



**OUT TEACH**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**OUT TEACH**

**TABLE OF CONTENTS  
JUNE 30, 2024 AND 2023**

---

	<u>Pages</u>
Independent Auditor’s Report .....	3-4
Financial Statements	
Statements of Financial Position.....	5
Statements of Activities .....	6-7
Statements of Functional Expenses.....	8-9
Statements of Cash Flows.....	10
Notes to Financial Statements .....	11-19



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

## **Independent Auditor's Report**

Board of Directors  
Out Teach  
Washington, DC

### ***Opinion***

We have audited the accompanying financial statements of Out Teach, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Out Teach as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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's 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's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
November 6, 2024

Certified Public Accountants

**OUT TEACH**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2024 AND 2023**

	2024	2023
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,459,000	\$ 1,284,566
Accounts Receivable	1,002,148	891,254
Contributions Receivable, Net	1,305,034	722,962
Prepaid Expenses and Other Assets	52,563	57,948
Investment	-	1,942,526
<b>Property and Equipment, Net</b>		
Software and Computers	45,000	45,000
Total Property and Equipment	45,000	45,000
Less Accumulated Depreciation	(17,500)	(2,500)
Property and Equipment, Net	27,500	42,500
<b>Total Assets</b>	\$ 3,846,245	\$ 4,941,756
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 224,610	\$ 255,759
Accrued Expenses	117,258	145,247
Deferred Revenue	111,661	58,599
Total Liabilities	453,529	459,605
<b>Net Assets</b>		
Without Donor Restrictions	2,092,976	3,068,190
With Donor Restrictions	1,299,740	1,413,961
Total Net Assets	3,392,716	4,482,151
<b>Total Liabilities and Net Assets</b>	\$ 3,846,245	\$ 4,941,756

*See accompanying Notes to Financial Statements.*

## OUT TEACH

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenues</b>			
Contributions and Grants	\$ 1,735,575	\$ 896,464	\$ 2,632,039
Program Fees and Other Revenues	872,659	-	872,659
In-Kind Contributions	197,877	-	197,877
Interest Income	4,391	-	4,391
Unrealized Gain on Investments	80,006	-	80,006
Net Assets Released from Restrictions	<u>1,010,685</u>	<u>(1,010,685)</u>	<u>-</u>
 Total Revenues	 3,901,193	 (114,221)	 3,786,972
<b>Expenses</b>			
Program Services			
Educator Training	1,484,032	-	1,484,032
Outdoor Classrooms	1,079,403	-	1,079,403
Community Engagement	<u>1,208,716</u>	<u>-</u>	<u>1,208,716</u>
 Total Program Services	 3,772,151	 -	 3,772,151
Supporting Services			
Management and General	599,023	-	599,023
Fundraising	<u>505,233</u>	<u>-</u>	<u>505,233</u>
 Total Supporting Services	 <u>1,104,256</u>	 <u>-</u>	 <u>1,104,256</u>
 Total Expenses	 <u>4,876,407</u>	 <u>-</u>	 <u>4,876,407</u>
 Change in Net Assets	 (975,214)	 (114,221)	 (1,089,435)
 Net Assets, Beginning of Year	 <u>3,068,190</u>	 <u>1,413,961</u>	 <u>4,482,151</u>
 <b>Net Assets, End of Year</b>	 <u><u>\$ 2,092,976</u></u>	 <u><u>\$ 1,299,740</u></u>	 <u><u>\$ 3,392,716</u></u>

*See accompanying Notes to Financial Statements.*

## OUT TEACH

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues</b>			
Contributions and Grants	\$ 1,571,058	\$ 216,666	\$ 1,787,724
Program Fees and Other Revenues	851,902	-	851,902
In-Kind Contributions	210,272	-	210,272
Interest Income	15,314	-	15,314
Unrealized Gain on Investments	74,480	-	74,480
Net Assets Released from Restrictions	1,261,538	(1,261,538)	-
 Total Revenues	 3,984,564	 (1,044,872)	 2,939,692
<b>Expenses</b>			
Program Services			
Educator Training	1,676,331	-	1,676,331
Outdoor Classrooms	1,031,655	-	1,031,655
Community Engagement	1,119,750	-	1,119,750
 Total Program Services	 3,827,736	 -	 3,827,736
Supporting Services			
Management and General	647,272	-	647,272
Fundraising	293,292	-	293,292
 Total Supporting Services	 940,564	 -	 940,564
 Total Expenses	 4,768,300	 -	 4,768,300
 Change in Net Assets	 (783,736)	 (1,044,872)	 (1,828,608)
 Net Assets, Beginning of Year	 3,851,926	 2,458,833	 6,310,759
 <b>Net Assets, End of Year</b>	 <b>\$ 3,068,190</b>	 <b>\$ 1,413,961</b>	 <b>\$ 4,482,151</b>

