



REAL SCHOOL GARDENS D/B/A OUT TEACH

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

REAL SCHOOL GARDENS D/B/A OUT TEACH

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JUNE 30, 2022 AND 2021**

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7910 WOODMONT AVENUE
SUITE 500
BETHESDA, MD 20814
(T) 301.986.0600

1150 18TH STREET, NW
SUITE 550
WASHINGTON, DC 20036
(T) 202.822.0717

Independent Auditor's Report

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

Opinion

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, 2022 and 2021, 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 Out Teach as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Out Teach 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 Out Teach ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 generally accepted auditing standards, 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 Out Teach'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 Out Teach 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.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Bethesda, Maryland
September 23, 2022

REAL SCHOOL GARDENS D/B/A OUT TEACH

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Cash and Cash Equivalents	\$ 4,560,763	\$ 3,975,748
Accounts Receivable	573,705	213,688
Contributions Receivable, Net	1,126,907	770,349
Employee Retention Credit	254,163	-
Prepaid Expenses and Other Assets	<u>18,806</u>	<u>33,966</u>
Total Assets	<u><u>\$ 6,534,344</u></u>	<u><u>\$ 4,993,751</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 95,164	\$ 65,626
Accrued Expenses	102,258	107,842
PPP Loan Payable	26,163	19,958
PPP Refundable Advance	-	465,582
Deferred Revenue	<u>-</u>	<u>91,949</u>
Total Liabilities	223,585	750,957
Net Assets		
Without Donor Restrictions	3,851,926	1,852,794
With Donor Restrictions	<u>2,458,833</u>	<u>2,390,000</u>
Total Net Assets	<u>6,310,759</u>	<u>4,242,794</u>
Total Liabilities and Net Assets	<u><u>\$ 6,534,344</u></u>	<u><u>\$ 4,993,751</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, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Contributions and Grants	\$ 3,738,457	\$ 1,208,833	\$ 4,947,290
Program Fees and Other Revenues	784,607	-	784,607
In-Kind Contributions	126,228	-	126,228
Interest Income	1,116	-	1,116
Net Assets Released from Restrictions	<u>1,140,000</u>	<u>(1,140,000)</u>	<u>-</u>
 Total Revenues	 5,790,408	 68,833	 5,859,241
Expenses			
Program Services			
Educator Training	1,408,070	-	1,408,070
Outdoor Classrooms	607,942	-	607,942
Community Engagement	<u>987,277</u>	<u>-</u>	<u>987,277</u>
 Total Program Services	 3,003,289	 -	 3,003,289
Supporting Services			
Management and General	556,778	-	556,778
Fundraising	<u>231,209</u>	<u>-</u>	<u>231,209</u>
 Total Supporting Services	 <u>787,987</u>	 <u>-</u>	 <u>787,987</u>
 Total Expenses	 <u>3,791,276</u>	 <u>-</u>	 <u>3,791,276</u>
 Change in Net Assets	 1,999,132	 68,833	 2,067,965
Net Assets, Beginning of Year	<u>1,852,794</u>	<u>2,390,000</u>	<u>4,242,794</u>
 Net Assets, End of Year	 <u><u>\$ 3,851,926</u></u>	 <u><u>\$ 2,458,833</u></u>	 <u><u>\$ 6,310,759</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, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>As Restated 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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services			Supporting Services		Total Expenses	
	Educator Training	Outdoor Classrooms	Community Engagement	Total Program Services	Management and General		Fundraising
Salaries	\$ 1,008,749	\$ 243,515	\$ 566,921	\$ 1,819,185	\$ 199,783	\$ 143,438	\$ 2,162,406
Outdoor Classroom Materials and Skilled Labor	-	223,885	-	223,885	-	-	223,885
Professional Learning	19,204	-	-	19,204	-	-	19,204
Benefits	170,357	49,571	50,176	270,104	48,943	33,620	352,667
Professional Fees	138,392	33,781	204,660	376,833	191,539	44,284	612,656
Facilities and Equipment	-	1,315	3,497	4,812	44,032	-	48,844
Marketing and Communications	11,258	5	54,782	66,045	335	789	67,169
Office Expenses	20,002	16,162	33,074	69,238	63,458	3,769	136,465
Insurance	-	-	20,178	20,178	-	-	20,178
Other General Operating Expenses	12,902	5,566	41,823	60,291	3,368	4,000	67,659
Travel and Transportation	27,206	34,142	12,166	73,514	5,320	1,309	80,143
Total Expenses	\$ 1,408,070	\$ 607,942	\$ 987,277	\$ 3,003,289	\$ 556,778	\$ 231,209	\$ 3,791,276

