

BEYOND BORDERS, INC.  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEARS ENDED  
JUNE 30, 2013 AND 2012

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Independent Auditor's Report

Board of Directors  
Beyond Borders, Inc.  
Norristown, PA 19404

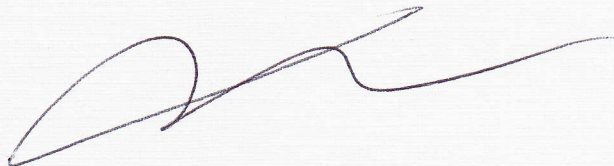
I have audited the accompanying statements of financial position of Beyond Borders, Inc. (a nonprofit organization) as of June 30, 2013 and 2012 and the related statements of activities and of cash flows, for the years then ended. The financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my 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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on Page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

October 28, 2013



BEYOND BORDERS, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2013 AND 2012

ASSETS

	2013	2012
Cash and cash equivalents (Note 9)	\$260,544	\$ 486,989
The Starfish Fund (Note 2)	184,262	177,099
Notes receivable	10,000	10,000
Accounts receivable	46,120	100,259
Prepaid expenses	20,427	10,921
Property and equipment (Note 3)	2,334	2,919
	\$ 523,687	\$ 788,187

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 24,529	\$ 32,484
Deferred revenue	149,415	280,622
Accrued pension (Note 5)	89,732	99,376
Total liabilities	263,676	412,482
Net assets:		
Unrestricted	( 24,059)	103,541
Temporarily restricted	284,070	272,164
Total net assets	260,011	375,705
	\$ 523,687	\$ 788,187

See notes to financial statements.

BEYOND BORDERS, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Unrestricted:		
Revenue (Note 6)		
Contributions (Note 10)	\$ 350,828	\$ 302,471
Grants	0	0
Interest income	400	464
Net assets released from restrictions	<u>1,012,295</u>	<u>1,200,223</u>
Total revenue	<u>1,363,523</u>	<u>1,503,158</u>
Expenses:		
Movement 1: Ending Child Slavery	425,884	591,934
Movement 2: Universal Education	212,552	208,382
Movement 3: Ending Violence Against Women and Girls	260,480	166,198
Movement 4: Sustainable Livelihoods	138,218	133,832
Transforming the Mission Model	33,747	89,533
Earthquake Response	0	66,389
Core Capacities	53,984	43,751
Agency (Note 4)	132,161	219,670
Support services:		
Management and general	93,929	105,583
Fund raising	<u>138,145</u>	<u>47,030</u>
Total expenses	<u>1,489,100</u>	<u>1,672,302</u>
Decrease in unrestricted net assets	<u>( 125,577)</u>	<u>( 169,144)</u>
Temporarily restricted:		
Contributions	878,112	911,019
Interest income and unrealized losses on investments	7,163	6,414
Agency (Note 4)	136,903	219,349
Net assets released from restrictions	<u>(1,012,295)</u>	<u>(1,200,223)</u>
Decrease in temporarily restricted net assets	<u>9,883</u>	<u>( 63,441)</u>
Decrease in net assets (Notes 4 and 10)	(115,694)	( 232,585)
Net assets at beginning of year	<u>375,705</u>	<u>608,290</u>
Net assets at end of year	<u>\$ 260,011</u>	<u>\$ 375,705</u>

See notes to financial statements.

BEYOND BORDERS, INC.  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2013 AND 2012

	2013	2012
Cash flows from operating activities:		
Decrease in net assets	\$(115,694)	\$(232,585)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,005	1,193
Unrealized gain on investments	(7,163)	( 4,198)
(Increase) decrease in:		
Accounts receivable	54,139	24,169
Prepaid expenses	( 9,506)	36,810
Increase (decrease) in:		
Accounts payable	( 7,955)	( 23,052)
Accrued pension	( 9,644)	6,922
Deferred revenue	<u>( 131,207)</u>	<u>280,222</u>
Net cash provided by (used in) operating activities	<u>(225,025)</u>	<u>89,481</u>
Cash flows from investing activities:		
Increase in investment	<u>( 1,420)</u>	<u>( 2,216)</u>
Net cash used in investing activities	<u>( 1,420)</u>	<u>( 2,216)</u>
Cash flows from financing activities:	-	-
Net increase (decrease) in cash	(226,445)	87,265
Cash and cash equivalents at beginning of year	<u>486,989</u>	<u>399,724</u>
Cash and cash equivalents at end of year	<u>\$ 260,544</u>	<u>\$ 486,989</u>

See notes to financial statements.

BEYOND BORDERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 AND 2012

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 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.

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.

Financial statement presentation:

The Organization has adopted FASB ASC 958-205, Presentation of Financial Statements. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by the statement, the Organization does not use fund accounting.

BEYOND BORDERS, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
YEARS ENDED JUNE 30, 2013 AND 2012

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

Financial statement presentation – continued:

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.

