## TOSTAN, INC.

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
Tostan, Inc.
Washington, D.C.

We have audited the accompanying financial statements of Tostan, Inc. (Tostan), which comprise the statement of financial position as of December 31, 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 Tostan as of December 31, 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.

August 12, 2020
EXHIBIT A

TOSTAN, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

ASSETS

CURRENT ASSETS

- Cash and cash equivalents $2,337,272
- Investments 508
- Grants receivable 333,333
- Employee receivables 29,055
- Other receivables and advances 229,340
- Prepaid expenses and other assets 25,041

Total current assets 2,954,549

PROPERTY AND EQUIPMENT

- Land 271,433
- Buildings and improvements 458,372
- Furniture and equipment 96,567
- Computer equipment and software 289,674
- Vehicles 467,247

1,583,293

Less: Accumulated depreciation and amortization (991,551)

Net property and equipment 591,742

NONCURRENT ASSETS

- Grants receivable, net of current portion and present value discount of $5,188 328,145

TOTAL ASSETS $3,874,436

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

- Accounts payable and accrued liabilities $301,442

NET ASSETS

- Without donor restrictions 1,699,871
- With donor restrictions 1,873,123

Total net assets 3,572,994

TOTAL LIABILITIES AND NET ASSETS $3,874,436

See accompanying notes to financial statements.
EXHIBIT B

TOSTAN, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUPPORT AND REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$2,364,759</td>
<td>$4,609,431</td>
</tr>
<tr>
<td>Interest and investment income</td>
<td>1,022</td>
<td>-</td>
</tr>
<tr>
<td>Program services revenue</td>
<td>323,532</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from donor restrictions</td>
<td>4,701,427</td>
<td>(4,701,427)</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>7,390,740</td>
<td>(91,996)</td>
</tr>
</tbody>
</table>

| **EXPENSES**               |                         |       |
| Program Services           | 6,391,804               | - | 6,391,804 |
| Supporting Services:       |                         |       |
| General and Administrative | 1,044,174               | - | 1,044,174 |
| Fundraising                | 413,101                 | - | 413,101 |
| Total supporting services  | 1,457,275               | - | 1,457,275 |
| Total expenses             | 7,849,079               | - | 7,849,079 |
| Change in net assets before other item | (458,339) | (91,996) | (550,335) |

| **OTHER ITEM**             |                         |       |
| Foreign exchange loss      |                         | (3,349) | (3,349) |
| Change in net assets       | (458,339)               | (95,345) | (553,684) |
| Net assets at beginning of year, as restated | 2,158,210 | 1,968,468 | 4,126,678 |

**NET ASSETS AT END OF YEAR**

$1,699,871  $1,873,123  $3,572,994

See accompanying notes to financial statements.
TOSTAN, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>Program Services</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total Supporting Services</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related benefits</td>
<td>$ 2,683,656</td>
<td>$ 542,938</td>
<td>$ 191,478</td>
<td>$ 734,416</td>
<td>$ 3,418,072</td>
</tr>
<tr>
<td>Contract services</td>
<td>730,537</td>
<td>337,729</td>
<td>148,224</td>
<td>485,953</td>
<td>1,216,490</td>
</tr>
<tr>
<td>Grants and other assistance</td>
<td>162,001</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>162,001</td>
</tr>
<tr>
<td>Program training costs</td>
<td>357,090</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>357,090</td>
</tr>
<tr>
<td>Supplies</td>
<td>318,461</td>
<td>32,369</td>
<td>30,944</td>
<td>63,313</td>
<td>381,774</td>
</tr>
<tr>
<td>Facilities and equipment</td>
<td>483,897</td>
<td>52,695</td>
<td>19,504</td>
<td>72,199</td>
<td>556,096</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>1,656,162</td>
<td>78,443</td>
<td>22,951</td>
<td>101,394</td>
<td>1,757,556</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 6,391,804</strong></td>
<td><strong>$ 1,044,174</strong></td>
<td><strong>$ 413,101</strong></td>
<td><strong>$ 1,457,275</strong></td>
<td><strong>$ 7,849,079</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
TOSTAN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets $ (553,684)

Adjustments to reconcile change in net assets to net cash used by operating activities:

Depreciation and amortization 56,317
Realized loss on sales of investments 180
Receipt of donated investments (2,455)
Proceeds from sales of donated investments 1,767
Change in discount on noncurrent grants receivable 5,188

(Increase) decrease in:
  Grants receivable (666,666)
  Employee receivables 311
  Other receivables and advances (20,668)
  Prepaid expenses and other assets (4,669)

Increase in:
  Accounts payable and accrued liabilities 27,990

Net cash used by operating activities (1,156,389)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment (163,308)

Net cash used by investing activities (163,308)

Net decrease in cash and cash equivalents (1,319,697)

Effect of foreign currency exchange fluctuations on property and equipment revaluation 21,020

Cash and cash equivalents at beginning of year 3,635,949

CASH AND CASH EQUIVALENTS AT END OF YEAR $ 2,337,272

See accompanying notes to financial statements.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Tostan, Inc. (Tostan) is a U.S. non-governmental organization, incorporated in Delaware and based in Senegal, West Africa. Tostan’s mission is to empower African communities to bring about sustainable development and positive social transformation based on respect for human rights. Working primarily in remote regions, Tostan provides holistic, participatory education to adults and adolescents who have not had access to formal schooling.

