

Financial Statements and
Supplementary Schedules Together with
Report of Independent Certified Public Accountants

TEACH FOR AMERICA

As of and for the years ended May 31, 2016 and 2015

TEACH FOR AMERICA

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Teach For America, Inc.:

We have audited the accompanying financial statements of Teach For America, Inc. ("TFA"), which comprise the statements of financial position as of May 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to TFA's preparation and fair presentation of the 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 TFA'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Teach For America, Inc. as of May 31, 2016 and 2015, 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.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included on pages 24 and 25 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the 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 financial statements or to the 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 financial statements as a whole.

Grant Thornton LLP

New York, New York
November 29, 2016

TEACH FOR AMERICA
Statements of Financial Position
As of May 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 28,059,529	\$ 38,196,146
Restricted cash (Note 2)	2,012,334	2,012,334
Grants and contracts receivable	8,449,320	11,352,354
Fee for service receivable, net (Note 2)	612,041	448,642
Prepaid expenses and other assets	11,439,250	20,662,800
Contributions receivable, net (Note 4)	50,053,944	45,136,674
Loans receivable from corps members, net (Note 5)	6,037,952	8,146,631
Investments, at fair value (Note 3)	266,957,572	277,725,808
Fixed assets, net (Note 6)	<u>29,216,452</u>	<u>40,767,910</u>
Total assets	<u>\$ 402,838,394</u>	<u>\$ 444,449,299</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 39,972,591	\$ 49,436,254
Deferred rent payable (Note 14)	7,961,530	7,345,716
Deferred revenue	9,937,786	10,082,204
Other liabilities	<u>1,804,393</u>	<u>840,548</u>
Total liabilities	<u>59,676,300</u>	<u>67,704,722</u>
COMMITMENT AND CONTINGENCIES (Note 14)		
NET ASSETS		
Unrestricted (Note 9)	119,026,174	149,850,688
Temporarily restricted (Notes 8 and 9)	106,974,046	109,732,015
Permanently restricted (Note 9)	<u>117,161,874</u>	<u>117,161,874</u>
Total net assets	<u>343,162,094</u>	<u>376,744,577</u>
Total liabilities and net assets	<u>\$ 402,838,394</u>	<u>\$ 444,449,299</u>

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

TEACH FOR AMERICA
Statement of Activities
For the year ended May 31, 2016, with comparative totals for 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
REVENUES, GAINS, AND OTHER SUPPORT					
Contributions (Note 4)	\$ 98,022,088	\$ 30,237,545	\$ -	\$ 128,259,633	\$ 125,285,201
Grants and contracts	124,331,626	-	-	124,331,626	125,563,319
Fee for service	27,449,981	-	-	27,449,981	31,400,931
Special events, net (Note 2)	11,181,402	-	-	11,181,402	12,350,046
Interest and dividend income, net of fees (Note 3)	829,416	2,771,829	-	3,601,245	3,386,687
Net (depreciation) appreciation in fair value of investments (Note 3)	(1,379,265)	(5,981,082)	-	(7,360,347)	18,450,302
Contributed goods and services (Note 12)	3,505,557	-	-	3,505,557	221,422
Licensing fees and other revenue	962,802	-	-	962,802	1,359,967
Net assets released from restrictions (Note 8)	29,786,261	(29,786,261)	-	-	-
Total revenues, gains and other support	294,689,868	(2,757,969)	-	291,931,899	318,017,875
OPERATING EXPENSES					
Program services					
Teacher recruitment and selection	51,264,606	-	-	51,264,606	58,987,220
Pre-service institute	37,662,200	-	-	37,662,200	42,774,017
Placement, professional development, and other	123,682,630	-	-	123,682,630	147,956,127
Alumni affairs	37,149,712	-	-	37,149,712	41,890,619
Total program services	249,759,148	-	-	249,759,148	291,607,983
Supporting services					
Management and general	34,709,604	-	-	34,709,604	39,641,868
Fundraising	27,983,577	-	-	27,983,577	36,123,948
Total supporting services	62,693,181	-	-	62,693,181	75,765,816
Total operating expenses	312,452,329	-	-	312,452,329	367,373,799
Change in net assets before nonrecurring and infrequent expenses	(17,762,461)	(2,757,969)	-	(20,520,430)	(49,355,924)
Nonrecurring and infrequent expenses, net (Note 2)	13,062,053	-	-	13,062,053	11,730,375
Change in net assets	(30,824,514)	(2,757,969)	-	(33,582,483)	(61,086,299)
Net assets, beginning of year	149,850,688	109,732,015	117,161,874	376,744,577	437,830,876
Net assets, end of year	<u>\$ 119,026,174</u>	<u>\$ 106,974,046</u>	<u>\$ 117,161,874</u>	<u>\$ 343,162,094</u>	<u>\$ 376,744,577</u>

