

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

TEACH FOR AMERICA, INC.

September 30, 2010 and 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/31/11

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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, 2010 and 2009, 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 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, 2010 and 2009, and the consolidated changes in their net 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, 2010 and 2009, taken as a whole. The supplementary information for the year ended September 30, 2010, included on pages 26 through 30, 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
March 8, 2011

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2010 and 2009

ASSETS	<u>2010</u>	<u>2009</u>
Cash and cash equivalents	\$ 22,495,354	\$ 17,490,715
Government grants and contracts receivable	30,163,605	24,408,543
Fee for service receivable	13,841,838	10,716,265
Prepaid expenses and other assets	4,932,258	1,204,478
Contributions receivable, net (Note C)	147,206,862	167,831,000
Other receivables (Note F)	120,721	48,585
Loans receivable from corps members, net of allowance of \$557,709 and \$381,485 in 2010 and 2009, respectively	7,307,445	6,324,931
Investments, at fair value (Note D)	91,697,407	57,789,507
Fixed assets, net (Note E)	<u>30,121,319</u>	<u>26,403,736</u>
Total assets	<u>\$ 347,886,809</u>	<u>\$ 312,217,760</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 20,350,747	\$ 10,719,459
Education awards due to corps members (Note G)	1,465,935	1,551,610
Line of credit (Note H)	14,000,000	30,000,000
Deferred rent payable and other liabilities (Note I)	<u>2,954,945</u>	<u>2,582,256</u>
Total liabilities	<u>38,771,627</u>	<u>44,853,325</u>
Commitments (Note I)		
Net assets:		
Unrestricted (Note K)	126,549,011	85,646,966
Temporarily restricted (Note J)	103,404,318	112,555,626
Permanently restricted (Note K)	<u>79,161,853</u>	<u>69,161,843</u>
Total net assets	<u>309,115,182</u>	<u>267,364,435</u>
Total liabilities and net assets	<u>\$ 347,886,809</u>	<u>\$ 312,217,760</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, 2010
(with comparative totals for 2009)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Total	2009 Total
Revenues, gains and other support:					
Contributions	\$ 10,855,987	\$ 132,319,327	\$ 10,000,010	\$ 153,175,324	\$ 222,686,295
Government grants and contracts	45,995,710	-	-	45,995,710	33,927,832
Fee for service	18,232,410	-	-	18,232,410	16,167,915
Special events, net of direct expenses of \$689,439 and \$429,861 respectively	3,767,251	-	-	3,767,251	1,134,170
Contributed goods and services (Note I)	1,978,144	-	-	1,978,144	2,910,085
Interest and dividend income, net (Note D)	157,929	29,769	-	187,698	460,150
Net appreciation in fair value of investments (Note D)	72,154	1,896,054	-	1,968,208	1,058,831
Licensing fees and other revenue	1,829,122	-	-	1,829,122	322,601
Net assets released from restrictions (Note J)	143,396,458	(143,396,458)	-	-	-
Total revenues, gains and other support	226,285,165	(9,151,308)	10,000,010	227,133,867	278,667,879
Expenses:					
Program services:					
Teacher recruitment and selection	25,202,393	-	-	25,202,393	23,946,224
Pre-service institute	29,164,662	-	-	29,164,662	26,642,976
Placement, professional development, education awards, and other	83,405,337	-	-	83,405,337	69,922,137
Alumni affairs	13,512,240	-	-	13,512,240	10,011,057
Total program services	151,284,632	-	-	151,284,632	130,522,394
Supporting services:					
Management and general	17,509,606	-	-	17,509,606	17,496,833
Fundraising	16,588,882	-	-	16,588,882	13,920,837
Total supporting services	34,098,488	-	-	34,098,488	31,417,670
Total expenses	185,383,120	-	-	185,383,120	161,940,064
Changes in net assets	40,902,045	(9,151,308)	10,000,010	41,750,747	116,727,815
Net assets, beginning of year	85,646,966	112,555,626	69,161,843	267,364,435	150,636,620
Net assets, end of year	\$ 126,549,011	\$ 103,404,318	\$ 79,161,853	\$ 309,115,182	\$ 267,364,435