For over two decades, Tostan has demonstrated that providing such an education transforms learners and their communities, leading to meaningful and sustainable social change. Tostan’s unique 30-month education program, known as the Community Empowerment Program (CEP), includes modules on human rights, hygiene and health, literacy, and project management. It also employs community-led outreach strategies that engage program participants in their own and neighboring villages. Through this approach, Tostan has transformed the lives of thousands of people in Africa.

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.

  During 2018, Tostan created a reserve fund that allocated 20% of all unrestricted contributions (pursuant to the "Molly Melching Fund" gift appeal) into the fund during that initial year, to be used in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities; such funds can only be used with the express approval from the Board of Directors. The total amount of the Board Designated net assets aggregated $286,400. There were no contributions to the fund in 2019.

- **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.

New accounting pronouncements adopted -

During 2019, Tostan early adopted Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements adopted (continued) -

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 manner in which Tostan recognized revenue; however, the presentation and disclosures of revenue have been enhanced. Tostan 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 2019, Tostan 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 improve guidance to better distinguish between conditional and unconditional contributions.

In connection with the adoption of ASU 2018-08, Tostan restated its beginning net assets to properly reflect the retrospective implementation of the ASU.

Accordingly, the following account balances were restated as of December 31, 2018:

<table>
<thead>
<tr>
<th>Account</th>
<th>As Restated</th>
<th>As Previously Stated</th>
<th>Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contributions receivable, current</td>
<td>$ -</td>
<td>$3,662,581</td>
<td>$(3,662,581)</td>
</tr>
<tr>
<td>Grants and contributions receivable, noncurrent</td>
<td>-</td>
<td>$1,442,133</td>
<td>$(1,442,133)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ -</td>
<td>$5,104,714</td>
<td>$(5,104,714)</td>
</tr>
<tr>
<td>Net assets with donor restrictions</td>
<td>$1,968,468</td>
<td>$7,073,182</td>
<td>$(5,104,714)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,968,468</td>
<td>$7,073,182</td>
<td>$(5,104,714)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents -

Tostan considers all cash and other highly liquid investments with initial maturities of three 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, Tostan maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Additionally, Tostan maintained $1,450,601 of cash on hand and in banks in several countries within Africa; all such funds are not insured. Management believes the risk in these situations to be minimal.

Receivables -

All receivables approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Property and equipment -

Furniture, equipment and vehicle purchases in excess of $5,000 are capitalized and stated at cost. Furniture, equipment and vehicles are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. Land that is purchased with undesignated funds is capitalized at original acquisition value and is not amortized. Buildings (and improvements that are fixed and enhance the value of the building) are capitalized and amortized over 20 years.

Donations of computer equipment and software with a unit value of $5,000 or more are recorded as contributions "with donor restrictions" and as capital assets in the year the contribution is received; those net assets are subsequently released from restrictions at the time those assets are placed in service.

Income taxes -

Tostan is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a school under Section 170(b)(1)(A)(ii). Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Uncertain tax positions -

For the year ended December 31, 2019, Tostan 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.

Revenue recognition -

The majority of Tostan’s revenue is received through individual contributions as well as grants from foreign governments, international organizations and other entities. Grants and contributions are recognized in the appropriate category of net assets in the period received. Tostan performs an analysis of the individual gift to determine if the revenue streams follow the contributions rules or if considered an exchange transaction depending on whether the transaction is reciprocal or nonreciprocal.

For grants and contributions qualifying under the contributions rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized as revenue until the condition on which they depend are substantially met.

Grants and contributions that are deemed to be unconditional but include specific donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and/or satisfaction of time restrictions; such funds in excess of expenses incurred are presented as "net assets with donor restrictions" in the accompanying financial statements.

Grants and contributions that are deemed to be conditional contain a right of return and a barrier. Revenue is recognized when the condition(s) are satisfied. Tostan receives awards from the United States Government, foreign governments, multilateral entities and other similar donors. Awards from the aforementioned donors generally include a right of return or a right of release from the obligation provision, and Tostan has limited discretion over how funds transferred should be spent.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Revenue recognition (continued) -

These awards are deemed to be nonreciprocal. As such, Tostan recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying direct and indirect expenditures are incurred and programmatic delivery has been successful). Funds received in advance of meeting donor conditions are recorded as refundable advances. As of December 31, 2019, Tostan had approximately $12,355,000 of unrecognized conditional grants and contributions revenue (and related receivables); such revenue will be recognized in future years as donor conditions are met.

