Talent Beyond Boundaries, Inc.

Financial Statements

December 31, 2020

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Talent Beyond Boundaries, Inc
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Independent Accountants' Review Report

To the Board of Directors of
Talent Beyond Boundaries, Inc.
2000 Massachusetts Avenue, NW 1st Floor
Washington, DC 20036

We have reviewed the accompanying financial statements of Talent Beyond Boundaries, Inc (a nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Nisivoccia LLP
Mt. Arlington, New Jersey
October 18, 2021

Talent Beyond Boundaries, Inc.
Statement of Financial Position
December 31, 2020

ASSETS		
Cash and cash equivalents	$	128,215
Accounts receivable		963
Prepaid expenses and other assets		1,936
Total assets	$	131,114
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$	12,257
Accrued expenses		21,593
Refundable advance		53,135
Total liabilities		86,985
Net assets:		
Without donor restrictions		44,129
Total net assets		44,129
Total liabilities and net assets	$	131,114

Talent Beyond Boundaries, Inc.
Statement of Activities
For the Year Ended December 31, 2020

	Without donor restrictions
Revenue and support	
Program revenue	$ 24,000
Contributions	590,422
Other	905
Economic Injury Disaster Loan Emergency Advance	4,000
Forgiveness of debt	25,000
Gain on foreign exchange	2,338
Total revenue and support	646,665
Expenses	
Program services	551,948
Supporting services:	
General and administrative	47,589
Fundraising expenses	30,663
Total expenses	630,200
Change in net assets	16,465
Net assets, beginning of year	27,664
Net assets, end of year	$ 44,129

Talent Beyond Boundaries, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Salaries and wages	$ 185,765	$ 10,320	$ 10,320	$ 206,405
Payroll taxes	16,140	896	897	17,933
Employee benefits and oncosts	13,035	724	724	14,483
Total salaries and related benefits	214,940	11,940	11,941	238,821
Accounting, audit and tax	27,544	1,530	1,530	30,604
Legal	11,143	619	619	12,381
Other outside services	2,564	142	142	2,848
Translation	4,006	223	223	4,452
Consulting	211,005	11,722	11,722	234,449
Travel: International	9,949	553	553	11,055
Travel: Domestic		2030		2,030
Occupancy	35,585	1,977	1,977	39,539
Candidate expense	22,533	1,252	1,252	25,037
Subgrants	6,866	382	382	7,630
Insurance		6159		6,159
Miscellaneous		4428		4,428
External software	2,544	141	141	2,826
Bank fees and other charges		2460		2,460
Dues and subscriptions	1,500	83	83	1,666
Telephone and internet	1,314	73	73	1,460
Stationary and printing		728		728
Meetings	455	25	25	505
Interest expense		321		321
Postage and shipping		312		312
Office supplies and equipment		307		307
Communications and marketing		182		182
Total expenses	$ 551,948	$ 47,589	$ 30,663	$ 630,200

Talent Beyond Boundaries, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash flows from operating activities:		
Change in net assets	$	16,465
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Forgiveness of debt		(25,000)
Changes in operating assets and liabilities:		
Accounts receivable		(963)
Prepaid expenses and other assets		57,960
Accounts payable		(116)
Accrued expenses		17,945
Deferred revenue		(104,563)
Refundable advance		53,135
Net cash provided by operating activities		14,863
Net increase in cash		14,863
Cash, beginning of year		113,352
Cash, end of year	$	128,215

1. Nature of Activity

Talent Beyond Boundaries, Inc. (“the Organization”) is a Washington, D.C.-based, not-for-profit organization that was formed in 2016. The Organization's mission is to establish labor mobility as a pathway to protection for international refugees, in order to complement traditional pathways, such as resettlement.

The Organization's pilot project, with destination countries in Australia and Canada, is focused on identifying the skills among refugees in the nations of Lebanon and Jordan and matching a small number of these individuals to jobs in other nations. Through the pilot project, the Organization aims to demonstrate that labor mobility is a viable pathway that can be scaled to increase mobility for thousands of refugees worldwide.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization prepares its financial statements in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Update No. 2016-14, dated August 2016, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities* (FASB Update). In addition, the Organization uses the FASB’s *Accounting for Contributions Received and Made*. The new standard now requires that resources be classified for accounting and reporting purposes into two net asset categories: net assets with donor restrictions and net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Accounting for Contributions Received and Made requires that unconditional promises to give be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. The net assets and changes therein are classified and reported as follows:

In May 2014, the FASB issued guidance, Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers* which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive.

