

Consolidated Financial Statements and
Independent Auditors' Reports as
Required by Title 2 U.S. Code of
Federal Regulations Part 200, *Uniform
Administrative Requirements, Cost
Principles, and Audit Requirements for
Federal Awards and Government
Auditing Standards* and Related
Information

Teach For All, Inc. and Subsidiary

September 30, 2021 and 2020

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Teach for All, Inc.

Report on the financial statements

We have audited the accompanying consolidated financial statements of Teach for All, Inc. and its subsidiary, Teach For All Network (collectively, "TFALL"), which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to TFALL's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TFALL's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Teach For All, Inc. and its subsidiary, Teach For All Network as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters*Supplementary information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated February 18, 2022, on our consideration of TFALL's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TFALL's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TFALL's internal control over financial reporting and compliance.



New York, New York
February 18, 2022

Teach For All, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30,

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 25,329,454	\$ 25,395,677
Prepaid expenses and other assets	547,597	512,621
Contributions receivable, net (Note 4)	25,476,931	30,442,567
Grants and contracts receivable, net of allowance of \$55,888 and \$15,713 in 2021 and 2020, respectively	457,516	95,942
Advances to network partners	10,984,106	7,132,662
Other receivables	345,105	331,138
Fixed assets, net	-	1,183
Total assets	\$ 63,140,709	\$ 63,911,790
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,622,716	\$ 1,367,375
Deferred revenue	1,797,407	2,117,428
Loans Payable - PPP Loan (Note 5)	1,570,817	1,701,663
Total liabilities	4,990,940	5,186,466
Commitments and contingencies (Note 9)		
Net assets		
Net assets without donor restrictions	9,242,049	6,096,426
Net assets with donor restrictions (Note 7)	48,907,720	52,628,898
Total net assets	58,149,769	58,725,324
Total liabilities and net assets	\$ 63,140,709	\$ 63,911,790

The accompanying notes are an integral part of these consolidated financial statements.

Teach For All, Inc. and Subsidiary
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended September 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues, gains and other support			
Contributions	\$ 16,698,359	\$ 11,419,932	\$ 28,118,291
Grants and contracts	1,653,665	-	1,653,665
PPP loan (Note 5)	1,701,663	-	1,701,663
Other income	982,002	-	982,002
Net assets released from restrictions (Note 7)	<u>15,141,110</u>	<u>(15,141,110)</u>	<u>-</u>
Revenues, gains and other support before contributed services	36,176,799	(3,721,178)	32,455,621
Contributed services	<u>3,120,156</u>	<u>-</u>	<u>3,120,156</u>
Total revenues, gains and other support	<u>39,296,955</u>	<u>(3,721,178)</u>	<u>35,575,777</u>
Expenses			
Program services:			
Early stage partner support	2,227,661	-	2,227,661
Network partner support	<u>26,752,076</u>	<u>-</u>	<u>26,752,076</u>
Total program services	<u>28,979,737</u>	<u>-</u>	<u>28,979,737</u>
Supporting services:			
Management and general	4,495,988	-	4,495,988
Fundraising	<u>2,675,607</u>	<u>-</u>	<u>2,675,607</u>
Total supporting services	<u>7,171,595</u>	<u>-</u>	<u>7,171,595</u>
Total expenses	<u>36,151,332</u>	<u>-</u>	<u>36,151,332</u>
CHANGE IN NET ASSETS	3,145,623	(3,721,178)	(575,555)
Net assets, beginning of year	<u>6,096,426</u>	<u>52,628,898</u>	<u>58,725,324</u>
Net assets, end of year	<u>\$ 9,242,049</u>	<u>\$ 48,907,720</u>	<u>\$ 58,149,769</u>

The accompanying notes are an integral part of this consolidated financial statement.

