

# **UNITED WORLD SCHOOLS USA, INC.**

REVIEWED FINANCIAL STATEMENTS

For the year ended December 31, 2020



# UNITED WORLD SCHOOLS USA, INC.

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Board of Directors  
United World Schools USA, Inc.  
Arlington, Massachusetts

We have reviewed the accompanying financial statements of United World Schools USA, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*UHY* LLP

Columbia, Maryland  
June 3, 2021

**UNITED WORLD SCHOOLS USA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2020**

**ASSETS**

Cash	<u>\$ 123,414</u>
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**LIABILITIES AND NET ASSETS**

LIABILITIES

Accounts payable	\$ 17,669
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NET ASSETS

Net assets without donor restrictions	<u>105,745</u>
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Total liabilities and net assets	<u>\$ 123,414</u>
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**UNITED WORLD SCHOOLS USA, INC.**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2020

	<b><u>Without Donor Restrictions</u></b>
<b>Support</b>	
Contributions	\$ <u>125,017</u>
<b>Expenses</b>	
Management and general:	
Professional services	16,169
Filing and legal fees	2,942
Bank fees	<u>161</u>
Total management and general expenses	<u>19,272</u>
<b>Change in Net Assets</b>	105,745
<b>Net Assets, Beginning</b>	<u>-</u>
<b>Net Assets, Ending</b>	<u><u>\$ 105,745</u></u>

**UNITED WORLD SCHOOLS USA, INC.**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2020

**Cash Flows from Operating Activities**

Cash received from contributors	\$ 125,017
Cash payments for operating expenses	<u>(1,603)</u>

Net cash provided by operating activities	<u>123,414</u>
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<b>Net Increase in Cash</b>	123,414
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<b>Cash, Beginning</b>	<u>-</u>
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<b>Cash, Ending</b>	<u><u>\$ 123,414</u></u>
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**Reconciliation of Change in Net Assets to  
Net Cash Provided by Operating Activities**

Change in net assets	\$ 105,745
Reconciliation adjustments:	
Increase in accounts payable	<u>17,669</u>

Net cash provided by operating activities	<u><u>\$ 123,414</u></u>
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**UNITED WORLD SCHOOLS USA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

**NOTE 1 - NATURE OF ORGANIZATION AND PROGRAM DESCRIPTION**

**Organization**

The United World Schools USA, Inc. (UWS-USA) was incorporated under the laws of the state of Massachusetts in December 2019 to operate as a nonprofit corporation. The mission of USW-USA is to improve, through education, life opportunities for some of the world's poorest children living in remote and marginalized communities. The vision of the USW-USA is a world in which all children have the chance to go to school.

USW-USA was initially funded by United World Schools, a nongovernmental organization (NGO) headquartered in London, England (UWS UK). USW-USA is governed by an independent Board of Directors and coordinates closely with UWS UK and the United World Schools' offices and country programs throughout the world. Funds are raised in the United States through contributions and donations from individuals, corporations, foundations and governments.

**Program Services**

United World Schools (UWS) was founded in 2009 with a single school in a remote village in Cambodia. Today, the global NGO runs 250 schools across communities in Nepal, Cambodia and Myanmar unreached even by other high achieving NGOs. With a model based on an unwavering commitment to quality education that always meets or exceeds national standards, and a relentless pursuit of cost efficiency that allows schools to be built at an average cost of less than \$40,000 and operated for less than \$2 per week per child; no other organization has pioneered such a unique and achievable vision for bringing the worlds out-of-school children into classrooms.

This rapid growth and scale of ambition continues to drive the organization forward every day. By providing children with access to free elementary education, UWS addresses a primary cause of long-term poverty and deprivation. Its simple-but-flexible approach aligns with the national curriculum in each country in which it operates, while supporting locally trained teachers' efforts to deliver context-appropriate curricula. Within 5-7 years, schools are transitioned into national systems to ensure sustainability and replicability is maintained within the UWS system.

United World Schools USA (UWS-USA) was founded to support and amplify the global reach of an aligned UWS mission. With the power and platforms of the United States behind UWS' next phase of growth, UWS is poised to increase its impact on early childhood education around the world, reaching far more students, communities, and countries than ever before.

UWS also aims to build global citizens at-home through its partner-school program, which pairs schools and students across the United States, Europe, and other developed regions with students and educational programs within UWS schools. This pioneering approach provides a unique opportunity for students in the developed world to gain insight and understanding of the world beyond their own borders. By creating a national network of emerging global citizens through the partner school program, UWS helps ensure next-generation Americans value the U.S. tradition of positive engagement with the world.

**UNITED WORLD SCHOOLS USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

**Net Assets**

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of USW-USA and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors or management for general operating purposes. From time to time, the Board of Directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. USW-USA reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. As of December 31, 2020, there were no net assets with donor restrictions.

**Revenue Recognition**

Contributions received, including unconditional promises to give, are recognized in the period they are received or pledged. Contributions received are reported as either revenue without donor restrictions or revenue with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenue without donor restrictions.

Conditional promises to give, with a measurable barrier and a right of return, are not recognized until the conditions on which they depend are substantially met. Conditional contributions are recorded as contribution revenue when the conditions have been substantially met or explicitly waived by the donor. Conditional contributions that are restricted by the donor are reported as refundable advance until all conditions are substantially met to remove the restriction.

**UNITED WORLD SCHOOLS USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Tax Status**

USW-USA is recognized by the Internal Revenue Service as a qualifying charity under Section 501(c)(3) of the Internal Revenue Code, and it is classified as an exempt organization that is not a private foundation. USW-USA is exempt from the payment of federal income taxes, except on net income derived from unrelated business activities. For the year ended December 31, 2020, USW-USA did not have any unrelated business activities.

USW-USA does not believe its financial statements include any uncertain tax provisions, and has no unrecognized tax benefits or liabilities that need to be recorded for the year ended December 31, 2020.

**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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates and be affected by the severity and duration of the COVID-19 pandemic, the extent of actions to contain or treat COVID-19, how quickly and to what extent normal economic and operating activity can resume, and the severity and duration of the global economic downturn that results from the pandemic.

**NOTE 3 - REVENUE CONCENTRATIONS**

USW-USA received 61% of its support from one donor in 2020. USW-USA is subject to operational risks should USW-USA experience a decline in contributions from major donors.

**NOTE 4 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

USW-USA's financial assets that are available for general expenditures within one year of the statement of financial position date are as follows:

Cash	<u>\$ 123,414</u>
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USW-USA structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**UNITED WORLD SCHOOLS USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

**NOTE 5 - COVID-19 FINANCIAL STATEMENT IMPACT**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on USW-USA's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on USW-USA's donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact USW-USA's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**NOTE 6 - SUBSEQUENT EVENTS**

USW-USA has evaluated subsequent events for potential required disclosure through June 3, 2021, which is the date the financial statements were available to be issued.