



REAL SCHOOL GARDENS D/B/A OUT TEACH

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

REAL SCHOOL GARDENS D/B/A OUT TEACH

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JUNE 30, 2021 AND 2020**

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Independent Auditors' Report

Board of Directors
REAL School Gardens d/b/a Out Teach
Washington, D.C.

We have audited the accompanying financial statements of REAL School Gardens d/b/a Out Teach, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, 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.

Auditors' 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 auditors' 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 auditors consider 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 Out Teach as of June 30, 2021 and 2020, 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.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
September 9, 2021

Certified Public Accountants



REAL SCHOOL GARDENS D/B/A OUT TEACH

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 3,975,748	\$ 1,579,975
Accounts Receivable	213,688	298,507
Contributions Receivable, Net	770,349	1,616,596
Prepaid Expenses and Other Assets	33,966	22,243
Property and Equipment, Net	<u>-</u>	<u>24,507</u>
Total Assets	<u>\$ 4,993,751</u>	<u>\$ 3,541,828</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 65,626	\$ 28,672
Accrued Expenses	107,842	130,681
PPP Loan Payable	19,958	-
PPP Refundable Advance	465,582	481,945
Line of Credit Including Accrued Interest	-	301,006
Deferred Revenue	<u>91,949</u>	<u>154,450</u>
Total Liabilities	750,957	1,096,754
Net Assets		
Without Donor Restrictions	1,852,794	581,332
With Donor Restrictions	<u>2,390,000</u>	<u>1,863,742</u>
Total Net Assets	<u>4,242,794</u>	<u>2,445,074</u>
Total Liabilities and Net Assets	<u>\$ 4,993,751</u>	<u>\$ 3,541,828</u>

See accompanying Notes to Financial Statements.

REAL SCHOOL GARDENS D/B/A OUT TEACH

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Contributions and Grants	\$ 1,967,299	\$ 1,855,000	\$ 3,822,299
Program Fees and Other Revenues	837,698	-	837,698
In-Kind Contributions	120,309	-	120,309
Interest Income	623	-	623
Net Assets Released from Restrictions	<u>1,328,742</u>	<u>(1,328,742)</u>	<u>-</u>
 Total Revenues	 4,254,671	 526,258	 4,780,929
Expenses			
Program Services			
Educator Training	1,022,355	-	1,022,355
Outdoor Classrooms	660,820	-	660,820
Community Engagement	<u>655,102</u>	<u>-</u>	<u>655,102</u>
 Total Program Services	 2,338,277	 -	 2,338,277
Supporting Services			
Management and General	272,302	-	272,302
Fundraising	<u>372,630</u>	<u>-</u>	<u>372,630</u>
 Total Supporting Services	 <u>644,932</u>	 <u>-</u>	 <u>644,932</u>
 Total Expenses	 <u>2,983,209</u>	 <u>-</u>	 <u>2,983,209</u>
 Change in Net Assets	 1,271,462	 526,258	 1,797,720
Net Assets, Beginning of Year	<u>581,332</u>	<u>1,863,742</u>	<u>2,445,074</u>
 Net Assets, End of Year	 <u><u>\$ 1,852,794</u></u>	 <u><u>\$ 2,390,000</u></u>	 <u><u>\$ 4,242,794</u></u>

See accompanying Notes to Financial Statements.

REAL SCHOOL GARDENS D/B/A OUT TEACH

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>As Restated Total</u>
Support and Revenues			
Contributions and Grants	\$ 542,025	\$ 2,738,742	\$ 3,280,767
Program Fees and Other Revenues	1,068,644	-	1,068,644
In-Kind Contributions	172,561	-	172,561
Interest Income	4,448	-	4,448
Net Assets Released from Restrictions	<u>1,485,000</u>	<u>(1,485,000)</u>	<u>-</u>
 Total Revenues	 3,272,678	 1,253,742	 4,526,420
Expenses			
Program Services			
Educator Training	990,112	-	990,112
Outdoor Classrooms	928,477	-	928,477
Community Engagement	<u>699,261</u>	<u>-</u>	<u>699,261</u>
 Total Program Services	 2,617,850	 -	 2,617,850
Supporting Services			
Management and General	242,433	-	242,433
Fundraising	<u>477,523</u>	<u>-</u>	<u>477,523</u>
 Total Supporting Services	 <u>719,956</u>	 <u>-</u>	 <u>719,956</u>
 Total Expenses	 <u>3,337,806</u>	 <u>-</u>	 <u>3,337,806</u>
 Change in Net Assets	 (65,128)	 1,253,742	 1,188,614
 Net Assets, Beginning of Year	 <u>646,460</u>	 <u>610,000</u>	 <u>1,256,460</u>
 Net Assets, End of Year	 <u><u>\$ 581,332</u></u>	 <u><u>\$ 1,863,742</u></u>	 <u><u>\$ 2,445,074</u></u>

See accompanying Notes to Financial Statements.

