

**FINANCIAL STATEMENTS**



**WORLD EDUCATION AND  
DEVELOPMENT FUND  
DBA EDUCANDO**

**FOR THE YEAR ENDED SEPTEMBER 30, 2020  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2019**

**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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gelman Rosenberg & Friedman*

May 3, 2021

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

**STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2020**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

<b>ASSETS</b>		<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 1,702,221	\$ 1,529,470
Grants and contributions receivable		1,061,881	1,363,232
Other receivables		9,405	6,969
Prepaid expenses		<u>15,969</u>	<u>190,499</u>
Total current assets		<u>2,789,476</u>	<u>3,090,170</u>
<b>FIXED ASSETS</b>			
Office equipment		57,815	57,815
Furniture		4,077	4,077
Website		28,461	28,461
Software		<u>53,195</u>	<u>53,195</u>
		143,548	143,548
Less: Accumulated depreciation and amortization		<u>(130,499)</u>	<u>(124,241)</u>
Net fixed assets		<u>13,049</u>	<u>19,307</u>
<b>OTHER ASSETS</b>			
Security deposits		<u>2,434</u>	<u>12,490</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 2,804,959</b></u>	<u><b>\$ 3,121,967</b></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Note payable		\$ 36,078	\$ -
Accounts payable and accrued expenses		18,638	152,689
Accrued salaries, taxes and vacation		78,962	97,878
Deferred revenue		<u>-</u>	<u>181,144</u>
Total current liabilities		<u>133,678</u>	<u>431,711</u>
<b>LONG-TERM LIABILITIES</b>			
Note payable, net of current portion		<u>23,322</u>	<u>-</u>
Total liabilities		<u>157,000</u>	<u>431,711</u>
<b>NET ASSETS</b>			
Without donor restrictions		522,837	475,474
With donor restrictions		<u>2,125,122</u>	<u>2,214,782</u>
Total net assets		<u>2,647,959</u>	<u>2,690,256</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><b>\$ 2,804,959</b></u>	<u><b>\$ 3,121,967</b></u>

See accompanying notes to financial statements.

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE</b>				
Grants and contributions (net of direct benefit to donors of \$180,375):				
Individuals	\$ 92,471	\$ 286,241	\$ 378,712	\$ 378,122
Foundations	102,194	771,974	874,168	383,464
Government grants	-	25,762	25,762	392,244
Corporations	30,328	662,613	692,941	699,012
Contributed services	61,592	-	61,592	58,548
Interest income	46,663	778	47,441	55,610
Program service fees	15,781	-	15,781	-
Other	407	-	407	4,367
Net assets released from donor restrictions	<u>1,837,684</u>	<u>(1,837,684)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>2,187,120</u>	<u>(90,316)</u>	<u>2,096,804</u>	<u>1,971,367</u>
<b>EXPENSES</b>				
Program Services	<u>1,103,652</u>	<u>-</u>	<u>1,103,652</u>	<u>2,473,236</u>
Supporting Services:				
General and Administrative	474,054	-	474,054	249,663
Fundraising	<u>352,620</u>	<u>-</u>	<u>352,620</u>	<u>486,522</u>
Total supporting services	<u>826,674</u>	<u>-</u>	<u>826,674</u>	<u>736,185</u>
Total expenses	<u>1,930,326</u>	<u>-</u>	<u>1,930,326</u>	<u>3,209,421</u>
Change in net assets before other item	256,794	(90,316)	166,478	(1,238,054)
<b>OTHER ITEM</b>				
(Loss) gain on currency translation	<u>(209,431)</u>	<u>656</u>	<u>(208,775)</u>	<u>(14,839)</u>
Change in net assets	47,363	(89,660)	(42,297)	(1,252,893)
Net assets at beginning of year	<u>475,474</u>	<u>2,214,782</u>	<u>2,690,256</u>	<u>3,943,149</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 522,837</u></b>	<b><u>\$ 2,125,122</u></b>	<b><u>\$ 2,647,959</u></b>	<b><u>\$ 2,690,256</u></b>

