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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2016

Open to Public Inspection

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](#)

Department of the Treasury
Internal Revenue Service

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning 10-01-2016 , and ending 09-30-2017

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

F Name and address of principal officer

Jack Hayon

Rosedale Road MS 20-J

Princeton, NJ 08541

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

H(c) Group exemption number ▶

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶

www.ets.org

K Form of organization

☒ 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)

17

4 Number of independent voting members of the governing body (Part VI, line 1b)

16

5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)

32,927

6 Total number of volunteers (estimate if necessary)

0

7a Total unrelated business revenue from Part VIII, column (C), line 12

13,533,949

7b Net unrelated business taxable income from Form 990-T, line 34

-12,869,768

Revenue

8 Contributions and grants (Part VIII, line 1h)

8,691,256

9 Program service revenue (Part VIII, line 2g)

1,211,680,710

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

47,092,990

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

86,539,438

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

1,354,004,394

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

1,686,586

14 Benefits paid to or for members (Part IX, column (A), line 4)

0

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

439,925,534

16a Professional fundraising fees (Part IX, column (A), line 11e)

0

b Total fundraising expenses (Part IX, column (D), line 25) ▶0

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

868,738,011

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)

1,310,350,131

19 Revenue less expenses Subtract line 18 from line 12

43,654,263

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

1,169,535,566

21 Total liabilities (Part X, line 26)

441,217,985

22 Net assets or fund balances Subtract line 21 from line 20

728,317,581

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

2018-08-09

Date

Jack Hayon SVP & Chief Financial Officer

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Christine Kaweck

Preparer's signature

Christine Kaweck

Date

Check ☐ if self-employed

PTIN

P00743140

Firm's name ▶ Deloitte Tax LLP

Firm's EIN ▶ 86-1065772

Firm's address ▶ 2 Jericho Plaza

Phone no (516) 918-7000

Jericho, NY 11753

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2016)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐ ☒**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. 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. VISIONETS 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.

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 ☒ 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 ☒ 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 \$ 820,546,957 | including grants of \$ 1,363,691 |) (Revenue \$ 858,868,380) |
| See Additional Data | | | | |






















| | | | | |
|---------------------|---------|--------------------------|--------------------------|---------------------------|
| 4b | (Code) | (Expenses \$ 353,700,000 | including grants of \$) | (Revenue \$ 368,858,180) |
| See Additional Data | | | | |

| | | | | |
|-----------|---------|--------------|------------------------|-----------------|
| 4c | (Code) | (Expenses \$ | including grants of \$ |) (Revenue \$) |
|-----------|---------|--------------|------------------------|-----------------|

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

| | | |
|-----------|---------------------------------------|----------------------|
| 4e | Total program service expenses | 1,174,246,957 |
|-----------|---------------------------------------|----------------------|

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 Yes | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?  | 2 Yes | |
| 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 | No |
| 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 Yes | |
| 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 | No |
| 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 | No |
| 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 | No |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III  | 8 | No |
| 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 | No |
| 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 | No |
| 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 Yes | |
| 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 Yes | |
| 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 Yes | |
| 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 | No |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X  | 11e Yes | |
| 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 Yes | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII  | 12a | No |
| 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 Yes | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 13 | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | 14a Yes | |
| 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 Yes | |
| 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 | No |
| 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 | No |
| 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 (see instructions) | 17 | No |
| 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 | No |
| 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 | No |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|---|-----|----|
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | | No |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | | |
| 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? <i>If "Yes," complete Schedule I, Parts I and II</i> | Yes | |
| 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? <i>If "Yes," complete Schedule I, Parts I and III</i> | Yes | |
| 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? <i>If "Yes," complete Schedule J</i> | Yes | |
| 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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | | No |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| 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? | | |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 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? <i>If "Yes," complete Schedule L, Part I</i> | | No |
| 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? <i>If "Yes," complete Schedule L, Part I</i> | | No |
| 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? <i>If "Yes," complete Schedule L, Part II</i> | | No |
| 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? <i>If "Yes," complete Schedule L, Part III</i> | | No |
| 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? <i>If "Yes," complete Schedule L, Part IV</i> | | No |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | Yes | |
| 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? <i>If "Yes," complete Schedule L, Part IV</i> | | No |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | No |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | No |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | No |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | No |
| 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? <i>If "Yes," complete Schedule R, Part I</i> | Yes | |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | Yes | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | Yes | |
| 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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | Yes | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | No |
| 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? <i>If "Yes," complete Schedule R, Part VI</i> | | No |
| 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 | Yes | |

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☒

| | | Yes | No |
|------------|---|------------|---------|
| 1a | Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable | 1a | 103,407 |
| 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 | 32,927 |
| b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | 2b | Yes |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | Yes |
| 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 | Yes |
| 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 | Yes |
| b | AS, BE, CA, CH, FR, GM, IN, EI, IS, IT, JA, JO, LU, MY, MT, NL, PL, SN, SF, KS, SZ, TU, AE, UK If "Yes," enter the name of the foreign country 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 | No |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | No |
| 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 | No |
| 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 | No |
| 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 | No |
| 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 | No |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | No |
| 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 | |
| 9a | 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? Note. See the instructions for additional information the organization must report on Schedule O | 13a | |
| 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 | No |
| b | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O | 14b | |

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 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 ☒

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 | | |
| | 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 | | |
| 1b | Enter the number of voting members included in line 1a, above, who are independent | | |
| 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 | No |
| 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 | No |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | No |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | 5 | No |
| 6 | Did the organization have members or stockholders? | 6 | No |
| 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 | No |
| 7b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | 7b | No |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | 8a | Yes |
| b | Each committee with authority to act on behalf of the governing body? | 8b | Yes |
| 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 | No |

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 | Yes |
| 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 | Yes |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | 11a | Yes |
| 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 | Yes |
| b | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | Yes |
| 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 | Yes |
| 13 | Did the organization have a written whistleblower policy? | 13 | Yes |
| 14 | Did the organization have a written document retention and destruction policy? | 14 | Yes |
| 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 | Yes |
| b | Other officers or key employees of the organization | 15b | Yes |
| | 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 | No |
| 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 Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ 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 a Rosedale Road MS 20-J Princeton, NJ 08541 (609) 921-9000

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

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

Form **990** (2016)

[illegible]

| | | | |
|--|------------|---|-----------|
| 1b Sub-Total | | | |
| c Total from continuation sheets to Part VII, Section A | | | |
| d Total (add lines 1b and 1c) | 17,241,569 | 0 | 1,704,199 |

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 ▶ 1,418

| | | Yes | No |
|----------|---|--------------|----|
| 3 | Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | 3 Yes | |
| 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? <i>If "Yes," complete Schedule J for such individual</i> | 4 Yes | |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | 5 | No |

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 | (B) Description of services | (C) Compensation |
|---|--------------------------------|---------------------|
| Accenture LLP 161 North Clark St Chicago, IL 60601 | Supply chain | 72,775,870 |
| Computer Sciences Corporation 3180 Fairview Park Drive Falls Church, VA 22042 | Computer services | 51,326,388 |
| Iris Software Inc 200 Metroplex Drive Suite 300 Edison, NJ 08817 | Temporary labor | 26,027,821 |
| Adecco Corporation 175 Broad Hollow Road Melville, NY 11747 | Temporary labor | 24,099,672 |
| American Institutes for Research 200 Vesey Street Floor 24 New York, NY 10281 | Consulting | 23,942,351 |

| | |
|--|--|
| <p>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 ► 185</p> | |
|--|--|

