

Consolidated Financial Statements and  
Report of Independent Certified Public  
Accountants

**Teach For All, Inc. and Subsidiary**

September 30, 2020 and 2019

## Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position as of September 30, 2020 and 2019	5
Consolidated statement of activities for the year ended September 30, 2020	6
Consolidated statement of activities for the year ended September 30, 2019	7
Consolidated statement of functional expenses for the year ended September 30, 2020	8
Consolidated statement of functional expenses for the year ended September 30, 2019	9
Consolidated statements of cash flows for the years ended September 30, 2020 and 2019	10
Notes to consolidated financial statements	11

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

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, 2020 and 2019, 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. 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, 2020 and 2019, 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.

*Grant Thornton LLP*

New York, New York  
February 10, 2021

**Teach For All, Inc. and Subsidiary**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**As of September 30,**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 25,395,677	\$ 12,466,174
Prepaid expenses and other assets	512,621	815,821
Contributions receivable, net (Note 4)	30,442,567	22,314,623
Grants and contracts receivable, net of allowance of \$15,713 and \$6,835 in 2020 and 2019, respectively	95,942	163,427
Advances to network partners (Note 2)	7,132,662	6,003,032
Other receivables	331,138	212,091
Fixed assets, net (Note 7)	1,183	7,415
Total assets	<b>\$ 63,911,790</b>	<b>\$ 41,982,583</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,367,375	\$ 1,340,737
Deferred revenue (Note 2)	2,117,428	993,153
Loans Payable - PPP Loan (Note 5)	1,701,663	-
Total liabilities	5,186,466	2,333,890
Commitments and contingencies (Notes 6 and 12)		
<b>NET ASSETS</b>		
Net assets without donor restrictions	6,096,426	6,030,221
Net assets with donor restrictions (Note 9)	52,628,898	33,618,472
Total net assets	58,725,324	39,648,693
Total liabilities and net assets	<b>\$ 63,911,790</b>	<b>\$ 41,982,583</b>

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, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Revenues, gains and other support</b>			
Contributions	\$ 14,345,282	\$ 36,011,959	\$ 50,357,241
Grants and contracts (Note 2)	605,670	-	605,670
Other income (loss)	150,767	-	150,767
Net assets released from restrictions (Note 9)	<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 (Note 10)	<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>
<b>Expenses</b>			
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 ACTIVITIES

Year ended September 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Revenues, gains and other support</b>			
Contributions	\$ 20,631,113	\$ 30,564,889	\$ 51,196,002
Grants and contracts (Note 2)	851,893	-	851,893
Other income (loss)	(103,542)	-	(103,542)
Net assets released from restrictions (Note 8)	7,980,201	(7,980,201)	-
	29,359,665	22,584,688	51,944,353
Revenues, gains and other support before contributed services			
Contributed services (Note 9)	2,078,505	-	2,078,505
	31,438,170	22,584,688	54,022,858
Total revenues, gains and other support			
<b>Expenses</b>			
Program services:			
Early stage partner support	1,835,375	-	1,835,375
Network partner support	23,159,805	-	23,159,805
	24,995,180	-	24,995,180
Total program services			
Supporting services:			
Management and general	3,845,251	-	3,845,251
Fundraising	2,440,620	-	2,440,620
	6,285,871	-	6,285,871
Total supporting services			
Total expenses	31,281,051	-	31,281,051
	157,119	22,584,688	22,741,807
Change in net assets			
Net assets, beginning of year	5,873,102	11,033,784	16,906,886
Net assets, end of year	\$ 6,030,221	\$ 33,618,472	\$ 39,648,693

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	
<b>Personnel expenses:</b>							
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
<b>Non-personnel expenses:</b>							
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, office expense and other costs	98,260	735,114	833,374	269,651	73,782	343,433	1,176,807
Pandemic costs, other non-operational expenses	9,375	84,673	94,048	3,612	756	4,368	98,416
Total non-personnel expenses	365,718	11,635,124	12,000,842	946,809	179,080	1,125,889	13,126,731
Total expenses before non-cash items	1,267,865	24,032,468	25,300,333	3,956,837	2,620,596	6,577,433	31,877,766
Bad debt expense	-	1,178	1,178	151,871	-	151,871	153,049
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	<u>\$ 1,525,138</u>	<u>\$ 26,360,860</u>	<u>\$ 27,885,998</u>	<u>\$ 4,504,826</u>	<u>\$ 2,620,596</u>	<u>\$ 7,125,422</u>	<u>\$ 35,011,420</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, 2019

