

Financial Statements Together with
Report of Independent Certified Public Accountants

TEACH FOR ALL, INC.

September 30, 2015 and 2014

TEACH FOR ALL, INC.

TABLE OF CONTENTS

	Page
Report of Independent Certified Public Accountants	1 - 2
Financial Statements:	
Statements of Financial Position as of September 30, 2015 and 2014	3
Statement of Activities for the year ended September 30, 2015	4
Statement of Activities for the year ended September 30, 2014	5
Statement of Functional Expenses for the year ended September 30, 2015	6
Statement of Functional Expenses for the year ended September 30, 2014	7
Statements of Cash Flows for the years ended September 30, 2015 and 2014	8
Notes to Financial Statements	9 - 15



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of Teach For All, Inc. (“Teach For All”), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Teach For All’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Teach For All’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Teach For All, Inc. as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York
February 11, 2016

TEACH FOR ALL, INC.
Statements of Financial Position
As of September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 5,824,537	\$ 6,190,554
Prepaid expenses and other assets	392,668	543,207
Contributions receivable, net (Note 3)	7,450,132	10,758,938
Grants and contracts receivable, net of an allowance of \$128,292 and \$43,876 in 2015 and 2014, respectively	318,866	75,519
Other receivables	206,996	149,441
Fixed assets, net (Note 4)	<u>365,807</u>	<u>569,849</u>
Total assets	<u>\$ 14,559,006</u>	<u>\$ 18,287,508</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 1,557,103</u>	<u>\$ 1,949,544</u>
NET ASSETS		
Unrestricted	4,989,664	4,730,663
Temporarily restricted (Note 6)	<u>8,012,239</u>	<u>11,607,301</u>
Total net assets	<u>13,001,903</u>	<u>16,337,964</u>
Total liabilities and net assets	<u>\$ 14,559,006</u>	<u>\$ 18,287,508</u>

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

TEACH FOR ALL, INC.
Statement of Activities
For the year ended September 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS/LOSSES AND OTHER SUPPORT			
Contributions	\$ 12,965,671	\$ 5,601,410	\$ 18,567,081
Grants and contracts	1,211,848	-	1,211,848
Other revenue (loss)	(148,293)	-	(148,293)
Net assets released from restrictions (Note 6)	<u>9,196,472</u>	<u>(9,196,472)</u>	<u>-</u>
Revenues, gains and other support before contributed services	23,225,698	(3,595,062)	19,630,635
Contributed services (Note 7)	<u>2,793,878</u>	<u>-</u>	<u>2,793,878</u>
Total revenues, gains and other support	<u>26,019,576</u>	<u>(3,595,062)</u>	<u>22,424,513</u>
EXPENSES			
Program services:			
Early stage partner support	2,525,261	-	2,525,261
Network partner support	<u>14,699,379</u>	<u>-</u>	<u>14,699,379</u>
Total program services	<u>17,224,640</u>	<u>-</u>	<u>17,224,640</u>
Supporting services:			
Management and general	5,681,036	-	5,681,036
Fundraising	<u>2,854,898</u>	<u>-</u>	<u>2,854,898</u>
Total supporting services	<u>8,535,934</u>	<u>-</u>	<u>8,535,934</u>
Total expenses	<u>25,760,574</u>	<u>-</u>	<u>25,760,574</u>
Change in net assets	259,002	(3,595,062)	(3,336,061)
Net assets, beginning of year	<u>4,730,663</u>	<u>11,607,301</u>	<u>16,337,964</u>
Net assets, end of year	<u>\$ 4,989,664</u>	<u>\$ 8,012,239</u>	<u>\$ 13,001,903</u>

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

TEACH FOR ALL, INC.
Statement of Activities
For the year ended September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 10,247,894	\$ 4,334,743	\$ 14,582,637
Grants and contracts	1,333,523	-	1,333,523
Other revenue	170,330	-	170,330
Net assets released from restrictions (Note 6)	<u>9,007,589</u>	<u>(9,007,589)</u>	<u>-</u>
Revenues, gains and other support before contributed services	20,759,336	(4,672,846)	16,086,490
Contributed services (Note 7)	<u>2,620,570</u>	<u>6,647</u>	<u>2,627,217</u>
Total revenues, gains and other support	<u>23,379,906</u>	<u>(4,666,199)</u>	<u>18,713,707</u>
EXPENSES			
Program services:			
Early stage partner support	2,009,974	-	2,009,974
Network partner support	<u>13,336,944</u>	<u>-</u>	<u>13,336,944</u>
Total program services	<u>15,346,918</u>	<u>-</u>	<u>15,346,918</u>
Supporting services:			
Management and general	4,717,377	-	4,717,377
Fundraising	<u>2,351,137</u>	<u>-</u>	<u>2,351,137</u>
Total supporting services	<u>7,068,514</u>	<u>-</u>	<u>7,068,514</u>
Total expenses	<u>22,415,432</u>	<u>-</u>	<u>22,415,432</u>
Change in net assets	964,474	(4,666,199)	(3,701,725)
Net assets, beginning of year	<u>3,766,189</u>	<u>16,273,500</u>	<u>20,039,689</u>
Net assets, end of year	<u>\$ 4,730,663</u>	<u>\$ 11,607,301</u>	<u>\$ 16,337,964</u>

