BEYOND BORDERS, INC.

FINANCIAL STATEMENTS

YEARS ENDED
JUNE 30, 2019 AND 2018

CONTENTS

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Independent Auditor's Report

Board of Directors
Beyond Borders, Inc.

I have audited the accompanying financial statements of Beyond Borders, Inc. (a nonprofit organization) which comprise statement of financial position as of June 30, 2019 and 2018, and the related statements of activities, statements of functional expenses and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beyond Borders, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

February 17, 2020

BEYOND BORDERS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
Cash and cash equivalents (Note 8)	$ 508,921	$ 477,288
Accounts receivable	18,345	73,288
Prepaid expenses	134,831	82,791
Property and equipment, net (Note 3)	4,275	6,170
	$ 666,372	$ 639,537

LIABILITIES AND NET ASSETS

	2019	2018
Liabilities:		
Accounts payable	$ 20,177	$ 28,935
Deferred revenue	142,765	148,816
Accrued pension (Note 4)	46	46
Total liabilities	162,988	177,797
Net assets:		
Without donor restrictions	155,506	225,947
With donor restrictions	347,878	235,793
Total net assets	503,384	461,740
	$ 666,372	$ 639,537

See notes to financial statements.

BEYOND BORDERS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Without donor restrictions:		
Revenue (Note 6)		
Contributions (Note 1)	$ 351,899	$ 342,505
Grants	74,562	81,592
Interest income	9,166	4,028
Net assets released from restrictions	1,241,139	1,612,605
Total revenue	1,676,766	2,040,730
Expenses:		
Child Protection	207,431	196,769
Model Community Initiative	523,328	900,415
Rethinking Power	544,984	473,879
Sustaining Livelihoods	3,664	-
Transforming the Mission Model	41,828	35,015
Support services:		
Management and general (Note 1)	156,678	205,049
Fund raising	269,293	205,953
Total expenses	1,747,206	2,017,080
Increase (decrease) in net assets without donor restrictions	(70,440)	23,650
With donor restrictions:		
Contributions (Note 1)	391,164	451,210
Grants	947,969	1,077,325
Program service income	14,090	14,090
Net assets released from restrictions	(1,241,139)	(1,612,605)
Increase (decrease) in net assets with donor restrictions	112,084	(69,980)
Increase (decrease) in net assets	41,644	(46,330)
Net assets at beginning of year	461,740	508,070
Net assets at end of year	$ 503,384	$ 461,740

See notes to financial statements.

BEYOND BORDERS, INC.
STATEMENTS OF CASH FLOWS
JUNE 30, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 41,644	$(46,330)
Adjustments to reconcile increase (decrease)in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,732	4,136
(Increase) decrease in:		
Accounts receivable	54,943	(24,795)
Prepaid expenses	(52,040)	(22,105)
Increase (decrease) in:		
Accounts payable	(8,758)	16,377
Starfish Fund payable	-	(214,237)
Accrued pension	-	(16,291)
Deferred revenue	(6,051	20,641
Net cash provided by (used in) operating activities	33,470	(282,544)
Cash flows from investing activities:		
Purchase of fixed assets	(1,837)	(4,108)
Decrease (increase) in investment	-	214,237
Net cash provided by (used in) investing activities	(1,837)	210,129
Cash flows from financing activities:	-	-
Net increase (decrease) in cash	31,633	(72,415)
Cash and cash equivalents at beginning of year	477,288	549,703
Cash and cash equivalents at end of year	$ 508,921	$ 477,288

See notes to financial statements.

BEYOND BORDERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fund-raising	2019 Total
Payroll	$ 151,245	$ 75,698	$ 151,374	$ 378,317
Payroll taxes	11,458	5,035	11,606	28,099
Employee benefits	44,870	25,348	41,059	111,277
Total salaries and related expenses	207,573	106,081	204,039	517,693
Accounting	-	3,750	-	3,750
Bank charges	-	9,799	-	9,799
Board and staff meetings	-	326	-	326
Consulting fees	-	-	7,900	7,900
Depreciation	1,254	164	1,309	2,727
Discretionary	-	826	-	826
Program grants	1,074,864	-	-	1,074,864
Insurance	-	9,086	-	9,086
Professional and legal fees	-	12,353	-	12,353
Occupancy	24,385	6,695	18,456	49,536
Postage	-	-	4,293	4,293
Promotional materials	-	-	19,908	19,908
Supplies	2,701	233	1,864	4,798
Telephone	2,960	1,629	3,503	8,092
Travel	7,498	5,736	8,021	21,255
Total functional expenses	$ 1,321,235	$ 156,678	$ 269,293	$ 1,747,206

