus 4.5%.

#### Interpretation of State Law

The Organization has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of a gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as perpetual in nature the original gift(s) donated to the endowment, and accumulations in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in perpetual in nature is restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with California UPMIFA.

#### **Course Tuition and Fees**

The Organization recognizes revenue from tuition and fees during the period in which the related services are provided to students. The performance obligation of delivering services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course period. Payment for tuition and fees is required before the start of the academic period.

All amounts received prior to the commencement of the course, including enrollment deposits, are deferred to the applicable period. Due to the nature and timing of the performance and/or transfer of services, substantially all deferred revenue at December 31 of each year is recognized the following year.

Scholarships and discounts provided to students are recorded as a reduction from tuition and fees at the time revenue is recognized.

#### **Contribution and Grants**

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.

# Outward Bound California

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Contribution and Grants** (Continued)

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grant Revenues: Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards That Are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

#### **Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and determined not to be a private foundation within Section 509(a) of the Code.

Management has evaluated the Organization's tax positions and the Organization does not expect that unrecognized tax benefits or liabilities arising from tax positions will change significantly within the next twelve months. The Organization is currently open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for three years following the filing of the return.

#### **Functional Allocation of Expenses**

The Organization allocates its expenses on a functional basis among its various programs. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management allocates these costs based on factors, such as square footage associated with or hours employees worked on the respective program and supporting services. Management reviews the basis for this allocation annually.

#### **Promotional and Advertising Expenses**

The Organization expenses promotional and advertising costs as incurred.

# Outward Bound California

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods, including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities
- Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value:

- Mutual funds are based on the quoted net asset value of shares reported by the funds as of the last business day of the fiscal year.

#### Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long lived assets during 2023 and 2022.

#### Subsequent Events

The Organizations have evaluated events and transactions for potential recognition or disclosure in the financial statements through September 17, 2024, which is the date the financial statements were available to be issued.

# Outward Bound California

## Notes to Financial Statements

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### Note 2: Liquidity and Availability of Financial Resources

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	2023	2022
Cash and cash equivalents	\$ 1,944,536	\$ 2,146,972
Accounts receivable	65,428	10,075
Contributions receivable	810,349	321,384
<b>Total financial assets available for expenditure</b>	<b>\$ 2,820,313</b>	<b>\$ 2,478,431</b>

The Organization's endowment funds consist of donor-restricted endowments. Except as allowed by the Organization's spending policy and the relevant law, donor-restricted endowment funds are not available for general expenditure.

### Note 3: Contributions Receivable

Unconditional contributions receivable consisted of the following as of December 31:

	2023	2022
Unconditional promises to give	\$ 918,065	\$ 740,794
Less: unamortized discount	-	(19,195)
<b>Net unconditional promises to give</b>	<b>918,065</b>	<b>721,599</b>
Amounts due in:		
Less than one year	918,065	445,794
One to five years	-	295,000
<b>Total</b>	<b>\$ 918,065</b>	<b>\$ 740,794</b>

The rates used for the calculation of the unamortized discount are approximately 2% to 3%.

# Outward Bound California

## Notes to Financial Statements

### Note 4: Property and Equipment

Property and equipment consisted of the following as of December 31:

	2023	2022
Vehicles	\$ 136,120	\$ 172,264
Furniture and equipment	7,330	7,330
Camp equipment and improvements	163,176	176,811
Course design and improvements	243,990	240,490
Construction in process	59,882	59,882
	610,498	656,777
Less accumulated depreciation	(399,460)	(376,006)
<b>Total</b>	<b>\$ 211,038</b>	<b>\$ 280,771</b>

### Note 5: Investments and Endowment Funds

Investment in OBSG consist of the following at December 31:

	2023	2022
Investment in Outward Bound Services Group	\$ 169,692	\$ 179,793

Change in value in investment consisted of the following for the years ended December 31:

	2023	2022
Change in value of Outward Bound Services Group Investment	\$ (10,101)	\$ 68,695

Endowment investments consisted of the following at December 31:

	2023	2022
Cash and cash equivalents	\$ 38	\$ 36
Equity funds	225,733	198,707
Bond funds	88,642	83,860
<b>Total</b>	<b>\$ 314,413</b>	<b>\$ 282,603</b>



# Outward Bound California

## Notes to Financial Statements

### Note 5: Investments and Endowment Funds (Continued)

Endowment net asset composition by type of fund are, as follows:

As of December 31, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift	\$ -	\$ 246,959	\$ 246,959
Accumulated investment gains	-	67,454	67,454
<b>Total</b>	<b>\$ -</b>	<b>\$ 314,413</b>	<b>\$ 314,413</b>

As of December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift	\$ -	\$ 246,959	\$ 246,959
Accumulated investment gains	-	22,927	22,927
Board Designated Funds	12,717	-	12,717
<b>Total</b>	<b>\$ 12,717</b>	<b>\$ 269,886</b>	<b>\$ 282,603</b>

Changes in endowment net assets are, as follows:

Year ended December 31, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 12,717	\$ 269,886	\$ 282,603
Net investment gain	1,413	44,527	45,940
Appropriations	(14,130)	-	(14,130)
<b>Total</b>	<b>\$ -</b>	<b>\$ 314,413</b>	<b>\$ 314,413</b>

Year ended December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 15,231	\$ 323,238	\$ 338,469
Net investment loss	(2,514)	(53,352)	(55,866)
<b>Total</b>	<b>\$ 12,717</b>	<b>\$ 269,886</b>	<b>\$ 282,603</b>

# Outward Bound California

## Notes to Financial Statements

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### Note 6: Deferred Revenue

Deferred revenue is primarily from enrollment deposits and consists of the following for the years ended:

	2023	2022	2021
Deferred revenue	\$ 206,967	\$ 183,271	\$ 350,714

### Note 7: Government Grants

Government grants consist of the following for the years ended December 31:

	2023	2022
Employer Retention Credit	\$ 235,193	\$ 221,161
Program grants	178,300	192,252
<b>Total</b>	<b>\$ 413,493</b>	<b>\$ 413,413</b>

### Note 8: Net Assets with Donor Restriction

Net assets with donor restriction are comprised of the following at December 31:

	2023	2022
Subject to expenditure for specified purpose:		
Programs	\$ 208,344	\$ 246,632
Scholarships	18,693	32,167
Capital campaign	2,161,713	1,855,919
<b>Total purpose restricted</b>	<b>2,388,750</b>	<b>2,134,718</b>
Endowments:		
Perpetual in nature	246,959	246,959
Appreciation	67,454	22,927
<b>Total endowment</b>	<b>314,413</b>	<b>269,886</b>
<b>Total net assets with donor restrictions</b>	<b>\$ 2,703,163</b>	<b>\$ 2,404,604</b>

# Outward Bound California

## Notes to Financial Statements

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### Note 8: Net Assets with Donor Restriction (Continued)

The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors were as follows for the years ended December 31:

	2023	2022
Operations	\$ 330,269	\$ 406,925
Scholarships	150,877	179,654
Programs	330,561	256,688
Capital campaign	52,034	54,588
<b>Total net assets released from restrictions</b>	<b>\$ 863,741</b>	<b>\$ 897,855</b>

### Note 9: Retirement Plan

The Organization offers eligible employees participation in a 401(k) qualified retirement plan. The Organization's contribution to the plan is discretionary and is subject to an annual review and approval by the Board of Trustees. For the years ended 2023 and 2022, the approved discretionary match contribution was 3%, and amounted to \$39,077 and \$23,337, respectively.

### Note 10: Contingencies

The Organization may be involved in claims and legal actions arising in the ordinary course of its business. In the opinion of management, the ultimate disposition of such matters, subject to insurance deductibles, will not have a material adverse effect on the financial position of the Organization.

### Note 11: Related Party

The Organization is a member of the Outward Bound Services (OBSG), an organization which operates a national call center for the Outward Bound programs and provides national marketing efforts and other services to the regional Outward Bound schools. The OBSG has six members, all of which are Outward Bound chartered organizations, and each member has equal board representation and voting rights.

During the years ended 2023 and 2022, the Organization's fees for enrollment to the OBSG amounted to \$195,093 and \$177,055, respectively.

# Outward Bound California

## Notes to Financial Statements

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### Note 12: Fair Value Measurements

Fair values of assets measured on a recurring basis are, as follows:

As of December 31, 2023	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 38	\$ 38	\$ -	-
Equity funds	225,733	225,733	-	-
Bond funds	88,642	88,642	-	-
<b>Total</b>	<b>\$ 314,413</b>	<b>\$ 314,413</b>	<b>\$ -</b>	<b>-</b>

  

As of December 31, 2022	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 36	\$ 36	\$ -	-
Equity funds	198,707	198,707	-	-
Bond funds	83,860	83,860	-	-
<b>Total</b>	<b>\$ 282,603</b>	<b>\$ 282,603</b>	<b>\$ -</b>	<b>-</b>