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, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and other support:				
Contributions	\$ 7,700,697	\$ 154,985,588	\$ 60,000,010	\$ 222,686,295
Government grants and contracts	33,927,832	-	-	33,927,832
Fee for service	16,167,915	-	-	16,167,915
Special events, net of direct expenses of \$429,861	1,134,170	-	-	1,134,170
Contributed goods and services (Note I)	2,910,085	-	-	2,910,085
Interest and dividend income, net (Note D)	341,983	118,167	-	460,150
Net appreciation in fair value of investments (Note D)	115,694	943,137	-	1,058,831
Other	322,601	-	-	322,601
Net assets released from restrictions (Note J)	<u>120,190,117</u>	<u>(120,190,117)</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>
Expenses:				
Program services:				
Teacher recruitment and selection	23,946,224	-	-	23,946,224
Pre-service institute	26,642,976	-	-	26,642,976
Placement, professional development, education awards, and other	69,922,137	-	-	69,922,137
Alumni affairs	<u>10,011,057</u>	<u>-</u>	<u>-</u>	<u>10,011,057</u>
Total program services	<u>130,522,394</u>	<u>-</u>	<u>-</u>	<u>130,522,394</u>
Supporting services:				
Management and general	16,231,207	1,265,626	-	17,496,833
Fundraising	<u>13,920,837</u>	<u>-</u>	<u>-</u>	<u>13,920,837</u>
Total supporting services	<u>30,152,044</u>	<u>1,265,626</u>	<u>-</u>	<u>31,417,670</u>
Total expenses	<u>160,674,438</u>	<u>1,265,626</u>	<u>-</u>	<u>161,940,064</u>
Changes in net assets	22,136,656	34,591,149	60,000,010	116,727,815
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>
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>

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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Increase in net assets	\$ 41,750,747	\$ 116,727,815
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,427,482	7,939,033
Appreciation in fair value of investments	(1,968,208)	(1,058,831)
Contributed fixed assets	-	(1,647,509)
Change in present value of contribution receivable	(1,162,298)	344,133
Contributed investment securities	(5,598,444)	(2,552,024)
Permanently restricted contributions	(10,000,010)	(20,000,010)
Loss on disposal of fixed assets	51,544	15,328
Proceeds from sale of fixed assets	64,221	-
Change in allowance for doubtful accounts	(665,816)	849,688
Changes in operating assets and liabilities:		
Increase in government grants and contracts receivable	(5,755,062)	(6,802,813)
Increase in fee for service receivable	(3,125,573)	(3,135,890)
(Increase) decrease in prepaid expense and other assets	(3,727,780)	286,764
Decrease (increase) in contributions receivable	22,628,476	(82,044,162)
(Increase) decrease in other receivables	(72,136)	21,934
Increase (decrease) in accounts payable and accrued expenses	9,631,288	(915,614)
Decrease in education awards due to corps members	(85,675)	(112,625)
Increase in deferred rent payable and other liabilities	372,689	1,221,693
Net cash provided by operating activities	<u>52,765,445</u>	<u>9,136,910</u>
Cash flows from investing activities:		
Loans to corps members	(5,107,259)	(4,553,337)
Repayments of loans from corps members	3,948,521	3,573,441
Proceeds from the sale of investments	35,699,426	13,048,620
Purchase of investments	(62,040,674)	(30,254,240)
Purchase of fixed assets	(14,260,830)	(11,919,757)
Net cash used in investing activities	<u>(41,760,816)</u>	<u>(30,105,273)</u>
Cash flows from financing activities:		
(Payments) proceeds from line of credit, net	(16,000,000)	10,000,000
Permanently restricted contributions	10,000,010	20,000,010
Net cash (used in) provided by financing activities	<u>(5,999,990)</u>	<u>30,000,010</u>
Net increase in cash and cash equivalents	5,004,639	9,031,647
Cash and cash equivalents, beginning of year	<u>17,490,715</u>	<u>8,459,068</u>
Cash and cash equivalents, end of year	<u>\$ 22,495,354</u>	<u>\$ 17,490,715</u>
Supplemental disclosure:		
Cash paid for interest	<u>\$ 303,780</u>	<u>\$ 395,365</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, 2010 and 2009

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 educational opportunity in their countries through enlisting their nations’ most promising future leaders in the effort. These organizations recruit leaders of all academic disciplines to commit two years to teach in high-need areas and to work throughout their lives, both within and outside of education, to address the root causes of educational need. Teach for All seeks to increase and accelerate the impact of these organizations by providing direct services and fostering a powerful network among its partners and their participants with the goal of maximizing their impact on sale, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

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, 2010 and 2009, the total amount of board-designated net assets authorized to function as endowments were \$37,203,778 and \$26,648,777, respectively, (Note K).

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, (Note J).

Permanently restricted - Include net assets subject to donor-imposed stipulations that require endowment funds to be maintained in perpetuity, (Note K). 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*

During fiscal 2008, TFA implemented a standard that 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. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

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. 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 consolidated statements of financial position or in the near term, which is generally considered to be within 90 days.

