

**TNTP, Inc.**

Financial Statements

September 30, 2023 and 2022

## Independent Auditors' Report

**Board of Directors**  
**TNTP, Inc.**

### *Opinion*

We have audited the accompanying financial statements of TNTP, Inc. ("TNTP"), which comprise the statements of financial position as of September 30, 2023 and 2022, 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 TNTP as of September 30, 2023 and 2022, 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 Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of TNTP 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 TNTP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' 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 auditors' 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. 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 the 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 TNTP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant 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 TNTP'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.

*PKF O'Connor Davies, LLP*

January 23, 2024

**TNTP, Inc.**

Statements of Financial Position

	September 30	
	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 30,150,131	\$ 38,136,386
Program service receivables, net	34,882,602	27,168,820
Grant receivables	7,375,631	6,432,216
Prepaid expenses and other assets	1,274,152	1,414,414
Investments	-	549,111
Property, software and equipment, net	460,740	883,146
	\$ 74,143,256	\$ 74,584,093
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 8,365,205	\$ 14,166,603
Deferred revenue	2,910,756	4,283,399
Total Liabilities	11,275,961	18,450,002
Net Assets		
Without Donor Restrictions		
Undesignated	49,173,462	42,481,988
Board designated	6,745,000	6,745,000
Total Without Donor Restrictions	55,918,462	49,226,988
With donor restrictions	6,948,833	6,907,103
Total Net Assets	62,867,295	56,134,091
	\$ 74,143,256	\$ 74,584,093

See notes to financial statements

## TNTP, Inc.

### Statements of Activities

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND PUBLIC SUPPORT</b>						
Program service revenue	\$ 115,392,504	\$ -	\$ 115,392,504	\$ 96,080,114	\$ -	\$ 96,080,114
Federal government grants	6,401,085	-	6,401,085	4,490,034	-	4,490,034
Grants from foundations, net of refunded amounts of \$- and \$4,932	2,200,000	12,922,377	15,122,377	2,700,000	13,259,296	15,959,296
Grants from donor advised funds	-	1,380,000	1,380,000	20,100,000	-	20,100,000
Investment income	392,781	-	392,781	13,800	-	13,800
In-kind contributions	315,425	-	315,425	286,764	-	286,764
Other income	81,835	-	81,835	349,010	-	349,010
Net assets released from restrictions	<u>14,260,647</u>	<u>(14,260,647)</u>	<u>-</u>	<u>22,962,213</u>	<u>(22,962,213)</u>	<u>-</u>
Total Revenue and Public Support	<u>139,044,277</u>	<u>41,730</u>	<u>139,086,007</u>	<u>146,981,935</u>	<u>(9,702,917)</u>	<u>137,279,018</u>
<b>EXPENSES</b>						
Program Services						
Client services	107,464,583	-	107,464,583	105,390,227	-	105,390,227
Internal programs	<u>4,980,827</u>	<u>-</u>	<u>4,980,827</u>	<u>6,588,020</u>	<u>-</u>	<u>6,588,020</u>
Total Program Services	112,445,410	-	112,445,410	111,978,247	-	111,978,247
Management and general	18,208,562	-	18,208,562	14,259,131	-	14,259,131
Development	<u>1,698,831</u>	<u>-</u>	<u>1,698,831</u>	<u>1,070,132</u>	<u>-</u>	<u>1,070,132</u>
Total Expenses	<u>132,352,803</u>	<u>-</u>	<u>132,352,803</u>	<u>127,307,510</u>	<u>-</u>	<u>127,307,510</u>
Excess (Deficiency) of Revenue and Public Support Over Expenses	6,691,474	41,730	6,733,204	19,674,425	(9,702,917)	9,971,508
<b>NON-OPERATING ACTIVITIES</b>						
CARES Act stimulus revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,611,378</u>	<u>-</u>	<u>7,611,378</u>
Change in Net Assets	6,691,474	41,730	6,733,204	27,285,803	(9,702,917)	17,582,886
<b>NET ASSETS</b>						
Beginning of year	<u>49,226,988</u>	<u>6,907,103</u>	<u>56,134,091</u>	<u>21,941,185</u>	<u>16,610,020</u>	<u>38,551,205</u>
End of year	<u>\$ 55,918,462</u>	<u>\$ 6,948,833</u>	<u>\$ 62,867,295</u>	<u>\$ 49,226,988</u>	<u>\$ 6,907,103</u>	<u>\$ 56,134,091</u>

