

# **WORLDTEACH, INC.**

(A Not-For-Profit Organization)

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**Audited Financial Statements  
and Supplementary Information**

**June 30, 2017 and 2016**

#### **NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT**

This report was prepared subject to the terms and conditions set forth in an engagement letter. By relying upon this report, all users shall be deemed to agree to the terms and conditions of that engagement letter. Users intending to rely upon this report should contact the issuer to obtain a copy of its applicable terms and conditions. This report is intended for the exclusive use of the clients of the issuer and others to whom the issuer has expressly granted consent.

**WORLDTEACH, INC.**  
(A Not-For-Profit Organization)

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors

**WorldTeach, Inc.**

(A Not-For-Profit-Organization)

We have audited the accompanying financial statements of **WorldTeach, Inc.** (A Not-for-Profit Organization), which comprise the statements of financial positions as of June 30, 2017 and 2016 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

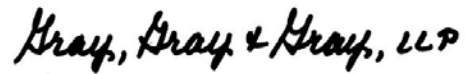
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
**WorldTeach, Inc.**  
(A Not-For-Profit-Organization)  
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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **WorldTeach, Inc.** (A Not-For-Profit Organization) as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

GRAY, GRAY & GRAY, LLP

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

Canton, MA  
December 20, 2017

**WORLDTEACH, INC.**  
(A Not-For-Profit Organization)  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2017 and 2016**

**ASSETS**

	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 668,876	\$ 610,174
Accounts receivable, countries less allowance for doubtful accounts of \$0 and \$17,413 in 2017 and 2016, respectively	86,909	358,656
Accounts receivable, volunteer fees	65,152	43,880
Prepaid expenses	<u>154,421</u>	<u>130,437</u>
<b>TOTAL CURRENT ASSETS</b>	<u>975,358</u>	<u>1,143,147</u>
<b>FURNITURE, FIXTURES, AND EQUIPMENT</b>	<b>7,107</b>	15,933
Less accumulated depreciation	<u>3,922</u>	<u>12,838</u>
<b>NET FURNITURE, FIXTURES, AND EQUIPMENT</b>	<u>3,185</u>	<u>3,095</u>
<b>INVESTMENTS</b>	<u>1,606,861</u>	<u>1,656,023</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,585,404</u></u>	<u><u>\$ 2,802,265</u></u>

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

**WORLDTEACH, INC.**  
(A Not-For-Profit Organization)  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2017 and 2016**

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**LIABILITIES AND NET ASSETS**

	<b>2017</b>	<b>2016</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 211,452	\$ 114,353
Accrued volunteer support	123,362	153,967
Deferred revenue	<u>255,950</u>	<u>200,915</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>590,764</u>	<u>469,235</u>
<b>NET ASSETS</b>		
Unrestricted	1,918,932	2,200,600
Temporarily restricted	<u>75,708</u>	<u>132,430</u>
<b>TOTAL NET ASSETS</b>	<u>1,994,640</u>	<u>2,333,030</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,585,404</u>	<u>\$ 2,802,265</u>

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

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**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended June 30, 2017

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
<b>SUPPORT</b>			
Public support	\$ 1,493,993	\$ 55,433	\$ 1,549,426
<b>REVENUE</b>			
Volunteer fees	314,585	-	314,585
Investment Income	34,450	-	34,450
Donated services	115,814	-	115,814
Other revenue	15,628	-	15,628
Realized gain on investments	14,602	-	14,602
Unrealized gain on investments	122,547	-	122,547
	<u>617,626</u>	<u>-</u>	<u>617,626</u>
<b>NET ASSETS RELEASED FROM SATISFACTION OF PROGRAM RESTRICTIONS</b>			
	<u>112,155</u>	<u>(112,155)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>			
	<u>2,223,774</u>	<u>(56,722)</u>	<u>2,167,052</u>
<b>EXPENSES</b>			
Program expenses	2,139,469	-	2,139,469
General and administrative	327,330	-	327,330
Fundraising	38,643	-	38,643
	<u>2,505,442</u>	<u>-</u>	<u>2,505,442</u>
<b>CHANGES IN NET ASSETS</b>			
	(281,668)	(56,722)	(338,390)
<b>NET ASSETS AT BEGINNING OF YEAR</b>			
	<u>2,200,600</u>	<u>132,430</u>	<u>2,333,030</u>
<b>NET ASSETS AT END OF YEAR</b>			
	<u>\$ 1,918,932</u>	<u>\$ 75,708</u>	<u>\$ 1,994,640</u>

