BEYOND BORDERS, INC. AND FONDASYON DEPASE FWONTYÈ YO

YEAR ENDED
JUNE 30, 2020

BROWN SCHULTZ SHERIDAN & FRITZ

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

BEYOND BORDERS, INC. AND
FONDASYON DEPASE FWONTYÈ YO

YEAR ENDED JUNE 30, 2020

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Independent Auditor's Report

Board of Directors
Beyond Borders, Inc.
Norristown, PA

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Beyond Borders, Inc. and Fondasyon Depase Fwontyè Yo (collectively, the Organization) which comprise the consolidated statement of financial position as of June 30, 2020 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated financial statements based on our audits. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020, and the changes 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.

Brown Schultz Sheridan & Fritz

Lancaster, Pennsylvania
May 11, 2021

BEYOND BORDERS, INC. AND
FONDASYON DEPASE FWONTYÈ YO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Cash and cash equivalents	$ 274,917
Investments	299,093
Accounts receivable	41,238
Prepaid expenses	158,125
Property and equipment, net	9,754
Total assets	**$ 783,127**

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	$ 83,533
Due to partners	6,440
Deferred revenue	192,685
Refundable advance	28,606
Total liabilities	**311,264**
Net assets:	
Without donor restrictions	159,792
With donor restrictions	312,071
Total net assets	**471,863**
Total liabilities and net assets	**$ 783,127**

See notes to consolidated financial statements.

BEYOND BORDERS, INC. AND FONDASYON DEPASE FWONTYÈ YO

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without donor restrictions	With donor restrictions	Total
Revenue:			
Contributions	$ 427,987	$ 401,253	$ 829,240
Grants	91,123	1,068,786	1,159,909
Program service revenue	14,877		14,877
Investment income	1,951		1,951
Net assets released from restrictions	1,505,846	(1,505,846)	-
Total revenue	**2,041,784**	**(35,807)**	**2,005,977**
Expenses:			
Program:			
Urban model community initiative	302,657		302,657
Rural model community initiative	677,048		677,048
Rethinking power	593,427		593,427
Sustaining livelihoods	63,409		63,409
Transforming the mission model	41,021		41,021
Total program expenses	1,677,562		1,677,562
Support services:			
Management and general	156,517		156,517
Fundraising	243,565		243,565
Total support services	400,082		400,082
Total expenses	**2,077,644**		**2,077,644**
Decrease in net assets	**(35,860)**	**(35,807)**	**(71,667)**
Adjustment for net assets of controlled entity	40,146		40,146
Net assets:			
Beginning of year	155,506	347,878	503,384
End of year	**$ 159,792**	**$ 312,071**	**$ 471,863**

See notes to consolidated financial statements.

BEYOND BORDERS, INC. AND
FONDASYON DEPASE FWONTYÈ YO

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program services						Support services			
	Urban model community initiative	Rural model community initiative	Rethinking power	Sustaining livelihoods	Transforming the mission model	Total program services	Management and general	Fundraising	Total support services	Total expenses
Payroll	$ 15,000	$ 20,049	$ 95,217	$ 24,147	$ 24,076	$ 178,489	$ 71,143	$ 115,899	$ 187,042	$ 365,531
Payroll taxes	1,076	1,462	7,227	1,775	1,769	13,309	4,852	9,793	14,645	27,954
Employee benefits	4,432	5,891	22,954	6,049	8,120	47,446	26,520	31,996	58,516	105,962
Accounting							3,750		3,750	3,750
Bank charges							11,356		11,356	11,356
Board and staff meetings							258		258	258
Consulting fees	8,313	24,925	5,299	1,125	1,500	41,162	2,377	33,048	35,425	76,587
Depreciation	101	505	798	209	203	1,816	178	1,217	1,395	3,211
Discretionary							657		657	657
Program grants	236,369	595,454	419,211	25,153		1,276,187				1,276,187
Insurance							9,921		9,921	9,921
Professional fees							15,063		15,063	15,063
Occupancy	2,838	5,548	9,735	2,790	2,707	23,618	5,770	17,706	23,476	47,094
Postage							41	5,618	5,659	5,659
Promotional materials								17,195	17,195	17,195
Supplies	619	1,253	2,321	676	625	5,494	495	3,441	3,936	9,430
Telephone	242	368	1,325	501	483	2,919	1,707	3,266	4,973	7,892
COVID-19 supplies	32,854	20,442	28,190			81,486				81,486
Travel	813	1,151	1,150	984	1,538	5,636	2,429	4,386	6,815	12,451
Total expenses	**$ 302,657**	**$ 677,048**	**$ 593,427**	**$ 63,409**	**$ 41,021**	**$ 1,677,562**	**$ 156,517**	**$ 243,565**	**$ 400,082**	**$ 2,077,644**

