

CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULE TOGETHER WITH
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TEACH FOR AMERICA, INC.

September 30, 2009 and 2008

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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 consolidated statements of financial position of Teach for America, Inc., and Teach for All, Inc., (collectively, “TFA”) as of September 30, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of TFA’s management. 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 as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Teach for America, Inc., and Teach for All, Inc., as of September 30, 2009 and 2008, and the consolidated changes in their assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements of TFA as of and for the years ended September 30, 2009 and 2008, taken as a whole. The supplementary information for the year ended September 30, 2009, included on pages 22 through 26, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Grant Thornton LLP

New York, New York
January 29, 2010

Teach for America, Inc. and Teach for All, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2009 and 2008

ASSETS	2009	2008
Cash and cash equivalents	\$ 17,490,715	\$ 8,459,068
Government grants and contracts receivable	24,408,543	17,605,730
Fee for service receivable	10,716,265	7,580,375
Prepaid expenses and other assets	1,204,478	1,491,242
Contributions receivable, net (Note C)	167,831,000	87,145,973
Other receivables (Note F)	48,585	70,519
Loans receivable from corps members, net of allowance of \$381,485 and \$546,799 in 2009 and 2008, respectively	6,324,931	5,179,721
Investments, at fair value (Note D)	57,789,507	36,973,032
Fixed assets, net (Note E)	26,403,736	20,790,831
Total assets	<u>\$ 312,217,760</u>	<u>\$ 185,296,491</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 10,719,459	\$ 11,635,073
Education awards due to corps members (Note G)	1,551,610	1,664,235
Line of credit (Note H)	30,000,000	20,000,000
Deferred rent payable and other liabilities (Note I)	2,582,256	1,360,563
Total liabilities	<u>44,853,325</u>	<u>34,659,871</u>
Commitments (Note I)		
Net assets:		
Unrestricted (Note K)	85,646,966	63,510,310
Temporarily restricted (Note J)	112,555,626	77,964,477
Permanently restricted (Note K)	69,161,843	9,161,833
Total net assets	<u>267,364,435</u>	<u>150,636,620</u>
Total liabilities and net assets	<u>\$ 312,217,760</u>	<u>\$ 185,296,491</u>

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

Teach for America, Inc. and Teach for All, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended September 30, 2009
(with comparative totals for 2008)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009	2008
Revenues, gains and other support:					
Contributions	\$ 7,700,697	\$ 154,985,588	\$ 60,000,010	\$ 222,686,295	\$ 124,185,942
Government grants and contracts	33,927,832	-	-	33,927,832	24,877,015
Fee for service	16,167,915	-	-	16,167,915	11,637,480
Special events, net of direct expenses of \$429,861 and \$468,995, respectively	1,134,170	-	-	1,134,170	3,558,466
Contributed goods and services (Note L)	2,910,085	-	-	2,910,085	1,054,946
Interest and dividend income, net (Note D)	341,983	118,167	-	460,150	1,396,493
Net appreciation (depreciation) in fair value of investments (Note D)	115,694	943,137	-	1,058,831	(1,751,818)
Other	322,601	-	-	322,601	212,929
Net assets released from restrictions (Note J)	<u>120,190,117</u>	<u>(120,190,117)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>182,811,094</u>	<u>35,856,775</u>	<u>60,000,010</u>	<u>278,667,879</u>	<u>165,171,453</u>
Expenses:					
Program services:					
Teacher recruitment and selection	23,946,224	-	-	23,946,224	22,398,400
Pre-service institute	26,642,976	-	-	26,642,976	22,121,379
Placement, professional development, education awards, and other	69,922,137	-	-	69,922,137	50,886,650
Alumni affairs	<u>10,011,057</u>	<u>-</u>	<u>-</u>	<u>10,011,057</u>	<u>7,824,795</u>
Total program services	<u>130,522,394</u>	<u>-</u>	<u>-</u>	<u>130,522,394</u>	<u>103,231,224</u>
Supporting services:					
Management and general	16,231,207	1,265,626	-	17,496,833	13,609,674
Fundraising	<u>13,920,837</u>	<u>-</u>	<u>-</u>	<u>13,920,837</u>	<u>10,837,039</u>
Total supporting services	<u>30,152,044</u>	<u>1,265,626</u>	<u>-</u>	<u>31,417,670</u>	<u>24,446,713</u>
Total expenses	<u>160,674,438</u>	<u>1,265,626</u>	<u>-</u>	<u>161,940,064</u>	<u>127,677,937</u>
Changes in net assets	22,136,656	34,591,149	60,000,010	116,727,815	37,493,516
Net assets, beginning of year	<u>63,510,310</u>	<u>77,964,477</u>	<u>9,161,833</u>	<u>150,636,620</u>	<u>113,143,104</u>
Net assets, end of year	<u>\$ 85,646,966</u>	<u>\$ 112,555,626</u>	<u>\$ 69,161,843</u>	<u>\$ 267,364,435</u>	<u>\$ 150,636,620</u>