| Part VIII Statement of Revenue | | | | | | |
|--|---|---------------|----------------------|--|---|--|
| Check if Schedule O contains a response or note to any line in this Part VIII <input type="checkbox"/> | | | | | | |
| | | | (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 | 1a Federated campaigns . . . | 1a | | | | |
| | b Membership dues . . . | 1b | | | | |
| | c Fundraising events . . . | 1c | | | | |
| | d Related organizations | 1d | | | | |
| | e Government grants (contributions) | 1e | 7,870,715 | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 292,669 | | | |
| | g Noncash contributions included in lines 1a-1f \$ _____ | | | | | |
| | h Total. Add lines 1a-1f ▶ | | 8,163,384 | | | |
| Program Service Revenue | | | Business Code | | | |
| | 2a Assess R&D & Scoring | | 611710 | 858,868,380 | 858,868,380 | |
| | b Assess Admin&Delivery | | 611710 | 368,858,180 | 368,858,180 | |
| | c _____ | | | | | |
| | d _____ | | | | | |
| | e _____ | | | | | |
| | f All other program service revenue | | | | | |
| | g Total. Add lines 2a-2f ▶ | | 1,227,726,560 | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) ▶ | | 66,911,415 | | | 66,911,415 |
| | 4 Income from investment of tax-exempt bond proceeds ▶ | | | | | |
| | 5 Royalties ▶ | | 71,298,730 | | | 71,298,730 |
| | | | (i) Real | (ii) Personal | | |
| | 6a Gross rents | | | | | |
| | | 30,276 | | | | |
| | b Less rental expenses | 0 | | | | |
| | c Rental income or (loss) | 30,276 | | | | |
| | d Net rental income or (loss) ▶ | | 30,276 | | | 30,276 |
| | | | (i) Securities | (ii) Other | | |
| | 7a Gross amount from sales of assets other than inventory | 188,234,203 | 101,800 | | | |
| | b Less cost or other basis and sales expenses | 169,290,637 | 115,071 | | | |
| | c Gain or (loss) | 18,943,566 | -13,271 | | | |
| | d Net gain or (loss) ▶ | | 18,930,295 | | | 18,930,295 |
| | 8a 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 . . . ▶ | | | | | |
| | 9a Gross income from gaming activities See Part IV, line 19 a | | | | | |
| b Less direct expenses b | | | | | | |
| c Net income or (loss) from gaming activities . . . ▶ | | | | | | |
| 10a 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 | | | | |
| 11a Occupational & Prof Sk | | 611600 | 9,404,276 | | 9,404,276 | |
| b Chauncey Conf Center | | 721000 | 3,951,308 | | 3,951,308 | |
| c Services to subsidiari | | 541900 | 178,365 | | 178,365 | |
| d All other revenue | | | | | | |
| e Total. Add lines 11a-11d ▶ | | | 13,533,949 | | | |
| 12 Total revenue. See Instructions ▶ | | | 1,406,594,609 | 1,227,726,560 | 13,533,949 | 157,170,716 |

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

**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. | 1,078,416 | 1,078,416 | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22. | 285,275 | 285,275 | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16. | | | | |
| 4 Benefits paid to or for members. | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees. | 17,054,170 | 6,580,181 | 10,473,989 | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). | 582,808 | | 582,808 | |
| 7 Other salaries and wages. | 332,109,412 | 271,774,937 | 60,334,475 | |
| 8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions). | 28,795,488 | 22,917,667 | 5,877,821 | |
| 9 Other employee benefits. | 50,692,296 | 40,344,834 | 10,347,462 | |
| 10 Payroll taxes. | 24,191,264 | 19,253,271 | 4,937,993 | |
| 11 Fees for services (non-employees): | | | | |
| a Management. | | | | |
| b Legal. | 8,205,216 | 1,836,306 | 6,368,910 | |
| c Accounting. | 3,704,760 | | 3,704,760 | |
| d Lobbying. | 27,376 | | 27,376 | |
| e Professional fundraising services. See Part IV, line 17. | | | | |
| f Investment management fees. | 709,563 | | 709,563 | |
| g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). | 571,713,096 | 536,900,652 | 34,812,444 | |
| 12 Advertising and promotion. | 23,070,036 | 22,850,623 | 219,413 | |
| 13 Office expenses. | 171,503,434 | 163,370,374 | 8,133,060 | |
| 14 Information technology. | | | | |
| 15 Royalties. | 2,061,035 | 2,061,035 | | |
| 16 Occupancy. | 20,217,922 | 14,768,018 | 5,449,904 | |
| 17 Travel. | 7,632,720 | 6,488,423 | 1,144,297 | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 Conferences, conventions, and meetings. | 2,436,236 | 2,113,723 | 322,513 | |
| 20 Interest. | 1,333,154 | | 1,333,154 | |
| 21 Payments to affiliates. | | | | |
| 22 Depreciation, depletion, and amortization. | 57,974,035 | 52,225,704 | 5,748,331 | |
| 23 Insurance. | 2,225,838 | | 2,225,838 | |
| 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 Business Fees. | 4,905,936 | 2,027,809 | 2,878,127 | |
| b Foreign and State Tax. | 3,718,075 | 3,718,075 | | |
| c Chauncey Conference Cen. | 3,344,078 | 3,344,078 | | |
| d Memberships and Dues. | 479,024 | 307,556 | 171,468 | |
| e All other expenses. | | | | |
| 25 Total functional expenses. Add lines 1 through 24e. | 1,340,050,663 | 1,174,246,957 | 165,803,706 | 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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). | | | | |

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

| | | | | (A) Beginning of year | | (B) End of year |
|------------------------------------|--|---|---------------|--------------------------|---------------|--------------------|
| Assets | 1 | Cash—non-interest-bearing | | 9,606,317 | 1 | 24,363,634 |
| | 2 | Savings and temporary cash investments | | 41,346,792 | 2 | 105,914,677 |
| | 3 | Pledges and grants receivable, net | | | 3 | |
| | 4 | Accounts receivable, net | | 151,322,221 | 4 | 142,493,350 |
| | 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 instructions). Complete Part II of Schedule L | | | 6 | |
| | 7 | Notes and loans receivable, net | | | 7 | 27,573,064 |
| | 8 | Inventories for sale or use | | | 8 | |
| | 9 | Prepaid expenses and deferred charges | | 26,207,297 | 9 | 26,910,462 |
| | 10a | Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D | 10a | 291,460,543 | | |
| | b | Less: accumulated depreciation | 10b | 169,780,773 | | |
| | | | | 129,797,556 | 10c | 121,679,770 |
| | 11 | Investments—publicly traded securities | | 108,629,636 | 11 | 124,671,114 |
| | 12 | Investments—other securities. See Part IV, line 11 | | 560,847,390 | 12 | 502,791,360 |
| | 13 | Investments—program-related. See Part IV, line 11 | | | 13 | 105,007,285 |
| | 14 | Intangible assets | | 138,935,437 | 14 | 135,262,499 |
| 15 | Other assets. See Part IV, line 11 | | 2,842,920 | 15 | 3,187,000 | |
| 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | 1,169,535,566 | 16 | 1,319,854,215 | |
| Liabilities | 17 | Accounts payable and accrued expenses | | 159,387,615 | 17 | 171,855,154 |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | 100,174,774 | 19 | 101,199,740 |
| | 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 | | 181,655,596 | 25 | 235,598,677 |
| | 26 | Total liabilities. Add lines 17 through 25 | | 441,217,985 | 26 | 508,653,571 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | | |
| | 27 | Unrestricted net assets | | 728,317,581 | 27 | 811,200,644 |
| | 28 | Temporarily restricted net assets | | | 28 | |
| | 29 | Permanently restricted net assets | | | 29 | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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 | | 728,317,581 | 33 | 811,200,644 | |
| 34 | Total liabilities and net assets/fund balances | | 1,169,535,566 | 34 | 1,319,854,215 | |

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

| | | | |
|-----------|---|-----------|---------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 1,406,594,609 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 1,340,050,663 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 66,543,946 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 728,317,581 |
| 5 | Net unrealized gains (losses) on investments | 5 | 4,095,233 |
| 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 | 12,243,884 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 811,200,644 |

Part XII Financial Statements and ReportingCheck 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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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? 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | No |
| b Were the organization's financial statements audited by an independent accountant? 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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | Yes | |
| 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | Yes | |
| 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? | Yes | |
| 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 | Yes | |

Additional Data

Software ID:
Software Version:
EIN: 21-0634479
Name: Educational Testing Service

Form 990 (2016)

Form 990, Part III, Line 4a:

Assessment Research, Development, and Scoring Educational Testing Service ("ETS") conducts research on statistical and psychometric methodology to advance the science of educational measurement and ensure the technical quality and fairness of ETS's assessments and assessment-related services. Through its Policy Evaluation and Research Center, ETS also conducts research and analyses that address challenging educational policy issues. In conjunction with its research, ETS develops educational assessments for use by states in K-12 assessment, for college admissions and the transition from high school to college, for graduate and business school admissions, and for use in measuring knowledge and skills, promoting learning and performance, and supporting education and professional development. ETS has developed more than 200 assessment programs including but not limited to Praxis, HiSET, Test of English as a Foreign Language (TOEFL), Graduate Record Examination (GRE), Test of English for International Communication (TOEIC), and state specific and pre-college assessments. In conjunction with its research, ETS continues working collaboratively with the National Center for Education Statistics on the National Assessment of Educational Progress (NAEP). Additionally, ETS's Institute for Student Achievement (ISA) continues working in partnership with districts and schools to transform underperforming high schools into rigorous and supportive learning environments that prepare students to be college-ready. Each year, ETS scores and delivers millions of assessments and score reports to examinees and institutions, in numerous formats and using a variety of means. The process of scoring educational assessments includes ensuring that tests (a) accurately measure what they are intended to measure, (b) generate consistent results across different versions and among different groups of test takers, and (c) are fair to all test takers.