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

TEACH FOR AMERICA
Statement of Activities
For the year ended May 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
REVENUES, GAINS, AND OTHER SUPPORT				
Contributions (Note 4)	\$ 101,263,562	\$ 24,021,639	\$ -	\$ 125,285,201
Grants and contracts	125,563,319	-	-	125,563,319
Fee for service	31,400,931	-	-	31,400,931
Special events, net (Note 2)	12,350,046	-	-	12,350,046
Interest and dividend income, net of fees (Note 3)	1,139,734	2,246,953	-	3,386,687
Net appreciation in fair value of investments (Note 3)	3,504,997	14,945,305	-	18,450,302
Contributed goods and services (Note 12)	221,422	-	-	221,422
Licensing fees and other revenue	1,357,057	2,910	-	1,359,967
Net assets released from restrictions (Note 8)	<u>45,565,563</u>	<u>(45,565,563)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>322,366,631</u>	<u>(4,348,756)</u>	<u>-</u>	<u>318,017,875</u>
EXPENSES				
Program services				
Teacher recruitment and selection	58,987,220	-	-	58,987,220
Pre-service institute	42,774,017	-	-	42,774,017
Placement, professional development, and other	147,956,127	-	-	147,956,127
Alumni affairs	<u>41,890,619</u>	<u>-</u>	<u>-</u>	<u>41,890,619</u>
Total program services	<u>291,607,983</u>	<u>-</u>	<u>-</u>	<u>291,607,983</u>
Supporting services				
Management and general	39,641,868	-	-	39,641,868
Fundraising	<u>36,123,948</u>	<u>-</u>	<u>-</u>	<u>36,123,948</u>
Total supporting services	<u>75,765,816</u>	<u>-</u>	<u>-</u>	<u>75,765,816</u>
Total expenses before nonrecurring items	<u>367,373,799</u>	<u>-</u>	<u>-</u>	<u>367,373,799</u>
Change in net assets before nonrecurring items	<u>(45,007,168)</u>	<u>(4,348,756)</u>	<u>-</u>	<u>(49,355,924)</u>
Nonrecurring and infrequent expenses, net (Note 2)	<u>11,730,375</u>	<u>-</u>	<u>-</u>	<u>11,730,375</u>
Change in net assets	<u>(56,737,543)</u>	<u>(4,348,756)</u>	<u>-</u>	<u>(61,086,299)</u>
Net assets, beginning of year	<u>206,588,231</u>	<u>114,080,771</u>	<u>117,161,874</u>	<u>437,830,876</u>
Net assets, end of year	<u>\$ 149,850,688</u>	<u>\$ 109,732,015</u>	<u>\$ 117,161,874</u>	<u>\$ 376,744,577</u>

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

TEACH FOR AMERICA
Statements of Cash Flows
For the years ended May 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (33,582,483)	\$ (61,086,299)
Adjustment to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	14,416,281	20,563,288
Change in allowances for doubtful contributions, fee for service and loans receivable	(499,518)	(809,030)
Net depreciation (appreciation) in fair value of investments	7,360,347	(18,753,924)
Losses on disposal of fixed assets	1,235,042	3,796,428
Donated equipment	(344,255)	-
Contributed investment securities	(21,063,402)	(16,199,130)
Proceeds from sale of contributed investment securities	21,063,402	16,199,130
Change in present value discount of contributions receivable	(3,586)	(93,602)
Changes in operating assets and liabilities		
(Increase) decrease in contributions receivable	(4,522,887)	25,538,710
Decrease in grants and contracts receivable	2,903,034	17,516,339
(Increase) decrease in fee for service receivable	(89,899)	15,467
Decrease (increase) in prepaid expense and other assets	9,223,549	(4,982,255)
(Decrease) increase in accounts payable and accrued expenses	(9,463,663)	8,400,277
Increase in deferred rent payable	615,814	4,540,536
Decrease in deferred revenue	(144,418)	(738,088)
Increase (decrease) in other liabilities	<u>1,195,387</u>	<u>(135,037)</u>
Net cash used in operating activities	<u>(11,701,255)</u>	<u>(6,227,190)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	43,084,835	339,757,681
Purchase of investments	(39,676,946)	(298,132,516)
Purchase of fixed assets	(3,759,551)	(26,373,578)
Loans to corps members	(5,047,863)	(8,085,580)
Repayments of loans from corps members	<u>7,191,763</u>	<u>8,153,521</u>
Net cash provided by investing activities	<u>1,792,238</u>	<u>15,319,528</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligation	<u>(227,600)</u>	<u>(242,053)</u>
Net cash used in financing activities	<u>(227,600)</u>	<u>(242,053)</u>
Net (decrease) increase in cash and cash equivalents	<u>(10,136,617)</u>	<u>8,850,285</u>
Cash and cash equivalents, beginning of year	<u>38,196,146</u>	<u>29,345,861</u>
Cash and cash equivalents, end of year	<u>\$ 28,059,529</u>	<u>\$ 38,196,146</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 214,376</u>	<u>\$ 150,661</u>
Noncash investing and financing activities:		
Capital lease obligations	<u>\$ 6,695</u>	<u>\$ 139,991</u>
Leasehold improvements funded by landlord	<u>\$ -</u>	<u>\$ 2,691,750</u>
Donated equipment	<u>\$ 344,255</u>	<u>\$ -</u>

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

TEACH FOR AMERICA

Notes to Financial Statements

May 31, 2016 and 2015

1. ORGANIZATION AND NATURE OF OPERATIONS

Teach For America, Inc. (“TFA”) is a not-for-profit corporation, incorporated in the State of Connecticut on October 6, 1989.

TFA is dedicated to building a national corps of outstanding recent college graduates of all academic majors who commit two years to teach in under-resourced urban and rural public schools and who become lifelong leaders in pursuit of expanding educational opportunity. TFA recruits and selects recent college graduates who meet high standards, trains them in an intensive summer program, places them in urban and rural school districts, and coordinates a support network for them during the two years they commit to teach. TFA also works to keep alumni connected to each other and to its mission.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), as applicable to not-for-profit entities.