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

Teach for America, Inc. and Teach for All, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended September 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support:				
Contributions	\$ 9,923,170	\$ 109,262,772	\$ 5,000,000	\$ 124,185,942
Government grants and contracts	24,877,015	-	-	24,877,015
Fee for service	11,637,480	-	-	11,637,480
Special events, net of direct expenses of \$468,995	3,558,466	-	-	3,558,466
Contributed goods and services (Note L)	1,054,946	-	-	1,054,946
Interest and dividend income, net (Note D)	1,396,493	-	-	1,396,493
Net depreciation in fair value of investments (Note D)	(1,751,818)	-	-	(1,751,818)
Other	212,929	-	-	212,929
Net assets released from restrictions (Note J)	94,720,359	(94,720,359)	-	-
Total revenues, gains and other support	145,629,040	14,542,413	5,000,000	165,171,453
Expenses:				
Program services:				
Teacher recruitment and selection	22,398,400	-	-	22,398,400
Pre-service institute	22,121,379	-	-	22,121,379
Placement, professional development, education awards, and other	50,886,650	-	-	50,886,650
Alumni affairs	7,824,795	-	-	7,824,795
Total program services	103,231,224	-	-	103,231,224
Supporting services:				
Management and general	13,609,674	-	-	13,609,674
Fundraising	10,837,039	-	-	10,837,039
Total supporting services	24,446,713	-	-	24,446,713
Total expenses	127,677,937	-	-	127,677,937
Changes in net assets	17,951,103	14,542,413	5,000,000	37,493,516
Net assets, beginning of year	45,559,207	63,422,064	4,161,833	113,143,104
Net assets, end of year	\$ 63,510,310	\$ 77,964,477	\$ 9,161,833	\$ 150,636,620

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

Teach for America, Inc. and Teach for All, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended September 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Increase in net assets	\$ 116,727,815	\$ 37,493,516
Adjustment to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	7,939,033	3,904,361
(Appreciation) depreciation in fair value of investments	(1,058,831)	1,751,818
Contributed fixed assets	(1,647,509)	-
Change in present value of contribution receivable	344,133	(498,289)
Contributed investment securities	(2,552,024)	(6,247,953)
Permanently restricted contributions	(20,000,010)	(5,000,000)
Loss on disposal of fixed assets	15,328	10,886
Change in allowance for doubtful accounts	849,688	1,953,883
Changes in operating assets and liabilities:		
Increase in government grants and contracts receivable	(6,802,813)	(13,128,606)
Increase in fee for service receivable	(3,135,890)	(1,349,050)
Decrease (increase) in prepaid expense and other assets	286,764	(496,338)
Increase in contributions receivable	(82,044,162)	(24,321,452)
Decrease in other receivables	21,934	58,439
(Decrease) increase in accounts payable and accrued expenses	(915,614)	5,238,095
Decrease in education awards due to corps members	(112,625)	(124,617)
Increase in deferred rent payable and other liabilities	1,221,693	342,352
Net cash provided by (used in) operating activities	<u>9,136,910</u>	<u>(412,955)</u>
Cash flows from investing activities:		
Loans to corps members	(4,553,337)	(4,959,616)
Repayments of loans from corps members	3,573,441	3,342,293
Proceeds from the sale of investments	13,048,620	57,209,745
Purchase of investments	(30,254,240)	(59,006,363)
Purchase of fixed assets	(11,919,757)	(15,866,848)
Net cash used in investing activities	<u>(30,105,273)</u>	<u>(19,280,789)</u>
Cash flows from financing activities:		
Proceeds from line of credit, net	10,000,000	20,000,000
Permanently restricted contributions	20,000,010	5,000,000
Net cash provided by financing activities	<u>30,000,010</u>	<u>25,000,000</u>
Net increase in cash and cash equivalents	9,031,647	5,306,256
Cash and cash equivalents, beginning of year	<u>8,459,068</u>	<u>3,152,812</u>
Cash and cash equivalents, end of year	<u>\$ 17,490,715</u>	<u>\$ 8,459,068</u>
Supplemental disclosure:		
Cash paid for interest	<u>\$ 395,365</u>	<u>\$ 92,527</u>

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

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2009 and 2008

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

Teach for America, Inc., (“Teach for America”) is a not-for-profit corporation incorporated in the State of Connecticut on October 6, 1989. Teach for All, Inc., (“Teach for All”) is a not-for-profit corporation incorporated in the State of New York on February 29, 2008.

Teach for America 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. Teach for America 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. Teach for America also coordinates an alumni affairs department to keep corps members connected to each other and to its mission.

Teach for All is a global network of national organizations working to expand education opportunity in their countries through the adaptation of Teach for America’s model in other contexts. Organizations in Teach for All’s network enlist their nations’ most promising future leaders to commit to teaching in high-need areas for two years in the short term and drive systemic changes from within and outside of the education sector in the long term. Teach for All accelerates the impact of these organizations by providing direct support services to them and by fostering a powerful network among them with the goal of maximizing their scale, impact on student achievement and alumni leadership, and organizational strength.

Teach for America and Teach for All are separate legal entities that share similar board members and officers. Both are exempt from corporate federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying consolidated financial statements include the accounts of Teach for America and Teach for All (collectively, “TFA”) and 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 organizations. All significant intercompany transactions have been eliminated in consolidation.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE B (continued)

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of TFA and changes therein are classified and reported as follows:

Unrestricted - Net assets that 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 and cash reserves, in the event TFA experiences a cash shortfall. At September 30, 2009 and 2008, the total amount of board-designated net assets authorized to function as endowments were \$26,648,777 and \$27,811,200, respectively.