See notes to financial statements

**TNTP, Inc.**

Statement of Functional Expenses  
Year Ended September 30, 2023

	Program Services			Management and General	Development	Total Expenses
	Client Services	Internal Programs	Total			
Salaries	\$ 62,159,051	\$ 2,619,735	\$ 64,778,786	\$ 10,420,753	\$ 1,229,297	\$ 76,428,836
Payroll taxes	4,625,872	183,132	4,809,004	762,699	90,872	5,662,575
Employee benefits	10,598,610	439,974	11,038,584	1,871,963	218,991	13,129,538
Fees for services	5,629,363	912,620	6,541,983	1,481,078	19,036	8,042,097
Advertising expenses	201,969	11,509	213,478	35,340	-	248,818
Office expenses	1,767,466	74,850	1,842,316	274,395	32,190	2,148,901
Information technology	1,395,703	70,325	1,466,028	574,776	31,454	2,072,258
Occupancy	43,149	1,055	44,204	4,453	525	49,182
Conferences, meetings and travel	8,447,281	399,189	8,846,470	1,395,683	60,452	10,302,605
Depreciation	453,757	19,939	473,696	96,156	11,601	581,453
Stipends	8,327,290	232,039	8,559,329	-	-	8,559,329
Grants and awards	327,688	144	327,832	10,652	92	338,576
Other expenses	2,983,755	16,316	3,000,071	971,137	4,321	3,975,529
Bad debt expense	503,629	-	503,629	309,477	-	813,106
<b>Total Expenses</b>	<b>\$ 107,464,583</b>	<b>\$ 4,980,827</b>	<b>\$ 112,445,410</b>	<b>\$ 18,208,562</b>	<b>\$ 1,698,831</b>	<b>\$ 132,352,803</b>

See notes to financial statements

**TNTP, Inc.**

Statement of Functional Expenses  
Year Ended September 30, 2022

	Program Services			Management and General	Development	Total Expenses
	Client Services	Internal Programs	Total			
Salaries	\$ 59,555,358	\$ 3,705,691	\$ 63,261,049	\$ 8,151,644	\$ 815,958	\$ 72,228,651
Payroll taxes	4,440,155	278,451	4,718,606	608,399	60,805	5,387,810
Employee benefits	7,636,234	485,209	8,121,443	1,116,155	106,265	9,343,863
Fees for services	5,484,758	1,389,982	6,874,740	2,443,177	13,626	9,331,543
Advertising expenses	409,156	2,544	411,700	111,039	-	522,739
Office expenses	1,629,925	100,596	1,730,521	200,455	17,911	1,948,887
Information technology	1,635,914	111,552	1,747,466	343,030	24,493	2,114,989
Occupancy	25,200	2,571	27,771	9,639	380	37,790
Conferences, meetings and travel	4,595,581	398,428	4,994,009	269,919	21,273	5,285,201
Depreciation	457,788	31,500	489,288	78,425	7,790	575,503
Stipends	12,252,277	10,459	12,262,736	-	-	12,262,736
Grants and awards	4,148,404	10,600	4,159,004	-	-	4,159,004
Other expenses	2,953,317	60,437	3,013,754	927,249	1,631	3,942,634
Bad debt expense	166,160	-	166,160	-	-	166,160
<b>Total Expenses</b>	<b><u>\$ 105,390,227</u></b>	<b><u>\$ 6,588,020</u></b>	<b><u>\$ 111,978,247</u></b>	<b><u>\$ 14,259,131</u></b>	<b><u>\$ 1,070,132</u></b>	<b><u>\$ 127,307,510</u></b>

