

Outward Bound California

Financial Statements

Years Ended December 31, 2022 and 2021



**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, 2022 and 2021, 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, 2022 and 2021, 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

October 13, 2023

Outward Bound California

Statements of Financial Position

As of December 31,	2022	2021
ASSETS		
Current Assets		
Cash	\$ 3,547,374	\$ 3,275,140
Accounts receivable	10,075	77,432
Prepaid expenses and other assets	70,446	119,988
Contributions receivable - current portion	445,794	492,495
Total current assets	4,073,689	3,965,055
Property and equipment	280,771	283,849
Other Assets		
Contributions receivable - long term	275,805	550,526
Investment in OBSG	179,793	111,098
Security deposits	6,900	11,900
Endowment investments	282,603	338,469
Total other assets	745,101	1,011,993
Total assets	\$ 5,099,561	\$ 5,260,897
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 119,748	\$ 115,882
Accrued expenses	163,237	214,022
Deferred revenue	183,271	350,714
Total liabilities	466,256	680,618
Net Assets		
Without donor restriction	2,228,701	1,994,262
With donor restriction	2,404,604	2,586,017
Total net assets	4,633,305	4,580,279
Total liabilities and net assets	\$ 5,099,561	\$ 5,260,897

See accompanying notes to financial statements.

Outward Bound California

Statement of Activities

Year Ended December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
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)	-
Total operating revenues	4,495,189	(128,061)	4,367,128
Operating Expenses			
Program	3,140,813	-	3,140,813
General and administrative	505,056	-	505,056
Fundraising and development	681,062	-	681,062
Total expenses	4,326,931	-	4,326,931
Change in net assets - operations	168,258	(128,061)	40,197
Non-Operating Activities			
Change in value in investment	68,695	-	68,695
Investment loss on endowment	(2,514)	(53,352)	(55,866)
Change in net assets - non-operating	66,181	(53,352)	12,829
Total change in net assets	234,439	(181,413)	53,026
Net assets, beginning of year	1,994,262	2,586,017	4,580,279
Net assets, end of year	\$ 2,228,701	\$ 2,404,604	\$ 4,633,305

See accompanying notes to financial statements.

Outward Bound California

Statement of Activities

Year Ended December 31, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Course tuition and fees	\$ 1,670,090	\$ -	\$ 1,670,090
Contributions and grants	663,017	2,044,642	2,707,659
Government grants	896,246	-	896,246
Other income	10,580	-	10,580
Net assets released from restrictions	1,243,358	(1,243,358)	-
Total operating revenues	4,483,291	801,284	5,284,575
Operating Expenses			
Program	2,625,525	-	2,625,525
General and administrative	296,029	-	296,029
Fundraising and development	533,905	-	533,905
Total expenses	3,455,459	-	3,455,459
Change in net assets - operations	1,027,832	801,284	1,829,116
Non-Operating Activities			
Change in equity in investment	45,200	-	45,200
Gain (loss) on sale of assets	7,064	-	7,064
Investment gain on endowment	-	34,969	34,969
Change in net assets - non-operating	52,264	34,969	87,233
Total change in net assets	1,080,096	836,253	1,916,349
Net assets, beginning of year	914,166	1,749,764	2,663,930
Net assets, end of year	\$ 1,994,262	\$ 2,586,017	\$ 4,580,279

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
Total expenses	\$ 3,140,813	\$ 505,056	\$ 681,062	\$ 4,326,931

See accompanying notes to financial statements.

Outward Bound California

Statement of Functional Expenses

Year Ended December 31, 2021	Program	General and Administrative	Fund Raising	Total
Salaries	\$ 1,372,829	\$ 141,145	\$ 307,954	\$ 1,821,928
Payroll taxes and benefits	238,893	22,737	49,610	311,240
National fees	172,534	2,081	4,540	179,155
Employee expenses	57,190	8,586	13,726	79,502
Facility expenses	110,989	1,240	-	112,229
Insurance	89,826	8,823	19,251	117,900
Professional fees	60,327	92,531	48,444	201,302
Vehicle expenses	48,405	344	-	48,749
Food	81,917	-	-	81,917
Communications	20,296	314	-	20,610
Program and equipment expenses	140,321	-	-	140,321
Travel	48,696	357	2,220	51,273
Bank and other fees	46,622	-	6,910	53,532
Depreciation	69,244	-	-	69,244
Office equipment and supplies	56,319	17,871	14,327	88,517
Promotional expenses	11,117	-	2,272	13,389
Event expenses	-	-	64,651	64,651
Total expenses	\$ 2,625,525	\$ 296,029	\$ 533,905	\$ 3,455,459

See accompanying notes to financial statements.

Outward Bound California

Statements of Cash Flows

Years Ended December 31,	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 53,026	\$ 1,916,349
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	74,994	69,244
Gain on sale of assets	-	(7,064)
Investment (gain) loss on endowment	62,287	(28,824)
Change in value of other investment	(68,695)	(45,200)
(Increase) decrease in:		
Accounts receivable	67,357	(77,432)
Contributions receivable	321,422	(718,161)
Prepaid expenses and other assets	49,542	(46,960)
Security deposits	5,000	7,100
Increase (decrease) in:		
Accounts payable	3,866	45,181
Accrued expenses	(50,785)	(147,831)
Deferred revenue	(167,443)	269,364
Net cash flows from operating activities	350,571	1,235,766
Cash flows from investing activities:		
Purchase of property and equipment	(71,916)	(2,263)
Proceeds from the sale of property and equipment	-	20,915
Purchase investments	(6,421)	(6,145)
Net cash flows from investing activities	(78,337)	12,507
Net change in cash and cash equivalents	272,234	1,248,273
Cash and cash equivalents at beginning of year	3,275,140	2,026,867
Cash and cash equivalents at end of year	\$ 3,547,374	\$ 3,275,140

See accompanying notes to financial statements.