Temporarily restricted - 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.

Permanently restricted - Include net assets subject to donor-imposed stipulations that require the corpus to be maintained in perpetuity. The income derived from permanently restricted net assets is available for general or specific 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.

2. Fair Value Measurements

Effective October 1, 2008, TFA implemented Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures." ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction as prescribed by ASC 820. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE B (continued)

Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. The type of investments categorized as Level 1 include listed equities held in the entity's name and exclude listed equities and other securities held indirectly through commingled funds.

Level 2: Pricing inputs including broker quotes other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Pricing inputs are unobservable and include situations where there is little, if any, market activity for those assets or liabilities. Fair value measurement for these financial instruments require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

3. Functional Allocation of Expenses

The costs of providing TFA's programs and supporting services have been summarized on a functional basis in the accompanying consolidated statements 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 recruitment events, processing applications (approximately 35,000 in 2009 and 24,000 in 2008), and conducting daylong interview sessions in multiple sites across the country. TFA had approximately 4,100 and 3,700 new corps members, who began their fall teaching assignments in 2009 and 2008, respectively.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE B (continued)

Pre-Service Institute

For incoming corps members, TFA conducts intensive summer training institutes held on various university campuses. In 2009, institutes were held at seven campuses: University of Houston, Temple University, Loyola Marymount University, St. John's University, Georgia Institute of Technology, Arizona State University and Illinois Institute of Technology. As part of TFA's ongoing relationship with the Houston Independent School District, Los Angeles Unified School District, the School District of Philadelphia, Atlanta Public Schools, the New York City Department of Education, Phoenix Public Schools, and Chicago Public Schools, corps members teach students who are enrolled in Houston, Los Angeles, Philadelphia, Atlanta, New York, Phoenix and Chicago public summer school programs.

Placement, Professional Development, Education Awards, and Other

TFA places corps members in various urban and rural regions of 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. In 2009 and 2008, TFA placed corps members in 35 and 29 regions, respectively.

Alumni Affairs

TFA has an alumni base of former corps members all over the world. These individuals present a powerful opportunity to continue to impact the education community through management and government positions. In recognition of the importance of its alumni base, TFA has increased its budget for alumni affairs. Specifically, in 2009 and 2008, alumni-related expenses totaled approximately \$10,011,000 and \$7,825,000, respectively.

4. Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less, which are not under investment management for long-term purposes. At September 30, 2009, TFA's cash and cash equivalents were categorized as Level 1, as defined by ASC 820.

5. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated statements of financial position and reported based on quoted market prices. Reported fair values for alternative investments 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.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE B (continued)

Because TFA's alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would have been reported had a ready market for such investments existed. Due to inherent risks and potential subjectivity of investment valuations, the amounts reported in the accompanying consolidated financial statements can vary substantially from settlements resulting from sale or exchange of such investments and such differences could be material.

6. Contributions

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 after one year 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.

7. 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 service is provided (i.e., school district places a corps member).

8. Loans Receivable

Receivables are recorded at their net realizable values, based upon an estimated allowance for doubtful accounts.

9. Government Grants and Contracts

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

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE B (continued)

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 applied to the allowance for doubtful accounts.

11. Fixed Assets

Computer equipment and software and furniture, fixtures, and office equipment with a unit cost in excess of \$2,500 are recorded at cost and depreciated on a straight-line basis over an estimated useful life ranging from three to five years. Leasehold improvements with a unit cost in excess of \$2,500 are recorded at cost and amortized on a straight-line basis over the lesser of the economic useful life of the respective asset or the remaining lease term.

12. 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. At certain times, TFA's bank balances may 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 investments, including performance thereof.

13. Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions 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. The more significant estimates include the determination of allowances for doubtful accounts; fair value measurement of investments that have no ready market; and estimated useful lives of capital assets. Actual results could differ from those estimates.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE C - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at September 30, 2009 and 2008 were scheduled to be collected as follows:

	2009	2008
Less than one year	\$ 93,050,489	\$ 53,895,793
One to five years	79,583,808	36,694,342
	<u>172,634,297</u>	<u>90,590,135</u>
Less: discount to present value ranging from 3.125% to 4.590%	<u>(2,461,199)</u>	<u>(2,117,066)</u>
	170,173,098	88,473,069
Less: allowance for doubtful accounts	<u>(2,342,098)</u>	<u>(1,327,096)</u>
	<u>\$ 167,831,000</u>	<u>\$ 87,145,973</u>

NOTE D - INVESTMENTS, AT FAIR VALUE

At September 30, 2009 and 2008, TFA's investments consisted of the following:

	Fair Value	
	2009	2008
Money market funds	\$ 40,695,475	\$ 29,718,550
Corporate bonds	786,296	273,677
Common stocks	4,431,485	4,225,729
Government bonds	2,516,835	2,730,210
International bonds	77,580	24,866
Alternative investments	<u>9,281,836</u>	<u>-</u>
	<u>\$ 57,789,507</u>	<u>\$ 36,973,032</u>

