

TNTP, Inc.

Financial Statements

September 30, 2024 and 2023

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, 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 TNTP as of September 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 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 30, 2025

TNTP, Inc.

Statements of Financial Position

	September 30	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 48,278,043	\$ 30,150,131
Program service receivables, net of 2024 allowance for credit losses of \$333,101 and net of 2023 allowance for bad debt of \$208,989	27,058,695	34,882,602
Grant receivables	5,148,289	7,375,631
Prepaid expenses and other assets	1,367,474	1,274,152
Investments	7,946,390	-
Property, software and equipment, net	-	460,740
	<u>\$ 89,798,891</u>	<u>\$ 74,143,256</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 14,526,151	\$ 8,365,205
Deferred revenue	4,068,801	2,910,756
Total Liabilities	<u>18,594,952</u>	<u>11,275,961</u>
Net Assets		
Without Donor Restrictions		
Undesignated	57,796,019	49,173,462
Board designated	6,745,000	6,745,000
Total Without Donor Restrictions	64,541,019	55,918,462
With donor restrictions	6,662,920	6,948,833
Total Net Assets	<u>71,203,939</u>	<u>62,867,295</u>
	<u>\$ 89,798,891</u>	<u>\$ 74,143,256</u>

See notes to financial statements

TNTP, Inc.

Statements of Activities

	Year Ended September 30, 2024			Year Ended September 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT						
Program service revenue	\$ 110,211,467	\$ -	\$ 110,211,467	\$ 115,392,504	\$ -	\$ 115,392,504
Federal government grants	10,118,312	-	10,118,312	6,401,085	-	6,401,085
Grants from foundations, net of refunded amounts of \$398,051 and \$0	3,655,000	12,259,254	15,914,254	2,200,000	14,302,377	16,502,377
Investment income	1,726,945	-	1,726,945	392,781	-	392,781
In-kind contributions	496,115	-	496,115	315,425	-	315,425
Other income	766,658	-	766,658	81,835	-	81,835
Net assets released from restrictions	<u>12,545,167</u>	<u>(12,545,167)</u>	<u>-</u>	<u>14,260,647</u>	<u>(14,260,647)</u>	<u>-</u>
Total Revenue and Public Support	<u>139,519,664</u>	<u>(285,913)</u>	<u>139,233,751</u>	<u>139,044,277</u>	<u>41,730</u>	<u>139,086,007</u>
EXPENSES						
Program Services						
Client services	105,698,592	-	105,698,592	107,464,583	-	107,464,583
Internal programs	<u>4,284,975</u>	<u>-</u>	<u>4,284,975</u>	<u>4,980,827</u>	<u>-</u>	<u>4,980,827</u>
Total Program Services	109,983,567	-	109,983,567	112,445,410	-	112,445,410
Management and general	19,324,671	-	19,324,671	18,208,562	-	18,208,562
Development	<u>1,588,869</u>	<u>-</u>	<u>1,588,869</u>	<u>1,698,831</u>	<u>-</u>	<u>1,698,831</u>
Total Expenses	<u>130,897,107</u>	<u>-</u>	<u>130,897,107</u>	<u>132,352,803</u>	<u>-</u>	<u>132,352,803</u>
Change in Net Assets	8,622,557	(285,913)	8,336,644	6,691,474	41,730	6,733,204
NET ASSETS						
Beginning 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>
End of year	<u>\$ 64,541,019</u>	<u>\$ 6,662,920</u>	<u>\$ 71,203,939</u>	<u>\$ 55,918,462</u>	<u>\$ 6,948,833</u>	<u>\$ 62,867,295</u>

See notes to financial statements

TNTP, Inc.

Statement of Functional Expenses
Year Ended September 30, 2024

	Program Services			Management and General	Development	Total Expenses
	Client Services	Internal Programs	Total			
Salaries	\$ 67,251,280	\$ 2,274,988	\$ 69,526,268	\$ 12,082,963	\$ 1,178,769	\$ 82,788,000
Payroll taxes	4,993,456	173,705	5,167,161	870,681	89,301	6,127,143
Employee benefits	10,311,434	360,416	10,671,850	1,883,361	187,214	12,742,425
Fees for services	5,220,723	693,729	5,914,452	1,847,952	21,501	7,783,905
Advertising expenses	331,632	2,870	334,502	67,175	-	401,677
Office expenses	1,589,984	47,712	1,637,696	244,401	26,644	1,908,741
Information technology	1,511,416	46,003	1,557,419	666,062	33,150	2,256,631
Occupancy	145,167	791	145,958	4,869	488	151,315
Conferences, meetings and travel	7,905,529	462,295	8,367,824	1,049,396	42,687	9,459,907
Depreciation	239,483	7,916	247,399	49,395	4,899	301,693
Stipends	4,175,103	700	4,175,803	-	-	4,175,803
Grants and awards	463,946	200,000	663,946	-	-	663,946
Other expenses	1,023,559	13,850	1,037,409	558,416	4,216	1,600,041
Bad debt expense	535,880	-	535,880	-	-	535,880
Total Expenses	<u>\$ 105,698,592</u>	<u>\$ 4,284,975</u>	<u>\$ 109,983,567</u>	<u>\$ 19,324,671</u>	<u>\$ 1,588,869</u>	<u>\$ 130,897,107</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
Total Expenses	<u>\$ 107,464,583</u>	<u>\$ 4,980,827</u>	<u>\$ 112,445,410</u>	<u>\$ 18,208,562</u>	<u>\$ 1,698,831</u>	<u>\$ 132,352,803</u>

