Financial Statements
December 31, 2020

No Barriers USA

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Independent Auditor's Report

To the Board of Directors
No Barriers USA
Fort Collins, Colorado

Report on the Financial Statements
We have audited the accompanying financial statements of No Barriers USA, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the 24-month period from January 1, 2019 to December 31, 2020, and the related notes to the financial statements.

Management's 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 audit. We conducted our audit 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 No Barriers USA as of December 31, 2020, and the changes in its net assets and its cash flows for the 24-month period from January 1, 2019 to December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Fort Collins, Colorado
September 7, 2021

Assets	
Cash and cash equivalents	$ 1,011,509
Accounts receivable	83,283
Promises to give	153,000
Prepaid expenses	206,294
Cash restricted for campus expansion	810,815
Cash restricted for note payable payments	20,000
Promises to give restricted for note payable payments, net	160,000
Property and equipment, net	228,899
Total assets	$ 2,673,800
Liabilities and Net Assets	
Accounts payable	$ 52,722
Accrued expenses	26,114
Deferred revenue	147,889
Note payable	230,000
Total liabilities	456,725
Net Assets	
Without donor restrictions	53,564
With donor restrictions	2,163,511
Total net assets	2,217,075
Total liabilities and net assets	$ 2,673,800

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	$ 1,627,110	$ 1,017,455	$ 2,644,565
PPP loan proceeds	407,572	-	407,572
Sponsorships	-	3,402,763	3,402,763
Program service fees	3,083,942	-	3,083,942
In-kind donations	420,400	-	420,400
Interest and other revenue	45,737	-	45,737
Gross special events revenue	126,958	286,897	413,855
Less cost of direct benefits to donors	(158,136)	-	(158,136)
Net special events revenue	(31,178)	286,897	255,719
Net assets released from restrictions	3,818,089	(3,818,089)	-
Total revenue and support	9,371,672	889,026	10,260,698
Expenses and Losses			
Program services	6,614,110	-	6,614,110
Management and general	1,168,766	-	1,168,766
Fundraising and development	1,062,138	-	1,062,138
Total expenses	8,845,014	-	8,845,014
Loss on disposal of assets	64,367	-	64,367
Total expenses and losses	8,909,381	-	8,909,381
Change in net assets before change in donor intent	462,291	889,026	1,351,317
Change in donor intent	(200,000)	200,000	-
Change in Net Assets	262,291	1,089,026	1,351,317
Net Assets, Beginning of Year	(208,727)	1,074,485	865,758
Net Assets, End of Year	$ 53,564	$ 2,163,511	$ 2,217,075

	Program Services	Management and General	Fundraising and Development	Total
Salaries and wages	$ 1,886,910	$ 600,281	$ 744,355	$ 3,231,546
Tour Operator	1,431,252	4,894	24,006	1,460,152
Travel	1,224,789	5,014	70,703	1,300,506
Contract labor	588,197	203,637	8,850	800,684
Occupancy	438,517	19,064	120,094	577,675
Payroll taxes	208,105	97,514	57,483	363,102
Employee benefits	159,721	45,861	59,519	265,101
Advertising and Promotion	146,320	-	57,856	204,176
Dues and subscriptions	124,404	36,134	36,315	196,853
Insurance	98,585	56,455	6,470	161,510
Office expenses	79,763	26,820	33,632	140,215
Depreciation and amortization	56,638	52,562	-	109,200
Information technology	99,107	-	321	99,428
Other	71,802	20,530	670	93,002
Total expenses by function	6,614,110	1,168,766	1,220,274	9,003,150
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(158,136)	(158,136)
Total expenses included in the expense section on the statement of activities	$ 6,614,110	$ 1,168,766	$ 1,062,138	$ 8,845,014

Operating Activities	
Cash received from contributions and grants	$ 2,826,565
Cash received from PPP loan	407,572
Cash received from sponsorships	3,378,923
Cash received from program service fees	2,521,092
Cash received from special events	413,855
Cash received from other sources	45,737
Cash paid for salaries, benefits and taxes	(4,058,562)
Cash paid to vendors	(4,549,272)
Cash paid for interest	(10,409)
Net Cash from Operating Activities	975,501
Investing Activities	
Purchases of property and equipment	(251,064)
Net Cash used for Investing Activities	(251,064)
Financing Activities	
Principal payment on note payable	(60,000)
Net Cash used for Financing Activities	(60,000)
Net Change in Cash, Cash Equivalents, and Restricted Cash	664,437
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	1,177,887
Cash, Cash Equivalents, and Restricted Cash, End of Period	$ 1,842,324
Cash and cash equivalents	$ 1,011,509
Cash restricted for campus expansion	810,815
Cash restricted for note payable payments	20,000
Total Cash, Cash Equivalents, and Restricted Cash	$ 1,842,324

Note 1 - Principal Activity and Significant Accounting Policies

Organization

No Barriers USA (we, us, our) is a nonprofit organization established to provide transformative experiences, tools, and inspiration to help people embark on a quest to contribute their absolute best to the world. We serve participants of all ages, abilities, and socioeconomic circumstances. We provide life-changing, immersive experiences for military veterans, caregivers, and youth that emphasize global citizenship and provide a curriculum designed to identify and overcome physical, economic, social, and other personal barriers that might be in the way of living up to one's potential. We also hold an annual conference, the Summit, focused on providing a completely adaptive and inspirational environment for anyone who might face challenges that keep them from contributing their best to the world.

