BEYOND BORDERS, INC. AND
FONDASYON DEPASE FWONTYÈ YO

YEARS ENDED
JUNE 30, 2021 and 2020

BROWN SCHULTZ SHERIDAN & FRITZ
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS
A Professional Corporation

BEYOND BORDERS, INC. AND
FONDASYON DEPASE FWONTYÈ YO

YEARS ENDED JUNE 30, 2021 AND 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 statements of financial position as of June 30, 2021 and 2020 and the related consolidated statements of activities, functional expenses and cash flows for the years 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brown Schultz Sheridan & Fritz

Lancaster, Pennsylvania
July 5, 2022

BEYOND BORDERS, INC. AND
FONDASYON DEPASE FWONTYÈ YO

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 1,011,036	$ 274,917
Investments	204,287	299,093
Accounts receivable	5,477	41,238
Pledges receivable, net of discount	298,375	
Prepaid expenses	157,996	158,125
Property and equipment, net	25,338	9,754
Total assets	**$ 1,702,509**	**$ 783,127**
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 159,994	$ 83,533
Due to partners	450,961	6,440
Deferred revenue	213,505	192,685
Refundable advance		28,606
Total liabilities	**824,460**	**311,264**
Net assets:		
Without donor restrictions	442,506	159,792
With donor restrictions	435,543	312,071
Total net assets	**878,049**	**471,863**
Total liabilities and net assets	**$ 1,702,509**	**$ 783,127**

See notes to consolidated financial statements.

BEYOND BORDERS, INC. AND FONDASYON DEPASE FWONTYÈ YO

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue:						
Contributions	$ 790,146	$ 615,328	$ 1,405,474	$ 427,987	$ 401,253	$ 829,240
Grants	317,356	834,039	1,151,395	91,123	1,068,786	1,159,909
Program service revenue	19,393		19,393	14,877		14,877
Investment income	5,167		5,167	1,951		1,951
Gain from foreign currency translation	28,870		28,870			
Net assets released from restrictions	1,325,895	(1,325,895)	-	1,505,846	(1,505,846)	-
Total revenue	**2,486,827**	**123,472**	**2,610,299**	**2,041,784**	**(35,807)**	**2,005,977**
Expenses:						
Program:						
Urban model community initiative	236,357		236,357	302,657		302,657
Rural model community initiative	678,341		678,341	677,048		677,048
Rethinking power	675,854		675,854	593,427		593,427
Sustaining livelihoods	90,151		90,151	63,409		63,409
Transforming the mission model	63,272		63,272	41,021		41,021
Total program expenses	1,743,975		1,743,975	1,677,562		1,677,562
Support services:						
Management and general	174,757		174,757	156,517		156,517
Fundraising	285,381		285,381	243,565		243,565
Total support services	460,138		460,138	400,082		400,082
Total expenses	**2,204,113**		**2,204,113**	**2,077,644**		**2,077,644**
Change in net assets	**282,714**	**123,472**	**406,186**	**(35,860)**	**(35,807)**	**(71,667)**
Adjustment for net assets of controlled entity				40,146		40,146
Net assets:						
Beginning of year	159,792	312,071	471,863	155,506	347,878	503,384
End of year	**$ 442,506**	**$ 435,543**	**$ 878,049**	**$ 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, 2021

	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	$ 144,547	$ 193,695	$ 318,274	$ 45,945	$ 40,772	$ 743,233	$ 79,190	$ 126,070	$ 205,260	$ 948,493
Payroll taxes	9,676	13,558	22,266	2,476	2,677	50,653	5,184	10,415	15,599	66,252
Employee benefits	16,460	24,091	47,269	8,111	12,631	108,562	29,269	32,163	61,432	169,994
Audit							16,000		16,000	16,000
Bank charges	2,791	1,316	2,069			6,176	11,392		11,392	17,568
Consulting fees	5,736	18,791	92,746	23,967	3,750	144,990		76,938	76,938	221,928
Depreciation	476	224	416		362	1,478	156	1,070	1,226	2,704
Discretionary	826	605	424			1,855	1,404		1,404	3,259
Partner grants		296,367	8,199			304,566				304,566
Insurance							9,593		9,593	9,593
Professional fees	3,723	10,883	17,372			31,978	13,625		13,625	45,603
Occupancy	15,221	8,983	23,295	1,764	1,592	50,855	3,818	6,774	10,592	61,447
Postage							52	7,797	7,849	7,849
Program meetings	18,611	35,193	91,652	2,234		147,690				147,690
Promotional materials								19,982	19,982	19,982
Staff development							536		536	536
Supplies	3,498	9,008	31,962	764	863	46,095	2,707	2,415	5,122	51,217
Telephone	5,188	7,694	1,147	490	618	15,137	1,831	1,728	3,559	18,696
COVID-19 supplies	3,148	14,404	7,565			25,117				25,117
Travel	6,456	43,529	11,198	4,400	7	65,590		29	29	65,619
Total expenses	**$ 236,357**	**$ 678,341**	**$ 675,854**	**$ 90,151**	**$ 63,272**	**$ 1,743,975**	**$ 174,757**	**$ 285,381**	**$ 460,138**	**$ 2,204,113**

