

# **Talent Beyond Boundaries, Inc.**

Financial Statements

December 31, 2021

(with Summarized Comparative Totals for 2020)



**NISIVOCIA**  
ASSURANCE · TAX · ADVISORY

**Talent Beyond Boundaries, Inc**  
**Table of Contents**  
**December 31, 2021 and 2020**

---

	<u>Page</u>
Independent Accountant's Review Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

## Independent Accountants' Review Report

To the Board of Directors of  
Talent Beyond Boundaries, Inc.  
2000 Massachusetts Avenue, NW 1<sup>st</sup> 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, 2021 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.

We are required to be independent of Talent Beyond Boundaries, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **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.

To the Board of Directors of  
Talent Beyond Boundaries, Inc.

***Summarized Comparative Information***

We previously reviewed Talent Beyond Boundaries, Inc.'s December 31, 2020 financial statements and in our report dated October 18, 2021, stated that based on our procedures, we were not aware of any material modifications that should be made to the December 31, 2020 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2020 for it to be consistent with the reviewed financial statements from which it has been derived.

*Nisiroccia LLP*  
Mt. Arlington, New Jersey  
August 10, 2022

**Talent Beyond Boundaries, Inc.**  
**Statement of Financial Position**  
**December 31, 2021 and 2020**

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 426,341	\$ 128,215
Contribution receivable	23,132	963
Prepaid expenses and other assets	<u>17,263</u>	<u>1,936</u>
 Total assets	 <u>\$ 466,736</u>	 <u>\$ 131,114</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 107	\$ 12,257
Accrued expenses	15,398	21,593
Refundable advance	<u>59,515</u>	<u>53,135</u>
Total liabilities	<u>75,020</u>	<u>86,985</u>
Net assets:		
Without donor restrictions	<u>391,716</u>	<u>44,129</u>
Total net assets	<u>391,716</u>	<u>44,129</u>
 Total liabilities and net assets	 <u>\$ 466,736</u>	 <u>\$ 131,114</u>

See Independent Accountants' Review Report and Accompanying Notes to Financial Statements

**Talent Beyond Boundaries, Inc.**  
**Statement of Activities**  
**For the Years Ended December 31, 2021 and 2020**

---

	2021	2020
	<u>Without donor restrictions</u>	
<u>Revenue and support:</u>		
Grants and contributions	\$ 1,265,523	\$ 614,422
Miscellaneous income	6,886	905
Economic Injury Disaster Loan Emergency Advance		4,000
Forgiveness of debt		25,000
Gain (loss) on foreign exchange	(5,386)	2,338
PPP government grant	53,135	
Total revenue and support	<u>1,320,158</u>	<u>646,665</u>
<u>Expenses:</u>		
Program services	809,472	551,948
Supporting services:		
General and administrative	118,133	47,589
Fundraising expenses	44,966	30,663
Total expenses	<u>972,571</u>	<u>630,200</u>
Change in net assets	347,587	16,465
Net assets, beginning of year	<u>44,129</u>	<u>27,664</u>
Net assets, end of year	<u>\$ 391,716</u>	<u>\$ 44,129</u>

See Independent Accountants' Review Report and Accompanying Notes to Financial Statements

**Talent Beyond Boundaries, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**  
**(with summarized comparative totals for 2020)**

	2021				2020
	Program Services	Supporting Services		Total	Total
		General and Administrative	Fundraising		
Salaries and wages	\$ 380,974	\$ 21,165	\$ 21,165	\$ 423,304	\$ 206,405
Payroll taxes	29,821	1,657	1,656	33,134	17,933
Employee benefits and onboarding costs	15,332	852	852	17,036	14,483
Total salaries and related benefits	<u>426,127</u>	<u>23,674</u>	<u>23,673</u>	<u>473,474</u>	<u>238,821</u>
Accounting, audit and tax		29,928		29,928	30,604
Legal	8,387	466	466	9,319	12,381
Other outside services	6,864	381	382	7,627	2,848
Translation	9,227	513	512	10,252	4,452
Consulting	195,351	10,853	10,853	217,057	234,449
Travel: International	1,575	88	87	1,750	11,055
Travel: Domestic		13,234		13,234	2,030
Occupancy	39,645	2,203	2,202	44,050	39,539
Candidate expense	74,460	4,137	4,136	82,733	25,037
Subgrants	32,934	1,830	1,829	36,593	7,630
Insurance		11,381		11,381	6,159
Miscellaneous		500		500	4,428
External software	4,180	232	232	4,644	2,826
Bank fees and other charges		5,669		5,669	2,460
Dues and subscriptions	9,914	551	550	11,015	1,666
Telephone and internet	634	35	35	704	1,460
Stationary and printing		792		792	728
Meetings	174	10	9	193	505
Interest expense		181		181	321
Taxes and licenses		6,198		6,198	
Postage and shipping					312
Office supplies and equipment		3,297		3,297	307
Communications and marketing		1,980		1,980	182
Total expenses	<u>\$ 809,472</u>	<u>\$ 118,133</u>	<u>\$ 44,966</u>	<u>\$ 972,571</u>	<u>\$ 630,200</u>