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 categorized as Level 3 generally include privately held investments and partnership interests. 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.

In 2010, TFA adopted new guidance related to fair value measurements and disclosure of investments in certain entities that do not have a quoted market price but that calculate NAV per share or its equivalent. As a practical expedient, the guidance permits, but does not require TFA to measure fair value of an investment in an investee within the scope of the amendments based on the investee's NAV per share or its equivalent. As a result of applying the practical expedient, the fair value of certain of TFA's investments in alternative investments was determined based on the reported NAV beginning with the September 30, 2010 valuation. The adoption of this guidance did not have a material impact on the fair value of applicable investments; however, the use of the practical expedient required additional disclosures, (Note D).

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:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE B (continued)

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 (approximately 46,000 in 2010 and 35,000 in 2009), and conducting day-long interview sessions in multiple sites across the country. TFA had approximately 4,500 and 4,100 new corps members, who began their fall teaching assignments in 2010 and 2009, respectively.

Pre-Service Institute

For incoming corps members, TFA conducts intensive summer training institutes held on various university campuses. In 2010, institutes were held at eight campuses: University of Houston, Temple University, Loyola Marymount University, St. John's University, Georgia Institute of Technology, Arizona State University, Illinois Institute of Technology and Delta State University. 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, Chicago Public Schools, and Mississippi Delta Public Schools, corps members teach students who are enrolled in Houston, Los Angeles, Philadelphia, Atlanta, New York, Phoenix, Chicago and Mississippi Delta 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 2010 and 2009, TFA placed corps members in 39 and 35 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE B (continued)

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.

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.

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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE B (continued)

8. *Loans Receivable*

Loans receivable are recorded at their net realizable values, based upon an estimated allowance for doubtful accounts and, are generally due over a period 1 to 2 years.

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.

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. *Income Taxes*

TFA adopted new guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the consolidated financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The standard also provides guidance on measurement, classification, interest and penalties, and disclosure. This standard had no material impact on the accompanying consolidated financial statements. The tax years ended 2007, 2008, and 2009 are still open to audit for both federal and state purposes. TFA has processes presently in place to ensure the maintenance of its tax-exempt status; identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and identify and evaluate other matters that may be considered tax positions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE B (continued)

13. 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.

14. 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.

NOTE C - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at September 30, 2010 and 2009 were scheduled to be collected as follows:

	<u>2010</u>	<u>2009</u>
Less than one year	\$ 87,637,959	\$ 93,050,489
One to five years	<u>62,367,862</u>	<u>79,583,808</u>
	150,005,821	172,634,297
Less: discount to present value ranging from 3.125% to 4.590%	<u>(1,298,901)</u>	<u>(2,461,199)</u>
	147,706,920	170,173,098
Less: allowance for doubtful accounts	<u>(1,500,058)</u>	<u>(2,342,098)</u>
	<u>\$ 147,206,862</u>	<u>\$ 167,831,000</u>

TFA has also been notified of certain intentions to give. However, these amounts have not been recorded in the accompanying consolidated financial statements due to their conditional nature (e.g. challenge grants).

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE D - INVESTMENTS, AT FAIR VALUE

At September 30, 2010 and 2009, TFA's investments consisted of the following:

	<u>2010</u>	<u>2009</u>
Money market funds	\$ 58,589,684	\$ 40,695,475
Corporate bonds	-	786,296
Common stocks	4,335,287	4,431,485
Government bonds	-	2,516,835
International bonds	-	77,580
Limited partnerships	<u>28,772,436</u>	<u>9,281,836</u>
	<u>\$ 91,697,407</u>	<u>\$ 57,789,507</u>

The following table summarizes investments by level, within the fair value hierarchy as of September 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$58,589,684	\$ -	\$ -	\$ 58,589,684
Corporate bonds	-	-	-	-
Common stocks	4,335,287	-	-	4,335,287
Government bonds	-	-	-	-
International bonds	-	-	-	-
Limited partnerships	-	-	28,772,436	28,772,436
Total	<u>\$ 62,924,971</u>	<u>\$ -</u>	<u>\$ 28,772,436</u>	<u>\$ 91,697,407</u>

The following table summarizes the changes in fair values associated with Level 3 assets as of September 30, 2010:

	<u>Limited Partnerships</u>
Balance as of October 1, 2009	\$ 9,281,836
Purchases	18,000,000
Total gains	<u>1,490,600</u>
Balance as of September 30, 2010	<u>\$ 28,772,436</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE D (continued)