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	2020				2019	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	General and Administrative	Fundraising			
Salaries and wages	\$ 380,929	\$ 204,095	\$ 215,591	\$ 419,686	\$ 800,615	\$ 1,120,304
Payroll taxes and other benefits	84,044	46,676	34,333	81,009	165,053	280,633
Brazil taxes	1,818	22	-	22	1,840	10,557
Program instructors and curriculum development	120,729	-	-	-	120,729	355,157
Program instructors' and participants' travel	40,644	-	-	-	40,644	223,377
Program evaluations	1,453	-	-	-	1,453	115,432
Books and class supplies	150,416	-	-	-	150,416	180,817
Consulting fees	217,093	-	62,221	62,221	279,314	353,102
Accounting and audit services	6,641	76,428	-	76,428	83,069	144,730
IT expenses	9,166	1,711	-	1,711	10,877	19,087
Occupancy	26,444	33,662	640	34,302	60,746	95,011
Travel	13,402	11,953	11,118	23,071	36,473	87,007
Telephone	5,186	3,382	16	3,398	8,584	10,675
Insurance	7,483	6,342	757	7,099	14,582	17,401
Office and general expense	13,252	13,608	224	13,832	27,084	33,500
Conferences and meetings	784	-	-	-	784	12,643
Postage and shipping	939	511	40	551	1,490	5,020
Registration fees	-	426	16,842	17,268	17,268	14,819
Bank and credit card fees	1,092	4,269	4,581	8,850	9,942	10,340
Payroll processing fees	5,095	3,636	2,816	6,452	11,547	3,207
Printing and printed materials	975	93	162	255	1,230	5,726
Depreciation and amortization	3,342	2,916	-	2,916	6,258	7,874
Legal expenses	3,047	62,543	-	62,543	65,590	62,734
Furniture and equipment rental	80	977	-	977	1,057	2,274
Marketing and communication	9,598	804	3,279	4,083	13,681	33,723
Other	-	-	-	-	-	4,271
<b>TOTAL</b>	<b>\$ 1,103,652</b>	<b>\$ 474,054</b>	<b>\$ 352,620</b>	<b>\$ 826,674</b>	<b>\$ 1,930,326</b>	<b>\$ 3,209,421</b>

See accompanying notes to financial statements.

## WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (42,297)	\$ (1,252,893)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	6,258	7,874
Loss on disposal of fixed asset	-	1,626
Decrease (increase) in:		
Grants and contributions receivable	301,351	306,249
Other receivables	(2,436)	(5,996)
Prepaid expenses	174,530	(163,054)
Security deposits	10,056	15,076
(Decrease) increase in:		
Accounts payable and accrued expenses	(134,051)	(36,791)
Accrued salaries, taxes and vacation	(18,916)	9,729
Deferred revenue	<u>(181,144)</u>	<u>(103,079)</u>
Net cash provided (used) by operating activities	<u>113,351</u>	<u>(1,221,259)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>-</u>	<u>(1,470)</u>
Net cash used by investing activities	<u>-</u>	<u>(1,470)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note	<u>59,400</u>	<u>-</u>
Net cash provided by financing activities	<u>59,400</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	172,751	(1,222,729)
Cash and cash equivalents at beginning of year	<u>1,529,470</u>	<u>2,752,199</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,702,221</u></b>	<b><u>\$ 1,529,470</u></b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Taxes Paid	<b><u>\$ 1,840</u></b>	<b><u>\$ 10,557</u></b>



# WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### 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 is located in Washington, D.C. 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 Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are 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.

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, 2019, from which the summarized information was derived.

#### New accounting pronouncements adopted -

During the year ended September 30, 2020, Educando early adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities.

Analysis of the various provisions of this standard resulted in no significant changes in the way Educando recognized revenue; however, the presentation and disclosures of revenue have been enhanced.

# WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

#### New accounting pronouncements adopted (continued) -

Educando has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Also during the year ended September 30, 2020, Educando adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. Educando adopted the ASU using a modified prospective basis.

#### 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 \$1,020,000 of cash and cash equivalents held in Mexico and Brazil at September 30, 2020. The majority of the funds held in Mexico and Brazil are uninsured. Such amounts represent 36% of Educando's assets as of September 30, 2020.

#### Grants, contributions and other receivables -

Grants, contributions and other receivables are recorded at their net realizable value, which approximates fair value. 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.