The accompanying financial statements present information regarding TFA’s financial position and activities based upon the existence or absence of donor-imposed restrictions and, accordingly, have been classified into three categories of net assets: unrestricted, temporarily restricted, and permanently restricted, as follows:

Unrestricted net assets are not subject to donor-imposed stipulations. These amounts include Board-designated resources for use as long-term investment to provide an ongoing stream of investment income for selected activities such as expansion and program services, as well as cash reserves, in the event TFA should experience a cash shortfall. As of May 31, 2016 and 2015, the total amount of Board-designated unrestricted net assets authorized to function as endowments were \$3,281,148 and \$3,351,179, respectively (Note 9).

Temporarily restricted net assets include net assets subject to donor-imposed stipulations that expire with the passage of time or can be fulfilled by the actions of TFA, pursuant to those stipulations (Note 8). In addition, earnings on certain donor-restricted endowments are classified as temporarily restricted until appropriated for expenditure by the Board of Directors (Note 9).

Permanently restricted net assets include gifts and pledges which are required by donor-imposed stipulations to be maintained as funds of a permanent duration (Note 9). The income derived from permanently restricted net assets is available for general or specific operating purposes, as stipulated by the respective donors.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary 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.

TEACH FOR AMERICA

Notes to Financial Statements

May 31, 2016 and 2015

Reclassifications

Certain 2015 amounts have been reclassified to conform to 2016 presentation. Such reclassifications had no impact on total assets, liabilities, revenues, expenses, or changes in net assets as presented in the fiscal 2015 financial statements.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

TFA reports certain assets and liabilities at fair value. Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an “exit” price) in the principal or most advantageous market for asset or liability between market participants on the measurement date (Note 3).

TFA determines fair value of financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs that may be used to measure fair value, follow:

- Level 1: Unadjusted quoted market prices in active markets for identical assets and liabilities. The type of investments categorized as Level 1 include listed equities held in the entity’s name and exclude any listed equities and other securities held indirectly through commingled funds.
- Level 2: Observable inputs other than quoted prices in active markets or in markets not considered to be active. Also included in Level 2 are investments measured using a net asset value (“NAV”) per share, or its equivalent, that may be redeemed at that NAV at the date of the statement of financial position or in the near term, which is considered to be within 90 days.
- Level 3: Unobservable inputs that are supported by little or no market activity. Fair value measurement for these financial instruments requires significant management judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at the NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less. Amounts which are neither designated for long-term purposes nor covered under any investment management arrangements are presented as cash and cash equivalents in the accompanying statements of financial position. Cash and cash equivalents that are part of designated reserves and managed by external investment managers as part of TFA’s long-term investment strategy are included in investments.

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Notes to Financial Statements

May 31, 2016 and 2015

Restricted Cash

TFA entered into a letter of credit agreement with Wells Fargo in connection with its National Office which, among other things, required \$2,012,334 to be maintained as a security deposit under a letter of credit agreement, expiring on January 31, 2017.

Investments

Investments in equity securities with readily determinable fair values are measured at fair value in the accompanying statement of financial position and reported based on quoted market prices. Reported fair values for alternative investments, if any, are estimated by the respective external investment manager if ascertainable market values are not readily available. Such valuations involve assumptions and methods that are reviewed and accepted by TFA.

During October and December 2014, TFA redeemed its limited partnership and other alternative investments in full. Because these investments were not readily marketable, there were certain amounts held back, with a final distribution that occurred in July 2015 (Note 3).

Management evaluates securities other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of TFA to retain its investments in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Management determined that there were no impairments as of May 31, 2016 and 2015.

Contributions

TFA records unconditional promises as revenues in the period received at fair value, using the present value of estimated future cash flows discounted at an appropriate rate. Contributions to be received after one year are discounted to present value using a risk-adjusted rate. Amortization of the discount is recorded as additional contribution revenue (Note 4).

Loans Receivable, net

Loans receivable from corps members are recorded at their net realizable values and are generally due to be paid back, free from interest, over a period of one to two years (Note 5).

Allowances for Doubtful Accounts

Allowances for doubtful accounts are netted against corresponding receivables based upon management's judgment of their respective realizability, including consideration of such factors as prior collection history and type of receivable. Receivables are only written-off when deemed fully uncollectible to the allowance for doubtful accounts. Payments, if any, subsequently received on previously written off balances are recognized as reductions of current year bad debt expense.

Fixed Assets, net

Fixed assets are reported at cost for amounts greater than or equal to \$2,500. Donations of property and equipment are recorded at their estimated fair values on the date of donation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When fixed assets are retired or otherwise disposed of, the appropriate accounts are relieved of costs and

TEACH FOR AMERICA
Notes to Financial Statements
May 31, 2016 and 2015

accumulated depreciation, and any resultant gain or loss is credited or charged to the change in net assets. Depreciation and amortization is computed using the straight-line method based on the estimated useful lives (3-40 years) of the various assets or the lesser of the remaining lease term, as applicable.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on such assets are recognized based on the excess of the respective asset's carrying amount over its fair value.

Deferred Revenue

Deferred revenue consists of funds received prior to grant revenue being earned, which is recognized as revenue when such grants are expended.

Revenue Recognition

Contributions

Unconditional promises to give and contributions of assets other than cash, including goods and services, are recorded at their estimated fair value at the date of contribution. TFA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and Contracts

Revenue from government and private grants and contracts is recognized as earned, that is, as related costs are incurred or services rendered under such agreements.

Fee for Service Revenue

TFA has contractual agreements with various school districts across the United States of America to recruit, select, train, and place corps members to teach within their school districts. TFA recognizes revenue related to these contractual agreements as earned, that is, when the school district places a corps member, typically at the start of the school year each Fall. At May 31, 2016 and 2015, fee for service receivables were presented net of an allowance of \$27,391 and \$100,891, respectively.

