

# NYC Outward Bound Schools

Financial Statements

June 30, 2024 and 2023



**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, 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 New York City Outward Bound Center, Inc. d/b/a NYC Outward Bound Schools as of June 30, 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 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

March 25, 2025

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

| <i>June 30,</i>                       | 2024          | 2023          |
|---------------------------------------|---------------|---------------|
| <b>ASSETS</b>                         |               |               |
| <b>Current Assets</b>                 |               |               |
| Cash and cash equivalents             | \$ 2,637,563  | \$ 1,532,379  |
| Restricted cash                       | 144,863       | 36,892        |
| Investments                           | -             | 1,473,180     |
| Contracts receivable                  | 3,164,922     | 3,030,866     |
| Contributions receivable              | 828,549       | 227,056       |
| Prepaid expenses and other assets     | 47,411        | 96,533        |
| Total current assets                  | 6,823,308     | 6,396,906     |
| <b>Other Assets</b>                   |               |               |
| Long-term contributions receivable    | 143,029       | 139,933       |
| Security deposits                     | 3,880         | 3,880         |
| Property and equipment - net          | 4,162,232     | 4,370,270     |
| Total other assets                    | 4,309,141     | 4,514,083     |
| Total assets                          | \$ 11,132,449 | \$ 10,910,989 |
| <b>LIABILITIES AND NET ASSETS</b>     |               |               |
| <b>Current Liabilities</b>            |               |               |
| Accounts payable and accrued expenses | \$ 412,920    | \$ 160,633    |
| Salaries and payroll taxes payable    | 262,360       | 306,210       |
| Security deposits                     | 27,649        | 27,649        |
| Contract advances payable             | 89,061        | 138,569       |
| Total current liabilities             | 791,990       | 633,061       |
| <b>Net Assets</b>                     |               |               |
| Without donor restrictions            |               |               |
| Board designated for future purposes  | -             | 1,795,235     |
| Investment in property and equipment  | 4,162,232     | 4,370,270     |
| Undesignated                          | 5,139,850     | 3,488,874     |
| Total without donor restrictions      | 9,302,082     | 9,654,379     |
| With donor restrictions               | 1,038,377     | 623,549       |
| Total net assets                      | 10,340,459    | 10,277,928    |
| Total liabilities and net assets      | \$ 11,132,449 | \$ 10,910,989 |

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>                 | 2024                             |                            |              | 2023                             |                            |              |
|---|----------------------------------|----------------------------|--------------|----------------------------------|----------------------------|--------------|
|   | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total        | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|   | <b>Operating revenue:</b>        |                            |              |                                  |                            |              |
| Contract services                           | \$ 3,713,861                     | \$ -                       | \$ 3,713,861 | \$ 3,535,045                     | \$ -                       | \$ 3,535,045 |
| Course fees                                 | 796,303                          | -                          | 796,303      | 579,514                          | -                          | 579,514      |
| Grants and contributions                    | 1,150,972                        | 784,089                    | 1,935,061    | 546,917                          | 503,012                    | 1,049,929    |
| Federal grants                              | 3,153                            | -                          | 3,153        | 219,669                          | -                          | 219,669      |
| Fundraising events                          | 1,164,836                        | -                          | 1,164,836    | 1,242,437                        | -                          | 1,242,437    |
| Investment income utilized in operations    | 134,470                          | -                          | 134,470      | 44,964                           | -                          | 44,964       |
| Other income                                | 191,672                          | -                          | 191,672      | 144,075                          | -                          | 144,075      |
| Net assets released from restrictions       | 369,261                          | (369,261)                  | -            | 721,265                          | (721,265)                  | -            |
| Total revenue from operations               | 7,524,528                        | 414,828                    | 7,939,356    | 7,033,886                        | (218,253)                  | 6,815,633    |
| <b>Operating expenses:</b>                  |                                  |                            |              |                                  |                            |              |
| Network Schools                             | 2,815,463                        | -                          | 2,815,463    | 3,139,942                        | -                          | 3,139,942    |
| Crew and Select Strategies Schools          | 2,350,279                        | -                          | 2,350,279    | 2,350,289                        | -                          | 2,350,289    |
| Adventure and Team Building Programs        | 1,275,419                        | -                          | 1,275,419    | 1,063,069                        | -                          | 1,063,069    |
| Supporting services:                        |                                  |                            |              |                                  |                            |              |
| Management and general                      | 547,363                          | -                          | 547,363      | 534,017                          | -                          | 534,017      |
| Fundraising:                                |                                  |                            |              |                                  |                            |              |
| General                                     | 702,634                          | -                          | 702,634      | 665,974                          | -                          | 665,974      |
| Events                                      | 137,442                          | -                          | 137,442      | 156,678                          | -                          | 156,678      |
| Total operating expenses                    | 7,828,600                        | -                          | 7,828,600    | 7,909,969                        | -                          | 7,909,969    |
| <b>Change in net assets from operations</b> | (304,072)                        | 414,828                    | 110,756      | (876,083)                        | (218,253)                  | (1,094,336)  |
| <b>Non-operating activities:</b>            |                                  |                            |              |                                  |                            |              |
| Investment income                           | 86,245                           | -                          | 86,245       | 152,832                          | -                          | 152,832      |
| Investment income released for operations   | (134,470)                        | -                          | (134,470)    | (44,964)                         | -                          | (44,964)     |
| Change in net assets - non-operating        | (48,225)                         | -                          | (48,225)     | 107,868                          | -                          | 107,868      |
| <b>Change in net assets</b>                 | (352,297)                        | 414,828                    | 62,531       | (768,215)                        | (218,253)                  | (986,468)    |
| <b>Net assets at beginning of year</b>      | 9,654,379                        | 623,549                    | 10,277,928   | 10,422,594                       | 841,802                    | 11,264,396   |
| <b>Net assets at end of year</b>            | \$ 9,302,082                     | \$ 1,038,377               | \$10,340,459 | \$ 9,654,379                     | \$ 623,549                 | \$10,277,928 |