The following table summarizes investments by level, within the fair value hierarchy as of September 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
Limited partnerships	-	-	9,281,836	9,281,836
Total	<u>\$ 48,507,671</u>	<u>\$ -</u>	<u>\$ 9,281,836</u>	<u>\$ 57,789,507</u>

The following table summarizes the changes in fair values associated with Level 3 assets as of September 30, 2009:

	Limited Partnerships
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, 2010 and 2009, TFA's investment returns consisted of the following:

	2010	2009
Interest and dividend income	\$ 315,127	\$ 496,224
Investment fees	<u>(127,429)</u>	<u>(36,074)</u>
Interest and dividends, net	187,698	460,150
Net gain in fair value of investments	<u>1,968,208</u>	<u>1,058,831</u>
	<u>\$ 2,155,906</u>	<u>\$ 1,518,981</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE D (continued)

TFA uses the Net Asset Value (NAV) to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their investees financial statements consistent with the measurement principles of an investments company or have the attributes of an investments company. The following table lists investments by major NAV category:

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Timing to Drawdown Commitments	Redemption Terms	Redemption Restrictions
Limited partnerships	Invests in hedge funds, private equity and pooled accounts seeking long-term diversified growth	\$28,772,436	2	N/A	No such commitments	N/A	Quarterly and Annually	Lock up periods of up to 2 years

NOTE E - FIXED ASSETS, NET

Fixed assets at September 30, 2010 and 2009 consisted of the following:

	2010	2009
Computer equipment and software	\$ 36,069,766	\$ 24,973,046
Furniture, fixtures and office equipment	4,273,451	3,828,293
Leasehold improvements	12,711,614	11,627,250
	53,054,831	40,428,589
Less: accumulated depreciation and amortization	(24,048,522)	(14,092,638)
	29,006,309	26,335,951
Construction-in-progress	1,115,010	67,785
	<u>\$ 30,121,319</u>	<u>\$ 26,403,736</u>

Depreciation and amortization expense was \$10,427,482 and \$7,939,033 for the years ended September 30, 2010 and 2009, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE F - RELATED PARTY TRANSACTIONS

During 2009, certain legal services were provided by the law firm of an attorney who served on an uncompensated basis as the secretary of TFA. The attorney did not serve on the Board of Directors. There were no legal fees paid to this firm in fiscal 2010 and there was approximately \$17,000 paid in fiscal 2009. No amounts were payable to this firm at September 30, 2010 and 2009.

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, “Not-for-Profit Entities”. As of September 30, 2010 and 2009, amounts owed to TFA from this related party totaled approximately \$30,100 and \$46,500, 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 2005-2006 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, 2010 and 2009, approximately \$1,466,000 and \$1,552,000, respectively, still remained to be disbursed. The awards are payable until July 2011, at which point these awards will expire.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE H - LINE OF CREDIT

On August 12, 2010, TFA amended its line of credit agreement with Wachovia Bank originally dated August 10, 2009, to change the maturity date to July 1, 2011. This credit facility bears interest at the LIBOR market index rate plus 1.50% per annum for 2010 and 2009 (1.747% at September 30, 2010 and 2009) 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, 2010 and 2009, Teach for America had \$14,000,000 and \$30,000,000, 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:	<u>Office Space</u>	<u>Equipment</u>
2011	\$ 6,307,800	\$ 424,122
2012	5,555,795	332,783
2013	4,807,591	173,183
2014	3,763,154	77,815
2015 and thereafter	<u>6,658,809</u>	<u>36,456</u>
Total	<u>\$ 27,093,149</u>	<u>\$ 1,044,359</u>

Total rent expense approximated \$6,900,000 and \$5,831,000 for the years ended September 30, 2010 and 2009, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

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 million and \$2.3 million at September 30, 2010 and 2009, 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 TFA's consolidated financial position, changes in net assets or cash flows.

NOTE J - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes at September 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
For use in future periods for:		
Expansion	\$ 32,053,334	\$ 50,150,705
Teacher recruitment and selection, placement, professional development, education awards and other	<u>71,350,984</u>	<u>62,404,921</u>
	<u>\$ 103,404,318</u>	<u>\$ 112,555,626</u>

Net assets released from restrictions by incurring expenses satisfying purpose or time restrictions during the years ended September 30, 2010 and 2009, follow:

	<u>2010</u>	<u>2009</u>
Expansion	\$ 26,633,581	\$ 21,623,334
Teacher recruitment and selection, placement, professional development, education awards and other	<u>116,762,877</u>	<u>98,566,783</u>
	<u>\$ 143,396,458</u>	<u>\$ 120,190,117</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE K (continued)

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.