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



**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended June 30, 2016

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
<b>SUPPORT</b>			
Public support	\$ 1,771,370	\$ 122,475	\$ 1,893,845
<b>REVENUE</b>			
Volunteer fees	396,535	-	396,535
Investment income	36,462	-	36,462
Donated services	45,000	-	45,000
Other revenue	7,463	-	7,463
Realized gain on investments	3,269	-	3,269
Unrealized gain on investments	25,399	-	25,399
	<u>514,128</u>	<u>-</u>	<u>514,128</u>
<b>NET ASSETS RELEASED FROM SATISFACTION OF PROGRAM RESTRICTIONS</b>	<u>33,520</u>	<u>(33,520)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>2,319,018</u>	<u>88,955</u>	<u>2,407,973</u>
<b>EXPENSES</b>			
Program expenses	2,234,377	-	2,234,377
General and administrative	290,897	-	290,897
Fundraising	34,338	-	34,338
<b>TOTAL EXPENSES</b>	<u>2,559,612</u>	<u>-</u>	<u>2,559,612</u>
<b>CHANGES IN NET ASSETS</b>	(240,594)	88,955	(151,639)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>2,441,194</u>	<u>43,475</u>	<u>2,484,669</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 2,200,600</u>	<u>\$ 132,430</u>	<u>\$ 2,333,030</u>

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

**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2017 and 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (338,390)	\$ (151,639)
Adjustments to reconcile changes in net assets to net cash (used) by operating activities:		
Contribution of stock	(29,607)	-
Depreciation	2,738	1,737
Bad debt expense	6,287	314
Unrealized gain on investments	(122,547)	(25,399)
Realized gain on sale of investment	(14,602)	(3,269)
Reinvested dividends	(34,205)	(36,153)
(Increase) decrease in assets:		
Accounts receivable, countries	265,460	(97,698)
Accounts receivable, volunteer fees	(21,272)	10,237
Prepaid expenses	(23,984)	17,575
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	97,099	6,463
Accrued volunteer support	(30,605)	(6,493)
Deferred revenue	55,035	(51,210)
	<u>(188,593)</u>	<u>(335,535)</u>
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	250,123	350,000
Acquisitions of furniture, fixtures, and equipment	(2,828)	-
	<u>247,295</u>	<u>350,000</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
<b>NET INCREASE IN CASH</b>	<b>58,702</b>	<b>14,465</b>
<b>CASH AT BEGINNING OF YEAR</b>	<u><b>610,174</b></u>	<u><b>595,709</b></u>
<b>CASH AT END OF YEAR</b>	<u><u><b>\$ 668,876</b></u></u>	<u><u><b>610,174</b></u></u>
<b>NONCASH INVESTING ACTIVITIES</b>		
Contributions of stock	<u><u><b>\$ 29,607</b></u></u>	<u><u><b>\$ -</b></u></u>

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

## **WORLDTEACH, INC.**

(A Not-For-Profit Organization)

### **NOTES TO FINANCIAL STATEMENTS**

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#### **NOTE 1: BUSINESS**

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

#### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

**Cash:** Cash deposits that are held in a Massachusetts bank are insured in full through a combination of insurance provided by the Federal Deposit Insurance Corporation (FDIC) and the Depositors Insurance Fund (DIF). Funds held in foreign countries are not insured by the FDIC.