Form 990, Part III, Line 4b:

Assessment Administration & Delivery ETS provides test administration and delivery services. ETS administers assessments for college admissions as well as assessments supporting student's transition from high school to college. ETS administers approximately 15 million assessments annually in more than 6,600 locations. ETS has test centers and related test administration staff undergo a rigorous training and approval process prior to the administration of an assessment. For example, test center administrators are primarily responsible for establishing a secure testing environment and managing day-to-day testing activities. These activities provide vital support for the administration and delivery of ETS assessment in numerous formats and using a variety of means.

| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors | | | | | | | | | | (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 |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---------|---|--|---|
| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | | | | | |
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | | | |
| Carstarphen Meria Trustee | 2 00 | X | | | | | | | 54,000 | 0 | 0 | |
| Colbert Isaac Trustee | 2 00 | X | | | | | | | 62,000 | 0 | 0 | |
| English Michela A Trustee | 2 00 | X | | | | | | | 104,000 | 0 | 0 | |
| Garcia Ofelia Trustee | 2 00 | X | | | | | | | 62,000 | 0 | 0 | |
| Driver Darienne Trustee | 2 00 | X | | | | | | | 0 | 0 | 0 | |
| Henderson Wade N Trustee | 2 00 | X | | | | | | | 86,000 | 0 | 0 | |
| Kanter Martha Trustee | 2 00 | X | | | | | | | 62,000 | 0 | 0 | |
| Sine Jeffrey Trustee | 2 00 | X | | | | | | | 78,000 | 0 | 0 | |
| Lewis Earl Trustee | 2 00 | X | | | | | | | 69,000 | 0 | 0 | |
| Lumpkins Robert Trustee | 2 00 | X | | | | | | | 70,000 | 0 | 0 | |

| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors | | | | | | | | | | | |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|--|---|
| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | | (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 |
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | | |
| Menezes Victor Trustee | 2 00 | X | | | | | | | 77,000 | 0 | 0 |
| Murley Robert S Trustee | 2 00 | X | | | | | | | 77,750 | 0 | 0 |
| Pellegrino James Trustee | 2 00 | X | | | | | | | 0 | 0 | 0 |
| Rothkopf Arthur J Trustee | 2 00 | X | | | | | | | 82,000 | 0 | 0 |
| Stewart Debra W Trustee | 2 00 | X | | | | | | | 82,000 | 0 | 0 |
| Tatum Beverly Daniel Trustee | 2 00 | X | | | | | | | 62,000 | 0 | 0 |
| Valdes Guadalupe Trustee | 2 00 | X | | | | | | | 85,000 | 0 | 0 |
| Winckler Georg Trustee | 2 00 | X | | | | | | | 54,000 | 0 | 0 |
| MacDonald Walter B President | 40 00 | X | | X | | | | | 1,120,730 | 0 | 37,734 |
| Bailey Diane A VP Teacher Licensure & Certification | 40 00 | | | X | | | | | 374,654 | 0 | 49,575 |

| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors | | | | | | | | | | |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (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 |
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| Basehore John VP & Treasurer | 40 00 | | | X | | | | 338,481 | 0 | 49,652 |
| Donado Yvette SVP & Chief Admin Officer | 40 00 | | | X | | | | 436,009 | 0 | 58,866 |
| Draper Jr William C VP & COO College Board | 40 00 | | | X | | | | 384,961 | 0 | 38,460 |
| Elliott Thomas J VP & CLO Strategic Workforce | 40 00 | | | X | | | | 382,487 | 0 | 47,440 |
| Ercikan-Alper Kadriye VP Stat Analysis & Psych Research | 40 00 | | | X | | | | 84,118 | 0 | 13,137 |
| Farnum Marisa VP Assessment Development | 40 00 | | | X | | | | 337,155 | 0 | 29,865 |
| Freddo Michael J VP & Controller | 40 00 | | | X | | | | 412,840 | 0 | 38,211 |
| Gilbertson Bruce M VP Facilities & Real Estate | 40 00 | | | X | | | | 349,995 | 0 | 32,329 |
| Gorin Joanna VP Research | 40 00 | | | X | | | | 299,167 | 0 | 31,841 |
| Hayon Jack SVP & CFO | 40 00 | | | X | | | | 609,545 | 0 | 46,310 |

| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors | | | | | | | | | | |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (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 |
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| Hernandez Sandra VP Finance | 40 00 | | | X | | | | 367,978 | 0 | 42,815 |
| Hobson David VP & Corporate Secretary | 40 00 | | | X | | | | 349,037 | 0 | 36,312 |
| House Naomi President ISA | 40 00 | | | X | | | | 595,269 | 0 | 39,050 |
| Hunt David SVP Global Ed & Workforce | 40 00 | | | X | | | | 478,800 | 0 | 69,723 |
| Johnson-Gregory Sheree L VP Assoc. General Counsel | 40 00 | | | X | | | | 359,000 | 0 | 58,176 |
| Kerins Nancy J SVP Production & Delivery | 40 00 | | | X | | | | 547,019 | 0 | 38,552 |
| Lawrence Ida M SVP Research & Development | 40 00 | | | X | | | | 632,650 | 0 | 39,907 |
| Lazer Stephen SVP Student & Teacher Assessment | 40 00 | | | X | | | | 471,167 | 0 | 66,899 |
| Mazzeo John VP Stat Analysis & Psych | 40 00 | | | X | | | | 391,523 | 0 | 23,850 |
| Miller George VP Strategic Workforce Solutions | 40 00 | | | X | | | | 374,806 | 0 | 30,033 |

| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors | | | | | | | | | | (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 |
|---|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---------|---|--|---|
| (A) Name and Title | Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | | | | | |
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | | | |
| Nelson Scott F SVP & Chief Marketing Officer | 40 00 | | | X | | | | | 457,082 | 0 | 64,990 | |
| Nettles Michael T SVP & Controller for Policy Evaluation | 40 00 | | | X | | | | | 439,829 | 0 | 48,294 | |
| Oswald John VP & COO K-12 Assessment | 40 00 | | | X | | | | | 385,035 | 0 | 38,450 | |
| Payne David G VP & COO Global Education | 40 00 | | | X | | | | | 518,018 | 0 | 45,744 | |
| Pfund Rebecca VP IT Production | 40 00 | | | X | | | | | 397,855 | 0 | 57,409 | |
| Pote Stephen K VP & Chief Quality Officer | 40 00 | | | X | | | | | 351,345 | 0 | 48,368 | |
| Rockey Anne F VP Test Taker Services | 40 00 | | | X | | | | | 352,012 | 0 | 47,498 | |
| Schroeder Glenn C SVP & General Counsel | 40 00 | | | X | | | | | 594,807 | 0 | 45,680 | |
| Wakeman Daniel VP & Chief Information Officer | 40 00 | | | X | | | | | 368,164 | 0 | 59,466 | |
| Weaver Scott V VP & Chief Strategy Officer | 40 00 | | | X | | | | | 407,106 | 0 | 61,940 | |

| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors | | | | | | | | | | |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (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 |
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| Williamson David VP New Product Development | 40 00 | | | X | | | | 282,977 | 0 | 50,916 |
| Bennett Randy E Frederiksen Chair Assessment | 40 00 | | | | | X | | 354,242 | 0 | 31,212 |
| Kirsch Irwin Tyler Chair LG Scale Assessment | 40 00 | | | | | X | | 350,346 | 0 | 39,694 |
| Chan Peter General Manager, Applications | 40 00 | | | | | X | | 304,978 | 0 | 49,996 |
| Schmidt Amy General Manager, Stat Analyst | 40 00 | | | | | X | | 308,917 | 0 | 45,957 |
| Mislevy Robert Ford Chair in Meas & Statistic | 40 00 | | | | | X | | 286,149 | 0 | 34,378 |
| Johnson Melvin Former Trustee | 2 00 | | | | | | X | 10,500 | 0 | 0 |
| Paris Scott G Former Distinguished Pres Appointee | 40 00 | | | | | | X | 208,066 | 0 | 15,470 |

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization
Educational Testing 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

2016

Open to Public Inspection

Employer identification number
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 12, 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 agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university _____
- 10

☒

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)
- 11

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 12

☐

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 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
- 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- 10 above (see instructions)) | (iv) Is the organization listed in your governing document? | | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|--|---|----|---|---|
| | | | Yes | No | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 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, 8, or 9 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)2012 | (b)2013 | (c)2014 | (d)2015 | (e)2016 | (f)Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant.") | | | | | | |
| 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)2012 | (b)2013 | (c)2014 | (d)2015 | (e)2016 | (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 ▶ <input type="checkbox"/> | | | | | | |
| Section C. Computation of Public Support Percentage | | | | | | |
| 14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) | | | | | 14 | |
| 15 Public support percentage for 2015 Schedule A, Part II, line 14 | | | | | 15 | |
| 16a 33 1/3% support test—2016. 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 ▶ <input type="checkbox"/> | | | | | | |
| b 33 1/3% support test—2015. 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 ▶ <input type="checkbox"/> | | | | | | |
| 17a 10%-facts-and-circumstances test—2016. 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 ▶ <input type="checkbox"/> | | | | | | |
| b 10%-facts-and-circumstances test—2015. 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 ▶ <input type="checkbox"/> | | | | | | |
| 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 ▶ <input type="checkbox"/> | | | | | | |