Special Events Revenue

Revenue and expenses related to special events are recognized upon occurrence of the respective event and are presented net of the cost of direct donor benefits. The associated value of such benefits provided to donors amounted to \$936,789 and \$1,011,637 for the years ended May 31, 2016 and 2015, respectively.

Advertising Expenses

TFA expenses advertising costs as they are incurred. Advertising expenses amounted to \$1,906,697 and \$2,085,388 for the years ended May 31, 2016 and 2015, respectively.

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Notes to Financial Statements

May 31, 2016 and 2015

Functional Allocation of Expenses

The costs of providing TFA's programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following is a description of TFA's programs:

Teacher Recruitment and Selection

TFA recruits and selects a teaching corps of outstanding college graduates to teach the nation's most underserved students. The recruitment and selection process consists of scheduling and attending on- and off-campus recruiting events, processing applications, and conducting day-long interview sessions in multiple sites across the country.

Pre-Service Institute

TFA conducts intensive summer training institutes held on university campuses and in conjunction with local public school districts as part of teaching preparation for incoming corps members. In Summer 2015, approximately 4,100 corps members were trained at one of our six campuses: Phoenix (AZ), Houston (TX), Philadelphia (PA), Atlanta (GA), Delta (MS), and Tulsa (OK) or at one of our Regional Institutes: Memphis, Massachusetts, Twin Cities, Chicago, Nashville, Oklahoma City, Bay Area, Dallas, and St. Louis Regions.

Placement, Professional Development, and Other

TFA places corps members in various urban and rural regions throughout the United States. In each region, TFA has regional offices, which are responsible for placing corps members in schools, monitoring progress throughout their two-year commitment, providing opportunities for ongoing professional development, and helping corps members to feel part of a national corps.

Alumni Affairs

TFA has an alumni base of former corps members all over the world. These individuals present a powerful opportunity to continue to expand educational opportunity. TFA supports and encourages alumni to continue to work in education and across sectors to address issues negatively impacting low income communities. TFA supports the continued development of alumni in three programmatic areas: classroom practice, school leadership and social entrepreneurship.

Nonrecurring and Infrequent Expenses, net

During the year ended May 31, 2016, TFA incurred expenses of approximately \$13.1 million in connection with TFA-wide strategic reorganization of \$6.3 million and 25th Summit Anniversary costs of \$11.3 million, net of contributions of \$4.5 million.

During the year ended May 31, 2015, TFA incurred expenses of approximately \$11.7 million in connection with TFA-wide reorganization (\$6.1 million) and relocation costs for its National office (\$5.6 million).

Income Taxes

TFA 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 guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by

TEACH FOR AMERICA
Notes to Financial Statements
May 31, 2016 and 2015

a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

TFA is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. TFA has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. TFA has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

3. INVESTMENTS, AT FAIR VALUE

A summary of investments at May 31, 2016 and 2015, follows:

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 35,911,213	\$ 43,039,396
Equities	209,546,342	207,095,899
Fixed income securities	21,500,017	21,235,786
Redemption receivables	<u>-</u>	<u>6,354,727</u>
	<u>\$ 266,957,572</u>	<u>\$ 277,725,808</u>

The following table summarizes investments by level, within the fair value hierarchy as of May 31, 2016 and 2015:

	<u>2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 35,911,213	\$ -	\$ -	\$ 35,911,213
Equities	209,546,342	-	-	209,546,342
Fixed income securities	<u>21,500,017</u>	<u>-</u>	<u>-</u>	<u>21,500,017</u>
	<u>\$ 266,957,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,957,572</u>

	<u>2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 43,039,396	\$ -	\$ -	\$ 43,039,396
Equities	207,095,899	-	-	207,095,899
Fixed income securities	<u>21,235,786</u>	<u>-</u>	<u>-</u>	<u>21,235,786</u>
	271,371,081	-	-	271,371,081
Redemption receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,354,727</u>
	<u>\$ 271,371,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,725,808</u>

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During October and December 2014, TFA redeemed all of its limited partnership investment funds and, at May 31, 2015, redemption receivables of \$6,354,727 represented the holdback amounts related to these investments which were received during July 2015 and reinvested.

For the years ended May 31, 2016 and 2015, TFA's investment returns consisted of the following:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 3,601,245	\$ 3,386,687
(Depreciation) appreciation in fair value of investments, net of fees	<u>(7,360,347)</u>	<u>18,450,302</u>
Total investment (loss) return	<u>\$ (3,759,102)</u>	<u>\$ 21,836,989</u>

4. CONTRIBUTIONS RECEIVABLE, NET

A summary of contributions receivable at May 31, 2016 and 2015, follows:

	<u>2016</u>	<u>2015</u>
Less than one year	\$ 12,187,879	\$ 6,977,590
One to five years	<u>39,141,491</u>	<u>39,828,893</u>
	51,329,370	46,806,483
Less: Discount to present value ranging from 0.25% to 1.35% and 0.16% to 1.25% at May 31, 2016 and 2015, respectively	(225,426)	(229,012)
Allowance for doubtful accounts	<u>(1,050,000)</u>	<u>(1,440,797)</u>
Contributions receivable, net	<u>\$ 50,053,944</u>	<u>\$ 45,136,674</u>

During the years ended May 31, 2016 and 2015, approximately \$630,000 and \$709,000, respectively was written off as uncollectible.

TFA has also been notified of certain intentions to give. However, these amounts have not been recorded in the accompanying financial statements due to their conditional nature (e.g., challenge grants). Such conditional gifts totaled approximately \$6.9 million and \$10 million at May 31, 2016 and 2015, respectively.

