CHANGE OF ACCOUNTING PERIOD

Form **990** Department of the Treasury Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2015

Open to Public Inspection

A For the 2015 calendar year, or tax year beginning JAN 1, 2015 and ending SEP 30, 2015

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending

C Name of organization: Educational Testing Service

Doing business as

Number and street (or P.O. box if mail is not delivered to street address): Rosedale Road MS 20-J | Room/suite

City or town, state or province, country, and ZIP or foreign postal code: Princeton, NJ 08541

D Employer identification number: 21-0634479

E Telephone number: 609-921-9000

G Gross receipts $ 1,012,519,072.

F Name and address of principal officer: Jack Hayon same as C above

H(a) Is this a group return for subordinates? ☐ Yes [X] No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) ☐ 501(c) ( )◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.ets.org

K Form of organization: [X] Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1947 **M** State of legal domicile: NY

Part I Summary

Activities & Governance

1	Briefly describe the organization's mission or most significant activities: See Page 2, Part III, Question 1		
2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
3	Number of voting members of the governing body (Part VI, line 1a)	3	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	17
5	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	10,744,878.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-11,166,951.

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	9,848,829.	5,869,527.
9	Program service revenue (Part VIII, line 2g)	1,086,721,635.	812,183,280.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	52,727,076.	46,172,091.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	88,836,608.	63,741,667.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,238,134,148.	927,966,565.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,050,663.	1,388,901.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	401,611,854.	324,463,888.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	765,599,552.	584,204,622.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	1,169,262,069.	910,057,411.
19	Revenue less expenses Subtract line 18 from line 12	68,872,079.	17,909,154.
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	1,058,074,088.	1,085,375,781.
21	Total liabilities (Part X, line 26)	401,978,965.	405,976,668.
22	Net assets or fund balances Subtract line 21 from line 20	656,095,123.	679,399,113.

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OGDEN, UT

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer: Jack Hayon | Date: 8-3-2016

▶ Jack Hayon, SVP & Chief Financial Officer — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Christine Kawecki	Chris Kawecki	8/1/2016		P00743140
Firm's name ▶ Deloitte Tax LLP			Firm's EIN ▶ 86-1065772	
Firm's address ▶ 2 Jericho Plaza Jericho, NY 11753			Phone no. 516-918-7000	

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission.
Educational Testing Service (ETS) was incorporated in 1947 by the Board of Regents for the Education Department of the State of New York as an educational organization to engage in research, services and other activities in the field of educational testing.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 359,607,738. including grants of $ 60,000.) (Revenue $ 320,011,611.)
Teacher Licensure & Certification (TLC): TLC is primarily involved in assessing prospective teachers for licensure and/or certification. TLC manages three major licensure and certification assessment programs. Tests for all three major TLC programs are delivered in a computer-based environment. Paper and pencil testing is available, as needed, for candidates with special requirements who cannot test online.

For the nine months ended 09/30/2015, approximately 630 thousand tests were administered.

ETS provides services to the College Board that relate to the testing

4b (Code) (Expenses $ 259,995,985. including grants of $ 585,682.) (Revenue $ 309,947,364.)
The Global Division of ETS is mainly responsible for the design, development, administration (primarily in a computer based testing environment), scoring and reporting of assessments for graduate and business school admissions, as well as delivery of English language tests. For the nine months ended 09/30/2015, approximately 462 thousand individuals took the graduate and business school assessments, while over 5.5 million test takers took the English language assessments. These English language testing programs support our mission primarily in markets outside the United States.

In addition, the Division develops College Programs assessments that are used to support student success and measure student learning

4c (Code) (Expenses $ 184,019,768. including grants of $ 743,219.) (Revenue $ 182,224,305.)
Student and Teacher Assessments (K12 Student Assessment Programs): K12 Student Assessment Programs currently has large scale assessment contracts in several states in the US. These K12 assessments measure levels of student achievement in their respective public school system.

K12 Student Assessment Programs also contracts with non-profit consortia of states, dedicated to the pursuit of educational excellence. The purpose is to develop and administer testing programs that are designed to measure and improve teaching and learning.

Research and Development:
Research & Development provides: educational measurement research and

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 803,623,491.

See Schedule O for Continuation(s)

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors?*	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	X	
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16	X	
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X

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Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No", go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

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Part V | Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V [X]

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a 0			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 0			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b		
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	X	
b	If "Yes," enter the name of the foreign country. ▶ See Schedule O				
	See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?		9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter.				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

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Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions*

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year — **1a** 18				
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent — **1b** 17				
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6	Did the organization have members or stockholders?		6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	X	
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	X	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ AZ,CA,DC,DE,IN,KS,NJ,NY,OR

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

[ ] Own website [ ] Another's website [X] Upon request [ ] Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶

Michael J. Freddo, Vice President and Controller - 609-921-9000

Rosedale Road MS 20-J, Princeton, NJ 08541

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII [X]

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors, institutional trustees, officers, key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) Carstarphen, Meria Trustee	2.00	X						0.	0.	0.
(2) Colbert, Isaac Trustee	2.00	X						0.	0.	0.
(3) English, Michela A. Trustee	2.00	X						0.	0.	0.
(4) Garcia, Ofelia Trustee	2.00	X						0.	0.	0.
(5) Henderson, Wade N. Trustee	2.00	X						0.	0.	0.
(6) Johnson, Melvin Trustee	2.00	X						0.	0.	0.
(7) Kanter, Martha Trustee	2.00	X						0.	0.	0.
(8) Kapoor, Vikas Trustee - Partial Term	2.00	X						0.	0.	0.
(9) Levin, Henry M. Trustee - Partial Term	2.00	X						0.	0.	0.
(10) Levine, Arthur E. Trustee	2.00	X						0.	0.	0.
(11) Lewis, Earl Trustee	2.00	X						0.	0.	0.
(12) Lumpkins, Robert Trustee	2.00	X						0.	0.	0.
(13) Menezes, Victor Trustee	2.00	X						0.	0.	0.
(14) Murley, Robert S. Trustee	2.00	X						0.	0.	0.
(15) Rothkopf, Arthur J. Trustee	2.00	X						0.	0.	0.
(16) Stewart, Debra W. Trustee	2.00	X						0.	0.	0.
(17) Tatum, Beverly Daniel Trustee	2.00	X						0.	0.	0.