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

(Complete only if you checked the box on line 10 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)2012 | (b)2013 | (c)2014 | (d)2015 | (e)2016 | (f)Total |
|---|---------------|---------------|-------------|---------------|---------------|---------------|
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.") | 11,378,847 | 9,848,829 | 5,869,527 | 8,691,255 | 8,163,384 | 43,951,842 |
| 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 | 1,040,603,980 | 1,086,721,635 | 812,183,280 | 1,211,680,710 | 1,227,726,560 | 5,378,916,165 |
| 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 | 1,051,982,827 | 1,096,570,464 | 818,052,807 | 1,220,371,965 | 1,235,889,944 | 5,422,868,007 |
| 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 | 359,048,657 | 400,936,397 | 363,759,501 | 525,014,890 | 525,817,956 | 2,174,577,401 |
| c Add lines 7a and 7b | 359,048,657 | 400,936,397 | 363,759,501 | 525,014,890 | 525,817,956 | 2,174,577,401 |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | 3,248,290,606 |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a)2012 | (b)2013 | (c)2014 | (d)2015 | (e)2016 | (f)Total |
|---|---------------|---------------|-------------|---------------|---------------|---------------|
| 9 Amounts from line 6 | 1,051,982,827 | 1,096,570,464 | 818,052,807 | 1,220,371,965 | 1,235,889,944 | 5,422,868,007 |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | 66,309,563 | 119,431,874 | 96,024,877 | 119,884,373 | 138,342,221 | 539,992,908 |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | 66,309,563 | 119,431,874 | 96,024,877 | 119,884,373 | 138,342,221 | 539,992,908 |
| 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.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | 1,118,292,390 | 1,216,002,338 | 914,077,684 | 1,340,256,338 | 1,374,232,165 | 5,962,860,915 |
| 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 ► <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|----------|
| 15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)) | 15 | 54.480 % |
| 16 Public support percentage from 2015 Schedule A, Part III, line 15 | 16 | 56.060 % |

Section D. Computation of Investment Income Percentage

| | | |
|--|-----------|---------|
| 17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)) | 17 | 9.060 % |
| 18 Investment income percentage from 2015 Schedule A, Part III, line 17 | 18 | 8.350 % |
| 19a 33 1/3% support tests—2016. 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. ► <input checked="" type="checkbox"/> | | |
| b 33 1/3% support tests—2015. 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. ► <input type="checkbox"/> | | |
| 20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ► <input type="checkbox"/> | | |

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d 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? <i>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.</i> | 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)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i> | 2 | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i> | 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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i> | 3b | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i> | 3c | |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i> | 4a | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i> | 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)? <i>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.</i> | 4c | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i> | 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? <i>If "Yes," provide detail in Part VI.</i> | 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? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | 7 | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | 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))? <i>If "Yes," provide detail in Part VI.</i> | 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? <i>If "Yes," provide detail in Part VI.</i> | 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? <i>If "Yes," provide detail in Part VI.</i> | 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)? <i>If "Yes," answer line 10b below.</i> | 10a | |
| b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i> | 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? | | |
| b A family member of a person described in (a) above? | | |
| c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI</i> | | |
| 11a | | |
| 11b | | |
| 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? <i>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.</i> | | |
| 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? <i>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.</i> | | |
| 1 | | |
| 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)? <i>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).</i> | | |
| 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? | | |
| 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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i> | | |
| 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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i> | | |
| 1 | | |
| 2 | | |
| 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 <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below. | | |
| b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below. | | |
| c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions). | | |
| 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? <i>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.</i> | | |
| 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? <i>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.</i> | | |
| 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? <i>Provide details in Part VI.</i> | | |
| b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i> | | |
| 2a | | |
| 2b | | |
| 3a | | |
| 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) | 1 | |
| 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 <input type="checkbox"/> 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 2016 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-2016 | (iii) Distributable Amount for 2016 |
|---|-----------------------------|--|---|
| 1 Distributable amount for 2016 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2016 (reasonable cause required--see instructions) | | | |
| 3 Excess distributions carryover, if any, to 2016 | | | |
| a | | | |
| b | | | |
| c From 2013. | | | |
| d From 2014. | | | |
| e From 2015. | | | |
| f Total of lines 3a through e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2016 distributable amount | | | |
| i Carryover from 2011 not applied (see instructions) | | | |
| j Remainder Subtract lines 3g, 3h, and 3i from 3f | | | |
| 4 Distributions for 2016 from Section D, line 7 \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2016 distributable amount | | | |
| c Remainder Subtract lines 4a and 4b from 4 | | | |
| 5 Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions) | | | |
| 6 Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions) | | | |
| 7 Excess distributions carryover to 2017. Add lines 3j and 4c | | | |
| 8 Breakdown of line 7 | | | |
| a | | | |
| b Excess from 2013. | | | |
| c Excess from 2014. | | | |
| d Excess from 2015. | | | |
| e Excess from 2016. | | | |

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).

| |
|-------------------------------------|
| Facts And Circumstances Test |
| |

990 Schedule A, Supplemental Information

| Return Reference | Explanation |
|----------------------------|--|
| Part III, Sections A and B | As a result of Educational Testing Service changing from a calendar year end to a September 30 fiscal year end in 2015, Schedule A, Part III, Sections A & B, the 2016 column represents the period 10/01/2016 to 09/30/2017. The 2015 column represents the period 10/01/2015 to 9/30/2016. The 2014 column represents the period 1/1/2015 to 09/30/2015. The 2013 column represents the period 1/1/2014 to 12/31/2014. The 2012 column represents the period 1/1/2013 to 12/31/2013. |

Schedule A Form 990 or 990-EZ 2016

| | | |
|--|--|---|
| SCHEDULE C (Form 990 or 990-EZ) | 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 2016 Open to Public Inspection |
| Department of the Treasury Internal Revenue Service | | |

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 the organization Educational Testing Service | Employer identification number 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4a | Was a correction made? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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- |
|----------|-------------|---------|---|--|
| | | | | |
| | | | | |
| 2 | | | | |
| | | | | |
| 3 | | | | |
| | | | | |
| 4 | | | | |
| | | | | |
| 5 | | | | |
| | | | | |
| 6 | | | | |

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) | 27,376 | | | | | | | | | | | | | |
| c Total lobbying expenditures (add lines 1a and 1b) | 27,376 | | | | | | | | | | | | | |
| d Other exempt purpose expenditures | 1,314,308,765 | | | | | | | | | | | | | |
| e Total exempt purpose expenditures (add lines 1c and 1d) | 1,314,336,141 | | | | | | | | | | | | | |
| f Lobbying nontaxable amount Enter the amount from the following table in both columns | 1,000,000 | | | | | | | | | | | | | |
| <table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></tbody></table> | 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 | | |
| 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 | | | | | | | | | | | | | |
| 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? | | <input type="checkbox"/> Yes <input type="checkbox"/> 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) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (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 | 94,519 | 49,570 | 37,186 | 27,376 | 208,651 |
| 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) | | (b) |
|-----------|--|-----|----|--------|
| | | Yes | No | 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). | 2a | |
| a Current year | 2b | |
| b Carryover from last year | 2c | |
| c Total | 3 | |
| 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues | 4 | |
| 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? | 5 | |
| 5 Taxable amount of lobbying and political expenditures (see instructions) | | |

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.

| Return Reference | Explanation |
|---|---|
| Part II-A, Line 2, Lobbying Activities | Total ETS federal and state lobbying expenses were \$27,376. The total lobbying expenditures of ETS were minimal in comparison to total revenues. |
| Part II-A, Line 2 a-f, Lobbying Expenditures During 4-Year Averaging Period | As a result of Educational Testing Service changing from a calendar year end to a September 30 fiscal year end in 2015, Schedule C, Part II-A, Sections 2, the 2016 column represents the period 10/01/2016 to 09/30/2017. The 2015 column represents the period 10/01/2015 to 9/30/2016. The 2014 column represents the period 1/1/2015 to 09/30/2015. The 2013 column represents the period 1/1/14 to 12/31/14. |

| | | | | | |
|--|--|--|--|--|--|
| efile GRAPHIC print - DO NOT PROCESS | | As Filed Data - | | DLN: 93493227012578 | |
| <div>SCHEDULE D (Form 990)</div> <div>Department of the Treasury Internal Revenue Service</div> | | <div>Supplemental Financial Statements</div> <div>► 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.</div> <div>Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.</div> | | | <div>OMB No 1545-0047</div> <div>2016</div> <div>Open to Public Inspection</div> |
| 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? | | | | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | | | | <input type="checkbox"/> Yes <input type="checkbox"/> 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) <input type="checkbox"/> Preservation of land for public use (e g , recreation or education) <input type="checkbox"/> Preservation of an historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space | | | | |
| 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 | | | | |
| a | Total number of conservation easements | Held at the End of the Year | | | |
| b | Total acreage restricted by conservation easements | 2a | | | |
| c | Number of conservation easements on a certified historic structure included in (a) | 2b | | | |
| d | Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2c | | | |
| | | 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? | | | | <input type="checkbox"/> Yes <input type="checkbox"/> 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)? | | | | <input type="checkbox"/> Yes <input type="checkbox"/> 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 | ► \$ | | | |
| For Paperwork Reduction Act Notice, see the Instructions for Form 990. | | | | | |
| | | Cat No 52283D | | Schedule D (Form 990) 2016 | |