For the years ended May 31, 2016 and 2015, TFA received new contributions mostly in cash from members of its National Board of Directors totaling \$30.3 million and \$19.6 million, respectively, which represented 24% and 16% of total contributions, respectively. TFA received \$90,000 and \$310,000 in payments against prior pledges from these related parties, for the years ended May 31, 2016 and 2015, respectively.

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5. LOANS RECEIVABLE FROM CORPS MEMBERS, NET

TFA makes uncollateralized loans to corps members based on financial need. Corps member loans are funded through TFA's loan programs. As of May 31, 2016 and 2015, loans represented 1.0% and 2.0% of total assets, respectively.

A summary of corps member loans at May 31, 2016 and 2015, follows:

	<u>2016</u>	<u>2015</u>
Corps Member Transition Loans	\$ 6,732,727	\$ 8,869,929
Corps Member Placement Loans	2,225	8,923
Less: Allowance for doubtful accounts	<u>(697,000)</u>	<u>(732,221)</u>
	<u>\$ 6,037,952</u>	<u>\$ 8,146,631</u>

The following amounts were past due under the Corps Member Loan Program:

May 31,	<u>One Year Past Due</u>	<u>Two Years Past Due</u>	<u>Over Three Years Past Due</u>	<u>Total Past Due</u>
2016	<u>\$ 1,108,445</u>	<u>\$ 379,689</u>	<u>\$ 66,969</u>	<u>\$ 1,555,103</u>
2015	<u>\$ 794,954</u>	<u>\$ 533,995</u>	<u>\$ 38,195</u>	<u>\$ 1,367,144</u>

Allowances for doubtful loans are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Loan balances are written off only when they are deemed to be uncollectible. There was approximately \$728,000 and \$391,000 written off during the years ended May 31, 2016 and 2015, respectively.

6. FIXED ASSETS, NET

A summary of fixed assets, consisted of the following:

	<u>May 31,</u>	
	<u>2016</u>	<u>2015</u>
Building	\$ 81,916	\$ 81,916
Computer equipment and software	55,032,138	70,520,678
Furniture and fixtures	9,732,947	10,739,435
Leasehold improvements	<u>17,911,455</u>	<u>20,617,768</u>
	82,758,456	101,959,797
Less accumulated depreciation and amortization	<u>(53,542,004)</u>	<u>(61,191,887)</u>
Fixed assets, net	<u>\$ 29,216,452</u>	<u>\$ 40,767,910</u>

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Depreciation and amortization expense related to fixed assets totaled \$14,416,281 and \$20,563,288 for the years ended May 31, 2016 and 2015, respectively. During the years ended May 31, 2016 and 2015, TFA disposed of approximately \$23,000,000 and \$21,000,000 of fixed assets that resulted in losses of approximately \$1,235,000 and \$3,800,000, respectively. The majority of these disposals represented fixed assets that were fully depreciated.

7. LINE OF CREDIT

At May 31, 2015, TFA had a \$46,000,000 line of credit agreement with Wells Fargo at the LIBOR market index rate plus 1.00% with the same financial covenants and clean up provision as the previous agreement. The effective interest rate was 1.18% at May 31, 2015. TFA drew down on its line of credit during 2015, however, at May 31, 2015, there were no amounts outstanding. TFA received a waiver from the lender for noncompliance with one of the financial covenants which was subsequently replaced in the September 30th amendment. This amendment reduced the line of credit amount from \$46,000,000 to \$35,000,000, which aligned with the historic maximum borrowing levels. This amendment also included the following: (1) a single revised financial covenant, and (2) clean up provision of 45 consecutive days.

On March 16, 2016, TFA renewed the \$35,000,000 line of credit agreement with Wells Fargo, which expires March 31, 2017, is at LIBOR market index plus 1.00% and is secured by all cash and cash equivalents and pledged receivables. The effective interest rate was 1.44% at May 31, 2016. TFA drew down on its line of credit during 2016, however, at May 31, 2016, there was no amounts outstanding and TFA was in compliance with its financial covenants.

8. TEMPORARILY RESTRICTED NET ASSETS

A summary of TFA's temporarily restricted net assets (both time and purpose restrictions), consisted of the following:

	May 31,	
	2016	2015
Cumulative unspent returns from donor-restricted endowment	\$ 56,174,024	\$ 59,383,277
Teacher recruitment and selection, placement, professional development, expansion, and other	2,479,512	5,184,123
Time restrictions on contributions	<u>48,320,510</u>	<u>45,164,615</u>
	<u><u>\$ 106,974,046</u></u>	<u><u>\$ 109,732,015</u></u>

Net assets released from restrictions, consisted of the following:

	May 31,	
	2016	2015
Expiration of time restrictions on contributions	\$ 23,951,280	\$ 38,100,958
Teacher recruitment and selection, placement, professional development, expansion, and other	<u>5,834,981</u>	<u>7,464,605</u>
	<u><u>\$ 29,786,261</u></u>	<u><u>\$ 45,565,563</u></u>

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9. ENDOWMENT NET ASSETS

TFA's endowment consists of individual funds established for various purposes, with related investments overseen by the Finance Committee of the Board of Directors. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Relevant Law

The Board of Directors of TFA has interpreted the Connecticut State Not-For-Profit Corporation Law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, management classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by TFA. Management considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of TFA and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income on the appreciation of investments;
6. Other resources of TFA;
7. The investment policies of TFA.

