

NYC Outward Bound Schools

Financial Statements

June 30, 2023 and 2022



**NYC OUTWARD BOUND
SCHOOLS**

Transforming Schools, Changing Lives

Independent Auditor's Report

Board of Directors

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools
Long Island City, New York

Opinion

We have audited the accompanying financial statements of New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of June 30, 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 New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools as of June 30, 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 New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools 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 New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools's ability to continue as a going concern within 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 New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools'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 New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools'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

April 26, 2024

**New York City Outward Bound Center, Inc. d/b/a NYC
Outward Bound Schools
Statements of Financial Position**

<i>June 30,</i>	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,210,324	\$ 2,019,652
Restricted cash	36,892	65,658
Cash and investments - board designated	1,795,235	1,795,235
Contracts receivable	3,030,866	2,676,308
Contributions receivable	227,056	642,167
Prepaid expenses and other assets	96,533	50,164
Total current assets	6,396,906	7,249,184
Other Assets		
Long-term contributions receivable	139,933	47,130
Security deposits	3,880	3,880
Property and equipment - net	4,370,270	4,585,724
Total other assets	4,514,083	4,636,734
Total assets	\$ 10,910,989	\$ 11,885,918
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 160,633	\$ 171,258
Salaries and payroll taxes payable	306,210	256,374
Security deposits	27,649	19,549
Contract advances payable	138,569	174,341
Total current liabilities	633,061	621,522
Net Assets		
Without donor restrictions		
Board designated for future purposes	1,795,235	1,795,235
Investment in property and equipment	4,370,270	4,585,724
Undesignated	3,488,874	4,041,635
Total without donor restriction	9,654,379	10,422,594
With donor restrictions	623,549	841,802
Total net assets	10,277,928	11,264,396
Total liabilities and net assets	\$ 10,910,989	\$ 11,885,918

See accompanying notes to financial statements.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Statements of Activities

<i>Years Ended June 30,</i>	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	Operating revenue:					
Contract services	\$ 3,535,045	\$ -	\$ 3,535,045	\$ 3,149,986	\$ -	\$ 3,149,986
Course fees	579,514	-	579,514	592,031	-	592,031
Grants and contributions	546,917	503,012	1,049,929	1,039,918	646,122	1,686,040
Federal grants	219,669	-	219,669	791,800	-	791,800
Fundraising events	1,242,437	-	1,242,437	1,206,581	-	1,206,581
Investment income utilized in operations	44,964	-	44,964	-	-	-
Other income	144,075	-	144,075	115,748	-	115,748
	6,312,621	503,012	6,815,633	6,896,064	646,122	7,542,186
Net assets released from restrictions						
Satisfaction of program restrictions	696,265	(696,265)	-	228,099	(228,099)	-
Satisfaction of time restrictions	25,000	(25,000)	-	25,000	(25,000)	-
Total revenue from operations	7,033,886	(218,253)	6,815,633	7,149,163	393,023	7,542,186
Operating expenses:						
Network Schools	3,139,942	-	3,139,942	2,813,426	-	2,813,426
Crew and Select Strategies Schools	2,350,289	-	2,350,289	1,937,341	-	1,937,341
Adventure and Team Building Programs	1,063,069	-	1,063,069	916,717	-	916,717
Supporting services:						
Management and general	534,017	-	534,017	499,988	-	499,988
Fundraising:						
General	665,974	-	665,974	617,445	-	617,445
Events	156,678	-	156,678	161,811	-	161,811
Total operating expenses	7,909,969	-	7,909,969	6,946,728	-	6,946,728
Change in net assets from operations	(876,083)	(218,253)	(1,094,336)	202,435	393,023	595,458
Non-operating activities:						
Investment income (loss)	152,832	-	152,832	(1,334)	-	(1,334)
Investment income released for operations	(44,964)	-	(44,964)	-	-	-
Change in net assets - non-operating	107,868	-	107,868	(1,334)	-	(1,334)
Change in net assets	(768,215)	(218,253)	(986,468)	201,101	393,023	594,124
Net assets at beginning of year	10,422,594	841,802	11,264,396	10,221,493	448,779	10,670,272
Net assets at end of year	\$ 9,654,379	\$ 623,549	\$10,277,928	\$10,422,594	\$ 841,802	\$11,264,396

See accompanying notes to financial statements.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools

Statement of Functional Expenses

<i>Year ended June 30, 2023</i>	Network Schools	Crew and Select Strategies Schools	Adventure & Team Building Programs	Total Program Services	Management & General	Fundraising General	Fundraising events	Total
Salaries	\$ 1,999,307	\$ 1,247,656	\$ 673,341	\$ 3,920,304	\$ 259,677	\$ 439,651	\$ (334)	\$ 4,619,298
Payroll taxes and fringe benefits	461,920	331,329	120,726	913,975	80,258	116,712	(76)	1,110,869
Professional fees	111,215	176,041	48,116	335,372	41,042	24,689	56,592	457,695
Food	41,506	17,666	26,248	85,420	5,478	3,326	91,484	185,708
Supplies	39,678	14,572	13,074	67,324	1,633	3,258	1,760	73,975
Occupancy	54,165	35,927	64,647	154,739	6,849	14,133	-	175,721
Insurance	59,416	41,669	26,486	127,571	25,195	16,403	-	169,169
Travel	24,554	9,471	7,461	41,486	217	362	235	42,300
Lodging	6,425	3,279	858	10,562	26	54	-	10,642
Charter fees	67,048	42,495	11,579	121,122	3,475	7,171	-	131,768
Printing and publications	3,276	1,366	1,922	6,564	75	156	6,032	12,827
Equipment rental and maintenance	16,046	6,917	14,961	37,924	4,557	8,600	-	51,081
Professional development fees	46,841	12,302	1,079	60,222	35	72	-	60,329
Telephone	16,411	14,372	7,245	38,028	1,772	3,941	-	43,741
Program fees and permits	20,538	1,744	2,736	25,018	3,105	619	-	28,742
Dues, publications and memberships	35,929	4,219	2,096	42,244	629	1,324	-	44,197
Postage	340	293	138	771	98	587	373	1,829
Payroll processing and bank fees	-	-	-	-	86,822	-	-	86,822
Advertising	390	3,774	174	4,338	52	108	-	4,498
Grants to schools	-	18,782	-	18,782	-	-	-	18,782
Miscellaneous	50,170	306,893	2,377	359,440	1,675	1,394	612	363,121
Bad debt expense	548	385	244	1,177	73	151	-	1,401
Depreciation	84,219	59,137	37,561	180,917	11,274	23,263	-	215,454
Total	\$ 3,139,942	\$ 2,350,289	\$ 1,063,069	\$ 6,553,300	\$ 534,017	\$ 665,974	\$ 156,678	\$ 7,909,969

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools

Statement of Functional Expenses

<i>Year ended June 30, 2022</i>	Network Schools	Select Strategies	Adventure & Team Building Programs	Total Program Services	Management & General	Fundraising General	Fundraising events	Total
Salaries	\$ 1,715,871	\$ 1,137,943	\$ 610,502	\$ 3,464,316	\$ 255,552	\$ 411,933	\$ 334	\$ 4,132,135
Payroll taxes and fringe benefits	391,345	274,432	122,954	788,731	69,999	99,037	76	957,843
Professional fees	136,128	131,275	31,948	299,351	34,733	14,409	31,693	380,186
Food	18,441	6,608	7,252	32,301	1,231	1,539	763	35,834
Supplies	55,002	27,615	17,956	100,573	3,770	7,321	1,011	112,675
Occupancy	45,592	31,873	19,773	97,238	5,935	12,246	116,721	232,140
Insurance	62,079	43,590	27,687	133,356	26,140	17,147	-	176,643
Travel	13,683	2,232	3,232	19,147	120	247	182	19,696
Lodging	1,561	215	-	1,776	-	-	-	1,776
Charter fees	82,424	50,863	8,722	142,009	2,618	5,402	-	150,029
Printing and publications	2,504	676	430	3,610	129	266	5,873	9,878
Equipment rental and maintenance	10,343	6,241	4,843	21,427	4,220	11,261	-	36,908
Professional development fees	36,363	534	(189)	36,708	-	-	-	36,708
Telephone	15,310	12,342	7,493	35,145	1,655	3,818	-	40,618
Program fees and permits	9,020	3,600	3,068	15,688	2,031	1,416	-	19,135
Dues, publications and memberships	26,426	3,197	2,441	32,064	530	1,093	111	33,798
Postage	254	115	95	464	22	113	871	1,470
Payroll processing and bank fees	-	-	-	-	70,973	-	-	70,973
Advertising	751	11,884	323	12,958	1,162	200	-	14,320
Miscellaneous	95,805	125,734	6,030	227,569	6,515	3,887	4,176	242,147
Bad debt expense	86	60	38	184	12	24	-	220
Depreciation	94,438	66,312	42,119	202,869	12,641	26,086	-	241,596
Total	\$ 2,813,426	\$ 1,937,341	\$ 916,717	\$ 5,667,484	\$ 499,988	\$ 617,445	\$ 161,811	\$ 6,946,728