In 2019 we formed No Barriers Productions, LLC, for which No Barriers USA is the single member. To-date there has been no economic activity and no financial impact to No Barriers USA.

Recently Adopted Accounting Pronouncements

As of January 1, 2019, we adopted the provisions of Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended, which supersedes or replaces nearly all Generally Accepted Accounting Principles (GAAP) revenue recognition guidance. This update establishes a new contract- and control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point-in-time, and expands disclosures about revenue. We implemented ASU 2014-09 and its related amendments and have adjusted the presentation in the financial statements accordingly. Following the adoption of the ASU, we continue to recognize revenue at the time services are provided. Our presentation of revenue on a gross or net basis has been adjusted in accordance with the ASU, with no effect on previously reported net assets. We applied this ASU retrospectively to contracts that are not completed at the date of the initial application.

As of January 1, 2019, we adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and refines existing guidance to help explain the scope of contributions and applies to both resource providers and resource recipients. ASU 2018-08 clarifies two revenue recognition issues. First, in the case of grants and similar contracts with government agencies, unless the resource provider receives commensurate value from the resource recipient, the transaction is most likely a contribution, not an exchange transaction. The second issue relates to distinguishing between conditional and unconditional contributions. For a donor-imposed condition to exist, it must have both a measurable barrier that must be overcome and a right of return of the gift to the donor or a release from the donor's promise to give. We implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

As of January 1, 2019, we adopted the provisions of ASU 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash.* This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents, by including amounts generally described as restricted cash and cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Retrospective application of the amendment is required.

We have adopted these standards as we believe the presentation eliminates a diversity in practice and improves financial reporting.

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. Restricted cash includes funds received from promises to give that act as collateral for an outstanding note payable and funds restricted for campus expansion.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for programs. Allowance for uncollectable accounts receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. The allowance was $0 at December 31, 2020.

Promises to Give

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. The allowance was $0 at December 31, 2020.

Property and Equipment

Property and equipment additions over $5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from five to forty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the 24-month period ended December 31, 2020.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increased in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, 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.

Revenue and Revenue Recognition

The performance obligation of providing experiences to participants is recognized throughout the completion of the experience, which typically lasts anywhere from multiple days to multiple weeks. Program fees relating to future periods are deferred to the applicable period and are considered contract liabilities which are reported as deferred revenue in the accompanying statement of financial position.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. One of our sponsors accounted for approximately 17% of revenue for the 24-month period ended December 31, 2020.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donor when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received (Note 10).

Advertising Costs

Advertising costs are expensed as incurred, and totaled $201,726 for the 24-month period ended December 31, 2020.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office expenses and depreciation and amortization, which are allocated on office or department use, as well as salaries and wages, tour operator, travel, contract labor, occupancy, payroll taxes, employee benefits, advertising and promotion, dues and subscriptions, insurance, information technology, and other expenses, which are allocated on the basis of estimates of time and effort.

Income Taxes

No Barriers USA is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. No Barriers Production, LLC is treated as a disregarded entity for tax purposes and is incorporated into No Barriers USA filings. We are required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS annually. In addition, we would be subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of our mission.

Subsequent Events

We have evaluated subsequent events through September 7, 2021, the date which the financial statements were available to be issued

Note 2 - Impact of COVID-19

The outbreak of the coronavirus disease (COVID-19), which was declared a global pandemic by the World Health Organization, and the related responses by public health and governmental authorities to contain and combat its outbreak and spread, adversely affected workplaces, economies, and financial markets globally.

We have since taken steps to help reduce the impact of losing a large portion of our Program revenue due to severe limitations on travel. Steps to reducing expenses included furloughing and then laying off approximately 80% of our staff, consolidating our offices into a fraction of pre-pandemic space, suspending 401K match for the rest of 2020, pausing our summer camp redevelopment, and canceling or renegotiating pricing on services where we could. On the revenue side, we've pivoted to some virtual community offerings and increased our awareness of potential grant funding and general fundraising.

To offset operating costs while we found our bearings, we applied for and received funding under the Paycheck Protection Program (PPP) during 2020. The proceeds in the amount of $407,572 allowed us to keep staff longer than we would have been able to otherwise. We applied for and received additional funding of $279,593 under the Paycheck Protection Program Round 2 in 2021 (Note 7). We have been very conservative about adding back permanent, full-time staff in 2021, opting to only hire temporary, part-time employees to help us run our programs this year.