See Independent Accountants' Review Report and Accompanying Notes to Financial Statements

**Talent Beyond Boundaries, Inc.**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 347,587	\$ 16,465
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of debt		(25,000)
Government Grant - PPP	(53,135)	
Changes in operating assets and liabilities:		
Contribution receivable	(22,169)	(963)
Prepaid expenses and other assets	(15,327)	57,960
Accounts payable	(12,150)	(116)
Accrued expenses	(6,195)	17,945
Deferred revenue		(104,563)
Refundable advance	59,515	53,135
Net cash provided by operating activities	<u>298,126</u>	<u>14,863</u>
Net increase in cash	298,126	14,863
Cash, beginning of year	<u>128,215</u>	<u>113,352</u>
Cash, end of year	<u>\$ 426,341</u>	<u>\$ 128,215</u>

See Independent Accountants' Review Report and Accompanying Notes to Financial Statements



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 standard 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.

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.

*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:

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, 2021 and 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. There were no net assets with donor restrictions as of December 31, 2021 and 2020.

#### 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 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, 2021.

*Cash, contributions receivable, and prepaid expenses and other assets, accounts payable and accrued expenses:* 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 (see Note 6).

#### 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 loss of \$5,386 and a gain of \$2,338 for the years ended December 31, 2021 and 2020, respectively, is included in the statement of activities.

#### Contribution Receivable

Contribution receivable is 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 contribution 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, 2021 and 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. Fundraising 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.

#### Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information with respect to the statement of functional expenses. Comparative prior year expenses are presented in total rather than by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

#### 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 item 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.

##### Subsequent Events

Management has reviewed subsequent events and transactions that occurred after December 31, 2021 through the date of the independent accountant's review report and the date the financial statements were available to be issued, August 10, 2022. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles.

**Talent Beyond Boundaries, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

---

3. Liquidity and Availability

Talent Beyond Boundaries, Inc. strives to maintain liquid financial assets sufficient to meet six months of normal operating expenses.

The following table reflects the Organization's financial assets as of December 31, 2021 and 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. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Financial Assets:	<u>2021</u>	<u>2020</u>
Cash	\$ 426,341	\$ 128,215
Contribution receivable	<u>23,132</u>	<u>963</u>
Financial assets available to meet general expenditures within one year	<u>\$ 449,473</u>	<u>\$ 129,178</u>

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 12 months expiring December 31, 2021 with an annual lease payment of \$9,155. The Organization did another renewal for 12 months expiring December 31, 2022 with an annual lease payment of \$9,155.

During December 2019, the Organization entered into a lease agreement for office space, which started May 1, 2020 and expired April 30, 2022. This lease was not renewed. The lease required an annual lease payment of \$25,395 for the first year and \$26,011 for the second year. Lease expense for the years ended December 31, 2021 and 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.

**Talent Beyond Boundaries, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

---

Future minimum annual rental commitments under such operating leases subsequent to December 31, 2021 are as follows:

<u>Years Ending</u>	
2022	\$ 118,540
2023	<u>9,156</u>
Total	<u>\$ 127,696</u>

Total rent expense charged to operations for office space amounted to \$44,050 and \$39,539 for the years ended December 31, 2021 and 2020, respectively.

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 was recognized as a refundable advance as of December 31, 2020. In May 2021 the PPP funding was forgiven and recognized as PPP Government Grant Revenue on the accompanying Statement of Activities.

In February 2021, the Organization received \$59,515 under the second draw of the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP funding of \$59,515 is recognized as a refundable advance as of December 31, 2021, as the conditions have not been met.

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 was recognized as income during the year ended December 31, 2020.

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 years ended December 31, 2021 and 2020, Talent Beyond Boundaries, Inc. received \$45,269 and \$136,353, respectively, 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.