See notes to consolidated financial statements.

BEYOND BORDERS, INC. AND FONDASYON DEPASE FWONTYÈ YO

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020

Cash flows from operating activities:	
Decrease in net assets	$ (71,667)
Net asset adjustment for controlled entity	40,146
Property and equipment of controlled enity	(8,690)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,211
Unrealized loss on investments	4,104
(Increase) decrease in:	
Accounts receivable	(22,893)
Prepaid expenses	(23,294)
Increase (decrease) in:	
Accounts payable	63,356
Due to partners	6,440
Accrued pension	(46)
Deferred revenue	49,920
Refundable advance	28,606
Net cash provided by operating activities	**69,193**
Cash flows from investing activities:	
Purchase of investments	(404,752)
Proceeds from sale of investments	270,000
Net cash used in investing activities	**(134,752)**
Net decrease in cash	**(65,559)**
Cash and cash equivalents:	
Beginning of year	340,476
End of year	**$ 274,917**

Supplemental disclosure:
The beginning cash balance does not include the prior year balance of investments.

See notes to consolidated financial statements.

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

Nature of activities:

Beyond Borders, Inc. (Beyond Borders) 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. Beyond Borders' mission is to build movements in Haiti to help people liberate themselves from oppression and isolation. In pursuit of this mission Beyond Borders is committed to helping people build four movements in Haiti – the movement to end child servitude, 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.

On June 30, 2020, Beyond Borders gained control of and had a financial interest in a non- governmental foundation in Haiti, Fondasyon Depase Fwontyè Yo (DF). During the year ended June 30, 2020, Beyond Borders provided $839,975 in grants to DF to support three programs, representing 100% of DF total support. The assets, liabilities and net assets of DF are included in the consolidated financial statements.

Principles of consolidation:

The consolidated financial statements include Beyond Borders and DF (collectively, the Organization). DF is consolidated since Beyond Borders has the ability to appoint the board of directors for DF and Beyond Borders has an economic interest in DF. Beyond Borders gained control of DF effective June 30, 2020.

Basis of accounting:

The accompanying consolidated financial statements are prepared on the accrual basis of accounting with revenue recognized when earned and expenses recognized when incurred.

Basis of presentation:

Financial statement presentation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities in two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

1. Nature of activities and summary of significant accounting policies (continued):

Basis of presentation:

Net assets without donor restrictions - those not restricted by donors or the donor-imposed restrictions have expired. Net assets without donor restrictions, but subject to self-imposed limits by action of the board, are also classified as net assets without donor restrictions. The board may earmark net assets for future programs, purchase of fixed assets or other uses. Such designations are considered to be included in board designated net assets.

Net assets with donor restrictions - those subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Also included in this category are net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donors may permit all or part of the income earned on any related investments be used for general or specific purposes.

Cash and cash equivalents:

For purposes of the consolidated 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.

Accounts receivable:

The Organization carries accounts receivable at the outstanding balance reduced by any charge-offs and any allowance for doubtful accounts. The Organization periodically reviews the accounts receivable and charges off balances that are deemed to be uncollectible. The allowance for doubtful accounts is calculated based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. Accordingly, management concluded that no allowance is necessary.

Property and equipment and depreciation and amortization:

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

1. Nature of activities and summary of significant accounting policies (continued):

Revenue recognition:

The Organization's primary sources of revenue are contributions from individuals, churches and estates and grants from foundations. Contributions are considered non-exchange transactions and are recognized when received. Conditional contributions are not recognized as revenue until the condition has been met. Contributions with donor restrictions are recorded as net assets with donor restrictions. The Organization tracks the use of donor restrictions and releases them from restrictions as they are met. Grant revenue is recognized when the Organization completes the obligation specified in the grant agreement. Any grant funds received in advance of the obligation being met are recorded as deferred revenue until the obligation has been met. Unspent grant funds must be returned to the grantors at the end of the grant period.