Teach For All, Inc. and Subsidiary
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended September 30, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues, gains and other support			
Contributions	\$ 14,345,282	\$ 36,011,959	\$ 50,357,241
Grants and contracts	605,670	-	605,670
Other income	150,767	-	150,767
Net assets released from restrictions (Note 7)	<u>17,001,533</u>	<u>(17,001,533)</u>	<u>-</u>
Revenues, gains and other support before contributed services	32,103,252	19,010,426	51,113,678
Contributed services	<u>2,974,373</u>	<u>-</u>	<u>2,974,373</u>
Total revenues, gains and other support	<u>35,077,625</u>	<u>19,010,426</u>	<u>54,088,051</u>
Expenses			
Program services:			
Early stage partner support	1,525,138	-	1,525,138
Network partner support	<u>26,360,860</u>	<u>-</u>	<u>26,360,860</u>
Total program services	<u>27,885,998</u>	<u>-</u>	<u>27,885,998</u>
Supporting services:			
Management and general	4,504,826	-	4,504,826
Fundraising	<u>2,620,596</u>	<u>-</u>	<u>2,620,596</u>
Total supporting services	<u>7,125,422</u>	<u>-</u>	<u>7,125,422</u>
Total expenses	<u>35,011,420</u>	<u>-</u>	<u>35,011,420</u>
CHANGE IN NET ASSETS	66,205	19,010,426	19,076,631
Net assets, beginning of year	<u>6,030,221</u>	<u>33,618,472</u>	<u>39,648,693</u>
Net assets, end of year	<u>\$ 6,096,426</u>	<u>\$ 52,628,898</u>	<u>\$ 58,725,324</u>

The accompanying notes are an integral part of this consolidated financial statement.

Teach For All, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2021

	Program Services			Supporting Services			Total
	Early Stage Partner Support	Network Partner Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel expenses							
Salaries	\$ 1,318,218	\$ 9,917,881	\$ 11,236,099	\$ 2,671,876	\$ 2,043,981	\$ 4,715,857	\$ 15,951,956
Payroll taxes and related expenses	352,594	2,558,589	2,911,183	624,496	489,528	1,114,024	4,025,207
Total personnel expenses	1,670,812	12,476,470	14,147,282	3,296,372	2,533,509	5,829,881	19,977,163
Non-personnel expenses							
Grants	85,000	9,476,567	9,561,567	-	-	-	9,561,567
Travel	300	6,227	6,527	953	472	1,425	7,952
Conferences, workshops and meetings	2,806	92,950	95,756	37,224	576	37,800	133,556
Professional services	80,556	828,497	909,053	515,502	25	515,527	1,424,580
Information technology	34,095	266,816	300,911	225,364	33,509	258,873	559,784
Occupancy and office expenses	59,544	688,991	748,535	244,387	107,516	351,903	1,100,438
Other expenses	-	256,520	256,520	8,433	-	8,433	264,953
Total non-personnel expenses	262,301	11,616,568	11,878,869	1,031,863	142,098	1,173,961	13,052,830
Total expenses before non-cash items	1,933,113	24,093,038	26,026,151	4,328,235	2,675,607	7,003,842	33,029,993
Depreciation	-	-	-	1,183	-	1,183	1,183
Contributed services	294,548	2,659,038	2,953,586	166,570	-	166,570	3,120,156
Total expenses	<u>\$ 2,227,661</u>	<u>\$ 26,752,076</u>	<u>\$ 28,979,737</u>	<u>\$ 4,495,988</u>	<u>\$ 2,675,607</u>	<u>\$ 7,171,595</u>	<u>\$ 36,151,332</u>

The accompanying notes are an integral part of this consolidated financial statement.