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(18) Valdes, Guadalupe Trustee	2.00	X						0.	0.	0.
(19) Winckler, Georg Trustee	2.00	X						0.	0.	0.
(20) MacDonald, Walter B. President & CEO	40.00	X		X				0.	0.	0.
(21) Bailey, Diane A. VP Teacher Licensure and C	40.00			X				0.	0.	0.
(22) Basehore, John VP & Treasurer	40.00			X				0.	0.	0.
(23) Donado, Yvette SVP & Chief Admin Officer	40.00			X				0.	0.	0.
(24) Draper Jr., William C. VP & COO College Board	40.00			X				0.	0.	0.
(25) Elliott, Thomas J. VP & CLO Strategic Workforce Solutio	40.00			X				0.	0.	0.
(26) Farnum, Marisa VP Assessment Development	40.00			X				0.	0.	0.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address NONE	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶

See Part VII, Section A Continuation sheets

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(27) Freddo, Michael J. VP & Controller	40.00			X				0.	0.	0.
(28) Gilbertson, Bruce M. VP Facilities & Real Estat	40.00			X				0.	0.	0.
(29) Gorin, Joanna VP Research	40.00			X				0.	0.	0.
(30) Hayon, Jack SVP & Chief Financial Offi	40.00			X				0.	0.	0.
(31) Hernandez, Sandra VP Finance	40.00			X				0.	0.	0.
(32) Hobson, David VP & Corporate Secretary	40.00			X				0.	0.	0.
(33) House, Naomi President ISA	40.00			X				0.	0.	0.
(34) Hunt, David SVP Global Ed. & Workforce	40.00			X				0.	0.	0.
(35) Johnson-Gregory, Sheree L. VP Assoc. General Counsel	40.00			X				0.	0.	0.
(36) Kerins, Nancy J. SVP Production & Delivery	40.00			X				0.	0.	0.
(37) Lawrence, Ida M. SVP Research & Development	40.00			X				0.	0.	0.
(38) Lazer, Stephen SVP Student & Teacher Asses	40.00			X				0.	0.	0.
(39) Mazzeo, John VP Stat Analysis & Psych.	40.00			X				0.	0.	0.
(40) Miller, George VP Strategic Workforce Sol	40.00			X				0.	0.	0.
(41) Nelson, Scott F. SVP Marketing & Public Aff	40.00			X				0.	0.	0.
(42) Nettles, Michael T. SVP Ctr. for Policy Eval	40.00			X				0.	0.	0.
(43) Oswald, John VP & COO K-12 Assessment	40.00			X				0.	0.	0.
(44) Paris, Scott G. VP Research	40.00			X				0.	0.	0.
(45) Payne, David G. VP & COO Global Education	40.00			X				0.	0.	0.
(46) Pfund, Rebecca VP IT Production	40.00			X				0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(47) Pote, Stephen K. VP & Chief Quality Officer	40.00			X				0.	0.	0.
(48) Powell, George D. VP & COO TLC & Nat ELL	40.00			X				0.	0.	0.
(49) Rockey, Anne F. VP Operations	40.00			X				0.	0.	0.
(50) Schroeder, Glenn C. SVP & General Counsel	40.00			X				0.	0.	0.
(51) Tyler, Linda L. VP New Product Development	40.00			X				0.	0.	0.
(52) Wakeman, Daniel VP & Chief Information Off	40.00			X				0.	0.	0.
(53) Weaver, Scott V. VP & Chief Strategy Office	40.00			X				0.	0.	0.
(54) Williamson, David VP New Product Development	40.00			X				0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

					(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	5,426,130.				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	443,397.				
	g	Noncash contributions included in lines 1a-1f $						
	h	Total. Add lines 1a-1f ▶			5,869,527.			
Program Service Revenue				Business Code				
	2 a	Teacher Licensure & Co		611710	320,011,611.	320,011,611.		
	b	Global Division		611710	309,947,364.	309,947,364.		
	c	Student and Teacher As		611710	182,224,305.	182,224,305.		
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f ▶			812,183,280.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶			43,022,588.			43,022,588.
	4	Income from investment of tax-exempt bond proceeds ▶						
	5	Royalties ▶			52,983,300.			52,983,300.
			(i) Real	(ii) Personal				
	6 a	Gross rents	13,489.					
	b	Less: rental expenses	0.					
	c	Rental income or (loss)	13,489.					
	d	Net rental income or (loss) ▶			13,489.			13,489.
			(i) Securities	(ii) Other				
	7 a	Gross amount from sales of assets other than inventory	87,696,510.	5,500.				
	b	Less cost or other basis and sales expenses	84,277,187.	275,320.				
	c	Gain or (loss)	3,419,323.	-269,820.				
	d	Net gain or (loss) ▶			3,149,503.			3,149,503.
	8 a	Gross income from fundraising events (not including $ of contributions reported on line 1c). See Part IV, line 18	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events ▶						
	9 a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less: direct expenses	b					
	c	Net income or (loss) from gaming activities ▶						
	10 a	Gross sales of inventory, less returns and allowances	a					
	b	Less cost of goods sold	b					
	c	Net income or (loss) from sales of inventory ▶						
		Miscellaneous Revenue		Business Code				
	11 a	Occupational & Prof Sk		611600	7,587,821.		7,587,821.	
	b	Chauncey Conf. Center		721000	3,014,222.		3,014,222.	
	c	Services to subsidiari		541900	142,835.		142,835.	
	d	All other revenue						
	e	Total. Add lines 11a-11d ▶			10,744,878.			
	12	Total revenue. See instructions. ▶			927,966,565.	812,183,280.	10,744,878.	99,168,880.

Part IX | Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX [X]