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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 2,067,965	\$ 1,797,720
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	-	24,507
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	(360,017)	84,819
Contributions Receivable	(356,558)	846,247
Employee Retention Credit	(254,163)	-
Prepaid Expenses and Other Assets	15,160	(11,723)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	29,538	36,954
Accounts Expenses	(5,584)	(22,839)
PPP Refundable Advance	(465,582)	(16,363)
Deferred Revenue	(91,949)	(62,501)
Net Cash Provided by Operating Activities	<u>578,810</u>	<u>2,676,821</u>
Cash Flows from Financing Activities		
PPP Loan Payable	6,205	19,958
Payments on Line of Credit	-	(301,006)
Net Cash Provided by (Used in) Financing Activities	<u>6,205</u>	<u>(281,048)</u>
Net Increase in Cash and Cash Equivalents	585,015	2,395,773
Cash and Cash Equivalents, Beginning of Year	<u>3,975,748</u>	<u>1,579,975</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,560,763</u></u>	<u><u>\$ 3,975,748</u></u>
Supplementary Disclosure of Cash Flow Information		
Cash Paid during the Year for Interest	\$ -	\$ 9,180

See accompanying Notes to Financial Statements.

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

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 Dallas-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 is a national organization built to inspire and prepare today's elementary students to become the next generation of fearless innovators. Designed by teachers, for teachers, Out Teach's personalized hands-on training, collaborative partnerships, and easily accessible resources equip thousands of teachers in schools across the US with the tools and know-how to transform the outdoors into active learning labs. From math to science, and language arts, Out Teach is building a future where every student - no matter what they look like or where they come from - experiences teaching and learning in a way that forever prepares them to move through the world undaunted by challenges and passionate about new possibilities. Out Teach's approach puts teachers at the center, so they can put students first.

Out Teach focuses on the following areas:

Coaching and Inspiring Teachers: From group trainings and digital communities to one-on-one sessions, workshops, and trainings, Out Teach's approach to professional learning puts teachers at the center. As a network of peers, Out Teach understands the challenges teachers face because Out Teach has lived them. Out Teach goes beyond expectations to help every teacher tap into the wonder of science. Together, Out Teach empowers today's students so they can take on (and solve) tomorrow's biggest questions. During the year ended June 30, 2022, Out Teach supported over 1,200 teachers and 30,000 students in cracking open new ways of learning, thinking, and problem solving.

Building Outdoor Learning Labs: Whether Out Teach is helping schools see existing outdoor spaces in a new light or working with community partners to build permanent Outdoor Learning Labs, Out Teach customizes its approach to each school. Our Teach makes good on the promise of turning the world into an exciting lab - for both teacher and student. Out Teach's partners provide funding and volunteers to support its mission, and in fiscal year 2022, Out Teach rallied more than 300 volunteers to help it construct 16 Outdoor Learning spaces and assemble outdoor learning toolkits, providing more than 11,375 students with more accessible outdoor STEM learning opportunities at home. Out Teach also collaborated with over 20 additional public schools to design future outdoor learning spaces.

Promoting Broader Change: Out Teach's multi-year strategic plan is focused on an ambitious goal to inspire and prepare more than 250,000 elementary students to become tomorrow's fearless innovators. How? By training more than 10,000 teachers to make real-world science a part of every school day. Backed by a \$10 million capital investment campaign, Out Teach's three strategic priorities help students get there:

- *Elevating Science Education* - There is no shortage of research showing that science provides a powerful lens for students to engage with every subject, from math to reading, and language arts. Every school partnership translates into evidence-based support for the impact outdoor, hands-on learning can have well into the future.