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, 2024</i>    | Network<br>Schools  | Crew and<br>Select<br>Strategies<br>Schools | Adventure &<br>Team Building<br>Programs | Total<br>Program<br>Services | Management<br>& General | Fundraising<br>General | Fundraising<br>events | Total               |
|------------------------------------|---------------------|---|--|------------------------------|-------------------------|------------------------|-----------------------|---------------------|
| Salaries                           | \$ 1,682,685        | \$ 1,166,666                                | \$ 751,577                               | \$ 3,600,928                 | \$ 256,027              | \$ 442,588             | -                     | \$ 4,299,543        |
| Payroll taxes and fringe benefits  | 395,274             | 315,502                                     | 143,013                                  | 853,789                      | 89,943                  | 120,747                | -                     | 1,064,479           |
| Professional fees                  | 144,817             | 207,590                                     | 78,489                                   | 430,896                      | 51,172                  | 43,717                 | 48,690                | 574,475             |
| Food                               | 35,421              | 14,043                                      | 49,130                                   | 98,594                       | 2,421                   | 1,219                  | 81,838                | 184,072             |
| Supplies                           | 45,002              | 13,362                                      | 11,368                                   | 69,732                       | 2,909                   | 4,135                  | 1,457                 | 78,233              |
| Occupancy                          | 76,330              | 53,601                                      | 122,102                                  | 252,033                      | 9,669                   | 19,952                 | -                     | 281,654             |
| Insurance                          | 72,484              | 50,897                                      | 32,328                                   | 155,709                      | 28,297                  | 20,022                 | -                     | 204,028             |
| Travel                             | 18,149              | 13,810                                      | 9,559                                    | 41,518                       | 1,364                   | 1,633                  | 289                   | 44,804              |
| Lodging                            | 2,585               | 2,800                                       | 710                                      | 6,095                        | 20                      | 41                     | -                     | 6,156               |
| Charter fees                       | 86,084              | 53,432                                      | 10,354                                   | 149,870                      | 3,108                   | 6,412                  | -                     | 159,390             |
| Printing and publications          | 6,028               | 1,176                                       | 1,131                                    | 8,335                        | 224                     | 463                    | 4,179                 | 13,201              |
| Equipment rental and maintenance   | 16,522              | 6,131                                       | 14,947                                   | 37,600                       | 5,249                   | 9,785                  | -                     | 52,634              |
| Professional development fees      | 61,729              | 10,616                                      | -  | 72,345                       | -                       | -                      | -                     | 72,345              |
| Telephone                          | 14,953              | 15,272                                      | 6,332                                    | 36,557                       | 1,550                   | 3,527                  | -                     | 41,634              |
| Program fees and permits           | 5,981               | 4,383                                       | 2,780                                    | 13,144                       | 3,979                   | 618                    | -                     | 17,741              |
| Dues, publications and memberships | 30,407              | 10,000                                      | 2,956                                    | 43,363                       | 884                     | 1,939                  | -                     | 46,186              |
| Postage                            | 184                 | 80  | 169                                      | 433                          | 33                      | 2,009                  | 374                   | 2,849               |
| Payroll processing and bank fees   | -                   | -   | -  | -                            | 77,974                  | -                      | -                     | 77,974              |
| Grants to schools                  | -                   | 12,199                                      | -  | 12,199                       | -                       | -                      | -                     | 12,199              |
| Miscellaneous                      | 38,333              | 340,790                                     | 1,680                                    | 380,803                      | 1,496                   | 1,040                  | 615                   | 383,954             |
| Bad debt expense                   | 1,176               | 827   | 525                                      | 2,528                        | 158                     | 325                    | -                     | 3,011               |
| Depreciation                       | 81,319              | 57,102                                      | 36,269                                   | 174,690                      | 10,886                  | 22,462                 | -                     | 208,038             |
| <b>Total</b>                       | <b>\$ 2,815,463</b> | <b>\$ 2,350,279</b>                         | <b>\$ 1,275,419</b>                      | <b>\$ 6,441,161</b>          | <b>\$ 547,363</b>       | <b>\$ 702,634</b>      | <b>\$ 137,442</b>     | <b>\$ 7,828,600</b> |