Teach For All, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2020

	Program Services			Supporting Services			Total
	Early Stage Partner Support	Network Partner Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel expenses							
Salaries	\$ 720,579	\$ 9,905,266	\$ 10,625,845	\$ 2,403,547	\$ 1,944,738	\$ 4,348,285	\$ 14,974,130
Payroll taxes and related expenses	181,568	2,492,078	2,673,646	606,481	496,778	1,103,259	3,776,905
Total personnel expenses	902,147	12,397,344	13,299,491	3,010,028	2,441,516	5,451,544	18,751,035
Non-personnel expenses							
Grants	165,000	8,848,546	9,013,546	-	-	-	9,013,546
Travel	12,499	420,720	433,219	34,329	15,199	49,528	482,747
Conferences, workshops and meetings	65,123	611,919	677,042	28,185	1,330	29,515	706,557
Professional services	2,235	697,429	699,664	383,204	49,922	433,126	1,132,790
Information technology	13,226	236,723	249,949	227,828	38,091	265,919	515,868
Occupancy and office expenses	98,260	735,114	833,374	269,651	73,782	343,433	1,176,807
Other expenses	9,375	85,851	95,226	155,483	756	156,239	251,465
Total non-personnel expenses	365,718	11,636,302	12,002,020	1,098,680	179,080	1,277,760	13,279,780
Total expenses before non-cash items	1,267,865	24,033,646	25,301,511	4,108,708	2,620,596	6,729,304	32,030,815
Depreciation	-	-	-	6,232	-	6,232	6,232
Contributed services	257,273	2,327,214	2,584,487	389,886	-	389,886	2,974,373
Total expenses	\$ 1,525,138	\$ 26,360,860	\$ 27,885,998	\$ 4,504,826	\$ 2,620,596	\$ 7,125,422	\$ 35,011,420

The accompanying notes are an integral part of this consolidated financial statement.

Teach For All, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30,

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ (575,555)	\$ 19,076,631
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,183	6,232
Change in discount of contributions receivable	16,858	(328,048)
Change in allowance for doubtful accounts - contributions receivable	(65,054)	141,943
Change in allowance for doubtful accounts - grants and contracts receivable	40,175	8,878
Changes in operating assets and liabilities:		
Prepaid expense and other assets	(34,976)	303,200
Contributions receivable	5,013,832	(7,941,839)
Grants and contracts receivables	(401,749)	58,607
Advances to network partners	(3,851,444)	(1,129,630)
Other receivables	(13,967)	(272,096)
Accounts payable and accrued expenses	255,341	26,638
Deferred revenue	(320,021)	1,124,275
	<u>64,623</u>	<u>11,074,791</u>
Cash flows from financing activities:		
Proceeds from the PPP loan	1,570,817	1,701,663
PPP loan forgiveness	(1,701,663)	-
	<u>(130,846)</u>	<u>1,701,663</u>
Net cash (used in) provided by operating activities	<u>(130,846)</u>	<u>1,701,663</u>
Net (decrease) increase in cash and cash equivalents	(66,223)	12,776,454
Cash and cash equivalents, beginning of year	<u>25,395,677</u>	<u>12,466,174</u>
Cash and cash equivalents, end of year	<u>\$ 25,329,454</u>	<u>\$ 25,242,628</u>

The accompanying notes are an integral part of these consolidated financial statements.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021 and 2020

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Teach For All, Inc. is a not-for-profit corporation incorporated in the State of New York on February 29, 2008 and is exempt from corporate federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

Teach For All, Inc. is a global organization that works to accelerate the progress of the more than 60 independent, locally led and governed partner organizations within the overall Teach For All global network. Each network partner recruits and develops promising future leaders to teach in their nations' under-resourced schools and communities and, with this foundation, to work with others, inside and outside of education, to ensure all children are able to fulfill their potential. Teach For All, Inc. works to increase the network's impact by supporting the development of new organizations, fostering network connectivity and learning, providing coaching and consulting, and enabling access to global resources for the benefit of the network.

Teach For All Network, established in 2011, is a company limited by guarantee and a registered charity in England and Wales, and is dedicated to the advancement of education for the public benefit and shares the same mission as Teach For All, Inc.

Teach For All, Inc. and Teach For All Network are separate legal entities for which there are overlapping board members and officers and, since its establishment, Teach For All, Inc. has been the sole member of Teach For All Network.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements, which consolidate the accounts of Teach For All, Inc. and Teach For All Network (collectively, "TFALL"), have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All intercompany accounts and transactions have been eliminated in consolidation.