Net assets without donor restrictions are resources representing the portion of expendable funds available for support of the Organization's programs and general operations. These resources are not subject to donor-imposed stipulations. Net assets without donor restrictions are comprised of revenue and expenses related to the operations of the Organization, which have no restrictions on the uses of the funds. Net assets without donor restrictions also include those expendable resources which may have been designated for special use by the Board of Directors. There were no board designated net assets as of December 31, 2020.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and certain highly liquid investment instruments with an original maturity of three months or less when purchased.

Revenue and Support Recognition

All public support and revenue are recognized as income when earned.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been substantially met.

The Organization reports gifts of cash and other assets as restricted support if they are earned with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement activities. However, if the donor restriction is met during the accounting period in which the gift was received, the gifts are reported as contributions without donor restrictions in the statement of activities.

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, revenue and expenses and changes therein, and disclosures of contingent assets and contingent liabilities in the accompanying notes to the financial statements. It is reasonably possible that the Organization's estimates may change in the near term.

Fair Value Measurements

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The measurement of fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable liquid market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the Organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. For some assets and liabilities, observable market transactions or market information may be available.

For other assets and liabilities, observable market transactions and market information might not be available. When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

The following is a description of valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

Cash and cash equivalents, accounts receivable, and prepaid expenses and other assets, accounts payable and accrued expenses, deferred revenue, and other current liabilities: the carrying amounts approximate fair value because of the short-term maturity of these instruments.

Refundable advance: The Paycheck Protection Program advance, a government grant which may be forgiven or converted to a loan at a future point in time and which imputed interest does not apply, is carried at cost. However, management believes the Organization will receive full forgiveness of the Paycheck Protection Program advance and, therefore, the Organization has determined it approximates fair value.

Foreign Currency Transactions

The Organization operates in several foreign countries using local currency. Current assets are translated at the exchange rates effective at the end of the year. Amounts in the statement of activities are translated at actual exchange rates in effect when funds are transferred from the field to home office. Currency translation adjustments which resulted in a gain of $2,338 for the year ended December 31, 2020, is included in the statement of activities.

Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts.

Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Accounts written off are determined on a case-by-case basis. There is no interest accrual on any receivables. There was no allowance for doubtful accounts established as of December 31, 2020, since management believes all receivables will be collected in the normal course of operations.

Functional Expense Allocation

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based on the level of activity. Support costs are allocated to a program based on total program costs. Program expenses are those related to aiding refugees in relocating and gaining employment. Supporting services relate to finance, administrative and development expenses related to those programs. Development includes the direct costs of special events and the allocation of employees' salaries and other costs involved in fund-raising and special events based on methods considered by management to be reasonable.

The expenses that are allocated include professional fees, accounting fees, office expenses, insurance, and rent expense which are allocated by headcount, as well as salaries and wages, employee benefits, payroll taxes, travel, and consulting which are allocated on the basis of estimates of time and effort. Direct assistance, facility costs, and fundraising expenses are allocated on a project basis and related to specific programs or fundraising events.

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements may report certain categories of expense that one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Income Taxes

The Organization is a not-for-profit foundation as described in Section 501(a) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt under Title 47 section 1508 of the District of Columbia *Taxation, Licensing, Permits, Assessments, and Fees*. Accordingly, no provision for federal or state income tax has been presented in the accompanying financial statements.

As required by law, the Organization files informational returns with both the Federal and District of Columbia governments on an annual basis - Form 990 with the Internal Revenue Service, and Basic Business License Application Renewal with the District of Columbia. These returns are subject to examination by these authorities within certain statutorily defined periods for both Federal and the District of Columbia.

New Pronouncements

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires all lessees to record a lease liability at lease inception, with a corresponding right of use asset, except for short-term leases.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance. ASU 2016-02 Is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. Management is currently evaluating the impact of the adoption of this guidance on its financial statements.