The following table summarizes investment by ASC 820 levels as of June 30, 2009:

	Level 1	Level 2	Level 3	Total
Money market funds	\$40,695,475	\$ -	\$ -	\$ 40,695,475
Corporate bonds	786,296	-	-	786,296
Common stocks	4,431,485	-	-	4,431,485
Government bonds	2,516,835	-	-	2,516,835
International bonds	77,580	-	-	77,580
Alternative investments	-	-	<u>9,281,836</u>	<u>9,281,836</u>
Total	<u>\$48,507,671</u>	<u>\$ -</u>	<u>\$ 9,281,836</u>	<u>\$57,789,507</u>

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE D (continued)

The following table summarizes the changes in fair values associated with ASC 820 Level 3 assets:

Balance as of October 1, 2008	\$ -
Purchases, net	8,000,000
Total gains, net	<u>1,281,836</u>
Balance as of September 30, 2009	<u>\$ 9,281,836</u>

At September 30, 2009 and 2008, TFA's investment returns consisted of the following:

	<u>2009</u>	<u>2008</u>
Interest and dividend income	\$ 496,224	\$ 1,437,614
Investment fees	<u>(36,074)</u>	<u>(41,121)</u>
Interest and dividends, net	460,150	1,396,493
Net gain (loss) in fair value of investments	<u>1,058,831</u>	<u>(1,751,818)</u>
	<u>\$ 1,518,981</u>	<u>\$ (355,325)</u>

NOTE E - FIXED ASSETS, NET

Fixed assets at September 30, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
Computer equipment and software	\$ 24,973,046	\$ 17,285,516
Furniture, fixtures and office equipment	3,828,293	2,858,846
Leasehold improvements	<u>11,627,250</u>	<u>9,515,050</u>
	40,428,589	29,659,412
Less: accumulated depreciation and amortization	<u>(14,092,638)</u>	<u>(9,108,202)</u>
	26,335,951	20,551,210
Construction-in-progress	<u>67,785</u>	<u>239,621</u>
	<u>\$ 26,403,736</u>	<u>\$ 20,790,831</u>

Depreciation and amortization expense was \$7,939,033 and \$3,904,361 for the years ended September 30, 2009 and 2008, respectively.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE F - RELATED PARTY TRANSACTIONS

Certain legal services are provided by the law firm of an attorney who serves on an uncompensated basis as the secretary of TFA. The attorney does not serve on the Board of Directors. Legal fees paid to this firm were approximately \$17,000 in fiscal 2009 and 2008. No amounts were payable to this firm at September 30, 2009 and 2008.

During 2008, TFA entered into a Resource Sharing and Expense Reimbursement Agreement with Leadership for Educational Equity ("LEE"), a related party created for TFA corps members and alumni who are interested in public policy in attaining educational equity. 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 agrees 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. LEE does not qualify as an entity that would be required to be consolidated under ASC 958, "Not-for-Profit Entities". As of September 30, 2009 and 2008, amounts owed to TFA from this related party totaled approximately \$46,500 and \$43,000, respectively, which are included within other receivables in the consolidated statements of financial position.

NOTE G - EDUCATION AWARDS DUE TO CORPS MEMBERS

In 2004, TFA established the Teach for America Education Awards (the "awards") for eligible corps members who successfully completed the 2004-2005 school year. The awards were intended to mirror the awards previously provided by the Corporation for National Service. To date, approximately 1,800 corps members were granted awards in varying amounts up to \$4,725 that can be applied to pay student loans or educational expenses. At September 30, 2009 and 2008, approximately \$1,552,000 and \$1,664,000, respectively, still remained to be disbursed. The awards are payable until July 2011, at which point these awards will expire.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE H - LINE OF CREDIT

On August 10, 2009, TFA amended its line of credit agreement with Wachovia Bank originally dated August 15, 2008, to increase the revolving line of credit to \$30 million. This credit facility bears interest at LIBOR Market Index Rate plus 1.50% per annum for 2009 and at LIBOR market index rate plus 1.00% for 2008 (1.747% and 3.927% at September 30, 2009 and 2008, respectively), and requires adherence to the following financial covenants:

- Maintain at all times liquid assets and current contributions receivables having an aggregate value of not less than \$33 million;
- Maintain a ratio of total liabilities to unrestricted net assets not to exceed one to one; and
- Pay down the outstanding balance in its entirety for 30 consecutive days annually.

At September 30, 2009 and 2008, Teach for America had \$30,000,000 and \$20,000,000, respectively, drawn down its line of credit and was in compliance with the above covenants.

NOTE I - COMMITMENTS

Operating Leases

TFA has entered into a noncancelable lease agreement for office space for its national headquarters, expiring in January 2019. Additionally, TFA has 36 lease agreements for office space for its regional offices, expiring at various times. TFA also has various lease agreements for office equipment at its regional offices and New York office, expiring on various dates.