REAL SCHOOL GARDENS D/B/A OUT TEACH

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services			Supporting Services		Total Expenses	
	Educator Training	Outdoor Classrooms	Community Engagement	Total Program Services	Management and General		Fundraising
Salaries	\$ 688,346	\$ 397,941	\$ 442,045	\$ 1,528,332	\$ 137,790	\$ 180,284	\$ 1,846,406
Outdoor Classroom Materials and Skilled Labor	-	117,898	-	117,898	-	-	117,898
Professional Learning	34,158	-	-	34,158	-	-	34,158
Benefits	112,535	65,058	72,268	249,861	22,527	29,474	301,862
Professional Fees	104,069	34,149	62,037	200,255	81,706	137,940	419,901
Facilities and Equipment	25,922	29,871	16,647	72,440	5,189	6,789	84,418
Depreciation and Amortization	9,136	5,282	5,867	20,285	1,829	2,393	24,507
Marketing and Communications	3,075	147	13,428	16,650	-	150	16,800
Office Expenses	29,729	1,474	16,527	47,730	9,056	8,140	64,926
Insurance	6,074	3,511	3,901	13,486	1,216	1,591	16,293
Other General Operating Expenses	8,865	4,344	21,712	34,921	12,577	5,809	53,307
Travel and Transportation	446	1,145	670	2,261	412	60	2,733
Total Expenses	\$ 1,022,355	\$ 660,820	\$ 655,102	\$ 2,338,277	\$ 272,302	\$ 372,630	\$ 2,983,209

See accompanying Notes to Financial Statements.

REAL SCHOOL GARDENS D/B/A OUT TEACH

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services				Supporting Services		Total Expenses
	Educator Training	Outdoor Classrooms	Community Engagement	Total Program Services	Management and General	Fundraising	
Salaries	\$ 680,505	\$ 447,141	\$ 451,643	\$ 1,579,289	\$ 125,343	\$ 275,604	\$ 1,980,236
Outdoor Classroom Materials and Skilled Labor	-	258,370	-	258,370	-	-	258,370
Professional Learning	30,275	-	-	30,275	-	-	30,275
Benefits	108,126	70,821	71,730	250,677	19,867	43,732	314,276
Professional Fees	66,077	43,477	89,045	198,599	79,946	100,447	378,992
Facilities and Equipment	51,875	64,029	34,390	150,294	9,495	20,937	180,726
Depreciation and Amortization	4,176	1,596	2,609	8,381	520	1,390	10,291
Marketing and Communications	-	805	16,417	17,222	-	161	17,383
Office Expenses	3,893	3,760	3,175	10,828	764	11,950	23,542
Insurance	6,372	4,187	4,229	14,788	1,174	2,581	18,543
Other General Operating Expenses	12,874	6,982	7,821	27,677	1,881	9,349	38,907
Travel and Transportation	25,939	27,309	18,202	71,450	3,443	11,372	86,265
Total Expenses	\$ 990,112	\$ 928,477	\$ 699,261	\$ 2,617,850	\$ 242,433	\$ 477,523	\$ 3,337,806

See accompanying Notes to Financial Statements.

REAL SCHOOL GARDENS D/B/A OUT TEACH

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,797,720	\$ 1,188,614
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	24,507	10,291
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	84,819	220,071
Contributions Receivable	846,247	(1,419,872)
Prepaid Expenses and Other Assets	(11,723)	6,484
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	36,954	(38,079)
Accounts Expenses	(22,839)	19,733
PPP Refundable Advance	(16,363)	481,945
Deferred Revenue	(62,501)	(97,218)
Net Cash Provided by Operating Activities	<u>2,676,821</u>	<u>371,969</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	-	596,748
Purchases of Investments	-	(297,122)
Purchases of Property and Equipment	-	(26,126)
Net Cash Provided by Investing Activities	<u>-</u>	<u>273,500</u>
Cash Flows from Financing Activities		
PPP Loan Payable	19,958	-
Proceeds from Line of Credit	-	301,006
Payments on Line of Credit	(301,006)	-
Net Cash (Used in) Provided by Financing Activities	<u>(281,048)</u>	<u>301,006</u>
Net Increase in Cash and Cash Equivalents	2,395,773	946,475
Cash and Cash Equivalents, Beginning of Year	<u>1,579,975</u>	<u>633,500</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,975,748</u></u>	<u><u>\$ 1,579,975</u></u>
Supplementary Disclosure of Cash Flow Information		
Cash Paid during the Year for Interest	\$ 9,180	\$ 1,006

See accompanying Notes to Financial Statements.