See notes to financial statements

**TNTP, Inc.**

Statements of Cash Flows

	Year Ended September 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 6,733,204	\$ 17,582,886
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	581,453	575,503
Bad debt expense	813,106	166,160
Unrealized loss on investments	-	34,096
Accrued interest on Paycheck Protection Program loan	-	121,871
Paycheck Protection Program loan forgiveness	-	(7,611,378)
Net change in operating assets and liabilities		
Program service receivables	(8,526,888)	(11,072,320)
Grant receivables	(943,415)	3,246,416
Prepaid expenses and other assets	140,262	(633,776)
Accounts payable and accrued expenses	(5,801,398)	6,053,139
Deferred revenue	(1,372,643)	420,170
Net Cash from Operating Activities	(8,376,319)	8,882,767
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, software and equipment	(159,047)	-
Proceeds from treasury bills	-	4,300,000
Proceeds from sale of investments	-	1,095,000
Proceeds from bond maturity	549,111	-
Purchases of treasury bills	-	(4,293,487)
Net Cash from Investing Activities	390,064	1,101,513
 Change in Cash and Cash Equivalents	(7,986,255)	9,984,280
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	38,136,386	28,152,106
 End of year	\$ 30,150,131	\$ 38,136,386
 <b>NON-CASH FINANCING ACTIVITY</b>		
Paycheck Protection Program loan forgiveness	\$ -	\$ 7,611,378

See notes to financial statements



## TNTP, Inc.

Notes to the Financial Statements  
September 30, 2023 and 2022

### 1. Organization and Nature of Activities

TNTP, Inc. (“TNTP”), a Delaware not-for-profit corporation, believes our nation’s public schools can offer all children an excellent education. A national non-profit founded by teachers, TNTP helps school systems end educational inequality and achieve their goals for students. TNTP works at every level of the public education system to attract and train talented teachers and school leaders, ensure rigorous and engaging classrooms, and create environments that prioritize great teaching and accelerate student learning.

TNTP has been determined to be a non-profit organization exempt from federal and state income taxes under Section 501(c)(3) of the United States Internal Revenue Code.

### 2. Summary of Significant Accounting Policies

#### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### ***Change in Accounting Policy***

TNTP adopted Financial Accounting Standards Board Topic 842, *Leases*, using the effective date method with October 1, 2022 as the date of initial adoption, with certain practical expedients available.

TNTP elected the available practical expedients to account for its existing operating lease as an operating lease, under the new guidance FASB Topic 842, *Leases*, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether the classification of capital lease (now finance) or operating lease would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement, TNTP does not report an asset and lease liability for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Management has determined that any leases are immaterial to the financial statements as a whole.

#### ***Net Asset Presentation***

TNTP reports information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

## TNTP, Inc.

Notes to the Financial Statements  
September 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Cash and Cash Equivalents***

TNTP considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

#### ***Allowance for Doubtful Accounts***

TNTP provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. TNTP's estimate is based on historical collection experience and a review of the current status of receivables. It is reasonably possible that TNTP's estimate of the allowance for doubtful accounts will change. Program service receivables are presented net of an allowance for doubtful accounts of \$208,989 and \$104,118 at September 30, 2023 and 2022.

#### ***Fair Value of Financial Instruments***

TNTP follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Investment Valuation and Income Recognition***

Investments are carried at fair value. Interest and dividend income, as well as realized gains or losses and unrealized appreciation or depreciation in investment value, are recognized on the statements of activities.

#### ***Property, Software and Equipment***

Software and equipment are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years. TNTP's policy is to capitalize all purchases of \$5,000 or greater at the time of purchase.

#### ***Deferred Revenue***

Deposits received for program services not yet provided are recorded as deferred revenue and recognized as program service revenue in the period to which they pertain.