Future minimum lease payments under all noncancelable leases, follow:

Year ending September 30:	Office Space	Equipment
2010	\$ 6,660,630	\$ 392,312
2011	5,999,877	347,329
2012	5,097,454	247,971
2013	4,125,429	90,758
2014 and thereafter	10,250,406	10,321
Total	<u>\$ 32,133,796</u>	<u>\$ 1,088,691</u>

Total rent expense approximated \$5,831,000 and \$3,524,000 for the years ended September 30, 2009 and 2008, respectively.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE I (continued)

Deferred Rent Payable

Certain operating leases contain escalation clauses for base rentals. Accordingly, TFA has recorded the straight-line effects of such escalations and recognized a deferred rent liability within deferred rent payable and other liabilities in the consolidated statements of financial position of approximately \$2.3 million and \$1.4 million at September 30, 2009 and 2008, respectively.

NOTE J - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes at September 30, 2009 and 2008:

	2009	2008
For use in future periods for:		
Expansion	\$ 50,150,705	\$ 20,587,658
Teacher recruitment and selection, placement, professional development, education awards and other	<u>62,404,921</u>	<u>57,376,819</u>
	<u>\$ 112,555,626</u>	<u>\$ 77,964,477</u>

Net assets released from restrictions by incurring expenses satisfying purpose or time restrictions during the years ended September 30, 2009 and 2008, follow:

	2009	2008
Expansion	\$ 21,623,334	\$ 17,375,766
Teacher recruitment and selection, placement, professional development, education awards and other	<u>98,566,783</u>	<u>77,344,593</u>
	<u>\$ 120,190,117</u>	<u>\$ 94,720,359</u>

NOTE K - ENDOWMENT NET ASSETS

TFA's endowment consists of several individual funds established for different purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by US GAAP, 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.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE K (continued)

Interpretation of Relevant Law

Effective October 1, 2007, the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as enacted by the State of Connecticut applies to all institutional funds of Teach for America unless the donor has specifically directed otherwise. Under UPMIFA, an “endowment fund” is defined as a fund that, under the terms of the gift instrument, is not fully expendable on a current basis. The Board of Directors of Teach for America has interpreted UPMIFA as requiring the preservation of so much of such a donor-restricted endowment fund as is directed by the donor in the gift instrument. Where the donor’s intent is not clearly articulated in the written instrument, the Board of Directors of Teach for America interprets UPMIFA as allowing the expenditure of only that amount which is prudent for the uses, benefits, purposes and duration for which the endowment is established, taking into account the following factors:

1. The duration and preservation of the endowment fund
2. The purposes of Teach for America 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 Teach for America
7. The investment policies of Teach for America

Teach for America classifies as permanently restricted net assets the amount of the assets in a donor-restricted “endowment fund” that may not be expended according to the factors described above. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted is classified as temporarily restricted until those amounts are appropriated for expenditure by Teach for America in a manner consistent with the standard of prudence prescribed by UPMIFA.

Prior to October 1, 2007, the date that UPMIFA became effective in Connecticut, the Board of Directors of Teach for America interpreted the predecessor statute as requiring the preservation of the “historic dollar value” of the original gift as of the date of gift for donor-restricted endowment funds in the absence of explicit donor stipulations to the contrary. As a result of such interpretation, Teach for America previously classified as permanently restricted net assets the original value of donor-restricted endowment funds, the original value of subsequent gifts to donor-restricted endowment funds and the value of accumulations, if any, to such funds made in accordance with the direction of the applicable gift instrument at the time the relevant accumulation was added to the fund.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE K (continued)

Spending Policy

During fiscal 2009, the Board of Directors of Teach for America determined that there would be no distributions from its endowments. Teach for America's spending for fiscal 2010 will be 5% of the endowments, as measured on the last day of the fiscal year, September 30, 2010.

In all subsequent years, beginning in fiscal 2011, spending will be 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 (i.e., for fiscal 2011, which begins on October 1, 2010, this would be the 12 months ending April 1, 2010).
- 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 perpetuity or for a specified term to support future operations.

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 must be held in perpetuity or for a donor-specified period(s) 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.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE K (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Teach for America 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). Teach for America 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.

Endowment net asset composition, excluding pledges receivable, as of September 30, 2009, follow:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 26,648,777	\$ -	\$ -	\$ 26,648,777
Donor-restricted endowment funds	-	1,978,887	29,161,843	31,140,730
Total	<u>\$ 26,648,777</u>	<u>\$ 1,978,887</u>	<u>\$ 29,161,843</u>	<u>\$ 57,789,507</u>

Changes in endowment net assets for the fiscal year ended September 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 27,811,200	\$ -	\$ 9,161,833	\$ 36,973,033
Investment return:				
Investment income	296,530	118,167	-	414,697
Net appreciation (realized and unrealized)	<u>103,495</u>	<u>943,137</u>	<u>-</u>	<u>1,046,632</u>
Total investment return	400,025	1,061,304	-	1,461,329
Contributions	-	-	20,000,010	20,000,010
Other	<u>(1,562,448)</u>	<u>917,583</u>	<u>-</u>	<u>(644,865)</u>
Endowment net assets, end of year	<u>\$ 26,648,777</u>	<u>\$ 1,978,887</u>	<u>\$ 29,161,843</u>	<u>\$ 57,789,507</u>

Permanently restricted net assets at September 30:

	2009	2008
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	<u>\$ 29,161,843</u>	<u>\$ 9,161,833</u>

Permanently restricted net assets of \$29,161,843 and \$9,161,833 at September 30, 2009 and 2008, respectively, provided investment income to support general purposes, as per donor intent.