**Accounts Receivable:** The Organization records an allowance for estimated uncollectible accounts in an amount approximating anticipated losses. Individual uncollectible accounts are written off against the allowance when collection of the individual account appears doubtful. At June 30, 2016, management determined that an allowance for doubtful accounts of \$17,413 was required. Management determined no allowance for doubtful accounts was required at June 30, 2017.

**Furniture, Fixtures, and Equipment:** Furniture, fixtures, and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets (3 – 7 years). Expenditures for routine repairs and maintenance are charged to operations as they are incurred, while those which significantly improve or extend the lives of existing assets are capitalized. During 2017, furniture, fixtures and equipments of \$11,626 were disposed of.

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

## **WORLDTEACH, INC.**

(A Not-For-Profit Organization)

### **NOTES TO FINANCIAL STATEMENTS**

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#### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

Concentrations of credit risk with respect to accounts receivable, volunteer fees are limited due to the number of volunteers.

The Organization had three accounts receivable from three countries amounting to 100% of total accounts receivable, countries at June 30, 2017. The Organization had three account receivables from countries amounting to 70% of total accounts receivable, countries at June 30, 2016.

**Revenue Recognition and Deferred Revenue:** Volunteer and country fees are recognized as revenue upon departure of the volunteers of the related program. Volunteer and country fees collected in advance of departure are deferred until the related program begins.

## **WORLDTEACH, INC.**

(A Not-For-Profit Organization)

### **NOTES TO FINANCIAL STATEMENTS**

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#### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**Foreign Currency Translation:** Gains or losses on foreign currency translations are calculated monthly using exchange rates in effect at the end of each month. The cumulative net gain or loss is included in program services in the statement of activities and changes in net assets and amounted to \$11,117 and \$7,959 for the years ended June 30, 2017 and 2016, respectively.

**Donated Services:** Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the foundation. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statement since the recognition criteria was not met.

**Advertising Costs:** Advertising costs are expensed as incurred and totaled \$31,964 and \$25,894 for the years ended June 30, 2017 and 2016, respectively.

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

The Organization is required to recognize the financial statement's impact of a tax position unless it is more likely than not that the position will not be sustained upon examination. If applicable, the Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Currently, the tax years ended June 30, 2016, 2015, and 2014 are open and subject to examination by the Internal Revenue Service and the Commonwealth of Massachusetts. However, the Organization is not currently under audit nor has the Organization been contacted by either of these jurisdictions.

**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2017 and 2016.

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

**NOTE 3: INVESTMENTS**

Investments consist of the following at June 30, 2017:

	<u>Cost</u>	<u>Fair Value</u>	<u>Quoted Price Inputs (Level 1)</u>
Mutual Fund	\$ 847,313	\$ 1,584,117	\$ 1,584,117
Stocks	15,631	22,744	22,744
	<u>\$ 862,944</u>	<u>\$ 1,606,861</u>	<u>\$ 1,606,861</u>

**NOTE 3: INVESTMENTS (CONTINUED)**

Investments consist of the following at June 30, 2016:

	<u>Cost</u>	<u>Fair Value</u>	<u>Quoted Price Inputs (Level 1)</u>
Mutual Fund	\$ 928,548	\$ 1,626,624	\$ 1,626,624
Stocks	34,655	29,399	29,399
	<u>\$ 963,203</u>	<u>\$ 1,656,023</u>	<u>\$ 1,656,023</u>

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**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4: ACCOUNTS RECEIVABLE, COUNTRIES AND VOLUNTEER FEES, AND DEFERRED REVENUE**

Accounts receivable, countries and volunteer fees, and deferred revenue relate to the following programs at June 30, 2017:

	<u>Accounts</u> <u>Receivable</u>	<u>Deferred</u> <u>Revenue</u>
Bangladesh	\$ 8,650	\$ -
Ecuador	101,519	73,100
Thailand	13,150	-
American Samoa	3,000	55,980
China	1,894	5,700
India	4,490	22,150
Marshall Islands	3,319	60,000
Morocco	1,090	-
Namibia	10,460	34,030
South Africa	4,490	4,990
	<u>\$ 152,061</u>	<u>\$ 255,950</u>

**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4: ACCOUNTS RECEIVABLE, COUNTRIES AND VOLUNTEER FEES, AND DEFERRED REVENUE (CONTINUED)**

Accounts receivable, countries and volunteer fees, and deferred revenue relate to the following programs at June 30, 2016:

	<u>Accounts Receivable</u>	<u>Deferred Revenue</u>
Colombia	\$ 85,316	\$ -
Ecuador	77,692	35,000
China	-	10,000
Namibia	11,254	4,980
South Africa	11,361	7,980
Tanzania	17,413	-
Pohnpei	6,480	22,000
Bangladesh	3,000	4,000
Chile	49,057	3,990
American Samoa	131,059	41,315
Guyana	4,581	1,690
Marshall Island	6,150	49,960
Chuuk	-	2,000
Kosrae	10,222	12,000
Thailand	6,364	6,000
Allowance for doubtful accounts	<u>(17,413)</u>	<u>-</u>
	<u>\$ 402,536</u>	<u>\$ 200,915</u>

**NOTE 5: RENT**

The Organization sub-leased office space in Cambridge, Massachusetts from Harvard University, Kennedy School of Government as a tenant-at-will until March 2017. The Organization entered into an annual lease in Boston, Massachusetts, renting office space, commencing in March 2017. Total rent expense was \$71,869 and \$78,188 in 2017 and 2016, respectively.

In November 2017, the Organization entered into an operating lease agreement for office space to commence on January 1, 2018 and terminate on June 30, 2020. The minimum future lease payments due are \$12,000 for 2018, \$24,600 for 2019 and \$25,800 for 2020.



**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6: ACCRUED VOLUNTEER SUPPORT**

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

	<b>2017</b>	<b>2016</b>
Bangladesh	\$ 1,938	\$ -
Brazil	1,401	-
Chile	-	8,187
Colombia	-	51,553
Ecuador	80,399	49,859
Morocco	2,754	6,105
Namibia	17,544	16,489
Nepal	-	4,507
Pohnpei	-	3,741
Poland	-	3,882
South Africa	7,181	2,964
Thailand	12,145	6,680
	<u>\$ 123,362</u>	<u>\$ 153,967</u>

**NOTE 7: SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through December 20, 2017, the date which the financial statement was available to be issued. There were no events noted that required disclosure in this financial statement except as noted in Note 5.

**SUPPLEMENTARY INFORMATION**

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors

**WorldTeach, Inc.**

(A Not-For-Profit-Organization)

We have audited the financial statements of **WorldTeach, Inc.** (A Not-for-Profit Organization) as of and for the years ended June 30, 2017 and 2016, and our report thereon dated December 20, 2017, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses by program are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