Program service revenues from one of the Organization's employees who spends time performing duties for another organization with a similar mission are considered to be exchange transactions and, accordingly, are recognized as the services are completed. These revenues are recognized in the year the services are provided.

Deferred revenue:

The Organization recognizes deferred revenue consisting of funds received for program activities occurring in the next fiscal year. These amounts are recorded as revenue when the activities occur.

Donated services:

Unpaid volunteers conduct a portion of the Organization's functions. The value of this contributed time is not reflected in the accompanying consolidated financial statements as the volunteers' time does not meet criteria for recognition under current accounting standards.

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.

1. Nature of activities and summary of significant accounting policies (continued):

Foreign currency translation:

The Organization maintains a foreign deposit account which is subject to foreign currency translation risk. Management has deemed the effects of the current year translation adjustments to be immaterial, and therefore, has recorded no foreign currency translation gain or loss.

Uses of estimates:

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently issued accounting pronouncements:

FASB Accounting Standards Update (ASU) 2016-02, *Leases*, will require lessees to recognize assets and liabilities on the statements of financial position for the rights and obligations created by all leases with terms of more than 12 months. Disclosures will also be required by lessees to meet the objective of enabling users of the consolidated financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. FASB ASU 2020-05 delayed the original effective date of the standard. The standard is now effective for reporting periods beginning after December 15, 2021 and interim reporting periods within annual reporting periods beginning after December 15, 2022. Management has not yet determined the impact of this update on the Organization's consolidated financial statements.

2. Adoption of new accounting pronouncements:

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (ASC-606), which amends previous guidance. The core principle of ASC 606 is that any 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. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

2. Adoption of new accounting pronouncements (continued):

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958)*: *Clarifying the Scope and the 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.

Effective July 1, 2019, the Organization adopted ASU 2014-09 and ASU 2018-08 using the full retrospective method. There was no quantitative impact as a result of adopting ASU 2014-09 and ASU 2018-08.

3. Concentrations:

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. Funds held at these institutions totaled $120,341 at June 30, 2020.

Revenue:

Approximately 30% of Beyond Borders' revenue was from two foundations in the year ended June 30, 2020.

4. Liquidity and availability of financial assets:

As of June 30, 2020, financial assets available within one year for general expenditure, such as operating expense and purchases of property and equipment, were as follows:

Cash and cash equivalents	$ 274,917
Accounts receivable	41,238
Operating investments	299,093
Total financial assets	615,248
Less net assets restricted by purpose	(312,071)
Financial assets available to meet general expenditures over the next twelve months	$ 303,177

4. Liquidity and availability of financial assets (continued):

The Organization's primary sources of cash flows are contributions and grants which are received throughout the year and may or may not contain donor restrictions. 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.

5. Investments and fair value measurements:

The Organization follows FASB ASC 820, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and requires expanded disclosures about fair value measurements. ASC 820 establishes a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets carried at fair value to be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices in active markets for an identical investment

Level 2 – Other significant observable inputs, including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.

Level 3 – Significant unobservable inputs, including the Organization's own assumptions in determining the fair value of investments

The following table sets forth by level, within the fair value hierarchy, the Organization's assets that are measured at fair value as of June 30, 2020:

	Cost	Fair value
Level 1 - Quoted prices,		
Mutual funds	$ 134,753	$ 299,093

The following schedule summarizes the investment income in the accompanying statements of activities for the year ended June 30, 2020:

Interest and dividends	$ 6,055
Unrealized loss on investments	(4,104)
Total investment income	$ 1,951

The Organization records its investments at fair value. As such, unrealized gains (losses) referred to above were recognized in the accompanying statements of activities.

5. Investments and fair value measurements (continued):

The Securities Investor Protection Corporation (SIPC), a federal mandated U.S. nonprofit corporation that protects customer assets from financial loss in the event a broker-dealer becomes insolvent, covers the Organization's securities.