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

REAL School Gardens d/b/a Out Teach was organized and incorporated on September 19, 2006, in Texas. Out Teach is headquartered in Washington, D.C., has offices in Fort Worth, Texas, Charlotte, North Carolina, and Atlanta, Georgia, and serves elementary schools in Florida, Georgia, Maryland, North Carolina, Texas, Virginia, and Washington, D.C.

Out Teach's vision is that all students, no matter their resources, have access to an engaging hands-on education that transforms their lives. Working toward this vision, Out Teach empowers teachers in low-income elementary schools to use the outdoors for experiential science lessons, opening pathways to STEM careers and providing children with the 21st century skills they need to succeed both academically and professionally.

Out Teach elevates early science education through outdoor learning. Out Teach focuses on the following areas:

Coaching and Inspiring Teachers: To help all elementary students build the early knowledge and skills they need to succeed in school and life, Out Teach equips teachers to use outdoor spaces for engaging, hands-on experiences that make science real, relevant, and relatable for every student every day. Out Teach provides teachers in historically under-invested schools with proven professional learning programs, including job-embedded coaching, group trainings, professional learning communities, as well as online resources, so they can harness the power of outdoor experiences to accelerate learning and spark a passion for science. During the year ended June 30, 2021, Out Teach's professional learning programs reached 1,532 teachers to unlock the performance of 38,300 students.

Out Teach also supports educators across the country with:

- Leadership engagement: Ongoing engagement with school and district leaders focused on prioritizing science education.
- STEM Camps - More than 150 students from different schools participated in Out Teach's virtual STEM Camps during the year ended June 30, 2021.
- Open Educational Resources - Out Teach provided more than 300 customizable lesson plans and resources to help teachers move learning outdoors whether in-person or remote.

Building Outdoor Learning Labs and Providing Instructional Tools for Schools: To provide more equitable access to real-world science experiences, Out Teach designs and builds outdoor learning labs at under-resourced elementary schools. Out Teach also provides schools and districts with expert advice on improving campuses with outdoor learning features designed to integrate science seamlessly into instruction. Additionally, in response to the pandemic, Out Teach created take-home outdoor learning toolkits full of resources that inspire students with hands-on explorations of real-world phenomena.

Out Teach's corporate partners provide funding and volunteers to support its mission, and during the year ended June 30, 2021, Out Teach rallied more than 200 volunteers to help construct Outdoor Learning Labs and assemble outdoor learning toolkits, providing more than 2,100 students with more accessible outdoor STEM learning opportunities at home.

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Elevating Science and Promoting Broader Change: Out Teach elevates science education through outdoor learning. To advocate for greater change in education systems, Out Teach is building the evidence base for its work. Out Teach presents its findings at national conferences, leads conversations on social media channels, and places stories in media outlets to inform communities and education decision-makers about the importance of early and effective science instruction, the benefits of experiential learning outdoors, and the results Out Teach has achieved.

To accelerate all learning through the pandemic, while ensuring students still got the hands-on science instruction they need, Out Teach launched the #EducationIsOpen campaign. Through the campaign this year, Out Teach provided free online lessons and resources to support remote learning and shared its outdoor learning expertise with school districts and schools across the country.

During the year ended June 30, 2021:

- #EducationIsOpen how-to videos garnered more than 200,000 views.
- #EducationIsOpen webinars provided valuable insights and information to 275 educators.
- More than 1,100 educators accessed #EducationIsOpen online resources.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Revenue is recognized when earned and expense when the obligation is incurred.

Financial Statement Presentation

Out Teach has presented its financial statements in accordance with U.S. Generally Accepted Accounting Principles. Under those principles, Out Teach is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* - resources that are available for general operations and resources designated by Out Teach's board of directors for approved expenditures.
- *Net Assets With Donor Restrictions* - resources that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Out Teach or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

REAL SCHOOL GARDENS D/B/A OUT TEACH

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Out Teach is exempt from income taxes under Internal Revenue Code Section 501(c)(3). However, Out Teach is liable for federal and state income taxes on net income, if any, from unrelated business activities. Out Teach incurred no unrelated business income taxes for the years ended June 30, 2021 and 2020.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by Out Teach and recognize a tax liability (or asset) if Out Teach has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by Out Teach, and has concluded that as of June 30, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Out Teach's IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities, generally for three years after filing.

