

Consolidated Financial Statements Together with
Report of Independent Certified Public Accountants

TEACH FOR ALL, INC. AND SUBSIDIARY

September 30, 2016, with 2015 Information

TEACH FOR ALL, INC. AND SUBSIDIARY

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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 consolidated financial statements of Teach For All, Inc. and Teach For All Network (collectively “TFALL”), which comprise the consolidated statement of financial position as of September 30, 2016 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to TFALL’s preparation and fair presentation of the consolidated 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 TFALL’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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Teach For All, Inc. and Teach For All Network as of September 30, 2016, and the changes in their consolidated net assets and their consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter-2015 financial information

As more fully described in Notes 1 and 2, the accompanying 2016 consolidated financial statements include fiscal 2015 financial information of Teach For All Only on which we expressed an unmodified opinion in our report dated February 11, 2016. Accordingly, the 2015 Teach For All Only information included herein should only be used in conjunction with the fiscal 2015 financial statements from which it was derived.

A handwritten signature in black ink that reads "GRANT THORNTON LLP". The signature is written in a cursive, flowing style.

New York, New York
February 14, 2017

TEACH FOR ALL, INC. AND SUBSIDIARY
Consolidated Statement of Financial Position
As of September 30, 2016, with 2015 information

	<u>2016</u>	<u>2015 Teach For All only</u>
ASSETS		
Cash and cash equivalents	\$ 4,186,900	\$ 5,824,537
Prepaid expenses and other assets	400,963	392,668
Contributions receivable, net (Note 3)	25,159,040	7,450,132
Grants and contracts receivable, net of an allowance of \$171,005 and \$128,292 in 2016 and 2015, respectively	133,621	318,866
Other receivables	1,773,660	206,996
Fixed assets, net (Note 4)	<u>165,476</u>	<u>365,807</u>
Total assets	<u>\$ 31,819,660</u>	<u>\$ 14,559,006</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 1,854,704</u>	<u>\$ 1,557,103</u>
Commitments and Contingencies (Note 10)		
NET ASSETS		
Unrestricted	2,771,136	4,989,664
Temporarily restricted (Note 6)	<u>27,193,820</u>	<u>8,012,239</u>
Total net assets	<u>29,964,956</u>	<u>13,001,903</u>
Total liabilities and net assets	<u>\$ 31,819,660</u>	<u>\$ 14,559,006</u>

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

TEACH FOR ALL, INC. AND SUBSIDIARY
Consolidated Statement of Activities
For the year ended September 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS/LOSSES AND OTHER SUPPORT			
Contributions	\$ 17,798,202	\$ 24,100,858	\$ 41,899,060
Grants and contracts	219,772	-	219,772
Other income (loss)	(88,654)	-	(88,654)
Net assets released from restrictions (Note 6)	<u>4,919,277</u>	<u>(4,919,277)</u>	<u>-</u>
Revenues, gains and other support before contributed services	22,848,597	19,181,581	42,030,178
Contributed services (Note 7)	<u>4,526,153</u>	<u>-</u>	<u>4,526,153</u>
Total revenues, gains and other support	<u>27,374,750</u>	<u>19,181,581</u>	<u>46,556,331</u>
EXPENSES			
Program services:			
Early stage partner support	2,520,918	-	2,520,918
Network partner support	<u>19,461,970</u>	<u>-</u>	<u>19,461,970</u>
Total program services	<u>21,982,888</u>	<u>-</u>	<u>21,982,888</u>
Supporting services:			
Management and general	5,097,685	-	5,097,685
Fundraising	<u>2,512,705</u>	<u>-</u>	<u>2,512,705</u>
Total supporting services	<u>7,610,390</u>	<u>-</u>	<u>7,610,390</u>
Total expenses	<u>29,593,278</u>	<u>-</u>	<u>29,593,278</u>
Change in net assets	(2,218,528)	19,181,581	16,963,053
Net assets, beginning of year	<u>4,989,664</u>	<u>8,012,239</u>	<u>13,001,903</u>
Net assets, end of year	<u>\$ 2,771,136</u>	<u>\$ 27,193,820</u>	<u>\$ 29,964,956</u>

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

TEACH FOR ALL, INC.
Informational Teach For All Only 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 income (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)	19,630,636
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>22,424,514</u>
EXPENSES			
Program services:			
Early stage partner support	2,525,262	-	2,525,262
Network partner support	<u>14,699,379</u>	<u>-</u>	<u>14,699,379</u>
Total program services	<u>17,224,641</u>	<u>-</u>	<u>17,224,641</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>25,760,575</u>	<u>-</u>	<u>25,760,575</u>
Change in net assets	259,001	(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 informational statement.