## TNTP, Inc.

Notes to the Financial Statements  
September 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Revenue Recognition***

TNTP's main operating revenue is derived from their program fees. TNTP has concluded that there are four different types of contracts and each contains two to three different performance obligations which are satisfied over time. TNTP will recognize revenue when the organization provides one of the identified services to a customer and fulfills the performance obligation. This in turn will result in an asset transfer from TNTP to the customer. The assets that TNTP's customers receive via the fulfillment of the performance obligations enhances the value of the prior assets it has received.

The transaction price is determined by TNTP and each performance obligation is assigned a percentage of the total contract value. In some cases, where TNTP receives advance payments and performance obligations span beyond the fiscal year, amounts are properly recorded in deferred revenue on the statements of financial position. This requires TNTP to not recognize revenue until it is probable of collection. Based on TNTP's strong collection experience, TNTP has concluded that all revenue recognized is probable of collection. As of October 1, 2021, program service receivable was \$16,262,660 and deferred revenue was \$3,863,229.

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as grant receivables and are recorded at their net realizable value. Conditional contributions are recognized as income when the conditions on which they depend have been substantially met. Amounts reflected in the financial statements are net of an allowance for uncollectible gifts, and accordingly, include adjustments, based upon estimates of collectability. Promises to give due in excess of one year are recognized net of a discount to present value.

#### ***In-Kind Contributions***

TNTP recognizes the fair value of donated services which create or enhance nonfinancial assets, or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation.

#### ***Advertising Costs***

Advertising costs are expensed as incurred.

#### ***CARES Act Revenue***

During fiscal year 2022, TNTP recognized revenue associated with the forgiveness of the Paycheck Protection Program Loan ("PPP Loan") of \$7,611,378 and it is reflected in non-operating activities section on the 2022 statement of activities.

## TNTP, Inc.

Notes to the Financial Statements  
September 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***CARES Act Revenue (continued)***

TNTP's claim of the PPP Loan is subject to audit for up to six years from the date forgiveness is granted. If TNTP's PPP Loan claim is audited, the government may determine TNTP did not meet the criteria to apply for the PPP Loan. In such a circumstance, TNTP may have to return all or part of the PPP Loan it has received.

#### ***Functional Allocation of Expenses***

The financial statements report categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Program expenses include client services and internal programs. Supporting services include management and general and development. Expenses have been charged to programs and supporting services based on direct allocation where identified. Expenses reported by functional categories include allocations of shared organizational costs for operations and depreciation expense. TNTP allocates depreciation based on which program is benefiting from the capital expenditure. All other shared organizational costs are allocated to the program and supporting functions based on total time and effort.

#### ***Accounting for Uncertainty in Income Taxes***

TNTP recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that TNTP had no uncertain tax positions that would require financial statement recognition and/or disclosure. TNTP is no longer subject to examinations by the applicable taxing jurisdictions for years prior to September 30, 2020.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 23, 2024.

### 3. Grant Receivables

At September 30, 2023 and 2022, TNTP's grant receivables consisted of \$7,375,631 and \$6,432,216. These amounts are expected to be received within one year. As of September 30, 2023 and 2022, management considers all amounts to be fully collectible and accordingly, no allowance for doubtful accounts has been provided.

## TNTP, Inc.

### Notes to the Financial Statements September 30, 2023 and 2022

#### 4. Fiscal Sponsor

Beginning in 2021, TNTP has acted as a fiscal sponsor and custodian of funds for two non-profit organizations. Both organizations have missions aligned with TNTP's charitable mission in that both organizations seek to further the effectiveness of educational organizations that serve marginalized students. One of the organizations received its exemption from federal and state income taxes under Section 501(c)(3) of the United States Internal Revenue Code and has terminated the sponsorship during 2022. The second has fulfilled its grant obligations and the sponsorship has been terminated during 2023. During the year ended September 30, 2023, there were no new fiscal sponsorships entered into and both fiscal sponsorships have since ended. During the year ended September 30, 2022, \$313,686 of total income was recorded and \$1,379,030 of expenses were incurred related to the two fiscal sponsorships.