Teach for America, Inc. and Teach for All, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2009 and 2008

NOTE L - CONTRIBUTED GOODS AND SERVICES

Contributed goods and services for the years ended September 30, 2009 and 2008, consisted of the following:

	2009	2008
Computers	\$ 1,647,509	\$ -
Professional fees	-	50,000
Legal	626,168	842,474
Software	309,000	-
Facilities	133,555	-
Supplies	131,778	129,500
Event services	51,534	21,962
Other	10,541	11,010
	<u>\$ 2,910,085</u>	<u>\$ 1,054,946</u>

NOTE M - 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 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 \$2,205,000 and \$1,824,000 for the years ended September 30, 2009 and 2008, respectively.

NOTE N - SUBSEQUENT EVENTS

ASC 855, "Subsequent Events", incorporates accounting and disclosure requirements for subsequent events into US GAAP. ASC 855 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the consolidated statements of financial position date. TFA adopted ASC 855 as of September 30, 2009, which was the required effective date.

TFA evaluated its September 30, 2009 consolidated financial statements for subsequent events through January 29, 2010, the date the consolidated financial statements were available to be issued. TFA is not aware of any subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

SUPPLEMENTARY INFORMATION

Teach for America, Inc. and Teach for All, Inc.

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

As of September 30, 2009

	Teach for America, Inc.	Teach for All, Inc.	Eliminations	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 14,736,109	\$ 2,754,606	\$ -	\$ 17,490,715
Government grants receivable	24,408,543	-	-	24,408,543
Fee for service receivable	10,716,265	-	-	10,716,265
Prepaid expenses and other assets	1,183,129	21,349	-	1,204,478
Contributions receivable, net	164,033,599	3,797,401	-	167,831,000
Other receivables	385,702	1,037	(338,154)	48,585
Loans receivable from corps members, net	6,324,931	-	-	6,324,931
Investments	57,789,507	-	-	57,789,507
Fixed assets	26,403,736	-	-	26,403,736
Total assets	<u>\$ 305,981,521</u>	<u>\$ 6,574,393</u>	<u>\$ (338,154)</u>	<u>\$ 312,217,760</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Accounts payable and accrued expenses	\$ 10,390,733	\$ 328,726	\$ -	\$ 10,719,459
Education awards due to corps members	1,551,610	-	-	1,551,610
Notes payable	30,000,000	-	-	30,000,000
Other liabilities	2,582,256	338,154	(338,154)	2,582,256
Total liabilities	<u>44,524,599</u>	<u>666,880</u>	<u>(338,154)</u>	<u>44,853,325</u>
Net assets:				
Unrestricted	83,804,277	1,842,689	-	85,646,966
Temporarily restricted	108,490,802	4,064,824	-	112,555,626
Permanently restricted	69,161,843	-	-	69,161,843
Total net assets	<u>261,456,922</u>	<u>5,907,513</u>	<u>-</u>	<u>267,364,435</u>
Total liabilities and net assets	<u>\$ 305,981,521</u>	<u>\$ 6,574,393</u>	<u>\$ (338,154)</u>	<u>\$ 312,217,760</u>

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

Teach for America and Teach for All, Inc.

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the year ended September 30 , 2009

	Teach for America, Inc.				Teach for All, Inc.				Consolidated			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support												
Contributions	\$ 4,571,611	\$ 151,532,146	\$ 60,000,010	\$ 216,103,767	\$ 3,129,086	\$ 3,453,442	\$ -	\$ 6,582,528	\$ 7,700,697	\$ 154,985,588	\$ 60,000,010	\$ 222,686,295
Government grants and contracts	33,632,832	-	-	33,632,832	295,000	-	-	295,000	33,927,832	-	-	33,927,832
Fee for service	16,167,915	-	-	16,167,915	-	-	-	-	16,167,915	-	-	16,167,915
Special events, net	1,134,170	-	-	1,134,170	-	-	-	-	1,134,170	-	-	1,134,170
Contributed goods and services	2,736,298	-	-	2,736,298	173,787	-	-	173,787	2,910,085	-	-	2,910,085
Interest and dividend income, net	335,770	118,167	-	453,937	6,213	-	-	6,213	341,983	118,167	-	460,150
Net appreciation in fair value of investments	115,694	943,137	-	1,058,831	-	-	-	-	115,694	943,137	-	1,058,831
Other	219,689	-	-	219,689	102,912	-	-	102,912	322,601	-	-	322,601
Net assets released from restriction	117,736,899	(117,736,899)	-	-	2,453,218	(2,453,218)	-	-	120,190,117	(120,190,117)	-	-
Total revenue, gains and other support	176,650,878	34,856,551	60,000,010	271,507,439	6,160,216	1,000,224	-	7,160,440	182,811,094	35,856,775	60,000,010	278,667,879
Expenses												
Program services:												
Teacher recruitment and selection	23,946,224	-	-	23,946,224	-	-	-	-	23,946,224	-	-	23,946,224
Pre-service institute	26,642,976	-	-	26,642,976	-	-	-	-	26,642,976	-	-	26,642,976
Placement, professional development, education awards and other	66,639,571	-	-	66,639,571	3,282,566	-	-	3,282,566	69,922,137	-	-	69,922,137
Alumni affairs	10,011,057	-	-	10,011,057	-	-	-	-	10,011,057	-	-	10,011,057
Total program services	127,239,828	-	-	127,239,828	3,282,566	-	-	3,282,566	130,522,394	-	-	130,522,394
Supporting services:												
Management and general	15,237,524	75,000	-	15,312,524	993,683	1,190,626	-	2,184,309	16,231,207	1,265,626	-	17,496,833
Fundraising	13,530,556	-	-	13,530,556	390,281	-	-	390,281	13,920,837	-	-	13,920,837
Total supporting services	28,768,080	75,000	-	28,843,080	1,383,964	1,190,626	-	2,574,590	30,152,044	1,265,626	-	31,417,670
Total expenses	156,007,908	75,000	-	156,082,908	4,666,530	1,190,626	-	5,857,156	160,674,438	1,265,626	-	161,940,064
Change in net assets	20,642,970	34,781,551	60,000,010	115,424,531	1,493,686	(190,402)	-	1,303,284	22,136,656	34,591,149	60,000,010	116,727,815
Net assets, beginning of year	63,161,307	73,709,251	9,161,833	146,032,391	349,003	4,255,226	-	4,604,229	63,510,310	77,964,477	9,161,833	150,636,620
Net assets, end of year	\$ 83,804,277	\$ 108,490,802	\$ 69,161,843	\$ 261,456,922	\$ 1,842,689	\$ 4,064,824	\$ -	\$ 5,907,513	\$ 85,646,966	\$ 112,555,626	\$ 69,161,843	\$ 267,364,435

