

Outward Bound California

Financial Statements

Years Ended December 31, 2024 and 2023



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, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of Outward Bound California as of December 31, 2024 and 2023, 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
South Portland, Maine

August 18, 2025

Outward Bound California

Statements of Financial Position

As of December 31,	2024	2023
ASSETS		
Current assets		
Cash	\$ 2,962,570	\$ 3,400,437
Accounts receivable, net	46,446	65,428
Prepaid expenses and other assets	42,693	98,898
Contributions receivable - current portion	60,347	918,065
Total current assets	3,112,056	4,482,828
Property and equipment	948,345	211,038
Other assets		
Contributions receivable - long term	25,000	-
Investment in OBSG	126,936	169,692
Endowment investments	352,605	314,413
Total other assets	504,541	484,105
Total assets	\$ 4,564,942	\$ 5,177,971
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 61,773	\$ 115,998
Accrued expenses	231,275	136,170
Deferred revenue	230,650	206,967
Total liabilities	523,698	459,135
Net Assets		
Without donor restrictions	2,415,626	2,015,673
With donor restrictions	1,625,618	2,703,163
Total net assets	4,041,244	4,718,836
Total liabilities and net assets	\$ 4,564,942	\$ 5,177,971

See accompanying notes to financial statements.

Outward Bound California

Statement of Activities

Year Ended December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Course tuition and fees	\$ 1,408,882	\$ -	\$ 1,408,882
Contributions and grants	1,287,284	981,056	2,268,340
Government grants	134,831	-	134,831
Insurance proceeds	154,267	-	154,267
Other income	67,223	-	67,223
Net assets released from restrictions	2,096,793	(2,096,793)	-
Total operating revenues	5,149,280	(1,115,737)	4,033,543
Operating Expenses			
Program	3,390,525	-	3,390,525
General and administrative	507,763	-	507,763
Fundraising and development	808,283	-	808,283
Total expenses	4,706,571	-	4,706,571
Change in net assets - operations	442,709	(1,115,737)	(673,028)
Non-Operating Activities			
Change in value in investment	(42,756)	-	(42,756)
Investment gain on endowment	-	38,192	38,192
Change in net assets - non-operating	(42,756)	38,192	(4,564)
Total change in net assets	399,953	(1,077,545)	(677,592)
Net assets, beginning of year	2,015,673	2,703,163	4,718,836
Net assets, end of year	\$ 2,415,626	\$ 1,625,618	\$ 4,041,244

See accompanying notes to financial statements.

Outward Bound California

Statement of Activities

Year Ended December 31, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
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)	-
Total operating revenues	4,804,635	253,992	5,058,627
Operating Expenses			
Program	3,943,772	-	3,943,772
General and administrative	422,295	-	422,295
Fundraising and development	675,868	-	675,868
Total expenses	5,041,935	-	5,041,935
Change in net assets - operations	(237,300)	253,992	16,692
Non-Operating Activities			
Change in equity 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
Change in net assets - non-operating	24,272	44,567	68,839
Total change in net assets	(213,028)	298,559	85,531
Net assets, beginning of year	2,228,701	2,404,604	4,633,305
Net assets, end of year	\$ 2,015,673	\$ 2,703,163	\$ 4,718,836

See accompanying notes to financial statements.

Outward Bound California

Statement of Functional Expenses

Year Ended December 31, 2024	Program	General and Administrative	Fund Raising	Total
Salaries	\$ 1,726,017	\$ 175,675	\$ 404,316	\$ 2,306,008
Payroll taxes and benefits	358,562	46,006	68,918	473,486
National fees	199,665	5,490	13,171	218,326
Employee expenses	93,289	10,743	15,520	119,552
Facility expenses	170,353	200	-	170,553
Insurance	102,169	13,098	23,929	139,196
Professional fees	115,835	221,144	111,762	448,741
Vehicle expenses	67,103	-	-	67,103
Food	91,889	-	-	91,889
Communications	15,615	958	941	17,514
Program and equipment expenses	118,533	-	-	118,533
Travel	72,610	4,391	6,666	83,667
Bank and other fees	25,388	232	10,554	36,174
Depreciation	68,236	-	-	68,236
Office equipment and supplies	137,574	29,826	19,591	186,991
Promotional expenses	12,629	-	4,647	17,276
Bad debt	15,058	-	-	15,058
Event expenses	-	-	128,268	128,268
Total expenses	\$ 3,390,525	\$ 507,763	\$ 808,283	\$ 4,706,571

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
Total expenses	\$ 3,943,772	\$ 422,295	\$ 675,868	\$ 5,041,935

See accompanying notes to financial statements.

