

**OUTWARD BOUND INTERNATIONAL, INC.**

**Audited Financial Statements**

December 31, 2019 and 2018

## Table of Contents

---

	Page
<b>Independent Auditors' Report</b>	1
<b>Financial Statements:</b>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 6

## **Independent Auditor's Report**

To the Board of Directors  
Outward Bound International

### **Report on Financial Statements**

We have audited the accompanying financial statements of Outward Bound International, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 2018 and the related statements of activity and cash flows for the years then ended, and the related notes to the financial statements.

### **Management' Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Outbound International, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



**CLARK & CLARK, PC**

February 26, 2020

**OUTWARD BOUND INTERNATIONAL, INC.**  
**Statements of Financial Position**  
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$774,483	\$830,281
Prepaid expenses	5,272	5,234
Receivables from OBI Centers, net of allowance for doubtful accounts of \$8,000 for 2019 and \$3,000 for 2018.	<u>92,597</u>	<u>98,548</u>
Property and equipment	5,869	5,869
Accumulated depreciation	<u>(3,299)</u>	<u>(2,125)</u>
Property and equipment	2,570	3,744
Total Assets	<u>\$874,922</u>	<u>\$937,807</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 15,082	\$ 78,510
Total current liabilities	15,082	78,510
Net Assets:		
Net assets - unrestricted	<u>859,840</u>	<u>859,297</u>
Total net assets	859,840	859,297
Total Liabilities and Net Assets	<u>\$874,922</u>	<u>\$937,807</u>

*The accompanying notes are an integral part of the financial statements.*

**OUTWARD BOUND INTERNATIONAL, INC.**  
**Statements of Activities**  
For the Years Ended December 31, 2019 & 2018

	<u>2019</u>	<u>2018</u>
<b>REVENUE AND SUPPORT:</b>		
Fees from Centers	\$309,962	\$297,423
Contributions	119,520	200,070
Other income	<u>310</u>	<u>15,302</u>
Total Revenue and Support	429,792	512,795
<b>OPERATING EXPENSES:</b>		
Bad debts	5,402	13,858
Bank charges	11,225	3,882
Depreciation	1,174	998
Insurance	14,214	12,349
Legal & professional	28,820	42,692
Office supplies and miscellaneous	1,139	1,423
Personnel	275,041	210,343
Printing and publications	32,108	10,653
Rent	7,224	7,339
Telephone and internet	3,308	2,393
Travel	<u>52,532</u>	<u>56,190</u>
Total Operating Expenses	432,187	362,120
Operating income (loss)	(2,395)	150675
<b>OTHER INCOME (LOSS):</b>		
Investment income	<u>2,938</u>	<u>990</u>
Total other income (loss)	2,938	990
Increase (decrease) in net assets	<u>\$543</u>	<u>\$151,665</u>
Net assets- beginning of year	\$859,297	\$707,632
Increase (decrease) in net assets	<u>543</u>	<u>151,665</u>
Net assets- end of year	<u>\$859,840</u>	<u>\$859,297</u>

*The accompanying notes are an integral part of the financial statements*

**OUTWARD BOUND INTERNATIONAL, INC.**  
**Statements of Cash Flows**  
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$543	\$151,665
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,174	997
(Increase) decrease in:		
Accounts receivable	5,913	19,157
Increase (decrease) in:		
Accounts payable	(63,428)	(56,727)
Funds held for others	<u>-</u>	<u>(14,326)</u>
Cash flows provided (used) by operations	<u>(55,798)</u>	100,766
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of office equipment	<u>-</u>	<u>(2,105)</u>
Cash flows used by investing activities	-	(2,105)
 Increase (decrease) in cash and cash equivalents	 <u><u>\$(55,798)</u></u>	 <u><u>\$98,661</u></u>
 Cash and cash equivalents at beginning of year	 \$830,281	 \$731,620
Increase in cash and cash equivalents	<u>(55,798)</u>	<u>98,661</u>
Cash and cash equivalents at end of year	<u><u>\$774,483</u></u>	<u><u>\$830,281</u></u>

*The accompanying notes are an integral part of the financial statements.*

## OUTWARD BOUND INTERNATIONAL, INC.

### Notes to Financial Statements

December 31, 2019 and 2018

#### NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. **Organization and Activities** - Outward Bound International, Inc. (hereafter referred to as the Organization) was organized as a not-for-profit corporation in the state of New York on February 23, 2001. The Organization is exempt from U.S. federal income taxes in accordance with the provisions of Section 501(c) (3) of the Internal Revenue Code. The purpose of Outward Bound International is to provide coordination, support and leadership to Outward Bound programs worldwide that deliver experiential programs for outdoor adventure to stimulate personal development and generate understanding between people.

During the year 2013 the Board of Directors created a Canadian not-for-profit entity, effective January 1, 2014 and was closed during the year 2019. The Canadian entity operates with the same charitable purpose and the same Board of Directors. The financial statements for the year ended 2018 and part year ended 2019 include the activities and position of both the U.S. and Canadian entities and are stated in U.S. dollars.

B. **Basis of Accounting** - The Organization's financial statements are prepared using the accrual basis of accounting as required under generally accepted accounting principles for non-profit organizations in the United States of America.

C. **Cash and Cash Equivalents** - The Organization considers all unrestricted liquid investments with original maturities of three months or less to be cash equivalents.

D. **Property and Equipment** - Property and equipment are stated on the basis of cost. Depreciation is computed on the straight-line method over the estimated useful life of the related asset. Repairs and maintenance are expensed when incurred and purchases with a cost in excess of \$2,000 are capitalized

E. **Fees from Centers** - Fees are based upon a percentage of revenues from each center and paid on an annual basis for the calendar year.

F. **Operating Expenses** - Due to the size and nature of the Organization, approximately 83% of the operations are program related and 17% are administrative. As of December 31, 2019 and 2018, approximately \$358,715 and \$300,559 of the expenses are program related and approximately \$73,472 and \$61,561 were administrative, respectively.

G. **Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

H. **Concentration of Credit Risk** - The Organization maintains cash in bank deposit accounts which exceed federally insured limits and has not experienced losses in such accounts and believes it is not exposed to material credit risk on its cash and cash equivalents.  
(continued)

**OUTWARD BOUND INTERNATIONAL, INC.**

**Notes to Financial Statements**

December 31, 2019 and 2018

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. *Concentration of Credit Risk (continued)***

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of accounts receivable. In the normal course of activities, the Organization records receivables and promises of support and performs ongoing evaluations of its ability to collect receivables. Management has recognized all significant uncollectible receivables as bad debt and believes it is not exposed to any further significant credit risk.

- I. *Investments*** - The Directors of the Organization have chosen not to invest funds into instruments that carry the risk of loss accordingly cash is maintained in interest bearing savings and no fair market valuations are required.

**NOTE 2** – Cash and investments are carried at cost plus accrued interest and consist of the following short term holdings:

	<u>2019</u>	<u>2018</u>
Deposits-Insured (FDIC)	\$250,000	\$ 250,000
Deposits-Uninsured (FDIC)	<u>524,483</u>	<u>580,281</u>
Total cash	<u>\$774,483</u>	<u>\$830,281</u>

**NOTE 2 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the statement of financial position through February 26, 2020 and has determined that there are no subsequent events to disclose.