TEACH FOR ALL, INC. AND SUBSIDIARY
Consolidated Statement of Functional Expenses
For the year ended September 30, 2016

	Program Services			Supporting Services			
	Early Stage Partner Support	Network Partner Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel expenses:							
Salaries	\$ 1,706,465	\$ 7,662,862	\$ 9,369,327	\$ 2,192,822	\$ 1,616,181	\$ 3,809,003	\$ 13,178,330
Payroll taxes and related expenses	440,422	2,119,115	2,559,537	581,235	445,492	1,026,727	3,586,264
Total personnel expenses	2,146,887	9,781,977	11,928,864	2,774,057	2,061,673	4,835,730	16,764,594
Non-personnel expenses:							
Grants	-	1,358,659	1,358,659	-	-	-	1,358,659
Travel	157,728	1,165,030	1,322,758	164,158	116,385	280,543	1,603,301
Conferences, workshops and meetings	57,671	1,214,799	1,272,470	66,295	5,925	72,220	1,344,690
Professional services	65,839	676,314	742,153	634,100	14,396	648,496	1,390,649
Information technology	35,535	320,340	355,875	234,946	-	234,946	590,821
Occupancy, office expense and other costs	57,258	520,209	577,467	412,256	314,326	726,582	1,304,049
Total non-personnel expenses	374,031	5,255,351	5,629,382	1,511,755	451,032	1,962,787	7,592,169
Total expenses before non-cash items	2,520,918	15,037,328	17,558,246	4,285,812	2,512,705	6,798,517	24,356,763
Bad debt expense	-	-	-	480,467	-	480,467	480,467
Depreciation	-	-	-	229,895	-	229,895	229,895
Contributed services	-	4,424,642	4,424,642	101,511	-	101,511	4,526,153
Total expenses	\$ 2,520,918	\$ 19,461,970	\$ 21,982,888	\$ 5,097,685	\$ 2,512,705	\$ 7,610,390	\$ 29,593,278

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

TEACH FOR ALL, INC.
Information Teach For All Only 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	2,070,581	7,783,910	9,854,491	2,715,802	2,354,373	5,070,175	14,924,666
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	454,680	4,331,469	4,786,149	1,810,065	500,525	2,310,590	7,096,739
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	\$ 2,525,261	\$ 14,699,379	\$ 17,224,640	\$ 5,681,036	\$ 2,854,898	\$ 8,535,934	\$ 25,760,574

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

TEACH FOR ALL, INC. AND SUBSIDIARY
Consolidated Statement of Cash Flows
For the year ended September 30, 2016, with 2015 information

	<u>2016</u>	<u>2015 Teach For All only</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 16,963,053	\$ (3,336,061)
Adjustment to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	229,895	204,942
Change in discount of contributions receivable	128,412	37,184
Bad debt expense	480,467	733,702
Changes in operating assets and liabilities:		
Prepaid expense and other assets	(8,295)	150,539
Contributions receivable	(18,275,075)	2,622,336
Grants and contracts receivables	142,532	(327,763)
Other receivables	(1,566,664)	(57,555)
Accounts payable and accrued expenses	<u>297,601</u>	<u>(392,441)</u>
Net cash used in operating activities	<u>(1,608,074)</u>	<u>(365,117)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(29,563)</u>	<u>(900)</u>
Net decrease in cash and cash equivalents	(1,637,637)	(366,017)
Cash and cash equivalents, beginning of year	<u>5,824,537</u>	<u>6,190,554</u>
Cash and cash equivalents, end of year	<u>\$ 4,186,900</u>	<u>\$ 5,824,537</u>

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

TEACH FOR ALL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the year ended September 30, 2016, with 2015 information

1. ORGANIZATION AND NATURE OF OPERATIONS

Teach For All, Inc. is a not-for-profit corporation 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.

