

WORLDTEACH, INC.
(A Not-for-Profit Organization)

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2010

NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT

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WORLDTEACH, INC.
(A Not-for-Profit Organization)

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

JUNE 30, 2010

AUDITED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
WorldTeach, Inc.

We have audited the accompanying statements of financial position of **WorldTeach, Inc.** (A Not-for-Profit Organization) as of June 30, 2010 and 2009, and the related statements of activities and changes in net assets and cash flows – indirect method for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **WorldTeach, Inc.** as of June 30, 2010 and 2009, and the activities and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

GRAY, GRAY & GRAY, LLP

Gray, Gray & Gray, LLP

February 22, 2011

WORLDTEACH, INC.
(A Not-for-Profit Organization)

STATEMENTS OF FINANCIAL POSITION

ASSETS

	<u>2010</u>	<u>June 30,</u> <u>2009</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 733,726	\$ 1,040,159
Accounts receivable, countries	155,005	152,166
Accounts receivable, volunteer fees	181,325	267,372
Prepaid expenses	166,368	154,837
TOTAL CURRENT ASSETS	<u>1,236,424</u>	<u>1,614,534</u>
FURNITURE, FIXTURES, AND EQUIPMENT	36,124	34,812
Less accumulated depreciation	<u>29,240</u>	<u>28,124</u>
NET FURNITURE, FIXTURES, AND EQUIPMENT	<u>6,884</u>	<u>6,688</u>
INVESTMENTS	<u>1,059,815</u>	<u>622,023</u>
TOTAL ASSETS	<u>\$ 2,303,123</u>	<u>\$ 2,243,245</u>

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

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>June 30,</u> <u>2009</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 56,611	\$ 102,953
Accrued volunteer support	206,397	160,968
Deferred revenue	<u>625,050</u>	<u>828,245</u>
TOTAL CURRENT LIABILITIES	<u>888,058</u>	<u>1,092,166</u>
NET ASSETS		
Unrestricted	1,322,781	1,047,982
Temporarily restricted	<u>92,284</u>	<u>103,097</u>
TOTAL NET ASSETS	<u>1,415,065</u>	<u>1,151,079</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,303,123</u>	<u>\$ 2,243,245</u>

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

WORLDTEACH, INC.
(A Not-for-Profit Organization)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support:			
Public support	\$ 1,961,731	\$ 83,910	\$ 2,045,641
Revenue:			
Volunteer fees	1,233,526	-	1,233,526
Investment income	28,968	-	28,968
Other revenue	2,143	-	2,143
Unrealized gain on investments	109,121	-	109,121
	<u>1,373,758</u>	<u>-</u>	<u>1,373,758</u>
NET ASSETS RELEASED FROM SATISFACTION OF PROGRAM RESTRICTIONS			
	<u>94,723</u>	<u>(94,723)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE			
	<u>3,430,212</u>	<u>(10,813)</u>	<u>3,419,399</u>
EXPENSES			
Program expenses	2,959,256	-	2,959,256
General and administrative	194,130	-	194,130
Fundraising	2,027	-	2,027
	<u>3,155,413</u>	<u>-</u>	<u>3,155,413</u>
CHANGES IN NET ASSETS			
	274,799	(10,813)	263,986
NET ASSETS AT BEGINNING OF YEAR			
	<u>1,047,982</u>	<u>103,097</u>	<u>1,151,079</u>
NET ASSETS AT END OF YEAR			
	<u>\$ 1,322,781</u>	<u>\$ 92,284</u>	<u>\$ 1,415,065</u>

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

WORLDTEACH, INC.
(A Not-for-Profit Organization)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support:			
Public support	\$ 1,450,423	\$ 151,866	\$ 1,602,289
Revenue:			
Volunteer fees	1,172,004	-	1,172,004
Investment income	23,122	-	23,122
Other revenue	13,852	-	13,852
Unrealized (loss) on investments	(118,120)	-	(118,120)
	<u>1,090,858</u>	<u>-</u>	<u>1,090,858</u>
NET ASSETS RELEASED FROM SATISFACTION OF PROGRAM RESTRICTIONS			
	<u>127,429</u>	<u>(127,429)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE			
	<u>2,668,710</u>	<u>24,437</u>	<u>2,693,147</u>
EXPENSES			
Program expenses	2,576,353	-	2,576,353
General and administrative	141,952	-	141,952
Fundraising	2,931	-	2,931
	<u>2,721,236</u>	<u>-</u>	<u>2,721,236</u>
CHANGES IN NET ASSETS			
	(52,526)	24,437	(28,089)
NET ASSETS AT BEGINNING OF YEAR			
	<u>1,100,508</u>	<u>78,660</u>	<u>1,179,168</u>
NET ASSETS AT END OF YEAR			
	<u>\$ 1,047,982</u>	<u>\$ 103,097</u>	<u>\$ 1,151,079</u>