*See accompanying Notes to Financial Statements.*

**OUT TEACH**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services			Supporting Services		Total Expenses	
	Educator Training	Outdoor Classrooms	Community Engagement	Total Program Services	Management and General		Fundraising
Salaries	\$ 976,373	\$ 425,678	\$ 862,864	\$ 2,264,915	\$ 206,592	\$ 261,235	\$ 2,732,742
Outdoor Classroom Materials and Skilled Labor	21,533	463,094	5,997	490,624	165	224	491,013
Professional Learning	12,325	17,209	1,724	31,258	139	-	31,397
Benefits	187,697	51,306	107,776	346,779	88,148	56,846	491,773
Professional Fees	202,727	86,498	57,606	346,831	171,098	163,027	680,956
Facilities and Equipment	4,798	-	5,096	9,894	40,413	-	50,307
Depreciation and Amortization	-	-	15,000	15,000	-	-	15,000
Marketing and Communications	8,298	4,428	90,291	103,017	7,725	3,756	114,498
Office Expenses	30,327	14,173	9,990	54,490	33,505	7,622	95,617
Insurance	4,977	2,690	1,748	9,415	8,654	2,287	20,356
Other General Operating Expenses	7,095	2,620	14,646	24,361	8,607	2,821	35,789
Travel and Transportation	27,882	11,707	35,978	75,567	33,977	7,415	116,959
<b>Total Expenses</b>	<b>\$ 1,484,032</b>	<b>\$ 1,079,403</b>	<b>\$ 1,208,716</b>	<b>\$ 3,772,151</b>	<b>\$ 599,023</b>	<b>\$ 505,233</b>	<b>\$ 4,876,407</b>

*See accompanying Notes to Financial Statements.*



## OUT TEACH

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2023

	Program Services			Supporting Services		Total Expenses	
	Educator Training	Outdoor Classrooms	Community Engagement	Total Program Services	Management and General		Fundraising
Salaries	\$ 1,146,552	\$ 362,487	\$ 631,446	\$ 2,140,485	\$ 231,910	\$ 186,879	\$ 2,559,274
Outdoor Classroom Materials and Skilled Labor	9,936	456,897	1,713	468,546	234	-	468,780
Professional Learning	24,011	15,315	5,434	44,760	103	25	44,888
Benefits	217,675	59,793	70,771	348,239	65,995	38,059	452,293
Professional Fees	133,333	65,585	183,721	382,639	209,632	48,938	641,209
Facilities and Equipment	475	-	4,924	5,399	46,584	-	51,983
Depreciation and Amortization	-	-	2,500	2,500	-	-	2,500
Marketing and Communications	11,779	10,841	109,506	132,126	32,781	3,783	168,690
Office Expenses	51,229	21,137	31,525	103,891	13,837	12,514	130,242
Insurance	3,583	1,938	1,260	6,781	12,375	1,646	20,802
Other General Operating Expenses	31,475	3,848	15,246	50,569	14,718	-	65,287
Travel and Transportation	46,283	33,814	61,704	141,801	19,103	1,448	162,352
<b>Total Expenses</b>	<b>\$ 1,676,331</b>	<b>\$ 1,031,655</b>	<b>\$ 1,119,750</b>	<b>\$ 3,827,736</b>	<b>\$ 647,272</b>	<b>\$ 293,292</b>	<b>\$ 4,768,300</b>

*See accompanying Notes to Financial Statements.*

**OUT TEACH**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (1,089,435)	\$ (1,828,608)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation and Amortization	15,000	2,500
Net Unrealized Gain on Investments	(80,006)	(74,480)
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	(110,894)	(317,549)
Contributions Receivable	(582,072)	403,945
Employee Retention Credit	-	254,163
Prepaid Expenses and Other Assets	5,385	(39,142)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	(31,149)	160,595
Accounts Expenses	(27,989)	42,989
Deferred Revenue	53,062	58,599
	<u>(1,848,098)</u>	<u>(1,336,988)</u>
<b>Net Cash Used in Operating Activities</b>	<b>(1,848,098)</b>	<b>(1,336,988)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of Property and Equipment	-	(45,000)
Purchases of Investments	(1,064,468)	(6,083,046)
Proceeds from Sales of Investments	3,087,000	4,215,000
	<u>2,022,532</u>	<u>(1,913,046)</u>
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>2,022,532</b>	<b>(1,913,046)</b>
<b>Cash Flows from Financing Activities</b>		
PPP Loan Payable	-	(26,163)
	<u>-</u>	<u>(26,163)</u>
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>(26,163)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>174,434</b>	<b>(3,276,197)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,284,566</b>	<b>4,560,763</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,459,000</b>	<b>\$ 1,284,566</b>
<b>Supplementary Disclosure of Cash Flow Information</b>		
Cash Paid during the Year for Interest	\$ -	\$ 340