	Program Services			Supporting Services			Total
	Early Stage Partner Support	Network Partner Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	
<b>Personnel expenses:</b>							
Salaries	\$ 1,201,310	\$ 9,336,289	\$ 10,537,599	\$ 2,037,693	\$ 1,761,835	\$ 3,799,528	\$ 14,337,127
Payroll taxes and related expenses	285,888	2,226,502	2,512,390	493,228	433,773	927,001	3,439,391
Total personnel expenses	1,487,198	11,562,791	13,049,989	2,530,921	2,195,608	4,726,529	17,776,518
<b>Non-personnel expenses:</b>							
Grants	-	5,981,913	5,981,913	-	-	-	5,981,913
Travel	97,958	911,743	1,009,701	117,608	105,190	222,798	1,232,499
Conferences, workshops and meetings	83,326	1,238,280	1,321,606	60,349	3,772	64,121	1,385,727
Professional services	52,563	656,790	709,353	366,144	42,935	409,079	1,118,432
Information technology	21,399	177,760	199,159	255,893	37,608	293,501	492,660
Occupancy, office expense and other costs	92,931	651,061	743,992	284,699	55,507	340,206	1,084,198
Total non-personnel expenses	348,177	9,617,547	9,965,724	1,084,693	245,012	1,329,705	11,295,429
Total expenses before non-cash items	1,835,375	21,180,338	23,015,713	3,615,614	2,440,620	6,056,234	29,071,947
Bad debt expense	-	-	-	116,729	-	116,729	116,729
Depreciation	-	-	-	13,870	-	13,870	13,870
Contributed services	-	1,979,467	1,979,467	99,038	-	99,038	2,078,505
Total expenses	\$ 1,835,375	\$ 23,159,805	\$ 24,995,180	\$ 3,845,251	\$ 2,440,620	\$ 6,285,871	\$ 31,281,051

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,**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 19,076,631	\$ 22,741,807
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,232	13,870
Change in discount of contributions receivable	(328,048)	395,178
Change in allowance for doubtful accounts - contributions receivable	141,943	178,410
Change in allowance for doubtful accounts - grants and contracts receivable	8,878	(65,348)
Bad debt expense	153,049	116,729
Changes in operating assets and liabilities:		
Prepaid expense and other assets	303,200	(251,932)
Contributions receivable	(7,941,839)	(17,841,026)
Grants and contracts receivables	58,607	(65,236)
Advances to network partners	(1,129,630)	(1,749,272)
Other receivables	(272,096)	(123,408)
Accounts payable and accrued expenses	26,638	(119,498)
Deferred revenue	1,124,275	(1,399,199)
	<b>11,227,840</b>	<b>1,831,075</b>
<b>Cash flows from financing activities</b>		
Proceeds from the PPP Loan	1,701,663	-
	<b>12,929,503</b>	<b>1,831,075</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>12,466,174</b>	<b>10,635,099</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 25,395,677</b>	<b>\$ 12,466,174</b>

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, 2020 and 2019**

**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 50 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' high-need 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 accelerate the network's progress and increase its impact by capturing and spreading learning, facilitating connections among partners, accessing global resources for the benefit of the network, and fostering the leadership development of partner staff, teachers, and alumni.

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 acceptance in the United States of America ("U.S. GAAP").

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 that are not subject to donor-imposed stipulations.

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that expire with the passage of time or can be fulfilled by the actions of TFALL, pursuant to those stipulations (Note 9).

Revenues are reported as increases 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. Gains and losses on investments and other assets, if any, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or prevailing law. Expirations of donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

***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.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

***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***

In 2020, TFALL adopted Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and made, including guidance to help an entity evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchanges (reciprocal) transactions and determine whether a contribution is conditional. As required by ASU 2018-08, TFALL applied the requirements to agreements that either were not completed as of September 30, 2020 or entered into after October 1, 2019.