Gifts-in-Kind

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted. The FASB ASU requires nonprofits to present contribution nonfinancial assets as a separate line items in the statement of activities apart from contributions of cash or other financial assets along with expanded disclosure requirements. their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Management is evaluating the impact this ASU will have on its financials statements.

3. Liquidity and Availability

Talent Beyond Boundaries, Inc. strives to maintain liquid financial assets sufficient to meet six months of normal operating expenses. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects the Organization's financial assets as of December 31, 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. In the event the need arises to utilize the board-designated funds for actual expenditures, the reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Financial Assets:	
Cash and cash equivalents	$ 128,215
Accounts receivable	963
Financial assets available to meet general expenditures within one year	$ 129,178

In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including donations, contributions and grant income.

4. Operating Lease

During November 2019, the Organization entered into a lease agreement for office space, which started December 1, 2019 and expired December 30, 2020. The lease required annual payments of $12,938. The Organization renewed the lease for an additional 12 months for an annual lease payment of $9,159.

During December 2019, the Organization entered into a lease agreement for office space, which started May 1, 2020 and expires April 30, 2022. The lease requires an annual lease payment of $25,395 for the first year and $26,011 for the second year. Lease expense for the year ended December 31, 2020 amounted to $12,652.

During 2020, the Organization entered into a 3 month lease agreement for a shared office space. The lease requires an average monthly payment of $1,152. The lease is renewed in 3 month increments.

Future minimum annual rental commitments under such operating leases subsequent to December 31, 2020 are as follows:

Years Ending		
2021	$	34,965
2022		8,670
Total	$	43,635

Total rent expense charged to operations for office space amounted to $39,539 for the year ended December 31, 2020.

5. Concentrations of Credit Risk

The Organization deposits its cash in accounts with major banking institutions. At times, such amounts may be in excess of federal insurance limits. Management believes that the Organization has no significant risk of loss on these accounts due to the failure of the institutions.

6. Refundable Advance

In May 2020, the Organization received $53,135 under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP funding is legally structured as a forgivable loan by the SBA. In order to achieve forgiveness of the loan, the Organization must spend the funding for specific purposes and also must generally maintain its full-time equivalent level of staffing over a defined time period. The Organization has accounted for the PPP funding as a conditional contribution in the financial statements by applying ASC Topic 958- 605, *Revenue Recognition*.

Revenue is recognized only when conditions are met. PPP funding is subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to the recognition of revenue. The PPP funding of $53,135 is recognized as a refundable advance as of December 31, 2020, as the conditions have not been met. The refundable advance was subsequently forgiven. See Note 11.

7. COVID-19 Funding – EIDL Grant

In May 2020, the Company applied and received an Economic Injury Disaster Loan (EIDL) Emergency Advance in the amount of $4,000. The EIDL program is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue due to Coronavirus (COVID-19). The EIDL Advance does not have to be repaid and is recognized as income in the accompanying financials statements.

8. Related Party Transactions

Talent Beyond Boundaries, Inc. pays for contractors for Talent Beyond Boundaries, Limited out of Australia, an affiliated organization of Talent Beyond Boundaries, Inc. Talent Beyond Boundaries Limited repays some of those costs based upon their operational cash flows. During the year ended December 31, 2020, Talent Beyond Boundaries, Inc. received $136,353 from Talent Beyond Boundaries, Limited.

9. Forgiveness of Debt

In April 2019, the Organization received a $25,000 loan from the Opportunity Fund that was to be repaid if the Organization raised more than $250,000 in grants without donor restrictions. The loan was forgiven in 2020 and recognized as income as the organization did not meet the fundraising threshold.

10. Risks and Uncertainties

The COVID-19 coronavirus outbreak has caused business disruption through government mandated and voluntary closings and has contributed to significant declines and volatility in financial markets. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter may have an impact on its future operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

11. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after December 31, 2020 through the date of the independent accountant's review report and the date the financial statements were available to be issued, October 18, 2021. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principals.

In February 2021, the Organization received $59,515 under the second round of United States Small Business Administration's (SBA) Paycheck Protection Program (PPP).

On May 31, 2021 the Organization was awarded full forgiveness of the Paycheck Protection Program Funding $53,135.