#### 5. Concentration of Credit Risk

TNTP maintains cash in bank accounts which at times may exceed federally insured limits. This potentially subjects TNTP to a concentration of credit risk. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. The Securities Investor Protection Corporation ("SIPC") protects customers from brokerage firm failures. In the event of a failure, SIPC covers losses caused by the misappropriations of securities up to \$500,000 (inclusive of up to \$250,000 for cash holdings). At times cash balances may exceed the FDIC and/or the SIPC limit. As of September 30, 2023, TNTP's uninsured cash and cash equivalents on deposit totaled approximately \$22,435,000. As of September 30, 2022, TNTP's uninsured cash and cash equivalents on deposit totaled approximately \$37,778,000, and TNTP's uninsured investment balance totaled approximately \$50,000.

TNTP has approximately \$7,418,000 of U.S. Treasury Bills at September 30, 2023 which are not insured by the FDIC but are backed by the full faith and credit of the U.S. government. The full amount of U.S. Treasury Bills are included in cash and cash equivalents on the 2023 statement of financial position.

As of September 30, 2023, approximately \$5,791,000 of grants receivable were due from three donors and one federal agency. As of September 30, 2022, approximately \$4,520,000 of grants receivable were due from two donors and one federal agency. These amounts represented approximately 70% of total outstanding grant receivables as of September 30, 2023 and 2022.

#### 6. Investments

At September 30, 2022, TNTP held \$549,111 of investments which consisted entirely of corporate bonds, a level 2 investment based on the fair value hierarchy. During fiscal year ended September 30, 2023, these corporate bonds reached maturity and the proceeds were used to purchase United States treasury bills which are included in cash and cash equivalents. As a result, TNTP no longer holds any investments as of September 30, 2023.

## TNTP, Inc.

### Notes to the Financial Statements September 30, 2023 and 2022

#### 6. Investments *(continued)*

Investment income consisted of the following for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Interest - Corporate bonds	\$ 809	\$ 47,896
Interest - Cash and cash equivalents	391,972	-
Unrealized loss	-	(34,096)
	<u>\$ 392,781</u>	<u>\$ 13,800</u>

#### 7. Property, Software and Equipment

At September 30, property, software and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Computer equipment and software	\$ 10,681,530	\$ 10,681,530
Office furniture and equipment	53,930	53,930
Work in-progress	159,047	-
	<u>10,894,507</u>	<u>10,735,460</u>
Accumulated depreciation	(10,433,767)	(9,852,314)
	<u>\$ 460,740</u>	<u>\$ 883,146</u>

#### 8. Net Assets

##### ***Board Designated Net Assets***

At September 30, 2023 and 2022, board designated net assets consisted of a Contingency Reserve Fund in the amount of \$6,745,000.

The Contingency Reserve Fund was established to ensure long-term financial stability of TNTP and better position it to respond to varying economic conditions, ensuring it could continue to carry out its mission.

## TNTP, Inc.

Notes to the Financial Statements  
September 30, 2023 and 2022

### 8. Net Assets (continued)

#### **Net Assets with Donor Restrictions**

Net assets with donor restrictions as of September 30, 2023 and 2022, are all available for specific purpose and time restrictions.

Amounts released from restrictions during the years ended September 30, are as follows:

	<u>2023</u>	<u>2022</u>
Time restricted	\$ 55,385	\$ 34,520
Purpose restricted	<u>14,205,262</u>	<u>22,927,693</u>
	<u>\$ 14,260,647</u>	<u>\$ 22,962,213</u>

### 9. Contracts and Grants

TNTP has entered into multi-year performance based grants with several foundations. Due to stipulations in these grants linking future support to achievement of performance benchmarks, promises of support for future years in the amount of \$2,762,958 at September 30, 2023 have not been recognized in these financial statements.

TNTP has also been awarded \$16,154,515 in contracts and grants which have not been received or expended in fiscal year 2023. These awards, which represent commitments of government agencies to provide funds on a cost-reimbursement basis for TNTP's programs, will not be reflected in the financial statements until reimbursable activities have been conducted in accordance with the provisions of the contracts and grants.