# 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<br>Schools  | Select<br>Strategies | Adventure &<br>Team Building<br>Programs | Total<br>Program<br>Services | Management<br>& General | Fundraising<br>General | Fundraising<br>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             |
| <b>Total</b>                       | <b>\$ 3,139,942</b> | <b>\$ 2,350,289</b>  | <b>\$ 1,063,069</b>                      | <b>\$ 6,553,300</b>          | <b>\$ 534,017</b>       | <b>\$ 665,974</b>      | <b>\$ 156,678</b>     | <b>\$ 7,909,969</b> |

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

| <i>Years Ended June 30,</i>   | <b>2024</b>         | <b>2023</b>         |
|---|---------------------|---------------------|
| <b>Cash flows from operating activities:</b>  |                     |                     |
| Change in net assets  | \$ 62,531           | \$ (986,468)        |
| Adjustments to reconcile changes in net assets to net cash flows from operating activities: |                     |                     |
| Depreciation expense  | 208,038             | 215,454             |
| Bad debt expense  | 3,011               | 1,401               |
| Gain on investments   | (25,283)            | (88,132)            |
| (Increase) decrease in:   |                     |                     |
| Contracts receivable  | (134,056)           | (354,558)           |
| Contributions receivable  | (607,600)           | 320,907             |
| Prepaid expenses and other assets   | 49,122              | (46,369)            |
| Increase (decrease) in:   |                     |                     |
| Accounts payable and accrued expenses   | 252,287             | (10,625)            |
| Salaries and payroll taxes payable  | (43,850)            | 49,836              |
| Contract advances payable   | (49,508)            | (35,772)            |
| Security deposits   | -                   | 8,100               |
| <b>Net cash flows from operating activities</b>   | <b>(285,308)</b>    | <b>(926,226)</b>    |
| <b>Cash flows from investing activities:</b>  |                     |                     |
| Proceeds from sale of investments   | 1,498,463           | -                   |
| Purchase of investments   | -                   | (391,581)           |
| <b>Net cash flows from investing activities</b>   | <b>1,498,463</b>    | <b>(391,581)</b>    |
| <b>Net change in cash and cash equivalents</b>  | <b>1,213,155</b>    | <b>(1,317,807)</b>  |
| <b>Cash and cash equivalents, beginning of year</b>   | <b>1,569,271</b>    | <b>2,887,078</b>    |
| <b>Cash and cash equivalents, end of year</b>   | <b>\$ 2,782,426</b> | <b>\$ 1,569,271</b> |
| <b>Cash and cash equivalents consists of:</b>   |                     |                     |
| Cash and cash equivalents   | \$ 2,637,563        | \$ 1,532,379        |
| Restricted cash   | 144,863             | 36,892              |
| <b>Total</b>  | <b>\$ 2,782,426</b> | <b>\$ 1,569,271</b> |

See accompanying notes to financial statements.

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

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## 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 2024 and 2023, NYC Outward Bound Schools served 24,073 student, and 2,586 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

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## **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 15 Network Schools: A School Without Walls, 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.

**Select Strategies for Schools** – In addition to operating our network of schools, we also brought 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

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## **Note 1: Organization** (Continued)

During our 2023-24 fiscal year, we provided Adventure and Team Building programming to 3,044 students and 745 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 77 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

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## **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.
- 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

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## **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

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## **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 \$137,000 and \$157,000 for the years ended 2024 and 2023, 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.