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	1,040,666.	1,040,666.		
2 Grants and other assistance to domestic individuals See Part IV, line 22	156,777.	156,777.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16	191,458.	191,458.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	13,959,470.	5,622,859.	8,336,611.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	669,108.	556,185.	112,923.	
7 Other salaries and wages	238,200,987.	194,036,268.	44,164,719.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	20,584,034.	16,300,462.	4,283,572.	
9 Other employee benefits	33,537,283.	26,558,119.	6,979,164.	
10 Payroll taxes	17,513,006.	13,868,520.	3,644,486.	
11 Fees for services (non-employees):				
a Management				
b Legal	6,599,317.	2,416,904.	4,182,413.	
c Accounting	2,022,623.		2,022,623.	
d Lobbying	49,570.		49,570.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	706,101.		706,101.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	378,785,620.	359,617,537.	19,168,083.	
12 Advertising and promotion	19,848,524.	19,607,885.	240,639.	
13 Office expenses	108,683,108.	105,153,773.	3,529,335.	
14 Information technology				
15 Royalties	1,418,878.	1,418,878.		
16 Occupancy	12,376,539.	11,864,242.	512,297.	
17 Travel	7,483,448.	6,236,347.	1,247,101.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	2,825,441.	2,114,380.	711,061.	
20 Interest	163,243.		163,243.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	33,937,338.	30,759,147.	3,178,191.	
23 Insurance	1,725,939.		1,725,939.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Chauncey Conference Cen	2,727,658.	2,727,658.		
b Foreign & State Taxes	2,273,905.	2,273,905.		
c Business licenses/fees	2,220,747.	887,487.	1,333,260.	
d Memberships and Dues	356,623.	214,034.	142,589.	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	910,057,411.	803,623,491.	106,433,920.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ [ ] if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		20,646,534.	1	9,620,727.
	2	Savings and temporary cash investments		45,927,211.	2	42,366,540.
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		123,847,301.	4	124,773,883.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		18,133,450.	9	18,590,128.
	10a	Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a 270,836,240.			
	b	Less: accumulated depreciation	10b 143,927,314.	125,942,278.	10c	126,908,926.
	11	Investments - publicly traded securities		61,042,032.	11	90,587,277.
	12	Investments - other securities See Part IV, line 11		525,813,185.	12	529,240,614.
	13	Investments - program-related See Part IV, line 11			13	
	14	Intangible assets		134,109,097.	14	139,698,085.
	15	Other assets See Part IV, line 11		2,613,000.	15	3,589,601.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,058,074,088.	16	1,085,375,781.
Liabilities	17	Accounts payable and accrued expenses		154,968,645.	17	157,086,715.
	18	Grants payable			18	
	19	Deferred revenue		66,316,399.	19	103,703,202.
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		180,693,921.	25	145,186,751.
	26	**Total liabilities.** Add lines 17 through 25		401,978,965.	26	405,976,668.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☒ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		656,095,123.	27	679,399,113.
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		656,095,123.	33	679,399,113.
	34	Total liabilities and net assets/fund balances		1,058,074,088.	34	1,085,375,781.

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	927,966,565.
2	Total expenses (must equal Part IX, column (A), line 25)	2	910,057,411.
3	Revenue less expenses. Subtract line 2 from line 1	3	17,909,154.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	656,095,123.
5	Net unrealized gains (losses) on investments	5	-13,721,804.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	19,116,640.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	679,399,113.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII [ ]

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both [ ] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both. [ ] Separate basis [X] Consolidated basis [ ] Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047
2015
Open to Public Inspection

Name of the organization	Employer identification number
Educational Testing Service	21-0634479

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: ______
5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)
9 ☒ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III)
10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)** See **section 509(a)(3).** Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f Enter the number of supported organizations ______

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
Total						

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) | 12 |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f)) | 14 | %

15 Public support percentage from 2014 Schedule A, Part II, line 14 | 15 | %

16a **33 1/3% support test - 2015.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2014.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2015.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2014.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	13,420,573.	9,316,768.	11,378,847.	9,848,829.	5,869,527.	49,834,544.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	942,813,001.	976,442,900.	1040603980.	1086721635.	812,183,280.	4858764796.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	956,233,574.	985,759,668.	1051982827.	1096570464.	818,052,807.	4908599340.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year	343,101,445.	359,923,209.	359,048,657.	400,936,397.	363,759,501.	1826769209.
c Add lines 7a and 7b	343,101,445.	359,923,209.	359,048,657.	400,936,397.	363,759,501.	1826769209.
8 **Public support.** (Subtract line 7c from line 6.)						3081830131.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
9 Amounts from line 6	956,233,574.	985,759,668.	1051982827.	1096570464.	818,052,807.	4908599340.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	60,862,564.	69,480,874.	66,309,563.	119,431,874.	96,024,877.	412,109,752.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	0.	0.	0.	0.	0.	
c Add lines 10a and 10b	60,862,564.	69,480,874.	66,309,563.	119,431,874.	96,024,877.	412,109,752.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	9,505.	7,562.				17,067.
13 **Total support.** (Add lines 9, 10c, 11, and 12.)	1017105643.	1055248104.	1118292390.	1216002338.	914,077,684.	5320726159.

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	57.92	%
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	59.82	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2015** (line 10c, column (f) divided by line 13, column (f))	17	7.75	%
18 Investment income percentage from **2014** Schedule A, Part III, line 17	18	6.85	%

19a **33 1/3% support tests - 2015.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☒

b **33 1/3% support tests - 2014.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supporting Organizations**

(Complete only if you checked a box in line 11 on Part I If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C If you checked 11c of Part I, complete Sections A, D, and E If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No" describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation If historic and continuing relationship, explain*	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2)*	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below*	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below*	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* ***Part VI*** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable) Also, provide detail in* ***Part VI,*** *including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document)*	5a		
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ)*	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*	10a		
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

Part IV Supporting Organizations *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		
b	A family member of a person described in (a) above?	11b		
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in* ***Part VI.***	11c		

Section B. Type I Supporting Organizations

			Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization*	2		

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s)*	1		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s)*	2		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard*	3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year* ***(see instructions):***

a ☐ The organization satisfied the Activities Test. *Complete* ***line 2*** *below*

b ☐ The organization is the parent of each of its supported organizations *Complete* ***line 3*** *below*

c ☐ The organization supported a governmental entity. *Describe in Part VI how you supported a government entity (see instructions)*

			Yes	No
2	Activities Test. ***Answer (a) and (b) below.***			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations. ***Answer (a) and (b) below.***			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in ***Part VI.***	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in ***Part VI*** *the role played by the organization in this regard.*	3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6 and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**)			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3	4		
5 Income tax imposed in prior year	5		
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**). See instructions	
7	**Total annual distributions.** Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions	
9	Distributable amount for 2015 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1	Distributable amount for 2015 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
3	Excess distributions carryover, if any, to 2015.			
a				
b				
c				
d	From 2013			
e	From 2014			
f	**Total** of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2015 distributable amount			
i	Carryover from 2010 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2015 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2015 distributable amount			
c	Remainder Subtract lines 4a and 4b from 4			
5	Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6	Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7	**Excess distributions carryover to 2016.** Add lines 3j and 4c			
8	Breakdown of line 7:			
a				
b				
c	Excess from 2013			
d	Excess from 2014			
e	Excess from 2015			

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Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c, Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1, Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b, Part V, line 1; Part V, Section B, line 1e, Part V, Section D, lines 5, 6, and 8, and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Part III, Section A. Public Support

The 2015 column represents a short-year tax period of 01/01/2015 to 09/30/2015.

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**

▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2015

Open to Public Inspection

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations. Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of organization	Employer identification number
Educational Testing Service	21-0634479

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ ______

3 Volunteer hours ______

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ ______

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ ______

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ ______

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ ______

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ $ ______

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)	49,570.	
c Total lobbying expenditures (add lines 1a and 1b)	49,570.	
d Other exempt purpose expenditures	888,096,012.	
e Total exempt purpose expenditures (add lines 1c and 1d)	888,145,582.	
f Lobbying nontaxable amount Enter the amount from the following table in both columns.	1,000,000.	