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

TEACH FOR ALL, INC.
Statement of Functional Expenses
For the year ended September 30, 2015

	Program Services			Supporting Services			Total
	Early Stage Partner Support	Network Partner Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel expenses:							
Salaries	\$ 1,644,450	\$ 6,054,436	\$ 7,698,886	\$ 2,243,366	\$ 1,881,073	\$ 4,124,439	\$ 11,823,325
Payroll taxes and related expenses	426,131	1,729,474	2,155,605	472,436	473,300	945,736	3,101,341
Total personnel expenses	<u>2,070,581</u>	<u>7,783,910</u>	<u>9,854,491</u>	<u>2,715,802</u>	<u>2,354,373</u>	<u>5,070,175</u>	<u>14,924,666</u>
Non-personnel expenses:							
Grants	-	1,387,800	1,387,800	-	-	-	1,387,800
Travel	196,597	948,708	1,145,305	172,707	129,315	302,022	1,447,327
Conferences, workshops and meetings	145,075	978,956	1,124,031	49,913	71,063	120,976	1,245,007
Professional services	29,617	277,092	306,709	879,971	23,067	903,038	1,209,747
Information technology	40,342	363,273	403,615	196,875	-	196,875	600,490
Occupancy, office expense and other costs	43,049	375,640	418,689	510,599	277,080	787,679	1,206,368
Total non-personnel expenses	<u>454,680</u>	<u>4,331,469</u>	<u>4,786,149</u>	<u>1,810,065</u>	<u>500,525</u>	<u>2,310,590</u>	<u>7,096,739</u>
Total expenses before non-cash items	2,525,261	12,115,379	14,640,640	4,525,867	2,854,898	7,380,765	22,021,405
Bad debt expense	-	-	-	733,702	-	733,702	733,702
Depreciation	-	-	-	204,942	-	204,942	204,942
Contributed services	-	2,584,000	2,584,000	216,525	-	216,525	2,800,525
Total expenses	<u>\$ 2,525,261</u>	<u>\$ 14,699,379</u>	<u>\$ 17,224,640</u>	<u>\$ 5,681,036</u>	<u>\$ 2,854,898</u>	<u>\$ 8,535,934</u>	<u>\$ 25,760,574</u>

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

TEACH FOR ALL, INC.
Statement of Functional Expenses
For the year ended September 30, 2014

	Program Services			Supporting Services			Total
	Early Stage Partner Support	Network Partner Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel expenses:							
Salaries	\$ 1,326,145	\$ 5,102,952	\$ 6,429,097	\$ 2,411,616	\$ 1,587,954	\$ 3,999,570	\$ 10,428,667
Payroll taxes and related expenses	389,176	1,881,872	2,271,048	584,530	408,175	992,705	3,263,753
Total personnel expenses	1,715,321	6,984,824	8,700,145	2,996,146	1,996,129	4,992,275	13,692,420
Non-personnel expenses:							
Grants	-	1,381,316	1,381,316	-	-	-	1,381,316
Travel	130,970	999,934	1,130,904	88,410	165,527	253,937	1,384,841
Conferences, workshops and meetings	84,286	1,086,921	1,171,207	18,016	4,011	22,027	1,193,234
Professional services	7,032	84,388	91,420	576,175	253	576,428	667,848
Information technology	8,118	464,324	472,442	136,513	835	137,348	609,790
Occupancy, office expense and other costs	57,439	120,538	177,977	412,015	176,419	588,434	766,411
Total non-personnel expenses	287,845	4,137,421	4,425,266	1,231,129	347,045	1,578,174	6,003,440
Total expenses before non-cash items	2,003,166	11,122,245	13,125,411	4,227,275	2,343,174	6,570,449	19,695,860
Bad debt expense	-	-	-	46,148	-	46,148	46,148
Depreciation	6,808	37,800	44,608	14,367	7,963	22,330	66,938
Contributed services	-	2,176,899	2,176,899	429,587	-	429,587	2,606,486
Total expenses	\$ 2,009,974	\$ 13,336,944	\$ 15,346,918	\$ 4,717,377	\$ 2,351,137	\$ 7,068,514	\$ 22,415,432