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

WORLDTEACH, INC.
(A Not-for-Profit Organization)

STATEMENTS OF CASH FLOWS - INDIRECT METHOD

	<u>Year Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 263,986	\$ (28,089)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	3,829	5,821
Unrealized (gain) loss on investments	(109,121)	118,120
(Increase) decrease in assets:		
Accounts receivable, countries	(2,839)	104,714
Accounts receivable, volunteer fees	86,047	43,854
Prepaid expenses	(11,531)	119,749
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(46,342)	10,899
Accrued volunteer support	45,429	(69,588)
Deferred revenue	(203,195)	154,375
	<u>26,263</u>	<u>459,855</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvested dividends	(28,670)	(20,102)
Purchases of investments	(300,000)	-
Acquisitions of furniture, fixtures, and equipment	(4,026)	(5,652)
	<u>(332,696)</u>	<u>(25,754)</u>
NET CASH (USED) BY INVESTING ACTIVITIES		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(306,433)	434,101
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,040,159</u>	<u>606,058</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 733,726</u>	<u>\$ 1,040,159</u>

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

WORLDTEACH, INC.
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1 – BUSINESS

Principal Business Activity – WorldTeach, Inc. (the "Organization") is a private, not-for-profit organization which places North American volunteers in teaching positions in other countries. The Organization was founded in 1986 under the control of Phillips Brooks House Association, Inc., and was incorporated as an independent entity on November 1, 1991.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes – The Organization was determined to be exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 (IRC) and qualifies for the 50% charitable deduction for individual donors. The Internal Revenue Service has not determined whether the Organization is a private foundation. Accordingly, no provisions for federal or state income taxes are required.

During 2010, the Organization adopted Financial Accounting Standards Board ("FASB") "*Accounting for Uncertainty in Income Taxes*", which provides detailed guidance for the financial statement recognition, measurement, and disclosure of uncertain tax positions. The Organization is required to recognize the financial statement impact of a tax position unless it is more likely than not that the position will be sustained upon examination. If applicable, the Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Currently, the tax years ended June 30, 2007, 2008, and 2009 are open and subject to examination by the Internal Revenue Service and the Commonwealth of Massachusetts. However, the Organization is not currently under audit nor has the Organization been contacted by any of these jurisdictions.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended June 30, 2010.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand and money market funds which have original maturities of three months or less.

WORLDTEACH, INC.
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash deposits that are held in a Massachusetts bank are insured in full through a combination of insurance provided by the Federal Deposit Insurance Corporation (FDIC) and the Depositors Insurance Fund (DIF). Funds held in uninsured money market funds amounted to \$0 and \$149,385 at June 30, 2010 and 2009, respectively. Funds held in foreign countries and not insured by the FDIC amounted to \$127,007 and \$141,249 at June 30, 2010 and 2009, respectively.

Accounts Receivable – The Organization records an allowance for estimated uncollectible accounts in an amount approximating anticipated losses. Individual uncollectible pledges are written off against the allowance when collection of the individual account appears doubtful. At June 30, 2010 and 2009, management determined that no allowance for doubtful accounts was required.

Furniture, Fixtures, and Equipment – Furniture, fixtures, and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets (3 – 7 years). Expenditures for routine repairs and maintenance are charged to operations as they are incurred, while those which significantly improve or extend the lives of existing assets are capitalized.

Investments – Investments held in index mutual funds with readily determinable fair values are measured at fair value (at the closing prices reported in the active markets that the securities are traded) in the statements of financial position. Unrealized gains or losses are included in the changes in net assets. Investment income is reported net of brokerage fees and commissions. Investment transactions are recorded on a trade date basis.

FASB ASC 820-10, "*Fair Value Measurements*", defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820-10, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 – inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 – are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data).

WORLDTEACH, INC.
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue – Volunteer and country fees collected in advance of departure are deferred until the related program begins.