The net assets of TFALL and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent resources that are not restricted by donors, and therefore, are fully available at the discretion of TFALL in meeting its organizational mission and operational objectives.

Net assets with donor restrictions

Net assets with donor restrictions represent resources that are subject to donor-imposed stipulations whose use is restricted by time and/or purpose (Note 7).

Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions (Note 7). Gifts whose donor-stipulated purposes are met in the same year as received are reported within net assets without donor restrictions.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

Cash and Cash Equivalents

Cash consists of cash on deposit with banks. Cash equivalents represent short-term investments with original maturities of three months or less from the date of purchase.

Functional Allocation of Expenses

The costs of providing TFALL's programs and supporting services have been summarized on a functional basis within the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, generally using personnel and related costs.

The following is a description of TFALL's programs:

Early Stage Partner Support

Expenditures for Early Stage Partner Support enable TFALL to respond to interest from social entrepreneurs around the world and help to ensure that future partner organizations lay the necessary foundation to develop into effective and sustainable network partners. TFALL staff work with social entrepreneurs to evaluate the feasibility of the approach within their country's context, to develop and refine business plans, and to set up the organization for a successful launch by anticipating upcoming challenges. Additionally, TFALL assists in garnering financial and other support and connects existing and emerging partners with peer programs in their region.

Network Partner Support

Expenditures in the area of Network Partner Support provide ongoing assistance to programs established as TFALL network partners, to accelerate impact in the areas of scale, network impact and learning, alumni leadership, and organizational strength. TFALL support for network partners focuses on four areas: identifying effective practices across the network, creating tools and resources, and advising partners in adapting these approaches to their individual contexts; facilitating direct connections for peer-to-peer learning and experience-sharing; accessing global knowledge and resources for the network; and contributing to the leadership development of network staff, alumni and participants.

The focus and delivery method of support differs by partner needs and "life stage." Levels of support include: direct support by representatives of the partner engagement team and functional area specialists; opportunities for leadership development and networking through conferences for partner staff, participants and alumni; and the generation and sharing of global funding, technology, public affairs opportunities, and staffing leads.

Contributions and Grants

TFALL recognizes government and private contracts and grants as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or nonreciprocal. For contributions, revenue is recognized when a contribution becomes unconditional. Typically, contract and grant agreements contain a right of return or right of release from the respective obligation provision on the part of the grantor and TFALL has limited discretion over how funds transferred should be spent. As such, TFALL recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome.

As of September 30, 2021 and 2020, TFALL's outstanding conditional contributions totaled approximately \$14.9 million and \$22.8 million, respectively, which will be recognized as revenue as conditions are met. Funds received in advance of conditions being met are reported as deferred revenue within the accompanying consolidated statements of financial position.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

Contributions, including unconditional promises to give, are reported as revenues in the period received or pledged based upon donor restriction, if any. Contributions to be received in future periods are discounted using a risk-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any. Contributions of assets other than cash, including goods and services, are recorded at their estimated fair value at the date of contribution.

Contributed Services

Certain donated professional services have been recognized in the accompanying consolidated financial statements based on the estimated fair value for such services on the date received, in accordance with the criteria for recognition under U.S. GAAP. These professional services included expertise in international trademarks, legal affairs, and program consulting.

Allowances for Doubtful Accounts

Allowances for doubtful accounts are provided based upon management's judgment including such factors as prior collection history and type of receivable. Receivables are written-off when deemed uncollectible. Payments, if any, subsequently received on previously reserved receivables are credited to the allowance for doubtful accounts.