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

Teach for America, Inc.

CONSOLIDATED SCHEDULE OF UNRESTRICTED FUNCTIONAL EXPENSES

For the year ended September 30, 2009, with 2008 Total

	Program Services					Supporting Services				
	Teacher recruitment and selection	Pre service institute	Placement, professional development, education awards and other	Alumni Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2009 Total	2008 Total
Expenses:										
Salaries	\$ 12,503,609	\$ 10,136,652	\$ 37,472,778	\$ 6,025,103	\$ 66,138,142	\$ 6,627,868	\$ 8,893,772	\$ 15,521,640	\$ 81,659,782	\$ 63,512,491
Payroll taxes and related expenses	2,105,656	1,370,202	6,987,866	938,998	11,402,722	2,282,761	1,524,360	3,807,121	15,209,843	11,597,476
Grant expense	-	-	505,564	-	505,564	-	-	-	505,564	-
Other travel and subsistence	1,963,467	3,842,657	4,415,452	633,352	10,854,928	685,204	858,279	1,543,483	12,398,411	12,162,770
Occupancy costs	882,743	854,791	5,038,649	338,994	7,115,177	559,241	251,030	810,271	7,925,448	5,146,490
Student lodging and meals	28	7,167,529	1,086	8	7,168,651	29	-	29	7,168,680	5,738,825
Professional and educational	652,177	417,105	4,011,141	590,953	5,671,376	1,781,783	424,045	2,205,828	7,877,204	7,379,991
Office supplies and equipment	409,930	1,184,284	2,008,083	395,260	3,997,557	683,942	287,709	971,651	4,969,208	4,255,532
Insurance	48,364	32,022	114,012	25,605	220,003	48,364	17,070	65,434	285,437	125,514
Conference and meetings	151,179	35,993	217,460	87,850	492,482	44,192	21,761	65,953	558,435	412,678
Postage and shipping	108,329	39,159	322,440	34,373	504,301	34,674	81,317	115,991	620,292	633,811
Telephone	331,988	200,416	1,517,399	240,641	2,290,444	159,605	88,507	248,112	2,538,556	2,277,763
Printing and advertising	564,846	165,250	1,005,570	190,954	1,926,620	124,028	197,484	321,512	2,248,132	3,071,663
Corps member financial aid and support	2,530,138	398,255	3,087,332	16,790	6,032,515	1,605	44,666	46,271	6,078,786	4,669,651
Depreciation and amortization	1,672,250	716,679	3,025,976	477,786	5,892,691	1,170,402	875,940	2,046,342	7,939,033	3,904,361
Loss on fixed assets	-	-	-	-	-	15,328	-	15,328	15,328	10,886
Other regional costs and miscellaneous	13,839	21,320	87,394	1,640	124,193	-	291,065	291,065	415,258	418,812
Bad debt expense	-	-	-	-	-	1,547,939	-	1,547,939	1,547,939	1,953,883
Interest expense	1,888	791	7,139	3,073	12,891	360,228	386	360,614	373,505	97,783
Fees and other expenses	5,793	59,871	96,796	9,677	172,137	104,014	63,446	167,460	339,597	307,556
Total	\$ 23,946,224	\$ 26,642,976	\$ 69,922,137	\$ 10,011,057	\$ 130,522,394	\$ 16,231,207	\$ 13,920,837	\$ 30,152,044	\$ 160,674,438	\$ 127,677,936

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

Teach for America, Inc.