Spending Policy

For the years ended September 30, 2010 and 2009, the Board of Directors of Teach for America determined that there would be no distributions from its endowments.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE K (continued)

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.

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, 2010, follow:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated endowment funds	\$ 37,203,779	\$ -	\$ -	\$ 37,203,779
Donor-restricted endowment funds	<u>-</u>	<u>5,331,775</u>	<u>49,161,853</u>	<u>54,493,628</u>
Total	<u>\$ 37,203,779</u>	<u>\$ 5,331,775</u>	<u>\$ 49,161,853</u>	<u>\$ 91,697,407</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE K (continued)

Changes in endowment net assets for the fiscal year ended September 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 26,648,777	\$ 1,978,887	\$ 29,161,843	\$ 57,789,507
Investment return:				
Investment income	157,929	29,769	-	187,698
Net appreciation (realized and unrealized)	<u>72,154</u>	<u>1,896,054</u>	-	<u>1,968,208</u>
Total investment return	230,083	1,925,823	-	2,155,906
Contributions	10,324,919	-	20,000,010	30,324,929
Other	-	<u>1,427,065</u>	-	<u>1,427,065</u>
Endowment net assets, end of year	<u>\$ 37,203,779</u>	<u>\$ 5,331,775</u>	<u>\$ 49,161,853</u>	<u>\$ 91,697,407</u>

Permanently restricted net assets at September 30, 2010:

	<u>2010</u>	<u>2009</u>
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	<u>\$ 49,161,853</u>	<u>\$ 29,161,843</u>

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

NOTE K (continued)

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>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>(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:

	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 \$49,161,853 and \$29,161,843 at September 30, 2010 and 2009, respectively, provided investment returns to support general operating purposes, as per donor intent.

NOTE L - CONTRIBUTED GOODS AND SERVICES

Contributed goods and services for the years ended September 30, 2010 and 2009, consisted of the following:

	2010	2009
Computers and equipment	\$ 169,636	\$ 1,647,509
Professional fees	1,087,528	-
Legal	347,007	626,168
Software	279,000	309,000
Facilities	20,931	133,555
Supplies	4,341	131,778
Event services	51,201	51,534
Other	<u>18,500</u>	<u>10,541</u>
	<u>\$ 1,978,144</u>	<u>\$ 2,910,085</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2010 and 2009

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 \$2,533,000 and \$2,205,000 for the years ended September 30, 2010 and 2009, respectively.

NOTE N - SUBSEQUENT EVENTS

TFA evaluated its September 30, 2010 consolidated financial statements for subsequent events through March 8, 2011, the date the consolidated financial statements were available to be issued. Other than the disclosure below, TFA is not aware of any subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

On October 1, 2010, TFA amended its line of credit agreement with Wachovia Bank originally dated August 15, 2008, to increase the revolving line of credit to \$46 million. This credit facility bears interest at the LIBOR Market Index Rate plus 1.00% per annum 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 \$58 million.
- Maintain a ratio of total liabilities to unrestricted net assets not to exceed one to one.
- Pay down the outstanding balance in its entirety for 30 consecutive days annually.

On October 7, 2010, Teach for All was re-incorporated as a separate not-for-profit corporation under New York corporate law. Henceforth, the financial statements of Teach for All will no longer be consolidated within Teach for America, Inc.