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

	(a)	(b)
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000.	
h Subtract line 1g from line 1a. If zero or less, enter -0-	0.	
i Subtract line 1f from line 1c. If zero or less, enter -0-	0.	
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	☐ Yes	☐ No

4-Year Averaging Period Under section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2012	**(b)** 2013	**(c)** 2014	**(d)** 2015	**(e)** Total
2a Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000.
c Total lobbying expenditures	62,120.	40,851.	94,519.	49,570.	247,060.
d Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000.
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

		Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1		
2 Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5, Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1 Also, complete this part for any additional information.

Part II-A, Line 2, Lobbying Activities:

Total ETS federal and state lobbying expenses were $49,570. The total

lobbying expenditures of ETS were minimal in comparison to total revenues.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047
2015
Open to Public Inspection

Name of the organization
Educational Testing Service

Employer identification number
21-0634479

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of a historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ____________

4 Number of states where property subject to conservation easement is located ▶ ____________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ ____________

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ $ ____________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ $ ____________

(ii) Assets included in Form 990, Part X ▶ $ ____________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ $ ____________

b Assets included in Form 990, Part X ▶ $ ____________

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV **Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table.

			Amount
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V **Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as.

a Board designated or quasi-endowment ▶ ________ %

b Permanent endowment ▶ ________ %

c Temporarily restricted endowment ▶ ________ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

			Yes	No
(i)	unrelated organizations	3a(i)		
(ii)	related organizations	3a(ii)		
b	If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI **Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land		1,970,618.		1,970,618.
b	Buildings		198,229,598.	104,722,896.	93,506,702.
c	Leasehold improvements		5,061,706.	3,182,372.	1,879,334.
d	Equipment		65,574,318.	36,022,046.	29,552,272.
e	Other				
Total.	Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶				126,908,926.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) Investment in affiliated entities	415,759,380.	End-of-Year Market Value
(B) Non-publicly traded securities	113,481,234.	End-of-Year Market Value
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	529,240,614.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13

(a) Description of investment	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Post-retirement medical benefits	108,681,836.
(3) Intercompany payable	11,557,750.
(4) Other liabilities	24,947,165.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	145,186,751.

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII [X]

532053
09-21-15

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.
Complete if the organization answered "Yes" on Form 990, Part IV, line 12a

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c**. *(This must equal Form 990, Part I, line 12.)*			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.
Complete if the organization answered "Yes" on Form 990, Part IV, line 12a

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c**. *(This must equal Form 990, Part I, line 18.)*			5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part X, Line 2:

This summary reflects the ETS portion of the ASC 740-10(FIN 48) Note in the Consolidated Financial Statements.

Educational Testing Service adopted ASC 740-10(FIN 48) on January 1, 2009 in accordance with U.S. Generally Accepted Accounting Procedures (US GAAP). In accordance with the US GAAP requirements, Educational Testing Service adjusted its net assets for its uncertain tax positions. It is reasonably possible that the tax liability recorded for these uncertain tax positions can change within the next twelve months. The tax liability has various open statutes which range from three to ten years.

Part XIII Supplemental Information *(continued)*

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990.

▶ Information about Schedule F (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization: Educational Testing Service

Employer identification number: 21-0634479

Part I General Information on Activities Outside the United States.
Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
East Asia and the Pacific	0	0	Grants to recipients located in the region.	Grantmaking	121,458.
South Asia	0	0	Grants to receipients located in the region.	Grantmaking	70,000.
North America	0	831	Program services	Testing activities	1,946,021.
Europe	0	613	Program services	Testing activities	9,938,667.
Central America and the Caribbean	0	430	Program services	Testing activities	217,304.
East Asia and the Pacific	0	1460	Program services	Testing activities	7,895,161.
Middle East and North Africa	0	591	Program services	Testing activities	1,211,270.
Russia and Neighboring States	0	162	Program services	Testing activities	131,763.
3 a Sub-total	0	4087			21,531,644.
b Total from continuation sheets to Part I	0	1646			30,960,148.
c **Totals** (add lines 3a and 3b)	0	5733			52,491,792.

Part I Continuation of Activities per Region. (Schedule F (Form 990), Part I, line 3)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
South America	0	450	Program services	Testing activities	411,818.
South Asia	0	913	Program services	Testing activities	2,238,123.
Sub-Saharan Africa	0	283	Program services	Testing activities	321,616.
Europe	0	0	Investments		3,519,469.
North America	0	0	Investments		649,020.
Central America and the Caribbean	0	0	Investments		23,820,102.
Totals ▶		1646			30,960,148.

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶

3 Enter total number of other organizations or entities ▶

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
Scholarships for outstanding South Korean Students	East Asia and the Pacific	15	24,283.	Scholarships are paid to third party who pays the student's tuition.	0.		
Scholarships for outstanding Taiwanese Students	East Asia and the Pacific	10	45,175.	Scholarships are paid to third party who pays the student's tuition.	0.		
Scholarships for outstanding Indian Students	South Asia	10	70,000.	Scholarships are paid to third party who pays the student's tuition.	0.		
Scholarships for outstanding Chinese Students	East Asia and the Pacific	40	52,000.	Scholarships are paid to third party who pays the student's tuition.	0.		

Part IV Foreign Forms

1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* [X] Yes [ ] No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U S Owner (see Instructions for Forms 3520 and 3520-A, do not file with Form 990)* [ ] Yes [X] No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U S. Persons With Respect to Certain Foreign Corporations (see Instructions for Form 5471)* [X] Yes [ ] No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* [ ] Yes [X] No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U S Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* [ ] Yes [X] No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713, do not file with Form 990)* [X] Yes [ ] No

Part V Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds), Part I, line 3, column (f) (accounting method, amounts of investments vs expenditures per region), Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable Also complete this part to provide any additional information.

Part I, Line 2:

Educational Testing Service requires applicants for scholarships to provide transcripts and other information upon which they are evaluated.

Scholarship funds are paid directly to an independent third party who then was contractually obligated to disburse funds to the respective university or college.

Scholarships awarded to recipients outside the United States are monitored at the university level, since the awards are for one year only.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization: Educational Testing Service

Employer identification number: 21-0634479

Part I **General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II **Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000 Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
American Assoc. of Hispanics in Higher Education (AAHHE) - 1120 S Cady Mall Suite B 275 - Tempe, AZ 85257	30-0150324	501(c)(3)	100,500.	4,949.	Fair Market Value	Printing	Support of local community educational programs.
Anchor House Foundation, Inc. 482 Centre Street Trenton, NJ 08611	22-2229995	501(c)(3)	10,000.	0.			Support of local community educational programs.
Boys & Girls Club of Mercer County 212 Centre Street Trenton, NJ 08611	21-0634556	501(c)(3)	0.	23,512.	Fair Market Value	Catering and Supplies	Support of local community educational programs.
Californians Together 525 East 7th Street 2nd Floor Long Beach, CA 90813	31-1746604	501(c)(3)	5,000.	0.			Support of local community educational programs.
Career Development Awards PO Box 2314 Princeton, NJ 08542	23-7206954	501(c)(3)	5,000.	5,413.	Fair Market Value	Catering	Support of local community educational programs.
Children's Defense Fund 25 E Street NW Washington, DC 20001	52-0895622	501(c)(3)	230,000.	0.			Support of local community educational programs.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 39.