Endowment net asset composition by type of fund, consisted of the following:

	May 31, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 3,281,148	\$ -	\$ -	\$ 3,281,148
Donor-restricted endowment funds	-	56,174,024	117,161,874	173,335,898
Total	<u>\$ 3,281,148</u>	<u>\$ 56,174,024</u>	<u>\$ 117,161,874</u>	<u>\$ 176,617,046</u>
	May 31, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 3,351,179	\$ -	\$ -	\$ 3,351,179
Donor-restricted endowment funds	-	59,383,277	117,161,874	176,545,151
Total	<u>\$ 3,351,179</u>	<u>\$ 59,383,277</u>	<u>\$ 117,161,874</u>	<u>\$ 179,896,330</u>

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Changes in endowment net assets during the years ended May 31, 2016 and 2015 consisted of the following:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 3,351,179	\$ 59,383,277	\$ 117,161,874	\$ 179,896,330
Investment return:				
Investment income	60,487	2,771,829	-	2,832,316
Net depreciation (realized and unrealized), net of fees	(130,518)	(5,981,082)	-	(6,111,600)
Total investment return, net of fees	(70,031)	(3,209,253)	-	(3,279,284)
Endowment net assets, end of year	<u>\$ 3,281,148</u>	<u>\$ 56,174,024</u>	<u>\$ 117,161,874</u>	<u>\$ 176,617,046</u>
	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 2,976,332	\$ 42,191,019	\$ 117,161,874	\$ 162,329,225
Investment return:				
Investment income	48,991	2,246,952	-	2,295,943
Net appreciation (realized and unrealized), net of fees	325,856	14,945,306	-	15,271,162
Total investment return, net of fees	<u>374,847</u>	<u>17,192,258</u>	<u>-</u>	<u>17,567,105</u>
Endowment net assets, end of year	<u>\$ 3,351,179</u>	<u>\$ 59,383,277</u>	<u>\$ 117,161,874</u>	<u>\$ 179,896,330</u>

At May 31, 2016 and 2015, investments related to donor-restricted endowments provided cumulative investment returns totaling \$56,174,024 and \$59,383,277, respectively to support general operating purposes, as per donor intent, none of which were appropriated by the Board of Directors for expenditure in in fiscal 2016 and 2015.

Funds with Deficiencies

From time to time, the fair value of the investment assets related to individual donor-restricted endowment funds may fall below the level that the donor requires TFA to retain as a fund of permanent duration. There were no deficiencies at May 31, 2016 and 2015.

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Return Objectives and Risk Parameters

TFA has adopted investment and spending policies for endowment assets that attempt to provide a predictable and stable stream of funding to programs and support services supported by its endowment while seeking to maintain the purchasing power of the endowment assets to support future operations. Endowment assets include those assets of donor-restricted funds that TFA must hold in funds of a permanent duration as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, TFA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). TFA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy

For the years ended May 31, 2016 and 2015, the Board of Directors of TFA determined that there would be no distributions from its donor-restricted endowments.

In subsequent years, and upon authorization from the Board of Directors, spending will be determined based upon the sum of:

- 70% of prior year endowment spending, adjusted upward (or downward) by the inflation (deflation) rate as measured by the change in the consumer price index for the 12 months ending on the date six months prior to the start of the fiscal year.
- 30% of the long-term spending rate of 5%, multiplied by the average market value of the endowment over the 12 months ending on the date six months prior to the start of the fiscal year (calculated by averaging the market value of the endowment on the dates 6 months, 9 months, 12 months, and 15 months before the start of the fiscal year).

In establishing this policy, TFA considered the long-term expected return on its endowment. Accordingly, over the long term TFA expects the current spending policy to allow its endowment to grow at a pace at least equal with inflation. This is consistent with TFA's objective to maintain the purchasing power of the endowment assets held in funds of a permanent duration or for a specified term to support future operations.

10. RELATED PARTY TRANSACTIONS

TFA entered into a Resource Sharing and Expense Reimbursement Agreement with Leadership for Educational Equity ("LEE"), a related party, not controlled by TFA. LEE was created to enable TFA's corps members and alumni to realize high impact careers in public leadership. The agreement states that LEE shall pay TFA for all direct expenses incurred by TFA on LEE's behalf and that LEE shall pay a pro-rata share of TFA's overhead expenses. In addition, LEE agreed to operate and conduct its use of the resources described in the agreement in a manner so as not to interfere with the accomplishment of TFA's tax-exempt purposes and not to jeopardize TFA's compliance with federal and state laws. In addition, TFA

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has entered into a grant agreement with LEE Foundation, a related party not controlled by TFA. The grant agreement with LEE Foundation is to support its mission of supporting charitable and educational activities to develop policy, advocacy, and organizing leaders and fuel the movement for educational equity. As of May 31, 2016 and 2015, amounts owed to TFA from these related parties totaled approximately \$648,000 and \$4,180,000, respectively and are included within prepaid expense and other assets in the accompanying statements of financial position.

TFA also has a Resource Sharing and Expense Reimbursement Agreement with Teach For All, a related party, not controlled by TFA, created to expand educational opportunity in other countries. This agreement also states that Teach For All shall pay TFA for all direct expenses incurred by TFA on Teach For All's behalf and that Teach For All shall pay a pro-rata share of TFA's overhead expenses. As of May 31, 2016 and 2015, the amounts owed to TFA from Teach for All totaled approximately \$158,000 and \$531,000, respectively and are included within prepaid expense and other assets in the accompanying statements of financial position.

TFA also entered into a Resource Sharing and Expense Reimbursement Agreement with Braven, Inc. ("Braven," f/k/a Beyond Z, Inc.), a related party, not controlled by TFA, created to build leadership potential in young people from low-income, underrepresented backgrounds in the United States. Braven shall reimburse TFA for all direct expenses paid on Braven's behalf. As of May 31, 2016 and 2015, the amounts owed to TFA from Braven totaled approximately \$6,000 and \$466,000, respectively and are included within prepaid expense and other assets in the accompanying statements of financial position.