SUPPLEMENTARY INFORMATION

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

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

As of September 30, 2010

<u>ASSETS</u>	Teach for America, Inc.	Teach for All, Inc.	Eliminations	Total
Cash and cash equivalents	\$ 19,381,808	\$ 3,113,546	\$ -	\$ 22,495,354
Government grants receivable	30,163,605	-	-	30,163,605
Fee for service receivable	13,841,838	-	-	13,841,838
Prepaid expenses and other assets	4,883,411	48,847	-	4,932,258
Contributions receivable, net	140,369,761	6,837,101	-	147,206,862
Other receivables	248,961	-	(128,240)	120,721
Loans receivable from corps members, net	7,307,445	-	-	7,307,445
Investments, at fair value	91,697,407	-	-	91,697,407
Fixed assets	<u>30,068,230</u>	<u>53,089</u>	<u>-</u>	<u>30,121,319</u>
Total assets	<u>\$ 337,962,466</u>	<u>\$ 10,052,583</u>	<u>\$ (128,240)</u>	<u>\$ 347,886,809</u>
 <u>LIABILITIES AND NET ASSETS</u> 				
Liabilities:				
Accounts payable and accrued expenses	\$ 19,698,146	\$ 652,601	\$ -	\$ 20,350,747
Education awards due to corps members	1,465,935	-	-	1,465,935
Notes payable	14,000,000	-	-	14,000,000
Deferred rent and other liabilities	<u>2,954,945</u>	<u>128,240</u>	<u>(128,240)</u>	<u>2,954,945</u>
Total liabilities	<u>38,119,026</u>	<u>780,841</u>	<u>(128,240)</u>	<u>38,771,627</u>
Net assets:				
Unrestricted	124,125,955	2,423,056	-	126,549,011
Temporarily restricted	96,555,632	6,848,686	-	103,404,318
Permanently restricted	<u>79,161,853</u>	<u>-</u>	<u>-</u>	<u>79,161,853</u>
Total net assets	<u>299,843,440</u>	<u>9,271,742</u>	<u>-</u>	<u>309,115,182</u>
Total liabilities and net assets	<u>\$ 337,962,466</u>	<u>\$ 10,052,583</u>	<u>\$ (128,240)</u>	<u>\$ 347,886,809</u>

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

Teach for America and Teach for All, Inc.
COMBINED STATEMENT OF ACTIVITIES
For the year ended September 30, 2010

	Teach for America, Inc.				Teach for All, Inc.				Combined			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support												
Contributions	\$ 9,030,917	\$ 125,041,201	\$ 10,193,010	\$ 144,265,128	\$ 2,823,000	\$ 7,279,126	\$ -	\$ 10,102,126	\$ 10,155,937	\$ 132,319,327	\$ 10,193,010	\$ 152,668,274
Co-revenue grants and contracts	45,653,217	-	-	45,653,217	340,493	-	-	340,493	45,993,710	-	-	45,993,710
Fees for services	18,212,410	-	-	18,212,410	-	-	-	-	18,212,410	-	-	18,212,410
Special events, net	2,747,251	-	-	2,747,251	-	-	-	-	3,747,251	-	-	3,747,251
Contributed goods and services	943,841	-	-	943,841	1,011,197	-	-	1,011,197	-	-	-	1,011,197
Interest and dividend income, net	157,829	29,768	-	187,597	-	-	-	-	157,829	29,768	-	187,597
Net operations in for-profit investments	72,154	1,006,054	-	1,078,208	-	-	-	-	72,154	1,006,054	-	1,078,208
Leasing fees and other revenue	19,491,017	-	-	19,491,017	(1,201,185)	-	-	(1,201,185)	19,491,017	-	-	19,491,017
Net assets released from operations	138,000,194	(119,800,799)	-	118,199,395	5,955,364	(1,895,264)	-	4,060,100	143,196,438	(143,196,438)	-	1,000,000
Total revenues, gains and other support	217,280,896	211,033,670	10,193,010	438,507,576	8,554,780	5,383,862	-	13,938,642	236,781,165	79,112,989	10,193,010	326,087,164
Expenses												
Program services												
Teacher recruitment and selection	25,210,191	-	-	25,210,191	-	-	-	-	25,210,191	-	-	25,210,191
Recruiter salaries	29,304,662	-	-	29,304,662	-	-	-	-	29,304,662	-	-	29,304,662
Placement, professional development, retention costs and other	77,787,815	-	-	77,787,815	5,437,722	-	-	5,437,722	83,495,137	-	-	83,495,137
Alumni affairs	13,512,240	-	-	13,512,240	-	-	-	-	13,512,240	-	-	13,512,240
Total program services	145,815,918	-	-	145,815,918	5,437,722	-	-	5,437,722	151,924,230	-	-	151,924,230
Supporting services												
Management and general	15,477,273	-	-	15,477,273	1,822,333	-	-	1,822,333	17,304,606	-	-	17,304,606
Fundraising	16,081,523	-	-	16,081,523	913,137	-	-	913,137	16,994,660	-	-	16,994,660
Total supporting services	31,558,796	-	-	31,558,796	2,735,470	-	-	2,735,470	34,299,266	-	-	34,299,266
Total expenses	177,374,714	-	-	177,374,714	8,173,192	-	-	8,173,192	186,223,496	-	-	186,223,496
Change in net assets	40,906,182	(119,800,799)	10,000,000	(68,894,517)	599,147	(2,735,470)	-	(2,136,323)	40,906,182	(119,800,799)	10,000,000	(78,694,517)
Net assets, beginning of year	83,831,277	178,498,802	49,141,813	311,471,892	1,842,479	108,452	-	1,950,931	85,446,966	112,554,626	49,141,813	247,143,405
Net assets, end of year	\$ 124,737,459	\$ 58,698,003	\$ 59,141,813	\$ 242,577,275	\$ 2,441,626	\$ 8,043,582	\$ -	\$ 10,485,208	\$ 126,353,148	\$ 10,754,827	\$ 59,141,813	\$ 197,253,788

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

Teach for America, Inc.