Advances to Network Partners

Advances to Network Partners represent sub-grant advances that are recognized by TFALL as grant expenditures in future years as the respective network partners meet all of the applicable sub-grant requirements. At September 30, 2021 and 2020, TFALL had advances outstanding to the following network regions:

	2021	2020
Africa	\$ 5,159,043	\$ 2,632,695
Asia	431,056	379,204
Central America	524,294	357,456
East Asia & Pacific	1,424,965	987,956
Europe	1,773,672	311,938
Middle East	1,189,386	1,100,825
North America	63,000	365,280
South America	418,690	997,308
Total	<u>\$ 10,984,106</u>	<u>\$ 7,132,662</u>

Grants Made

Grant awards made by TFALL to recipients are recorded as an expense and a liability when approved by the Board of Directors and the respective grantee has been selected and notified. Conditional grants are recognized when substantially all conditions have been satisfied. Rescinded grants, if any, are recorded as a reduction to grant expense.

Fixed Assets

Computer equipment, software, and other fixed assets with a unit cost in excess of \$3,500 are recorded at cost and depreciated on a straight-line basis over an estimated useful life ranging from three to five years.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

Income Taxes

TFALL follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the consolidated financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. This standard also provides guidance on measurement, classification, interest and penalties, and disclosure, and its adoption had no material impact on the accompanying consolidated financial statements. TFALL has processes presently in place to ensure the maintenance of its tax-exempt status; identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and identify and evaluate other matters that may be considered tax positions.

Concentration of Credit Risk

Financial instruments which potentially subject TFALL to concentrations of credit risk consist primarily of cash and cash equivalents. TFALL maintains its cash and cash equivalents with creditworthy, high-quality financial institutions. At certain times, TFALL's bank balances may exceed federally insured limits. However, TFALL has not experienced, nor does it anticipate, any losses with respect to such bank balances. TFALL regularly evaluates its depository arrangements, including performance thereof.

Use of Estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

TFALL's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 25,329,454	\$ 25,395,677
Contributions receivable	<u>14,790,297</u>	<u>11,632,880</u>
Total financial assets available at September 30,	<u>40,119,751</u>	<u>37,028,557</u>
Less:		
Commitments to sub-grantees	15,699,464	17,008,404
Contractual and other obligations due	<u>4,224,692</u>	<u>4,405,786</u>
Total financial assets available within one year	<u>\$ 20,195,595</u>	<u>\$ 15,614,367</u>

TFALL is primarily supported by contributions (both with and without donor restrictions). As donor restrictions require resources to be used in a particular manner or in future periods, TFALL maintains sufficient resources to meet those responsibilities to its donors. As part of TFALL's liquidity management, through budget planning and monitoring, financial assets are made available as its general operations, liabilities, and other obligations require. It is TFALL's goal to build reserves to meet current and unexpected

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

operating needs. In the event of financial distress or an immediate liquidity need resulting from events outside general operations.

NOTE 4 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at September 30, 2021 and 2020, were scheduled to be collected as follows:

	2021	2020
Less than one year	\$ 14,276,893	\$ 11,521,225
One to five years	11,612,000	19,381,500
	25,888,893	30,902,725
Less: discount to present value ranging from .09% to .53%	(105,464)	(88,606)
	25,783,429	30,814,119
Less: allowance for doubtful accounts	(306,498)	(371,552)
Contributions receivable, net	\$ 25,476,931	\$ 30,442,567

NOTE 5 - LOANS PAYABLE - PPP LOAN

During the year ended September 30, 2020, TFALL was granted a loan totaling \$1,701,663 pursuant to the Small Business Administration Paycheck Program under Division A, Title 1 of the CARES Act (the "PPP Loan"). The PPP Loan, which was in the form of a note dated April 24, 2020, was set to mature on April 23, 2022 and bore interest at a rate of 1% per annum. Funds from the PPP Loan were to be used for certain costs, such as payroll costs and occupancy expenses. TFALL used the entire PPP Loan for qualifying expenses during fiscal 2020. The entire loan balance was forgiven by both the lender bank and the Small Business Administration during fiscal 2021, and the related revenue is reflected as PPP loan on the accompanying consolidated statement of activities for the year ended September 30, 2021.