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

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 in 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

(i) unrelated organizations

(ii) related organizations

b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?

| | Yes | No |
|---------------|-----|----|
| 3a(i) | | |
| 3a(ii) | | |
| 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 | | 207,305,030 | 118,189,535 | 89,115,495 |
| c Leasehold improvements | | 5,910,319 | 3,328,823 | 2,581,496 |
| d Equipment | | 76,274,576 | 48,262,415 | 28,012,161 |
| e Other | | | | |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶ | | | | 121,679,770 |

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 | 426,170,616 | F |
| (B) Non-publicly traded securities | 76,620,744 | F |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 12.) ▶ | 502,791,360 | |

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)ETSQ Holdings LLC Investment in Program Related affiliate | 105,007,285 | F |
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 13.) ▶ | 105,007,285 | |

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 | | |
| Post-retirement medical benefits | 126,635,826 | |
| Other liabilities | 108,962,851 | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶ | 235,598,677 | |

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 ☒

Schedule D (Form 990) 2016

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.

| Return Reference | Explanation |
|---------------------------|-------------|
| See Additional Data Table | |
| | |
| | |
| | |
| | |
| | |
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| | |

Part XIII Supplemental Information *(continued)*

| Return Reference | Explanation |
|------------------|-------------|
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| | |
| | |

Additional Data

Software ID:

Software Version:

EIN: 21-0634479

Name: Educational Testing Service

Supplemental Information

| Return Reference | Explanation |
|------------------|---|
| 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 balance of gross unrecognized tax benefits may change within the next twelve months, due to lapse of applicable statutes of limitations or closure of an examination. |

**SCHEDULE F
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization
Educational Testing Service

Statement of Activities Outside the United States

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

► Attach to Form 990. ► See separate instructions.

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

OMB No 1545-0047

2016

**Open to Public
Inspection**

Employer identification number

21-0634479

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to 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?

☒ **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 |
|---|-------------------------------------|--|---|--|--|
| (1) See Add'l Data | | | | | |
| (2) | | | | | |
| (3) | | | | | |
| (4) | | | | | |
| (5) | | | | | |
| 3a Sub-total | 0 | 7,012 | | | 32,033,721 |
| b Total from continuation sheets to Part I | 0 | 449 | | | 26,900,108 |
| c Totals (add lines 3a and 3b) | 0 | 7,461 | | | 58,933,829 |

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to 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) |
|--------------|---------------------------------|---|-------------------|-----------------------------|---------------------------------|--|--|---|--|
| (1) | | | | | | | | | |
| (2) | | | | | | | | | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |

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" to 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) |
|---------------------------------|------------|--------------------------|--------------------------|---------------------------------|-----------------------------------|--|---|
| (1) | | | | | | | |
| (2) | | | | | | | |
| (3) | | | | | | | |
| (4) | | | | | | | |
| (5) | | | | | | | |
| (6) | | | | | | | |
| (7) | | | | | | | |
| (8) | | | | | | | |
| (9) | | | | | | | |
| (10) | | | | | | | |
| (11) | | | | | | | |
| (12) | | | | | | | |
| (13) | | | | | | | |
| (14) | | | | | | | |
| (15) | | | | | | | |
| (16) | | | | | | | |
| (17) | | | | | | | |
| (18) | | | | | | | |

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)* ☒ 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)* ☐ Yes ☒ 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)* ☒ 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 ☒ 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 ☒ 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)* ☒ Yes ☐ No

Additional Data

Software ID:

Software Version:

EIN: 21-0634479

Name: Educational Testing Service

Schedule F (Form 990) 2016

Page **5**

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 (see instructions).

Form 990 Schedule F Part I - Activities Outside The United States

| (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 |
|-----------------------------------|-------------------------------------|---|--|--|-----------------------------------|
| North America | 0 | 991 | Program services | Assessment Administration & Delivery | 1,683,023 |
| Europe | 0 | 673 | Program services | Assessment Administration & Delivery | 11,719,789 |
| Central America and the Caribbean | 0 | 579 | Program services | Assessment Administration & Delivery | 440,492 |

Form 990 Schedule F Part I - Activities Outside The United States

| (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 |
|-------------------------------|-------------------------------------|---|--|--|-----------------------------------|
| East Asia and the Pacific | 0 | 1,961 | Program services | Assessment Administration & Delivery | 10,363,349 |
| Middle East and North Africa | 0 | 666 | Program services | Assessment Administration & Delivery | 1,828,378 |
| Russia and Neighboring States | 0 | 208 | Program services | Assessment Administration & Delivery | 336,207 |

Form 990 Schedule F Part I - Activities Outside The United States

| (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 | 559 | Program services | Assessment Administration & Delivery | 1,231,115 |
| South Asia | 0 | 1,375 | Program services | Assessment Administration & Delivery | 4,431,368 |
| Sub-Saharan Africa | 0 | 449 | Program services | Assessment Administration & Delivery | 1,066,557 |

Form 990 Schedule F Part I - Activities Outside The United States

| (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 |
|-----------------------------------|-------------------------------------|---|--|--|-----------------------------------|
| Europe | 0 | 0 | Investments | | 14,469,782 |
| North America | 0 | 0 | Investments | | 522,015 |
| Central America and the Caribbean | 0 | 0 | Investments | | 10,841,754 |

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As Filed Data -

DLN: 93493227012578

Schedule I
(Form 990)

OMB No 1545-0047

2016

Open to Public Inspection

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.

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?

☒ 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.

| (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 |
|--|---------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| See Additional Data Table | | | | | | | |
| (1) | | | | | | | |
| (2) | | | | | | | |
| (3) | | | | | | | |
| (4) | | | | | | | |
| (5) | | | | | | | |
| (6) | | | | | | | |
| (7) | | | | | | | |
| (8) | | | | | | | |
| (9) | | | | | | | |
| (10) | | | | | | | |
| (11) | | | | | | | |
| (12) | | | | | | | |

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 37

3 Enter total number of other organizations listed in the line 1 table 2

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 |
|---|--------------------------|--------------------------|-----------------------------------|---|--|
| (1) Historically Black Colleges and Universities Presidential Scholarship | 15 | 128,269 | | | |
| (2) Trenton Central High School Scholarship | 11 | 80,606 | | | |
| (3) Research Fellowships | 1 | 75,000 | | | |
| (3) | | | | | |
| (4) | | | | | |
| (5) | | | | | |
| (6) | | | | | |
| (7) | | | | | |

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

| Return Reference | Explanation |
|------------------|---|
| Part I, Line 2 | Educational Testing Service requires applicants for scholarships to provide transcripts and other information upon which they are evaluated. During Fiscal Year 2017, scholarship funds were made payable directly to the university or college that the awarded recipient attends or made payable to both the institution and the student. The ETS Center for Advocacy and Philanthropy, a division of ETS that 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 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. |