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Statements of Cash Flows

<i>Years Ended June 30,</i>	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (986,468)	\$ 594,124
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation expense	215,454	241,596
Bad debt expense	1,401	220
Gain on investments	(88,132)	-
(Increase) decrease in:		
Contracts receivable	(354,558)	(1,647,014)
Contributions receivable	320,907	(259,168)
Prepaid expenses and other assets	(46,369)	23,523
Increase (decrease) in:		
Accounts payable and accrued expenses	(10,625)	8,484
Salaries and payroll taxes payable	49,836	(55,762)
Refundable advance - PPP grant	-	(816,717)
Contract advances payable	(35,772)	56,048
Security deposits	8,100	-
Net cash flows from operating activities	(926,226)	(1,854,666)
Cash flows from investing activities:		
Purchase of investments	(713,636)	(993,467)
Net cash flows from investing activities	(713,636)	(993,467)
Net change in cash and cash equivalents	(1,639,862)	(2,848,133)
Cash and cash equivalents, beginning of year	2,887,078	5,735,211
Cash and cash equivalents, end of year	\$ 1,247,216	\$ 2,887,078
Cash and cash equivalents consists of:		
Cash and cash equivalents	\$ 1,210,324	\$ 2,019,652
Restricted cash	36,892	65,658
Board designated cash equivalents	-	801,768
Total	\$ 1,247,216	\$ 2,887,078

See accompanying notes to financial statements.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 1: Organization

Founded in 1987, NYC Outward Bound Schools is a nonprofit organization that currently partners with over 70 public schools across NYC to engage students in equitable, immersive and joyful learning that prepares them to thrive in community, college and career.

Our student-centered model integrates social, emotional and academic development (SEAD) — all critical components of student success — and we partner closely with schools to help ensure students have voice and choice in what they learn. We coach educators and school leaders to implement relevant and engaging learning into their classrooms and increase student sense of belonging through Crew, our signature advisory structure. We also provide opportunities for students to develop leadership skills through our outdoor adventure programs.

We partner with NYC schools to create strong, supportive school communities where students feel they belong, are challenged to engage in complex and relevant work, and have a sense of agency. We do this through varying levels of support — by implementing a whole-school approach to teaching and learning at our Network Schools, to concentrating on a more specific set of supports at our Select Strategies and Crew Initiative Schools.

Together, our supports help students graduate with a solid postsecondary plan, prepared to thrive in college, career and life. In fact, students who attend schools that fully embrace our model are much more likely to graduate high school on-time, and to enroll and persist in college. Every day, we are proving that transformation and innovation can happen within a public school system, and that with truly equitable schools, all students — regardless of background or circumstance — are capable of achieving at high levels.

For federal income tax purposes, NYC Outward Bound Schools is classified as a 501(c)(3) organization and is exempt under Section 501(a) of the Internal Revenue Code and a similar provision of the New York State income tax laws.

During fiscal years 2023 and 2022, NYC Outward Bound Schools served 28,097 student, and 2,044 educators, respectively, through our core program areas:

Network Schools – We operated a citywide network of public schools that fully embodies our educational approach. Our network consists mainly of district schools but also includes one public charter school. We support our Network schools by providing:

- Coaching and professional development for teachers and school leaders in the implementation of EL Education, a whole school model with its roots in Outward Bound.
- Programming for students focuses on building essential social-emotional and academic skills through relationship building, collaboration, conflict resolution and self-reflection.
- Postsecondary support aimed at supporting our students - most of whom will be the first in their families to attend college - in applying to, enrolling in, and completing college.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 1: Organization (Continued)

Our schools are achieving outstanding results. 94% of our students graduated on time compared to 84% of students citywide. Our graduates, many of whom will be the first in their family to attend college, enrolled in college at higher rates than the national average for the past seven years and 79% of our 2019 graduates who enrolled in college were still enrolled by their sophomore year.