In 2019, grant revenue was recognized to the extent allowable expenses were incurred and contributions, including unconditional promises to give, were recognized in the period received or pledged.

Beginning in 2020, with the adoption of ASU 2018-08, 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.

**Teach For All, Inc. and Subsidiary**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2020 and 2019**

TFALL reports contributions within net assets with donor restrictions if such gifts are restricted by the donor to a specific program and/or include an explicit or implied time restriction. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Gifts whose donor-stipulated purposes are met in the same year as received are reported within net assets without donor restrictions.

As of September 30, 2020 and 2019, TFALL's outstanding conditional contributions totaled approximately \$22.8 million and \$24.5 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. Deferred revenue for the years ended September 30, 2020 and 2019 totaled \$2,117,428 and \$993,153, respectively.

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. Restricted contributions, received and utilized in the same year, are presented in the consolidated statements of activities as unrestricted contributions and support.

***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 (Note 10).

***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, 2020 and 2019, TFALL had advances outstanding to the following network regions:

	2020	2019
Africa	\$ 2,632,695	\$ 2,003,016
Asia	379,204	479,780
Central America	357,456	178,948
East Asia & Pacific	987,956	1,178,438
Europe	311,938	350,981
Middle East	1,100,825	1,145,600
North America	365,280	159,900
South America	997,308	506,369
	\$ 7,132,662	\$ 6,003,032
Total		

## Teach For All, Inc. and Subsidiary

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

#### **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. Leasehold improvements are amortized over the shorter of their useful life or the respective lease term.

#### **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.

#### **New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09, *Revenue from Contracts with Customers*. The ASU provides updated guidance to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. Contribution revenue is specifically excluded from the scope of this update. In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842): *Effective Dates for Certain Entities*, which deferred the effective date of ASU 2014-09 by one year. The guidance is effective for the interim and annual periods beginning on or after December 15, 2019 (i.e., fiscal year ending September 30, 2021). The guidance permits the use of either a retrospective or cumulative effect transition method. TFALL is currently evaluating the new guidance and has not determined the impact this standard may have on the consolidated financial statements nor decided upon the method of adoption.

**Teach For All, Inc. and Subsidiary**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2020 and 2019**

**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:

	2020	2019
Cash and cash equivalents	\$ 25,395,677	\$ 12,466,174
Contributions receivable	11,632,880	8,916,386
Total financial assets available at September 30,	37,028,557	21,382,560
Less:		
Commitments to sub-grantees	17,008,404	7,005,453
Contractual and other obligations due	4,405,786	1,717,295
Total financial assets available within one year	\$ 15,614,367	\$ 12,659,812

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 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, 2020 and 2019, were scheduled to be collected as follows:

	2020	2019
Less than one year	\$ 11,521,225	\$ 8,916,386
One to five years	19,381,500	14,044,500
	30,902,725	22,960,886
Less: discount to present value ranging from .12% to .16%	(88,606)	(416,654)
	30,814,119	22,544,232
Less: allowance for doubtful accounts	(371,552)	(229,609)
Contributions receivable, net	\$ 30,442,567	\$ 22,314,623

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

**NOTE 5 - LOANS PAYABLE - PPP LOAN**

In April 24, 2020, TFALL was granted a loan totaling \$1,701,663 pursuant to the Small Business Administration Paycheck Protection 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 04/24/2020, matures on April 23, 2022 and bears interest at a rate of 1% per annum. The 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 PPP Loan for qualifying expenses during fiscal 2020 and has submitted a loan forgiveness request in accordance with the terms of the PPP Loan. The forgiveness application was approved by the lender bank on December 29, 2020 and is currently awaiting official Small Business Administration approval.

**NOTE 6 - LINE OF CREDIT**

As of September 30, 2019, TFALL had a \$1,000,000 commercial line of credit (on demand) with a major bank. Drawdowns on the line are collateralized by TFALL's without donor restrictions net assets. There were no drawdowns on the line of credit during the years ended September 30, 2020 and 2019. Drawdowns are subject to interest at a rate of 2.5% through July 31, 2020, the expiration date of the line of credit. TFALL chose not to renew the line of credit at the expiration date on July 31, 2020.