GRAY, GRAY & GRAY, LLP

*Gray, Gray & Gray, LLP*

Canton, MA

December 20, 2017

**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2017

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
<b>COMPENSATION AND RELATED COSTS</b>				
Compensation	\$ 584,819	\$ 114,841	\$ 30,577	\$ 730,237
Payroll taxes	45,789	9,294	2,475	57,558
Benefits	49,006	11,514	3,066	63,586
Contracted and work study	5,269			5,269
	<u>684,883</u>	<u>135,649</u>	<u>36,118</u>	<u>856,650</u>
<b>VOLUNTEER PLACEMENT</b>				
Airline tickets	192,812	-	-	192,812
Health insurance	87,374	-	-	87,374
Room and board	93,353	-	-	93,353
Stipend advances	440,544	-	-	440,544
Other	125,746	-	-	125,746
	<u>939,829</u>	<u>-</u>	<u>-</u>	<u>939,829</u>
<b>ORIENTATION EXPENSES</b>				
Expenses at site	94,905	-	-	94,905
Expenses in USA	6,734	-	-	6,734
In-service	67,301	-	-	67,301
	<u>168,940</u>	<u>-</u>	<u>-</u>	<u>168,940</u>
<b>ADMINISTRATIVE EXPENSES</b>				
Advertising	31,964	-	-	31,964
Meals and entertainment	9,398	-	-	9,398
Office supplies and expenses	29,324	6,985	552	36,861
Postage	2,975	217	18	3,210
Printing and copying	2,149	-	-	2,149
Rent	55,792	14,840	1,237	71,869
Telephone	10,103	1,090	91	11,284
Travel	43,612	-	-	43,612
Vehicle expense	2,369	-	-	2,369
Professional fees	10,747	158,283	-	169,030
Other expenses	156,410	9,930	316	166,656
	<u>354,843</u>	<u>191,345</u>	<u>2,214</u>	<u>548,402</u>
<b>OTHER ITEMS</b>				
Depreciation	2,091	336	311	2,738
Foreign currency translation	(11,117)	-	-	(11,117)
	<u>(9,026)</u>	<u>336</u>	<u>311</u>	<u>(8,379)</u>
<b>TOTAL EXPENSES</b>	<u>\$ 2,139,469</u>	<u>\$ 327,330</u>	<u>\$ 38,643</u>	<u>\$ 2,505,442</u>

**WORLDTEACH, INC.**

(A Not-For-Profit Organization)

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2016

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	<u>Program</u> <u>Expenses</u>	<u>General</u> <u>and</u> <u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
<b>COMPENSATION AND RELATED COSTS</b>				
Compensation	\$ 567,859	\$ 96,658	\$ 21,854	\$ 686,371
Payroll taxes	47,218	8,763	1,981	57,962
Benefits	38,641	8,429	1,906	48,976
Contracted and work study	11,443			11,443
	<u>665,161</u>	<u>113,850</u>	<u>25,741</u>	<u>804,752</u>
<b>VOLUNTEER PLACEMENT</b>				
Airline tickets	203,014	-	-	203,014
Health insurance	104,742	-	-	104,742
Room and board	126,315	-	-	126,315
Stipend advances	545,196	-	-	545,196
Other	70,447	-	-	70,447
	<u>1,049,714</u>	<u>-</u>	<u>-</u>	<u>1,049,714</u>
<b>ORIENTATION EXPENSES</b>				
Expenses at site	104,167	-	-	104,167
Expenses in USA	12,547	-	-	12,547
In-service	60,286	-	-	60,286
	<u>177,000</u>	<u>-</u>	<u>-</u>	<u>177,000</u>
<b>ADMINISTRATIVE EXPENSES</b>				
Advertising	25,894	-	-	25,894
Meals and entertainment	3,055	-	-	3,055
Office supplies and expenses	57,914	8,914	2,022	68,850
Postage	7,130	746	186	8,062
Printing and copying	1,626	-	-	1,626
Rent	64,629	10,847	2,712	78,188
Telephone	13,755	877	219	14,851
Travel	31,983	-	-	31,983
Vehicle expense	3,128	-	-	3,128
Professional fees	50,256	129,969	-	180,225
Other expenses	89,670	25,378	3,458	118,506
	<u>349,040</u>	<u>176,731</u>	<u>8,597</u>	<u>534,368</u>
<b>OTHER ITEMS</b>				
Depreciation	1,421	316	-	1,737
Foreign currency translation	(7,959)	-	-	(7,959)
	<u>(6,538)</u>	<u>316</u>	<u>-</u>	<u>(6,222)</u>
<b>TOTAL EXPENSES</b>	<u>\$ 2,234,377</u>	<u>\$ 290,897</u>	<u>\$ 34,338</u>	<u>\$ 2,559,612</u>

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