

**FINANCIAL STATEMENTS**



**WORLD EDUCATION AND  
DEVELOPMENT FUND  
DBA EDUCANDO**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2018**

**WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO**

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## CPAs & ADVISORS

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
World Education and Development Fund DBA Educando  
Washington, D.C.

We have audited the accompanying financial statements of the World Education and Development Fund DBA Educando (Educando), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

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

#### **Auditor's Responsibility**

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

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Educando as of September 30, 2019, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### **Report on Summarized Comparative Information**

We have previously audited Educando's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gelman Rosenberg & Friedman*

June 29, 2020

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

**STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

## ASSETS

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,529,470	\$ 2,752,199
Grants and contributions receivable	1,363,232	1,669,481
Other receivables	6,969	973
Prepaid expenses	<u>190,499</u>	<u>27,445</u>
Total current assets	<u>3,090,170</u>	<u>4,450,098</u>
<b>FIXED ASSETS</b>		
Office equipment	57,815	56,346
Furniture	4,077	8,210
Website	28,461	28,461
Software	<u>53,195</u>	<u>53,195</u>
	143,548	146,212
Less: Accumulated depreciation and amortization	<u>(124,241)</u>	<u>(118,875)</u>
Net fixed assets	<u>19,307</u>	<u>27,337</u>
<b>OTHER ASSETS</b>		
Security deposits	<u>12,490</u>	<u>27,566</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,121,967</u></b>	<b><u>\$ 4,505,001</u></b>

## LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 152,689	\$ 189,480
Accrued salaries, taxes and vacation	97,878	88,149
Deferred revenue	<u>181,144</u>	<u>284,223</u>
Total liabilities	<u>431,711</u>	<u>561,852</u>
<b>NET ASSETS</b>		
Without donor restrictions	475,474	765,791
With donor restrictions	<u>2,214,782</u>	<u>3,177,358</u>
Total net assets	<u>2,690,256</u>	<u>3,943,149</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 3,121,967</u></b>	<b><u>\$ 4,505,001</u></b>

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE</b>				
Grants and contributions				
Individuals	\$ 103,996	\$ 274,126	\$ 378,122	\$ 543,452
Foundations	129,568	253,896	383,464	1,170,591
Government grants	-	392,244	392,244	553,784
Corporations	250,255	448,757	699,012	649,024
Interest income	41,465	1,188	42,653	75,504
Contributed services	58,548	-	58,548	68,012
Other	4,367	-	4,367	-
Net assets released from donor restrictions	<u>2,322,498</u>	<u>(2,322,498)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>2,910,697</u>	<u>(952,287)</u>	<u>1,958,410</u>	<u>3,060,367</u>
<b>EXPENSES</b>				
Program Services	<u>2,462,679</u>	<u>-</u>	<u>2,462,679</u>	<u>2,761,090</u>
Supporting Services:				
General and Administrative	249,664	-	249,664	301,000
Fundraising	<u>486,522</u>	<u>-</u>	<u>486,522</u>	<u>434,496</u>
Total supporting services	<u>736,186</u>	<u>-</u>	<u>736,186</u>	<u>735,496</u>
Total expenses	<u>3,198,865</u>	<u>-</u>	<u>3,198,865</u>	<u>3,496,586</u>
Change in net assets before other items	<u>(288,168)</u>	<u>(952,287)</u>	<u>(1,240,455)</u>	<u>(436,219)</u>
<b>OTHER ITEMS</b>				
Bad debt	-	-	-	(419,982)
Gain (loss) on currency translation	8,408	(10,289)	(1,881)	(167,086)
Taxes paid by Brazil office	<u>(10,557)</u>	<u>-</u>	<u>(10,557)</u>	<u>(1,629)</u>
Total other items	<u>(2,149)</u>	<u>(10,289)</u>	<u>(12,438)</u>	<u>(588,697)</u>
Change in net assets	(290,317)	(962,576)	(1,252,893)	(1,024,916)
Net assets at beginning of year	<u>765,791</u>	<u>3,177,358</u>	<u>3,943,149</u>	<u>4,968,065</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 475,474</u></b>	<b><u>\$ 2,214,782</u></b>	<b><u>\$ 2,690,256</u></b>	<b><u>\$ 3,943,149</u></b>