BEYOND BORDERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Program Services	Management and General	Fund-raising	2018 Total
Payroll	$ 167,078	$ 88,513	$ 92,798	$ 348,389
Payroll taxes	12,937	6,174	7,955	27,066
Employee benefits	41,310	28,124	20,763	90,197
Total salaries and related expenses	221,325	122,811	121,516	465,652
Accounting	-	3,750	-	3,750
Bank charges	-	16,213	-	16,213
Board and staff meetings	-	22,255	-	22,255
Consulting fees	-	-	38,448	38,448
Depreciation	1,092	371	721	2,184
Discretionary	-	1,748	-	1,748
Program grants	1,320,624	-	-	1,320,624
Insurance	-	9,167	-	9,167
Professional and legal fees	-	11,530	-	11,530
Occupancy	27,453	7,037	11,628	46,118
Postage	-	-	6,262	6,262
Promotional materials	-	-	13,634	13,634
Staff development	1,061	354	-	1,415
Supplies	18,699	271	811	19,781
Telephone	3,705	1,986	1,704	7,395
Travel	12,119	7,556	11,229	30,904
Total functional expenses	$ 1,606,078	$ 205,049	$ 205,953	$ 2,017,080

1. **Nature of activities and summary of significant accounting policies:**

Nature of activities:

Beyond Borders, Inc. (the "Organization") was incorporated as a nonprofit organization in January 1993 as a group of people who join together out of devotion to Christ to work for justice and peace by fostering transformative learning within and across cultural and economic borders. The Organization's mission is to help people build movements in Haiti to liberate themselves from oppression and isolation. In pursuit of this mission the Organization is committed to helping people build four movements in Haiti – the movement to end child slavery, the movement to guarantee universal access to quality education, the movement to end violence against women and girls, and the movement for dignified work and sustainable livelihoods.

Basis of accounting:

The accompanying financial statements are prepared on the accrual basis of accounting.

Property and equipment and depreciation and amortization:

Property and equipment are stated at amortized cost. Expenditures for maintenance, repairs and renewals of a minor nature are charged against earnings as incurred. Major improvements and betterments are capitalized. Depreciation and amortization is provided by the use of the straight-line method over the estimated useful lives of the related assets.

Reclassifications:

Certain reclassifications have been made to the June 30, 2018 amounts in the accompanying financial statements to conform to the June 30, 2019 presentation.

Uses of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. **Nature of activities and summary of significant accounting policies - continued:**

Financial statement presentation:

The Organization follows FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* Support received that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), net assets are classified to net assets without restriction and reported on the Statement of Activities as net assets released from restriction.

Contributions:

The Organization has also adopted FASB ASC 958-605 Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Income Taxes:

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Functional expenses, allocation methodologies:

Expenses are summarized and categorized based on their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, wages and employee benefits, which are allocated on the basis of estimates of time and effort, and other organizational expenses on the basis of program impact relative to the organization's budget.

2. **Property and equipment:**

Description	Estimated life range (years)	2019	2018
Office equipment	3, 5 and 8	$20,102	$21,498
Less accumulated depreciation		15,827	15,328
Net property and equipment		$ 4,275	$ 6,170

Depreciation expense for the years ended June 30, 2019 and 2018 were $3,732 and $4,196 respectively.

3. **Donated services:**

Unpaid volunteers conduct a portion of the Organization's functions. The value of this contributed time is not reflected in the accompanying financial statements as the volunteers' time does not meet criteria for recognition under SFAS No. 117.

4. **Contributions and gifts to others:**

For the year ended June 30, 2019, the Haitian organization AAPLAG received a substantial part of its revenue from Beyond Borders. That funding amounted to $75,813. These contributions represent about 84% of AAPLAG's revenues for the year ended June 30, 2019.

During the fiscal year, Beyond Borders (BB) maintained a financial interest in a non-governmental foundation in Haiti, Fondasyon Depase Fwontyè Yo (DF). DF has 4 board members in common with BB. During the fiscal year, BB provided $829,574 in grants to DF to support 3 programs, representing 100% of DF total support. DF maintained the equivalent of $38,736 in cash assets at yearend to be used for programs funded by BB.

5. **Related party transaction – lease:**

The Organization leases office space from employees under an annually renewable operating leases.

Total occupancy costs for the years ended June 30, 2019 and 2018 were $49,536 and $46,118 respectively. For the years ended June 30, 2019 and 2018, this included $10,008 and $8,773, respectively for occupancy costs paid to employees.

6. **Concentration of credit risk:**

The Organization maintains its cash and cash equivalents with high quality financial institutions. Two of the institutions are not insured or otherwise protected by the Federal Deposit Insurance Corporation or any other governmental agency. Those accounts totaled $216,253 and $194,330 for the fiscal years ended June 30, 2019 and 2018 respectively.

7. **Subsequent events:**

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, the Company has evaluated subsequent events through February 17, 2020 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2019, have been incorporated into these financial statements herein.

8. **Availability and Liquidity:**

The following represents the Organization's financial assets as of June 30, 2019 and 2018:

Financial assets at year-end:

	2019	2018
Cash and cash equivalents	$ 508,921	$ 477,288
Accounts receivable	18,345	73,288
Total financial assets	527,266	550,576
Less net assets restricted by purpose	347,878	235,793
Financial assets available to meet general expenditures over the next twelve months	$ 179,388	$ 314,783

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus some financial assets may not be available for general expenditures within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Organization invests cash in excess of daily requirements in short-term investments.