Teach For All, Inc. is a global organization that works to accelerate the progress of the more than 40 independent, locally led and governed partner organizations within the overall Teach For All global network. Each network partner recruits and develops promising future leaders to teach in their nations' high-need schools and communities and, with this foundation, to work with others, inside and outside of education, to ensure all children are able to fulfill their potential. Teach For All, Inc. works to accelerate the network's progress and increase its impact by providing partners with direct support, facilitating connections among them, accessing global resources for the benefit of the network, and fostering the leadership development of partner staff, teachers, and alumni.

Teach For All Network, established in 2011, is a company limited by guarantee and a registered charity in England and Wales, and is dedicated to the advancement of education for the public benefit and shares the same mission as Teach For All, Inc.

Teach For All, Inc. and Teach For All Network are separate legal entities for which there are overlapping board members and officers and, since its establishment, Teach For All, Inc. has been the sole member of Teach For All Network, which had remained dormant until August 2016. Accordingly, the fiscal 2016 financial operations of Teach For All Inc. and Teach For All Network have been consolidated for financial reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements include the fiscal 2015 financial information of Teach For All Only. However, such information is not a comparative presentation in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and, should only be used in conjunction with the fiscal 2015 Teach For All financial statements from which it was derived.

The accompanying consolidated financial statements of Teach For All, Inc. and Teach For All Network, hereinafter collectively referred to as "TFALL", have been prepared using the accrual basis of accounting in accordance with US GAAP, as applicable to not-for-profit organizations. All significant intercompany transactions have been eliminated in consolidation.

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of TFALL 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 TFALL, pursuant to those stipulations (Note 6).

TEACH FOR ALL, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

For the year ended September 30, 2016, with 2015 information

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, 2016 and 2015, TFALL and Teach For All, Inc., respectively, 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 TFALL'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.

The following is a description of TFALL's programs:

Early Stage Partner Support

Expenditures for Early Stage Partner Support enable TFALL 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. TFALL 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, TFALL 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 TFALL network partners, to accelerate impact in the areas of scale, network impact and learning, alumni leadership, and organizational strength. TFALL 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.

TEACH FOR ALL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the year ended September 30, 2016, with 2015 information

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).

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.

Advances to Network Partners

Advances to Network Partners represent sub-grant advances which are recognized by TFALL as grant expenditures in future years as the respective network partners meet all of the applicable sub-grant requirements.

Grants Payable

Grant awards by TFALL 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

TEACH FOR ALL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the year ended September 30, 2016, with 2015 information

five years. Leasehold improvements are amortized over the shorter of their useful life or the respective lease term.

Income Taxes

TFALL 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 2013, 2014, 2015 and 2016 are still open to audit for both federal and state purposes. TFALL 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 TFALL to concentrations of credit risk consist primarily of cash and cash equivalents. TFALL maintains its cash and cash equivalents with creditworthy, high-quality financial institutions. At certain times, TFALL’s bank balances may exceed federally insured limits. However, TFALL has not experienced, nor does it anticipate, any losses with respect to such bank balances. TFALL regularly evaluates its depository arrangements, including performance thereof.

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.

TEACH FOR ALL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the year ended September 30, 2016, with 2015 information

3. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at September 30, 2016 and 2015, were scheduled to be collected as follows:

	<u>2016</u>	<u>2015 Teach For All only</u>
Less than one year	\$ 679,657	\$ 2,224,379
One to five years	<u>24,969,461</u>	<u>5,546,664</u>
	25,649,118	7,771,043
Less: discount to present value ranging from 0.83% to 1.65%	<u>(172,418)</u>	<u>(44,006)</u>
	25,476,700	7,727,037
Less: allowance for doubtful accounts	<u>(317,660)</u>	<u>(276,905)</u>
Contributions receivable, net	<u>\$ 25,159,040</u>	<u>\$ 7,450,132</u>

4. FIXED ASSETS, NET

Fixed assets, net, at September 30, 2016 and 2015, consisted of the following:

	<u>2016</u>	<u>2015 Teach For All Only</u>
Computer equipment and software	\$ 721,768	\$ 692,204
Leasehold improvements	<u>-</u>	<u>54,202</u>
	721,768	746,406
Less: accumulated depreciation	<u>(556,292)</u>	<u>(380,599)</u>
Fixed assets, net	<u>\$ 165,476</u>	<u>\$ 365,807</u>

Depreciation and amortization expense totaled \$229,895 and \$204,942 for the years ended September 30, 2016 and 2015, respectively.