CONSOLIDATED SCHEDULE OF UNRESTRICTED FUNCTIONAL EXPENSES

For the year ended September 30, 2010, with comparative totals for 2009

	Program Services				Supporting Services				2010 Total	2009 Total
	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		
Expenses:										
Salaries	\$ 12,475,079	\$ 10,871,447	\$ 45,467,659	\$ 7,974,543	\$ 76,788,708	\$ 8,293,495	\$ 10,722,274	\$ 19,015,769	\$ 95,804,477	\$ 81,659,782
Payroll taxes and related expenses	2,407,059	1,580,009	8,873,541	1,434,153	14,294,762	1,720,992	1,777,976	3,498,988	17,993,750	15,209,843
Grant expense	-	-	590,978	-	590,978	-	-	-	590,978	505,564
Other travel and subsistence	2,104,644	5,027,760	6,091,205	700,707	13,924,316	737,921	1,082,430	1,840,341	15,764,657	12,398,411
Occupancy costs	1,155,734	1,072,542	5,408,962	449,173	8,086,471	671,964	374,277	1,046,261	9,132,732	7,925,448
Student lodging and meals	-	7,135,064	3,397	-	7,140,461	-	-	-	7,140,461	7,140,461
Professional and educational	781,262	355,059	3,421,615	669,612	5,227,548	1,791,371	367,259	2,158,730	7,386,278	7,677,204
Office supplies and equipment	611,264	1,205,808	2,756,015	721,243	5,294,330	884,029	201,629	1,085,658	6,379,958	4,969,208
Insurance	50,996	32,997	120,257	59,705	263,955	32,522	17,999	70,521	334,476	283,437
Conference and meetings	134,080	95,279	487,132	96,207	812,698	196,296	36,216	232,512	1,045,200	558,435
Postage and shipping	84,081	53,793	265,620	34,684	438,178	25,587	(3,045)	68,632	506,810	620,292
Telephone	312,832	186,838	1,617,346	222,913	2,340,149	161,712	88,364	250,176	2,590,325	2,538,556
Printing and advertising	238,928	394,436	379,661	258,219	1,471,244	69,911	274,772	344,683	1,815,927	2,248,132
Corps member financial aid and support	2,662,470	32,790	3,250,267	205,955	6,151,482	2,175	102,823	104,998	6,256,480	6,078,786
Depreciation and amortization	2,158,389	925,110	3,914,623	616,730	7,615,663	1,681,017	1,131,814	2,812,421	10,427,484	7,939,033
Loss on fixed assets	8,247	3,608	19,071	13,402	44,328	3,670	1,546	2,216	51,544	13,228
Other regional costs and miscellaneous	12,099	123,029	443,399	42,837	621,364	19,224	16,367	35,591	656,955	413,258
Bad debt expense	-	-	-	-	-	825,155	-	825,155	825,155	1,547,919
Interest expense	1,111	475	2,953	1,768	6,309	296,571	228	296,799	303,108	373,505
Fees and other expenses	3,838	68,618	89,453	10,379	172,288	54,194	129,653	184,017	366,335	339,597
Total	\$ 25,202,193	\$ 29,164,662	\$ 83,405,317	\$ 13,512,240	\$ 151,284,632	\$ 17,509,606	\$ 16,588,882	\$ 34,098,488	\$ 185,383,120	\$ 160,674,438

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

Tech for America, Inc.