*See accompanying Notes to Financial Statements.*

## OUT TEACH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

---

#### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Organization*

Out Teach is a national non-profit organization driven by a powerful vision of education that is not just about the present, but about the future—a future where every child, regardless of their background, is equipped to become the innovators, leaders, and problem-solvers the world so urgently needs.

Founded in Texas on September 19, 2006, Out Teach is headquartered in Washington, DC, with additional offices in Dallas-Fort Worth, Texas; Charlotte, North Carolina; and Atlanta, Georgia. Serving elementary schools across Florida, Georgia, Maryland, North Carolina, Texas, Virginia, and Washington, DC, Out Teach is continually exploring opportunities to expand its reach and impact nationwide, reimagining education so that every student experiences learning in a way that prepares them for an ever-changing world and inspires new possibilities.

Born from the passion and insights of teachers, Out Teach provides hands-on, personalized training, fosters collaborative partnerships, and offers a wealth of accessible resources. These empower thousands of educators across the US to transform the outdoors into dynamic learning environments, knowing that motivated and excited teachers inspire students to reach their fullest potential. Out Teach's support equips teachers across the US with the confidence and expertise to bring science and other subjects to life. Because when students have opportunities to explore, engage, and investigate, a foundation is laid that supports their lifelong learning—across all subjects, including reading and math.

During the year ended June 30, 2024, Out Teach's professional learning and outdoor learning labs reached over 1,100 teachers and 21,028 students providing immersive, hands-on experiences for years to come.

Out Teach focuses on the following programs and services:

***Coaching and Inspiring Teachers:*** Out Teach helps schools unlock student performance in historically underserved communities by centering teachers and using technology. Out Teach designs professional learning that teachers can trust, providing a comprehensive suite of virtual training, job-embedded coaching, group sessions, and online resources that are accessible anytime, anywhere—ensuring that educators have the support they need at their fingertips. In the last fiscal year, Out Teach trained and coached over 400 teachers across 84 schools and 14 districts, positively impacting more than 10,025 students.

***Building Outdoor Learning Labs and Providing Instructional Tools:*** Out Teach believes in the power of real-world learning. By moving outside the traditional classroom, Out Teach helps students develop a scientific mindset that empowers them to ask questions, expand their learning, and move from theory to action. To ensure equitable access to real-world science experiences, Out Teach designs and constructs outdoor learning labs at underserved elementary schools. These labs, supported by corporate partners through funding and volunteer efforts, brought science to life for more than 10,238 students last year. In total, over 800 volunteers helped build or revitalize 24 outdoor labs during the year ended June 30, 2024.

## OUT TEACH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

---

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

##### *Organization (Continued)*

**Promoting Broader Change through Community Engagement.** Out Teach conducts research, presents at national conferences, engages in social media conversations, and shares narrative based stories that center the voices of teachers, students, and volunteers with media outlets to raise awareness about the importance of early and effective science instruction. Out Teach's efforts highlight the benefits of outdoor, real-world learning and demonstrate the positive results achieved by Out Teach.

##### *Strategic Priorities*

Out Teach's multi-year strategic plan is aimed at inspiring and preparing over 250,000 elementary students to become tomorrow's fearless innovators by training more than 10,000 teachers to incorporate real-world science into every school day. As of June 30, 2024, Out Teach has reached 4,852 teachers toward this goal. Supported by a 10M capital investment campaign, Out Teach's three strategic priorities help students get there:

- **Elevating Early-Science Education:** Out Teach emphasizes the critical role of early science education in developing problem-solving and critical-thinking skills, which are essential for any career path, particularly in STEM fields. Each school partnership provides evidence-based support for the impact of reinventing science education to build a workforce capable of tackling future challenges.
- **Enabling Broader Change:** By building a robust evidence and narrative base that demonstrates the value of early science education, Out Teach works to create an education system that offers real opportunities for all students to access science when it matters most—early in their educational journey. With strong partnerships across states, districts, and corporations, along with strategic marketing efforts, Out Teach positions the reimagining of science education as a national priority and drives systemic change that endures.
- **Innovating for Scale:** Out Teach continuously adopts innovations that expand its impact, aiming to provide high-quality science education and help teachers develop the critical 21st-century skills their students need to address future challenges. This includes comprehensive and interactive learning journeys that leverage technology, a Model Provider Program in partnership with Dallas Independent School District's Office of Transformation and Innovation at Seagoville North Elementary School, and other strategic initiatives that serve as models for scaling impactful educational practices.