Contributions – Contributions received and unconditional promises to give are classified as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of any donor restrictions. Contributions of donated non-cash assets are recorded at their fair values in the period received. Restricted contributions are classified as unrestricted if the restrictions are satisfied in the same reporting period in which the contributions are received. All other donor-restricted support is reported as an increase in temporarily restricted or permanently restricted net assets depending on the nature of the restriction. Restricted net assets are transferred to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Functional Allocation of Expenses – The costs of providing the various programs of the Organization are summarized on a functional basis in the statements of activities and changes in net assets. Certain costs have been allocated among the programs based upon management's estimate of the percentage attributable to each program. Program costs are charged to operations as period costs when they are incurred.

Foreign Currency Translation – Gains or losses on foreign currency translations are calculated monthly using exchange rates in effect at the end of each month. The cumulative net gain or loss is included in program services in the statements of activities and changes in net assets.

Advertising Costs – Advertising costs are expensed as incurred and totaled \$7,272 and \$9,754 for the years ended June 30, 2010 and 2009, respectively.

Concentrations of Credit Risk – Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable and investments. The Organization places its cash and cash equivalents and investments with high-quality financial institutions and a reputable investment company to reduce its credit risk. The Organization's exposure to credit risk regarding their investments is directly impacted by fluctuations in trading markets.

Concentrations of credit risk with respect to accounts receivable are limited due to the number volunteers and countries.

WORLDTEACH, INC.
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 3 – INVESTMENTS

Investments consist of the following at June 30, 2010:

	<u>Cost</u>	<u>Fair Value</u>	<u>Quoted Price Inputs (Level 1)</u>
Index securities	<u>\$ 1,074,922</u>	<u>\$ 1,059,815</u>	<u>\$ 1,059,815</u>

Investments consist of the following at June 30, 2009:

	<u>Cost</u>	<u>Fair Value</u>	<u>Quoted Price Inputs (Level 1)</u>
Index securities	<u>\$ 746,252</u>	<u>\$ 622,023</u>	<u>\$ 622,023</u>

NOTE 4 – ACCOUNTS RECEIVABLE AND DEFERRED REVENUE

Accounts receivable and deferred revenue relate to the following programs at June 30, 2010:

	<u>Accounts Receivable</u>	<u>Deferred Revenue</u>
Ecuador	\$ 94,810	\$ 168,560
Colombia	90,574	21,500
Pohnpei	49,750	18,000
Costa Rica	28,967	28,940
Chile	25,818	50,580
Thailand	12,912	9,980
Guyana	8,581	36,000
Namibia	8,410	5,990
American Samoa	3,498	44,000
Bulgaria	4,453	-
China	4,358	133,500
Rwanda	1,000	-
Kosrae	750	20,000
Bangladesh	49	16,000
Marshall Island	2,400	72,000
	<u>\$ 336,330</u>	<u>\$ 625,050</u>

WORLDTEACH, INC.
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 4 – ACCOUNTS RECEIVABLE AND DEFERRED REVENUE (CONTINUED)

Accounts receivable and deferred revenue relate to the following programs at June 30, 2009:

	<u>Accounts Receivable</u>	<u>Deferred Revenue</u>
Marshall Islands	\$ 3,483	\$ 75,675
Ecuador	77,451	173,650
Chile	108,702	87,750
Costa Rica	28,603	28,940
Namibia	48,431	62,890
China	20,419	152,000
American Somoa	-	74,000
Rwanda	35,867	43,930
Thailand	28,298	39,920
Bangladesh	3,035	22,000
Kosrae	2,518	22,000
Pohnpei	24,712	21,000
Guyana	13,990	18,000
Poland	-	3,990
Colombia	18,286	1,500
Other	5,743	1,000
	<u>\$ 419,538</u>	<u>\$ 828,245</u>

NOTE 5 – COMMITMENTS

The Organization sub-leases office space in Cambridge, Massachusetts from Harvard University, Kennedy School of Government under a non-cancelable lease through June 30, 2011. Total rent expense was \$87,212 and \$72,987 for 2010 and 2009, respectively (including \$4,504 and \$2,902 for rent in foreign countries for 2010 and 2009, respectively). The lease provides for additional charges, which were based on the Organization's proportionate share of increases in operating costs and real estate taxes.