SCHEDULE OF UNRESTRICTED FUNCTIONAL EXPENSES

For the year ended September 30, 2010, with comparative totals for 2009

	Program Services				Supporting Services				2010 Total	2009 Total
	Teacher recruitment and retention	Pre service institute	Placement, professional development, education awards and other	Alumni Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Expenses:										
Salaries	\$ 12,475,079	\$ 10,871,447	\$ 42,845,063	\$ 7,974,543	\$ 74,166,132	\$ 7,590,518	\$ 10,350,429	\$ 17,940,947	\$ 92,116,079	\$ 79,364,698
Payroll taxes and related expenses	2,407,059	1,580,029	8,190,643	1,434,153	13,611,864	1,541,123	1,912,418	3,453,543	17,065,407	14,635,836
Grant expense	-	-	-	-	-	-	-	-	-	-
Other travel and subsistence	2,104,644	5,027,761	5,526,067	700,707	13,359,178	690,884	1,038,406	1,729,290	15,088,468	12,111,219
Occupancy costs	1,155,794	1,072,542	3,366,192	449,173	8,043,701	666,934	372,415	1,039,349	9,083,050	7,890,760
Student lodging and meals	-	7,135,064	5,397	-	7,140,461	-	-	-	7,140,461	7,168,680
Professional and educational	781,262	355,059	3,567,258	669,612	4,373,191	1,519,397	360,783	1,880,180	6,253,371	7,107,477
Office supplies and equipment	611,264	1,305,808	2,705,921	721,243	5,244,305	722,431	194,900	916,931	6,161,236	4,955,116
Insurance	50,936	32,997	120,257	59,705	263,995	32,522	17,999	70,521	334,476	285,437
Conference and meetings	134,080	93,279	305,741	96,207	631,307	145,405	32,050	198,055	829,362	528,054
Postage and shipping	83,081	53,793	212,140	34,884	434,998	23,272	41,561	64,773	499,771	614,232
Telephone	312,852	186,838	1,588,794	222,913	2,311,397	151,166	80,843	232,009	2,543,406	2,490,123
Printing and advertising	238,928	394,436	579,311	258,219	1,470,974	68,014	273,939	341,953	1,812,927	2,248,132
Corps member financial aid and support	3,662,470	32,790	3,250,267	208,955	6,153,482	2,175	102,823	104,998	6,256,460	6,078,786
Depreciation and amortization	2,158,887	925,110	3,946,019	616,781	7,606,458	1,679,142	1,180,050	2,809,832	10,416,290	7,919,033
Loss on fixed assets	8,247	3,608	19,071	17,402	44,328	5,670	1,546	7,216	51,544	15,328
Other regional costs and miscellaneous	12,099	123,029	443,399	42,837	621,364	10,254	16,367	35,591	656,955	415,238
Bad debt expense	-	-	-	-	-	466,372	-	466,372	466,372	1,509,239
Interest expense	1,111	475	2,953	1,768	6,309	296,471	228	296,799	303,108	373,505
Fees and other expenses	3,838	68,618	82,671	10,329	165,506	36,451	127,098	164,449	329,955	307,425
Total	\$ 25,202,393	\$ 29,163,662	\$ 77,767,615	\$ 13,512,290	\$ 145,646,910	\$ 15,677,273	\$ 16,064,515	\$ 31,761,808	\$ 177,408,718	\$ 156,007,908

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

Teach for All, Inc.

SCHEDULE OF UNRESTRICTED FUNCTIONAL EXPENSES

For the year ended September 30, 2010, with comparative totals for 2009

	Supporting Services				2010 Total	2009 Total
	Program Services	Management and General	Fundraising	Total Supporting Services		
Expenses:						
Salaries	\$ 2,622,576	\$ 702,977	\$ 362,845	\$ 1,065,822	\$ 3,688,398	\$ 2,295,084
Payroll taxes and related expenses	682,898	179,867	65,578	245,445	928,343	574,007
Grant expense	590,978	-	-	-	590,978	505,564
Other travel and subsistence	565,138	67,036	44,014	111,050	676,188	287,192
Occupancy costs	42,770	5,050	1,862	6,912	49,682	74,688
Student lodging and meals	-	-	-	-	-	-
Professional and educational	851,357	271,974	6,576	278,550	1,132,907	769,727
Office supplies and equipment	50,025	161,598	7,129	168,727	218,752	14,092
Insurance	-	-	-	-	-	-
Conference and meetings	181,391	50,881	3,566	54,447	235,838	30,381
Postage and shipping	3,180	2,315	1,544	3,859	7,039	5,560
Telephone	28,752	10,546	7,621	18,167	46,919	39,433
Printing and advertising	271	1,897	833	2,730	3,000	-
Corps member financial aid and support	-	-	-	-	-	-
Depreciation and amortization	8,605	1,465	1,124	2,589	11,194	-
Loss on fixed assets	-	-	-	-	-	-
Other regional costs and miscellaneous	-	-	-	-	-	-
Bad debt expense	-	358,783	-	358,783	358,783	38,700
Interest expense	-	-	-	-	-	-
Fees and other expenses	6,782	17,944	1,655	19,599	26,381	32,102
Total	\$ 5,637,722	\$ 1,832,333	\$ 504,347	\$ 2,336,680	\$ 7,974,402	\$ 4,666,530

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