This past school year, we had 14 Network Schools: Brooklyn Collaborative, Channel View School for Research, Community School for Social Justice, Gaynor McCown, The James Baldwin School, Kurt Hahn, Launch, MAELS, MELS, MS 839, Leaders High School, West End Secondary, WHEELS, and the Institute for Health Professions at Cambria Heights which joined our network in September, 2021. We piloted A School Without Walls, laying the groundwork for the school to open officially as New York City's first hybrid public school in September 2023.

Select Strategies for Schools – In addition to operating our network of schools, we also bring the most effective and replicable school-wide structures and classroom practices from our Network Schools to other public schools throughout New York City. These Select Strategies are specially designed to strengthen schools' capacity to build positive culture and/or deliver demanding and engaging academics. We help each partner school adapt and implement one or more of these Select Strategies to address an articulated area of school need.

Typical Select Strategies partnerships involve between 12 and 30 days of support, which can include large group professional learning, individualized classroom-based coaching, and direct student services.

This past year, we worked with 11 schools in the City supporting teachers to implement practices for which we have considerable organizational expertise: Crew, our distinctive student advisory structure, and Project-Based Learning, a teaching method in which students gain knowledge and skills by working for an extended period of time to investigate and respond to a culturally relevant, authentic, engaging, and complex question, problem, or challenge.

Crew Initiative – During the 2021-22 school year, growing out of our Select Strategies work, we launched Crew Initiative through which we are supporting over 50 NYC public schools in building the capacity to implement a Crew program and culture in their school. These Crew Initiative Schools work one-on-one with Crew Coaches and meet as a group throughout the year to work toward increasing a sense of belonging at their schools.

Outdoor Adventure Programs – Some of the most important lessons are learned outside of the classroom. Drawing upon Outward Bound's 60 years of preeminence in experiential education, NYC Outward Bound Schools offers a range of outdoor adventure programs for students and educators. We offer these programs on a fee-for-service basis to New York City public schools. They can be school-, city- and/or wilderness-based and can be targeted to youth and/or adults. They vary in length from a half day to a week. These programs strengthen community, belonging, collaboration, reflection and leadership and help bring the central lesson of Outward Bound to life—that with the right mix of challenge and support, all individuals, regardless of background or circumstance, can achieve more than they thought possible.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 1: Organization (Continued)

During our 2023 fiscal year, we provided Adventure and Team Building programming to 3,325 students and 484 adults.

By implementing a whole-school approach to teaching and learning at our Network Schools, and concentrating on more specific set of supports at our Select Strategies and Crew Initiative Schools, overall, this past year we partnered with a total of 78 NYC public schools to create strong, supportive school communities where students feel they belong, are challenged to engage in complex and relevant work, and have a sense of agency.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of NYC Outward Bound Schools have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP"). The significant accounting policies are described below.

Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-or grantor-imposed restrictions. Accordingly, net assets of the Organization 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. The governing board has designated, from net assets without donor restrictions, net assets for future purposes. Investment income from the board designated net assets supports the current operations of the NYC Outward Bound Schools
- **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. Donor-restricted contributions, whose restrictions are met in the same fiscal year, are reported as revenue without donor restrictions.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Use of Estimates

In conformity with GAAP, the preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of the valuation methodology used for each asset and liability measured at fair value on a recurring basis:

- U.S. agency notes are valued using quotes from pricing vendors based on recent trading activity and other observable market data. The US Agency securities held at June 30, 2023 and 2022 in the amount of \$380,912 were considered Level 2 for measurement of fair value.
- Mutual funds are valued at the daily closing price as reported by the fund. The mutual funds held by the Organization are deemed to be actively traded.

Grant Revenue

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.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Grant Revenue (Continued)

- **Grant Awards That Are Exchange Transactions** – Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Contribution Revenue

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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Revenue From Contracts With Customers

Contract services and course fees – Revenues from contract services and course fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the services in accordance with the respective service contracts. Services are generally billed to the customer on a monthly or other periodic basis after the services are performed. NYC Outward Bound Schools is required to provide documentation of its services provided to the NYC Department of Education when billed.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Revenue From Contracts With Customers (Continued)

Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided within each contract. Revenue from performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Generally, performance obligations satisfied over time relate to all program services discussed in Note 1. For these services the Company measures the performance obligation from beginning of the contracted service period to the point the contracted services have been satisfied which is generally the end of an academic period.