Cash and Cash Equivalents

Cash and cash equivalent include cash on hand and other highly liquid instruments purchased with initial maturities of less than three months.

Accounts Receivable

Accounts receivable consist primarily of services provided to elementary schools where Out Teach has agreed to implement a program at the schools, which are unpaid at year end. Accounts receivable are stated at the amount billed to the elementary schools and are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 180 days are considered delinquent.

An allowance for doubtful accounts has been provided for potentially uncollectible amounts. Management estimates the allowance for doubtful accounts based on historical experience, updated for current economic conditions, and aging of receivables based on due dates. If actual collection experience changes, revisions to the allowance may be necessary. Amounts are charged off against the allowance in the period in which they are deemed uncollectible. As of June 30, 2021 and 2020, no allowance for doubtful accounts was established.

Contributions Receivable

Contributions consist primarily of promises to give from individuals, corporations, and organizations still owed at year end. Management reviews the collectability of the accounts on a regular basis. As of June 30, 2021 and 2020, no allowance for doubtful accounts was established.

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Out Teach capitalizes all furniture and equipment purchases over \$5,000. Depreciation and amortization are determined using the straight-line method over the estimated useful life of the asset ranging from three to approximately fifteen years.

Donations of property and equipment are recorded as support at their fair value. Such donations are reported as unrestricted support unless the donor has restricted the donation for a specific purpose.

Revenue Recognition

Out Teach recognizes teacher training and other programmatic revenue at the point in time the training and program occurs.

Contributions and Grants

Out Teach reports gifts of cash and other assets as 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, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met. Amounts received for conditional contributions are recorded as refundable advances until the conditions have been met.

Deferred Revenue

Deferred revenue represents cash received at year end for sponsorships for which will be held in the next fiscal year.

In-Kind Contributions

In addition to receiving cash contributions, Out Teach receives in-kind contributions from various donors. It is the policy of Out Teach to record the estimated fair value of certain in-kind contributions as an expense in its financial statements, and similarly an increase in support and revenue by a like amount. For the years ended June 30, 2021 and 2020, Out Teach received \$120,309 and \$172,561, respectively, in in-kind goods and use of facilities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated in the basis of estimated time devoted by employees among

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. Expenses that are directly associated with a particular program or supporting service are charged directly to that functional area. The expenses that are allocated include salaries, occupancy, insurance, and general expenses.

2. ADOPTION OF ACCOUNTING STANDARDS

Adoption of Accounting Standards Update 2018-08

For the year ended June 30, 2020, Out Teach adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides additional guidance in (1) evaluating whether transactions should be accounted for as contributions (within the scope of ASC 958) or as exchange (reciprocal) transactions (subject to ASC 606); and (2) distinguishing between conditional and unconditional contributions. Management believes that the adoption of this ASU enhances the comparability of financial information among not-for-profit entities. This change in accounting principle was adopted on a modified prospective basis. The impact of adoption was not material to the financial statements.

Accounting Standards Codification Topic 606

For the year ended June 30, 2020, Out Teach adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. Management believes that the adoption of this standard provides better consistency and comparability across non-profit and for-profit entities. The standard requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard replaces most existing revenue recognition guidance in U.S. GAAP. This change in accounting principle was adopted using the full retrospective method in 2020. Accordingly, the financial statements for fiscal year ended June 30, 2019, were restated and the cumulative effect of adoption had been changed to net assets with donor restrictions as of July 1, 2019, the beginning of the first period presented. The major effect of the adoption on the financial statements was that previously, revenue for events sponsorship was recognized at the time the promise was made. After adoption, revenue is recognized at the completion of each contract milestone. The cumulative effect of the adoption was recognized as a decrease to net assets with donor restrictions of \$821,949 and an increase to net assets without donor restrictions of \$397,215 on July 1, 2019.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Out Teach's cash flows have seasonal variations due to the timing of revenue projects. Out Teach manages its liquidity to meet general expenditures, liabilities, and other obligations as they come due. Excess cash flows not needed for day-to-day operations are invested in interest-bearing accounts.