SIPC automatically covers securities (stocks, bonds, notes) up to $500,000 per client capacity (e.g., individual, joint), of which $250,000 may be cash. This means in the unlikely event of a liquidation, a court-appointed trustee of a SIPC member firm and SIPC representative will examine the records of the member firm to verify that all of the securities are accounted for. If sufficient funds are not available in customer accounts to satisfy claims within the above limits, the reserve funds of SIPC are used to supplement the distribution, up to the limits noted above.

6. Property and equipment:

Property and equipment consisted of the following at June 30, 2020:

Description	Estimated life range (years)	
Office equipment	3, 5 and 8	$ 28,792
Accumulated depreciation		(19,038)
Net property and equipment		$ 9,754

Depreciation expense for the year ended June 30, 2020 was $3,211.

7. Paycheck protection program:

The Paycheck Protection Program was established under the CARES Act on March 27, 2020 and was designed to provide cash-flow assistance to small businesses, including certain not-for-profit organizations. This program provides relief as a result of the Coronavirus pandemic with loan funds to pay up to 24 weeks of payroll costs, including fringe benefits, rent and utilities, commencing on the date of loan origination. The Paycheck Protection Program is a loan program that is guaranteed in its entirety through the Small Business Administration and offers a maturity of two years and an interest rate of one percent (1%). The principal amount of the loan may be partially or fully forgiven if the loan funds are utilized in a manner consistent with the allowable use of loan proceeds.

7. Paycheck protection program (continued):

Management of the Organization anticipates total forgiveness, and the funds are being reported in accordance with FASB ASC 958-605. Due to forgiveness being conditional on incurring the qualified expenses, the funds were accounted for as a refundable advance on the statement of financial position and were recognized as grant revenue as the qualified expenses were incurred. The Organization applied for and received loan proceeds totaling $77,800 in April 2020. As of June 30, 2020, $49,194 had been recognized as grant revenue without donor restrictions since the conditions upon which the loan proceeds were provided have been substantially met.

8. Net assets with donor restrictions:

At June 30, 2020, net assets with donor restrictions consisted of the following:

Rural model community initiative	$ 298,190
Rethinking power	12,000
Read-A-Thon	1,881
Total	$ 312,071

9. Net assets released from restrictions:

During the fiscal year ended June 30, 2020, releases from restrictions were as follows:

Urban model community initiative	$ 184,160
Rural model community initiative	677,048
Rethinking power	593,427
Sustainable livelihoods	25,153
Other operating activities	26,058
	$ 1,505,846

10. Related party transaction, lease:

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

Total occupancy costs for the year ended June 30, 2020 was $47,094. For the year ended June 30, 2020, this included $9,774 for occupancy costs paid to employees.

11. Income tax status:

Beyond Borders has been recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. DF has been recognized as a nonprofit organization in Haiti.

12. Impact of COVID-19 pandemic on the consolidated financial statements:

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and characterized COVID-19 as a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus caused business disruption to many industries, due to state government-imposed shutdowns of businesses and other results of the illness, such as cancellation of large group events. While the Organization expects this matter may continue to negatively impact its results, the extent of the impact of COVID-19 on the Organization’s operations is highly uncertain and cannot be predicted.

Starting in March 2020, much of the Organization’s in-person, community-based programming was paused to prevent the spread of COVID-19 among staff, community activists and program participants. The Organization activated its Emergency Management Team (EMT) to include COVID-19 to its ongoing monitoring of and response to the threat/risk scenarios. The EMT monitored public health reports and implemented a four-level emergency contingency plan, making adjustments to travel and lodging modalities and procuring and distributing equipment to support key staff working remotely. Although Haiti had not been as greatly affected as much of the world, plans were made to scale back activities for the first three months of the fiscal year starting July 1, 2020 as a cost saving measure and as a way to take additional precautions against the spread of the virus. Plans for international staff travel were greatly reduced, and leadership anticipated that the Organization would not be able to hold their annual staff meeting bringing together staff from the United States, Canada and Haiti.

13. Subsequent events:

The Organization has evaluated all subsequent events through May 11, 2021, the date the consolidated financial statements were available to be issued.