3 Enter total number of other organizations listed in the line 1 table ▶

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Communities in Schools of San Antonio - 1616 E. Commerce St. Bldg 1 - San Antonio, TX 78205	74-2393714	501(c)(3)	5,000.	0.			Support of local community educational programs
CONTACT of Mercer County New Jersey Inc. - 60 South Main St. - Pennington, NJ 08534	22-2320153	501(c)(3)	5,000.	0.			Support of local community educational programs
Education Commission of the States 700 Broadway Denver, CO 85203	31-0722194	501(c)(3)	10,000.	0.			Support of local community educational programs.
Education Law Center 60 Park Place Newark, NJ 07102	22-2014555	501(c)(3)	25,000.	0.			Support of local community educational programs.
Every Child Valued 175 Johnson Avenue Lawrenceville, NJ 08648	26-4654078	501(c)(3)	30,000.	0.			Support of local community educational programs.
Fight for Children 1726 M Street, NW, Suite 202 Washington, DC 20036	52-1706059	501(c)(3)	5,000.	0.			Support of local community educational programs.
Hispanic Association of Colleges and Universities - 8415 Datapoint Drive Suite 400 - San Antonio, TX 78229	74-2466103	501(c)(3)	15,000.	0.			Support of local community educational programs.
Hispanics Inspiring Students' Performance and Achievement (HISPA) - PO Box 702 - Princeton, NJ 08542	52-1825305	501(c)(3)	20,000.	1,779.	Fair Market Value	Catering	Support of local community educational programs.
Isles Inc. 10 Wood Street Trenton, NJ 08618	22-2350832	501(c)(3)	5,000.	0.			Support of local community educational programs.

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Lawrence Township Community Foundation - PO Box 6706 - Lawrenceville, NJ 08648	22-3835387	501(c)(3)	10,000.	0.			Support of local community educational programs.
Junior Achievement of New Jersey 4365 Route 1 South Princeton, NJ 08540	22-1774147	501(c)(3)	20,000.	0.			Support of local community educational programs.
Literacy Volunteers of Mercer County - 3535 Quakerbridge Road - Hamilton, NJ 08619	22-3502495	501(c)(3)	5,000.	0.			Support of local community educational programs.
National Center for Higher Education Management Systems - 3035 Center Green Drive #150 - Boulder, CO 80301	74-1894594	501(c)(3)	20,000.	0.			Support of local community educational programs.
Mercer County Office of Education 1075 Old Trenton Road Trenton, NJ 08690	21-6000856	Government	0.	5,767.	Fair Market Value	Catering	Support of local community educational programs.
Minding Our Business 65 Livingston Avenue Roseland, NJ 07068	46-1076647	501(c)(3)	8,000.	0.			Support of local community educational programs.
National Urban League 120 Wall Street, 8th Floor New York, NY 10005	13-1840489	501(c)(3)	25,000.	0.			Support of local community educational programs.
New Jersey Education Foundation Partnership, Inc. - PO Box 908 - Red bank, NJ 07701	36-4613556	501(c)(3)	10,000.	0.			Support of local community educational programs.
New Jersey Department of Education 100 Riverview Plaza Trenton, NJ 08625		Government	0.	12,799.	Fair Market Value	Catering and Supplies	Support of local community educational programs.

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Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Parents Step Ahead Inc. 2102 Empire Central Dallas, TX 75235	26-2477378	501(c)(3)	35,000.	0.			Support of local community educational programs.
Princeton YWCA 59 Paul Robeson Place Princeton, NJ 08540	21-0635056	501(c)(3)	15,420.	14,080.	Fair Market Value	Catering and Supplies	Support of local community educational programs.
Shiloh Community Development Corporation - 416 Bellevue Suite 201 - Trenton, NJ 08618	12-3799161	501(c)(3)	15,000.	589.	Fair Market Value	Catering	Support of local community educational programs.
Stony Brook Millstone Watershed Association - 31 Titus Mill Road - Pennington, NJ 08534	21-0649717	501(c)(3)	9,000.	0.			Support of local community educational programs.
Morris Hall - St. Lawrence Inc. (St.Lawrence Rehabilitation Center) - 2381 Lawrenceville Road - Lawrenceville, NJ 08648	52-2250044	501(c)(3)	12,500.	0.			Support of local community educational programs.
Young Audiences of New Jersey, Inc. - 200 Forrestal Road - Princeton, NJ 08540	23-7384991	501(c)(3)	30,000.	0.			Support of local community educational programs.
Ewing Public Schools 2099 Pennington Road Ewing, NJ 08638	21-6000324	Government	0.	5,975.	Fair Market Value	Catering and Supplies	Support of local community educational programs.
New Jersey City University Foundation Inc. - 2039 Kennedy Blvd - Jersey City, NJ 07305	23-7261698	501(c)(3)	13,584.	0.			Support of local community educational programs.
New Jersey School Boards Association - 413 West State Street - Trenton, NJ 08618	26-4437074	Government	0.	63,375.	Fair Market Value	Catering and Supplies	Support of local community educational programs.

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
New Jersey Seeds 494 Broad Street, Suite 105 Newark, NJ 07102	22-3181507	501(c)(3)	30,000.	0.			Support of local community educational programs.
Princeton Area Community Foundation - 15 Princess Road - Lawrenceville, NJ 08648	52-1746234	501(c)(3)	0.	7,512.	Fair Market Value	Catering and Supplies	Support of local community educational programs.
Princeton Regional Chamber of Commerce - 182 Nassau Street Suite 301 - Princeton, NJ 08540	21-0722138	501(c)(6)	5,500.	0.			Support of local community educational programs.
UCLA Foundation, CARE Project 405 Hilgard Ave, GSE&IS Moore Hall Los Angeles, CA 90095	95-2250801	501(c)(3)	40,000.	0.			Support of local community educational programs.
University of Southern California 4676 Admiralty Way Suite 1001 Marina del Rey, CA 90292	95-1642394	501(c)(3)	33,000.	0.			Support of local community educational programs.
New Venture Fund 1201 Connecticut Avenue Washington, DC 20036	20-5806345	501(c)(3)	60,000.	0.			Support of local community educational programs.