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

TEACH FOR ALL, INC.
Statements of Cash Flows
For the years ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,336,061)	\$ (3,701,725)
Adjustment to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	204,942	66,938
Change in discount of contributions receivable	37,184	(16,410)
Bad debt expense	733,702	46,148
Changes in operating assets and liabilities:		
Prepaid expense and other assets	150,539	(136,266)
Contributions receivable	2,622,336	7,283,500
Grants and contracts receivables	(327,763)	146,613
Other receivables	(57,555)	26,711
Accounts payable and accrued expenses	<u>(392,441)</u>	<u>27,007</u>
Net cash (used in) provided by operating activities	<u>(365,117)</u>	<u>3,742,516</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(900)</u>	<u>(464,522)</u>
Net (decrease) increase in cash and cash equivalents	(366,017)	3,277,994
Cash and cash equivalents, beginning of year	<u>6,190,554</u>	<u>2,912,560</u>
Cash and cash equivalents, end of year	<u>\$ 5,824,537</u>	<u>\$ 6,190,554</u>

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

TEACH FOR ALL, INC.
Notes to Financial Statements
For the years ended September 30, 2015 and 2014

1. ORGANIZATION AND NATURE OF OPERATIONS

Teach For All, Inc. (“Teach For All”) is a global network of over 35 independent, locally led and funded partner organizations with a shared vision for expanded educational opportunity in their countries. Each partner recruits and develops diverse individuals from a range of academic disciplines to commit two years to teach in high need classrooms and to work throughout their lives, both within and outside of education, to ensure more students receive the excellent education all children deserve. Teach For All works to accelerate partners’ progress and increase their impact by providing direct support, facilitating connections across the network, accessing global resources for the benefit of the whole, and fostering the leadership development of staff, teachers, and alumni.

Teach For All was incorporated in the State of New York on February 29, 2008 and, is exempt from corporate federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

Unrestricted - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted - Net assets subject to donor-imposed stipulations that expire with the passage of time or can be fulfilled by the actions of Teach For All, pursuant to those stipulations (Note 6).

Permanently restricted - Net assets subject to donor-imposed stipulations that require resources to be maintained as funds of a permanent duration. The income derived from permanently restricted net assets may be available for general or specific purposes, as stipulated by the respective donors. As of September 30, 2015 and 2014, Teach For All did not have any permanently restricted net assets.

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, if any, 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.

Functional Allocation of Expenses

The costs of providing Teach For All’s programs and supporting services have been summarized on a functional basis within the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

TEACH FOR ALL, INC.
Notes to Financial Statements
For the years ended September 30, 2015 and 2014

The following is a description of Teach For All's programs:

Early Stage Partner Support

Expenditures for Early Stage Partner Support enable Teach For All to respond to interest from social entrepreneurs around the world and help to ensure that future partner organizations lay the necessary foundation to develop into effective and sustainable network partners. Teach For All staff work with social entrepreneurs to evaluate the feasibility of the approach within their country's context, to develop and refine business plans, and to set up the organization for a successful launch by anticipating upcoming challenges. Additionally, Teach For All assists in garnering financial and other support and connects existing and emerging partners with peer programs in their region.

Network Partner Support

Expenditures in the area of Network Partner Support provide ongoing assistance to programs established as Teach For All network partners, to accelerate impact in the areas of scale, network impact and learning, alumni leadership, and organizational strength. Teach For All support for network partners focuses on four areas: identifying effective practices across the network, creating tools and resources, and advising partners in adapting these approaches to their individual contexts; facilitating direct connections for peer-to-peer learning and experience-sharing; accessing global knowledge and resources for the network; and contributing to the leadership development of network staff, alumni and participants.

The focus and delivery method of support differs by partner needs and "life stage." Levels of support include: direct support by representatives of the partner engagement team and functional area specialists; opportunities for leadership development and networking through conferences for partner staff, participants and alumni; and the generation and sharing of global funding, technology, public affairs opportunities, and staffing leads.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less.

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

Contributed Services

Certain donated professional services have been recognized in the accompanying financial statements based on the estimated fair value for such services on the date received, in accordance with the criteria for recognition under US GAAP (Note 7).