Additional Data

Software ID:
Software Version:
EIN: 21-0634479
Name: Educational Testing Service

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

| (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 |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| 50 Can Inc 1112 16th Street NW Suite 240 Washington, DC 20036 | 27-3069592 | 501(c)(3) | 25,000 | | | | Support of local community educational programs |
| Asian Pacific Islander American Scholarship Fund 2025 M Street NW Suite 610 Washington, DC 20036 | 57-1192973 | 501(c)(3) | 10,000 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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) c/o Arizona State University Tempe, AZ 85257 | 30-0150324 | 501(c)(3) | 50,000 | | | | Support of local community educational programs |
| American Indian Higher Education Consortium 121 Oronoco Street Alexandria, VA 22314 | 84-0640326 | 501(c)(3) | | 60,857 | Fair Market Value | Catering and Supplies | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Anchor House Foundation Inc 482 Centre Street Trenton, NJ 08611 | 22-2229995 | 501(c)(3) | 10,000 | | | | Support of local community educational programs |
| Career Development Awards PO Box 2314 Princeton, NJ 08542 | 23-7206954 | 501(c)(3) | 5,000 | 4,315 | Fair Market Value | Catering and Supplies | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Children's Defense Fund 25 E Street NW Washington, DC 20001 | 52-0895622 | 501(c)(3) | 161,000 | | | | Support of local community educational programs |
| College Board 3700 Crestwood Parkway Suite 700 Duluth, GA 30096 | 13-1623965 | 501(c)(3) | 9,496 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 Bldg 1 San Antonio, TX 78205 | 74-2393714 | 501(c)(3) | 5,230 | | | | Support of local community educational programs |
| Council for Opportunity in Education 1025 Vermont Avenue NW Suite 900 Washington, DC 20005 | 52-1221301 | 501(c)(3) | 25,000 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Education Law Center 60 Park Place Newark, NJ 07102 | 22-2014555 | 501(c)(3) | 10,000 | | | | Support of local community educational programs |
| Educational Leadership Foundation of New Jersey 413 West State Street Suite 207 Trenton, NJ 08618 | 26-4437074 | 501(c)(3) | | 60,083 | Fair Market Value | Catering and Supplies | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Ewing High School 990 Parkway Avenue Ewing, NJ 08618 | | Government | | 6,101 | Fair Market Value | Catering and Supplies | Support of local community educational programs |
| Ewing Public Education Foundation PO Box 7033 Ewing, NJ 08628 | 22-3347353 | 501(c)(3) | 45,288 | 237 | Fair Market Value | Catering and Supplies | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Ewing Public School District 2099 Pennington Road Ewing, NJ 08618 | | Government | | 5,700 | Fair Market Value | Catering and Supplies | Support of local community educational programs |
| Every Child Valued 175 Johnson Avenue Lawrenceville, NJ 08648 | 26-4654078 | 501(c)(3) | 15,312 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Hispanics Inspiring Students' Performance and Achievement (HISPA) PO Box 702 Princeton, NJ 08542 | 52-1825305 | 501(c)(3) | 11,428 | 862 | Fair Market Value | Catering and Supplies | Support of local community educational programs |
| Junior Achievement of New Jersey 4365 Route 1 South Princeton, NJ 08540 | 22-1774147 | 501(c)(3) | 21,242 | 756 | Fair Market Value | Catering and Supplies | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| McCarter Theater 91 University Place Princeton, NJ 08540 | 21-0724198 | 501(c)(3) | 10,224 | | | | Support of local community educational programs |
| Mercer County Community College Foundation 1200 Old Trenton Road West Windsor, NJ 08550 | 22-1824242 | 501(c)(3) | 10,000 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Mercer County Office of Education 1075 Old Trenton Road Trenton, NJ 08690 | | Government | | 12,658 | Fair Market Value | Catering and Supplies | Support of local community educational programs |
| National Alliance on Mental Illness (NAMI) Mercer County 3371 Brunswock Pike Suite 124 Lawrenceville, NJ 08648 | 22-2587453 | 501(c)(3) | 5,000 | 789 | Fair Market Value | Catering and Supplies | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| National Urban League 120 Wall Street New York, NY 10005 | 13-1840489 | 501(c)(3) | 25,000 | | | | Support of local community educational programs |
| New Jersey Seeds 494 Broad Street Suite 105 Newark, NJ 07102 | 22-3181507 | 501(c)(3) | 30,000 | 263 | Fair Market Value | Catering and Supplies | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 Venture Fund 1201 Connecticut Avenue NW Suite 300 Washington, DC 20036 | 20-5806345 | 501(c)(3) | 50,000 | | | | Support of local community educational programs |
| Opportunity Junction 3102 Delta Fair Blvd Antioch, CA 94509 | 68-0459131 | 501(c)(3) | 10,000 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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) | 25,000 | | | | Support of local community educational programs |
| Pascack Valley Regional High School District 46 Akers Avenue Montvale, NJ 07645 | 22-6002917 | 501(c)(3) | 70,568 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Princeton Area Community Foundation 15 Princess Road Lawrenceville, NJ 08648 | 52-1746234 | 501(c)(3) | | 7,229 | 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) | 8,000 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Salzburg Global Seminar 1250 H Street NW Suite 1150 Washington, DC 20006 | 04-2200147 | 501(c)(3) | 37,500 | | | | Support of local community educational programs |
| Shiloh Community Development Corporation 416 Bellevue Suite 201 Trenton, NJ 08618 | 12-3799161 | 501(c)(3) | 10,000 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| St Lawrence Rehabilitation Center 2381 Lawrence Road Lawrenceville, NJ 08648 | 52-2250044 | 501(c)(3) | 12,764 | | | | Support of local community educational programs |
| Stony Brook Millstone Watershed Association 31 Titus Mill Road Pennington, NJ 08534 | 21-0649717 | 501(c)(3) | 10,000 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| The Leadership Conference on Civil and Human Rights 1620 L Street NW Suite 1100 Washington, DC 20036 | 52-0789800 | 501(c)(4) | 7,200 | | | | Support of local community educational programs |
| UCLA Foundation 405 Hilgard Ave GSEIS Moore Hall Los Angeles, CA 90095 | 95-2250801 | 501(c)(3) | 20,000 | | | | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| Young Audiences of New Jersey Inc 200 Forrestal Road Princeton, NJ 08540 | 23-7384991 | 501(c)(3) | 36,000 | | | | Support of local community educational programs |
| YWCA Princeton 59 Paul Robeson Place Princeton, NJ 08540 | 21-0639890 | 501(c)(3) | 15,824 | 7,478 | Fair Market Value | Catering and Supplies | Support of local community educational programs |

| Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments. | | | | | | | |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|---|
| (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 |
| YWCA San Antonio 6756 Montgomery Drive San Antonio, TX 78239 | 74-1143135 | 501(c)(3) | 10,000 | | | | Support of local community educational programs |

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
► Attach to Form 990.

► Information about Schedule J (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

Questions Regarding Compensation

| | Yes | No |
|--|-----|----|
| 1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div> | | |
| b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain | Yes | |
| 2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a? | Yes | |
| 3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div> | | |
| 4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment? | Yes | |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | Yes | |
| c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III. | | No |
| Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9. | | |
| 5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? | | No |
| b Any related organization? If "Yes," on line 5a or 5b, describe in Part III. | | No |
| 6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? | Yes | |
| b Any related organization? If "Yes," on line 6a or 6b, describe in Part III. | | No |
| 7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III. | Yes | |
| 8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III. | | No |
| 9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? | | |

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name and Title | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column(B) reported as deferred on prior Form 990 |
|---------------------------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|--|
| | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| See Additional Data Table | | | | | | | |

Part III **Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

| Return Reference | Explanation |
|---------------------|-------------|
| See Additional Data | |

Additional Data

Software ID:
Software Version:
EIN: 21-0634479
Name: Educational Testing Service

Part III, Supplemental Information

| Return Reference | Explanation |
|------------------|--|
| Part I, Line 1a | First-class or charter travel Four ETS officers and three trustees received the benefit of a single first class airplane ticket during 2016 It was not treated as taxable compensation to the individual This benefit is provided based on length of travel time required of the individual Part I, Line 1a Tax gross-up payments Twenty Seven Officers received this benefit (related to financial planning) during 2016 It was treated as taxable compensation to the individuals Part I, Line 1a Housing allowance or residence for personal use One officer received this benefit during 2016 It was treated as taxable compensation to the individual Part I, Line 1a Personal Services Officers received this benefit (financial planning) during 2016 It was treated as taxable compensation to the individuals |

Part III, Supplemental Information

| Return Reference | Explanation |
|------------------|--|
| Part I, Line 3 | ETS engages an external and independent executive compensation consultant organization to review and advise on excess benefit transaction laws and to prepare an annual report and analysis of proposed compensation for ETS's CEO and officers. The analysis includes data on compensation for comparable organizations within similar occupations and functions. The external executive independent compensation consultant also develops a Letter of Reasonableness regarding the analysis of Officer pay consistent with government guidelines which is presented to the Committee on Governance and Human Resources and the Board for review, comment and approval. |

Part III, Supplemental Information

| Return Reference | Explanation |
|--------------------|--|
| Part I, Lines 4a-b | Officers and other executives participated in a supplemental non-qualified retirement plan under 457(f). The non-vested portion of each officer's deferred compensation is reported in Column C. The vested portion of each officer's deferred compensation is reported in Columns B & F. Part 1, Line 4a. One officer, Scott Paris, received a severance payment of \$38,000 from the organization in 2016. |

Part III, Supplemental Information

| Return Reference | Explanation |
|------------------|--|
| Part I, Line 6 | Part I, Lines 6a and 7 ETS investment compensation programs are variable cash compensation programs to provide employees earnings opportunities in addition to base pay. These variable compensation components recognize and reward based on individual and ETS performance. Payment under these programs are realized when ETS meets and achieves its annual performance targets for the year, as determined by a holistic assessment of metrics from ETS's balanced scorecard objectives including financial, operational, customer and growth goals. |