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Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Historically Black Colleges and Universities Presidential Scholarship	8	45,620.	0.		
Trenton Central High School Scholarship	7	81,657.	0.		
Research Fellowships	1	29,500.	0.		

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Part I, Line 2:

The ETS Center for Advocacy and Philanthropy, a division of ETS which manages ETS's contributions, has established criteria for making grants and other contributions. It also maintains records to substantiate the amount of grants or in-kind contributions, as well as the grantees eligibility for the grants. IRS Form W-9 is requested from all organizations to ascertain the legal name, EIN or Taxpayer Identification Number and address.

ETS typically maintains close contact with its grantees to monitor their

Part IV Supplemental Information

progress in the use of funds and, whenever feasible, the extent to which the funded program met its objectives. Small contributions (under $2,000) are sometimes made to 501(c)(3) organizations to promote volunteerism and philanthropy among employees at ETS.

ETS monitors the use of funds in several ways: (1) requests written reports on the use of restricted funds and the organization's annual report when the grant is unrestricted; (2) for sponsored events, such as conferences and workshops, ETS requests programs and other materials prepared for the event; (3) staff members attend a number of sponsored events so that there is direct observation; (4) ETS remains in contact with grant recipients via email, phone calls and face-to-face meetings; and (5) ETS obtains copies of any research papers that might be developed as a result of the grant.

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

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Open To Public Inspection

Name of the organization: Educational Testing Service

Employer identification number 21-0634479

Part I **Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

Part II **Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total						▶ $						

Part III **Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV **Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
Teresa M. Sanchez-Lazer	see Part V	148,275.	see Part V		X

Part V **Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions)

Part IV:

(a)Name of person: Teresa M. Sanchez-Lazer

(b)Relationship between interested person and the organization: family member of Stephen Lazer, Current Officer

(d)Description of transaction: Salary and benefits

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization	Employer identification number
Educational Testing Service	21-0634479

Form 990, Part III, Line 1, Description of Organization Mission:

MISSION

Our mission is to help advance quality and equity in education by providing fair and valid assessments, research and related services. Our products and services measure knowledge and skills, promote learning and performance, and support education and professional development for all people worldwide.

VISION

ETS will be recognized as the global leader in providing fair and valid assessments, research and related products and services to help individuals make successful educational and career transitions throughout their lives, parents understand and use assessments and related products to help their children reach their full potential and teachers improve their practice through assessment and professional development.

Form 990, Part III, Line 4a, Program Service Accomplishments:

of pre-college students and assisting in the transition from high school to college.

For the nine months ended 09/30/2015, approximately 6.8 million tests were administered on behalf of the College Board.

Form 990, Part III, Line 4b, Program Service Accomplishments:

outcomes. These products are used in over 1,400 higher education institutions.

Name of the organization: Educational Testing Service

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The Division also provides products and services that: measure knowledge and skills; promote learning and performance; and support education and professional development.

Form 990, Part III, Line 4c, Program Service Accomplishments: analysis; innovative assessment and product development; and informative policy studies to advance quality and equity in education for all people worldwide. Research & Development ensures the technical quality and fairness of ETS's assessments and assessment-related services through excellence in assessment design, development, analysis and psychometric research. Support for its research programs comes primarily from its own resources. Support also comes from national governments and agencies and various private foundations.

National Assessment of Educational Progress (NAEP):
Considered the Nations Report Card, NAEP is a continuing series of academic content assessments of samples of students, mandated by Congress, and implemented by the National Center for Education Statistics. ETS has held primary contracts for NAEP since 1983. ETS is responsible for the overall coordination, strategic planning, development of survey questionnaires, test development for printed books and technology-based assessments, assessment design, test book preparation, data and psychometric analysis, and report preparation in print and on the NAEP website.

ETS Policy and Evaluation & Research Center (PERC):
The Policy Evaluation and Research Center (PERC) conducts research and

Name of the organization	Employer identification number
Educational Testing Service	21-0634479

analyses that address challenging education policy issues in the United States. The focus of PERC's research and analyses are increasing overall educational achievement and closing opportunity and achievement gaps among population groups.

PERC publishes and disseminates reports and designs and carries out research and evaluation studies that are designed to increase understanding of education challenges and probable solutions. PERC plans and convenes symposiums, seminars and conferences to address the most challenging education problems in the nation.

Institute for Student Achievement (ISA):

Working in partnership with districts and schools, the ISA Division of ETS uses a proven, research-based educational framework to transform underperforming public high schools into rigorous and supportive learning environments that prepare students to be college-ready.

For the nine months ended 09/30/2015, ISA worked in collaboration with approximately 50 schools.

Form 990, Part V, Lines 1a, 1b, 1c, 2a & 2b:

Due to the change in accounting period, Lines 1a, 1b, 1c, 2a & 2b are not answered because Forms W-2 & 1099 were not issued in the short tax year.

Form 990, Part V, Line 4b, List of Foreign Countries:

Australia, Belgium, Canada, China,

France, Germany, India, Ireland,

Name of the organization: Educational Testing Service

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Israel, Italy, Japan, Jordan,

Luxembourg, Malaysia, Malta, Netherlands,

Poland, Singapore, South Africa, South Korea,

Switzerland, Turkey, United Arab Emirates, United Kingdom

Form 990, Part VI, Section B, line 11:

All Trustees received a copy of Form 990 for review and information prior to Board of Trustees meeting. Form 990 was reviewed by the Board of Trustees' Audit Committee and the full Board of Trustees prior to filing.

Form 990, Part VI, Section B, Line 12c:

The Trustees of Educational Testing Service, individually and collectively, are expected to act in accordance with the highest standards of ethical behavior. Annually, the Audit Committee reviews the ETS Code of Ethics for Members of the Board of Trustees. Subsequently, each Trustee receives a copy of the Code of Ethics and signs a statement agreeing to abide by the Code. The Code of Ethics states a clear policy on conflicts of interest. ETS also has a conflict of interest policy that is supplied to the Board of Trustees, officers and key employees.

The Trustees annually complete a Trustee Disclosure Statement and a Trustee Affiliation Form. The Disclosure Statement requests if there are any Trustees with material financial interest to which ETS is a party. The Affiliation Form requests information regarding the Trustees employment as a staff member or as a consultant of ETS, as well as their affiliation with other organizations. The Corporate Secretary reviews these disclosures for potential conflicts or the potential appearance of a conflict.

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Should a situation be disclosed that presents a potential conflict, the Corporate Secretary would seek resolution with the involvement of the appropriate authority such as the Audit Committee or the ETS General Counsel and Chief Ethics Officer. Intrinsic to the policy is a Trustee recusing themselves on certain matters or resigning from the Board to prevent a conflict of interest or avoid an appearance of a conflict of interest. Failure to respond to the annual disclosure process would result in the requisite follow up by the Corporate Secretary.