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.

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

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## **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, 2024 and 2023.

### **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 |

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

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## **Note 2: Summary of Significant Accounting Policies** (Continued)

### **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.

### **Measure of Operations**

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.

### **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.

# 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)

### Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 25, 2025, which is the date the financial statements were available to be issued.

### 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 reported amounts of net assets or change in net assets.

## 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:

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| Cash and cash equivalents                | \$ 2,637,563        | \$ 1,532,379        |
| Cash - restricted                        | 144,863             | 36,892              |
| Investments                              | -                   | 1,473,180           |
| Contracts receivable                     | 3,164,922           | 3,030,866           |
|  | 5,947,348           | 6,073,317           |
| Less amounts designated and agency funds | (144,863)           | (1,832,127)         |
| Less amounts restricted by donor         | (66,799)            | (256,560)           |
| <b>Total</b>                             | <b>\$ 5,735,686</b> | <b>\$ 3,984,630</b> |

## Note 4: Investments

Investments consist of the following at June 30:

|                       | 2024        | 2023                |
|-----------------------|-------------|---------------------|
| US Obligations        | \$ -        | \$ 380,912          |
| Mutual funds - equity | -           | 664,168             |
| Mutual funds - bonds  | -           | 428,100             |
| <b>Total</b>          | <b>\$ -</b> | <b>\$ 1,473,180</b> |

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

## Note 5: Contributions Receivable

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

|                   | 2024              | 2023              |
|-------------------|-------------------|-------------------|
| One year or less  | \$ 828,549        | \$ 227,056        |
| One to five years | 174,000           | 150,000           |
|                   | 1,002,549         | 377,056           |
| Less discount     | (30,971)          | (10,067)          |
| <b>Total</b>      | <b>\$ 971,578</b> | <b>\$ 366,989</b> |

## Note 6: Property and Equipment

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

|                                    | 2024                | 2023                |
|------------------------------------|---------------------|---------------------|
| 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     | (3,958,586)         | (3,750,548)         |
| <b>Property and equipment, net</b> | <b>\$ 4,162,232</b> | <b>\$ 4,370,270</b> |

## Note 7: Contract Services Revenue

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

|                                     | 2024         | 2023         |
|-------------------------------------|--------------|--------------|
| City of New York Board of Education | \$ 3,713,861 | \$ 3,535,045 |

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

## Note 8: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

| <i>Years Ended June 30,</i> | 2024                | 2023              |
|-----------------------------|---------------------|-------------------|
| Program restricted          | \$ 1,038,377        | \$ 623,549        |
| <b>Total</b>                | <b>\$ 1,038,377</b> | <b>\$ 623,549</b> |

Net assets were release from restrictions for the following purposes:

| <i>Years Ended June 30,</i>       | 2024              | 2023              |
|-----------------------------------|-------------------|-------------------|
| Time restricted                   | \$ -              | \$ 25,000         |
| Purpose restricted for operations | 369,261           | 696,265           |
| <b>Total</b>                      | <b>\$ 369,261</b> | <b>\$ 721,265</b> |

## Note 9: Contingencies

NYC Outward Bound Schools is self-insured for liability insurance claims up to a stop loss limit of \$75,000. 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 10: Leases

NYC Outward Bound Schools leases the second floor and third floor to a tenant. Rental income was \$148,104 and \$112,332 for the years ended 2024 and 2023, and is included in other income in the accompanying statements of activities. The second floor lease expires June 30, 2024. Future minimum rental income to be received under the non-cancelable operating lease is, as follows:

| <i>Years Ending,</i> |            |
|----------------------|------------|
| 2025                 | \$ 148,875 |

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

## Note 11: 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 \$80,000 and \$93,858 to the plan for the years ended 2024 and 2023, respectively.

## Note 12: 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:

|   | 2024               | 2023                |
|---|--------------------|---------------------|
| Change in net assets without donor restrictions from operations | \$ (304,072)       | \$ (876,083)        |
| Depreciation  | 208,038            | 215,454             |
| <b>Total</b>  | <b>\$ (96,034)</b> | <b>\$ (660,629)</b> |

## Note 13: 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>       | 2024         | 2023         | 2022         |
|----------------------------|--------------|--------------|--------------|
| Contract receivable        | \$ 3,164,922 | \$ 3,030,866 | \$ 2,676,308 |
| Contract advance liability | \$ 89,061    | \$ 138,569   | \$ 174,341   |

## Note 14: 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. As of June 30, 2024, there were no securities to be determined at fair value.

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