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			
	Child protection	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
Audit							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
Partner grants	236,369	595,454	419,211	25,153		1,276,187				1,276,187
Insurance							9,921		9,921	9,921
Professional and legal 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 STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 406,186	$ (71,667)
Net asset adjustment for controlled entity		40,146
Property and equipment of controlled entity		(8,690)
Foreign exchange rate gain	(28,870)	
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,704	3,211
Unrealized (gain) loss on investments	(2,742)	4,104
(Increase) decrease in:		
Accounts receivable	35,761	(22,893)
Pledges receivable	(298,375)	
Prepaid expenses	129	(23,294)
Increase (decrease) in:		
Accounts payable	76,461	63,356
Due to partners	444,521	6,440
Accrued pension		(46)
Deferred revenue	20,820	49,920
Refundable advance	(28,606)	28,606
Net cash provided by operating activities	**627,989**	**69,193**
Cash flows from investing activities:		
Purchase of fixed assets	(18,288)	
Purchase of investments	(2,452)	(404,752)
Proceeds from sale of investments	100,000	270,000
Net cash provided by (used in) investing activities	**79,260**	**(134,752)**
Cash flows from financing activities, effect of foreign currency exchange rate changes on cash and cash equivalents	**28,870**	
Net increase (decrease) in cash	**736,119**	**(65,559)**
Cash and cash equivalents:		
Beginning of year	274,917	340,476
End of year	**$ 1,011,036**	**$ 274,917**

Supplemental disclosure:
The 2020 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).

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.

<u>Net assets without donor restrictions</u> - 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.

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

Basis of presentation:

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 foreign deposit accounts which are subject to foreign currency translation risk.

Uses of estimates:

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles (GAAP) 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. Significant estimates affecting these financial statements include management's allocation of functional expenses, the useful lives of fixed assets and the fair value of investments.

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.

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

Recently issued accounting pronouncements:

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard will require contributed nonfinancial assets to be a separate line item in the statement of activities and enhanced disclosures. The required disclosures include a disaggregation of the amount of contributed nonfinancial assets recognized in the statement of activities by category that depicts the type of contributed nonfinancial assets and for each category of contributed nonfinancial assets: 1) qualitative information regarding utilization or monetization of the contributed nonfinancial assets, 2) the programs or activities the contributed nonfinancial assets were utilized for, 3) the entity's policy for monetizing rather than utilizing contributed nonfinancial assets (if applicable), 4) a description of any donor-imposed restrictions on the nonfinancial assets, 5) a description of the valuation techniques and inputs used to arrive at the fair market value assigned to the contributed nonfinancial assets and 6) the principal market used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial asset. The standard is to be applied retrospectively and will be effective for the Organization beginning July 1, 2021. The Organization is currently evaluating the impacts of adopting this guidance on its financial statements and related disclosures.

2. Concentrations:

Credit risk:

The Organization maintains its cash and cash equivalents with high quality financial institutions. Domestic deposit accounts at a financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per customer. From time to time during the year, Beyond Borders, Inc. may have balances at financial institutions in excess of $250,000; therefore, amount in excess of $250,000 are uninsured and uncollateralized. As of June 30, 2021, uninsured deposits totaled $530,890. As of June 30, 2020, there were no uninsured domestic cash deposits.

The Organization also maintains international bank accounts in Haiti. Deposit accounts at these financial institutions are not insured by the FDIC or any other governmental agency. As of June 30, 2021 and 2020, uninsured deposits at these institutions totaled $214,230 and $120,341, respectively.

Revenue:

Approximately 22% and 30% of Beyond Borders' revenue was from two foundations in the years ended June 30, 2021 and 2020, respectively.