Outward Bound California

Statements of Cash Flows

Years Ended December 31,	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (677,592)	\$ 85,531
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	68,236	73,233
Investment gain on endowment	(29,963)	(38,675)
Change in value of other investment	42,756	10,101
(Increase) decrease in:		
Accounts receivable	18,982	(55,353)
Contributions receivable	832,718	(196,466)
Prepaid expenses and other assets	56,205	(21,552)
Increase (decrease) in:		
Accounts payable	(54,225)	(3,750)
Accrued expenses	95,105	(27,067)
Deferred revenue	23,683	23,696
Net cash flows from operating activities	375,905	(150,302)
Cash flows from investing activities:		
Purchase of property and equipment	(805,543)	(36,500)
Proceeds from the sale of property and equipment	-	33,000
Proceeds from sale of investments	-	14,130
Purchase investments	(8,229)	(7,265)
Net cash flows from investing activities	(813,772)	3,365
 Net change in cash and cash equivalents	 (437,867)	 (146,937)
 Cash and cash equivalents at beginning of year	 3,400,437	 3,547,374
 Cash and cash equivalents at end of year	 \$ 2,962,570	 \$ 3,400,437

See accompanying notes to financial statements.

Outward Bound California

Notes to Financial Statements

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

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

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. Allowance for credit losses were \$15,058 and \$0 at December 31, 2024 and 2023, respectively.

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

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

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

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.

Reclassification

Certain amounts as previously reported in the 2023 financial statements have been reclassified to conform to the 2024 presentation. Such reclassifications have no effect on total reported amounts of net assets or change in net assets.

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 2024 and 2023.

Outward Bound California

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 18, 2025, which is the date the financial statements were available to be issued.

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, 2024 and 2023, 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:

	2024	2023
Cash and cash equivalents	\$ 1,524,982	\$ 1,944,536
Accounts receivable	46,446	65,428
Contributions receivable	60,347	810,349
Total financial assets available for expenditure	\$ 1,631,775	\$ 2,820,313

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:

	2024	2023
Unconditional promises to give	\$ 85,347	\$ 918,065
Amounts due in:		
Less than one year	60,347	918,065
One to five years	25,000	-
Total	\$ 85,347	\$ 918,065

Outward Bound California

Notes to Financial Statements

Note 4: Property and Equipment

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

	2024	2023
Land	\$ 72,499	\$ -
Building	733,044	-
Vehicles	118,620	136,120
Furniture and equipment	7,330	7,330
Camp equipment and improvements	163,176	163,176
Course design and improvements	243,990	243,990
Construction in process	59,882	59,882
	1,398,541	610,498
Less accumulated depreciation	(450,196)	(399,460)
Total	\$ 948,345	\$ 211,038

Note 5: Investments and Endowment Funds

Investment in OBSG consist of the following at December 31:

	2024	2023
Investment in Outward Bound Services Group	\$ 126,936	\$ 169,692

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

	2024	2023
Change in value of Outward Bound Services Group Investment	\$ (42,756)	\$ (10,101)

Endowment investments consisted of the following at December 31:

	2024	2023
Cash and cash equivalents	\$ 40	\$ 38
Equity funds	262,826	225,733
Bond funds	89,739	88,642
Total	\$ 352,605	\$ 314,413

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, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift	\$ -	\$ 246,959	\$ 246,959
Accumulated investment gains	-	105,646	105,646
Total	\$ -	\$ 352,605	\$ 352,605

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
Total	\$ -	\$ 314,413	\$ 314,413

Changes in endowment net assets are, as follows:

Year ended December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ -	\$ 314,413	\$ 314,413
Net investment gain	-	38,192	38,192
Total	\$ -	\$ 352,605	\$ 352,605

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)
Total	\$ -	\$ 314,413	\$ 314,413

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 December 31:

	2024	2023	2022
Deferred revenue	\$ 230,650	\$ 206,967	\$ 183,271

Note 7: Government Grants

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

	2024	2023
Employer Retention Credit	\$ 39,106	\$ 235,193
Program grants	95,725	178,300
Total	\$ 134,831	\$ 413,493

Note 8: Net Assets with Donor Restrictions

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

	2024	2023
Time and purpose restricted:		
Programs	\$ 97,623	\$ 208,344
Scholarships	270,991	18,693
Capital campaign	819,052	1,351,364
Contribution receivable	85,347	810,349
Total time and purpose restricted	1,273,013	2,388,750
Endowments:		
Perpetual in nature	246,959	246,959
Appreciation	105,646	67,454
Total endowment	352,605	314,413
Total net assets with donor restrictions	\$ 1,625,618	\$ 2,703,163

Outward Bound California

Notes to Financial Statements

Note 8: Net Assets with Donor Restrictions (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:

	2024	2023
Operations	\$ 835,336	\$ 330,269
Scholarships	269,748	150,877
Programs	169,397	330,561
Capital campaign	822,312	52,034
Total net assets released from restrictions	\$ 2,096,793	\$ 863,741

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 2024 and 2023, the approved discretionary match contribution was 3%, and amounted to \$128,968 and \$39,077, respectively. Pension expense also includes an accrual of \$75,000 for the errors noted by management in the enrollment of participants.

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 2024 and 2023, the Organization's fees for enrollment to the OBSG amounted to \$155,192 and \$195,093, 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, 2024	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 40	\$ 40	\$ -	\$ -
Equity funds	262,826	262,826	-	-
Bond funds	89,739	89,739	-	-
Total	\$ 352,605	\$ 352,605	\$ -	\$ -

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	-	-
Total	\$ 314,413	\$ 314,413	\$ -	\$ -