TEACH FOR ALL, INC.
Notes to Financial Statements
For the years ended September 30, 2015 and 2014

Grants and Contracts

Revenue from grants and contracts is recognized as earned, that is, as related costs are incurred or services rendered under such agreements. Advances or unspent resources received, if any, are recorded as deferred revenue.

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.

Grants Payable

Grant awards by Teach For All to recipients are recorded as an expense and a liability when approved by the Board of Directors and the respective grantee has been selected and notified. Conditional grants are recognized when substantially all conditions have been satisfied (Note 10). Rescinded grants are recorded as a reduction to grant expense (Note 8).

Fixed Assets

Computer equipment, software, and other fixed assets, if any, with a unit cost in excess of \$3,500 are recorded at cost and depreciated on a straight-line basis over an estimated useful life ranging from three to five years. Leasehold improvements are amortized over the shorter of their useful life or the respective lease term.

Income Taxes

Teach For All follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. This standard also provides guidance on measurement, classification, interest and penalties, and disclosure, and its adoption had no material impact on the accompanying financial statements. The tax years ended 2012, 2013 and 2014 are still open to audit for both federal and state purposes. Teach For All has processes presently in place to ensure the maintenance of its tax-exempt status; identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and identify and evaluate other matters that may be considered tax positions.

Concentration of Credit Risk

Financial instruments which potentially subject Teach For All to concentrations of credit risk consist primarily of cash and cash equivalents. Teach For All maintains its cash and cash equivalents with creditworthy, high-quality financial institutions. At certain times, Teach For All's bank balances may exceed federally insured limits. However, Teach For All has not experienced, nor does it anticipate, any losses with respect to such bank balances. Teach For All regularly evaluates its depository arrangements, including performance thereof.

TEACH FOR ALL, INC.
Notes to Financial Statements
For the years ended September 30, 2015 and 2014

Use of Estimates

The preparation of 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 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 and estimated useful lives of fixed assets. Actual results could differ from those estimates.

3. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at September 30, 2015 and 2014, were scheduled to be collected as follows:

	<u>2015</u>	<u>2014</u>
Less than one year	\$ 2,224,379	\$ 9,791,257
One to five years	<u>5,546,664</u>	<u>1,091,666</u>
	7,771,043	10,882,923
Less: discount to present value ranging from 0.83% to 1.65%	<u>(44,006)</u>	<u>(6,822)</u>
	7,727,037	10,876,101
Less: allowance for doubtful accounts	<u>(276,905)</u>	<u>(117,163)</u>
Contributions receivable, net	<u>\$ 7,450,132</u>	<u>\$ 10,758,938</u>

Teach For All has also been notified of certain intentions to give. However, these amounts have not been recorded in the accompanying financial statements due to their conditional nature (e.g. challenge grants). Such conditional gifts totaled \$0 and approximately \$2,500,000 at September 30, 2015 and 2014, respectively.

4. FIXED ASSETS, NET

Fixed assets, net, at September 30, 2015 and 2014, consisted of the following:

	<u>2015</u>	<u>2014</u>
Computer equipment and software	\$ 692,204	\$ 691,304
Leasehold improvements	<u>54,202</u>	<u>54,202</u>
	746,406	745,506
Less: accumulated depreciation	<u>(380,599)</u>	<u>(175,657)</u>
Fixed assets, net	<u>\$ 365,807</u>	<u>\$ 569,849</u>

TEACH FOR ALL, INC.
Notes to Financial Statements
For the years ended September 30, 2015 and 2014

Depreciation and amortization expense totaled \$204,942 and \$66,938 for the years ended September 30, 2015 and 2014, respectively.

5. RELATED PARTY TRANSACTIONS

Teach For All has a Resource Sharing and Expense Reimbursement Agreement with Teach For America, Inc. (“Teach For America”), a related party. This related party is a member of the Teach For All Network and its Board Chair is also a member of Teach For All’s Board of Directors and management. This agreement states that Teach For All shall pay Teach For America for all direct expenses incurred by Teach For America on Teach For All’s behalf and that Teach For All shall pay a pro-rata share of Teach For America’s overhead expenses related thereto. Amounts paid by Teach For All to this related party totaled approximately \$549,000 and \$243,000 during the years ended September 30, 2015 and 2014, respectively.

Teach For All previously had a Resource Sharing and Expense Reimbursement Agreement with Teach First, a related party and a member of the Teach For All Network. Teach First’s Chief Executive Officer is also a member of Teach For All’s Board of Directors. This agreement, which was terminated in 2014, stated that Teach For All shall pay Teach First for all direct expenses incurred by Teach First on Teach For All’s behalf and that Teach For All shall pay a pro-rata share of Teach First’s overhead expenses related thereto. Amounts paid by Teach For All to this related party totaled approximately \$138,000 for the year ended September 30, 2014.