In December 2021, TNTP received a significant contribution without donor restrictions in the amount of \$20,000,000 which is reflected in grants from donor advised funds in the 2022 statement of activities. The funds were used to expand TNTP's impact, reach and innovation in fulfilling their mission.

### 10. Economic Dependence

TNTP receives its funding from school districts, charter school networks, state education agencies, the Federal government, and foundations. TNTP is economically dependent on the continuation of such funding.

### 11. Commitments and Contingencies

TNTP is involved in various legal proceedings incurred in the normal course of operations. Management believes TNTP has defenses for all such claims and is vigorously defending the actions. It is the opinion of management that the probable resolution of such proceedings will not materially affect the financial position, results of operations or cash flows of TNTP.

The reimbursements to TNTP from various school districts are subject to audit. Management believes that liabilities, if any, that may result from such audits will not be material in relation to the financial statements as a whole.

## TNTP, Inc.

Notes to the Financial Statements  
September 30, 2023 and 2022

### 11. Commitments and Contingencies (*continued*)

TNTP had a month-to-month lease for its central office space at WeWork during fiscal year ended September 30, 2022. The lease terms and conditions were modified, and it is no longer month to month. The new lease agreement for its central office space at WeWork covers the period from September 1, 2022 through August 31, 2024 for the rental of its central office space at WeWork. Rent expense related to this lease was \$7,504 and \$37,790 in 2023 and 2022. Future minimum payments on this new lease agreement amount to \$7,480 in 2024.

### 12. Line of Credit

TNTP has a line of credit agreement with Merrill Lynch for \$3,000,000, with an expiration date of October 31, 2024. Borrowings on this line of credit bear interest at the Bloomberg Short Term Bank Yield Index ("BSBY") Daily Floating Rate plus 2.0% and is collateralized by the business assets of TNTP. The original agreement was amended on August 25, 2017 to include a liquidity clause where as TNTP will be required to maintain on a consolidated basis minimum unrestricted, unencumbered liquid assets of not less than \$3,000,000 as of the end of each fiscal year. There were no outstanding borrowings on the line of credit as of September 30, 2023 and 2022.

### 13. Retirement Plan

TNTP has a 403(b) defined contribution retirement plan for all eligible employees. TNTP matches half of an employee's contribution, with a cap on the match at 7% of an employee's annual salary. Plan expense approximated \$2,900,000 and \$2,284,000 in 2023 and 2022.

### 14. In-Kind Contributions

Contributed services recognized comprise of advertising services from Google Ad valued at \$75,300 and \$199,055 in 2023 and 2022. These contributed services are reported at the estimated fair value in the financial statements based on current rates for similar advertising services. These contributed services are reported in advertising expense on the statements of functional expenses.

TNTP also received pro-bono contracted services valued at \$240,125 and \$87,709 in 2023 and 2022. The contributed services are valued using the approximate value of the salary that would be paid to independent contractors to perform this work. These contributed services are reported in the fees for service expense on the statements of functional expenses. All contributed services have been reflected as both income and expenses on the accompanying statements of activities. No contributed services received were restricted by donors.



**TNTP, Inc.**

Notes to the Financial Statements  
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**15. Availability and Liquidity of Resources**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised the following:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 30,150,131	\$ 38,136,386
Program service receivables, net	34,882,602	27,168,820
Grant receivables	7,375,631	6,432,216
Investments	-	549,111
Total financial assets	72,408,364	72,286,533
Less contractual or donor imposed restricted amounts:		
Board designated funds	6,745,000	6,745,000
Donor restricted funds - time and purpose	6,948,833	6,907,103
	13,693,833	13,652,103
Financial assets available to meet general expenditures over the next twelve months	\$ 58,714,531	\$ 58,634,430

TNTP's working capital and cash flows are driven by the timing of receipts from TNTP's various revenue streams. Program service receivables are expected to be collected within sixty days. As part of TNTP's liquidity management strategy, an investment policy is in place to structure TNTP's financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, TNTP invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, TNTP has a \$3 million committed line of credit, which can be drawn to help manage unanticipated liquidity needs.

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