In 2019, Out Teach launched a \$7 million growth capital campaign to support its strategic plan. By the end of the 2023 fiscal year, Out Teach had surpassed its goal, raising \$7.9 million. Out Teach is now working toward a stretch goal of \$10 million to ensure that it can reach any teacher, anywhere, by 2025.

##### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting.

## OUT TEACH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

---

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

##### *Financial Statement Presentation*

Out Teach has presented its financial statements in accordance with US 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, 2024 and 2023.

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, 2024, 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.

## OUT TEACH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

---

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

##### *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.

Out Teach uses the loss-rate method to estimate expected credit losses based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Historical credit loss experience provides the basis for the estimation of expected credit losses and adjustments are made for differences in current and forecasted risk characteristics and economic conditions. In addition, allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. Accounts receivable that do not share risk characteristics are evaluated on an individual basis. As of June 30, 2024 and 2023, no allowance for credit losses or write offs or recoveries were 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, 2024 and 2023, no allowance for doubtful accounts was established.

##### *Investments*

Investments are recorded at fair market value.

##### *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.

Revenue recognized for the years ended June 30, 2024 and 2023, that was included in the deferred revenue balance at the beginning of each year, was \$112,266 and \$-0-, respectively. The beginning balances of deferred revenue and accounts receivable as of July 1, 2022, were approximately \$-0- and \$574,000, respectively.

## OUT TEACH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

---

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

##### *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. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Out Teach.

##### *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. ADOPTION OF ACCOUNTING STANDARDS

##### *Adoption of Accounting Standards Codification Topic 326*

During the year ended June 30, 2024, Out Teach adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability.

## OUT TEACH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

#### 2. ADOPTION OF ACCOUNTING STANDARDS (CONTINUED)

##### *Adoption of Accounting Standards Codification Topic 326 (Continued)*

Assets must be presented in the financial statements at the net amount expected to be collected. All assets that fall within the scope of ASU 2016-13 were evaluated to determine if the measurement of expected credit losses is material. Out Teach adopted ASU 2016-13 on a modified retrospective basis and the effect of the adoption was not material to the financial statements.

##### *Adoption of Accounting Standards Update 2020-07*

During the year ended June 30, 2023, Out Teach adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofits through enhancements to presentation and disclosure. Specifically, the ASU addresses the lack of transparency surrounding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in programs and other activities. Management believes that the adoption of this ASU enhances the transparency of financial information among nonprofit entities. The change in accounting principle was applied on a retrospective basis. The impact of adoption was not material to the financial statements, however, the presentation and disclosure of contributed nonfinancial assets has been enhanced.

#### 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.

As of June 30, 2024, the following financial assets and liquidity sources were available for general operating purpose:

##### *Financial Assets*

Cash and Cash Equivalents	\$ 1,459,000
Accounts Receivable	1,002,148
Contributions Receivable	1,305,034
Less Donor Restricted Net Assets	<u>(1,299,740)</u>
Financial Assets Available to Meet Cash	
Needs for General Expenditures within One Year	2,466,442

##### *Other Liquidity Resources*

Available Line of Credit	<u>2,000,000</u>
Financial Assets and Other Liquidity Resources Available to Meet Cash	
Needs for General Expenditures in the Year Ending June 30, 2025	<u><u>\$ 4,466,442</u></u>



**OUT TEACH**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**3. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

As of June 30, 2023, the following financial assets and liquidity sources were available for general operating purpose:

*Financial Assets*

Cash and Cash Equivalents	\$ 1,284,566
Accounts Receivable	891,254
Contributions Receivable	722,962
Investment	1,942,526
Less Donor Restricted Net Assets	<u>(1,413,961)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures in the Year Ended June 30, 2024	3,427,347

*Other Liquidity Resources*

Available Line of Credit	<u>2,000,000</u>
Financial Assets and Other Liquidity Resources Available to Meet Cash Needs for General Expenditures in the Year Ended June 30, 2024	<u><u>\$ 5,427,347</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**

Contributions receivable due in more than one year were discounted at 4.4% as of June 30, 2024 and 2023. Contributions receivable consisted of the following as of June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Due in Less Than One Year	<b>\$ 1,045,570</b>	\$ 423,208
Due in One to Five Years	<b>270,000</b>	<u>312,943</u>
Total Contributions Receivable	<b>1,315,570</b>	736,151
Less Discount to Present Value	<b>(10,536)</b>	(13,189)
Contributions Receivable, Net	<u><u>\$ 1,305,034</u></u>	<u><u>\$ 722,962</u></u>

**6. FAIR VALUE MEASUREMENTS**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

*Level 1* - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities).