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

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

Organization (Continued)

- *Innovating to Go Further* - From creating digital learning experiences for teachers to building out customizable resource libraries and developing replicable models, Out Teach prioritizes innovations that pave the way for greater impact and broader, national reach and scale.
- *Evidence Building* - With support from effective partnerships across states, districts, and corporations, Out Teach works to create systemic change that sticks. By building an evidence base that demonstrates that early science improves teaching and learning across the board, Out Teach enables an education system that creates real opportunities for all students to access science when it matters most for their futures - early on.

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.

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, 2022 and 2021.

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

Income Taxes (Continued)

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, 2022, 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 is 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, 2022 and 2021, 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, 2022 and 2021, no allowance for doubtful accounts was established.

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.

Out Teach's property and equipment is fully depreciated.

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

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 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, 2022 and 2021, Out Teach received \$126,228 and \$120,309, 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 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. 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, 2022 AND 2021**

2. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

As of June 30, 2022, the following financial assets and liquidity sources were available for general operating expenditure in the year ending June 30, 2023:

Financial Assets

Cash and Cash Equivalents	\$ 4,560,763
Accounts Receivable	573,705
Contributions Receivable	1,126,907
Employee Retention Credit	254,163
Less Donor Restricted Net Assets	<u>(2,458,833)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u><u>\$ 4,056,705</u></u>

As of June 30, 2021, the following financial assets and liquidity sources were available for general operating expenditure in the year ended 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>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u><u>\$ 2,569,785</u></u>

3. 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.

4. CONTRIBUTIONS RECEIVABLE

As of June 30, 2022, there contributions receivable due in more than one year were discounted at 4.4%. As of June 30, 2021, there were no contributions receivable due in more than one year from June 30, 2021. Contributions receivable consisted of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Due Within One Year	\$ 541,673	\$ 770,349
Due Within One to Five Years	<u>610,984</u>	-
Total Contributions Receivable	1,152,657	770,349
Less Discount to Present Value	<u>(25,750)</u>	-
Contributions Receivable, Net	<u><u>\$ 1,126,907</u></u>	<u><u>\$ 770,349</u></u>

REAL SCHOOL GARDENS D/B/A OUT TEACH

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

5. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022 and 2021, Out Teach's net assets with donor restrictions consisted of the following:

<u>Purpose</u>	<u>2022</u>	<u>2021</u>
Educator Training	\$ 1,019,833	\$ 75,000
Outdoor Classrooms	20,000	35,000
Timing	1,419,000	2,280,000
Total	<u>\$ 2,458,833</u>	<u>\$ 2,390,000</u>

For the years ended June 30, 2022 and 2021, net assets were released from restrictions as follows:

<u>Purpose</u>	<u>2022</u>	<u>2021</u>
Educator Training	\$ 75,000	\$ 116,150
Outdoor Classrooms	35,000	25,000
Community Engagement	-	25,000
Timing	1,030,000	1,162,592
Total	<u>\$ 1,140,000</u>	<u>\$ 1,328,742</u>

6. EMPLOYEE RETENTION CREDIT

The employee retention credit (ERC) was created as part of the CARES Act in response to COVID-19 and provides employers a refundable tax credit against certain employment taxes after March 12, 2020. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 extended the ERC through September 30, 2021.

Out Teach applied and received the ERC for the first, second, and third quarters of 2021 and retroactively for the fourth quarter of 2020 in the amount of approximately \$567,000 and the ERC is included in contributions and grants on the statement of activities for the year ended June 30, 2022.

7. 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.

8. 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. For the years ended June 30, 2022 and 2021, contributions to the Plan were approximately \$25,000 and \$52,000, respectively.

9. PPP LOAN PAYABLE

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

REAL SCHOOL GARDENS D/B/A OUT TEACH

**NOTES TO FINANCIAL STATEMENTS
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9. PPP LOAN PAYABLE (CONTINUED)

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 was reflected as PPP loan payable in the statements of financial position as of June 30, 2021. 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. In May 2022, Out Teach applied and received partial forgiveness of the SBA loan in the amount of \$439,419 and the amount is included in contributions and grants on the statement of activities for the year ended June 30, 2022.

The remaining balance of \$26,163 is recorded as PPP loan payable in the statements of financial position. The loan was fully paid in July 2022.

10. 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.

11. SUBSEQUENT EVENTS

Out Teach has evaluated subsequent events through September 23, 2022, the date on which the financial statements were available to be issued.