Enseña Chile is also a member of the Teach For All Network and its Chief Executive Officer is a member of Teach For All’s Board of Directors. Teach For All awarded this related party a grant totaling \$110,000 during the year ended September 30, 2014. No grants of this nature were provided for the year ended September 30, 2015.

Teach For China, Teach For India, and Teach First Deutschland are related parties as members of the Teach For All Network and have Teach For All staff members serving on the respective Board of Directors or local equivalent to each of Teach For China, Teach For India and Teach First Deutschland. Teach For All awarded Teach For India a grant totaling approximately \$162,000 in the year ended September 30, 2015.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes as of September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
For use in future periods for:		
Expansion	\$ 4,647,660	\$ 6,575,502
Network and Early Stage Partner Support	<u>3,364,579</u>	<u>5,031,799</u>
	<u>\$ 8,012,239</u>	<u>\$ 11,607,301</u>

TEACH FOR ALL, INC.
Notes to Financial Statements
For the years ended September 30, 2015 and 2014

Net assets released from restrictions by incurring expenses satisfying purpose or time restrictions, follow:

	<u>2015</u>	<u>2014</u>
Expansion	\$ 6,718,354	\$ 4,868,257
Network and Early Stage Partner Support	<u>2,478,118</u>	<u>4,139,332</u>
	<u>\$ 9,196,472</u>	<u>\$ 9,007,589</u>

7. CONTRIBUTED SERVICES

Contributed services for the years ended September 30, 2015 and 2014 consisted of professional services rendered by two consulting companies and two legal firms. These services included expertise in international trademarks, global employment operations, taxes overseas, legal personnel management, domestic human resources, 403(b) compliance and program consulting related to Teach For All's capacity to provide appropriate added value to partners at various life stages. The fair value of donated services reflected in the accompanying financial statements for the years ended September 30, 2015 and 2014 totaled \$2,800,525 and \$2,627,217, respectively.

8. GRANTS PAYABLE

For the years ended September 30, 2015 and 2014, grant expense totaled \$1,387,800 and \$1,381,316, respectively. As of September 30, 2015 and 2014, grants payable were \$100,000 and \$593,404, respectively, and are included in accounts payable and accrued expenses in the accompanying financial statements.

9. RETIREMENT PLAN

Teach For All offers the opportunity to participate in a retirement program to all eligible staff members. Unless otherwise governed by local regulations, staff members who are scheduled to work at least 1,000 hours per year are eligible to participate in a retirement program. A 403(b) retirement plan and a 457(b) deferred compensation plan is offered for eligible US staff and a group pension plan is offered for UK staff; staff members from other locales are offered a comparable retirement plan in line with local regulations, requirements and customs. The 403(b) and group pension plans are defined contribution plans with employer matching contributions. The employer contribution on the US and UK plans is equal to 100% of the employee's contribution up to 6% of their gross earned salary per pay period; matching contributions in other locales are either governed by local regulations or equal to 100% of the employee's contributions up to 6% of their gross earned salary per pay period. Participants become eligible for the employer matching contributions and are fully vested after 12 months of qualified employment. Withdrawal cannot be made without penalty prior to the locally-determined retirement age (59½ and 55 in the United States and United Kingdom, respectively). The 457(b) deferred compensation plan is established to mitigate lost benefits of employer matching contributions that are otherwise excluded an individual's 403(b) retirement plan based on the IRS earnings limit; these contributions are fully vested immediately and there are two qualifying distribution events: at separation of service; on April 1st in the calendar year after the participant has turned 70½. Teach For All's matching contributions under all plans totaled \$479,258 and \$397,211 for the years ended September 30, 2015 and 2014, respectively.

TEACH FOR ALL, INC.
Notes to Financial Statements
For the years ended September 30, 2015 and 2014

10. COMMITMENTS AND CONTINGENCIES

Litigation

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

Conditional Grant

In October 2013, Teach For All awarded Enseña Por Mexico, a member of the Teach For All network, a grant of up to \$1,860,000, payable over the three year period ending September 30, 2016. Payments on the grant are subject to certain milestones and performance criteria being achieved. For the years ended September 30, 2015 and 2014, Teach for All recognized \$1,120,000 and \$620,000, respectively, under the terms of the agreement.

11. SUBSEQUENT EVENTS

Teach For All evaluated its September 30, 2015 financial statements for subsequent events through February 11, 2016, the date the financial statements were available to be issued. Teach For All is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.