See notes to financial statements

TNTP, Inc.

Statements of Cash Flows

	Year Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,336,644	\$ 6,733,204
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	301,693	581,453
Adjustment to allowance for credit losses	535,880	813,106
Unrealized gain on investments	(134,274)	-
Loss on disposal on property, software and equipment	159,047	-
Net change in operating assets and liabilities		
Program service receivables	7,288,027	(8,526,888)
Grant receivables	2,227,342	(943,415)
Prepaid expenses and other assets	(93,322)	140,262
Accounts payable and accrued expenses	6,160,946	(5,801,398)
Deferred revenue	1,158,045	(1,372,643)
Net Cash from Operating Activities	25,940,028	(8,376,319)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, software and equipment	-	(159,047)
Proceeds from investment maturity	7,468,720	549,111
Purchases of investments	(15,280,836)	-
Net Cash from Investing Activities	(7,812,116)	390,064
 Change in Cash and Cash Equivalents	18,127,912	(7,986,255)
 CASH AND CASH EQUIVALENTS		
Beginning of year	30,150,131	38,136,386
End of year	\$ 48,278,043	\$ 30,150,131

See notes to financial statements

TNTP, Inc.

Notes to the Financial Statements
September 30, 2024 and 2023

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 works at every level of the public education system to drive meaningful change and create ample opportunities for young people to thrive.

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.

Adoption of New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an expected loss model for instruments measured at amortized cost and certain other instruments that are not measured at fair value through the change in net assets. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of the guidance on October 1, 2023, expanded TNTP’s required disclosures for its expected credit losses for program service receivables but did not have a material effect on its financial statements.

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.

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.

TNTP, Inc.

Notes to the Financial Statements
September 30, 2024 and 2023

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

Program Service Receivables and Allowance for Credit Losses

Program Service receivables represent client billable revenue and tuition revenue earned but not yet collected. Program service receivables are presented net of allowances for credit losses. Interest is not accrued or recorded on outstanding receivables. As a result of adoption Accounting Standards Update (“ASU”) 2016-13, Financial Instruments – Credit Losses (Topic 326), TNTP changed its methodology for assessment of collectability of program service receivable. Prior to the implementation of ASU 2016-13 TNTP applied an impairment model to the collectability of accounts receivable. Subsequent to implementation of ASU 2016-13 on October 1, 2023 TNTP assesses credit losses through a combination of write-off history, aging analysis and any specific known troubled accounts, with a methodology that reflects expected credit losses and requires the use of a forward-looking expected credit loss rate for its program service receivable. TNTP writes off uncollectible accounts receivable once collection efforts have been exhausted.

The following table provides a roll-forward of the allowance for credit losses that is deducted from program service receivable to present the net amount expected to be collected for the year ended September 30, 2024:

Balance as of October 1, 2023	\$	208,989
Provisions for credit losses		<u>124,112</u>
Balance as of September 30, 2024	\$	<u><u>333,101</u></u>

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.

TNTP, Inc.

Notes to the Financial Statements
September 30, 2024 and 2023

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

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.

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 substantially all revenue recognized is probable of collection. As of October 1, 2023 and 2022, program service receivable was \$34,882,602 and \$27,168,820, and deferred revenue was \$2,910,756 and \$4,283,399.

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.

TNTP, Inc.

Notes to the Financial Statements
September 30, 2024 and 2023

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

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, 2021.

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 21, 2025.

3. Grant Receivables

At September 30, 2024 and 2023, TNTP's grant receivables consisted of \$5,148,289 and \$7,375,631. These amounts are expected to be received within one year. TNTP determines whether an allowance for uncollectible balances should be provided for contribution and grants receivables. Such estimates are based on management's assessment of the aged basis of its contribution and grants receivables, current economic conditions, subsequent receipts and historical information. As of September 30, 2024 and 2023, 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, 2024 and 2023

4. 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, 2024, TNTP’s uninsured cash and cash equivalents on deposit totaled approximately \$48,648,000. As of September 30, 2023, TNTP’s uninsured cash and cash equivalents on deposit totaled approximately \$22,435,000.