Future minimum lease payments under operating leases are approximately as follows:

<u>Year Ended June 30,</u> 2011	\$ 67,391
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WORLDTEACH, INC.
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 6 – ACCRUED VOLUNTEER SUPPORT

Accrued volunteer support represents the estimated cost to maintain the field offices and the U.S. office through the term of service of the most recently placed volunteers and relates to the following programs at June 30:

	<u>2010</u>	<u>2009</u>
Colombia	\$ 45,423	\$ 4,964
Rwanda	22,272	24,904
Tanzania	22,047	-
Chile	23,205	63,492
Namibia	26,498	22,435
Ecuador	24,972	17,672
Costa Rica	23,183	17,641
Thailand	6,514	-
Poland	3,939	4,512
China	4,065	-
Bulgaria	-	4,452
South Africa	4,279	896
	<u>\$ 206,397</u>	<u>\$ 160,968</u>

NOTE 7 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 22, 2011, the date which the financial statements were available to be issued. There were no events noted that required disclosure in these financial statements.

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INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Directors
WorldTeach, Inc.

Our report on our audits of the basic financial statements of **WorldTeach, Inc.** (A Not-for-Profit Organization) for 2010 and 2009 appears on Page 1. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information, contained on Pages 15 to 18, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

GRAY, GRAY & GRAY, LLP

Gray, Gray & Gray, LLP

February 22, 2011

WORLDTEACH, INC.
(A Not-for-Profit Organization)

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES BY PROGRAM
YEAR ENDED JUNE 30, 2010