#### 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 \$208,775 for the year ended September 30, 2020.

# WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

#### 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.

Educando's offices in Mexico and Brazil are registered in country and are considered exempt under their respective country tax code. As required by the Brazilian government, Educando's Brazil office does pay the government taxes based on the amount of contributions it receives. For the year ended September 30, 2020 these taxes totaled \$1,840.

#### Uncertain tax positions -

For the year ended September 30, 2020, 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.

#### Grants and contributions -

The majority of Educando's activities are supported by grants and contributions. These awards are for various activities performed by Educando. Grants and contributions are recognized in the appropriate category of net assets in the period received. Educando performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions and grants qualifying as contributions that are unconditional and have 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. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions or grants qualifying as conditional contributions contain a right of return from obligation provision that limits Educando on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. Educando did not have any unrecognized conditional awards as of September 30, 2020.

#### Program service fees -

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

# WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

#### 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.

#### Economic uncertainties -

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 negatively impact Educando's operations. The overall potential impact is unknown at this time.

#### New accounting pronouncement not yet adopted -

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still 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 ASU at the required implementation dates and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

### 2. NOTE PAYABLE

On April 30, 2020, Educando received note proceeds in the amount of \$59,400 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. 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. Educando intends to use the proceeds for purposes consistent with the Paycheck Protection Program and believes that its use of the note proceeds will meet the conditions for forgiveness of the note. Educando intends to apply for forgiveness after completing the 24-week period. If forgiveness is granted, Educando will record revenue from debt extinguishment during the period that forgiveness was approved.

**WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**2. NOTE PAYABLE (Continued)**

Principal payments as stated in the promissory note are due as follows unless otherwise forgiven:

**Year Ending September 30,**

2021	\$ 36,078
2022	<u>23,322</u>
	<b><u>\$ 59,400</u></b>

**3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at September 30, 2020:

Subject to expenditure for specified purpose:	
Principal Training Program (LISTO)	\$ 686,915
STEM Brasil	1,393,746
STEM Mexico	<u>44,461</u>

**TOTAL NET ASSETS WITH DONOR RESTRICTIONS** **\$ 2,125,122**

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)	\$ 313,213
Principal Training Program (LISTO)	471,712
STEM Brasil	973,451
STEM Mexico	<u>79,308</u>

**TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS** **\$ 1,837,684**

**4. CONTRIBUTED SERVICES**

During the year ended September 30, 2020, Educando was the beneficiary of donated legal services. The value of the donated legal services, \$61,592, was based upon the fair value at the date the services were provided.

**5. 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	\$ 1,702,221
Grants and contributions receivable	1,061,881
Other receivables	<u>9,405</u>
Subtotal financial assets available within one year	2,773,507
Less: Donor restricted funds	<u>(2,125,122)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS  
FOR GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 648,385**

**WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**5. LIQUIDITY AND AVAILABILITY (Continued)**

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

**6. OCCUPANCY**

Educando leased office space in Washington, D.C. under a month-to-month agreement for a portion of the year but no longer maintains office space in the U.S.

During fiscal year 2020, Educando had three leases in Mexico. As of year end there are two leases remaining, which expire July 31, 2021 and October 31, 2021.

Educando also rents office space in Brazil under a lease that ends October 31, 2021. Educando also leases warehouse and additional office space in Brazil under leases that expire June 3, 2021 and May 30, 2022, respectively.

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

**Year Ending September 30,**

2021	\$ 27,075
2022	<u>3,117</u>
	<b><u>\$ 30,192</u></b>

Rent expense, including real estate taxes and utilities, under the aforementioned lease agreements, was \$60,746 for the year ended September 30, 2020.

**7. 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, 2020, no matching contributions were made.

**8. 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.

**9. SUBSEQUENT EVENTS**

In preparing these financial statements, Educando has evaluated events and transactions for potential recognition or disclosure through May 3, 2021, the date the financial statements were issued.

**WORLD EDUCATION AND DEVELOPMENT FUND DBA EDUCANDO**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**9. SUBSEQUENT EVENTS (Continued)**

On February 1, 2021, Educando entered into a five-year promissory note agreement in the amount of \$57,600 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.