REAL SCHOOL GARDENS D/B/A OUT TEACH

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

As of June 30, 2021, the following financial assets and liquidity sources were available for general operating expenditure in the year ending June 30, 2022:

Financial Assets

Cash and Cash Equivalents	\$ 3,975,748
Accounts Receivable	213,688
Contributions Receivable	770,349
Less Donor Restricted Net Assets	<u>(2,390,000)</u>
Total Financial Assets Available within One Year	<u><u>\$ 2,569,785</u></u>

As of June 30, 2020, the following financial assets and liquidity sources were available for general operating expenditure in the year ended June 30, 2021:

Financial Assets

Cash and Cash Equivalents	\$ 1,579,975
Accounts Receivable	298,507
Contributions Receivable	1,616,596
Less Donor Restricted Net Assets	(1,863,742)

Other Liquidity Resources

Available Line of Credit	<u>500,000</u>
Total Financial Assets Available within One Year	<u><u>\$ 2,131,336</u></u>

4. CONCENTRATION OF CREDIT RISK

Out Teach maintains cash balances at financial institutions, which at times during the year, exceeded the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

5. CONTRIBUTIONS RECEIVABLE

As of June 30, 2021, there were no contributions receivable due in more than one year from June 30, 2021. As of June 30, 2020, contributions receivable due in more than one year were discounted at approximately 0.8%. Contributions receivable consisted of the following as of June 30, 2021 and 2020:

	2021	2020
Due Within One Year	\$ 770,349	\$ 1,129,004
Due Within One to Five Years	-	500,000
Total Contributions Receivable	770,349	1,629,004
Less Discount to Present Value	-	(12,408)
Contributions Receivable, Net	<u><u>\$ 770,349</u></u>	<u><u>\$ 1,616,596</u></u>

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. PROPERTY AND EQUIPMENT

Out Teach held the following property and equipment as of June 30, 2021 and 2020:

	2021	2020
Website/Digital Education Platform	\$ 236,053	\$ 236,053
Computer Equipment and Software	92,409	92,409
Furniture and Fixtures	46,786	46,786
	<u>375,248</u>	<u>375,248</u>
Less Accumulated Depreciation and Amortization	<u>(375,248)</u>	<u>(350,741)</u>
Property and Equipment, Net	<u>\$ -</u>	<u>\$ 24,507</u>

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were \$2,390,000 and \$1,863,742 as of June 30, 2021 and 2020, respectively. These net assets were restricted by the donor for teacher professional development, outdoor learning lab design and construction, or thought leadership provided during the year. Net assets of \$1,328,742 and \$1,485,000 were released from donor restrictions by incurring expenses satisfying the purpose restrictions imposed during the years ended June 30, 2021 and 2020, respectively.

8. COMMITMENTS AND CONTINGENCIES

Operating Lease

Out Teach leased facilities and equipment under operating lease agreements. Out Teach ended its operating lease agreements in September 2020.

9. RETIREMENT PLAN

Out Teach has a defined contribution retirement plan (the Plan) covering all employees who have completed one month of service. The Plan includes an annual discretionary employer contribution. Participants vest 100% immediately. No contributions to the Plan were made for the year ended June 30, 2020. The contribution to the Plan for the year ended June 30, 2021, was approximately \$52,000.

10. PPP LOAN PAYABLE AND PPP REFUNDABLE ADVANCE

In May 2020, Out Teach received a Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of \$481,945. During the year ended June 30, 2021, Out Teach applied and received partial forgiveness of the SBA loan. \$461,987 was recorded as contributions and grants revenue in the statement of activities for the year ended June 30, 2021. The remaining balance of \$19,958 is reflected as PPP loan payable in the statements of financial position. The loan is subject to an interest rate at 1%. Principal and interest payments were scheduled to begin in August 2021.

In February 2021, Out Teach received a Second SBA loan in the amount of \$465,582. If Out Teach maintains its workforce and meets certain requirements, up to 100% of the loan may be forgiven by the SBA. No more than 40% of the forgiven amount may be for non-payroll costs.

REAL SCHOOL GARDENS D/B/A OUT TEACH

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

10. PPP LOAN PAYABLE AND PPP REFUNDABLE ADVANCE (CONTINUED)

Loans under PPP have an interest rate of 1% and may negotiate to a five-year maturity date, if not forgiven.

Out Teach is accounting for this SBA loan as a conditional contribution since repayment has not been waived as of June 30, 2021, and as such the loan proceeds are shown as PPP refundable advance in the statements of financial position.

11. LINE OF CREDIT

Out Teach had an available line of credit in the amount of \$500,000 which expired on August 31, 2021. For borrowings outstanding at June 30, 2020, the interest rate was 3.96%. The outstanding balance on the line of credit at June 30, 2020, was \$301,006, which included \$1,006 of accrued interest.

12. CONTINGENCIES

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and not-for-profits around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

13. SUBSEQUENT EVENTS

Out Teach has evaluated subsequent events through September 9, 2021, the date on which the financial statements were available to be issued.