Outward Bound California

Notes to Financial Statements

Note 1: Nature of Activities and Significant Policies

Nature of the 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 financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

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.

Outward Bound California

Notes to Financial Statements

Note 1: Nature of Activities and Significant Policies (Continued)

Cash and Cash Equivalents (Continued)

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

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable unelectable amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No allowance for uncollectible accounts was considered necessary as of December 31, 2022 and 2021.

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.

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%.

Outward Bound California

Notes to Financial Statements

Note 1: Nature of Activities and Significant Policies (Continued)

Endowment Investments (Continued)

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.

Contributions 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.
- 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.

Outward Bound California

Notes to Financial Statements

Note 1: Nature of Activities and Significant Policies (Continued)

Contributions and Grants (Continued)

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.

Donated Supplies and Materials

Each year, certain supplies and materials have been donated in-kind to the Organization. The estimated fair value of these materials has been reflected in the accompanying financial statements as contributions with a like amount included in program and supporting services expenses.

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

Note 1: Nature of Activities and Significant 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.

For the year ended 2022, the application of valuation techniques applied to similar assets and liabilities has been consistent. 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.

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, 2022 and 2021, 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.

Outward Bound California

Notes to Financial Statements

Note 2: Liquidity and Availability of Financial Resources (Continued)

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:

	2022	2021
Cash and cash equivalents	\$ 2,146,972	\$ 2,070,613
Accounts receivable	10,075	77,432
Pledges receivable	321,384	426,925
Total financial assets available for expenditure	\$ 2,478,431	\$ 2,574,970

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:

	2022	2021
Unconditional promises to give before unamortized discount	\$ 740,794	\$ 1,075,935
Less: unamortized discount	(19,195)	(32,914)
Net unconditional promises to give	721,599	1,043,021
Amounts due in:		
Less than one year	445,794	492,495
One to five years	295,000	583,440
Total	\$ 740,794	\$ 1,075,935

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

	2022	2021
Vehicles	\$ 172,264	\$ 189,713
Furniture and equipment	7,330	62,810
Camp equipment and improvements	176,811	164,777
Course design and improvements	240,490	265,565
Construction in process	59,882	-
	656,777	682,865
Less accumulated depreciation	(376,006)	(399,016)
Total	\$ 280,771	\$ 283,849

Note 5: Investments and Endowment Funds

Investment in OBSG consist of the following at December 31:

	2022	2021
Investment in Outward Bound Services Group	\$ 179,793	\$ 111,098

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

	2022	2021
Change in value of Outward Bound Services Group Investment	\$ 68,695	\$ 45,200

Endowment investments consisted of the following at December 31:

	2022	2021
Cash and cash equivalents	\$ 36	\$ 36
Equity funds	198,707	238,264
Bond funds	83,860	100,169
Total	\$ 282,603	\$ 338,469

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, 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
Total	\$ 12,717	\$ 269,886	\$ 282,603

As of December 31, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift	\$ -	\$ 246,959	\$ 246,959
Accumulated investment gains	-	76,279	76,279
Board Designated Funds	15,231	-	15,231
Total	\$ 15,231	\$ 323,238	\$ 338,469

Changes in endowment net assets are, as follows:

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)
Total	\$ 12,717	\$ 269,886	\$ 282,603

Year ended December 31, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ -	\$ 303,500	\$ 303,500
Net investment income	-	34,969	34,969
Appropriations	15,231	(15,231)	-
Total	\$ 15,231	\$ 323,238	\$ 338,469

Outward Bound California

Notes to Financial Statements

Note 6: Deferred Revenue

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

	2022	2021	2020
Deferred revenue	\$ 183,271	\$ 350,714	\$ 81,350

Note 7: Government Grants

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

	2022	2021
Paycheck Protection Program	\$ -	\$ 729,345
Employer Retention Credit	221,161	-
Program grants	192,252	166,901
Total	\$ 413,413	\$ 896,246

Note 8: Net Assets with Donor Restriction

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

	2022	2021
Subject to expenditure for specified purpose:		
Programs	\$ 165,181	\$ 102,470
Scholarships	117,396	133,116
Capital campaign	1,852,141	2,027,193
Total purpose restricted	2,134,718	2,262,779
Endowments:		
Perpetual in nature	246,959	246,959
Appreciation	22,927	76,279
Total endowment	269,886	323,238
Total Net Assets with Donor Restrictions	\$ 2,404,604	\$ 2,586,017

Outward Bound California

Notes to Financial Statements

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:

	2022	2021
Operations	\$ 411,300	\$ 650,000
Scholarships	215,836	186,363
Programs	229,044	390,085
Capital campaign	41,675	16,910
Total net assets released from restrictions	\$ 897,855	\$ 1,243,358

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 2022 and 2021, the approved discretionary match contribution was 3%, and amounted to \$23,337 and \$26,274, 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 2022 and 2021, the Organization's fees for enrollment to the OBSG amounted to \$177,055 and \$125,944, respectively.

Outward Bound California

Notes to Financial Statements

Note 12: Fair Value Measurements

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

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	-	-
Total	\$ 282,603	\$ 282,603	\$ -	-

As of December 31, 2021	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 36	\$ 36	\$ -	-
Equity funds	238,264	238,264	-	-
Bond funds	100,169	100,169	-	-
Total	\$ 338,469	\$ 338,469	\$ -	-

Note 13: Evaluation of Subsequent Events

The Organization has evaluated subsequent events through October 13, 2023, which represents the date on which the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.