During the year ended September 30, 2021, TFALL was granted another PPP loan totaling \$1,570,817 (the "second PPP Loan"). The second PPP Loan, which was in the form of a note dated February 4, 2021, matures on February 10, 2026 and bears interest at a rate of 1% per annum. The second PPP Loan may be prepaid by TFALL at any time prior to maturity with no repayment penalties. Funds from the PPP Loan may only be used for certain costs, such as payroll costs and occupancy expenses. TFALL used the entire second PPP Loan for qualifying expenses during fiscal 2021 and submitted a loan forgiveness request in accordance with the terms of the second PPP Loan. The forgiveness application was approved by the Small Business Administration on October 28, 2021.

NOTE 6 - RELATED-PARTY TRANSACTIONS

TFALL had a Resource Sharing and Expense Reimbursement Agreement with Teach For America, Inc. ("Teach For America"), a related party, during the year ended September 30, 2020. Teach For America is a member of the Teach For All network, and one of its Board members was also a member of Teach For All, Inc.'s Board of Directors during fiscal 2020. This agreement stated that TFALL shall pay Teach For America for all direct expenses incurred by Teach For America on TFALL's behalf and that TFALL shall pay a pro-rata share of Teach For America's overhead expenses. Amounts paid by TFALL to Teach For America totaled approximately \$564,000 during the year ended September 30, 2020.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

TFALL has a Resource Sharing and Expense Reimbursement Agreement with Teach First, a related party and a member of the Teach For All network. Teach First's Chief Executive Officer and one of its Board members are members of Teach For All, Inc.'s Board of Directors. This agreement commenced in 2016 and states that TFALL shall pay Teach First for all direct expenses incurred by Teach First on TFALL's behalf and that TFALL shall pay a pro-rata share of Teach First's overhead expenses. Amounts of grants awarded by TFALL to this related party totaled approximately \$210,000 and \$8,000 during the years ended September 30, 2021 and 2020, respectively.

Teach For Nigeria, Teach For Armenia and Teach For India are related parties and members of the Teach For All network. TFALL's Chief Executive Officer is a board member of Teach For Armenia and also advisory board member of Teach For India. A board member of Teach For Nigeria is also a board member of Teach For All, Inc. Additionally, TFALL provided certain technical advice to each of these related parties and awarded:

- Teach For Armenia - grants totaling approximately \$2,643,000 and \$2,092,000 during the years ended September 30, 2021 and 2020, respectively.
- Teach For Nigeria - grants totaling approximately \$1,470,000 and \$927,000 during the years ended September 30, 2021 and 2020, respectively.
- Teach For India - grants totaling approximately \$414,000 during the year ended September 30, 2021.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2021 and 2020, net assets with donor restrictions were comprised of the following:

	2021	2020
Time restricted	\$ 9,200,296	\$ 10,499,990
Expansion	1,662,136	1,636,005
Regional support	38,045,288	40,492,903
	<u>\$ 48,907,720</u>	<u>\$ 52,628,898</u>

Time restricted net assets represent general support contributions to be received by TFALL in future fiscal years.

Net assets restricted to Expansion represent contributions that are purpose restricted for expanding and improving the quality of TFALL's programmatic work globally.

Net assets restricted to Regional support represent contributions that are purpose restricted for the support of specific network or early stage partners, or groups thereof.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the restricted purposes specified by the donors or by having met the respective time restrictions during the years ended September 30, 2021 and 2020, as follows:

	2021	2020
Time restricted	\$ 4,415,859	\$ 6,038,128
Expansion	654,647	1,500,614
Regional support	10,070,604	9,462,791
	<u>\$ 15,141,110</u>	<u>\$ 17,001,533</u>