It's our belief that these measures will allow us to remain viable beyond the end of the current fiscal year and leave us in a position to quickly return to normal operations once that becomes possible. We are closely monitoring our liquidity and capital resources and are actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to our financial position is not known.

Note 3 - Liquidity and Availability

We operate on a balanced budget, and regularly monitor liquidity to meet the operating needs and other contractual commitments while also striving to maximize the investment of available funds.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use to purposes more narrow than ongoing programmatic activities and services in support of those activities within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$	1,011,509
Accounts receivable		83,283
Promises to give due in one year		
(not restricted for debt repayment or campus expansion)		35,000
	$	1,129,792

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at December 31, 2020:

Within one year	$	166,000
In one to five years		147,000
	$	313,000

Amounts due in more than one year have not been discounted to net present value because we believe the amount of the discount is not significant to the financial statements.

Note 5 - Property and Equipment

Property and equipment consists of the following at December 31, 2020:

Furniture, fixtures and equipment	$	121,307
Vehicles		52,244
Leasehold improvements		144,000
Construction in progress		186,478
		504,029
Less accumulated depreciation and amortization		(275,130)
	$	228,899

Depreciation and amortization expense totaled $109,200 for the 24-month period ended December 31, 2020.

Our construction in progress activity reflects the project-to-date expenses related to the redevelopment of our mountain campus near Red Feather Lakes, west of Fort Collins, Colorado. The redeveloped campus will meet our goal of being accessible to diverse populations we serve (youth, veterans, caregivers, educators, etc.) and create an off-the-grid, eco-friendly camp, one step away from the wilderness.

Note 6 - Note Payable

Our note payable consists of a $350,000, 2% promissory note due to a foundation in annual installments of $60,000 of principal and monthly payments of accrued interest through September of 2024 with an outstanding balance of $230,000 at December 31, 2020. This note is secured by the collection of two specific promises to give. During 2020, we were granted a deferral of principal payments for one year and will resume paying in annual installments of $60,000 in 2021.

Future maturities of notes payable are as follows:

Years Ending December 31,		
2021	$	60,000
2022		60,000
2023		60,000
2024		50,000
	$	230,000

Note 7 - Refundable Advance – Paycheck Protection Program (PPP) Loan

We were granted a $407,573 loan under the Paycheck Protection Program (PPP), administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. We were eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. We initially recorded the loan as a refundable advance and subsequently recorded the forgiveness in accordance with guidance for conditional contributions when there was no longer a measurable performance or other barrier and a right of return of the PPP loan. Proceeds from the loan were used for certain payroll, rent, and utility expenses. On November 19, 2020, we received notification of full forgiveness of the loan and recorded the forgiveness as contribution revenue on this date. On February 4, 2021 we were granted an additional $279,593 under PPP round 2 funding. No contribution revenue has been recorded as of the date of the financial statements. As of issuance of these financial statements, management believes at least the substantial majority, and potentially all, of this advance will be forgiven.

Note 8 - Leases

We have leases in effect for office space and equipment rental that are set to expire in 2021 and can be renewed. During the 24-month period ended December 31, 2020, we paid $138,221 in rent expense under these lease agreements.

Future minimum lease payments are as follows:

Years Ending December 31,		
2021	$	18,318

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2020 consists of:

Subject to expenditure for specified purpose		
Campus expansion	$	1,027,815
Corporate sponsorships for future events		645,000
Youth program		355,206
Weihenmayer fund - restricted for certain strategic initiatives		74,027
Other		61,463
	$	2,163,511

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the 24-month period ended December 31, 2020:

Satisfaction of purpose restrictions		
Sponsorships for specifc events	$	3,086,300
Youth program		438,763
Reserves - future programming		226,272
Boston fund		31,371
Other		35,383
	$	3,818,089

Change in donor intent in the amount of $200,000 reported on the statement of activities represents a clarification of donor intent to restrict net assets for campus expansion previously considered unrestricted.

Note 10 - Donated Professional Services and Materials

Donated professional services and materials were received as follows during the 24-month period ended December 31, 2020:

	Program Services	Management and General	Fundraising and Development	Total
Legal	$ -	$ 154,385	$ -	$ 154,385
Professional services	125,000	-	-	125,000
Rental space	72,000	-	-	72,000
Red Feather campus lease	36,000	-	-	36,000
Other	23,015	-	-	23,015
Vehicles	10,000	-	-	10,000
	$ 266,015	$ 154,385	$ -	$ 420,400

Note 11 - Related Party Transactions

During the 24-month period ended December 31, 2020, we had the following transactions with members of our Board of Directors or their affiliated companies:

Corporate sponsorships received	$ 2,043,383
Individual contributions received	$ 728,666
Corporate contributions received	$ 184,577
Promises to give	$ 80,000
Accounts payable	$ 36,130