NYC Outward Bound Schools recognizes the exchange portion of special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received, when the event takes place. The approximate fair value of direct benefits to donors was \$157,000 and \$162,000 for the years ended 2023 and 2022, respectively.

Fees received prior to services being performed or events taking place are accounted for as contract advances payable.

Cash and Cash Equivalents

NYC Outward Bound Schools considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit are carried at cost plus accrued interest.

Investments

The Organization carries investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the statement of financial position. Quoted market prices in active markets are used as the basis of measurement. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Promises to Give

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in temporarily restricted net assets. Unrestricted promises to give to be collected in future periods are also recorded as an increase to temporarily restricted net assets and reclassified to unrestricted net assets when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts.

Allowance for Uncollectible Accounts

Grants and contributions receivable and contracts receivables that are outstanding longer than the payment terms are considered past due. NYC Outward Bound Schools determines its allowance by considering a number of factors, including the length of time receivables are past due, NYC Outward Bound Schools' previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. NYC Outward Bound Schools writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are recorded as revenue in the period received. No allowance for uncollectible accounts was considered necessary as of June 30, 2023 and 2022.

Property and Equipment

NYC Outward Bound Schools capitalizes property and equipment with a cost, or fair value if donated, exceeding \$1,000 and a useful life of more than one year. Depreciation of property and equipment is provided on the straight-line method over the expected useful lives of the assets, as follows:

Buildings and improvements	5-50 years
Equipment and other	3-20 years

Non-operating Activities

Non-operating activities include contributions for long-lived assets, investment income and grants that are passed-through to the network schools for long-lived assets.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities of NYC Outward Bound Schools have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management in accordance with grant provisions and/or time and effort.

Income Taxes

NYC Outward Bound Schools has processes in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and to review other matters that may be considered tax positions. Management evaluated NYC Outward Bound Schools' tax positions and determined that NYC Outward Bound Schools has taken no uncertain tax positions that require adjustment to the financial statements. NYC Outward Bound Schools is generally subject to federal and state examinations by tax authorities for a period of three years following the filing of the returns.

Concentrations of Credit Risk

Financial instruments that potentially subject NYC Outward Bound Schools to concentrations of credit risk consist principally of cash and cash equivalents and investments. To minimize such risks, NYC Outward Bound Schools maintains a diversified portfolio in a variety of asset classes. NYC Outward Bound Schools maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. NYC Outward Bound Schools' cash accounts were placed with high credit quality financial institutions. NYC Outward Bound Schools has not experienced, nor does it anticipate, any losses in such accounts.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through April 26, 2024, which is the date the financial statements were available to be issued.

Note 3: Liquidity and Availability of Financial Resources

The Organization does not have a formal liquidity policy but generally maintains financial assets in liquid form, such as cash and cash equivalents for approximately three to four months of operating expenses. Financial assets available for general expenditure, that is, without donor or other Board restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 3: Liquidity and Availability of Financial Resources (Continued)

	2023	2022
Cash and cash equivalents	\$ 1,210,324	\$ 2,019,652
Cash - restricted	36,892	65,658
Cash and investments - board designated	1,795,235	1,795,235
Contracts receivable	3,030,866	2,676,308
	6,073,317	6,556,853
Less amounts designated and agency funds	(1,832,127)	(1,860,893)
Less amounts restricted by donor	(256,560)	(152,505)
Total	\$ 3,984,630	\$ 4,543,455

Note 4: Board Designated Cash and Investments

Board-designated cash and investments consist of the following at June 30:

	2023	2022
Cash and cash equivalents	\$ -	\$ 801,768
Certificates of deposit	322,055	690,234
US Obligations	380,912	303,233
Mutual funds - equity	664,168	-
Mutual funds - bonds	428,100	-
Total	\$ 1,795,235	\$ 1,795,235

Note 5: Contributions Receivable

Grants and contributions receivable consisted of current and multiyear promises to give which are collectible as follows at June 30:

	2023	2022
One year or less	\$ 227,056	\$ 642,167
One to five years	150,000	50,000
	377,056	692,167
Less discount	(10,067)	(2,870)
Total	\$ 366,989	\$ 689,297