NOTE 8 - RETIREMENT PLAN

TFALL offers the opportunity to participate in a retirement program to all eligible staff members. Unless otherwise governed by local regulations, full time employees who are scheduled to work at least 30 hours a week or 1,560 hours per year are eligible to participate in a retirement program. A 403(b) retirement plan and a 457(b) deferred compensation plan is offered to eligible U.S. staff and a group pension plan is offered for to staff. Staff members from other locales are offered a comparable retirement plan in line with local regulations, requirements and customs. The 403(b) and group pension plans are defined contribution plans with employer matching contributions. The employer contribution in the U.S. and UK plans is equal to 100% of the employee's contribution up to 6% of their gross earned salary per pay period. Matching contributions in other locales are either governed by local regulations or equal to 100% of the employee's contributions up to 6% of their gross earned salary per pay period. Participants become eligible for the employer matching contributions and are fully vested after 12 months of full time and continuous employment. Withdrawal cannot be made without penalty prior to the locally-determined retirement age (59½ and 55 in the United States and United Kingdom, respectively). The 457(b) deferred compensation plan is established to mitigate lost benefits of employer matching contributions that are otherwise not available to an individual's 403(b) retirement plan due to the Internal Revenue Service earnings limit. These contributions are fully vested immediately and there are two qualifying distribution events: at separation of service or on April 1st in the calendar year after the participant has turned 70½. TFALL's matching contributions under all plans totaled \$655,027 and \$619,280 for the years ended September 30, 2021 and 2020, respectively.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Litigation

In the normal course of its operations, TFALL is a party to various claims, some of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management of TFALL is not aware of any claims or contingencies that would have a material adverse effect on TFALL's consolidated financial position, changes in net assets or cash flows.

NOTE 10 - COVID-19

The COVID-19 pandemic, whose effects in the United States first became known in January 2020, has and continues to have a broad and negative impact on commerce and financial markets around the world. The extent of the impact of the pandemic on TFALL's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on its donors, grantees, employees, and vendors, all of which at present, cannot be determined.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

NOTE 11 - SUBSEQUENT EVENTS

TFALL evaluated its September 30, 2021 consolidated financial statements for subsequent events through February 18, 2022, the date the consolidated financial statements were available to be issued, the result of which required no adjustments or additional disclosures to the accompanying consolidated financial statements.

SUPPLEMENTARY INFORMATION

Teach For All, Inc. and Subsidiary

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2021

<u>Federal Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
U.S. Agency for International Development (USAID): Foreign Assistance for Programs Overseas	98.001	N/A	\$ 1,206,315	\$ 415,568

Teach For All, Inc. and Subsidiary

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended September 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Teach for All, Inc. and its subsidiary ("TFALL") for the year ended September 30, 2021. The information presented on this schedule has been prepared on the accrual basis of accounting and is presented in accordance with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

NOTE 2 - INDIRECT COST RATE

TFALL has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT
AUDITING STANDARDS***

To the Board of Directors of
Teach for All, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Teach for All, Inc. and its subsidiary, Teach For All Network (collectively, "TFALL") which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 18, 2022.

Internal control over financial reporting

In planning and performing our audit of the consolidated financial statements, we considered TFALL's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of TFALL's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of TFALL's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in TFALL's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether TFALL's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TFALL's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TFALL's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



New York, New York
February 18, 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Teach for All, Inc.

Report on compliance for the major federal program

We have audited the compliance of Teach for All, Inc. and its subsidiary, Teach For All Network (collectively, "TFALL") with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2021. TFALL's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to TFALL's federal program.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for TFALL's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about TFALL's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of TFALL's compliance.

Opinion on the major federal program

In our opinion, TFALL complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on internal control over compliance

Management of TFALL is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered TFALL's internal control over compliance with the types of compliance requirements that could have a direct and material effect on the major federal program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TFALL's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in TFALL's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

New York, New York
February 18, 2022

Teach For All, Inc. and Subsidiary
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over the major program:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for the major program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance?

yes no

Identification of the major program:

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>
U.S. Agency for International Development: Foreign Assistance for Programs Overseas	98.001
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Teach For All, Inc. and Subsidiary
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
For the year ended September 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

None identified.

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None identified.