	Program											Subtotal		
	American Samoa	Bangladesh	Bulgaria	Chile - DUOC	Chile - Ministry	Chile - Pat-Sur	China	China Summer	Colombia	Costa Rica	Costa Rica Summer		Ecuador	Ecuador SP
SUPPORT AND REVENUE														
Public support	\$ 528,748		\$ 125	\$ 1,706	\$ 9,209	\$ 427,000	\$ 463,637	\$ 11,470	\$ 139,500	\$ 74,836	\$ 496	\$ 13,744	\$ 1,950	\$ 1,262,421
Volunteer fees	(3,352)		1,000		121,940		22,626	56,740	23,000	116,760	49,980	199,490	83,300	670,982
Investment income							93		18	5				116
Other revenue	60			11	93		129		875	62		31		1,261
Unrealized gain on investments		(202)												
	<u>525,456</u>	<u>(202)</u>	<u>1,125</u>	<u>1,717</u>	<u>131,242</u>	<u>27,000</u>	<u>486,485</u>	<u>68,210</u>	<u>163,393</u>	<u>191,663</u>	<u>50,176</u>	<u>213,265</u>	<u>85,250</u>	<u>1,934,780</u>
VOLUNTEER PLACEMENT														
Airline tickets	56,289	12,103			22,281	2,335	97,228	19,576	20,204	13,637	3,380	24,017	10,026	281,076
Health insurance	12,033	28	532	3,717	14,158	776	26,820	399	6,776	9,873	1,986	15,566	2,450	95,114
Room and board	112,929		2,921	25,822						26,550	4,281	1,500	1,500	174,003
Scholarship advances	128,064	1,554	2,173	25,806	2,111	15,003	217,359	24	35,335	26,422	23	62	38	453,974
Other	12,900	818	572	67	838	9	1,178	72	2,284	8,487	1,160	1,542	1,364	31,292
	<u>322,215</u>	<u>14,503</u>	<u>6,198</u>	<u>55,412</u>	<u>39,388</u>	<u>18,123</u>	<u>342,586</u>	<u>20,071</u>	<u>64,593</u>	<u>84,959</u>	<u>10,830</u>	<u>41,187</u>	<u>15,378</u>	<u>1,035,459</u>
ORIENTATION EXPENSES														
Expenses at site	10,465		49	328	8,619	735	24,512	2,324	19,313	15,953	3,311	24,377	10,990	121,176
Expenses in USA	365				2,882	422	10,996	555	90	43		420		15,773
In-service	1,790	437	1,855	1,970	1,717	3	3,888	37	157	3,851	2,537	12,849	4,753	35,934
	<u>12,620</u>	<u>437</u>	<u>2,004</u>	<u>2,298</u>	<u>13,418</u>	<u>1,160</u>	<u>39,296</u>	<u>2,906</u>	<u>19,560</u>	<u>19,847</u>	<u>5,848</u>	<u>37,646</u>	<u>15,743</u>	<u>172,883</u>
COMPENSATION AND RELATED COSTS														
Compensation	37,910	189	3,601	5,574	37,670	1,489	79,600	13,015	23,633	34,833	11,251	49,815	20,086	318,666
Payroll taxes	3,582				3,685	205	6,857	1,638	2,354	2,456	1,535	4,190	2,559	29,061
Benefits	3,144	(6)	108	684	3,942	140	7,138	1,118	2,009	3,548	1,048	4,959	1,881	29,713
Work study	1,254				1,250	72	2,401	573	824	860	538	1,469	896	10,177
	<u>45,880</u>	<u>183</u>	<u>3,709</u>	<u>6,258</u>	<u>46,587</u>	<u>1,906</u>	<u>95,996</u>	<u>16,344</u>	<u>28,820</u>	<u>41,657</u>	<u>14,372</u>	<u>60,433</u>	<u>25,422</u>	<u>387,617</u>
ADMINISTRATIVE EXPENSES														
Advertising	550				565	31	1,052	251	361	377	236	644	393	4,460
Meals and entertainment	322		25	4	763	258	161	59	1,071	445	103	448	189	3,848
Office supplies and expenses	907		12	134	757	483	324		2,248	2,634	6	1,209	46	8,437
Postage	103		48	70	122	3		58	85	189	6	850	84	1,942
Printing and copying					2		12		9	160	21	99	30	371
Rent	5,502				6,569	314	10,532	2,515	3,616	7,367	2,358	6,445	3,930	49,148
Telephone	1,371		167	1,282	798	1	846		941	1,842	3,323	3,323	13	10,594
Travel	7,022	2,123	94	1,100	3,451	232	8,555	1,609	3,792	4,926	320	3,834	806	37,884
Vehicle expense					1,094	61	2,037	487		3,705	486	3,028	826	14,707
Professional fees	1,064		(3,630)	(40,554)	8,953	(1,939)	3,802	2,841	43,880	7,939	225	10,448	4,521	57,876
Other expenses	21,380	2,123	(3,246)	(37,504)	23,074	(1,019)	27,804	7,820	57,503	29,584	3,731	30,328	10,838	189,257
	<u>38,221</u>	<u>2,123</u>	<u>(3,246)</u>	<u>(37,504)</u>	<u>23,074</u>	<u>(1,019)</u>	<u>27,804</u>	<u>7,820</u>	<u>57,503</u>	<u>29,584</u>	<u>3,731</u>	<u>30,328</u>	<u>10,838</u>	<u>189,257</u>
OTHER ITEMS														
Depreciation	164				190	11	353	84	121	126	79	450	132	1,740
Foreign currency translation			(449)	(8,923)	67		(12,476)		(622)	(1,359)		3		(20,694)
	<u>184</u>	<u>3,065</u>	<u>(449)</u>	<u>(8,923)</u>	<u>237</u>	<u>11</u>	<u>(12,123)</u>	<u>84</u>	<u>(501)</u>	<u>(1,233)</u>	<u>79</u>	<u>463</u>	<u>132</u>	<u>(18,954)</u>
TOTAL EXPENSES	<u>419,130</u>	<u>20,311</u>	<u>8,216</u>	<u>17,541</u>	<u>122,724</u>	<u>20,181</u>	<u>493,659</u>	<u>47,225</u>	<u>169,981</u>	<u>174,864</u>	<u>34,860</u>	<u>170,057</u>	<u>67,513</u>	<u>1,765,262</u>
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	<u>\$ 106,326</u>	<u>\$ (20,513)</u>	<u>\$ (7,091)</u>	<u>\$ (15,824)</u>	<u>\$ 8,518</u>	<u>\$ 6,819</u>	<u>\$ (7,174)</u>	<u>\$ 10,985</u>	<u>\$ (6,588)</u>	<u>\$ 16,799</u>	<u>\$ 15,316</u>	<u>\$ 43,208</u>	<u>\$ 17,737</u>	<u>\$ 168,518</u>

WORLDTEACH, INC.
(A Non-for-Profit Organization)
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES BY PROGRAM
YEAR ENDED JUNE 30, 2009