During the years ended May 31, 2016 and 2015, TFA received contributions from certain members of its Board of Directors (Note 4).

11. EDUCATION AWARDS DUE TO CORPS MEMBERS

TFA granted education awards (the "awards") for eligible corps members who successfully completed the 2015-2016 and prior school years. The awards were intended to mirror the awards provided by the Corporation of National and Community Service. Approximately 50 and 60 corps members were granted awards in varying amounts up to \$5,730 and \$5,645 that could be applied to pay student loans or educational expenses for the years ended May 31, 2016 and 2015, respectively. For the years ended May 31, 2016 and 2015, approximately \$5.5 million and \$5.6 million, respectively was awarded and remained to be disbursed, and were included in accounts payable and accrued expenses in the accompanying statements of financial position. The awards are payable until July 1, 2023, at which time these awards expire. At May 31, 2016 and 2015, there were fewer education awards granted from TFA than prior years as a result of the awards being funded by the Corporation of National and Community Service.

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12. CONTRIBUTED GOODS AND SERVICES

A summary of contributed goods and services, consisted of the following:

	May 31,	
	2016	2015
Legal	\$ -	\$ 116,570
Equipment	3,414,057	-
Event services	37,064	41,240
Printing and advertising	-	1,935
Professional consulting	-	32,300
Office supplies	29,636	2,380
Travel and lodging	24,800	26,997
Total	<u>\$ 3,505,557</u>	<u>\$ 221,422</u>

13. RETIREMENT PLAN

TFA offers full and part-time staff members who work at least 20 hours a week the opportunity to participate in a 403(b) retirement program. This is a defined contribution plan (the “Plan”) with employer matching contributions equal to 100% of the employee’s contributions up to 5% of their gross earned salary in each fiscal year. Participants are fully vested after six months of employment, increasing to 12 months, effective October 1, 2008. Withdrawal cannot be made without penalty until the age of 59½. TFA matching contributions totaled approximately \$5.5 million and \$6.1 million for the years ended May 31, 2016 and 2015, respectively.

TFA also offers an Executive 457(b) Retirement Plan, which is a non-qualified 457(b) Retirement Plan for select key managerial and highly compensated employees. Only discretionary employer contributions are allowed under the plan. For the years ended May 31, 2016 and 2015, employer contributions to this plan were approximately \$10,800 and \$7,900, respectively.

14. COMMITMENT AND CONTINGENCIES

Operating Leases

TFA has entered into approximately 80 lease agreements for its National and regional offices, expiring at various dates through January 2032. TFA also has various lease agreements for office equipment at its national and regional offices, expiring at various dates.

During April 2015, TFA relocated its National office from 315 West 36th Street to 25 Broadway in New York, New York. In addition to the new lease agreement for 25 Broadway, TFA entered into two other leases for regional offices in Washington DC and San Francisco that contained approximately \$12.2 million in tenant allowances that were recorded net of leasehold improvements (Note 6).

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Notes to Financial Statements
May 31, 2016 and 2015

A summary of future minimum lease payments under all non-cancelable operating leases, follows:

Year ending May 31,	Office Space	Equipment
2017	\$ 10,406,283	\$ 270,022
2018	11,915,003	191,727
2019	10,400,558	85,223
2020	9,547,366	-
2021	9,226,309	-
Thereafter	77,079,183	-
Total	<u>\$ 128,574,702</u>	<u>\$ 546,972</u>

Total rent expense approximated \$12.4 million and \$15.3 million for the years ended May 31, 2016 and 2015, respectively.

In addition to the above, TFA entered into twenty-five sublease agreements for facilities it no longer needed. Each of these leases require payment of base rent plus additional rent for insurance, common area maintenance, and other costs and, expire through 2018. Future lease income under these agreements will be \$747,786 and \$367,790 for 2017 and 2018, respectively. Total rental income was \$399,000 and \$57,300 for the years ended May 31, 2016 and 2015, respectively.

Deferred Rent Payable

Certain operating leases contain escalation clauses and rent abatements. Accordingly, TFA has recorded the straight-line effects of such escalations and recognized a deferred rent payable of approximately \$8.0 million and \$7.3 million for the years ended May 31, 2016 and 2015, respectively.

Contingencies

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

Concentration of Credit Risk

Financial instruments which potentially subject TFA to concentrations of credit risk consist primarily of cash and cash equivalents and investment securities. TFA maintains its cash and cash equivalents with creditworthy, high-quality financial institutions. TFA's bank balances typically exceed federally insured limits. However, TFA has not experienced, nor does it anticipate, any losses with respect to such bank balances. TFA's investment portfolio is diversified with several investment managers in a variety of asset classes. TFA regularly evaluates its depository arrangements and investment strategies, including performance thereof. TFA believes that its credit risks are not significant to the accompanying financial statements.