Candidates for Trustees receive receive general information on relevant ETS policies, such as the Code of Ethics and Conflict of Interest and are required to complete the Affiliations Form prior to standing for election.

Trustees can obtain assistance with the interpretation or administration of the Code of Ethics conflicts policy or procedures from the Corporate Secretary or the General Counsel and Chief Ethics Officer. Trustees receive the complete policy statements upon their election.

Educational Testing Service requires that employees, including officers, who are uncertain whether an outside activity comes within the scope of ETS's Code of Ethics or Conflict of Interest policy, discuss the matter with their supervisors. Employees wishing to engage in outside activities must submit an Outside Activities Report to their division director for review and approval prior to engaging in the activity. Employees must submit an amended report whenever the activity changes. The report is reviewed and the employee is informed whether the request is approved. The employee's division Vice President and the Vice President of Strategic Workforce Solutions (SWS)(ETS's Human Resources Department) receive a copy

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of all such reports regardless of whether the request is approved. Any situation involving a potential conflict of interest must be reviewed by SWS to verify that no conflict exists.

Any employee who acquires information that gives the employee reason to believe that any employee, officer or trustee is engaged in conduct that is prohibited by ETS's Code of Ethics or subject to ETS's Conflict of Interest policy, or that any sales representative, distributor or other person or firm representing ETS in any transaction is engaged in the type of conduct (whether or not in connection with a transaction involving ETS or its products) which, if engaged in by an employee, would violate this policy is required to report this information immediately. All complaints regarding potential conflicts of interest are investigated promptly, and where necessary, immediate and appropriate action is taken to stop and remedy any such conduct. Any employee or officer, found in violation of this policy will be subject to disciplinary action, up to and including termination, depending upon the severity of the violation. This policy is reviewed on an annual basis by the Vice President of Strategic Workforce Solutions. All ETS employees receive a copy of the Code of Ethics on an annual basis. The annual review and signature indicating their agreement to comply with the policy is mandatory as part of employment with ETS.

Form 990, Part VI, Section B, Line 15:

ETS's Board of Trustees ("Board") engages an independent external organization, a leading consultant in executive compensation, to review the structure and process of Officer compensation to ensure practices that are within IRS and not-for-profit guidelines. The external organization issues a letter to the Board that presents their expert opinion as to the

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reasonableness and comparability of the total remuneration of the executives. The Board has reviewed and agreed upon the analysis and the Opinion Letter as to the Reasonableness of the Total Compensation Provided for the executives working for ETS.

The independent, external executive compensation consultant prepares a Letter of Reasonableness regarding the analysis of Officer pay consistent with government guidelines which is presented to the Board Committee on Governance and Human Resources and the full Board for review, comment and approval.

Form 990, Part VI, Section C, Line 19:

Currently, ETS does not make its governing documents, conflict of interest policy, or financial statements available to the public.

Form 990, Part VII, Section A:

Due to the change in accounting period, amounts in Columns D through F are not reported because Forms W-2 and 1099 were not issued in the short tax year.

Form 990, Part VII, Section B:

Due to the change in accounting period, amounts in Columns A through C are not reported because Form 1099s were not issued in the short tax year.

Form 990, Part IX, Line 11g, Other Fees:

Name of the organization	Employer identification number
Educational Testing Service	21-0634479

Test Admin and Consultants:

Program service expenses	254,411,488.
Management and general expenses	18,064,787.
Fundraising expenses	0.
Total expenses	272,476,275.

Subcontracting Costs:

Program service expenses	105,206,049.
Management and general expenses	1,103,296.
Fundraising expenses	0.
Total expenses	106,309,345.
Total Other Fees on Form 990, Part IX, line 11g, Col A	378,785,620.

Form 990, Part XI, line 9, Changes in Net Assets:

Postretirement benefits	17,536,000.
Equity in earnings reported separately	1,580,640.
Total to Form 990, Part XI, Line 9	19,116,640.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ Information about Schedule R (Form 990) and its instructions is at *www.irs.gov/form990.*

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Part I **Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
ETS Tech, LLC - 45-4054815 Rosedale Road Princeton, NJ 08541	Holding company	Delaware	0.	12,917,000.	Educational Testing Service
Computerized Assessments and Learning, LLC - 20-4973305, 1202 East 23rd Street Suite D, Lawrence, KS 66046	Educational services	Kansas	7,154,000.	24,006,000.	Educational Testing Service

Part II **Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
Educational Testing Service Retiree Medical and Life Ins. Plan - 22-3372287, Rosedale Road MS 20-J, Princeton, NJ 08541	Benefit Plan	New Jersey	501(c)(9)		Educational Testing Service		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule R (Form 990) 2015**

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Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	No	(k) Percentage ownership

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	No
Educational Testing Service (ETS) Global B.V., Strawinskylaan 929, Amsterdam, NETHERLANDS 1077 XX	Educational services	Netherlan	Educational Testing Service	C CORP	19,572,943.	13,046,981.	100.00%	X	
Educational Testing Service Canada Inc. 138B, ch. de la Grande-Cote Rosemere, Quebec, CANADA J7A 1H3	Educational services	Canada	Educational Testing Service	C CORP	981,833.	1,036,075.	100.00%	X	
ETS Assessments (Beijing) Ltd. No. 3, Dongsanhuan Beilu Block B. Lucky Tower Beijing, CHINA 100027	Educational services	China	Educational Testing Service (ETS)	C CORP	0.	0.	100.00%	X	
ETS Educational Services (India) Private Limited, 12-2-417/A/15 Jayanagar Colony, Hyderabad, INDIA 500 082	Educational services	India	Educational Testing Service (ETS)	C CORP	0.	0.	100.00%	X	
ETS Holdings Inc. - 26-0416543 1501 South Clinton Street Baltimore, MD 21224	Holding company	DE	Educational Testing Service	C CORP	0.	0.	100.00%	X	