**NOTE 7 - FIXED ASSETS, NET**

Fixed assets, net, at September 30, 2020 and 2019, consisted of the following:

	2020	2019
Computer equipment and software	\$ 721,778	\$ 721,778
Less: accumulated depreciation	<u>(720,595)</u>	<u>(714,363)</u>
Fixed assets, net	<u>\$ 1,183</u>	<u>\$ 7,415</u>

**NOTE 8 - RELATED PARTY TRANSACTIONS**

TFALL has a Resource Sharing and Expense Reimbursement Agreement with Teach For America, Inc. ("Teach For America"), a related party. Teach For America is a member of the Teach For All network and one of its Board members is also a member of Teach For All, Inc.'s Board of Directors. This agreement states 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 and \$401,000 during the years ended September 30, 2020 and 2019, respectively.

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 paid by TFALL to this related party totaled approximately \$8,000 and \$46,000 during the years ended September 30, 2020 and 2019, respectively.

Teach For All, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

In October 2019, TFALL awarded Enseña Por Mexico, a member of the Teach For All network, a grant of up to \$1,050,000, payable over the 32 month period ending May 31, 2022. Payments on the grant were subject to certain milestones and performance criteria being achieved. As of September 30, 2020, \$350,000 had been recognized under the terms of the agreement; the remaining balance of the grant of up to \$700,000 is due to be paid to Enseña Por Mexico during fiscal years 2021 and 2022.

Teach For Nigeria, Teach For Armenia and Empieza por Educar are related parties and members of the Teach For All network. TFALL's Chief Executive Officer is a board member of Teach For Armenia. Empieza por Educar's Chief Executive officer is a board member of TFALL. 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 \$2,092,000 and \$1,721,000 during the years ended September 30, 2020 and 2019, respectively.
- Teach For Nigeria - grants totaling approximately \$927,000 and \$757,000 during the years ended September 30, 2020 and 2019, respectively.
- Empieza por Educar - grants totaling approximately \$49,000 and \$85,000 during the years ended September 30, 2020 and 2019, respectively.

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

At September 30, 2020 and 2019, net assets with donor restrictions were comprised of the following:

	2020	2019
Time restricted	\$ 10,499,990	\$ 11,728,761
Expansion	1,636,005	1,440,810
Regional support	40,492,903	20,448,901
	<u>\$ 52,628,898</u>	<u>\$ 33,618,472</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, 2020 and 2019

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, 2020 and 2019, as follows:

	2020	2019
Time restricted	\$ 6,038,128	\$ 2,725,000
Expansion	1,500,614	493,189
Regional support	9,462,791	4,762,012
	<u>\$ 17,001,533</u>	<u>\$ 7,980,201</u>

**NOTE 10 - CONTRIBUTED SERVICES**

Contributed services for the years ended September 30, 2020 and 2019, consisted of professional services rendered by one consulting company and three law firms. These services included expertise in international trademarks, legal affairs, and program consulting. The fair value of donated services reflected in the accompanying consolidated statements of activities for the years ended September 30, 2020 and 2019 totaled \$2,974,373 and \$2,078,505, respectively.

**NOTE 11 - 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 US 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 US 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 \$619,280 and \$610,729 for the years ended September 30, 2020 and 2019, respectively.

**NOTE 12 - 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.

**Teach For All, Inc. and Subsidiary**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2020 and 2019**

**NOTE 13 - 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.

**NOTE 14 - SUBSEQUENT EVENTS**

TFALL evaluated its September 30, 2020 consolidated financial statements for subsequent events through February 10, 2021, the date the consolidated financial statements were available to be issued.

On February 4, 2021, TFALL was approved for a second PPP Loan totaling \$1,570,817. The PPP Loan matures in February 2026, and bears interest at a rate of 1% per annum. The PPP Loan may be prepaid by TFALL at any time prior to maturity with no prepayment penalties. Funds from the PPP Loan may only be used for certain costs, such as payroll costs, occupancy expenses, and certain other expenses.

TFALL is not aware of any other subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.