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15. SUBSEQUENT EVENTS

TFA has evaluated subsequent events that provide additional evidence about conditions that existed at the financial statement date through November 29, 2016, the date these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

TEACH FOR AMERICA
Schedule of Functional Expenses Information
For the year ended May 31, 2016

	Program Services					Supporting Services			
	Teacher Recruitment and Selection	Pre-Service Institute	Placement, Professional Development, and Other	Alumni Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Expenses:									
Personnel expenses	\$ 32,638,216	\$ 20,444,826	\$ 89,024,210	\$ 17,682,378	\$ 159,789,630	\$ 21,887,029	\$ 21,232,043	\$ 43,119,072	\$ 202,908,702
Professional services	869,883	749,228	3,538,395	2,453,794	7,611,300	1,645,853	1,762,214	3,408,067	11,019,367
Travel, meetings and subsistence	2,664,833	4,581,103	6,558,254	3,183,244	16,987,434	1,244,568	1,255,328	2,499,896	19,487,330
Institute food and lodging	-	7,778,280	-	-	7,778,280	-	-	-	7,778,280
Corps member support	4,907,366	189,563	2,021,435	1,311,329	8,429,693	115,195	19,677	134,872	8,564,565
Postage and delivery	54,972	16,532	143,493	25,303	240,300	27,366	41,820	69,186	309,486
Telecommunications	456,115	191,640	1,982,481	223,531	2,853,767	542,242	186,912	729,154	3,582,921
Equipment and supplies	2,509,211	1,315,354	4,414,214	957,249	9,196,028	2,884,559	984,297	3,868,856	13,064,884
Special events	4,318	53,950	80,011	95,616	233,895	5,148	63,227	68,375	302,270
Subscriptions and dues	34,484	179,405	218,528	42,397	474,814	36,142	81,502	117,644	592,458
Grants	-	-	-	7,504,902	7,504,902	-	-	-	7,504,902
Printing, advertising and media	427,775	199,200	321,389	427,021	1,375,385	110,523	420,789	531,312	1,906,697
Occupancy	2,285,926	1,129,435	10,037,218	1,262,825	14,715,404	1,677,691	960,534	2,638,225	17,353,629
Bad debt expense	733,947	12,843	97,608	17,980	862,378	74,490	23,118	97,608	959,986
Other	28,497	98,153	219,469	63,235	409,354	19,233	30,525	49,758	459,112
Interest, insurance, and fees	264,150	390,647	506,564	524,191	1,685,552	317,574	238,333	555,907	2,241,459
Depreciation and amortization	3,384,913	332,041	4,519,361	1,374,717	9,611,032	4,121,991	683,258	4,805,249	14,416,281
Total	<u>\$ 51,264,606</u>	<u>\$ 37,662,200</u>	<u>\$ 123,682,630</u>	<u>\$ 37,149,712</u>	<u>\$ 249,759,148</u>	<u>\$ 34,709,604</u>	<u>\$ 27,983,577</u>	<u>\$ 62,693,181</u>	<u>\$ 312,452,329</u>

This schedule should be read in conjunction with the accompanying report of certified public accountants, financial statements, and notes thereto.

TEACH FOR AMERICA
Schedule of Functional Expenses Information
For the year ended May 31, 2015

	Program Services					Supporting Services			
	Teacher Recruitment and Selection	Pre-service Institute	Placement, Professional Development, and Other	Alumni Affairs	Program Services	Management and General	Fundraising	Supporting Services	Total
Expenses:									
Personnel expenses	\$ 37,356,587	\$ 19,764,223	\$ 110,023,658	\$ 20,416,928	\$ 187,561,396	\$ 23,835,050	\$ 25,652,074	\$ 49,487,124	\$ 237,048,520
Professional services	1,218,727	635,164	4,245,018	2,287,068	8,385,977	2,522,831	2,609,467	5,132,298	13,518,275
Travel, meetings and subsistence	3,691,654	5,407,142	10,618,921	3,265,435	22,983,152	1,646,237	2,416,908	4,063,145	27,046,297
Institute food and lodging	-	10,336,911	-	-	10,336,911	-	-	-	10,336,911
Corps member support	5,820,309	176,921	849,016	719,556	7,565,802	50,656	72,717	123,373	7,689,175
Postage and delivery	56,437	21,968	187,979	27,461	293,845	33,218	57,520	90,738	384,583
Telecommunications	473,269	254,713	2,297,377	249,454	3,274,813	630,645	277,180	907,825	4,182,638
Equipment and supplies	1,669,735	1,354,600	4,461,035	1,067,647	8,553,017	2,706,274	1,038,447	3,744,721	12,297,738
Special events	16,695	20,295	95,303	57,004	189,297	53,990	142,898	196,888	386,185
Subscriptions and dues	39,290	188,133	401,042	32,115	660,580	71,030	114,781	185,811	846,391
Grants	-	-	104,488	9,555,183	9,659,671	-	-	-	9,659,671
Printing, advertising and media	384,347	343,389	320,624	409,213	1,457,573	152,469	475,345	627,814	2,085,387
Occupancy	2,331,524	1,130,627	10,650,859	852,639	14,965,649	1,365,459	1,060,800	2,426,259	17,391,908
Bad debt expense	6,088	-	14,872	-	20,960	471,627	1,922	473,549	494,509
Other	25,835	227,224	245,501	60,933	559,493	70,489	49,937	120,426	679,919
Interest, insurance, and fees	768,222	334,642	79,102	364,398	1,546,364	776,175	439,865	1,216,040	2,762,404
Depreciation and amortization	5,128,501	2,578,065	3,361,332	2,525,585	13,593,483	5,255,718	1,714,087	6,969,805	20,563,288
Total	<u>\$ 58,987,220</u>	<u>\$ 42,774,017</u>	<u>\$ 147,956,127</u>	<u>\$ 41,890,619</u>	<u>\$ 291,607,983</u>	<u>\$ 39,641,868</u>	<u>\$ 36,123,948</u>	<u>\$ 75,765,816</u>	<u>\$ 367,373,799</u>

This schedule should be read in conjunction with the accompanying report of certified public accountants, financial statements, and notes thereto.