	Program																	
	American Samoa	Bangladesh	Bulgaria	Chile - DUOC	Chile - Ministry	Chile - Pat Sur	China	China SP	Colombia	Costa Rica	Costa Rica SP	Ecuador	Ecuador SP	Guatemala	Kenya	Subtotal		
SUPPORT AND REVENUE																		
Public support	\$193,738	\$ 59,431	\$ 200	\$118,588	\$ 3,213	\$ 42,000	\$382,715	\$ 4,122	\$ 30,000	\$ 90,502	\$ -	\$15,676	\$ 1,000	\$ 951	\$ -	\$ 942,156		
Volunteer fees	-	-	40,811	56,130	64,477	-	26,500	-	4,842	93,133	-	216,970	85,540	-	-	677,033		
Investment income	-	-	-	-	-	-	113	-	30	14	-	-	-	-	-	157		
Other revenue	37	-	-	742	-	-	362	-	-	-	-	-	-	-	-	1,141		
Unrealized loss on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<u>193,735</u>	<u>59,431</u>	<u>41,011</u>	<u>175,460</u>	<u>67,690</u>	<u>42,000</u>	<u>409,690</u>	<u>4,122</u>	<u>34,872</u>	<u>183,649</u>	<u>78,160</u>	<u>232,646</u>	<u>86,540</u>	<u>951</u>	<u>10,470</u>	<u>1,820,487</u>		
VOLUNTEER PLACEMENT																		
Airline tickets	39,409	11,042	13,166	14,476	21,956	2,612	91,298	1,708	1,682	17,440	8,483	31,858	13,958	-	-	275,696		
Health insurance	6,148	5,622	749	6,858	5,889	578	18,513	-	2,357	16,212	1,522	16,813	1,419	(42)	552	83,190		
Room and board	2,885	36	4,693	55,089	-	-	30,071	-	3,480	32,778	3,322	350	858	-	-	100,011		
Stipend advances	75,800	76,498	2,864	30,071	-	14,940	186,040	-	3,480	27,784	-	2,784	-	-	-	428,727		
Other	6,996	787	329	2,609	1,030	577	196,040	466	270	4,702	2,905	6,769	637	332	887	33,088		
	<u>131,238</u>	<u>93,985</u>	<u>21,800</u>	<u>109,103</u>	<u>28,875</u>	<u>18,657</u>	<u>309,663</u>	<u>2,174</u>	<u>7,789</u>	<u>98,916</u>	<u>16,232</u>	<u>55,790</u>	<u>16,872</u>	<u>290</u>	<u>9,308</u>	<u>920,692</u>		
ORIENTATION EXPENSES																		
Expenses at site	4,282	1,312	2,670	6,231	7,528	1,461	21,643	-	2,485	14,429	6,144	25,058	8,235	-	503	101,961		
Expenses in USA	285	381	79	8,427	3,464	148	7,502	-	265	369	-	59	-	-	150	21,109		
In-service	1,110	1,922	1,982	5,664	1,586	45	18,513	-	248	5,354	8,273	8,273	4,973	-	34,827			
	<u>5,677</u>	<u>3,615</u>	<u>4,681</u>	<u>19,827</u>	<u>12,618</u>	<u>1,654</u>	<u>31,252</u>	<u>-</u>	<u>2,998</u>	<u>20,152</u>	<u>8,347</u>	<u>33,390</u>	<u>13,208</u>	<u>-</u>	<u>653</u>	<u>158,087</u>		
COMPENSATION AND RELATED COSTS																		
Compensation	24,035	17,185	10,611	28,918	27,334	1,803	55,244	1,500	4,471	31,409	17,898	50,276	16,398	-	2,050	289,132		
Payroll taxes	1,837	1,470	1,102	1,837	2,388	184	4,951	-	459	1,929	2,205	4,134	2,205	-	276	24,987		