In addition, Tostan receives fees from customers that participate in the educational program activities administered through its Training Center. Fees are charged based on educational content received, usage of space, meals/lodging and other incidentals. Program service fee income is recognized on a daily basis, when the performance obligation is deemed satisfied. Accordingly, revenue is recognized immediately (at the time of billing), when the service is provided.

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 currency -

Tostan maintains offices in several countries within Africa. All assets and liabilities held in overseas offices are reported in the accompanying Statement of Financial Position and have been translated into U.S. Dollars using the spot exchange rate in effect as of fiscal year-end. All revenues and expenses transacted abroad are reported in the accompanying Statement of Activities and Change in Net Assets and have been translated into U.S. Dollars using the average annual exchange rate. As the year-end assets and liabilities (held abroad) have been revalued at the current spot rates, exchange rate variances have been reflected as a currency gain or loss in the accompanying Statement of Activities and Change in Net Assets.

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 Tostan 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 or other reasonable basis.

New accounting pronouncement (not yet adopted) -

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

New accounting pronouncement (not yet adopted) (continued) -

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. Tostan plans to adopt the new ASU at the required implementation date, 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. GRANTS RECEIVABLE

Tostan has received commitments of support from its donors, of which $666,666 had not been collected as of December 31, 2019. Payments expected to be collected more than one year from the Statement of Financial Position date are recorded at their net present value of the estimated cash flows, using a discount rate of 3.25%. Payments are expected to be collected as follows:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>$333,333</td>
</tr>
<tr>
<td>One to five years</td>
<td>$333,333</td>
</tr>
<tr>
<td>Total</td>
<td>666,666</td>
</tr>
<tr>
<td>Less: Present value discount</td>
<td>(5,188)</td>
</tr>
</tbody>
</table>

GRANTS RECEIVABLE, NET $661,478

3. LIQUIDITY AND AVAILABILITY

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

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,337,272</td>
</tr>
<tr>
<td>Investments</td>
<td>508</td>
</tr>
<tr>
<td>Grants receivable, current portion</td>
<td>333,333</td>
</tr>
<tr>
<td>Subtotal financial assets available within one year</td>
<td>2,671,113</td>
</tr>
<tr>
<td>Less: Donor restricted funds</td>
<td>(1,544,978)</td>
</tr>
<tr>
<td>Less: Board designated funds</td>
<td>(286,400)</td>
</tr>
</tbody>
</table>

FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR $839,735

Tostan is substantially supported by restricted grants and contributions. As a donor’s restriction requires resources to be used in a particular manner or in a future period, Tostan must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of Tostan’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2019, Tostan maintained financial assets equal to approximately 40 days of operating expenses.
3. LIQUIDITY AND AVAILABILITY (Continued)

Additionally, Tostan's Board of Directors has designated a portion of its operating surplus to its liquidity reserve, and as of December 31, 2019, the aggregate amount in the reserve totaled $286,400. The reserve was established in order to ensure Tostan maintained liquidity in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2019:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$1,211,645</td>
</tr>
<tr>
<td>Time restricted</td>
<td>661,478</td>
</tr>
<tr>
<td><strong>NET ASSETS WITH DONOR RESTRICTIONS</strong></td>
<td><strong>$1,873,123</strong></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$4,368,093</td>
</tr>
<tr>
<td>Passage of time</td>
<td>333,334</td>
</tr>
<tr>
<td><strong>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</strong></td>
<td><strong>$4,701,427</strong></td>
</tr>
</tbody>
</table>

5. LEASES

Tostan rents office space under various short-term (and month-to-month) lease agreements within several African countries where it operates and administers its programs. Tostan also leases office space in Washington, D.C. under a month-to-month agreement. During the year ended December 31, 2019, rent expense (under all worldwide leases) totaled approximately $64,000.

6. RETIREMENT PLAN

Tostan provides retirement benefits to qualifying employees under a 403(b) plan. Tostan matches 100% of contributions, up to 4% of gross wages. Contributions to the Plan during the year ended December 31, 2019 totaled $9,809.

All Senegalese staff (national and international) are registered in the pension plan called IPRES. Contributions are matched by the employee in accordance with the national pension law in Senegal. Contributions to IPRES during the year ended December 31, 2019 totaled $46,208.

7. CONTINGENCY

Tostan delivers sustainable development and creates positive social change in communities within several African countries. Accordingly, Tostan maintains a significant portion of its assets within these countries. The future results of its programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate. As of December 31, 2019, Tostan held cash, property and equipment and other assets in overseas offices totaling approximately $2,145,000, representing 55% of Tostan's total assets.
TOSTAN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

8. SUBSEQUENT EVENTS

In preparing these financial statements, Tostan has evaluated events and transactions for potential recognition or disclosure through August 12, 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 negatively impact Tostan's operations. The overall potential impact is unknown at this time.

On June 17, 2020, Tostan entered into a five year promissory note agreement in the amount of $44,500 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.