3. Liquidity and availability of financial assets:

As of June 30, 2021 and 2020, financial assets available within one year for general expenditure, such as operating expense and purchases of property and equipment, were as follows:

	2021	2020
Cash and cash equivalents	$ 1,011,036	$ 274,917
Accounts receivable	5,477	41,238
Operating investments	204,287	299,093
Total financial assets	1,220,800	615,248
Less net assets restricted by purpose	(435,543)	(312,071)
Financial assets available to meet general expenditures over the next 12 months	$ 785,257	$ 303,177

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.

4. 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 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

4. Investments and fair value measurements (continued):

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:

	2021		2020	
	Cost	Fair value	Cost	Fair value
Level 1 - Quoted prices,				
Mutual funds	$ 36,700	$ 204,287	$ 134,753	$ 299,093

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

	2021	2020
Interest and dividends	$ 2,425	$ 6,055
Unrealized gain (loss) on investments	2,742	(4,104)
Total investment income	$ 5,167	$ 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.

The Securities Investor Protection Corporation (SIPC), a federal mandated U.S. nonprofit corporation that protects customer cash 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.

5. Property and equipment:

Property and equipment consisted of the following at June 30:

Description	Estimated life range (years)	2021	2020
Office equipment	3-5	$ 44,461	$ 28,792
Accumulated depreciation		(19,123)	(19,038)
Net property and equipment		$ 25,338	$ 9,754

Depreciation expense was $2,704 and $3,211 for the years ended June 30, 2021 and 2020, respectively.

6. Pledges receivable:

During the year ended June 30, 2021, Beyond Borders began a multi-year campaign to raise additional funds. Beyond Borders records unconditional promises to give as support at the time the promise is made. Pledges are recorded as donor restricted net assets until payment has been received from the donor. At June 30, 2021, Beyond Borders had total pledges receivable of $298,375. The campaign pledges represent multi-year pledges, which have been discounted to the estimated present value using a 0.87% rate. The pledge balances are as follows at June 30, 2021:

Pledges receivable	$ 305,000
Discount for future payments	(6,625)
Pledges receivable, net of discounts	$ 298,375

6. Pledges receivable (continued):

Amounts due for the capital campaign are as follows:

2022	$ 75,000
2023	75,000
2024	75,000
2025	75,000
2026	5,000
	305,000
Discount	(6,625)
Pledges receivable, net of discounts	$ 298,375

7. Paycheck Protection Program:

The Paycheck Protection Program (PPP) 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 COVID-19 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 PPP is a loan program that is guaranteed in its entirety through the Small Business Administration (SBA) 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.

The Organization received total forgiveness in June of 2021, and the funds were 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, 2021 and 2020, $49,194 and $28,606 had been recognized as grant revenue without donor restrictions, respectively. As of June 30, 2021, the conditions upon which the loan proceeds were provided have been substantially met and fully recognized as contribution revenue.

8. Net assets with donor restrictions:

At June 30, 2021 and 2020, net assets with donor restrictions consisted of the following:

	2021	2020
Purpose restrictions:		
Rural model community initiative	$ 116,611	$ 298,190
Rethinking power		12,000
Read-A-Thon	1,881	1,881
COVID-19 response	18,676	
Time restrictions, pledges	298,375	
Total	$ 435,543	$ 312,071

9. Net assets released from restrictions:

During the fiscal year ended June 30, 2021 and 2020, releases from restrictions were as follows:

	2021	2020
Urban model community initiative	$ 3,855	$ 184,160
Rural model community initiative	659,674	677,048
Rethinking power	545,180	593,427
Sustainable livelihoods	31,662	25,153
Pledge payments	70,000	
COVID-19 response	15,524	26,058
	$ 1,325,895	$ 1,505,846

10. Related party transaction, lease:

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

Total occupancy costs were $43,708 and $47,094 for the years ended June 30, 2021 and 2020, respectively. This included $16,134 and $9,774 for occupancy costs paid to employees for the years ended June 30, 2021 and 2020, respectively.

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:

The Organization is currently subject to risks and uncertainties resulting from the novel COVID-19 pandemic. While the Organization expects this matter may negatively impact its results, the extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak, related travel advisories and restrictions and the impact of COVID-19 on overall demand for the Organization’s services, all of which are highly uncertain and cannot be predicted.

13. Subsequent events:

The Organization has evaluated all subsequent events through July 5, 2022, the date the consolidated financial statements were available to be issued.