Benefits	2,210	1,846	826	3,439	1,747	134	5,454	-	400	3,286	1,612	4,092	1,612	142	246	27,056		
Work study	858	686	515	858	1,115	86	2,316	-	214	901	1,029	1,930	1,029	-	129	11,659		
	<u>28,940</u>	<u>21,187</u>	<u>13,094</u>	<u>35,052</u>	<u>32,584</u>	<u>2,207</u>	<u>67,975</u>	<u>1,500</u>	<u>5,544</u>	<u>37,535</u>	<u>22,744</u>	<u>60,432</u>	<u>21,244</u>	<u>142</u>	<u>2,701</u>	<u>352,947</u>		
ADMINISTRATIVE EXPENSES																		
Advertising	447	357	268	447	581	45	1,206	-	112	469	536	1,005	536	-	67	6,076		
Meals and entertainment	244	98	37	276	717	425	409	-	24	430	286	535	112	-	9	3,804		
Office supplies and expenses	1,255	557	449	1,412	856	66	1,991	-	171	2,123	794	1,874	788	-	99	12,385		
Postage	688	412	385	687	625	76	1,578	69	110	746	534	1,873	529	(6)	66	8,372		
Printing and copying	35	28	21	59	45	3	133	-	9	87	45	135	42	-	5	647		
Rent	2,842	2,274	1,705	2,842	3,695	284	7,674	-	711	5,886	3,411	6,385	3,411	-	426	41,556		
Telephone	2,335	214	258	2,548	311	31	949	-	86	1,732	299	3,488	278	-	114	12,643		
Travel	3,931	591	1,570	3,142	2,607	781	7,852	380	227	2,140	579	3,509	705	-	196	28,190		
Vehicle expense	1,352	1,040	780	1,300	1,689	130	3,509	-	388	4,477	1,560	4,663	1,560	-	195	839		
Professional fees	3,823	(81,201)	3,277	5,393	8,495	3,601	5,497	-	5,431	10,636	377	17,634	1,560	611	335	22,643		
Other expenses	16,982	(75,630)	6,688	16,054	19,621	5,422	30,748	449	7,269	28,726	8,421	41,111	(4,690)	605	1,512	(23,735)		
OTHER ITEMS																		
Depreciation	184	148	111	184	240	18	498	-	46	194	221	645	221	307	28	3,045		
Foreign currency translation	184	28	474	11,337	(15)	18	(28,282)	-	(1,127)	1,886	(137)	(137)	(137)	(85)	-	(16,485)		
	<u>184</u>	<u>176</u>	<u>585</u>	<u>11,521</u>	<u>225</u>	<u>18</u>	<u>(28,284)</u>	<u>-</u>	<u>(1,124)</u>	<u>2,080</u>	<u>221</u>	<u>508</u>	<u>221</u>	<u>221</u>	<u>28</u>	<u>(13,450)</u>		
TOTAL EXPENSES	<u>182,991</u>	<u>43,333</u>	<u>46,809</u>	<u>193,552</u>	<u>93,923</u>	<u>27,958</u>	<u>411,354</u>	<u>4,123</u>	<u>22,476</u>	<u>187,279</u>	<u>55,985</u>	<u>191,231</u>	<u>54,816</u>	<u>1,258</u>	<u>14,202</u>	<u>1,591,970</u>		
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	<u>\$ 10,804</u>	<u>\$ 16,098</u>	<u>\$(5,798)</u>	<u>\$(18,092)</u>	<u>\$(26,233)</u>	<u>\$ 14,042</u>	<u>\$(1,664)</u>	<u>\$(1)</u>	<u>\$ 12,396</u>	<u>\$(3,230)</u>	<u>\$ 22,195</u>	<u>\$(41,415)</u>	<u>\$(31,724)</u>	<u>\$(300)</u>	<u>\$(3,732)</u>	<u>\$ 89,117</u>		