See Part VII for Continuations

Part IV **Continuation of Identification of Related Organizations Taxable as a Corporation or Trust**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	No
Prometric Inc. - 26-0416596 1501 South Clinton Street Baltimore, MD 21224	Educational services	DE	ETS Holdings Inc.	C CORP	164,446,628.	459,069,784.	100.00%	X	
Prometric Japan Company Limited Ochanomizu Sola City 5F 4-6 Kanda Surugadai Tokyo, JAPAN 101-0062	Educational services	Japan	Prometric Inc.	C CORP	17,193,114.	16,104,944.	100.00%	X	
Prometric Limited - 98-0561896 7th Floor, The Victoria Harbour City Salford Manchester, UNITED KINGDOM M5 03SP	Educational services	United Kingdom	Prometric Inc.	C CORP	3,317,072.	3,712,893.	100.00%	X	
Prometric Luxembourg S.A.R.L 5, Rue Guillaume Kroll Luxembourg, LUXEMBOURG L-1882	Holding company	Luxembour	Prometric Inc.	C CORP	15,830,628.	109,315,902.	100.00%	X	
Ireland Test Center Delivery Limited - 98-0561894, Office 11, Verdala Business Center, Level 2, TG Complex, Brewery Street,	Holding company	Malta	Prometric Luxembourg S.A.R.L	C CORP	25,721,692.	53,767,911.	100.00%	X	
Prometric Ireland Limited - 98-1020297 25/28 North Wall Quay Dublin, IRELAND 1	Educational services	Ireland	Ireland Test Center Delivery	C CORP	19,723,391.	14,024,280.	100.00%	X	
Prometric Pty Limited - 98-1072358 Suite 12, Level 12, 37 Bligh Street Sydney NSW, AUSTRALIA 2000	Educational services	Australia	Ireland Test Center Delivery	C CORP	133,599.	1,091,146.	100.00%	X	
Prometric B.V. - 98-1071416 Hogehilweg 8 Amsterdam, NETHERLANDS 1101CC	Educational services	Netherlan	Prometric Luxembourg S.A.R.L	C CORP	15,830,628.	109,303,986.	100.00%	X	
Prometric Korea Limited Yoon-Ik Building, 8 Floor, 430 Eonju-Rp Seoul, SOUTH KOREA	Educational services	South Korea	Prometric B.V.	C CORP	369,520.	2,180,244.	100.00%	X	
Prometric (Proprietary) Ltd. 4 Daventry Street Lynnwood Manor Pretoria, SOUTH AFRICA 0081	Educational services	South Africa	Prometric B.V.	C CORP	63,965.	338,410.	100.00%	X	
Prometric Testing Services Private Ltd. 2nd Floor DLF Infinity Tower-A, Sector 25, Ph Gurgaon, Haryana, INDIA 122002	Educational services	India	Prometric B.V.	C CORP	5,974,121.	7,797,380.	100.00%	X	
Prometric Technology (Beijing) Co., Ltd. Unit 406, Raycom InfoTech Tower A, No.2 Kexue Beijing, CHINA 100080	Educational services	China	Prometric B.V.	C CORP	1,277,153.	1,195,863.	100.00%	X	

Part IV **Continuation of Identification of Related Organizations Taxable as a Corporation or Trust**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	No
Prometric Technology SDN Bhd Suite 11-1 & 11-3, Level 11, Wisma UAO Damans Kuala Lumpur, MALAYSIA 50490	Educational services	Malaysia	Prometric B.V.	C CORP	6,096,999.	4,252,626.	100.00%	X	
Prometric GmbH Tortrasse 49 Berlin, GERMANY 10119	Educational services	Germany	Prometric B.V.	C CORP	52,780.	852,612.	100.00%	X	
Prometric Pte. Ltd. 77 Robinson Road, #15-01 Singapore, SINGAPORE 068898	Educational services	Singapore	Prometric B.V.	C CORP	146,913.	1,118,510.	100.00%	X	
Prometric FZ-LLC Dubai Knowledge Village Office #108, Block #0 Dubai, UNITED ARAB EMIRATES	Educational services	United Arab Emir	Prometric B.V.	C CORP	587,599.	680,502.	100.00%	X	
Educational Testing Service International Holdings Limited, 25/28 North Wall Quay, Dublin, IRELAND 1	Educational services	Ireland	Educational Testing Service	C CORP	642,000.	1,980,358.	100.00%	X	
Edusoft Ltd. 16 Hamelacha St. North Industrial Park Rosh Ha'Ayin, ISRAEL 48091	Educational services	Israel	Educational Testing Service	C CORP	0.	0.	100.00%	X	
Prometric Canada Testing Services Inc 550 Burrard Street Suite 2300, Bentall 5 Vancouver, British Columbia, CANADA	Educational services	Canada	Prometric Inc.	C CORP	390,956.	306,802.	100.00%	X	

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity	1a	X	
b Gift, grant, or capital contribution to related organization(s)	1b		X
c Gift, grant, or capital contribution from related organization(s)	1c		X
d Loans or loan guarantees to or for related organization(s)	1d		X
e Loans or loan guarantees by related organization(s)	1e		X
f Dividends from related organization(s)	1f	X	
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o Sharing of paid employees with related organization(s)	1o		X
p Reimbursement paid to related organization(s) for expenses	1p		X
q Reimbursement paid by related organization(s) for expenses	1q	X	
r Other transfer of cash or property to related organization(s)	1r		X
s Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Educational Testing Service Retiree Benefits Trust	Q	2,939,971.	Cash
(2) Educational Testing Service (ETS) Global B.V.	A	3,004,037.	Fair market value
(3) Educational Testing Service (ETS) Global B.V.	L	1,281,762.	Fair market value
(4) Educational Testing Service Canada Inc.	A	143,695.	Fair market value
(5) Educational Testing Service Canada Inc.	L	11,740.	Fair market value
(6) Prometric Inc	L	549,595.	Fair market value

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7) Prometric Inc	Q	142,835.	Cash
(8) Edusoft Ltd.	L	134,167.	Fair market value
(9) ETS Holdings Inc	F	42,000,000.	Cash
(10) Educational Testing Service (ETS) Global B.V.	M	5,077,394.	Fair market value
(11) Prometric Inc	M	51,045,079.	Fair market value
(12) Edusoft Ltd.	M	843,257.	Fair market value
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec 501(c)(3) orgs? Yes	(e) No	(f) Share of total income	(g) Share of end-of year assets	(h) Dispropor-tionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Part IV, Identification of Related Organizations Taxable as Corp or Trust:

Name of Related Organization:

ETS Assessments (Beijing) Ltd.

Direct Controlling Entity: Educational Testing Service (ETS) Global B.V.

Name of Related Organization:

ETS Educational Services (India) Private Limited

Direct Controlling Entity: Educational Testing Service (ETS) Global B.V.

Name, Address, and EIN of Related Organization:

Ireland Test Center Delivery Limited

EIN: 98-0561894

Office 11, Verdala Business Center, Level 2, TG Complex, Brewery Street

Mriehel, MALTA BKR 3000

Name of Related Organization:

Prometric Ireland Limited

Direct Controlling Entity: Ireland Test Center Delivery Limited

Name of Related Organization:

Prometric Pty Limited

Direct Controlling Entity: Ireland Test Center Delivery Limited

Name of Related Organization:

Edusoft Ltd.

Direct Controlling Entity: Educational Testing Service International

Holdings Limited