*Level 2* - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds).

## OUT TEACH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

#### 6. FAIR VALUE MEASUREMENTS (CONTINUED)

*Level 3* - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment (examples include certain private equity securities and split interest agreements).

There were no investments for the year ended June 30, 2024.

The following presents Out Teach's assets measured at fair value on a recurring basis as of June 30, 2023:

Description	Fair Value	Level 1	Level 2	Level 3
US Treasury Bills	\$ 1,942,526	\$ -	\$ 1,942,526	\$ -
Total Investments	\$ 1,942,526	\$ -	\$ 1,942,526	\$ -

#### 7. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2024 and 2023, Out Teach's net assets with donor restrictions consisted of the following:

Purpose	2024	2023
Educator Training	\$ 442,942	\$ 697,794
Outdoor Classrooms	-	60,000
Timing	856,798	656,167
Total	\$ 1,299,740	\$ 1,413,961

For the years ended June 30, 2024 and 2023, net assets were released from restrictions as follows:

Purpose	2024	2023
Educator Training	\$ 359,852	\$ 422,038
Outdoor Classrooms	60,000	20,000
Timing	590,833	819,500
Total	\$ 1,010,685	\$ 1,261,538

#### 8. LINE OF CREDIT

In December 2022, Out Teach entered into a line of credit agreement with a bank. Under the terms of the agreement, Out Teach may borrow up to \$2,000,000. The interest rate on the line of credit is the BSBY Daily Floating Rate, which is a fluctuating rate of interest which can change on each banking day, plus 2.25 percentage points. The line of credit is secured by investment securities held at Merrill Lynch. The line of credit agreement contains restrictive covenants, including submission of financial information such as financial statements, tax returns, investment statements, and other information within 15 days after written request from the bank. As of June 30, 2024 and 2023, no amounts were due under the line of credit.

#### 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.

## OUT TEACH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

#### 9. RETIREMENT PLAN (CONTINUED)

Participants vest 100% immediately. For the years ended June 30, 2024 and 2023, contributions to the Plan were approximately \$61,000 and \$56,000, respectively.

#### 10. IN-KIND CONTRIBUTIONS

The value of donated services included as contributions and offsetting expenses in the financial statements mainly consist of services provided by consulting and law firms for various services. The value of donated services are based on current market rates for similar services. All donated services received by Out Teach for the years ended June 30, 2024 and 2023, were considered without donor restrictions and able to be used by Out Teach as determined by the Board of Directors and management.

For the year ended June 30, 2024, the total of these services and other products was approximately \$198,000.

Description	Programs	Management and General	Fundraising	Total
Professional Fees	\$ 112,842	\$ 42,497	\$ 42,538	\$ 197,877
Total In-Kind	\$ 112,842	\$ 42,497	\$ 42,538	\$ 197,877

For the year ended June 30, 2023, the total of these services and other products was approximately \$210,000.

Description	Programs	Management and General	Fundraising	Total
Professional Fees	\$ 150,724	\$ 37,606	\$ 17,911	\$ 206,241
Memberships and Dues	-	1,515	-	1,515
Food and Other Products	2,516	-	-	2,516
Total In-Kind	\$ 153,240	\$ 39,121	\$ 17,911	\$ 210,272

#### 11. STRATEGIC PLAN

Out Teach is coming to the end of a growth campaign and strategic plan. Out Teach raised significant resources in the first three years of its strategic plan and produced a surplus in fiscal years 2020 - 2022. In the last three years of its strategic plan, Out Teach is activating those resources and investing in its organizational capacity, and thus it is showing a decrease in net assets for the years ended June 30, 2024 and 2023. Management believes its strategic plan is on track. In management's opinion, Out Teach is increasing revenues each year while holding expenses relatively flat.

#### 12. SUBSEQUENT EVENTS

Out Teach has evaluated subsequent events through November 6, 2024, the date on which the financial statements were available to be issued.