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019				2018	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	General and Administrative	Fundraising			
Salaries and wages	\$ 780,632	\$ 84,767	\$ 254,905	\$ 339,672	\$ 1,120,304	\$ 1,329,048
Payroll taxes and other benefits	195,234	32,355	53,044	85,399	280,633	334,802
Grants to schools	-	-	-	-	-	6,759
Program instructors and curriculum development	352,334	1,135	1,688	2,823	355,157	374,026
Program instructors' and participants' travel	223,377	-	-	-	223,377	310,574
Program evaluations	115,432	-	-	-	115,432	15,837
Books and class supplies	180,757	-	60	60	180,817	166,380
Consulting fees	285,457	3,305	46,149	49,454	334,911	205,482
Accounting and audit services	79,475	26,386	38,869	65,255	144,730	199,507
IT expenses	17,673	501	913	1,414	19,087	13,442
Occupancy	69,460	9,659	15,892	25,551	95,011	144,401
Travel	71,660	4,062	11,285	15,347	87,007	131,139
Telephone	8,029	1,892	754	2,646	10,675	13,152
Insurance	11,522	2,351	3,528	5,879	17,401	11,343
Office and general expense	17,245	10,044	6,211	16,255	33,500	53,608
Conferences and meetings	12,324	139	180	319	12,643	-
Postage and shipping	4,200	318	502	820	5,020	4,442
Registration fees	7,483	3,136	4,200	7,336	14,819	3,223
Bank and credit card fees	4,687	3,213	2,440	5,653	10,340	8,773
Payroll processing fees	1,603	642	962	1,604	3,207	2,617
Printing and printed materials	4,825	199	702	901	5,726	13,536
Depreciation and amortization	6,063	728	1,083	1,811	7,874	9,866
Legal expenses	3,978	58,617	139	58,756	62,734	72,297
Furniture and equipment rental	1,463	200	611	811	2,274	18,774
Marketing and communication	-	-	33,723	33,723	33,723	25,075
Fundraising	6,792	2,717	8,682	11,399	18,191	18,911
Other	974	3,298	-	3,298	4,272	9,572
<b>TOTAL</b>	<b>\$ 2,462,679</b>	<b>\$ 249,664</b>	<b>\$ 486,522</b>	<b>\$ 736,186</b>	<b>\$ 3,198,865</b>	<b>\$ 3,496,586</b>

See accompanying notes to financial statements.

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,252,893)	\$ (1,024,916)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	7,874	9,868
Loss on disposal of fixed asset	1,626	-
Decrease (increase) in:		
Grants and contributions receivable	306,249	417,179
Other receivables	(5,996)	8,572
Prepaid expenses	(163,054)	5,560
Security deposits	15,076	12,081
(Decrease) increase in:		
Accounts payable and accrued expenses	(36,791)	59,825
Accrued salaries, taxes and vacation	9,729	52,333
Deferred revenue	<u>(103,079)</u>	<u>284,223</u>
Net cash used by operating activities	<u>(1,221,259)</u>	<u>(175,275)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(1,470)</u>	<u>(12,083)</u>
Net cash used by investing activities	<u>(1,470)</u>	<u>(12,083)</u>
Net decrease in cash and cash equivalents	(1,222,729)	(187,358)
Cash and cash equivalents at beginning of year	<u>2,752,199</u>	<u>2,939,557</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,529,470</u></b>	<b><u>\$ 2,752,199</u></b>



# WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

#### Organization -

The World Education and Development Fund DBA Educando (Educando) is a non-profit organization, incorporated in 2002. Educando was located in New York, New York during the period under audit, and has re-located to Washington, D.C. subsequent to year-end. Educando's mission is to support high-quality and results-driven education in Latin America. Its vision is for every child in Latin America to have access to a high-quality education and the tools to become a productive member of his or her local community. Through its teacher and principal training programs, Educando has trained nearly 13,000 educators, reaching more than 5.5 million students in Mexico and Brazil.

#### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU was adopted during the year ended September 30, 2019 and applied retrospectively.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Educando's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

#### Cash and cash equivalents -

Educando considers all cash and other highly liquid investments with initial maturities of six months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, Educando maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Educando had approximately \$583,572 of cash and cash equivalents held in Mexico and Brazil at September 30, 2019. The majority of the funds held in Mexico and Brazil are uninsured. Such amounts are included in cash and cash equivalents in the accompanying Statement of Financial Position.

#### Grants, contributions and other receivables -

Grants, contributions and other receivables are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established. Deferred revenue consists of amounts received but not yet earned.

#### Fixed assets -

Fixed assets in excess of \$3,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred.

# WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

#### Foreign currency -

The U.S. Dollar is the functional currency of Educando. Transactions in currencies other than dollars are translated into dollars at the rates of exchange in effect during the month of the transaction.

Property and equipment purchases with non-U.S. currency are translated into dollars at the exchange rate in effect at the time of purchase. Assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the Statement of Financial Position. The net exchange losses from foreign currency totaled \$1,881 for the year ended September 30, 2019.

#### Income taxes -

Educando is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. Educando is not a private foundation.

#### Uncertain tax positions -

For the year ended September 30, 2019, Educando has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

#### Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

#### Grants and contributions -

Grants and contributions are recorded as revenue in the year notification is received from the donor.

# WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

#### Grants and contributions (continued) -

Grants and contributions with donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Grants and contributions received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

#### Program service fees -

Program service fees represent fees submitted by the Mexican Government for each state that participates in the IAPE program.

#### Use of estimates -

The preparation of financial statements 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 of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Educando are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

#### New accounting pronouncements not yet adopted -

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. Educando has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance.

# WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements not yet adopted (continued) -

The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted. Educando has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for non public entities beginning after December 15, 2020. Early adoption is permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

Educando plans to adopt the new ASUs at the respective required implementation dates.

### 2. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30, 2019:

Subject to expenditure for specified purpose:	
Inter-American Partnership for Education (IAPE)	\$ 137,535
Principal Training Program (LISTO)	629,311
STEM Brasil	1,324,297
STEM Mexico	<u>123,639</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 2,214,782</u></b>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished:	
Inter-American Partnership for Education (IAPE)	\$ 592,629
Principal Training Program (LISTO)	598,727
STEM Brasil	885,229
STEM Mexico	<u>245,913</u>
<b>TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b><u>\$ 2,322,498</u></b>

### 3. CONTRIBUTED SERVICES

During the year ended September 30, 2019, Educando was the beneficiary of donated legal services. The value of the donated legal services, (\$58,548), was based upon the fair value at the date the services were provided.

**WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**4. LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 1,529,470
Grants and contributions receivable	1,363,232
Other receivables	<u>6,969</u>
Subtotal financial assets available within one year	2,899,671
Less: Donor restricted funds	<u>(2,214,782)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 684,889</u></b>

Educando has a policy to structure its financial assets to be available and liquid as its obligations become due.

**5. OCCUPANCY**

Educando entered into a five year lease agreement for office space in New York on July 1, 2015. Base rent was \$45,630 per year, plus a proportionate share of expenses, increasing by a factor of 2.9% per year. Educando closed its New York office, and was released from the lease as of December 31, 2018. Educando currently leases office space in Washington, D.C. under a month to month agreement.

During fiscal year 2019, Educando had three leases in Mexico, with end dates April 30, 2021, August 25, 2020 and November 30, 2020.

Educando also rents office space in Brazil under a lease that ends November 30, 2020. Educando also leases warehouse and additional office space in Brazil under leases that can be canceled with 30 days notice.

The following is a schedule of the future minimum lease payments:

<b><u>Year Ending September 30,</u></b>	
2020	\$ 80,682
2021	34,170
2022	17,285
2023	<u>17,285</u>
	<b><u>\$ 149,422</u></b>

Rent expense, including real estate taxes and utilities, under the aforementioned lease agreements, was \$95,011 for the year ended September 30, 2019.

**6. RETIREMENT PLAN**

Educando has adopted a defined contribution plan for all eligible employees, effective January 1, 2009, covering all full-time employees with six months of eligible experience and a minimum age requirement of 21 years. Matching employer contributions to the Plan are on a discretionary basis. During the year ended September 30, 2019, no matching contributions were made.

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

#### 7. CONTINGENCY

At the present time, Educando conducts programmatic activities in Brazil and Mexico and maintains certain assets within each respective country. The future results of those programs could be adversely affected by a number of potential factors, such as currency devaluations, changes in local tax laws or changes in the political climate.

#### 8. SUBSEQUENT EVENTS

In preparing these financial statements, Educando has evaluated events and transactions for potential recognition or disclosure through June 29, 2020, the date the financial statements were issued.

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may impact Educando's operations. The overall potential impact is unknown at this time.

On May 6, 2020, Educando entered into a two-year promissory note agreement in the amount of \$59,400 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.

During June of 2020, Educando ceased operations of its Inter-American Partnership for Education (IAPE) program.