SCHEDULE OF UNRESTRICTED FUNCTIONAL EXPENSES

For the year ended September 30, 2009, with 2008 Total

	Program Services					Supporting Services				
	Teacher recruitment and selection	Pre service institute	Placement, professional development, education awards and other	Alumni Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2009 Total	2008 Total
Expenses:										
Salaries	\$ 12,503,609	\$ 10,136,652	\$ 35,834,649	\$ 6,025,103	\$ 64,500,013	\$ 6,234,376	\$ 8,630,309	\$ 14,864,685	\$ 79,364,698	\$ 62,804,570
Payroll taxes and related expenses	2,105,656	1,370,202	6,510,156	938,998	10,925,012	2,221,982	1,488,842	3,710,824	14,635,836	11,493,027
Grant expense	-	-	-	-	-	-	-	-	-	-
Other travel and subsistence	1,963,467	3,842,657	4,207,054	633,352	10,646,530	657,728	806,961	1,464,689	12,111,219	12,009,632
Occupancy costs	882,743	854,791	4,992,011	338,994	7,068,539	539,533	242,688	782,221	7,850,760	5,101,090
Student lodging and meals	28	7,167,529	1,086	8	7,168,651	29	-	29	7,168,680	5,738,825
Professional and educational	652,177	417,105	3,681,867	590,953	5,342,102	1,356,931	408,444	1,765,375	7,107,477	6,326,939
Office supplies and equipment	409,930	1,184,284	2,000,479	395,260	3,989,953	679,730	285,433	965,163	4,955,116	4,243,070
Insurance	48,364	32,022	114,012	25,605	220,003	48,364	17,070	65,434	285,437	122,827
Conference and meetings	151,179	35,993	191,047	87,850	466,069	41,916	20,069	61,985	528,054	383,549
Postage and shipping	108,329	39,159	318,757	34,373	500,618	33,181	80,933	114,114	614,732	630,737
Telephone	331,988	200,416	1,494,372	240,641	2,267,417	153,346	78,360	231,706	2,499,123	2,253,971
Printing and advertising	564,846	165,250	1,005,570	190,954	1,926,620	124,028	197,484	321,512	2,248,132	3,059,320
Corps member financial aid and support	2,530,138	398,255	3,087,332	16,790	6,032,515	1,605	44,666	46,271	6,078,786	4,669,651
Depreciation and amortization	1,672,250	716,679	3,025,976	477,786	5,892,691	1,170,402	875,940	2,046,342	7,939,033	3,904,361
Loss on fixed assets	-	-	-	-	-	15,328	-	15,328	15,328	10,886
Other regional costs and miscellaneous	13,839	21,320	87,394	1,640	124,193	-	291,065	291,065	415,258	418,812
Bad debt expense	-	-	-	-	-	1,509,239	-	1,509,239	1,509,239	1,953,883
Interest expense	1,888	791	7,139	3,073	12,891	360,228	386	360,614	373,505	97,783
Fees and other expenses	5,793	59,871	80,670	9,677	156,011	89,578	61,906	151,484	307,495	291,588
Total	<u>\$ 23,946,224</u>	<u>\$ 26,642,976</u>	<u>\$ 66,639,571</u>	<u>\$ 10,011,057</u>	<u>\$ 127,239,828</u>	<u>\$ 15,237,524</u>	<u>\$ 13,530,556</u>	<u>\$ 28,768,080</u>	<u>\$ 156,007,908</u>	<u>\$ 125,514,521</u>

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

Teach for All, Inc.

SCHEDULE OF UNRESTRICTED FUNCTIONAL EXPENSES

For the year ended September 30, 2009, with 2008 Total

	Supporting Services				2009 Total	2008 Total
	Program Services	Management and General	Fundraising	Total Supporting Services		
Expenses:						
Salaries	\$ 1,638,129	\$ 393,492	\$ 263,463	\$ 656,955	\$ 2,295,084	\$ 707,921
Payroll taxes and related expenses	477,710	60,779	35,518	96,297	574,007	104,449
Grant expense	505,564	-	-	-	505,564	-
Other travel and subsistence	208,398	27,476	51,318	78,794	287,192	153,138
Occupancy costs	46,638	19,708	8,342	28,050	74,688	45,400
Student lodging and meals	-	-	-	-	-	-
Professional and educational	329,274	424,852	15,601	440,453	769,727	1,053,052
Office supplies and equipment	7,604	4,212	2,276	6,488	14,092	12,462
Insurance	-	-	-	-	-	2,687
Conference and meetings	26,413	2,276	1,692	3,968	30,381	29,129
Postage and shipping	3,683	1,493	384	1,877	5,560	3,074
Telephone	23,027	6,259	10,147	16,406	39,433	23,792
Printing and advertising	-	-	-	-	-	12,343
Corps member financial aid and support	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-
Loss on fixed assets	-	-	-	-	-	-
Other regional costs and miscellaneous	-	-	-	-	-	-
Bad debt expense	-	38,700	-	38,700	38,700	-
Interest expense	-	-	-	-	-	-
Fees and other expenses	16,126	14,436	1,540	15,976	32,102	15,968
Total	<u>\$ 3,282,566</u>	<u>\$ 993,683</u>	<u>\$ 390,281</u>	<u>\$ 1,383,964</u>	<u>\$ 4,666,530</u>	<u>\$ 2,163,415</u>

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