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|---|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base Compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1MacDonald Walter B President | (i) | 606,641 | 273,000 | 241,089 | 23,850 | 13,884 | 1,158,464 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1Bailey Diane A VP Teacher Licensure & Certification | (i) | 241,692 | 103,350 | 29,612 | 35,163 | 14,412 | 424,229 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2Basehore John VP & Treasurer | (i) | 178,584 | 85,556 | 74,341 | 32,502 | 17,150 | 388,133 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3Donado Yvette SVP & Chief Admin Officer | (i) | 271,368 | 117,938 | 46,703 | 41,716 | 17,150 | 494,875 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4Draper Jr William C VP & COO College Board | (i) | 231,681 | 101,531 | 51,749 | 35,910 | 2,550 | 423,421 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5Elliott Thomas J VP & CLO Strategic Workforce | (i) | 218,377 | 99,000 | 65,110 | 23,850 | 23,590 | 429,927 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6Farnum Mansa VP Assessment Development | (i) | 202,702 | 81,000 | 53,453 | 22,258 | 7,607 | 367,020 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7Freddo Michael J VP & Controller | (i) | 196,222 | 89,813 | 126,805 | 21,999 | 16,212 | 451,051 | 36,860 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8Gilbertson Bruce M VP Facilities & Real Estate | (i) | 213,344 | 91,406 | 45,245 | 32,329 | 0 | 382,324 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9Gonn JoannaVP Research | (i) | 226,933 | 54,000 | 18,234 | 31,841 | 0 | 331,008 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10Hayon JackSVP & CFO | (i) | 340,089 | 190,125 | 79,331 | 23,850 | 22,460 | 655,855 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11Hernandez Sandra VP Finance | (i) | 225,010 | 103,847 | 39,121 | 23,118 | 19,697 | 410,793 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12Hobson David VP & Corporate Secretary | (i) | 190,490 | 95,597 | 62,950 | 21,400 | 14,912 | 385,349 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13House NaomiPresident ISA | (i) | 358,771 | 117,375 | 119,123 | 23,850 | 15,200 | 634,319 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14Hunt David SVP Global Ed & Workforce | (i) | 303,402 | 127,706 | 47,692 | 46,101 | 23,622 | 548,523 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15Johnson-Gregory Sheree L VP Assoc General Counsel | (i) | 250,802 | 98,438 | 9,760 | 34,814 | 23,362 | 417,176 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16Kenns Nancy J SVP Production & Delivery | (i) | 332,910 | 140,869 | 73,240 | 23,850 | 14,702 | 585,571 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17Lawrence Ida M SVP Research & Development | (i) | 305,691 | 135,330 | 191,629 | 23,850 | 16,057 | 672,557 | 96,804 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18Lazer Stephen SVP Student & Teacher Assessment | (i) | 314,958 | 124,674 | 31,535 | 45,005 | 21,894 | 538,066 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19Mazzeo John VP Stat Analysis & Psych | (i) | 236,891 | 105,788 | 48,844 | 23,850 | 0 | 415,373 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|--|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base Compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 21Miller George VP Strategic Workforce Solutions | (i) | 178,782 | 101,991 | 94,033 | 17,432 | 12,601 | 404,839 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 1Nelson Scott F SVP & Chief Marketing Officer | (i) | 290,820 | 133,547 | 32,715 | 42,943 | 22,047 | 522,072 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 2Nettles Michael T SVP & Controller for Policy Evaluati | (i) | 258,178 | 113,906 | 67,745 | 23,850 | 24,444 | 488,123 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 3Oswald John VP & COO K-12 Assessment | (i) | 253,596 | 84,675 | 46,764 | 23,850 | 14,600 | 423,485 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 4Payne David G VP & COO Global Education | (i) | 258,308 | 112,875 | 146,835 | 23,850 | 21,894 | 563,762 | 63,955 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 5Pfund Rebecca VP IT Production | (i) | 245,591 | 124,031 | 28,233 | 35,362 | 22,047 | 455,264 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 6Pote Stephen K VP & Chief Quality Officer | (i) | 231,138 | 95,625 | 24,582 | 33,839 | 14,529 | 399,713 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 7Rockey Anne F VP Test Taker Services | (i) | 239,834 | 102,094 | 10,084 | 32,840 | 14,658 | 399,510 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 8Schroeder Glenn C SVP & General Counsel | (i) | 335,464 | 202,219 | 57,124 | 23,850 | 21,830 | 640,487 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 9Wakeman Daniel VP & Chief Information Officer | (i) | 238,065 | 96,377 | 33,722 | 35,304 | 24,162 | 427,630 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 10Weaver Scott V VP & Chief Strategy Officer | (i) | 263,094 | 117,459 | 26,553 | 37,778 | 24,162 | 469,046 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 11Williamson David VP New Product Development | (i) | 205,225 | 59,063 | 18,689 | 29,844 | 21,072 | 333,893 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 12Bennett Randy E Fredenksen Chair Assessment | (i) | 295,666 | 32,416 | 26,160 | 23,850 | 7,362 | 385,454 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 13Kirsch Irwin Tyler Chair LG Scale Assessment | (i) | 263,473 | 59,155 | 27,718 | 23,850 | 15,844 | 390,040 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 14Chan Peter General Manager, Applications | (i) | 223,172 | 57,031 | 24,775 | 32,846 | 17,150 | 354,974 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 15Schmidt Amy General Manager, Stat Analyst | (i) | 204,631 | 61,030 | 43,256 | 32,613 | 13,344 | 354,874 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 16Mislevy Robert Lord Chair in Meas & Statistic | (i) | 203,198 | 56,167 | 26,784 | 20,846 | 13,532 | 320,527 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 17Johnson Melvin Former Trustee | (i) | 10,500 | 0 | 0 | 0 | 0 | 10,500 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |
| 18Pans Scott G Former Distinguished Pres Appointee | (i) | 63,966 | 64,190 | 79,910 | 8,344 | 7,126 | 223,536 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | - 0 | - 0 | 0 |

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, lines 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.

OMB No 1545-0047

2016

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 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? | | (e) Original principal amount | (f) Balance due | (g) In default? | | (h) Approved by board or committee? | | (i) Written agreement? | |
|-------------------------------|------------------------------------|---------------------|---------------------------------------|------|-------------------------------|-----------------|-----------------|----|-------------------------------------|----|------------------------|----|
| | | | To | From | | | Yes | No | Yes | No | 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 |
| (1) Teresa M Sanchez-Lazer | See Part V | 199,353 | See Part V | | No |
| (2) Alberto Acereda | See Part V | 212,398 | See Part V | | No |
| (3) Irene Elliott | See Part V | 64,608 | See Part V | | No |
| | | | | | |
| | | | | | |
| | | | | | |

Part V Supplemental Information

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

| Return Reference | Explanation |
|------------------|---|
| 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(a)Name of person Alberto Acereda(b)Relationship between interested person and the organization family member of Joanna Gorin, Current Officer(d)Description of transaction Salary and benefits(a)Name of person Irene Elliott(b)Relationship between interested person and the organization family member of Thomas J Elliott, Current Officer(d)Description of transaction Salary and benefits |

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization
Educational Testing 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

2016

**Open to Public
Inspection**

Employer identification number

21-0634479

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Section B, line 11b | All Trustees receive a copy of Form 990 for review and information prior to Board of Trustees meeting Form 990 is reviewed by the Board of Trustees' Audit Committee and the full Board of Trustees |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Section B, line 12c | <p>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 information regarding whether any trustee has 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. 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 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 Vice President 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 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</p> |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|--|
| Form 990, Part VI, Section B, line 12c | <p>fy 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</p> |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---------------------------------------|--|
| Form 990, Part VI, Section B, line 15 | ETS engages an external and independent executive compensation consultant organization to review and advise on excess benefit transaction laws and to prepare an annual report and analysis of proposed compensation for ETS's CEO and officers. The analysis includes data on compensation for comparable organizations within similar occupations and functions. The external executive independent compensation consultant also develops a Letter of Reasonableness regarding the analysis of Officer pay consistent with government guidelines which is presented to the Committee on Governance and Human Resources and the Board for review, comment and approval. |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Section C, line 19 | ETS does not make its governing documents, conflict of interest policy, or financial statements available to the public |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|-----------------------------------|---|
| Form 990, Part IX, line 11g | Test Admin and Consultants Program service expenses 185,470,218 Management and general expenses 17,194,769 Fundraising expenses 0 Total expenses 202,664,987 Subcontracting Costs Program service expenses 351,430,434 Management and general expenses 17,617,675 Fundraising expenses 0 Total expenses 369,048,109 |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---------------------------------|--|
| Form 990, Part XI, line 9 | Postretirement benefits 29,661,000 Equity in earnings reported separately -17,417,116 |

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.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Educational Testing Service

Employer identification number
21-0634479

| 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 |
| (1) Computerized Assessments and Learning LLC 1202 East 23rd Street Suite D Lawrence, KS 66046 20-4973305 | Educational services | KS | 0 | 0 | Educational Testing Service |
| (2) ETS Tech LLC Rosedale Road Princeton, NJ 08541 45-4054815 | Holding company | DE | 7,235,000 | 1,000 | Educational Testing Service |
| | | | | | |
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| 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 |
| (1) Educational Testing Service Retiree Medical and Life Ins Plan Rosedale Road MS 20-J Princeton, NJ 08541 22-3372287 | Benefit Plan | NJ | 501(c)(9) | | Educational Testing Service | Yes | |
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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? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|----------------------------|---|--|--|---------------------------------|--|---|----|--|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| | | | | | | | | | | | | |
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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.