WORLDTEACH, INC.
(A Not-for-Profit Organization)
(CONTINUED)

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES BY PROGRAM

YEAR ENDED JUNE 30, 2009

	Balance Forward	Program										Program Total	General and Administrative	Fund Raising	Total		
		Marshall Islands	Namibia	Namibia SEM	Namibia SP	FSM - Kosrae	FSM - Pohnpei	Poland SP	S. Africa	S. Africa SP	Rwanda					Thailand	
SUPPORT AND REVENUE																	
Public support	\$ 942,156	\$ 377,653	\$ 27,394	\$ -	\$ 1,720	\$ 80,000	\$ 100,000	\$ 39	\$ 89	\$ 1,195	\$ 41,633	\$ -	\$ -	\$ 1,571,889	\$ -	\$ 30,400	\$ 1,602,289
Volunteer fees	677,033	-	147,300	19,960	81,410	-	49,080	-	-	82,800	114,421	-	-	1,172,004	-	-	1,172,004
Investment income	157	-	-	-	-	-	-	44	-	-	-	-	-	157	-	-	23,122
Other revenue	1,141	266	5,481	-	3,806	1,600	777	-	-	-	-	-	-	13,071	-	-	13,952
Unrealized loss on investments	(1,820,487)	(377,929)	(180,175)	(19,960)	(86,936)	(81,600)	(100,777)	(49,119)	(89)	(83,995)	(156,054)	-	-	(2,757,121)	(118,120)	(30,400)	(2,693,147)
VOLUNTEER PLACEMENT																	
Airline tickets	275,686	76,104	54,957	6,745	32,038	17,638	17,099	12,248	-	30,176	47,817	-	-	570,618	-	-	570,618
Health insurance	83,190	12,072	10,034	130	1,910	2,044	2,948	906	-	1,642	3,342	-	-	118,218	-	-	118,218
Room and board	100,011	67,384	-	-	-	-	-	44	-	-	-	-	-	167,439	-	-	167,439
Scholarship advances	428,727	38,240	-	-	4,510	15,800	29,980	-	-	-	11,174	-	-	529,431	-	-	529,431
Other	33,068	29,948	6,662	80	398	388	388	460	-	34,849	2,286	-	-	115,657	-	-	115,657
	920,692	223,748	71,653	6,955	38,855	40,484	53,717	13,758	-	66,667	64,599	254	-	1,501,363	-	-	1,501,363
ORIENTATION EXPENSES																	
Expenses at site	101,981	23,179	8,213	1,051	4,296	190	3,423	1,438	-	-	7,249	-	-	151,020	-	-	151,020
Expenses in USA	21,109	92	172	-	-	-	50	34	-	146	30	-	-	21,633	-	-	21,633
In-service	34,977	17,205	3,901	1,051	2,522	1,239	627	5,291	-	146	1,277	-	-	65,767	-	-	65,767
	158,067	40,576	12,286	1,051	6,818	1,429	4,100	5,291	-	146	8,656	-	-	238,420	-	-	238,420
COMPENSATION AND RELATED COSTS																	
Compensation	289,132	49,799	32,819	2,733	13,962	10,616	16,689	14,336	-	13,665	20,938	-	-	464,699	73,041	634	538,374
Payroll taxes	3,399	2,848	2,848	367	1,837	735	919	1,286	-	1,837	1,654	-	-	39,869	5,887	49	45,505
Benefits	27,056	4,240	3,045	269	1,337	1,337	2,228	969	-	1,344	1,957	18	-	43,887	294	-	44,181
Work study	11,696	1,587	1,330	172	858	343	429	600	-	858	772	-	-	18,615	3,990	1,163	23,268
	352,841	59,125	40,042	3,541	18,001	13,031	20,275	17,191	-	17,704	25,501	18	-	567,070	82,412	1,846	651,328
ADMINISTRATIVE EXPENSES																	
Advertising	6,076	826	692	89	447	179	223	373	-	447	402	-	-	9,754	-	-	9,754
Meals and entertainment	3,604	1,608	2,290	12	64	347	31	191	-	61	283	-	-	8,491	-	-	8,491
Office supplies and expenses	12,985	3,534	1,505	131	657	840	362	473	-	657	1,111	-	-	21,455	6,078	88	27,621
Postage	8,972	1,376	1,244	8	441	230	253	338	-	466	960	-	-	13,768	48	-	13,816
Printing and copying	647	64	54	7	35	14	209	56	-	35	54	-	-	1,175	184	-	1,359
Rent	41,556	5,258	4,405	568	2,882	1,137	1,421	1,990	-	2,892	2,558	-	-	64,577	8,410	-	72,987
Telephone	12,643	3,382	2,476	46	222	130	369	273	32	232	21,692	11	-	21,468	265	-	21,733
Travel	28,190	7,341	10,929	117	862	332	359	1,262	-	1,022	4,876	-	-	55,290	50	-	55,340
Vehicle expense	830	2,192	2,192	44	44	44	650	910	-	1,300	1,170	-	-	3,075	-	-	3,075
Professional fees	22,643	2,489	2,014	260	1,300	520	828	910	-	1,190	30,854	-	-	32,256	12,785	997	46,041
Other expenses	(23,235)	13,147	14,501	3,495	828	2,145	2,284	367	57	1,190	30,854	-	-	45,134	31,280	997	77,391
	(193,220)	41,017	40,060	4,813	7,708	5,919	6,161	6,233	89	8,252	43,560	11	-	277,443	59,080	1,085	337,608
OTHER ITEMS																	
Depreciation	3,045	732	286	37	184	234	229	129	-	184	316	-	-	5,276	445	-	5,821
Foreign currency translation	(16,489)	-	1,467	-	194	234	229	718	-	184	991	-	-	(13,319)	15	-	(13,304)
	(13,450)	732	1,753	37	194	234	229	847	-	184	1,307	-	-	(7,943)	460	-	(7,483)
TOTAL EXPENSES																	
	1,531,370	365,198	165,794	16,937	71,567	61,077	84,482	43,320	89	92,953	143,823	283	-	2,576,531	141,952	2,931	2,721,236
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES																	
	\$ 89,117	\$ 12,731	\$ 14,381	\$ 3,563	\$ 15,369	\$ 20,573	\$ 16,295	\$ 5,799	\$ -	\$ (8,959)	\$ 12,231	\$ (283)	\$ -	\$ 180,768	\$ (236,325)	\$ 27,469	\$ (28,089)