2. **The Starfish Fund:**

On March 10, 2004, Beyond Borders, Inc. created The Starfish Fund as a restricted account to receive a gift of \$150,000 to be available for use by the Matenwa Community Learning Center (MCLC) in Haiti. Income from the fund is to be used to support the staff and educational mission as defined by those who govern the MCLC. Up to 10% of principal may be distributed in any one year.



BEYOND BORDERS, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
YEARS ENDED JUNE 30, 2013 AND 2012

3. **Property and equipment:**

Description	Estimated life range (years)	2013	2012
Office equipment	5 and 8	10,800	\$12,191
Less accumulated depreciation		<u>8,466</u>	<u>9,272</u>
Net property and equipment		<u>\$ 2,334</u>	<u>\$ 2,919</u>

Depreciation expense for the years ended June 30, 2013 and 2012 were \$ 2,005 and \$1,193 respectively.

4. **Agency funds:**

The Organization is the agent for several beneficiaries in Haiti. Funds are received and held for these beneficiaries until the funds are disbursed to them. This arrangement is contingent upon the beneficiaries remaining in agreement with the mission and work of the organization. The change in net assets in the Statements of Activities reflects core activities as well as Agency funds. If Agency funds were not reflected in the Organizations Statements of Activities the change in net assets would have been (\$120,436) and (\$232,265) for the years ended June 30, 2013 and 2012 respectively. Refer to supplemental information.

5. **Pension plan liability:**

The Organization began a pension fund considered non-qualified under the Internal Revenue Code (IRC) during fiscal 1997 for all employees with the intent of disbursing the funds to the employees upon their retirement or separation from the Organization. Subject to approval by the Board of Trustees, the employee can request a payment while still employed in the event of an urgent need.

6. **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.

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

Limye Lavi typically receives a substantial part of its revenue from Beyond Borders. That funding amounted to \$347,279 and \$375,974 in years ended June 30, 2013 and 2012 respectively. These contributions represent about 60% and 46.0% of Limye Lavi's revenues for the years ended June 30, 2013 and 2012 respectively.

BEYOND BORDERS, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
YEARS ENDED JUNE 30, 2013 AND 2012

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

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

Total occupancy costs for the years ended June 30, 2013 and 2012 were \$33,256 and \$29,764 respectively. For the year ended June 30, 2013, this included \$3,000 of occupancy costs paid to an employee.

9. **Concentration of credit risk:**

The Organization maintains its cash and cash equivalents with high quality financial institutions. Two of the institutions is not insured or otherwise protected by the Federal Deposit Insurance Corporation or any other governmental agency. Those accounts totaled \$181,672 and \$397,235 for the fiscal years ended June 30, 2013 and 2012 respectively.

10. **Unrestricted contributions:**

Unrealized receivables from post-earthquake funding commitments made in 2010 were written off by reducing the unrestricted revenue for 2012-2013, as a result the current year deficit was increased by approximately \$66,825.

**SUPPLEMENTARY INFORMATION**

BEYOND BORDERS, INC.  
SCHEDULE OF AGENCY FUNDS – RECEIPTS AND DISBURSEMENTS  
YEARS ENDED JUNE 30, 2013 AND 2012

	2012				2013				
	Balance	Receipts	Disburse- ments	Retained for administration	Balance	Receipts	Disburse- ments	Retained for administration	Balance
Agent for:									
Bluntschli	\$ 89	\$ 2,964	\$ 2,757	\$ 296	\$ -	4,200	3,780	420	\$ -
ELAT	-	500	-	-	500	-	-	-	500
MCLC Family Gardens	-	1,100	-	110	990	2,100	2,200	210	680
MCLC Breakfast	( 9)	29,185	22,815	719	5,643	4,250	16,710	425	(7,242)
MCLC Library	30	-	-	-	30	-	-	-	30
Chris Low/MCLC	85,229	148,410	142,264	14,241	77,134	117,918	79,444	11,792	103,816
MCLC Earthquake	4,328	1,330	2,000	133	3,524	1,360	4,500	136	248
MCLC Mother Tongue Books	-	-	-	-	-	-	-	-	-
Guerilla Capitalism	4,586	-	806	-	3,780	-	-	-	3,780
Groundswell, Int'l	-	-	-	-	-	-	-	-	-
Epple Seeds Arts Prg	3,485	35,860	31,738	1,791	5,816	6,782	11,581	670	347
Cite Soleil Comm Sc	-	-	-	-	-	-	-	-	-
Haiti Benefit	300	-	-	-	300	-	-	-	300
	<u>\$ 98,038</u>	<u>\$219,349</u>	<u>\$202,380</u>	<u>\$ 17,290</u>	<u>\$ 97,717</u>	<u>\$ 136,610</u>	<u>\$118,215</u>	<u>\$ 13,653</u>	<u>\$102,459</u>