TNTP has approximately \$7,946,000 of U.S. Treasury Bills at September 30, 2024 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 investments on the 2024 statement of financial position.

As of September 30, 2024, approximately \$2,638,000 of grants receivable were due from one donor and one federal agency. As of September 30, 2023, approximately \$5,791,000 of grants receivable were due from three donors and one federal agency. These amounts represented approximately 51% and 70% of total outstanding grant receivables as of September 30, 2024 and 2023.

5. Investments

At September 30, 2024, TNTP held \$7,946,390 of investments, all of which consisted of US Treasury Bills with maturities greater than 3 months. At September 30, 2023, TNTP held \$7,418,000 of US Treasury Bills with maturities less than 3 months, which were included within cash and cash equivalents on the statements of financial position.

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

	<u>2024</u>	<u>2023</u>
Interest - Corporate bonds	\$ -	\$ 809
Interest - Savings account	1,344,719	-
Interest - Treasury bills	247,952	391,972
Unrealized gain	134,274	-
	<u>\$1,726,945</u>	<u>\$ 392,781</u>

TNTP, Inc.

Notes to the Financial Statements
September 30, 2024 and 2023

6. Property, Software and Equipment

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

	2024	2023
Computer equipment and software	\$ 10,681,530	\$ 10,681,530
Office furniture and equipment	53,930	53,930
Work in-progress	-	159,047
	10,735,460	10,894,507
Accumulated depreciation	(10,735,460)	(10,433,767)
	\$ -	\$ 460,740

7. Net Assets

Board Designated Net Assets

At September 30, 2024 and 2023, 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.

Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2024 and 2023, are all available for specific purpose and time restrictions.

Net assets with donor restrictions as of September 30, are as follows:

	2024	2023
Time restricted	\$ 2,827,790	\$ 1,024,615
Purpose restricted	3,835,130	5,924,218
	\$ 6,662,920	\$ 6,948,833

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

	2024	2023
Time restricted	\$ 1,306,825	\$ 55,385
Purpose restricted	11,238,342	14,205,262
	\$ 12,545,167	\$ 14,260,647

TNTP, Inc.

Notes to the Financial Statements September 30, 2024 and 2023

8. 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 \$4,887,265 at September 30, 2024 have not been recognized in these financial statements.

TNTP has also been awarded \$11,754,509 in contracts and grants which have not been received or expended in fiscal year 2024. 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.

9. 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.

10. 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 vigorously defends such 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.

11. Line of Credit

As of September 30, 2024, TNTP has a line of credit agreement with Merrill Lynch for \$8,000,000, with an expiration date of March 31, 2025. This line of credit agreement with Merrill Lynch was originally \$3,000,000 and amended in April 2024. Borrowings on this line of credit bear interest at the greater of the Term Secured Overnight Financing Rate (SOFR) Daily Floating Rate or the Index Floor, plus 2 percentage points and is collateralized by the business assets of TNTP. The agreement was amended on May 3, 2024 to include a liquidity clause where as TNTP will be required to maintain, on a consolidated basis, a minimum unrestricted, unencumbered liquid assets of not less than \$8,000,000 as of the end of each fiscal year. There were no outstanding borrowings on the line of credit as of September 30, 2024 and 2023.

TNTP, Inc.

Notes to the Financial Statements
September 30, 2024 and 2023

12. 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 \$2,921,000 and \$2,900,000 in 2024 and 2023.

13. In-Kind Contributions

Contributed services recognized comprise of advertising services from Google Ad valued at \$79,580 and \$75,300 in 2024 and 2023. 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 \$416,536 and \$240,125 in 2024 and 2023. The contributed services are valued using the approximate value of the fees 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
September 30, 2024 and 2023

14. 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:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 48,278,043	\$ 30,150,131
Program service receivables, net	27,058,695	34,882,602
Grant receivables	5,148,289	7,375,631
Investments	<u>7,946,390</u>	<u>-</u>
Total financial assets	<u>88,431,417</u>	<u>72,408,364</u>
Less contractual or donor imposed restricted amounts:		
Board designated funds	6,745,000	6,745,000
Donor restricted funds - time and purpose	<u>6,662,920</u>	<u>6,948,833</u>
	<u>13,407,920</u>	<u>13,693,833</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 75,023,497</u>	<u>\$ 58,714,531</u>

TNTP's working capital and cash flows are driven by the timing of receipts from TNTP's various revenue streams. Program service receivables are due within thirty 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 an \$8 million committed line of credit, which can be drawn to help manage unanticipated liquidity needs.

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