See Additional Data Table

| (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 |
| | | | | | | | | | |
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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

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

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

Yes

No

1a Yes

1b Yes

1c No

1d Yes

1e No

1f Yes

1g No

1h No

1i No

1j No

1k No

1l Yes

1m Yes

1n No

1o No

1p No

1q Yes

1r No

1s No

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
See Additional Data Table

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|--|
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Schedule R (Form 990) 2016

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.

[illegible]

Part VII **Supplemental Information**

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

Additional Data

Software ID:
Software Version:
EIN: 21-0634479
Name: Educational Testing Service

Form 990, Schedule R, Part IV - 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 |
| (1) Educational Testing Service (ETS) Global BV Strawinskylaan 929 Amsterdam 1077 XX NL | Educational services | NL | Educational Testing Service | C | 28,771,436 | 13,236,725 | 100 000 % | Yes | |
| (1) ETS Educational Testing Service Canada Inc 138B ch de la Grande-Cote Rosemere, Quebec J7A 1H3 CA | Educational services | CA | Educational Testing Service | C | 1,029,162 | 888,479 | 100 000 % | Yes | |
| (2) ETS Assessments (Beijing) Ltd No 3 Dongsanhuan Beilu Block B L Beijing 100027 CH | Educational services | CH | Educational Testing Service (ETS) Global BV | C | 3,086,466 | 2,356,644 | 100 000 % | Yes | |
| (3) ETS Educational Services (India) Private Limited 12-2-417/A/15 Jayanagar Colony Hyderabad 500 082 IN | Educational services | IN | Educational Testing Service (ETS) Global BV | C | | | 100 000 % | Yes | |
| (4) ETS Holdings Inc 1501 South Clinton Street Baltimore, MD 21224 26-0416543 | Holding company | DE | Educational Testing Service | C | | 9,902 | 100 000 % | Yes | |
| (5) Educational Testing Service International Holdings Limited 25/28 North Wall Quay Dublin 1 EI | Educational services | EI | Educational Testing Service | C | 78,522 | 10,329,801 | 100 000 % | Yes | |
| (6) Edusoft Ltd 16 Hamelacha St North Industrial P Rosh HaAyin 48091 IS | Educational services | IS | Educational Testing Service International Holdings Limited | C | 7,478,349 | 13,466,937 | 100 000 % | Yes | |
| (7) ETSQ Holdings LLC 660 Rosedale Road Princeton, NJ 08541 81-5154354 | Holding company | DE | Educational Testing Service | C | | 4,008 | 100 000 % | Yes | |
| (8) Questar Assessments Inc 5550 Upper 147th Street Apple Valley, MN 55124 13-2846796 | Educational services | MN | ETSQ Holdings LLC | C | 64,978,000 | 153,162,000 | 100 000 % | Yes | |
| (9) Prometric Inc 1501 South Clinton Street Baltimore, MD 21224 26-0416596 | Educational services | DE | ETS Holdings Inc | C | 38,993,593 | 373,226,520 | 100 000 % | Yes | |
| (10) Prometric Japan Company Limited Ochanomizu Sola City 5F 4-6 Kanda S Tokyo 101-0062 JA | Educational services | JA | Prometric Inc | C | 25,842,263 | 22,148,217 | 100 000 % | Yes | |
| (11) Prometric Limited 7th Floor The Victoria Harbour Ctr Manchester M5 03SP UK 98-0561896 | Educational services | UK | Prometric Inc | C | 3,028,812 | 3,899,052 | 100 000 % | Yes | |
| (12) Prometric Luxembourg SARL 5 Rue Guillaume Kroll Luxembourg L-1882 LU | Holding company | LU | Prometric Inc | C | 15,538,713 | 106,533,251 | 100 000 % | Yes | |
| (13) Ireland Test Center Delivery Limited Office 11 Verdala Business Center Mriehele BKR 3000 MT 98-0561894 | Holding company | MT | Prometric Luxembourg SARL | C | 35,078,237 | 70,034,856 | 100 000 % | Yes | |
| (14) Prometric Ireland Limited 25/28 North Wall Quay Dublin 1 EI 98-1020297 | Educational services | EI | Ireland Test Center Delivery Limited | C | 1,550,641 | 11,227,944 | 100 000 % | Yes | |

| Form 990, Schedule R, Part IV - 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) | (i) | |
| | | | | | | | Percentage ownership | Section 512 (b)(13) controlled entity? | Yes |
| (16) Prometric Pty Limited Suite 12 Level 12 37 Bligh Street Sydney NSW 2000 AS 98-1072358 | Educational services | AS | Ireland Test Center Delivery Limited | C | 28,162 | 336,368 | 100 000 % | Yes | |
| (1) Prometric BV Hogehilweg 8 Amsterdam 1101CC NL 98-1071416 | Educational services | NL | Prometric Luxembourg SARL | C | 307,602 | 101,851,268 | 100 000 % | Yes | |
| (2) Prometric Korea Limited Yoon-Ik Building 8 Floor 430 Eonj Seoul KS | Educational services | KS | Prometric BV | C | 509,811 | 2,384,280 | 100 000 % | Yes | |
| (3) Prometric (Proprietary) Ltd 4 Daventry Street Lynnwood Manor Pretoria 0081 SF | Educational services | SF | Prometric BV | C | 3,869 | 232,632 | 100 000 % | Yes | |
| (4) Prometric Testing Services Private Ltd 2nd Floor DLF Infinity Tower-A Sec Gurgaon Haryana 122002 IN | Educational services | IN | Prometric BV | C | 11,025,376 | 13,765,796 | 100 000 % | Yes | |
| (5) Prometric Technology (Beijing) Co Ltd Unit 406 Raycom InfoTech Tower A Beijing 100080 CH | Educational services | CH | Prometric BV | C | 1,704,848 | 1,448,096 | 100 000 % | Yes | |
| (6) Prometric Technology SDN Bhd Suite 11-1 11-3 Level 11 Wisma Kuala Lumpur 50490 MY | Educational services | MY | Prometric BV | C | 6,561,114 | 5,636,652 | 100 000 % | Yes | |
| (7) Prometric Pte Ltd 77 Robinson Road 15-01 Singapore 068898 SN | Educational services | SN | Prometric BV | C | 34,810 | 1,177,760 | 100 000 % | Yes | |
| (8) Prometric FZ-LLC Dubai Knowledge Village Office 108 Dubai AE | Educational services | AE | Prometric BV | C | 817,828 | 729,226 | 100 000 % | Yes | |
| (9) Prometric Canada Testing Services Inc 550 Burrard Street Suite 2300 Bent Vancouver, British Columbia CA | Educational services | CA | Prometric Inc | C | 1,374,781 | 1,226,769 | 100 000 % | Yes | |

Form 990, Schedule R, Part V - Transactions With Related Organizations

| (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 | | 3,725,221 | Cash | | |
| (1) | Educational Testing Service (ETS) Global BV | A | | 4,338,680 | Fair market value | | |
| (2) | Educational Testing Service (ETS) Global BV | L | | 2,132,448 | Fair market value | | |
| (3) | ETS Educational Testing Service Canada Inc | A | | 179,065 | Fair market value | | |
| (4) | ETS Educational Testing Service Canada Inc | L | | 185,383 | Fair market value | | |
| (5) | Prometric Inc | L | | 624,332 | Fair market value | | |
| (6) | Prometric Inc | Q | | 178,365 | Cash | | |
| (7) | Edusoft Ltd | L | | 124,567 | Fair market value | | |
| (8) | ETS Holdings Inc | F | | 64,000,000 | Cash | | |
| (9) | Educational Testing Service (ETS) Global BV | M | | 8,496,524 | Fair market value | | |
| (10) | Prometric Inc | M | | 71,721,762 | Fair market value | | |
| (11) | Edusoft Ltd | M | | 1,215,892 | Fair market value | | |
| (12) | Educational Testing Service International Holdings Limited | F | | 300,000 | Cash | | |
| (13) | Questar Assessments Inc | L | | 832,126 | Fair market value | | |
| (14) | Questar Assessments Inc | Q | | 25,655 | Cash | | |
| (15) | ETS Educational Testing Service Canada Inc | F | | 400,005 | Cash | | |
| (16) | ETSQ Holdings LLC | D | | 20,000,000 | Cash | | |
| (17) | Questar Assessments Inc | D | | 7,000,000 | Cash | | |
| (18) | Questar Assessments Inc | M | | 1,217,600 | Fair market value | | |
| (19) | ETSQ Holdings LLC | B | | 2,000,000 | Cash | | |