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 6: Property and Equipment

A summary of property and equipment is as follows as of June 30:

	2023	2022
Land	\$ 550,000	\$ 550,000
Buildings and improvements	7,328,920	7,328,920
Vehicles	116,166	116,166
Equipment and furniture	125,732	125,732
	8,120,818	8,120,818
Less: Accumulated depreciation	(3,750,548)	(3,535,094)
Property and equipment, net	\$ 4,370,270	\$ 4,585,724

Note 7: Refundable Advance - PPP Grant

As of June 30, 2021, NYC Outward Bound Schools had a refundable advance liability of \$816,717. This amount represents the receipt of a grant award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The Organization has determined the award is a conditional grant and has applied the policy as described in Note 1. Accordingly, the award is reported as a refundable advance liability until the conditions are substantially met or explicitly waived.

NYC Outward Bound Schools has interpreted the condition of the award to be the approval of the forgiveness application by the lender and SBA. The SBA approved the forgiveness of the grant in the year ended 2022.

Note 8: Contract Services Revenue

Contract services revenue consisted of the following for the years ended June 30:

	2023	2022
City of New York Board of Education	\$ 3,535,045	\$ 3,149,986
Total	\$ 3,535,045	\$ 3,149,986

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 9: Net Assets with Donor Restriction

Net assets with donor restrictions are restricted for the following purposes or periods.

<i>Years Ended June 30,</i>	2023	2022
Program restricted	\$ 623,549	\$ 816,802
General support	-	25,000
Total	\$ 623,549	\$ 841,802

Note 10: Contingencies

NYC Outward Bound Schools is self-insured for liability insurance claims up to a stop loss limit of \$50,000. NYC Outward Bound Schools may become involved in claims or legal actions arising in the ordinary course of business. Management has determined that the ultimate disposition of such matters would not have a material adverse effect on the financial position of NYC Outward Bound Schools.

Note 11: Leases

NYC Outward Bound Schools leases the second floor to a tenant. Rental income was \$112,332 for the years ended 2023 and 2022, and is included in other income in the accompanying statements of activities. The lease expires June 30, 2024. Future minimum rental income to be received under the non-cancelable operating lease is contractually due, as follows:

<i>Years Ending,</i>	
2024	\$ 115,702
Total	\$ 115,702

Note 12: Pension Plan

NYC Outward Bound Schools provides a 403(b) retirement plan for all eligible employees. NYC Outward Bound Schools matches the employee contribution up to 3% of the employee's compensation. NYC Outward Bound Schools contributed \$93,858 and \$73,126 to the plan for the years ended 2023 and 2022, respectively.

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 13: Change in Net Assets from Operations

The change in net assets from operations includes a non-cash charge for depreciation expense related to NYC Outward Bound Schools' building and improvements, and other fixed assets. The change in net assets from operations exclusive of the charge for depreciation would be as follows for the years ended June 30:

	2023	2022
Change in net assets without donor restrictions from operations	\$ (876,083)	\$ 202,435
Depreciation	215,454	241,596
Total	\$ (660,629)	\$ 444,031

Note 14: Contract Receivable and Advances

Deferred revenue from contracts with customers at the beginning and ending of each period presented were as follows:

<i>As of June 30</i>	2023	2022	2021
Contract receivable	\$ 3,030,866	\$ 2,676,308	\$ 1,029,294
Contract advance liability	\$ 138,569	\$ 174,341	\$ 118,293

Note 15: Fair Value Measurements

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy:

<i>As of June 30, 2023</i>	Fair Value of Assets			
	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ -	\$ 380,912	\$ -	\$ 380,912
Mutual funds - equity	664,168	-	-	664,168
Mutual funds - bonds	428,100	-	-	428,100
Total	\$ 1,092,268	\$ 380,912	\$ -	\$ 1,473,180

<i>As of June 30, 2022</i>	Fair Value of Assets			
	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ -	\$ 303,233	\$ -	\$ 303,233
Total	\$ -	\$ 303,233	\$ -	\$ 303,233

New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools Notes to Financial Statements

Note 16: Risks and Uncertainties

The Organization invests in various investment securities, mutual funds and money market funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near-term and that such changes could materially affect the amount reported in the statement of financial position.