5. RELATED PARTY TRANSACTIONS

TFALL 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 one of its Board members is also a member of Teach For All Inc.’s Board of Directors. This agreement states that TFALL shall pay Teach For America for all direct expenses incurred by Teach For America on TFALL’s behalf and that TFALL shall pay a pro-rata share of Teach For America’s overhead expenses.

TEACH FOR ALL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the year ended September 30, 2016, with 2015 information

Amounts paid by TFALL and Teach for All Inc., respectively, to this related party totaled approximately \$564,000 and \$549,000 during the years ended September 30, 2016 and 2015, respectively.

TFALL has a Resource Sharing and Expense Reimbursement Agreements with Teach First, a related party and a member of the Teach For All network. Teach First's Chief Executive Officer and the Chair of Teach First are members of Teach For All, Inc.'s Board of Directors. This agreement commenced in 2016; it stated that TFALL shall pay Teach First for all direct expenses incurred by Teach First on Teach For All's behalf and that TFALL shall pay a pro-rata share of Teach First's overhead expenses. Amounts paid by TFALL to this related party totaled approximately \$110,000 for the year ended September 30, 2016.

Enseña Chile is also a member of the Teach For All network and its Chief Executive Officer is a member of Teach For All, Inc.'s Board of Directors. TFALL provides certain technical advice to Enseña Chile and awarded this related party a grant totaling \$112,000 in the year ended September 30, 2016.

Teach For China and Teach For India are related parties and members of the Teach For All network. TFALL's Chief Executive Officer is a board member of Teach For China and Teach For India, and Teach For India's Chief Executive Officer is a board member of Teach For All, Inc. TFALL and Teach For All Inc., provided certain technical advice to each of these related parties and awarded:

Teach For India a grant totaling approximately \$269,000 and \$162,000 during the years ended September 30, 2016 and 2015, respectively.

Teach For China a grant totaling approximately \$60,000 in the year ended September 30, 2016.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes as of September 30, 2016 and 2015:

	<u>2016</u>	<u>2015 Teach For All only</u>
For use in future periods for:		
Expansion	\$ 17,821,798	\$ 4,647,660
Network and Early Stage Partner Support	<u>9,372,022</u>	<u>3,364,579</u>
	<u>\$ 27,193,820</u>	<u>\$ 8,012,239</u>

TEACH FOR ALL, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the year ended September 30, 2016, with 2015 information

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

	<u>2016</u>	<u>2015 Teach For All only</u>
Expansion	\$ 3,010,528	\$ 6,718,354
Network and Early Stage Partner Support	<u>1,908,749</u>	<u>2,478,118</u>
	<u>\$ 4,919,277</u>	<u>\$ 9,196,472</u>

7. CONTRIBUTED SERVICES

Contributed services for the years ended September 30, 2016 and 2015 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 affairs, domestic human resources, 403(b) compliance and program consulting in the areas of impact measurement, organizational design, technology, and staff engagement. The fair value of donated services reflected in the accompanying financial statements for the years ended September 30, 2016 and 2015 totaled \$4,526,153 and \$2,793,878, respectively.

8. GRANTS PAYABLE

As of September 30, 2016 and 2015, grants payable were \$0 and \$100,000, respectively, and are included in accounts payable and accrued expenses in the accompanying financial statements.

9. RETIREMENT PLAN

TFALL 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. TFALL's matching contributions under all plans totaled \$493,311 and \$479,258 for the years ended September 30, 2016 and 2015, respectively.

TEACH FOR ALL, INC. AND SUBSIDIARY
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10. COMMITMENTS AND CONTINGENCIES

Litigation

In the normal course of its operations, TFALL 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 TFALL is not aware of any claims or contingencies that would have a material adverse effect on TFALL's financial position, changes in net assets or cash flows.

Conditional Grant

In October 2015, TFALL awarded Enseña Por Mexico, a member of the Teach For All network, a grant of up to \$1,800,000, payable over the three year period ending September 30, 2018. Payments on the grant are subject to certain milestones and performance criteria being achieved. For the year ended September 30, 2016, TFALL recorded \$0 expenditures, under the terms of the agreement.

11. SUBSEQUENT EVENTS

TFALL evaluated its September 30, 2016 consolidated financial statements for subsequent events through February 14, 2017, the date the financial statements were available to be issued. TFALL is not aware of any subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.